

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 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 May 4, 2024

OR

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

Commission File Number: 1-33338

American Eagle Outfitters, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

77 Hot Metal Street, Pittsburgh, PA

(Address of principal executive offices)

No. 13-2721761

(I.R.S. Employer
Identification No.)

15203-2329

(Zip Code)

Registrant's telephone number, including area code: (412) 432-3300

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 Stock, \$0.01 par value	AEO	New York Stock Exchange

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	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

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: 196,430,395 shares of Common Stock were outstanding at May 28, 2024.

AMERICAN EAGLE OUTFITTERS, INC.
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FORWARD LOOKING STATEMENTS

This Quarterly Report on Form 10-Q (this "Quarterly Report") contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), that are based on the views and beliefs of management, as well as assumptions and estimates made by management. Any forward-looking statement speaks only as of the date on which such statement is made, and we do not intend to correct or update any forward-looking statement, whether as a result of new information, future events, or otherwise, except as required by law. Actual results could differ materially from such forward-looking statements as a result of various risk factors, including those contained in this Quarterly Report and in the Company's Annual Report on Form 10-K for the fiscal year ended February 3, 2024 filed with the Securities and Exchange Commission (the "SEC") on March 15, 2024 (the "Fiscal 2023 Form 10-K") that may not be in the control of management. As used herein, "Fiscal 2024" refers to the 52-week period that will end on February 1, 2025. "Fiscal 2023" refers to the 53-week period ended February 3, 2024.

All statements other than statements of historical facts contained in this Quarterly Report are forward-looking statements. Words such as "estimate," "project," "plan," "believe," "expect," "anticipate," "intend," "potential," and similar expressions may identify forward-looking statements. Our forward-looking statements include, but are not limited to, statements about:

- the planned opening of approximately five to 15 American Eagle stores and approximately 25 to 40 Aerie and OFFLINE stores, which will be a mix of stand-alone and Aerie side-by-sides, during Fiscal 2024;
- the anticipated selection of approximately 80 to 90 American Eagle and Aerie stores in North America for remodeling during Fiscal 2024;
- the potential closure of approximately 10 to 20 American Eagle stores at the expiration of their lease term, primarily in North America, during Fiscal 2024;
- the success of our core American Eagle and Aerie brands through our omni-channel and licensed outlets within North America and internationally;
- the success of our business priorities and strategies;
- the continued validity of our trademarks;
- our performance during the back-to-school and holiday selling seasons;
- the reduction of operating expenses and capital expenditures;
- the accuracy of the estimates and assumptions we make pursuant to our critical accounting policies and estimates;
- the payment of a dividend in future periods;
- our ability to fund our current and long-term cash requirements through current cash holdings and available liquidity, including under our revolving credit facility;
- the possibility that product costs are adversely affected by foreign trade issues (including import tariffs and other trade restrictions with China and other countries), currency exchange rate fluctuations, increasing prices for raw materials, supply chain issues, political instability or other reasons;
- the possibility of changes in global economic and financial conditions, and resulting impacts on consumer confidence and consumer spending, as well as other changes in consumer discretionary spending habits;
- the effect of inflation on our business;
- the possibility that we may be required to take additional impairment or other restructuring charges;
- the impact of any global pandemic on general economic conditions; and
- the ability of our distribution centers and stores to maintain adequate staffing to meet increased customer demand.

Because these forward-looking statements involve risks and uncertainties, there are important factors that could cause our actual results to differ materially from those in the forward-looking statements. These factors include, without limitation, the following:

- the risk that general macroeconomic conditions, including the effect of inflationary economic pressures and other business factors will continue to negatively impact discretionary consumer spending and, in turn, adversely impact our revenues and margins;

- the risk that our inability to anticipate and respond to changing consumer preferences and fashion trends and fluctuations in consumer demand in a timely manner could adversely impact our business and results of operations;
- the risk that seasonality may cause sales to fluctuate and negatively impact our results of operations;
- the risks associated with operating in a highly competitive industry, and facing significant pricing pressures from existing and new competitors;
- the risk that our results could be adversely affected by events beyond our control, such as natural disasters, public health crises, political crises and results of elections, negative global climate patterns, or other catastrophic events;
- the risk that impairment to goodwill, intangible assets, and other long-lived assets, including impairments relating to our Quiet Platforms business, could adversely impact our profitability;
- the risk that our inability to grow and optimize our digital channels and leverage omni-channel capabilities could adversely impact our business;
- the risk that failure to define, launch and communicate a brand-relevant customer experience could have a negative impact on our growth and profitability;
- the risks that our inability to execute on our key business priorities could have a negative impact on our growth and profitability;
- the risk that our current international operations and efforts to further expand internationally expose us to risks inherent in operating in other countries;
- the risk that failure to protect our reputation could have a material adverse effect on our brands;
- the risk that failure to manage growth in our omni-channel operations and the resulting impact on our distribution and fulfillment networks may have an adverse effect on our results of operations;
- the risks associated with our inability to implement and sustain adequate information technology systems could adversely impact our profitability and the loss of disruption of information technology systems could have a material adverse effect on our business;
- the risks related to our electronic processing of sensitive and confidential personal and business data, including cyberattacks, data breaches, other security incidents, or disruption of information technology systems or software;
- risks associated with our international merchandise sourcing strategy, such as import tariffs, increasing prices for raw materials, and political instability, all of which could impact our profitability;
- the risk that our inability to achieve planned store performance, gain market share in the face of declining shopping center traffic or attract customers to our stores could adversely impact our profitability and our results of operations;
- the risk that failure to properly manage and allocate our inventory could have an adverse effect on our business, sales, margins, financial condition, and results of operations;
- the risks associated with our significant lease obligations and are subject to risks associated with leasing substantial amounts of space, including future increases in occupancy costs and the need to generate significant cash flow to meet our lease obligations;
- the risk associated with our reliance on key personnel, the loss of whom could have a material adverse effect on our business;
- the risks associated with the increases in labor costs, including wages, could adversely impact our operational results, financial condition and results of operations;
- the risks associated with the current legal and regulatory environment could adversely affect our financial condition and results of operations;
- the risks associated with fluctuations in our tax obligations and effective tax rate could adversely affect us; and
- the risk that the unfavorable outcome of pending or future litigation could have an adverse impact on our business, financial condition, and results of operations.

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS.

AMERICAN EAGLE OUTFITTERS, INC.
CONSOLIDATED BALANCE SHEETS

<i>(In thousands, except per share amounts)</i>	May 4, 2024 <i>(Unaudited)</i>	February 3, 2024	April 29, 2023 <i>(Unaudited)</i>
Assets			
Current assets:			
Cash and cash equivalents	\$ 300,518	\$ 354,094	\$ 117,841
Short-term investments	—	100,000	—
Merchandise inventory	681,062	640,662	624,851
Accounts receivable, net	230,934	247,934	259,074
Prepaid expenses and other	98,803	90,660	127,735
Total current assets	<u>1,311,317</u>	<u>1,433,350</u>	<u>1,129,501</u>
Operating lease right-of-use assets	1,123,649	1,005,293	1,053,938
Property and equipment, at cost, net of accumulated depreciation	703,551	713,336	762,433
Goodwill, net	225,253	225,303	264,896
Non-current deferred income taxes	89,332	82,064	13,034
Intangible assets, net	45,178	46,109	92,399
Other assets	58,937	52,454	57,693
Total assets	<u>\$ 3,557,217</u>	<u>\$ 3,557,909</u>	<u>\$ 3,373,894</u>
Liabilities and Stockholders' Equity			
Current liabilities:			
Accounts payable	\$ 225,480	\$ 268,308	\$ 212,318
Current portion of operating lease liabilities	303,603	284,508	321,430
Accrued compensation and payroll taxes	64,502	152,353	43,550
Unredeemed gift cards and gift certificates	57,373	66,285	57,014
Accrued income and other taxes	50,716	46,114	13,812
Other current liabilities and accrued expenses	71,655	73,604	68,313
Total current liabilities	<u>773,329</u>	<u>891,172</u>	<u>716,437</u>
Non-current liabilities:			
Non-current operating lease liabilities	1,002,529	901,122	987,048
Long-term debt, net	—	—	30,225
Other non-current liabilities	29,003	28,856	21,168
Total non-current liabilities	<u>1,031,532</u>	<u>929,978</u>	<u>1,038,441</u>
Commitments and contingencies	—	—	—
Stockholders' equity:			
Preferred stock, \$0.01 par value; 5,000 shares authorized; none issued and outstanding	—	—	—
Common stock, \$0.01 par value; 600,000 shares authorized; 249,566 shares issued; 196,430, 196,936, and 197,450 shares outstanding, respectively	2,496	2,496	2,496
Contributed capital	345,922	360,378	324,396
Accumulated other comprehensive loss	(15,722)	(16,410)	(26,777)
Retained earnings	2,267,785	2,214,159	2,130,108
Treasury stock, at cost, 53,136, 52,630, and 52,116 shares, respectively	(848,125)	(823,864)	(811,207)
Total stockholders' equity	<u>1,752,356</u>	<u>1,736,759</u>	<u>1,619,016</u>
Total liabilities and stockholders' equity	<u>\$ 3,557,217</u>	<u>\$ 3,557,909</u>	<u>\$ 3,373,894</u>

Refer to Notes to Consolidated Financial Statements

AMERICAN EAGLE OUTFITTERS, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

<i>(In thousands, except per share amounts)</i>	13 Weeks Ended	
	May 4, 2024	April 29, 2023
Total net revenue	\$ 1,143,867	\$ 1,080,926
Cost of sales, including certain buying, occupancy and warehousing expenses	679,628	667,747
Gross profit	464,239	413,179
Selling, general and administrative expenses	333,493	312,345
Impairment, restructuring and other charges	—	21,275
Depreciation and amortization expense	52,910	56,728
Operating income	\$ 77,836	\$ 22,831
Interest (income) expense, net	(3,439)	690
Other (income), net	(1,396)	(3,311)
Income before income taxes	82,671	25,452
Provision for income taxes	14,919	6,999
Net income	\$ 67,752	\$ 18,453
Basic net income per common share	\$ 0.34	\$ 0.09
Diluted net income per common share	\$ 0.34	\$ 0.09
Weighted average common shares outstanding - basic	196,429	194,487
Weighted average common shares outstanding - diluted	201,310	197,160

Refer to Notes to Consolidated Financial Statements

AMERICAN EAGLE OUTFITTERS, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited)

<i>(In thousands)</i>	13 Weeks Ended	
	May 4, 2024	April 29, 2023
Net income	\$ 67,752	\$ 18,453
Other comprehensive income:		
Foreign currency translation adjustments	688	5,853
Other comprehensive income:	688	5,853
Comprehensive income	\$ 68,440	\$ 24,306

Refer to Notes to Consolidated Financial Statements

AMERICAN EAGLE OUTFITTERS, INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(Unaudited)

13 Weeks Ended May 4, 2024 and April 29, 2023

<i>(In thousands, except per share amounts)</i>	Shares Outstanding	Common Stock	Contributed Capital	Retained Earnings	Treasury Stock	Accumulate d Other Comprehen sive Loss	Stockholder s' Equity
Balance at January 28, 2023	195,064	\$ 2,496	\$ 341,775	\$ 2,137,126	\$ (849,604)	\$ (32,630)	\$ 1,599,163
Stock awards	—	—	14,650	—	—	—	14,650
Repurchase of common stock from employees	(740)	—	—	—	(10,314)	—	(10,314)
Reissuance of treasury stock	2,027	—	(27,194)	(3,183)	31,603	—	1,226
Redemption of Convertible Senior Notes	1,099	—	(6,281)	(2,137)	17,108	—	8,690
Net income	—	—	—	18,453	—	—	18,453
Other comprehensive income	—	—	—	—	—	5,853	5,853
Cash dividends declared and dividend equivalents (\$0.10 per share)	—	—	526	(20,151)	—	—	(19,625)
Contributions from non-controlling interests	—	—	920	—	—	—	920
Balance at April 29, 2023	197,450	\$ 2,496	\$ 324,396	\$ 2,130,108	\$ (811,207)	\$ (26,777)	\$ 1,619,016
Balance at February 3, 2024	196,936	\$ 2,496	\$ 360,378	\$ 2,214,159	\$ (823,864)	\$ (16,410)	\$ 1,736,759
Stock awards	—	—	20,436	—	—	—	20,436
Repurchase of common stock as part of publicly announced programs	(1,500)	—	—	—	(34,949)	—	(34,949)
Repurchase of common stock from employees	(531)	—	—	—	(13,242)	—	(13,242)
Reissuance of treasury stock	1,525	—	(35,005)	11,072	23,930	—	(3)
Net income	—	—	—	67,752	—	—	67,752
Other comprehensive income	—	—	—	—	—	688	688
Cash dividends declared and dividend equivalents (\$0.125 per share)	—	—	605	(25,198)	—	—	(24,593)
Contributions from non-controlling interests	—	—	(492)	—	—	—	(492)
Balance at May 4, 2024	196,430	\$ 2,496	\$ 345,922	\$ 2,267,785	\$ (848,125)	\$ (15,722)	\$ 1,752,356

Refer to Notes to Consolidated Financial Statements

AMERICAN EAGLE OUTFITTERS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

<i>(In thousands)</i>	13 Weeks Ended	
	May 4, 2024	April 29, 2023
Operating activities:		
Net income	\$ 67,752	\$ 18,453
Adjustments to reconcile net income to net cash from operating activities:		
Depreciation and amortization	55,097	57,932
Share-based compensation	20,586	14,780
Deferred income taxes	(7,109)	23,448
Loss on impairment of assets	-	10,759
Changes in assets and liabilities:		
Accounts receivable	16,729	(16,331)
Merchandise inventory	(40,078)	(43,070)
Operating lease assets	(91,029)	72,310
Operating lease liabilities	93,385	(88,777)
Other assets	(16,344)	(19,863)
Accounts payable	(42,788)	(22,106)
Accrued compensation and payroll taxes	(87,931)	(8,404)
Accrued and other liabilities	(6,381)	(7,347)
Net cash (used for) operating activities	(38,111)	(8,216)
Investing activities:		
Capital expenditures for property and equipment	(36,209)	(45,857)
Sale of available-for-sale investments	100,000	-
Other investing activities	(4,570)	(163)
Net cash provided by (used for) investing activities	59,221	(46,020)
Financing activities:		
Repurchase of common stock as part of publicly announced programs	(34,948)	-
Repurchase of common stock from employees	(13,242)	(10,314)
Proceeds from revolving line of credit	-	30,000
Net proceeds from stock options exercised	1,853	1,095
Cash dividends paid	(24,593)	(19,625)
Other financing activities	(3,284)	752
Net cash (used for) provided by financing activities	(74,214)	1,908
Effect of exchange rates changes on cash	(472)	(40)
Net change in cash and cash equivalents	(53,576)	(52,368)
Cash and cash equivalents - beginning of period	354,094	170,209
Cash and cash equivalents - end of period	<u>\$ 300,518</u>	<u>\$ 117,841</u>

Refer to Notes to Consolidated Financial Statements

AMERICAN EAGLE OUTFITTERS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. Interim Financial Statements

The accompanying Consolidated Financial Statements of American Eagle Outfitters, Inc. (the "Company," "we," and "our,") a Delaware corporation, at May 4, 2024 and April 29, 2023 and for the 13 week periods ended May 4, 2024 and April 29, 2023 have been prepared in accordance with generally accepted accounting principles in the United States of America ("GAAP") for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and notes required by GAAP for complete financial statements. Certain notes and other information have been condensed or omitted from the interim Consolidated Financial Statements presented in this Quarterly Report. Therefore, these Consolidated Financial Statements should be read in conjunction with our Fiscal 2023 Form 10-K. In the opinion of the Company's management, all adjustments (consisting of normal recurring adjustments and those described in the notes that follow) considered necessary for a fair presentation have been included. The existence of subsequent events has been evaluated through the filing date of this Quarterly Report.

The Company operates under the American Eagle® ("AE") and Aerie® brands. We also operate Todd Snyder New York ("Todd Snyder"), a premium menswear brand, and Unsubscribed, which focuses on consciously made slow fashion.

Founded in 1977, the Company is a leading multi-brand specialty retailer that operates more than 1,500 retail stores in the U.S. and internationally, online through our digital channels at www.ae.com and www.aerie.com, www.toddsnyder.com, www.unsubscribed.com and through more than 300 international store locations managed by third-party operators. Through its portfolio of brands, the Company offers high quality, on-trend clothing, accessories, and personal care products at affordable prices. We sell directly to consumers through our retail channel, which includes our stores and concession-based shop-within-shops. We operate stores in the U.S., Canada, Mexico, and Hong Kong. We also have license agreements with third parties to operate American Eagle and Aerie stores throughout Asia, Europe, India, Latin America, and the Middle East. The Company's online business, AEO Direct, ships to approximately 80 countries worldwide.

As e-commerce penetration and growth has normalized coming out of the COVID-19 pandemic, the supply chain landscape has continued to evolve. In Fiscal 2023, as part of its profit improvement initiative, the Company began to streamline and shift the operations of Quiet Platforms to better align with AEO's long term strategy. As a result of these changes, Quiet Platforms has refined its focus on its core capabilities as a regionalized fulfillment center network. The network and related growth plans have been updated to reflect this refined focus.

Historically, our operations have been seasonal, with a large portion of total net revenue and operating income occurring in the third and fourth fiscal quarters, reflecting increased demand during the back-to-school and year-end holiday selling seasons, respectively. Our quarterly results of operations also may fluctuate based upon such factors as the timing of certain holiday seasons, the number and timing of new store openings, the acceptability of seasonal merchandise offerings, the timing and level of markdowns, store closings and remodels, competitive factors, weather and general economic and political conditions.

2. Summary of Significant Accounting Policies

Principles of Consolidation

The Consolidated Financial Statements include the accounts of the Company and its wholly owned subsidiaries and consolidated entities where the Company's ownership percentage is less than 100%. Non-controlling interest is included as a component of contributed capital within the Consolidated Balance Sheets and Consolidated Statements of Stockholders' Equity and was not material for any period presented. All intercompany transactions and balances have been eliminated in consolidation. At May 4, 2024, the Company operated in two reportable segments, American Eagle and Aerie.

Fiscal Year

Our fiscal year is a 52- or 53-week year that ends on the Saturday nearest to January 31. As used herein, "Fiscal 2024" refers to the 52-week period that will end on February 1, 2025. "Fiscal 2023" refers to the 53-week period ended on February 3, 2024.

Estimates

The preparation of financial statements in conformity with GAAP requires the Company's management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. On an ongoing basis, our management reviews its estimates based on currently available information. Changes in facts and circumstances may result in revised estimates.

Recent Accounting Pronouncements

In November 2023, the Financial Standards Board issued ASU 2023-07, Improvements to Reportable Segment Disclosures ("ASU 2023-07"), which requires that segment expenses deemed significant to the Chief Operating Decision Maker (CODM) typically incorporated in measuring profit or loss of the segment should be disclosed. The guidance also requires that the difference between segment revenues and these significant segment expenses is disclosed. Any annually disclosed segment information is now required to be reported in interim periods as well. The guidance is effective for fiscal years beginning after December 15, 2023, and interim periods beginning after December 15, 2024. Public entities are required to apply the amendment retrospectively to prior periods presented in the financial statements. The Company plans to adopt ASU 2023-07 effective for its Fiscal Year 2024 and for the interim periods beginning in Fiscal 2025.

Refer to Note 12 to the Consolidated Financial Statements for additional information regarding Segment Reporting.

In December 2023, the Financial Standards Board issued ASU 2023-09, Improvements to Income Tax Disclosures ("ASU 2023-09"), which requires increased transparency in tax disclosures, specifically by expanding requirements for rate reconciliation and income taxes paid information. Additionally, the amendment requires disclosures of income/(loss) from continuing operations before taxes disaggregated between domestic and foreign, and income tax expense/(benefit), disaggregated by federal, state, and foreign. Disclosure requirements about the nature and estimated range of the reasonably possible change in unrecognized tax benefits over the next year have been removed as part of this amendment. The guidance is effective for fiscal years beginning after December 15, 2024. The Company plans to adopt ASU 2023-09 effective for Fiscal 2025.

Refer to Note 10 to the Consolidated Financial Statements for additional information regarding Income Taxes.

Foreign Currency Translation

In accordance with ASC 830, *Foreign Currency Matters*, the Company translates assets and liabilities denominated in foreign currencies into U.S. dollars ("USD") (the reporting currency) at the exchange rates prevailing at the balance sheet date. The Company translates revenues and expenses denominated in foreign currencies into USD at the monthly average exchange rates for the period. Gains or losses resulting from foreign currency transactions are included in the consolidated results of operations, whereas related translation adjustments are reported as an element of other comprehensive income (loss) in accordance with ASC 220, *Comprehensive Income*.

We are exposed to the impact of foreign exchange rate risk primarily through our Canadian and Mexican operations where the functional currency is the Canadian dollar and Mexican peso, respectively. The impact of all other foreign currencies is currently immaterial to our consolidated financial results. During the 13 weeks ended May 4, 2024, an unrealized gain of \$0.7 million was included in other comprehensive income, which were primarily related to the fluctuations of the USD to Mexican peso and USD to Canadian dollar exchange rates.

Cash, Cash Equivalents and Short-term Investments

The Company considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. Short-term investments classified as available-for-sale include certificates of deposit with an original maturity greater than three months, but less than one year.

Refer to Note 3 to the Consolidated Financial Statements for information regarding cash, cash equivalents, and short-term investments.

Accounts Receivable

The Company's receivables are primarily generated from product sales and royalties from our licensees. The primary indicators of the credit quality of our receivables are aging, payment history, economic sector information and outside credit monitoring, and are assessed on a quarterly basis. Our credit loss exposure is mainly concentrated in our accounts receivable portfolio. Our allowance for credit losses is calculated using a loss-rate method based on historical

experience, current market conditions and reasonable forecasts. Historically, the Company's reserves have approximated actual experience.

Merchandise Inventory

Merchandise inventory is valued at the lower of average cost or net realizable value, utilizing the retail method. Average cost includes merchandise design and sourcing costs and related expenses. The Company records merchandise receipts when control of the merchandise has transferred to the Company.

The Company reviews its inventory levels to identify slow-moving merchandise and generally uses markdowns to clear merchandise. Additionally, the Company estimates a markdown reserve for future planned permanent markdowns related to current inventory. Markdowns may occur when inventory exceeds customer demand for reasons of style, seasonal adaptation, changes in customer preference, lack of consumer acceptance of fashion items, competition, or if it is determined that the inventory in stock will not sell at its currently ticketed price. Such markdowns may have a material adverse impact on earnings, depending on the extent and amount of inventory affected.

The Company also estimates a shrinkage reserve for the period between the last physical count and the balance sheet date. The estimate for the shrinkage reserve, based on historical results, can be affected by changes in merchandise mix and changes in actual shrinkage trends.

Property and Equipment

Property and equipment is recorded on the basis of cost with depreciation computed utilizing the straight-line method over the asset's estimated useful life. The useful lives of our major classes of assets are as follows:

Buildings	25 years
Leasehold improvements	Lesser of 10 years or the term of the lease
Fixtures and equipment	Five years
Information technology	Three to five years

As of May 4, 2024, the weighted average remaining useful life of our assets was approximately six years.

In accordance with ASC 360, *Property, Plant, and Equipment* ("ASC 360"), the Company's management evaluates the value of leasehold improvements, store fixtures, and operating lease right-of-use ("ROU") assets associated with retail stores. The Company evaluates long-lived assets for impairment at the individual store level, which is the lowest level at which individual cash flows can be identified. Impairment losses are recorded on long-lived assets used in operations when events and circumstances indicate that the assets might be impaired and the projected undiscounted cash flows estimated to be generated by those assets are less than the carrying amounts. When events such as these occur, the impaired assets are adjusted to their estimated fair value and an impairment loss is recorded separately as a component of operating income within the Consolidated Statements of Operations.

Our impairment loss calculations require management to make assumptions and to apply judgment to estimate future cash flows and asset fair values. The significant assumption used in our fair value analysis is forecasted revenue. We do not believe there is a reasonable likelihood that there will be a material change in the estimates or assumptions we use to calculate long-lived asset impairment losses. However, if actual results are not consistent with our estimates and assumptions, our consolidated operating results could be adversely affected.

When the Company closes, remodels, or relocates a store prior to the end of its lease term, the remaining net book value of the assets related to the store is recorded as a write-off of assets within depreciation and amortization expense.

There were no long-lived asset impairment charges recorded during the 13 weeks ended May 4, 2024. During the 13 weeks ended April 29, 2023, the Company recorded impairment of property and equipment of \$10.8 million. Refer to Note 6 to the Consolidated Financial Statements for additional information regarding property and equipment and refer to Note 13 to the Consolidated Financial Statements for additional information regarding the impairment of these assets.

Goodwill and Intangible Assets

The Company's goodwill is primarily related to the acquisition of its regionalized fulfillment center network, as well as its importing operations and Canadian business, and represents the excess of cost over fair value of net assets of businesses acquired. In accordance with ASC 350, *Intangibles – Goodwill and Other*, the Company evaluates goodwill for possible impairment at least annually as of the last day of the fiscal year and upon occurrence of certain triggering events or substantive changes in circumstances that indicate that the fair value of a reporting unit may be below its carrying value. If the carrying value of the reporting unit exceeds the fair value, an impairment charge is recorded in the period of the evaluation based on that difference. The Company last performed an annual goodwill impairment test as

of February 3, 2024. As a result of the annual impairment test, the Company concluded that the goodwill assigned to the Quiet Platforms reporting unit was impaired, resulting in a charge of \$39.6 million recorded within impairment, restructuring and other charges on the Consolidated Statements of Operations for Fiscal 2023, due to insufficient prospective cash flows to support the carrying value of the business. Significant, subjective assumptions used in the Company's fair value estimate included forecasted cost of sales, forecasted operating expense and the discount rate. No indicators of impairment were present during the 13 weeks ended May 4, 2024 or April 29, 2023.

Definite-lived intangible assets are initially recorded at fair value, with amortization computed utilizing the straight-line method over the assets' estimated useful lives. The Company's definite-lived intangible assets, which consist primarily of trademark assets, are generally amortized over 10 to 15 years.

The Company evaluates definite-lived intangible assets for impairment in accordance with ASC 360 when events or circumstances indicate that the carrying value of the asset may not be recoverable. Such an evaluation includes the estimation of undiscounted future cash flows to be generated by those assets. If the sum of the estimated future undiscounted cash flows is less than the carrying amounts of the assets, then the assets are impaired and are adjusted to their estimated fair value. During Fiscal 2023, the Company recorded a \$40.5 million impairment charge within impairment, restructuring and other charges on the Consolidated Statements of Operations related to the definite-lived intangible assets of Quiet Platforms, due to insufficient prospective cash flows to support the carrying value of the assets. No definite-lived intangible asset impairment charges were recorded during the 13 weeks ended May 4, 2024 or April 29, 2023.

Refer to Note 7 to the Consolidated Financial Statements for additional information regarding goodwill and intangible assets.

Construction Allowances

As part of certain lease agreements for retail stores, the Company receives construction allowances from lessors, which are generally comprised of cash amounts. The Company records a receivable and an adjustment to the operating lease ROU asset at the lease commencement date (date of initial possession of the store). The deferred lease credit is amortized as part of the single lease cost over the term of the original lease (including the pre-opening build-out period). The receivable is reduced as amounts are received from the lessor.

Self-Insurance Liability

The Company uses a combination of insurance and self-insurance mechanisms for certain losses related to employee medical benefits and worker's compensation. Costs for self-insurance claims filed and claims incurred but not reported are accrued based on known claims and historical experience. Management believes that it has adequately reserved for its self-insurance liability, which is capped by stop-loss contracts with insurance companies. However, any significant variation of future claims from historical trends could cause actual results to differ from the accrued liability.

Leases

The Company leases all store premises, its Canadian distribution center in Mississauga, Ontario, its regional distribution facilities, some of its office space and certain information technology and office equipment. These leases are generally classified as operating leases.

Store leases generally provide for a combination of base rentals and contingent rent based on store sales. Additionally, most leases include lessor incentives such as construction allowances and rent holidays. The Company is typically responsible for tenant occupancy costs including maintenance costs, common area charges, real estate taxes and certain other expenses. When measuring operating lease ROU assets and operating lease liabilities, the Company only includes cash flows related to options to extend or terminate leases once those options are executed.

Some leases have variable payments. However, because they are not based on an index or rate, they are not included in the measurement of operating lease ROU assets and operating lease liabilities.

When determining the present value of future payments for an operating lease that does not have a readily determinable implicit rate, the Company uses its incremental borrowing rate as of the date of initial possession of the leased asset.

For leases that qualify for the short-term lease exemption, the Company does not record an operating lease liability or operating lease ROU asset. Short-term lease payments are recognized on a straight-line basis over the lease term of 12 months or less.

Co-Branded and Private Label Credit Cards

The Company offers a co-branded credit card and a private-label credit card under the AE and Aerie brands. These credit cards are issued by a third-party bank (the "Bank") in accordance with a credit card agreement (the "Agreement"). The Company has no liability to the Bank for bad debt expense, provided that purchases are made in accordance with the Bank's procedures. We receive funding from the Bank based on the Agreement and card activity, which includes payments for new account activations and usage of the credit cards. We recognize revenue for this funding as we fulfill our performance obligations under the Agreement. This revenue is recorded in other revenue, which is a component of total net revenue in our Consolidated Statements of Operations.

Customer Loyalty Program

The Company offers a highly digitized loyalty program called Real Rewards by American Eagle and Aerie™ (the "Program"). The Program features both shared and unique benefits for loyalty members and credit card holders. Under the Program, members accumulate points based on purchase activity and earn rewards by reaching certain point thresholds. Members earn rewards in the form of discount savings certificates. Rewards earned are valid through the stated expiration date, which is 60 days from the issuance date of the reward. Rewards not redeemed during the 60-day redemption period are forfeited.

Points earned under the Program on purchases at AE and Aerie are accounted for in accordance with ASC 606, Revenue from Contracts with Customers ("ASC 606"). The portion of the sales revenue attributed to the reward points is deferred and recognized when the reward is redeemed or when the points expire, using the relative stand-alone selling price method. Additionally, reward points earned using the co-branded credit card on non-AE or Aerie purchases are accounted for in accordance with ASC 606. As the points are earned, a current liability is recorded for the estimated cost of the reward, and the impact of adjustments is recorded in revenue.

The Company defers a portion of the sales revenue attributed to the loyalty points and recognizes revenue when the points are redeemed or expire, consistent with the requirements of ASC 606.

Credit Agreement

In June 2022, the Company entered into an amended and restated credit agreement (the "Credit Agreement"). The Credit Agreement provides senior secured asset-based revolving credit for loans and letters of credit up to \$700 million, subject to customary borrowing base limitations (the "Credit Facility"). The Credit Facility expires on June 24, 2027.

Refer to Note 8 to the Consolidated Financial Statements for additional information regarding long-term debt and other credit arrangements.

Income Taxes

The Company calculates income taxes in accordance with ASC 740, *Income Taxes* ("ASC 740"), which requires the use of the liability method. Under this method, deferred tax assets and liabilities are recognized based on the difference between the Consolidated Financial Statements carrying amounts of existing assets and liabilities and their respective tax bases as computed pursuant to ASC 740. Deferred tax assets and liabilities are measured using the tax rates, based on certain judgments regarding enacted tax laws and published guidance, in effect in the years when those temporary differences are expected to reverse. A valuation allowance is established against the deferred tax assets when it is more likely than not that some portion or all of the deferred taxes may not be realized. Changes in the Company's level and composition of earnings, tax laws or the deferred tax valuation allowance, as well as the results of tax audits, may materially impact the Company's effective income tax rate.

The Company evaluates its income tax positions in accordance with ASC 740, which prescribes a comprehensive model for recognizing, measuring, presenting and disclosing in the financial statements tax positions taken or expected to be taken on a tax return, including a decision whether to file or not to file in a particular jurisdiction. Under ASC 740, a tax benefit from an uncertain position may be recognized only if it is "more likely than not" that the position is sustainable based on its technical merits.

The calculation of deferred tax assets and liabilities, as well as the decision to recognize a tax benefit from an uncertain position and to establish a valuation allowance, requires management to make estimates and assumptions. The Company believes that its estimates and assumptions are reasonable, although actual results may have a positive or negative material impact on the balances of deferred tax assets and liabilities, valuation allowances or net income (loss).

Refer to Note 10 to the Consolidated Financial Statements for additional information regarding income taxes.

Revenue Recognition

The Company recognizes revenue pursuant to ASC 606. Revenue is recorded for store sales upon the purchase of merchandise by customers. The Company's e-commerce operation records revenue upon the customer receipt date of the merchandise. Shipping and handling revenues are included in total net revenue. Sales tax collected from customers is excluded from revenue and is included as part of accrued income and other taxes on the Company's Consolidated Balance Sheets.

The Company recognizes royalty revenue generated from its license or franchise agreements based on a percentage of merchandise sales by the licensee/franchisee. This revenue is recorded as a component of total net revenue when earned and collection is probable.

The Company defers a portion of the sales revenue attributed to loyalty points and recognizes revenue when the points are redeemed or expire, consistent with the requirements of ASC 606. Refer to Customer Loyalty Program above for additional information.

Revenue associated with Quiet Platforms is recognized as the services are performed.

Cost of Sales, Including Certain Buying, Occupancy and Warehousing Expenses

Cost of sales consists of merchandise costs, including design, sourcing, importing and inbound freight costs, as well as markdowns, shrinkage and certain promotional costs (collectively, "merchandise costs"), Quiet Platforms' costs to service its customers and buying, occupancy and warehousing costs and services.

Design costs are related to the Company's Design Center operations and include compensation, travel and entertainment, supplies and samples for our design teams, as well as rent and depreciation for our Design Center. These costs are included in cost of sales as the respective inventory is sold.

Total net revenue, net of merchandise costs, represents merchandise margin.

Buying, occupancy and warehousing costs and services consist of compensation, employee benefit expenses and travel and entertainment for our buyers and certain senior merchandising executives; rent and utilities related to our stores, corporate headquarters, distribution centers and other office space; freight from our distribution centers to the stores; compensation and supplies for our distribution centers, including purchasing, receiving and inspection costs; and shipping and handling costs related to our e-commerce operation. Gross profit is the difference between total net revenue and cost of sales.

Selling, General and Administrative Expenses

Selling, general and administrative expenses consist of compensation and employee benefit expenses, including salaries, incentives and related benefits associated with our stores and corporate headquarters. Selling, general and administrative expenses also include advertising costs, supplies for our stores and home office, communication costs, travel and entertainment, leasing costs and services purchased.

Selling, general and administrative expenses do not include compensation, employee benefit expenses and travel for our design, sourcing and importing teams, our buyers and our distribution centers as these amounts are recorded in cost of sales. Additionally, selling, general and administrative expenses do not include rent and utilities, operating costs of our distribution centers, and shipping and handling costs related to our e-commerce operations, all of which are included in cost of sales.

Interest (Income) Expense, Net

Interest (income) expense, net primarily consists of interest income from cash and cash equivalents.

Other (Income), Net

Other (income), net consists primarily of foreign currency fluctuations and changes in other non-operating items. Non-controlling interest was not material for any period presented and is included within other (income), net.

Segment Information

The Company has identified two operating segments (American Eagle and Aerie brand) that also represent our reportable segments and reflect the Chief Operating Decision Maker's (defined as our CEO) internal view of analyzing results and allocating resources. Additionally, our Todd Snyder and Unsubscribed brands and Quiet Platforms have been identified as separate operating segments; however, as they do not meet the quantitative thresholds for separate disclosure, they are presented under the Other caption. For additional information regarding the Company's segment and geographic information, refer to Note 12 to the Consolidated Financial Statements.

3. Cash and Cash Equivalents and Short-term Investments

The following table summarizes the fair market values for the Company's cash, cash equivalents, and short-term investments which are recorded in the Consolidated Balance Sheets:

<i>(In thousands)</i>	May 4, 2024	February 3, 2024	April 29, 2023
Cash and cash equivalents:			
Cash	\$ 110,792	\$ 162,279	\$ 117,457
Interest bearing deposits	\$ 189,726	\$ 191,815	384
Total cash and cash equivalents	<u>\$ 300,518</u>	<u>\$ 354,094</u>	<u>\$ 117,841</u>
Short-term investments:			
Certificates of deposits	\$ -	\$ 100,000	\$ —
Total short-term investments	<u>\$ -</u>	<u>\$ 100,000</u>	<u>—</u>
Total cash and short-term investments	<u>\$ 300,518</u>	<u>\$ 454,094</u>	<u>\$ 117,841</u>

4. Fair Value Measurements

ASC 820, *Fair Value Measurement Disclosures* ("ASC 820"), defines fair value, establishes a framework for measuring fair value in accordance with GAAP and expands disclosures about fair value measurements. Fair value is defined under ASC 820 as the exit price associated with the sale of an asset or transfer of a liability in an orderly transaction between market participants at the measurement date.

Financial Instruments

Valuation techniques used to measure fair value under ASC 820 must maximize the use of observable inputs and minimize the use of unobservable inputs. In addition, ASC 820 establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. These tiers include:

- Level 1 — Quoted prices in active markets.
- Level 2 — Inputs other than Level 1 that are observable, either directly or indirectly.
- Level 3 — Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The Company's cash equivalents and short-term investments are Level 1 financial assets and are measured at fair value on a recurring basis, for all periods presented. Refer to Note 3 to the Consolidated Financial Statements for additional information regarding cash equivalents and short-term investments.

(In thousands)	Fair Value Measurements at May 4, 2024			
	Carrying Amount	Quoted Market Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash and cash equivalents:				
Cash	\$ 110,792	\$ 110,792	\$ -	\$ -
Interest bearing deposits	189,726	189,726	-	-
Total cash and cash equivalents	\$ 300,518	\$ 300,518	\$ -	\$ -

Long-Term Debt

As of May 4, 2024, there were no outstanding borrowing under the Company's Credit Facility. As of April 29, 2023, the fair value of the Company's \$30 million in outstanding borrowings under its Credit Facility approximated the carrying value.

Refer to Note 8 to the Consolidated Financial Statements for additional information regarding long-term debt and other credit arrangements.

Non-Financial Assets

The Company's non-financial assets, which include intangible assets and property and equipment, are not required to be measured at fair value on a recurring basis. However, if certain triggering events occur and the Company is required to evaluate the non-financial asset for impairment, a resulting impairment would require that the non-financial asset be recorded at the estimated fair value. The fair value is determined by estimating the amount and timing of net future cash flows and discounting them using a risk-adjusted rate of interest. The Company estimates future cash flows based on its experience and knowledge of the market in which the store is located. There were no long-lived asset impairment charges recorded during the 13 weeks ended May 4, 2024. During the 13 weeks ended April 29, 2023, the Company recorded impairment of property and equipment of \$10.8 million. Refer to Note 13 to the Consolidated Financial Statements for additional information on impairment, restructuring and other charges.

The fair value of the Company's ROU assets was based upon market rent assumptions.

The Company evaluates goodwill for possible impairment at least annually as of the last day of the fiscal year and upon occurrence of certain triggering events or substantive changes in circumstances that indicate that the fair value of a reporting unit may be below its carrying value. The Company last performed an annual goodwill impairment test using Level 3 inputs as defined in ASC 820 as of February 3, 2024.

No indicators of goodwill impairment were present during the 13 weeks ended May 4, 2024 and April 29, 2023.

5. Earnings per Share

The following is a reconciliation between basic and diluted weighted average shares outstanding:

(In thousands)	13 Weeks Ended	
	May 4, 2024	April 29, 2023
Numerator:		
Net income and numerator for basic EPS	\$ 67,752	\$ 18,453
Add: Interest expense, net of tax, related to the 2025 Notes ⁽¹⁾	—	58
Numerator for diluted EPS	\$ 67,752	\$ 18,511
Denominator:		
Denominator for basic EPS - weighted average shares	196,429	194,487
Add: Dilutive effect of the 2025 Notes ⁽¹⁾	-	834
Add: Dilutive effect of stock options and non-vested restricted stock	4,881	1,839
Denominator for diluted EPS - adjusted weighted average shares	201,310	197,160
Anti-dilutive shares ⁽²⁾	239	2,072

⁽¹⁾ The Company utilizes the "if-converted" method of calculating diluted EPS, in accordance with ASU 2020-06, *Debt with Conversion and Other Options*.

(2) For all periods presented, anti-dilutive shares relate to stock options and unvested restricted stock.

Refer to Notes 8 and 9 to the Consolidated Financial Statements for additional information regarding the 2025 Notes and share-based compensation, respectively.

6. Property and Equipment, net

Property and equipment, net consists of the following:

<i>(In thousands)</i>	May 4, 2024	February 3, 2024	April 29, 2023
Property and equipment, at cost	\$ 2,437,863	\$ 2,427,114	\$ 2,723,188
Less: Accumulated depreciation and impairment	(1,734,312)	(1,713,778)	(1,960,755)
Property and equipment, net	<u>\$ 703,551</u>	<u>\$ 713,336</u>	<u>\$ 762,433</u>

7. Goodwill and Intangible Assets, net

Goodwill and definite-lived intangible assets, net consist of the following:

<i>(In thousands)</i>	May 4, 2024	February 3, 2024	April 29, 2023
Goodwill, gross ⁽¹⁾	\$ 269,047	\$ 269,097	\$ 269,092
Accumulated impairment ⁽²⁾	(43,794)	(43,794)	(4,196)
Goodwill, net	<u>\$ 225,253</u>	<u>\$ 225,303</u>	<u>\$ 264,896</u>

(1) The change in Goodwill, gross from period to period includes the effect of foreign currency rate fluctuations.

(2) Accumulated impairment includes \$39.6 million recorded in Fiscal 2023, \$1.7 million recorded in Fiscal 2019 and \$2.5 million recorded in Fiscal 2016.

<i>(In thousands)</i>	May 4, 2024	February 3, 2024	April 29, 2023
Intangible assets, gross	\$ 147,234	\$ 147,054	\$ 146,379
Accumulated amortization	(61,523)	(60,412)	(53,980)
Accumulated impairment	(40,533)	(40,533)	-
Intangible assets, net	<u>\$ 45,178</u>	<u>\$ 46,109</u>	<u>\$ 92,399</u>

8. Long-Term Debt, Net

The Company has no long-term debt outstanding as of May 4, 2024 or February 3, 2024. As of April 29, 2023, there were \$30 million of outstanding Credit Facility borrowings.

2025 Notes

In April 2020, the Company issued \$415 million aggregate principal amount of 2025 Notes in a private placement to qualified institutional buyers in reliance on Rule 144A under the Securities Act. The 2025 Notes had a stated interest rate of 3.75%, payable semi-annually. The Company used the net proceeds from the issuance for general corporate purposes. The Company redeemed all of the remaining 2025 Notes during the 13 weeks ended April 29, 2023. See "Note Exchanges" below.

The Company did not have the right to redeem the 2025 Notes prior to April 17, 2023. On or after April 17, 2023 and prior to the fortieth scheduled trading day immediately preceding the maturity date, the Company could redeem all or any portion of the 2025 Notes, at its option, for cash, if the last reported sale price of our common stock had been at least 130% of the conversion price then in effect for at least 20 trading days (whether or not consecutive) during any 30 consecutive trading day period.

Note Exchanges

During Fiscal 2022, the Company entered into separate privately negotiated exchange agreements with certain holders of the 2025 Notes, to exchange \$403.2 million in aggregate principal amount of the 2025 Notes for a combination of cash and shares of the Company's common stock, plus payment of accrued and unpaid interest (together, the "Note Exchanges").

Early Redemption

On February 10, 2023, the Company issued a notice of optional redemption for all of its remaining outstanding 2025 Notes, notifying holders that, among other things, it has elected to exercise its right to redeem any and all of the outstanding 2025 Notes on April 17, 2023 (the "Early Redemption"). Subsequent to this notice, and prior to April 17, 2023, the 2025 Note holders redeemed a total of \$8.8 million aggregate principal amount for a combined 1.1 million shares of the Company's common stock.

Following the Note Exchanges and Early Redemption, the aggregate principal amount of the 2025 Notes had been fully redeemed at April 29, 2023.

Interest expense for the 2025 Notes was \$0.1 million for the 13 weeks ended April 29, 2023.

Revolving Credit Facility

In June 2022, the Company entered into an amended and restated Credit Agreement. The Credit Agreement provides senior secured asset-based revolving credit for loans and letters of credit up to \$700 million, subject to customary borrowing base limitations. The Credit Facility expires on June 24, 2027. Before amendment and restatement, the Company's previous credit agreement provided senior secured asset-based revolving credit for loans and letters of credit up to \$400 million and was scheduled to expire on January 30, 2024.

All obligations under the Credit Facility are unconditionally guaranteed by certain subsidiaries. The obligations under the Credit Agreement are secured by certain assets of the Company and certain subsidiaries.

As of May 4, 2024, there were no outstanding borrowings, and the Company was in compliance with the terms of the Credit Agreement with \$12 million outstanding in stand-by letters of credit. As of April 29, 2023, the Company had \$30 million in outstanding borrowings under the Credit Agreement and \$7.7 million outstanding in stand-by letters of credit.

Borrowings under the Credit Facility accrue interest at the election of the Company at an adjusted secured overnight financing rate ("SOFR") rate of SOFR plus 0.10% plus an applicable margin (ranging from 1.125% to 1.375%) or an alternate base rate plus an applicable margin (ranging from 0.125% to 0.375%), with each such applicable margin being based on average borrowing availability under the Credit Facility. Interest is payable quarterly and at the end of each applicable interest period. There were no Credit Facility borrowings for the 13 weeks ended May 4, 2024. The total interest expense related to the Credit Facility borrowings for the 13 weeks ended April 29, 2023 was \$0.6 million.

9. Share-Based Compensation

The Company accounts for share-based compensation under the provisions of ASC 718, *Compensation - Stock Compensation*, which requires the Company to measure and recognize compensation expense for all share-based payments at fair value.

Total share-based compensation expense included in the Consolidated Statements of Operations for the 13 weeks ended May 4, 2024 was \$20.6 million (\$17.0 million, net of tax), and for the 13 weeks ended April 29, 2023 was \$14.8 million (\$10.7 million, net of tax).

Stock Option Grants

The Company grants time-based stock option awards, which vest over the requisite service period of the award or at an employee's eligible retirement date, if earlier. A summary of the Company's stock option activity for the 13 weeks ended May 4, 2024 follows:

	Options <i>(In thousands)</i>	Weighted- Average Exercise Price	Weighted- Average Remaining Contractual Term <i>(In years)</i>	Aggregate Intrinsic Value <i>(In thousands)</i>
Outstanding - February 3, 2024	4,213	\$ 16.83		
Granted	525	\$ 24.37		
Exercised	(293)	\$ 13.96		
Cancelled	-	\$ -		
Outstanding - May 4, 2024	<u>4,445</u>	<u>\$ 17.91</u>	<u>4.3</u>	<u>32,185</u>
Vested and expected to vest - May 4, 2024	4,323	\$ 17.79	4.1	9,819
Exercisable - May 4, 2024 ⁽¹⁾	2,530	\$ 15.49	3.3	22,298

⁽¹⁾ Options exercisable represent "in-the-money" vested options based upon the weighted-average exercise price of vested options compared to the Company's stock price on May 4, 2024.

As of May 4, 2024, there was \$1.0 million of unrecognized compensation expense for stock option awards that is expected to be recognized over a weighted average period of 2.5 years.

The fair value of stock options was estimated at the date of grant using a Black-Scholes option pricing model with the following weighted-average assumptions:

Black-Scholes Option Valuation Assumptions	13 Weeks Ended	
	May 4, 2024	April 29, 2023
Risk-free interest rate ⁽¹⁾	4.4 %	3.4 %
Dividend yield	1.9 %	2.8 %
Volatility factor ⁽²⁾	55.4 %	55.7 %
Weighted-average expected term ⁽³⁾	4.5 years	4.5 years

⁽¹⁾ Based on the United States Treasury yield curve in effect at the time of grant with a term consistent with the expected life of our stock options.

⁽²⁾ Based on historical volatility of the Company's common stock.

⁽³⁾ Represents the period of time options are expected to be outstanding. The weighted-average expected option terms were determined based on historical experience.

Restricted Stock Grants

Time-based restricted stock awards are comprised of time-based restricted stock units. These awards vest over three years. Time-based restricted stock units receive dividend equivalents in the form of additional time-based restricted stock units, which are subject to the same restrictions and forfeiture provisions as the original award.

Performance-based restricted stock ("PSU") awards include performance-based restricted stock units. Annual PSU grants cliff vest, if at all, at the end of a three-year performance period upon achievement of pre-established goals. Outstanding PSU awards receive dividend equivalents in the form of additional PSUs, which are subject to the same restrictions and forfeiture provisions as the original award.

The grant date fair value of time-based restricted stock awards is based on the closing market price of the Company's common stock on the date of grant. A Monte-Carlo simulation was utilized for performance-based restricted stock awards.

A summary of the Company's restricted stock activity is presented in the following table:

	Time-Based Restricted Stock Units		Performance-Based Restricted Stock Units	
	May 4, 2024		May 4, 2024	
	Shares	Weighted-Average Grant Date Fair Value	Shares	Weighted-Average Grant Date Fair Value
<i>(Shares in thousands)</i>				
Non-vested - February 3, 2024	2,830	\$ 15.83	2,023	\$ 18.45
Granted	1,048	\$ 24.21	455	\$ 27.71
Vested	(1,153)	\$ 17.51	(248)	\$ 39.81
Cancelled	(123)	\$ 11.74	(32)	\$ 18.05
Non-vested - May 4, 2024	2,602	\$ 18.65	2,198	\$ 17.96

As of May 4, 2024, there was \$44.9 million of unrecognized compensation expense related to non-vested, time-based restricted stock unit awards that is expected to be recognized over a weighted-average period of 2.4 years. There is \$7.5 million of unrecognized compensation expense related to performance-based restricted stock unit awards that is expected to be recognized over a weighted-average period of 2.3 years.

As of May 4, 2024, the Company had 11 million shares available for all equity grants.

10. Income Taxes

The provision for income taxes is based on the current estimate of the annual effective income tax rate and is adjusted as necessary for discrete quarterly events. The effective income tax rate for the 13 weeks ended May 4, 2024 was 18.0% compared to 27.5% for the 13 weeks ended April 29, 2023. The change in the effective tax rate, as compared to the prior period, is primarily due to excess tax benefits on share-based payments and tax audit adjustments.

The Company records accrued interest and penalties related to unrecognized tax benefits in income tax expense, which were \$6.7 million for the 13 weeks ending May 4, 2024, and insignificant for the 13 weeks ended April 29, 2023. The Company recognizes income tax liabilities related to unrecognized tax benefits in accordance with ASC 740 and adjusts these liabilities when its judgment changes as a result of the evaluation of new information not previously available. Unrecognized tax benefits increased by approximately \$14.2 million during the 13 weeks ended May 4, 2024 due to tax audit adjustments, and decreased by approximately \$0.8 million during the 13 weeks ended April 29, 2023 due to income tax settlements. Over the next twelve months, the Company believes that it is reasonably possible that unrecognized tax benefits may decrease by approximately \$15.3 million due to settlements, expiration of statute of limitations, or other changes in unrecognized tax benefits, which is expected to have an immaterial impact on the annual effective tax rate.

11. Legal Proceedings

The Company is subject to certain legal proceedings and claims arising out of the conduct of its business. In accordance with ASC 450, *Contingencies* ("ASC 450"), the Company records a reserve for estimated losses when the loss is probable and the amount can be reasonably estimated. If a range of possible loss exists and no anticipated loss within the range is more likely than any other anticipated loss, the Company records the accrual at the low end of the range, in accordance with ASC 450. As the Company believes that it has provided adequate reserves, it anticipates that the ultimate outcome of any matter currently pending against the Company will not materially affect the consolidated financial position, results of operations or consolidated cash flows of the Company. However, our assessment of any litigation or other legal claims could potentially change in light of the discovery of facts not presently known or determinations by judges, juries, or other finders of fact which are not in accord with management's evaluation of the possible liability or outcome of such litigation or claims.

12. Segment Reporting

In accordance with ASC 280, *Segment Reporting* ("ASC 280"), the Company has identified two operating segments (American Eagle brand and Aerie brand) that also represent our reportable segments and reflect the Chief Operating Decision Maker's (defined as our CEO) internal view of analyzing results and allocating resources. Additionally, our Todd Snyder brand, Unsubscribed brand, and Quiet Platforms have been identified as separate operating segments; however, as they do not meet the quantitative thresholds for separate disclosure, they are presented under the Other caption, as permitted by ASC 280.

General corporate expenses consist of general and administrative costs that management does not attribute to any of our operating segments. These costs primarily relate to corporate administration, information and technology resources, finance and human resources functional and organizational costs, depreciation and amortization of corporate assets, and other general and administrative expenses resulting from corporate-level activities and projects.

Our CEO analyzes segment results and allocates resources between segments based on the adjusted operating income, or the operating income in periods where there are no adjustments, of each segment. Adjusted operating income is a non-GAAP financial measure ("non-GAAP" or "adjusted") that is defined by the Company as operating income excluding impairment, restructuring and other charges. Adjusted operating income is not based on any standardized methodology prescribed by GAAP and is not necessarily comparable to similar measures presented by other companies. Non-GAAP information is provided as a supplement to, not as a substitute for, or as superior to, measures of financial performance prepared in accordance with GAAP. We believe that this non-GAAP information is useful as an additional means for investors to evaluate our operating performance, when reviewed in conjunction with our GAAP consolidated financial statements and provides a higher degree of transparency.

Reportable segment information is presented in the following table:

	13 weeks ended	
	May 4, 2024	April 29, 2023
Net Revenue:		
American Eagle	\$ 724,744	\$ 671,092
Aerie	\$ 372,652	\$ 359,082
Total Segment Net Revenue	\$ 1,097,396	\$ 1,030,174
Other	\$ 54,984	\$ 109,357
Intersegment Elimination	\$ (8,513)	\$ (58,605)
Total Net Revenue	\$ 1,143,867	\$ 1,080,926
Operating Income:		
American Eagle	\$ 138,585	\$ 107,167
Aerie	\$ 61,327	\$ 56,604
Total Segment Operating Income	\$ 199,912	\$ 163,771
Other	\$ (14,848)	\$ (16,307)
Intersegment Elimination	\$ -	\$ -
General corporate expenses	\$ (107,228)	\$ (103,358)
Impairment, restructuring and other charges ⁽¹⁾	\$ -	\$ (21,275)
Total Operating Income	\$ 77,836	\$ 22,831
Interest (income) expense, net	\$ (3,439)	\$ 690
Other (income) expense, net	\$ (1,396)	\$ (3,311)
Income before income taxes	\$ 82,671	\$ 25,452
Capital Expenditures		
American Eagle	\$ 12,634	\$ 14,943
Aerie	\$ 11,741	\$ 11,188
Other	\$ 2,864	\$ 5,577
General corporate expenditures	\$ 8,970	\$ 14,149
Total Capital Expenditures	\$ 36,209	\$ 45,857

(1) Refer to Note 13 to the Consolidated Financial Statements for additional information.

We do not allocate assets to the reportable segment level and therefore our CEO does not use segment asset information to make decisions.

Total net revenue for the American Eagle and Aerie reportable segments in the table above represents revenue attributable to each brand's merchandise, which comprises approximately 96% of total net revenue.

The following table presents summarized geographical information:

<i>(In thousands)</i>	13 Weeks Ended	
	May 4, 2024	April 29, 2023
Total net revenue:		
United States	\$ 952,685	\$ 914,391
Foreign ⁽¹⁾	191,182	166,535
Total net revenue	\$ 1,143,867	\$ 1,080,926

(1) Amounts represent sales from American Eagle and Aerie international retail stores, e-commerce sales that are billed to and/or shipped to foreign countries and international franchise royalty revenue.

13. Impairment, Restructuring and Other Charges

The following table represents impairment, restructuring and other charges related to Quiet Platforms. All amounts were recorded within impairment, restructuring and other charges on the Consolidated Statements of Operations during the 13 weeks ended April 29, 2023. There were no impairment, restructuring and other charges recorded for the 13 weeks ended May 4, 2024.

<i>(In thousands)</i>	13 Weeks Ended	
	April 29, 2023	
Long-lived asset impairment charges	\$	10,759
Employee related costs		5,592
Other commercial related charges		4,924
Total impairment, restructuring and other charges	\$	21,275

The following footnotes relate to impairment, restructuring, and other charges recorded in the 13 weeks ended in April 29, 2023:

- (1) \$21.3 million of charges related to the Quiet Platforms restructuring. Of this amount, we recorded \$10.8 million of long-term asset impairment primarily related to technology which is no longer a part of the long-term strategy. All impairments were recorded due to insufficient prospective cash flows to support the asset value, resulting from the restructuring of Quiet Platforms. We recorded \$5.6 million of severance based on this revised strategy. We also recorded \$4.9 million of contract related charges.

A rollforward of the restructuring liabilities recognized in the Consolidated Balance Sheet is as follows:

<i>(In thousands)</i>	13 Weeks Ended	
	May 4, 2024	
Accrued liability as of February 3, 2024	\$	11,414
Less: Cash payments and adjustments		(7,210)
Accrued liability as of May 4, 2024	\$	4,204

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

The following Management's Discussion and Analysis of Financial Condition and Results of Operations (this "MD&A") is intended to help the reader understand the Company, our operations and our present business environment. This MD&A is provided as a supplement to — and should be read in conjunction with — our MD&A for Fiscal 2023, which can be found in our Fiscal 2023 Form 10-K.

In addition, the following discussion and analysis of financial condition and results of operations are based upon our Consolidated Financial Statements and should be read in conjunction with these statements and notes thereto.

Introduction

This MD&A is organized as follows:

- [Executive Overview](#)
- [Key Performance Indicators](#)
- [Current Trends and Outlook](#)
- [Results of Operations](#)
- [Non-GAAP Information](#)
- [Liquidity and Capital Resources](#)
- [Critical Accounting Estimates](#)

Recent accounting pronouncements the Company has adopted or is currently evaluating prior to adoption, including the dates of adoption or expected dates of adoption, as applicable, and anticipated effects on the Company's audited Consolidated Financial Statements, are included in Note 2. "Summary of Significant Accounting Policies" of the Notes to the Consolidated Financial Statements included herein.

Executive Overview

We are a leading global specialty retailer offering high-quality, on-trend clothing, accessories and personal care products at affordable prices under our American Eagle® and Aerie® brands.

We have two reportable segments, American Eagle and Aerie. Our Chief Operating Decision Maker (defined as our CEO) analyzes segment results and allocates resources based on adjusted operating income (loss), which is a non-GAAP financial measure. See Note 12. "Segment Reporting," of the Notes to the Consolidated Financial Statements included herein for additional information.

Key Performance Indicators

Our management evaluates the following items, which are considered key performance indicators, in assessing our performance:

Comparable Sales — Comparable sales and comparable sales changes provide a measure of sales growth for stores and channels open at least one year over the comparable prior year period. In fiscal years following those with 53 weeks, including Fiscal 2024, the prior year period is shifted by one week to compare similar calendar weeks. A store is included in comparable sales in the 13th month of operation. However, stores that have a gross square footage change of 25% or greater due to a remodel are removed from the comparable sales base but are included in total sales. These stores are returned to the comparable sales base in the 13th month following the remodel. Sales from American Eagle, Aerie, Todd Snyder, and Unsubscribed stores, as well as sales from AEO Direct and other digital channels, are included in total comparable sales. Sales from licensed stores are not included in comparable sales. Individual American Eagle and Aerie brand comparable sales disclosures include sales from stores and AEO Direct.

Omni-Channel Sales Performance – Our management utilizes the following quality of sales metrics in evaluating our omni-channel sales performance: comparable sales, average unit retail price, total transactions, units per transaction, and consolidated comparable traffic. We include these metrics in our discussion within this MD&A when we believe that they enhance the understanding of the matter being discussed. Investors may find them useful as such. Each of these metrics is defined as follows (except comparable sales, which is defined separately above):

- *Average unit retail price* represents the selling price of our goods. It is the cumulative net sales divided by the net units sold for a period of time.
- *Total transactions* represents the count of customer transactions over a period of time (inclusive of Company-owned stores and AEO Direct, unless specified otherwise).
- *Units per transaction* represents the number of units sold divided by total transactions over a period of time (inclusive of Company-owned stores and AEO Direct, unless specified otherwise).
- *Consolidated comparable traffic* represents visits to our Company-owned stores, limited to those stores that qualify to be included in comparable sales as defined above, including AEO Direct, over a period of time.

Gross Profit — Gross profit measures whether we are optimizing the profitability of our sales. Gross profit is the difference between total net revenue and cost of sales. Cost of sales consists of merchandise costs, including design, sourcing, importing, and inbound freight costs, as well as markdowns, shrinkage and certain promotional costs, Quiet Platforms costs to service its customers and buying, occupancy and warehousing costs and services. Design costs consist of compensation, rent, depreciation, travel, supplies, and samples.

Buying, occupancy and warehousing costs and services consist of compensation, employee benefit expenses and travel for our buyers and certain senior merchandising executives; rent and utilities related to our stores, corporate headquarters, distribution centers and other office space; freight from our distribution centers to the stores; compensation and supplies for our distribution centers, including purchasing, receiving and inspection costs; and shipping and handling costs related to our e-commerce operations.

The inability to obtain acceptable levels of sales, initial markups or any significant increase in our use of markdowns could have an adverse effect on our gross consolidated profit and results of operations.

Operating Income — Our management views operating income as a key indicator of our performance. The key drivers of operating income are net revenue, gross profit, our ability to control SG&A expenses, and our level of capital expenditures.

Cash Flow and Liquidity — Our management evaluates cash flow from operations and investing and financing activities in determining the sufficiency of our cash position and capital allocation strategies. Cash flow has historically been sufficient to cover our uses of cash. Our management believes that cash flow and liquidity will be sufficient to fund anticipated capital expenditures and working capital requirements for the next twelve months and beyond.

Current Trends and Outlook

Macroeconomic Conditions and Inflation

During Fiscal 2023 and the 13 weeks ended May 4, 2024, our results were negatively impacted by macro-economic challenges and global inflationary pressures impacting consumer spending behavior, which constrained revenue and increased margin pressure to clear through excess inventory. Given ongoing external uncertainties, we have taken additional actions to improve financial performance, including more operating efficiency initiatives. For further information about the risks associated with global economic conditions and the effect of economic pressures on our business, see “Risk Factors” in Part I, Item 1A of our Fiscal 2023 Form 10-K.

Omni-Channel and Digital Capabilities

We sell merchandise through our digital channels, www.ae.com, www.aerie.com, and our AEO apps, both domestically and internationally in approximately 80 countries. We also sell AE and Aerie brand merchandise on various international online marketplaces. We offer Todd Snyder and Unsubscribed brand products online at www.toddsnyder.com and www.unsubscribed.com, respectively. The digital channels reinforce each particular brand and are designed to complement the in-store experience.

Over the past several years, we have invested in building our technologies and digital capabilities. We focused our investments in three key areas: making significant advances in mobile technology, investing in digital marketing and improving the digital customer experience.

Profit Improvement Program

We launched our profit improvement program during Fiscal 2023, "Powering Profitable Growth," which focused on a comprehensive review of our cost structure. Early actions have been focused on the components of gross margin and contributed to margin expansion in Fiscal 2023. Other significant work streams have been identified, actioned and incorporated into our Fiscal 2024 plans. The results of these initiatives are expected to yield gross margin expansion, as well as SG&A and depreciation leverage, resulting in an improved operating profit rate.

Results of Operations

The first 13 weeks of Fiscal 2024 showed early indicators of progress on our "Powering Profitable Growth" plan, marked by the three strategic priorities. Compared to the first 13 weeks of Fiscal 2023:

- **Amplifying our brands:** Total revenue increased 6% to \$1.144 billion from \$1.081 billion, with American Eagle revenue increasing 8% year over year, and Aerie revenue increasing 4% year over year. American Eagle's comparable sales increased 7% year over year, and Aerie's comparable sales increased 6% year over year.
- **Executing with financial discipline:** Gross profit increased 12% to \$464 million year over year, and increased by 240 basis points to 40.6% as a percentage of revenue.
- **Optimizing our operating capabilities:** Operating income increased 241% to \$78 million from \$23 million last year, and increased by 470 basis points to 6.8% as a percentage of revenue. Operating income of \$78 million this year increased 76% when compared to adjusted operating income of \$44 million last year, and increased 270 basis points.

Diluted earnings per share increased to \$0.34 for the 13 weeks ended May 4, 2024 compared to \$0.09, or \$0.17 on an adjusted basis, for the 13 weeks ended April 29, 2023.

The following table shows the percentage relationship to total net revenue of the listed line items included in our Consolidated Statements of Operations:

	13 Weeks Ended					
	May 4, 2024		April 29, 2023			
	(In thousands)	(Percentage of revenue)	(In thousands)	(Percentage of revenue)		
Total net revenue	\$ 1,143,867	100.0 %	\$ 1,080,926	100.0 %		
Cost of sales, including certain buying, occupancy and warehouse expenses	679,628	59.4	667,747	61.8		
Gross profit	464,239	40.6	413,179	38.2		
Selling, general and administrative expenses	333,493	29.2	312,345	28.9		
Impairment, restructuring and other charges ⁽¹⁾	-	0.0	21,275	2.0		
Depreciation and amortization expense	52,910	4.6	56,728	5.2		
Operating income ⁽¹⁾	77,836	6.8	22,831	2.1		
Interest (income) expense, net	(3,439)	(0.3)	690	0.1		
Other (income), net	(1,396)	(0.1)	(3,311)	(0.3)		
Income before income taxes	\$ 82,671	7.2	\$ 25,452	2.3		
Provision for income taxes	14,919	1.3	6,999	0.6		
Net income ⁽¹⁾	\$ 67,752	5.9 %	\$ 18,453	1.7 %		

⁽¹⁾ Refer to "Non-GAAP Information" below for non-GAAP or adjusted financial measures.

The following table shows our consolidated store data for the 13 weeks ended May 4, 2024 and April 29, 2023:

	13 Weeks Ended	
	May 4, 2024	April 29, 2023
Number of stores:		
Beginning of period	1,182	1,175
Opened	4	7
Closed	(13)	(2)
End of period	<u>1,173</u>	<u>1,180</u>
Total gross square feet at end of period (in '000)	<u>7,221</u>	<u>7,273</u>
International licensed/franchise stores at end of period ⁽¹⁾	<u>315</u>	<u>280</u>

⁽¹⁾ International licensed/franchise stores are not included in the consolidated store data or the total gross square feet calculation.

As of May 4, 2024, we operated 846 American Eagle retail stores, consisting of 188 Aerie side-by-side locations, five locations with AE brand, Aerie brand and OFFLINE™ connected as one store, and 2 OFFLINE™ side-by-side locations, 307 Aerie stand-alone stores (including 38 OFFLINE™ stand-alone stores and 32 OFFLINE™ side-by-side locations), and AEO Direct. Additionally, there were 15 Todd Snyder stand-alone locations and five Unsubscribed locations.

Comparison of the 13 weeks ended May 4, 2024 to the 13 weeks ended April 29, 2023

Total Net Revenue

Total net revenue increased 6% for the 13 weeks ended May 4, 2024 to \$1.144 billion, compared to \$1.081 billion last year. Digital revenue increased 12%, and store revenue increased 4%, driven by increased transactions across both channels. Total comparable sales increased by 7%, compared to a 2% increase last year. Additionally, last year included \$14 million of revenue from excess end-of-season selloffs, which we did not anniversary this year, partially offsetting revenue growth across brands and channels for the current year.

	13 Weeks Ended						Increase/(Decrease)	
	May 4, 2024			April 29, 2023			(In thousands)	(Percentage)
	(In thousands)	(Percentage)		(In thousands)	(Percentage)			
American Eagle	\$724,744	63.4 %		\$671,092	62.1 %	\$53,652	8 %	
Aerie	372,652	32.6		359,082	33.2	13,570	4	
Other	54,984	4.8		109,357	10.1	(54,373)	(50)	
Intersegment Eliminations	(8,513)	(0.7)		(58,605)	(5.4)	50,092	(85)	
Total net revenue	\$1,143,867	100.0 %		\$1,080,926	100.0 %	\$62,941	6 %	

American Eagle. The increase in net revenue was driven by increased transactions across channels. This increase was partially offset by \$4 million of incremental revenue from excess end-of-season selloffs, during the 13 weeks ended April 29, 2023, which we did not anniversary this year. American Eagle comparable sales increased 7%.

Aerie. The increase in net revenue was driven by increased transactions across channels. This increase was partially offset by \$9 million of incremental revenue from excess end-of-season selloffs, during the 13 weeks ended April 29, 2023, which we did not anniversary this year. Aerie comparable sales increased 6%.

Other. The decrease in net revenue was primarily attributable to \$56 million of lower revenue from Quiet Platforms due to our change in strategy for this business. This decrease was partially offset by lower intersegment eliminations, as \$50

million of incremental Quiet Platforms revenue during the 13 weeks ended April 29, 2023 was derived from the American Eagle and Aerie segments.

Gross Profit

	13 Weeks Ended		Increase/(Decrease)	
	May 4, 2024	April 29, 2023		
	<i>(In thousands)</i>		<i>(In thousands)</i>	<i>(Percentage)</i>
Gross Profit	\$ 464,239	\$ 413,179	\$ 51,060	12 %
Gross Margin	40.6 %	38.2 %	240 basis points	

The 12% increase in gross profit was primarily driven by an increase of \$52 million in merchandise margin due to increased net revenue from both American Eagle and Aerie, as well as an improvement in markup primarily related to lower product and transportation costs.

This increase was partially offset by a \$2 million increase in buying, occupancy and warehousing costs, primarily due to increased compensation, offset by lower rent and distribution and warehousing costs.

During the 13 weeks ended May 4, 2024 and April 29, 2023, \$6.6 million and \$5.9 million, respectively of share-based payment expense were included in gross profit, representing both time and performance-based awards.

Our gross profit may not be comparable to that of other retailers, as some retailers include all costs related to their distribution network as well as design costs in cost of sales and others may exclude a portion of these costs from cost of sales, including them in a line item such as SG&A expenses. Refer to Note 2 to the Consolidated Financial Statements for a description of our accounting policy regarding cost of sales, including certain buying, occupancy and warehousing expenses.

Selling, General and Administrative Expenses

	13 Weeks Ended		Increase/(Decrease)	
	May 4, 2024	April 29, 2023		
	<i>(In thousands)</i>		<i>(In thousands)</i>	<i>(Percentage)</i>
Selling, general and administrative expenses	\$ 333,493	\$ 312,345	\$ 21,148	7 %
Selling, general and administrative expenses as a percentage of net revenue	29.2 %	28.9 %	30 basis points	

The increase in expenses was primarily related to:

- an \$18 million increase in compensation, primarily due to \$10 million of incremental incentive expense resulting from annual share-based compensation grants during the 13 weeks ended May 4, 2024 and performance-based incentive accruals, as well as \$6 million of increased store compensation due to increased wage rates, partially offset by efficiencies in our store labor model; and
- an increase in advertising and variable sales related expenses.

There was \$14.0 million and \$8.9 million of share-based payment expense included in SG&A expenses for the 13 week periods ended May 4, 2024 and April 29, 2023, respectively, comprised of both time and performance-based awards.

Impairment, Restructuring and Other Charges

	13 Weeks Ended				Increase/(Decrease)	
	May 4, 2024		April 29, 2023		(In thousands)	(Percentage)
	(In thousands)					
Charges recorded in operating expenses:						
Quiet Platforms impairment, restructuring and other charges ⁽¹⁾	\$	-	\$	21,275	\$ (21,275)	(100) %
Impairment, restructuring and other charges	\$	-	\$	21,275	\$ (21,275)	(100) %
Impairment, restructuring and other charges as a percentage of net revenue		0.0 %		2.0 %	-200 basis points	

- (1) There were no impairment, restructuring and other charges for the 13 weeks ended May 4, 2024. During the 13 weeks ended April 29, 2023, we recorded \$21.3 million of impairment, restructuring and other charges related to Quiet Platforms. We recorded \$10.8 million of impairment of supply chain technology assets due to insufficient prospective cash flows to support the asset value resulting from the restructuring of Quiet Platforms, \$5.6 million of employee severance, and \$4.9 million of contract related charges.

Depreciation and Amortization Expense

	13 Weeks Ended				Increase/(Decrease)	
	May 4, 2024		April 29, 2023		(In thousands)	(Percentage)
	(In thousands)					
American Eagle	\$	17,576	\$	19,023	\$ (1,447)	(8) %
Aerie		15,254		15,485	(231)	(1)
Other		20,080		22,220	(2,140)	(10)
Total depreciation and amortization expense	\$	52,910	\$	56,728	\$ (3,818)	(7) %
Total depreciation and amortization expense as a percentage of net revenue		4.6 %		5.2 %	-60 basis points	

The decrease in depreciation and amortization expense was primarily driven by a year-over-year decrease in capital expenditures as well as prior year impairments of definite-lived tangible and intangible assets of Quiet Platforms.

Operating Income

	13 Weeks Ended						Increase/(Decrease)	
	May 4, 2024			April 29, 2023			(In thousands)	(Percentage)
	(In thousands)	(Percentage of revenue)		(In thousands)	(Percentage of revenue)			
Operating income								
American Eagle	\$138,585	12.1 %		\$107,167	9.9 %	\$31,418	29 %	
Aerie	61,327	5.4		56,604	5.2	4,723	8	
Other	(14,848)	(1.3)		(16,307)	(1.5)	1,459	(9)	
General corporate expenses	(107,228)			(103,358)		(3,870)		
Impairment, restructuring, and other charges	-			(21,275)		21,275		
Total Operating Income	\$77,836	6.8 %		\$22,831	2.1 %	\$55,005	241 %	

The 241% increase in operating income was primarily driven by higher gross profit, a reduction in impairment, restructuring, and other charges, and a reduction in depreciation and amortization offset by increased SG&A expenses, all of which are explained in detail above.

American Eagle. The 29% increase was primarily the result of a \$33 million increase in gross profit driven by incremental merchandise margin on the increase in total net revenue as well as improved markup, partially offset by increased buying, occupancy, and warehousing costs. The gross profit improvement was partially offset by a \$3 million increase in SG&A costs, primarily from store compensation.

Aerie. The 8% increase was primarily the result of a \$13 million increase in gross profit driven by incremental merchandise margin on the increase in total net revenue as well as improved markup. The gross profit improvement

was partially offset by a \$9 million increase in SG&A expenses, primarily driven by store compensation and incremental advertising investment.

Other. The improvement year over year was primarily the result of a \$3 million improvement from Quiet Platforms as a result of lower SG&A and depreciation and amortization expenses.

General Corporate Expenses. General corporate expenses increased primarily due to an increase in incentive compensation.

Interest (Income) Expense, net

	13 Weeks Ended		Increase/(Decrease)	
	May 4, 2024	April 29, 2023		
	<i>(In thousands)</i>		<i>(In thousands)</i>	<i>(Percentage)</i>
Interest (income) expense, net	\$ (3,439)	\$ 690	\$ 4,129	598 %
Interest (income) expense as a percentage of net revenue	(0.3) %	0.1 %	40 basis points	

The increase in interest income, net was primarily attributable to increased interest income of \$4 million on deposits, no borrowings on our Credit Facility, and the elimination of convertible note interest expense on the 2025 Notes due to their Early Redemption last year.

Other (Income), net

	13 Weeks Ended		Increase/(Decrease)	
	May 4, 2024	April 29, 2023		
	<i>(In thousands)</i>		<i>(In thousands)</i>	<i>(Percentage)</i>
Other (income), net	\$(1,396)	\$(3,311)	\$(1,915)	(58) %
Other (income), net as a percentage of net revenue	(0.1) %	(0.3) %	-20 basis points	

Provision for Income Taxes

	13 Weeks Ended		Increase/(Decrease)	
	May 4, 2024	April 29, 2023		
	<i>(In thousands)</i>		<i>(In thousands)</i>	<i>(Percentage)</i>
Provision for income taxes	\$ 14,919	\$ 6,999	\$ 7,920	113 %
Provision for incomes taxes as a percentage of net revenue	1.3 %	0.6 %	70 basis points	
Effective tax rate	18.0 %	27.5 %		

The provision for income taxes is based on the current estimate of the annual effective income tax rate and is adjusted as necessary for discrete quarterly events. The effective income tax rate for the 13 weeks ended May 4, 2024 was 18.0% compared to 27.5% for the 13 weeks ended April 29, 2023. The change in the effective tax rate, as compared to the prior period, is primarily due to excess tax benefits on share-based payments and tax audit adjustments.

Net Income

	13 Weeks Ended		Increase/(Decrease)	
	May 4, 2024	April 29, 2023		
	<i>(In thousands)</i>		<i>(In thousands)</i>	<i>(Percentage)</i>
Net income	\$ 67,752	\$ 18,453	\$ 49,299	267 %
Net income as a percentage of net revenue	5.9 %	1.7 %	420 basis points	

Net income per share increased to \$0.34 per diluted share for the 13 weeks ended May 4, 2024, compared to \$0.09 per diluted share, for the 13 weeks ended April 29, 2023. The increase in net income was attributable to the factors noted above.

Non-GAAP Information

The results of operations section above includes operating income and net income per diluted share presented on an adjusted or non-GAAP basis, which are non-GAAP financial measures. These financial measures are not based on any standardized methodology prescribed by GAAP and is not necessarily comparable to similar measures presented by other companies. Non-GAAP information is provided as a supplement to, not as a substitute for, or as superior to, measures of financial performance prepared in accordance with GAAP. We believe that this non-GAAP information is useful as an additional means for investors to evaluate our operating performance when reviewed in conjunction with our GAAP Consolidated Financial Statements and provides a higher degree of transparency. These amounts are not determined in accordance with GAAP and, therefore, should not be used exclusively in evaluating our business and operations. The table below reconciles the GAAP financial measure to the non-GAAP financial measures discussed above.

GAAP to Non-GAAP Reconciliation (Dollars in thousands, except per share amounts)

	13 Weeks Ended April 29, 2023			
	Operating Income	Provision for Income Taxes	Net Income	Earnings per Diluted Share
GAAP Basis	\$ 22,831	\$ 6,999	\$ 18,453	\$ 0.09
% of Revenue	2.1 %		1.7 %	
Add: Impairment, restructuring and other charges ⁽¹⁾	\$ 21,275		\$ 15,424	\$ 0.08
Tax effect of the above ⁽²⁾		\$ 5,851		
Non-GAAP Basis	\$ 44,106	\$ 12,850	\$ 33,877	\$ 0.17
% of Revenue	4.1 %		3.1 %	

⁽¹⁾ Refer to Note 13. "Impairment, Restructuring and Other Charges," to the Consolidated Financial Statements included herein for additional information.

⁽²⁾ The tax effect of excluded items is the difference between the tax provision calculated on a GAAP basis and on a non-GAAP basis.

International Operations

We have agreements with multiple third-party operators to expand our brands internationally. Our international licensing partners acquire the right to sell, promote, market, and/or distribute various categories of our products in a given geographic area and to source products from us. International licensees' rights include the right to own and operate retail stores and may include rights to sell in wholesale markets, shop-in-shop concessions and operate online marketplace businesses. As of May 4, 2024, our international licensing partners operated in 315 licensed retail stores and concessions, as well as wholesale markets, online brand sites, and online marketplaces in approximately 30 countries.

As of May 4, 2024, we had 105 company-owned stores in Canada, 81 in Mexico, 18 in Hong Kong, and seven in Puerto Rico.

Liquidity and Capital Resources

Our uses of cash have historically been for working capital, the construction of new stores and remodeling of existing stores, information technology and e-commerce upgrades and investments, distribution center improvements and expansion, and the return of value to stockholders through the repurchase of common stock and the payment of dividends. Additionally, our uses of cash have included the development of the Aerie brand, investments in technology and omni-channel capabilities, and our international expansion efforts.

Historically, our uses of cash have been funded with cash flow from operations and existing cash on hand. We also maintain an asset-based revolving credit facility that allows us to borrow up to \$700 million, which will expire in June 2027. As of May 4, 2024, there were no borrowings under the Credit Facility. In April 2020, the Company issued \$415 million aggregate principal amount of convertible senior notes due in 2025. As of April 29, 2023, the Company's 2025 Notes were fully redeemed. Refer to Note 8 to the Consolidated Financial Statements for additional information regarding our long-term debt.

As of May 4, 2024, we had approximately \$300.5 million in cash and cash equivalents. We expect to be able to fund our future cash requirements through current cash holdings and available liquidity.

The following sets forth certain measures of our liquidity:

	May 4, 2024
Working Capital (in thousands)	537,988
Current Ratio	1.70

The following table sets forth net cash flows in operating, investing, and financing activities for the 13 weeks ended May 4, 2024 and April 29, 2023:

	13 Weeks Ended		Increase/(Decrease)
	May 4, 2024	April 29, 2023	
	<i>(In thousands)</i>		
Total cash provided by (used for):			
Operating activities	\$ (38,111)	\$ (8,216)	\$ (29,895)
Investing activities	59,221	(46,020)	105,241
Financing activities	(74,214)	1,908	(76,122)
Effect of foreign currency exchange rate changes on cash and cash equivalents	(472)	(40)	(432)
Increase (decrease) in cash and cash equivalents	\$ (53,576)	\$ (52,368)	\$ (1,208)

Cash Flows (Used For) Operating Activities

Our major source of cash from operations for both periods was merchandise sales and our primary outflow of cash from operations was for the payment of operational costs.

Cash Flows Provided by (Used for) Investing Activities

Investing activities for the 13 weeks ended May 4, 2024 primarily consisted of the sales of available-for-sale investments of \$100.0 million, partially offset by capital expenditures of \$36.2 million.

Investing activities for the 13 weeks ended April 29, 2023 primarily consisted of capital expenditures of \$45.9 million.

Cash Flows (Used for) Provided by Financing Activities

Cash used for financing activities for the 13 weeks ended May 4, 2024 consisted primarily of \$34.9 million used for the repurchase of common stock under our publicly announced programs, and \$24.6 million for cash dividends paid at a quarterly rate of \$0.125 per share.

Cash provided by financing activities for the 13 weeks ended April 29, 2023 consisted primarily of \$30.0 million of proceeds from borrowings under our Credit Facility, partially offset by \$19.6 million for cash dividends paid at a quarterly rate of \$0.10 per share and \$10.3 million for the repurchase of common stock from employees for the payment of taxes in connection with vesting of share-based payments.

Revolving Credit Facility

In June 2022, we entered into an amended and restated Credit Agreement, which provides senior secured asset-based revolving credit for loans and letters of credit up to \$700 million, subject to customary borrowing base limitations. The Credit Facility expires on June 24, 2027.

All obligations under the Credit Facility are unconditionally guaranteed by certain subsidiaries. The obligations under the Credit Agreement are secured by certain assets of the Company and certain subsidiaries.

As of May 4, 2024, the Company was in compliance with the terms of the Credit Agreement and had no borrowings and \$12.0 million outstanding in stand-by letters of credit. As of April 29, 2023, the Company had \$30 million in outstanding borrowings and \$7.7 million outstanding in stand-by letters of credit.

Capital Expenditures for Property and Equipment

For the 13 weeks ended May 4, 2024, capital expenditures totaled \$36.2 million. See below for a breakdown of expenditures:

	13 Weeks Ended		Increase/(Decrease)	
	May 4, 2024	April 29, 2023	(In thousands)	(Percentage)
	(In thousands)			
Store, fixture, and visual investments	\$ 20,532	\$ 22,491	\$ (1,959)	(9) %
Information technology initiatives	12,978	17,223	(4,245)	(25)
Supply chain infrastructure	2,116	5,675	(3,559)	(63)
Other home office projects	583	468	115	25
Capital Expenditures	\$ 36,209	\$ 45,857	\$ (9,648)	(21) %

For Fiscal 2024, we expect capital expenditures to be in the range of \$200 million to \$250 million related to the continued support of our expansion efforts, stores, information technology upgrades to support growth and investments in e-commerce, as well as to support and enhance our supply chain. We expect to be able to fund our capital expenditures through current cash holdings and cash generated from operations.

See below for a breakdown for stores remodeled and new stores opened in the 13 weeks ended May 4, 2024 and April 29, 2023:

	13 Weeks Ended			
	May 4, 2024		April 29, 2023	
	New Stores	Remodels	New Stores	Remodels
American Eagle ⁽¹⁾	3	-	4	2
Aerie ⁽²⁾	1	-	2	1
Todd Snyder	-	-	1	-
Unsubscribed	-	-	-	-
Total stores	4	-	7	3

⁽¹⁾ American Eagle includes AE stand-alone stores, Aerie side-by-side stores connected to an AE brand location, AE, Aerie, and OFFLINE locations connected as one store, and OFFLINE side-by-side stores connected to an AE brand location

⁽²⁾ Aerie includes Aerie stand-alone, OFFLINE stand-alone, and OFFLINE side-by-side stores connected to an Aerie brand location

Share Repurchases

On February 1, 2024, our Board authorized the public repurchase of 30.0 million shares under a new share repurchase program, which expires on February 3, 2029. During the 13 weeks ended May 4, 2024, there were 1.5 million shares repurchased under this authorization.

During the 13 weeks ended May 4, 2024 and April 29, 2023, we repurchased approximately 0.5 million and 0.7 million shares, respectively, from certain employees at market prices totaling \$13.2 million and \$10.3 million, respectively. These shares were repurchased for the payment of taxes, in connection with the vesting of share-based payments, as permitted under our equity incentive plans.

The aforementioned repurchased shares have been recorded as treasury stock.

Dividends

During the 13 weeks ended May 4, 2024, our Board declared a quarterly cash dividend of \$0.125 per share on March 4, 2024, which was paid on April 26, 2024.

The Company maintains the right to defer the record and payment dates of any declared dividends, depending upon, among other factors, business performance and the macroeconomic environment. The payment of future dividends is at the discretion of our Board and is based on future earnings, cash flow, financial condition, capital requirements, changes in United States taxation, and other relevant factors.

Critical Accounting Estimates

Our critical accounting policies and estimates are described in Item 7, *Management's Discussion and Analysis of Financial Condition and Results of Operations*, and in the notes to our Consolidated Financial Statements for the year ended February 3, 2024 contained in our Fiscal 2023 Form 10-K. Any new accounting policies or updates to existing accounting policies as a result of new accounting pronouncements have been discussed in the notes to our Consolidated Financial Statements in this Quarterly Report. The application of our critical accounting policies and estimates may require our management to make judgments and estimates about the amounts reflected in the Consolidated Financial Statements. Our management uses historical experience and all available information to make these estimates and judgments, and different amounts could be reported using different assumptions and estimates.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

We are primarily exposed to the impact of foreign exchange rate risk primarily through our Canadian and Mexican operations where the functional currency is the Canadian dollar and Mexican peso, respectively. The impact of all other foreign currencies is currently immaterial to our consolidated financial results. An unrealized gain of \$0.7 million is included in accumulated other comprehensive income during the 13 weeks ended May 4, 2024. Our market risk profile as of February 3, 2024 is disclosed in Item 7A, *Quantitative and Qualitative Disclosures About Market Risk*, of our Fiscal 2023 Form 10-K, which is unchanged as of May 4, 2024.

ITEM 4. CONTROLS AND PROCEDURES.

Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to provide reasonable assurance that information required to be disclosed in our reports under the Exchange Act, is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to the management of American Eagle Outfitters, Inc. (the "Management"), including our principal executive officer and our principal financial officer, as appropriate, to allow timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, Management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives.

In connection with the preparation of this Quarterly Report, as of May 4, 2024, the Company performed an evaluation under the supervision and with the participation of our Management, including the principal executive officer and principal financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) or 15d-15(e) under the Exchange Act). Based upon that evaluation, our principal executive officer and our principal financial officer concluded that, as of the end of the period covered by this Quarterly Report, our disclosure controls and procedures were effective in the timely and accurate recording, processing, summarizing, and reporting of material financial and non-financial information within the time periods specified within the SEC's rules and forms. Our principal executive officer and principal financial officer also concluded that our disclosure controls and procedures were effective to ensure that information required to be disclosed in the reports that we file or submit under the Exchange Act is accumulated and communicated to our Management, including our principal executive officer and principal financial officer, to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

There has been no change in our internal control over financial reporting (as defined in Rules 13a-15(f) or 15d-15(f) of the Exchange Act) during our most recently completed fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS.

We are involved, from time to time, in actions associated with or incidental to our business, including, among other things, matters involving consumer privacy, trademark and other intellectual property, licensing, importation of products, taxation, and employee relations. We believe at present that the resolution of currently pending matters will not individually or in the aggregate have a material adverse effect on our consolidated financial position or results of operations. However, our assessment of any litigation or other legal claims could potentially change in light of the discovery of facts not presently known or determinations by judges, juries, or other finders of fact that are not in accord with management's evaluation of the possible liability or outcome of such litigation or claims. Consistent with SEC Regulation S-K Item 103, we have elected to disclose those environmental proceedings with a governmental entity as a party where the company reasonably believes such proceeding would result in monetary sanctions, exclusive of interest and costs, of \$1.0 million or more. Applying this threshold, there are no environmental matters to disclose for this period.

Refer to Note 11. "Legal Proceedings" of the Notes to the Consolidated Financial Statements included herein for additional information.

ITEM 1A. RISK FACTORS.

Risk factors that affect our business and financial results are discussed within Part I, Item 1A of our Fiscal 2023 Form 10-K. There have been no material changes to our risk factors as disclosed in the Fiscal 2023 Form 10-K.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES, USE OF PROCEEDS, AND ISSUER PURCHASES OF EQUITY SECURITIES

Issuer Purchases of Equity Securities

The following table provides information regarding our repurchases of our common stock during the 13 weeks ended May 4, 2024:

Period	Total	Average	Total Number of	Maximum Number
	Number of Shares Purchased	Price Paid Per Share	Shares Purchased as Part of Publicly Announced Programs	of Shares that May Yet Be Purchased Under the Program
	(1)	(2)	(1)	(1) (3)
Month #1 (February 3, 2024 through March 2, 2024)	101,013	\$ 22.48		30,000,000
Month #2 (March 3, 2024 through April 6, 2024)	1,208,269	\$ 23.11	846,451	29,153,549
Month #3 (April 7, 2024 through May 4, 2024)	721,572	\$ 23.55	653,549	28,500,000
Total	2,030,854	\$ 23.30	1,500,000	28,500,000

(1) There were 1.5 million shares repurchased as part of our publicly announced share repurchase program and an aggregate of 530,854 shares were repurchased for the payment of taxes in connection with the vesting of share-based payments during the 13 weeks ended May 4, 2024.

(2) Average price paid per share excludes any broker commissions paid.

(3) On February 1, 2024, our Board authorized the public repurchase of 30 million shares under a new share repurchase program, which expires on February 3, 2029.

ITEM 5: OTHER INFORMATION

(C) Rule 10b5-1 Trading Plans

During the fiscal quarter ended May 4, 2024, none of our directors or officers (as defined in Rule 16a-1 under the Exchange Act) adopted, modified or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 105b-1 trading arrangement" (as those terms are defined in Item 408 of Regulation S-K), except as described in the table below:

Name and Position	Action	Date	Rule 10b5-1*	Non - Rule 10b5-1**	Total Shares of Common	Expiration Date
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					Stock to be Sold	
Jennifer Foyle, President, Executive Creative Director, AE and Aerie	Adoption	April 16, 2024	X		Up to 518,878	March 31, 2025

* Contract, instruction or written plan intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) under the Exchange Act.

** "Non-Rule 10b5-1 trading arrangement" as defined in Item 408(c) of Regulation S-K under the Exchange Act.

ITEM 6. EXHIBITS.

- * Exhibit 10.1^ [Form of Notice of Grant of Performance-Based Restricted Stock Units and Restricted Stock Units Awards Agreement under the American Eagle Outfitters, Inc. 2023 Stock Award and Incentive Plan](#)
- * Exhibit 10.2^ [Form of Notice of Grant of Stock Option Award Agreement under the American Eagle Outfitters, Inc. 2023 Stock Award and Incentive Plan](#)
- * Exhibit 10.3^ [Form of Notice of Grant of Time-Based Restricted Stock Units and Restricted Stock Units Awards Agreement under the American Eagle Outfitters, Inc. 2023 Stock Award and Incentive Plan](#)
- * Exhibit 31.1 [Certification by Jay L. Schottenstein pursuant to Rule 13a-14\(a\) or Rule 15d-14\(a\)](#)
- * Exhibit 31.2 [Certification by Michael A. Mathias pursuant to Rule 13a-14\(a\) or Rule 15d-14\(a\)](#)
- ** Exhibit 32.1 [Certification of Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002](#)
- ** Exhibit 32.2 [Certification of Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002](#)
- * Exhibit 101 The following materials from the Company's Quarterly Report on Form 10-Q for the quarter ended May 4, 2024, formatted as inline eXtensible Business Reporting Language ("XBRL"): (i) Consolidated Balance Sheets as of May 4, 2024, February 3, 2024, and April 29, 2023 (ii) Consolidated Statements of Operations for the 13 weeks ended May 4, 2024 and April 29, 2023, (iii) Consolidated Statements of Comprehensive Income for the 13 weeks ended May 4, 2024 and April 29, 2023, (iv) Consolidated Statements of Stockholders' Equity for the 13 weeks ended May 4, 2024 and April 29, 2023, and (v) Consolidated Statements of Cash Flows for the 13 weeks ended May 4, 2024 and April 29, 2023.
- * Exhibit 104 The cover page from the Company's Quarterly Report on Form 10-Q for the quarter ended May 4, 2024, formatted in inline XBRL

^ Management contract or compensatory plan or arrangement.

* Filed with this report.

** Furnished with this report.

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.

Dated: May 30, 2024

American Eagle Outfitters, Inc.
(Registrant)

By: /s/ Jay L. Schottenstein
Jay L. Schottenstein
Chief Executive Officer
(Principal Executive Officer)

By: /s/ Michael A. Mathias
Michael A. Mathias
Executive Vice President, Chief Financial Officer
(Principal Financial Officer)

**Notice of Long Term Incentive
Grant of Restricted
Stock Units and Long Term Incentive
Restricted Stock Units Award Agreement**

American Eagle Outfitters, Inc.
77 Hot Metal Street
Pittsburgh, PA 15203

#EmployeeID# Plan: 2023
#ParticipantName# Product ID:

Effective#GrantDate# (the “Grant Date”), you have been granted a target Award of #QuantityGranted# units of restricted stock (the “RSUs”) under the American Eagle Outfitters, Inc. 2023 Stock Award and Incentive Plan (the “Plan”). Each RSU represents the right to receive one share of American Eagle Outfitters, Inc. (the “Company”) common stock, \$0.01 par value per share, at a future point in time. This Award is subject to the terms and conditions contained in this Notice and Agreement, as well as the terms and conditions of the Plan. All capitalized words not defined in this Notice and Agreement have the meanings assigned to them in the Plan.

The RSUs shall remain restricted subject to the risk of being forfeited unless your employment is terminated, or in the event of a Change in Control, in each case, as provided in Section 4 of the attached Terms and Conditions and unless a percentage determined based on the performance goals for the Performance Period of Service is earned (the “RSU Vesting Percentage”). For purposes of determining the vesting of the RSUs, the “Performance Period” is []

Performance goals for the Performance Period shall be based on the Company’s total shareholder return (“TSR”) relative to the average TSR of the members of AEO’s [] Proxy Peer Group (the “Peer Group”).

For the Company and each company in the Peer Group, TSR will be determined using the 30-day average closing market price per share for the 30 trading days preceding [] / the 30-day average closing market price per share for the 30 trading days preceding [], assuming all dividends paid from [] are reinvested on the ex-dividend date.

Payouts for the relative TSR goal will be determined in accordance with the following schedule⁽¹⁾:

<u>Performance Level</u> ⁽²⁾	<u>AEO Relative TSR Performance</u> ⁽³⁾	<u>Vesting Percentage</u>
Maximum	75 th percentile or above	150%
Target	50 th percentile	100%
Threshold	25 th percentile	50%
	Below 25 th percentile	0%

⁽¹⁾ If the Company’s Absolute TSR performance over the Performance Period is negative, the vesting percentage is capped at Target (100%) regardless of the Company’s Relative TSR performance. Absolute TSR is defined as the difference in the Company’s average stock price for the 30 days preceding the grant date and the final 30 days of the performance period.

⁽²⁾ If Threshold is met or exceeded, the performance and Award pay-out will be determined through interpolation between Threshold, Target and Maximum performance levels (e.g., performance between percentiles will be interpolated).

⁽³⁾ Any adjustments to the Peer Group companies, as a result of corporate transactions or other significant corporate events during the Performance Period, shall be determined as set forth in, and on file with the Compensation Committee (the “Committee”).

The number of RSUs determined by applying a percentage under the schedule above shall be rounded up to the nearest whole share.

The Committee shall determine and certify in writing the achievement of the above performance goals after the end of the Performance Period. On the date of certification, such restrictions will lapse as to the Shares that are earned in accordance with the performance measures set forth in the schedule above (the “Period of Restriction”) and the balance, if any, shall be forfeited.

As provided in the Plan and this Notice and Agreement, this Award may terminate before the restrictions lapse. For example, if your employment with the Company ends before the date the restrictions lapse, this Award will terminate and the RSUs awarded shall revert to the Company, except in certain cases as specified in Section 4 of this Notice and Agreement.

By signing below (which includes electronic acceptance), you agree that this Award is governed by this Notice and Agreement, and by the terms and conditions contained in the Plan, as amended from time to time, and incorporated into this Notice and Agreement by reference

American Eagle Outfitters, Inc.

By: Jay L. Schottenstein _____
Jay Schottenstein _____ Date _____

Employee _____ Date _____

TERMS AND CONDITIONS OF RESTRICTED STOCK AWARD

1. Grant of Award. American Eagle Outfitters, Inc. (the “Company”) hereby grants to the employee named on page 1 of this Notice and Agreement (“Employee”) as a separate incentive in connection with Employee’s employment and not in lieu of any salary or other compensation for Employee’s services, an Award of the number of restricted stock units (“RSUs”) of Stock of the Company set forth on page 1 of this Notice and Agreement, which RSUs are granted on the Grant Date, subject to all the terms and conditions in this Notice and Agreement and in the Company’s 2023 Stock Award and Incentive Plan (the “Plan”). Each RSU represents the right to receive one share of Stock at a future point in time.

2. Nature of Grant. In accepting the grant of RSUs, Employee acknowledges, understands and agrees that:

- a) the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time, to the extent permitted by the Plan;
- b) the grant of the RSUs is voluntary and occasional and does not create any contractual or other right to receive future grants of RSUs, or benefits in lieu of RSUs, even if RSUs have been granted in the past;
- c) all decisions with respect to future RSU or other grants, if any, will be at the sole discretion of the Company;
- d) Employee is voluntarily participating in the Plan;
- e) the RSUs and the shares of Common Stock underlying the RSUs awarded under the Plan (the “Shares”) are not intended to replace any pension rights or compensation;
- f) the RSUs and the Shares, and the income and value of same, are not part of normal or expected compensation or salary for any purpose, including, without limitation, calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments;
- g) the future value of the Shares is unknown, indeterminable and cannot be predicted with certainty;
- h) no claim or entitlement to compensation or damages shall arise from forfeiture of the RSUs resulting from the termination of Employee’s Service (for any reason whatsoever, whether or not later found to be invalid or in breach of employment laws in the jurisdiction where Employee is employed or the terms of Employee’s employment agreement, if any), and in consideration of the grant of the RSUs to which Employee is otherwise not entitled, Employee irrevocably agrees never to institute any claim against the Company or any of its subsidiaries or affiliates, waives Employee’s ability, if any, to bring any such claim, and releases the Company and all its subsidiaries and affiliates from any such claim; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, Employee shall be deemed irrevocably to have agreed not to pursue such claim and agree to execute any and all documents necessary to request dismissal or withdrawal of such claim; and
- i) unless otherwise provided in the Plan or by the Company in its discretion, the RSUs and the benefits evidenced by this Notice and Agreement do not create any entitlement to have the RSUs or any such benefits transferred to, or assumed by, another company nor to be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the Common Stock.

3. Rights of Employee with Respect to the Restricted Stock Units.

3.1 No Stockholder Rights. The RSUs granted pursuant to this Award do not and shall not entitle Employee to any rights of a stockholder of Stock, including voting rights with respect to shares of Stock underlying RSUs prior to the Company’s issuance of such shares pursuant to Section 3.3. The rights of Employee with respect to the RSUs shall remain forfeitable at all times prior to the date on which such rights become vested and the restrictions with respect to the RSUs lapse.

3.2 Additional Restricted Stock Units. As long as Employee holds RSUs granted pursuant to this Award, the Company shall credit to Employee, on each date that the Company pays a cash dividend to holders of Stock generally, an additional number of RSUs (“Additional RSUs”) equal to the total number of whole RSUs and Additional RSUs previously credited to Employee under this Award

multiplied by the dollar amount of the cash dividend paid per share of Stock by the Company on such pay date, divided by the Fair Market Value of a share of Stock on such pay date. Any fractional RSU resulting from such calculation shall be included in the Additional RSUs. A report showing the number of Additional RSUs so credited shall be sent to Employee periodically, as determined by the Company. The Additional RSUs so credited shall be subject to the same terms and conditions as the RSUs to which such Additional RSUs relate and the Additional RSUs shall be forfeited in the event that the RSUs with respect to which such Additional RSUs were credited are forfeited.

3.3 Conversion of Restricted Stock Units; Issuance of Stock. No shares of Stock shall be issued to Employee prior to the date on which the RSUs vest, and the restrictions with respect to the RSUs lapse, as set forth on page 1 of this Notice and Agreement. Neither this Section 3.3 nor any action taken pursuant to or in accordance with this Section 3.3 shall be construed to create a trust of any kind. After any RSUs vest as set forth on page 1 of this Notice and Agreement, the Company shall as soon as administratively practicable (but no later than 30 days thereafter) cause to be issued one share of Stock for each RSU in book-entry form, registered in Employee's name or in the name of Employee's legal representatives, beneficiaries or heirs, as the case may be, in payment of such vested whole RSUs and any Additional RSUs. The value of any fractional RSU shall be rounded up to the nearest whole share at the time shares are delivered to Employee in payment of the RSUs and any Additional RSUs.

3. Termination of Service/Change in Control. The RSUs as to which restrictions have not lapsed upon the date and time of Employee's termination of Service, for a reason other than Employee's death, Disability or Retirement or following a Change in Control as specified in Section 9 of the Plan, shall terminate and thereupon revert to the Company automatically and without charge to the Company subject to the discretion of the Committee. Such RSUs shall thereafter be available for grant under the Plan.

In the event of a termination of Service as a result of Employee's death, Disability or Retirement, the RSUs shall be vested as scheduled, if and to the extent the performance goals for this Award are achieved.

Following a Change in Control, the provisions of Section 9 of the Plan shall control the vesting and payment of the Award. In this regard, in the event the RSUs are assumed in a Change in Control, and within 18 months after the effective date of the Change in Control, Employee's employment or service is terminated by the Company without Cause (excluding voluntary resignation, death, Disability or Retirement), then the vesting and payment of the RSUs shall be accelerated to the extent provided by Section 9(a)(i)(C) of the Plan. If the RSUs are not assumed in a Change in Control, the vesting and payment of RSUs shall be governed by Section 9(a)(ii)(C) of the Plan.

5. Continuous Employment Required. Subject to the provisions of Section 4 above, restrictions on RSUs shall not lapse and the RSUs shall not vest in accordance with any of the provisions of this Notice and Agreement unless Employee shall have been continuously employed by the Company or by one of its affiliates from the date of the Award until the date such restrictions are deemed to have lapsed.

6. Forfeiture of Award. Notwithstanding anything in this Notice and Agreement to the contrary, the RSUs represented by this Award may be forfeited in accordance with the provisions of Sections 4, 9 or 20 of this Notice and Agreement or Section 10 of the Plan.

7. Withholding Taxes. Notwithstanding anything in this Notice and Agreement to the contrary, no shares of Stock may be issued unless and until Employee shall have delivered to the Company or its designated affiliate, the full amount of any federal, state or local income and other withholding taxes. The Company will automatically withhold from the total number of shares of Stock deliverable to Employee upon the applicable vesting date, the number of shares having a value equal to the minimum statutory tax withholding requirements as determined in accordance with the Plan. In the event of any remaining tax balance, Employee will be required to deliver a check for that amount payable to American Eagle Outfitters, Inc. before the shares of Stock are deposited into Employee's account. Notwithstanding any other provision of this Notice and Agreement to the contrary, the Company shall not be obligated to guarantee any particular tax result for Employee with respect to any payment provided to Employee hereunder, and Employee shall be responsible for any taxes imposed on Employee with respect to any such payment.

8. Beneficiary Designation. If permitted by the Committee, Employee may name a beneficiary or beneficiaries to whom any vested but unpaid Award amount shall be paid in the event of Employee's death. In order to be effective, a beneficiary designation must be made by Employee in a form and manner acceptable to the Company. If Employee fails to make an effective beneficiary designation, or if no such beneficiary survives Employee, then the vested but unpaid benefits remaining at Employee's death shall be paid to Employee's estate.

9. Non-competition and Non-solicitation.

9.1 In consideration of the RSUs, Employee agrees and covenants not to:

(a) contribute his or her knowledge, directly or indirectly, in whole or in part, as an employee, officer, owner, manager, advisor, consultant, agent, partner, director, stockholder, volunteer, intern or in any other similar capacity to an entity engaged in the same or similar business as the Company and its affiliates, including those engaged in the retail sale of apparel, swimwear, lingerie, accessories

or footwear, during Employee's tenure with the Company and its affiliates and for a period of 12 months following Employee's termination of Service or such longer period of time as may be set forth in any offer letter or other agreement between the parties; or,

(b) directly or indirectly, solicit, hire, recruit, attempt to hire or recruit, or induce the termination of employment of any employee of the Company or its affiliates during Employee's tenure with the Company and its affiliates and for 12 months following the Participant's termination of Service.

9.2 In the event of a breach or threatened breach of any of the covenants contained in Section 9.1:

(a) any unvested portion of this Award shall be forfeited effective as of the date of such breach, unless sooner terminated by operation of another term or condition of this Notice and Agreement or the Plan; and

(b) Employee hereby consents and agrees that the Company shall be entitled to seek, in addition to other available remedies, a temporary or permanent injunction or other equitable relief against such breach or threatened breach from any court of competent jurisdiction, without the necessity of showing any actual damages or that money damages would not afford an adequate remedy, and without the necessity of posting any bond or other security. The aforementioned equitable relief shall be in addition to, not in lieu of, legal remedies, monetary damages or other available forms of relief.

10. Non-transferability of Award. Until the end of the Period of Restriction set forth on page 1 of this Notice and Agreement, the RSUs granted herein and the rights and privileges conferred hereby and the Plan may not be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated (by operation of law or otherwise) other than: (a) by will; (b) by the laws of descent and distribution; or (c) as provided in Section 11(b) of the Plan.

11. Conditions to Issuance of Shares. The shares of Stock deliverable to Employee may be either previously authorized but unissued shares or issued shares which have been reacquired by the Company. The Company shall not be required to issue any shares of Stock hereunder prior to fulfillment of all of the following conditions: (a) The admission of such shares to listing on all stock exchanges on which such class of Stock is then listed; (b) The completion of any registration or other qualification of such shares under any state or federal law or under the rulings or regulations of the Securities and Exchange Commission or any other governmental regulatory body, which the Committee shall, in its absolute discretion, deem necessary or advisable; (c) The obtaining of any approval or other clearance from any state or federal governmental agency, which the Committee shall, in its absolute discretion, determine to be necessary or advisable; and (d) The lapse of such reasonable period of time following the date of grant of the RSUs as the Committee may establish from time to time for reasons of administrative convenience.

12. Plan Governs. This Notice and Agreement is subject to all the terms and provisions of the Plan. In the event of a conflict between one or more provisions of this Notice and Agreement and one or more provisions of the Plan, the provisions of the Plan shall govern.

13. No Right to Continued Employment or Future Awards. Employee understands and agrees that this Notice and Agreement does not impact in any way the right of the Company, or any affiliate of the Company employing Employee, to terminate the employment or change the terms of the employment of Employee at any time for any reason whatsoever, with or without cause. Employee understands and agrees that Employee's employment with the Company or an affiliate is on an "at-will" basis only. The Award is a voluntary, discretionary Award being made on a one-time basis and it does not constitute a commitment to make any future Awards. The Award and any related payments made to you will not be considered salary or other compensation for purposes of any severance pay or similar allowance, except as otherwise required by law.

14. Notices. Any notice to be given to the Company under the terms of this Notice and Agreement shall be addressed to the Company, in care of General Counsel, at American Eagle Outfitters, Inc., 77 Hot Metal Street, Pittsburgh, PA 15203, or at such other address as the Company may hereafter designate in writing. Any notice to be given to Employee shall be addressed to Employee at the address for Employee maintained on the books and records of the Company. All such notices shall be deemed effective upon personal delivery (or electronic delivery to the extent authorized hereunder) or upon deposit in the U.S. mail, postage prepaid and properly addressed to the party to be notified.

15. Captions. Captions provided herein are for convenience only and are not to serve as a basis for interpretation or construction of this Notice and Agreement.

16. Agreement Severable. In the event that any provision in this Notice and Agreement shall be held invalid, illegal or unenforceable, such provision shall be severable from, and such invalidity, illegality or unenforceability shall not be construed to have any effect on, the remaining provisions of this Notice and Agreement, and the provisions so held to be invalid, unenforceable or otherwise illegal shall be reformed to the extent (and only to the extent) necessary to make it enforceable, valid and legal.

17. Governing Law and Venue. The RSU grant and the provisions of this Notice and Agreement are governed by, and subject to, the laws of the State of Delaware, without regard to the conflict of law provisions. For purposes of litigating any dispute that arises under the RSU grant or this Notice and Agreement, the parties hereby submit to and consent to the jurisdiction of the Commonwealth of Pennsylvania, agree that such litigation shall be conducted in the courts of Allegheny County, or the federal courts for the United States for the Western District of Pennsylvania, where this grant is made and/or to be performed.

18. Unfunded Obligation. The obligations of the Company hereunder will be merely that of an unfunded and unsecured promise of the Company to deliver shares of Stock in the future, and the rights of Employee will be no greater than that of an unsecured general creditor. No assets of the Company will be held or set aside as security for the obligations of the Company hereunder.

19. Nature of Grant. Employee acknowledges that (a) the future value of the underlying shares of Stock is unknown and cannot be predicted with certainty and (b) in consideration of the grant of the RSUs, no claim or entitlement to compensation or damages shall arise from termination of the RSUs or diminution in value of the shares received upon settlement including (without limitation) any claim or entitlement resulting from termination of Employee's active employment by the Company or an affiliate (for any reason whatsoever and whether or not in breach of local labor laws), and Employee hereby releases the Company and its affiliates from any such claim that may arise if, notwithstanding the foregoing, any such claim is found by a court of competent jurisdiction to have arisen, then, by accepting the RSUs and this Notice and Agreement, Employee shall be deemed irrevocably to have waived Employee's entitlement to pursue such claim.

20. Clawback. Notwithstanding any provisions of this Notice and Agreement to the contrary, any RSUs granted hereunder will be subject to mandatory forfeiture or repayment by Employee to the Company to the extent Employee is, or in the future becomes, subject to (a) any Company clawback or recoupment policy that is adopted to comply with the requirements of any applicable laws, rules or regulations, or that is otherwise adopted by the Company, or (b) any applicable laws which impose mandatory recoupment, under circumstances set forth in such applicable laws, including as required by the Sarbanes-Oxley Act of 2002, the Dodd-Frank Wall Street Reform and Consumer Protection Act, or other applicable law, regulation or stock exchange listing requirement, as may be in effect from time to time, and which may operate to create additional rights for the Company with respect to Awards and the forfeiture or recovery of amounts relating thereto. In the event of a forfeiture event under an applicable Company clawback policy, any amounts required to be forfeited pursuant to such policy shall be deemed not to have been earned under the terms of the Plan, and the Company shall be entitled to recover from Employee the amount specified under the clawback policy to be forfeited. By accepting this grant of RSUs, Employee agrees and acknowledges that Employee is obligated to cooperate with, and provide any and all assistance necessary to, the Company to provide for the forfeiture or to recover or recoup this Award or amounts paid under this Award subject to clawback pursuant to such law, government regulation, stock exchange listing requirement or Company policy or the Plan. Such cooperation and assistance shall include, but is not limited to, executing, completing and submitting any documentation necessary to forfeit, recover or recoup this Award or amounts paid hereunder from Employee's accounts, or pending or future compensation awards that may be made to Employee.

21. Electronic Delivery. The Company may, in its sole discretion, deliver any documents related to the RSUs and Employee's participation in the Plan, or future Awards that may be granted under the Plan, by electronic means or request Employee's consent to participate in the Plan by electronic means. Employee hereby consents to receive such documents by electronic delivery and, if requested, agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or another third-party designated by the Company.

22. Compliance with Laws and Regulations. The issuance of shares of Stock pursuant to this Notice and Agreement shall be subject to compliance by Employee with all applicable requirements of law relating thereto and with all applicable regulations of any stock exchange on which the Stock may be listed for trading at the time of such issuance.

23. Binding Effect; No Third Party Beneficiaries. This Notice and Agreement shall be binding upon and inure to the benefit of the Company and Employee and their respective heirs, representatives, successors and permitted assigns. This Notice and Agreement shall not confer any rights or remedies upon any person other than the Company and Employee and their respective heirs, representatives, successors and permitted assigns.

24. Compliance with Section 409A of the Code. The Award covered by this Notice and Agreement is intended to be excepted from coverage under, or compliant with, the provisions of Section 409A of the Code, and the regulations and other guidance promulgated thereunder ("409A"). Notwithstanding the foregoing or any other provision of this Notice and Agreement or the Plan to the contrary, if the Award is subject to the provisions of 409A (and not exempted therefrom), the provisions of this Notice and Agreement and the Plan shall be administered, interpreted and construed in a manner necessary to comply with 409A (or disregarded to the extent such provision cannot be so administered, interpreted or construed). If any payments or benefits hereunder may be deemed to constitute nonconforming deferred compensation subject to taxation under the provisions of 409A, Employee agrees that the Company may, without the consent of Employee, modify this Notice and Agreement to the extent and in the manner the Company deems necessary or advisable or take such other action or actions, including an amendment or action with retroactive effect, that the Company deems appropriate in order either to preclude any such payment or benefit from being deemed "deferred compensation" within the meaning of 409A or to provide such payments or benefits in a manner that complies with the provisions of 409A such that they will not be subject to the imposition of taxes and/or interest thereunder. If, at the time of Employee's separation from service (within the meaning of 409A), (a) Employee shall be a specified employee (within the meaning of 409A and using the identification methodology selected by the Company from time to time) and (b) the Company shall make a good faith determination that an amount payable hereunder constitutes deferred compensation (within the meaning of 409A) the settlement of which is required to be delayed pursuant to the six-month delay rule set forth in 409A in order to avoid taxes or penalties under 409A, then the Company shall not

settle such amount on the otherwise scheduled settlement date but shall instead settle it, without interest, on the first business day of the month after such six-month period. Notwithstanding the foregoing, the Company makes no representations and/or warranties with respect to compliance with 409A, and Employee recognizes and acknowledges that 409A could potentially impose upon Employee certain taxes and/or interest charges for which Employee is and shall remain solely responsible.

**Notice of
Grant of Non-Qualified
Stock Option and Option
Award Agreement**

American Eagle Outfitters, Inc.
77 Hot Metal Street
Pittsburgh, PA 15203

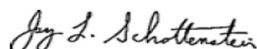
#EmployeeID# Plan: 2023
#ParticipantName# Product ID:

Effective#GrantDate# (the "Grant Date"), you have been granted a non-qualified stock option to buy #QuantityGranted# shares of American Eagle Outfitters, Inc. stock at \$#GrantPrice# per share. This option is subject to all of the terms and conditions contained in this Notice and Agreement (the attached "Terms and Conditions of Non-Qualified Stock Option"), and the terms and conditions set forth in the American Eagle Outfitters, Inc. 2023 Stock Award and Incentive Plan (the "Plan"). All capitalized words not defined in this Notice and Agreement have the meanings assigned to them in the Plan.

Unless your employment is terminated, or in the event of a Change in Control, in each case, as provided in Section 4 of the attached Terms and Conditions, options for shares will vest evenly as to one third of the shares over three years on the anniversary of the grant date and become fully exercisable on the third anniversary of the grant date (the "Period of Restriction") and shall remain exercisable for the period ending on the expiration date of #Expirationdate# (the "Expiration Date").

By signing below (which includes electronic acceptance), you agree that this Award is governed by this Notice and Agreement, and by the terms and conditions contained in the Plan, as amended from time to time, and incorporated into this Notice and Agreement by reference.

American Eagle Outfitters, Inc.



By: _____ Date _____
Jay Schottenstein

Employee Date _____

TERMS AND CONDITIONS OF NON-QUALIFIED STOCK OPTION

1. Grant of Option. American Eagle Outfitters, Inc. (the "Company") hereby grants to the employee named on page 1 of this Notice and Agreement ("Employee") under the Company's 2023 Stock Award and Incentive Plan (the "Plan"), as a separate incentive in connection with Employee's employment and not in lieu of any salary or other compensation for Employee's services, a non-qualified stock option to purchase, on the terms and conditions of the Plan and of this Notice and Agreement, all or any part of the number of shares set forth on page 1 of this Notice and Agreement. The option granted hereby is **not** intended to be an Incentive Stock Option within the meaning of Section 422 of the Internal Revenue Code of 1986, as amended.

2. Nature of Grant. In accepting the grant of options, Employee acknowledges, understands and agrees that:

- a) the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time, to the extent permitted by the Plan;

- b) the grant of the options is voluntary and occasional and does not create any contractual or other right to receive future grants of options, or benefits in lieu of options, even if options have been granted in the past;
- c) all decisions with respect to future options or other grants, if any, will be at the sole discretion of the Company;
- d) Employee is voluntarily participating in the Plan;
- e) the options and the shares of Common Stock underlying the options awarded under the Plan (the "Shares") are not intended to replace any pension rights or compensation;
- f) the options and the Shares, and the income and value of same, are not part of normal or expected compensation or salary for any purpose, including, without limitation, calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments;
- g) the future value of the Shares is unknown, indeterminable and cannot be predicted with certainty;
- h) no claim or entitlement to compensation or damages shall arise from forfeiture of the options resulting from the termination of Employee's Service (for any reason whatsoever, whether or not later found to be invalid or in breach of employment laws in the jurisdiction where Employee is employed or the terms of Employee's employment agreement, if any), and in consideration of the grant of the options to which Employee is otherwise not entitled, Employee irrevocably agrees never to institute any claim against the Company or any of its subsidiaries or affiliates, waives Employee's ability, if any, to bring any such claim, and releases the Company and all its subsidiaries and affiliates from any such claim; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, Employee shall be deemed irrevocably to have agreed not to pursue such claim and agree to execute any and all documents necessary to request dismissal or withdrawal of such claim; and
- i) unless otherwise provided in the Plan or by the Company in its discretion, the options and the benefits evidenced by this Notice and Agreement do not create any entitlement to have the options or any such benefits transferred to, or assumed by, another company nor to be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the Common Stock.

3. Exercise Price. The purchase price per share upon the exercise of the option shall be payable: (a) in cash or its equivalent; or (b) at the discretion of the Committee, with previously acquired shares of Stock, or (c) by any other means the Committee shall permit.

4. Termination of Option/Change in Control. Each option granted under the Plan shall terminate upon the first to occur of the following events: (a) the date for expiration set forth on page 1 of this Notice and Agreement; (b) immediately upon the date and time of Employee's termination of Service for a reason other than Employee's Death, Disability or Retirement or following a Change in Control as specified in Section 9 of the Plan, unless the Committee in its sole discretion decides to extend the exercisability of the option to not more than three (3) months from the termination of Service; (c) the vesting of options shall accelerate on the date of Employee's termination of Service by reason of death or Disability and shall remain exercisable for one year; (d) on the date of Employee's termination of Service by reason of Retirement: (i) options that are exercisable upon the termination of Employee's employment shall remain exercisable for one year after the termination of employment and (ii) options that are not exercisable upon the termination of Employee's employment shall continue to vest and shall be exercisable for one year after the vesting date when such options first become exercisable.

Following a Change in Control, the provisions of Section 9 of the Plan shall control the vesting and payment of the Award. In this regard, in the event the option is assumed in a Change in Control, and within 18 months after the effective date of the Change in Control, Employee's employment or service is terminated by the Company without Cause (excluding voluntary resignation, death, Disability or Retirement), then the vesting and exercisability of the option shall be accelerated to the extent provided by Section 9(a)(i)(A) of the Plan. If the option is not assumed in a Change in Control, the vesting and exercisability of the option shall be governed by Section 9(a)(ii)(A) of the Plan.

Notwithstanding the foregoing, in the event that on the last business day of the term of the option, the Fair Market Value of a share of Stock is greater than the exercise price for the option, then the option shall be automatically exercised on such business day without any required action by the Employee, and such automatic exercise shall comply with the terms of this Award Agreement and the Plan.

5. Death of Employee. To the extent exercisable after Employee's death, the option shall be exercised only by Employee's designated beneficiary or beneficiaries. If Employee fails to make an effective beneficiary designation, or if no beneficiary survives Employee, then the option shall be exercised by the administrator or executor of Employee's estate.

6. Exercise of Option. The option may be exercised by the person then entitled to do so as to any shares which may then be purchased by giving written notice of exercise (in the form prescribed by the Company) to the Secretary of the Company, specifying the number of shares to be purchased and accompanied by full payment for the shares (including the amount of any income tax the Company determines is required to be withheld by reason of such exercise), or by such other administrative exercise and payment procedures as may be established by the Company from time to time. If the Company shall be required to withhold any federal, state, local or foreign tax in connection with exercise of the option, it shall be a condition to such exercise that you pay or make provision satisfactory to the Company for payment of all such taxes by such methods permitted by the Company. Notwithstanding any other provision of this Notice and Agreement or the Plan, the Company shall not be obligated to guarantee any particular tax result for Employee with respect to any Award and/or payment provided to Employee hereunder, and Employee shall be responsible for any taxes imposed on Employee with respect to such Award and/or payment. In the event of an automatic exercise at the end of the option period pursuant to Section 4 above, the Employee agrees that the Company shall automatically and mandatorily satisfy any tax withholding obligation of the Company with respect to the option by having shares of Stock withheld to satisfy the applicable withholding tax rate for FICA, federal, state, local and other tax liabilities.

7. Forfeiture of Award. Notwithstanding anything in this Notice and Agreement to the contrary, the Shares represented by this Award may be forfeited in accordance with the provisions of Sections 4, 9 or 16 of this Notice and Agreement or Section 10 of the Plan.

8. No Right to Continued Employment or Future Awards. Employee understands and agrees that this Notice and Agreement does not impact in any way the right of the Company, or any affiliate of the Company employing Employee, to terminate or change the terms of the employment of Employee at any time for any reason whatsoever, with or without cause. Employee understands and agrees that Employee's employment with the Company or an affiliate is on an "at-will" basis only. This Award is a voluntary, discretionary Award being made on a one-time basis and it does not constitute a commitment to make any future Awards. This Award and any related payments made to you will not be considered salary or other compensation for purposes of any severance pay or similar allowance, except as otherwise required by law.

9. Non-competition and Non-solicitation.

9.1 In consideration of the option, Employee agrees and covenants not to:

(a) contribute his or her knowledge, directly or indirectly, in whole or in part, as an employee, officer, owner, manager, advisor, consultant, agent, partner, director, stockholder, volunteer, intern or in any other similar capacity to an entity engaged in the same or similar business as the Company and its affiliates, including those engaged in the retail sale of apparel, swimwear, lingerie, accessories or footwear, during Employee's tenure with the Company and its affiliates and for a period of 12 months following Employee's termination of Service or such longer period of time as may be set forth in any offer letter or other agreement with the parties; or,

(b) directly or indirectly, solicit, hire, recruit, attempt to hire or recruit, or induce the termination of employment of any employee of the Company or its affiliates during Employee's tenure with the Company and its affiliates and for 12 months following Employee's termination of Service.

9.2 In the event of a breach or threatened breach of any of the covenants contained in Section 9.1:

(a) any unvested portion of the option shall be forfeited effective as of the date of such breach, unless sooner terminated by operation of another term or condition of this Notice and Agreement or the Plan; and

(b) Employee hereby consents and agrees that the Company shall be entitled to seek, in addition to other available remedies, a temporary or permanent injunction or other equitable relief against such breach or threatened breach from any court of competent jurisdiction, without the necessity of showing any actual damages or that money damages would not afford an adequate remedy, and without the necessity of posting any bond or other security. The aforementioned equitable relief shall be in addition to, not in lieu of, legal remedies, monetary damages or other available forms of relief.

10. Notices. Any notice to be given to the Company under the terms of this Notice and Agreement shall be addressed to the Company, Stock Option Administrator, c/o Human Resources, at American Eagle Outfitters, Inc., 77 Hot Metal Street, Pittsburgh, PA 15203, or at such other address as the Company may hereafter designate in writing. Any notice to be given

to Employee shall be addressed to Employee at such address for Employee maintained on the books and records of the Company. All such notices shall be deemed effective upon personal delivery (or electronic delivery to the extent authorized hereunder) or upon deposit in the U.S. mail, postage prepaid and properly addressed to the party to be notified.

11. Non-Transferability of Option. Except as provided below, the option granted and the rights and privileges conferred by this Notice and Agreement and the Plan shall not be transferred, assigned, pledged or hypothecated in any way (whether by operation of law or otherwise) and shall not be subject to sale under execution, attachment or similar process, other than: (a) by will; (b) by the laws of descent and distribution; or (c) as provided in Section 11(b) of the Plan.

12. Plan Governs. This Notice and Agreement is subject to all terms and provisions of the Plan. In the event of a conflict between one or more provisions of this Notice and Agreement and one or more provisions of the Plan, the provisions of the Plan shall govern.

13. Captions. Captions provided herein are for convenience only and are not to serve as a basis for interpretation or construction of this Notice and Agreement.

14. Governing Law and Venue. The RSU grant and the provisions of this Notice and Agreement are governed by, and subject to, the laws of the State of Delaware, without regard to the conflict of law provisions. For purposes of litigating any dispute that arises under the RSU grant or this Notice and Agreement, the parties hereby submit to and consent to the jurisdiction of the Commonwealth of Pennsylvania, agree that such litigation shall be conducted in the courts of Allegheny County, or the federal courts for the United States for the Western District of Pennsylvania, where this grant is made and/or to be performed.

15. Agreement Severable. In the event that any provision in this Notice and Agreement shall be held invalid, illegal or unenforceable for any reason, such provision shall be severable from, and such invalidity, illegality or unenforceability shall not be construed to have any effect on, the remaining provisions of this Notice and Agreement, and the provisions so held to be invalid, unenforceable or otherwise illegal shall be reformed to the extent (and only to the extent) necessary to make it enforceable, valid and legal.

16. Clawback. Notwithstanding any provisions of this Notice and Agreement to the contrary, any option granted hereunder will be subject to mandatory forfeiture or repayment by Employee to the Company to the extent Employee is, or in the future becomes, subject to (a) any Company clawback or recoupment policy that is adopted to comply with the requirements of any applicable laws, rules or regulations, or that is otherwise adopted by the Company, or (b) any applicable laws which impose mandatory recoupment, under circumstances set forth in such applicable laws, including as required by the Sarbanes-Oxley Act of 2002, the Dodd-Frank Wall Street Reform and Consumer Protection Act, or other applicable law, regulation or stock exchange listing requirement, as may be in effect from time to time, and which may operate to create additional rights for the Company with respect to Awards and the forfeiture or recovery of amounts relating thereto. In the event of a forfeiture event under an applicable Company clawback policy, any amounts required to be forfeited pursuant to such policy shall be deemed not to have been earned under the terms of the Plan, and the Company shall be entitled to recover from Employee the amount specified under the clawback policy to be forfeited. By accepting this Award, Employee agrees and acknowledges that Employee is obligated to cooperate with, and provide any and all assistance necessary to, the Company to provide for the forfeiture or to recover or recoup this Award or amounts paid under this Award subject to clawback pursuant to such law, government regulation, stock exchange listing requirement or Company policy. Such cooperation and assistance shall include, but is not limited to, executing, completing and submitting any documentation necessary to forfeit, recover or recoup this Award or amounts paid hereunder from Employee's accounts, or pending or future compensation awards that may be made to Employee.

16. Electronic Delivery. The Company may, in its sole discretion, deliver any documents relating to Employee's options and Employee's participation in the Plan, or future Awards that may be granted under the Plan, by electronic means or request your consent to participate in the Plan by electronic means. Employee hereby consents to receive such documents by electronic delivery and, if requested, agree to participate in the Plan through an on-line or electronic system established and maintained by the Company or another third-party designated by the Company.

17. Compliance with Laws and Regulations; No Stockholder Rights. The issuance of shares of Stock pursuant to Employee's exercise of the option shall be subject to compliance by Employee with all applicable requirements of law relating thereto and with all applicable regulations of any stock exchange on which the Stock may be listed for trading at

the time of such issuance. Neither Employee, nor any person entitled to exercise Employee's rights in the event of Employee's death, shall have any of the rights and/or privileges of a stockholder with respect to shares of Stock subject to the option, until certificates for such shares have been issued upon the exercise of the option.

18. Binding Effect; No Third Party Beneficiaries. This Notice and Agreement shall be binding upon and inure to the benefit of the Company and Employee, and to each of our respective heirs, representatives, successors and permitted assigns. Neither the terms of this Notice and Agreement nor the Plan shall confer any rights or remedies upon any person other than the Company and Employee and to each of our respective heirs, representatives, successor and permitted assigns.

19. Section 409A. This option is intended to be excepted from coverage under Section 409A of the Code ("Section 409A") and shall be administered, interpreted and construed accordingly. The Company may, in its sole discretion and without Employee's consent, modify or amend this Notice and Agreement, impose conditions on the timing and effectiveness of the exercise of the option by Employee, or take any other action it deems necessary or advisable, to cause the option to be excepted from Section 409A (or to comply therewith to the extent the Company determines it is not excepted). Notwithstanding the foregoing, Employee recognizes and acknowledges that Section 409A may impose upon Employee certain taxes or interest charges for which Employee is and shall remain solely responsible.

Notice of Grant of Restricted Stock Units and Restricted Stock Units Award Agreement

American Eagle Outfitters, Inc.
 77 Hot Metal Street
 Pittsburgh, PA 15203

#EmployeeID# Plan: 2023
 #ParticipantName# Product ID:

Effective#GrantDate# (the “Grant Date”), you have been granted an Award of #QuantityGranted# units of restricted stock (the “RSUs”) under the American Eagle Outfitters, Inc. 2023 Stock Award and Incentive Plan (the “Plan”). Each RSU represents the right to receive one share of American Eagle Outfitters, Inc. (the “Company”) common stock, \$0.01 par value per share, at a future point in time. This Award is subject to the terms and conditions contained in this Notice and Agreement, as well as the terms and conditions of the Plan. All capitalized words not defined in this Notice and Agreement have the meanings assigned to them in the Plan.

Unless your employment is terminated or due to a Change in Control, in each case, as provided in Section 4 of the attached Terms and Conditions, the RSUs shall vest over three years in equal annual increments with the first third vesting on the first anniversary of the grant date and with the second two thirds vesting on the second and third anniversary of the grant date (the “Period of Restriction”).

As provided in the Plan and this Notice and Agreement, this Award may terminate before the restrictions lapse. For example, if your employment with the Company ends before the date the restrictions lapse, this Award will terminate and the RSUs awarded shall revert to the Company, except in certain cases as specified in Section 4 of this Notice and Agreement.

By signing below (which includes electronic acceptance), you agree that this Award is governed by this Notice and Agreement, and by the terms and conditions contained in the Plan, as amended from time to time, and incorporated into this Notice and Agreement by reference.

American Eagle Outfitters, Inc.

By: Jay L. Schottenstein _____
 Jay Schottenstein Date

 Employee Date

TERMS AND CONDITIONS OF RESTRICTED STOCK AWARD

1. Grant of Award. American Eagle Outfitters, Inc. (the “Company”) hereby grants to the employee named on page 1 of this Notice and Agreement (“Employee”) as a separate incentive in connection with Employee’s employment and not in lieu of any salary or other compensation for Employee’s services, an Award of the number of restricted stock units (“RSUs”) of Stock of the Company set forth on page 1 of this Notice and Agreement, which RSUs are granted on the Grant Date, subject to all the terms and conditions in this Notice and Agreement and in the Company’s 2023 Stock Award and Incentive Plan (the “Plan”). Each RSU represents the right to receive one share of Stock at a future point in time.
2. Nature of Grant. In accepting the grant of RSUs, Employee acknowledges, understands and agrees that:
 - a) the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time, to the extent permitted by the Plan;
 - b) the grant of the RSUs is voluntary and occasional and does not create any contractual or other right to receive future grants of RSUs, or benefits in lieu of RSUs, even if RSUs have been granted in the past;
 - c) all decisions with respect to future RSU or other grants, if any, will be at the sole discretion of the Company;
 - d) Employee is voluntarily participating in the Plan;

- e) the RSUs and the shares of Common Stock underlying the RSUs awarded under the Plan (the “Shares”) are not intended to replace any pension rights or compensation;
- f) the RSUs and the Shares, and the income and value of same, are not part of normal or expected compensation or salary for any purpose, including, without limitation, calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments;
- g) the future value of the Shares is unknown, indeterminable and cannot be predicted with certainty;
- h) no claim or entitlement to compensation or damages shall arise from forfeiture of the RSUs resulting from the termination of Employee’s Service (for any reason whatsoever, whether or not later found to be invalid or in breach of employment laws in the jurisdiction where Employee is employed or the terms of Employee’s employment agreement, if any), and in consideration of the grant of the RSUs to which Employee is otherwise not entitled, Employee irrevocably agrees never to institute any claim against the Company or any of its subsidiaries or affiliates, waives Employee’s ability, if any, to bring any such claim, and releases the Company and all its subsidiaries and affiliates from any such claim; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, Employee shall be deemed irrevocably to have agreed not to pursue such claim and agree to execute any and all documents necessary to request dismissal or withdrawal of such claim; and
- i) unless otherwise provided in the Plan or by the Company in its discretion, the RSUs and the benefits evidenced by this Notice and Agreement do not create any entitlement to have the RSUs or any such benefits transferred to, or assumed by, another company nor to be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the Common Stock.

3. Rights of Employee with Respect to the Restricted Stock Units.

3.1 No Stockholder Rights. The RSUs granted pursuant to this Award do not and shall not entitle Employee to any rights of a stockholder of Stock, including voting rights with respect to shares of Stock underlying RSUs prior to the Company’s issuance of such shares pursuant to Section 3.3. The rights of Employee with respect to the RSUs shall remain forfeitable at all times prior to the date on which such rights become vested and the restrictions with respect to the RSUs lapse.

3.2 Additional Restricted Stock Units. As long as Employee holds RSUs granted pursuant to this Award, the Company shall credit to Employee, on each date that the Company pays a cash dividend to holders of Stock generally, an additional number of RSUs (“Additional RSUs”) equal to the total number of whole RSUs and Additional RSUs previously credited to Employee under this Award multiplied by the dollar amount of the cash dividend paid per share of Stock by the Company on such pay date, divided by the Fair Market Value of a share of Stock on such pay date. Any fractional RSU resulting from such calculation shall be included in the Additional RSUs. A report showing the number of Additional RSUs so credited shall be sent to Employee periodically, as determined by the Company. The Additional RSUs so credited shall be subject to the same terms and conditions as the RSUs to which such Additional RSUs relate and the Additional RSUs shall be forfeited in the event that the RSUs with respect to which such Additional RSUs were credited are forfeited.

3.3 Conversion of Restricted Stock Units; Issuance of Stock. No shares of Stock shall be issued to Employee prior to the date on which the RSUs vest, and the restrictions with respect to the RSUs lapse, as set forth on page 1 of this Notice and Agreement. Neither this Section 3.3 nor any action taken pursuant to or in accordance with this Section 3.3 shall be construed to create a trust of any kind. After any RSUs vest as set forth on page 1 of this Notice and Agreement, the Company shall as soon as administratively practicable (but no later than 30 days thereafter) cause to be issued one share of Stock for each RSU in book-entry form, registered in Employee’s name or in the name of Employee’s legal representatives, beneficiaries or heirs, as the case may be, in payment of such vested whole RSUs and any Additional RSUs. The value of any fractional RSU shall be rounded up to the nearest whole share at the time shares are delivered to Employee in payment of the RSUs and any Additional RSUs.

4. Termination of Service/Change in Control. The RSUs as to which restrictions have not lapsed upon the date and time of Employee’s termination of Service, for a reason other than Employee’s death, Disability or Retirement or following a Change in Control as specified in Section 9 of the Plan, shall terminate and thereupon revert to the Company automatically and without charge to the Company. Such RSUs shall thereafter be available for grant under the Plan.

In the event of a termination of Service as a result of Employee’s death, Disability or Retirement, the Shares shall be vested in full as scheduled subject to proration based on the number of days of Employee’s full-time employment during the three year vesting period.

Following a Change in Control, the provisions of Section 9 of the Plan shall control the vesting and payment of the Award. In this regard, in the event the RSUs are assumed in a Change in Control, and within 18 months after the effective date of the Change in Control, Employee’s employment or service is terminated by the Company without Cause (excluding voluntary resignation, death, Disability, or Retirement), then the vesting and payment of the RSUs shall be accelerated to the extent provided by Section 9(a)(i)(B) of the Plan. If

the RSUs are not assumed in a Change in Control, the vesting and payment of RSUs shall be governed by Section 9(a)(ii)(B) of the Plan.

5. Continuous Employment Required. Subject to the provisions of Section 4 above, restrictions on RSUs shall not lapse and the RSUs shall not vest in accordance with any of the provisions of this Notice and Agreement unless Employee shall have been continuously employed by the Company or by one of its affiliates from the date of the Award until the date such restrictions are deemed to have lapsed.

6. Forfeiture of Award. Notwithstanding anything in this Notice and Agreement to the contrary, the RSUs represented by this Award may be forfeited in accordance with the provisions of Sections 4, 9 or 20 of this Notice and Agreement or Section 10 of the Plan.

7. Withholding Taxes. Notwithstanding anything in this Notice and Agreement to the contrary, no shares of Stock may be issued unless and until Employee shall have delivered to the Company or its designated affiliate, the full amount of any federal, state or local income and other withholding taxes. The Company will automatically withhold from the total number of shares of Stock deliverable to Employee upon the applicable vesting date, the number of shares having a value equal to the minimum statutory tax withholding requirements as determined in accordance with the Plan. In the event of any remaining tax balance, Employee will be required to deliver a check for that amount payable to American Eagle Outfitters, Inc. before the shares of Stock are deposited into Employee's account. Notwithstanding any other provision of this Notice and Agreement to the contrary, the Company shall not be obligated to guarantee any particular tax result for Employee with respect to any payment provided to Employee hereunder, and Employee shall be responsible for any taxes imposed on Employee with respect to any such payment.

8. Beneficiary Designation. If permitted by the Committee, Employee may name a beneficiary or beneficiaries to whom any vested but unpaid Award amount shall be paid in the event of Employee's death. In order to be effective, a beneficiary designation must be made by Employee in a form and manner acceptable to the Company. If Employee fails to make an effective beneficiary designation, or if no such beneficiary survives Employee, then the vested but unpaid benefits remaining at Employee's death shall be paid to Employee's estate.

9. Non-competition and Non-solicitation.

9.1 In consideration of the RSUs, Employee agrees and covenants not to:

- (a) contribute his or her knowledge, directly or indirectly, in whole or in part, as an employee, officer, owner, manager, advisor, consultant, agent, partner, director, stockholder, volunteer, intern or in any other similar capacity to an entity engaged in the same or similar business as the Company and its affiliates, including those engaged in the retail sale of apparel, swimwear, lingerie, accessories or footwear, during Employee's tenure with the Company and its affiliates and for a period of 12 months following Employee's termination of Service or such longer period of time as may be set forth in any offer letter or other agreement between the parties; or,
- (b) directly or indirectly, solicit, hire, recruit, attempt to hire or recruit, or induce the termination of employment of any employee of the Company or its affiliates during Employee's tenure with the Company and its affiliates and for 12 months following the Participant's termination of Service.

9.2 In the event of a breach or threatened breach of any of the covenants contained in Section 9.1:

- (a) any unvested portion of this Award shall be forfeited effective as of the date of such breach, unless sooner terminated by operation of another term or condition of this Notice and Agreement or the Plan; and
- (b) Employee hereby consents and agrees that the Company shall be entitled to seek, in addition to other available remedies, a temporary or permanent injunction or other equitable relief against such breach or threatened breach from any court of competent jurisdiction, without the necessity of showing any actual damages or that money damages would not afford an adequate remedy, and without the necessity of posting any bond or other security. The aforementioned equitable relief shall be in addition to, not in lieu of, legal remedies, monetary damages or other available forms of relief.

10. Non-transferability of Award. Until the end of the Period of Restriction set forth on page 1 of this Notice and Agreement, the RSUs granted herein and the rights and privileges conferred hereby and the Plan may not be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated (by operation of law or otherwise) other than: (a) by will; (b) by the laws of descent and distribution; or (c) as provided in Section 11(b) of the Plan.

11. Conditions to Issuance of Shares. The shares of Stock deliverable to Employee may be either previously authorized but unissued shares or issued shares which have been reacquired by the Company. The Company shall not be required to issue any shares of Stock hereunder prior to fulfillment of all of the following conditions: (a) The admission of such shares to listing on all stock exchanges on which such class of Stock is then listed; (b) The completion of any registration or other qualification of such shares under any state or federal law or under the rulings or regulations of the Securities and Exchange Commission or any other governmental regulatory body, which the Committee shall, in its absolute discretion, deem necessary or advisable; (c) The obtaining of any approval or other clearance from any state or federal governmental agency, which the Committee shall, in its absolute discretion, determine to be

necessary or advisable; and (d) The lapse of such reasonable period of time following the date of grant of the RSUs as the Committee may establish from time to time for reasons of administrative convenience.

12. Plan Governs. This Notice and Agreement is subject to all the terms and provisions of the Plan. In the event of a conflict between one or more provisions of this Notice and Agreement and one or more provisions of the Plan, the provisions of the Plan shall govern.

13. No Right to Continued Employment or Future Awards. Employee understands and agrees that this Notice and Agreement does not impact in any way the right of the Company, or any affiliate of the Company employing Employee, to terminate the employment or change the terms of the employment of Employee at any time for any reason whatsoever, with or without cause. Employee understands and agrees that Employee's employment with the Company or an affiliate is on an "at-will" basis only. The Award is a voluntary, discretionary Award being made on a one-time basis and it does not constitute a commitment to make any future Awards. The Award and any related payments made to you will not be considered salary or other compensation for purposes of any severance pay or similar allowance, except as otherwise required by law.

14. Notices. Any notice to be given to the Company under the terms of this Notice and Agreement shall be addressed to the Company, in care of General Counsel, at American Eagle Outfitters, Inc., 77 Hot Metal Street, Pittsburgh, PA 15203, or at such other address as the Company may hereafter designate in writing. Any notice to be given to Employee shall be addressed to Employee at the address for Employee maintained on the books and records of the Company. All such notices shall be deemed effective upon personal delivery (or electronic delivery to the extent authorized hereunder) or upon deposit in the U.S. mail, postage prepaid and properly addressed to the party to be notified.

15. Captions. Captions provided herein are for convenience only and are not to serve as a basis for interpretation or construction of this Notice and Agreement.

16. Agreement Severable. In the event that any provision in this Notice and Agreement shall be held invalid, illegal or unenforceable, such provision shall be severable from, and such invalidity, illegality or unenforceability shall not be construed to have any effect on, the remaining provisions of this Notice and Agreement, and the provisions so held to be invalid, unenforceable or otherwise illegal shall be reformed to the extent (and only to the extent) necessary to make it enforceable, valid and legal.

17. Governing Law and Venue. The RSU grant and the provisions of this Notice and Agreement are governed by, and subject to, the laws of the State of Delaware, without regard to the conflict of law provisions. For purposes of litigating any dispute that arises under the RSU grant or this Notice and Agreement, the parties hereby submit to and consent to the jurisdiction of the Commonwealth of Pennsylvania, agree that such litigation shall be conducted in the courts of Allegheny County, or the federal courts for the United States for the Western District of Pennsylvania, where this grant is made and/or to be performed.

18. Unfunded Obligation. The obligations of the Company hereunder will be merely that of an unfunded and unsecured promise of the Company to deliver shares of Stock in the future, and the rights of Employee will be no greater than that of an unsecured general creditor. No assets of the Company will be held or set aside as security for the obligations of the Company hereunder.

19. Nature of Grant. Employee acknowledges that (a) the future value of the underlying shares of Stock is unknown and cannot be predicted with certainty and (b) in consideration of the grant of the RSUs, no claim or entitlement to compensation or damages shall arise from termination of the RSUs or diminution in value of the shares received upon settlement including (without limitation) any claim or entitlement resulting from termination of Employee's active employment by the Company or an affiliate (for any reason whatsoever and whether or not in breach of local labor laws), and Employee hereby releases the Company and its affiliates from any such claim that may arise if, notwithstanding the foregoing, any such claim is found by a court of competent jurisdiction to have arisen, then, by accepting the RSUs and this Notice and Agreement, Employee shall be deemed irrevocably to have waived Employee's entitlement to pursue such claim.

20. Clawback. Notwithstanding any provisions of this Notice and Agreement to the contrary, any RSUs granted hereunder will be subject to mandatory forfeiture or repayment by Employee to the Company to the extent Employee is, or in the future becomes, subject to (a) any Company clawback or recoupment policy that is adopted to comply with the requirements of any applicable laws, rules or regulations, or that is otherwise adopted by the Company, or (b) any applicable laws which impose mandatory recoupment, under circumstances set forth in such applicable laws, including as required by the Sarbanes-Oxley Act of 2002, the Dodd-Frank Wall Street Reform and Consumer Protection Act, or other applicable law, regulation or stock exchange listing requirement, as may be in effect from time to time, and which may operate to create additional rights for the Company with respect to Awards and the forfeiture or recovery of amounts relating thereto. In the event of a forfeiture event under an applicable Company clawback policy, any amounts required to be forfeited pursuant to such policy shall be deemed not to have been earned under the terms of the Plan, and the Company shall be entitled to recover from Employee the amount specified under the clawback policy to be forfeited. By accepting this grant of RSUs, Employee agrees and acknowledges that Employee is obligated to cooperate with, and provide any and all assistance necessary to, the Company to provide for the forfeiture or to recover or recoup this Award or amounts paid under this Award subject to clawback pursuant to such law, government regulation, stock exchange listing requirement or

Company policy or the Plan. Such cooperation and assistance shall include, but is not limited to, executing, completing and submitting any documentation necessary to forfeit, recover or recoup this Award or amounts paid hereunder from Employee's accounts, or pending or future compensation awards that may be made to Employee.

21. Electronic Delivery. The Company may, in its sole discretion, deliver any documents related to the RSUs and Employee's participation in the Plan, or future Awards that may be granted under the Plan, by electronic means or request Employee's consent to participate in the Plan by electronic means. Employee hereby consents to receive such documents by electronic delivery and, if requested, agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or another third-party designated by the Company.

22. Compliance with Laws and Regulations. The issuance of shares of Stock pursuant to this Notice and Agreement shall be subject to compliance by Employee with all applicable requirements of law relating thereto and with all applicable regulations of any stock exchange on which the Stock may be listed for trading at the time of such issuance.

23. Binding Effect; No Third Party Beneficiaries. This Notice and Agreement shall be binding upon and inure to the benefit of the Company and Employee and their respective heirs, representatives, successors and permitted assigns. This Notice and Agreement shall not confer any rights or remedies upon any person other than the Company and Employee and their respective heirs, representatives, successors and permitted assigns.

24. Compliance with Section 409A of the Code. The Award covered by this Notice and Agreement is intended to be excepted from coverage under, or compliant with, the provisions of Section 409A of the Code, and the regulations and other guidance promulgated thereunder ("409A"). Notwithstanding the foregoing or any other provision of this Notice and Agreement or the Plan to the contrary, if the Award is subject to the provisions of 409A (and not exempted therefrom), the provisions of this Notice and Agreement and the Plan shall be administered, interpreted and construed in a manner necessary to comply with 409A (or disregarded to the extent such provision cannot be so administered, interpreted or construed). If any payments or benefits hereunder may be deemed to constitute nonconforming deferred compensation subject to taxation under the provisions of 409A, Employee agrees that the Company may, without the consent of Employee, modify this Notice and Agreement to the extent and in the manner the Company deems necessary or advisable or take such other action or actions, including an amendment or action with retroactive effect, that the Company deems appropriate in order either to preclude any such payment or benefit from being deemed "deferred compensation" within the meaning of 409A or to provide such payments or benefits in a manner that complies with the provisions of 409A such that they will not be subject to the imposition of taxes and/or interest thereunder. If, at the time of Employee's separation from service (within the meaning of 409A), (a) Employee shall be a specified employee (within the meaning of 409A and using the identification methodology selected by the Company from time to time) and (b) the Company shall make a good faith determination that an amount payable hereunder constitutes deferred compensation (within the meaning of 409A) the settlement of which is required to be delayed pursuant to the six-month delay rule set forth in 409A in order to avoid taxes or penalties under 409A, then the Company shall not settle such amount on the otherwise scheduled settlement date but shall instead settle it, without interest, on the first business day of the month after such six-month period. Notwithstanding the foregoing, the Company makes no representations and/or warranties with respect to compliance with 409A, and Employee recognizes and acknowledges that 409A could potentially impose upon Employee certain taxes and/or interest charges for which Employee is and shall remain solely responsible.

CERTIFICATIONS

I, Jay L. Schottenstein, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of American Eagle 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(s) 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(s) 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.

Dated: May 30, 2024

/s/ Jay L. Schottenstein

Jay L. Schottenstein
Chief Executive Officer
(Principal Executive Officer)

CERTIFICATIONS

I, Michael A. Mathias, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of American Eagle 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(s) 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(s) 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.

Dated: May 30, 2024

/s/ Michael A. Mathias

Michael A. Mathias
Executive Vice President, Chief Financial Officer
(Principal Financial Officer)

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

In connection with the Quarterly Report of American Eagle Outfitters, Inc. (the "Company") on Form 10-Q for the period ended May 4, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Jay L. Schottenstein, Principal Executive Officer of the Company, certify to the best of my knowledge, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: May 30, 2024

/s/ Jay L. Schottenstein

Jay L. Schottenstein
Chief Executive Officer
(Principal Executive Officer)

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

In connection with the Quarterly Report of American Eagle Outfitters, Inc. (the "Company") on Form 10-Q for the period ended May 4, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Michael A. Mathias, Principal Financial Officer of the Company, certify to the best of my knowledge, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: May 30, 2024

/s/ Michael A. Mathias

Michael A. Mathias

Executive Vice President, Chief Financial Officer
(Principal Financial Officer)
