



AEO INC.

FIRST QUARTER 2025 Investor Presentation

Safe Harbor Statement Under The Private Securities Litigation Reform Act Of 1995

This presentation and related statements by management contain forward-looking statements (as such term is defined in the Private Securities Litigation Reform Act of 1995), which represent management's expectations or beliefs concerning future events, including, without limitation, second fiscal quarter and annual fiscal 2025 results. Words such as "outlook," "estimate," "project," "plan," "believe," "expect," "anticipate," "intend," "may," "potential," and similar expressions may identify forward-looking statements, although not all forward-looking statements contain these identifying words. All forward-looking statements made by the company are inherently uncertain because they are based on assumptions and expectations concerning future events and are subject to change based on many important factors, some of which may be beyond the company's control. Except as may be required by applicable law, we undertake no obligation to publicly update or revise any forward-looking statements whether as a result of new information, future events or otherwise and even if experience or future changes make it clear that any projected results expressed or implied therein will not be realized. The following factors, in addition to the risks disclosed in Item 1A., Risk Factors, of our Annual Report on Form 10-K for the fiscal year ended February 1, 2025 and in any other filings that we may make with the Securities and Exchange Commission, in some cases have affected, and in the future could affect, the company's financial performance and could cause actual results to differ materially from those expressed or implied in any of the forward-looking statements included in this release or otherwise made by management: the risk that the company's operating, financial and capital plans may not be achieved; our inability to anticipate customer demand and changing fashion trends and to manage our inventory commensurately; seasonality of our business; our inability to achieve planned store financial performance; our inability to react to raw material cost, labor and energy cost increases; our inability to gain market share in the face of declining shopping center traffic; our inability to respond to changes in e-commerce and leverage omni-channel demands; our inability to expand internationally; difficulty with our international merchandise sourcing strategies; challenges with information technology systems, including safeguarding against security breaches; and global economic, public health, social, political and financial conditions, and the resulting impact on consumer confidence and consumer spending, as well as other changes in consumer discretionary spending habits, which could have a material adverse effect on our business, results of operations and liquidity.

The use of the "company," "AEO," "we," "us," and "our" in this presentation refers to American Eagle Outfitters, Inc.

Non-GAAP Measures

This presentation includes information on non-GAAP financial measures (“non-GAAP” or “adjusted”), including operating income, net income and net income per diluted share. These financial measures are not based on any standardized methodology prescribed by U.S. generally accepted accounting principles (“GAAP”) and are 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. Management believes that this non-GAAP information is useful for an alternate presentation of the company's performance, when reviewed in conjunction with the company's 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.

We encourage investors and others to review our financial information in its entirety, not to rely on any single financial measure and to view these non-GAAP financial measures in conjunction with the related GAAP financial measures. The tables included in this presentation reconcile the GAAP financial measures to the non-GAAP financial measures discussed within for the 13 weeks ended May 3, 2025.



“As we noted in our preliminary release, the first quarter was a challenging period for our business. While we are disappointed with the results, we are taking actions to better position the company and drive stronger performance in the upcoming quarters. Our brands remain resilient. The team is executing with urgency as we look to strengthen both the topline and profit flow-through.”



Jay Schottenstein

AEO's Executive Chairman of the Board and Chief Executive Officer

Our Core Brands

Seeded from Within, Set Up For Success



AMERICAN EAGLE
Live Your Life

Soul of youth: Casual style that fosters self-expression, embraced by generations of youth since 1977

#1 Jeans



aerie
REAL

Authentic Comfort & Community:
Empowering people to love their
REAL selves.

#3 Intimates



OFFLINE
LIFE UNFILTERED

Activewear for your real life and
everywhere life takes you.

#2 Leggings

#3 Total Activewear

First Quarter 2025 Results

- **\$253M** cash returned to shareholders through repurchases and dividends
- On track to complete ASR in the second quarter

AEO INC.

-3%
Comp

AEO INC.

\$(68 million)
Operating Loss ⁽¹⁾

AMERICAN
EAGLE

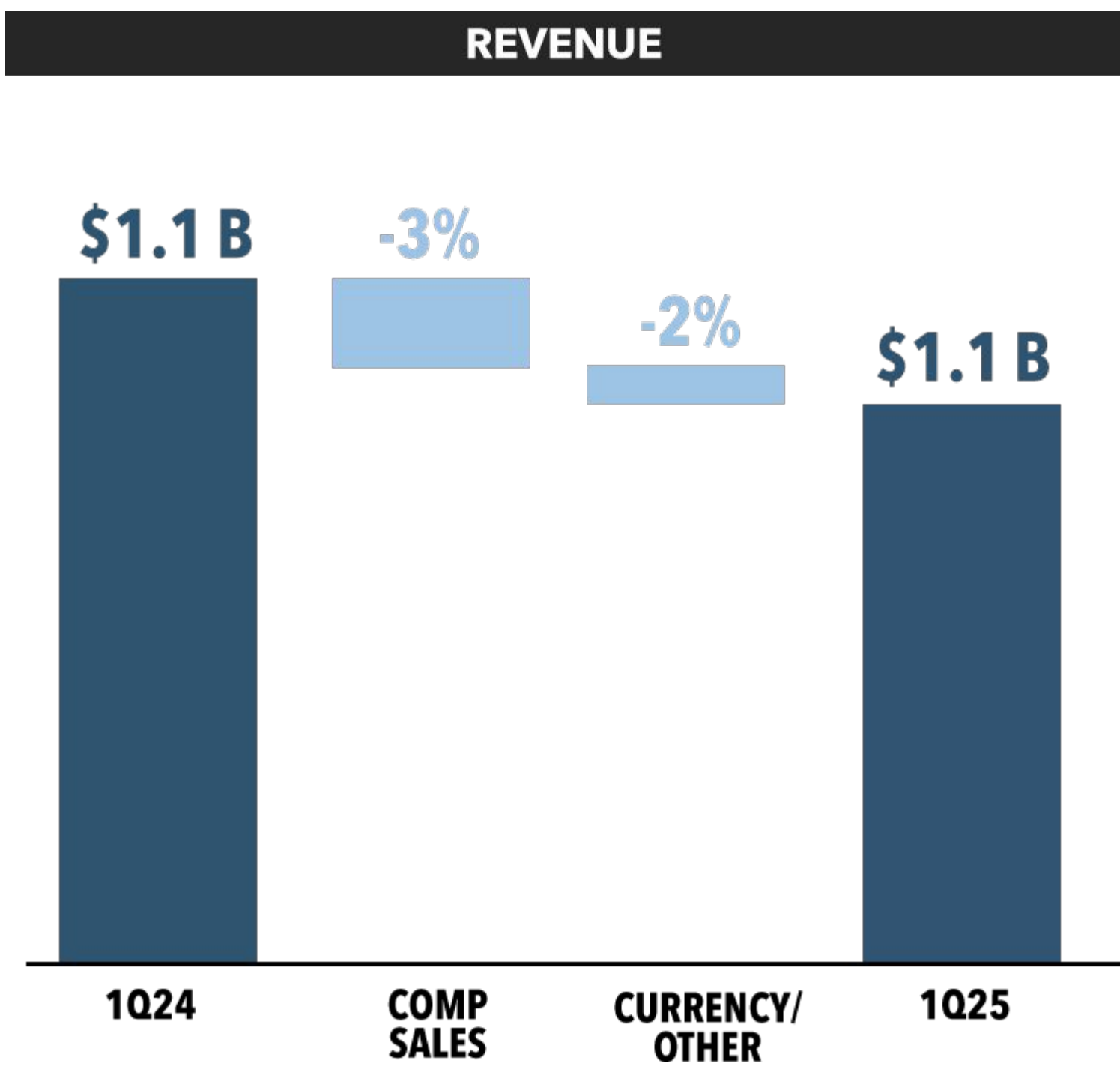
-2%
Comp

aerie

-4%
Comp

(1) Results are shown on an adjusted basis. See accompanying tables for a reconciliation of GAAP to non-GAAP results for the 13 weeks ended May 3, 2025.

First Quarter 2025 Revenue



Comparable Sales down 3%

- Traffic Growth Across Brands and Channels
- Offset by Lower AUR and Conversion

(1) Comparable sales metrics are presented for the 13 weeks ended May 3, 2025 compared to the 13 weeks ended May 1, 2024. Comparable sales includes sales from American Eagle, Aerie, Todd Snyder, and Unsubscribed stores, as well as sales from AEO Direct and other digital channels.

Guidance

Second Quarter:

- › Revenue down 5%
- › Comparable Sales down 3%
- › \$40M to \$45M Operating Income
- › Gross Margin Down
- › SG&A Dollars Flat
- › D&A ~\$54M
- › Tax Rate ~ 25%
- › Weighted Average Share Count ~175M

Fiscal Year 2025:

- › *Remains Withdrawn*



Appendix





Key Highlights *(unaudited)*

FIRST QUARTER	2025	2024
TOTAL NET REVENUE CHANGE	(5%)	6%
COMPARABLE SALES GROWTH	(3%)	7%
GROSS MARGIN	29.6%	40.6%
SELLING, GENERAL & ADMINISTRATIVE EXPENSES	31.1%	29.2%
OPERATING MARGIN*	(6.2%)	6.8%

**Results are shown on an adjusted basis for the 13 weeks ended May 3, 2025. See accompanying tables for a reconciliation of GAAP to non-GAAP results.*

Inventory Data *(unaudited)*

<i>(In thousands)</i>	May 3, 2025	May 4, 2024
ENDING INVENTORY	\$645,062	\$681,062
ENDING INVENTORY % CHANGE TO PRIOR YEAR	(5%)	9%
QUARTERLY INVENTORY TURN ¹	1.20	1.03

⁽¹⁾ Inventory turn is calculated as the total cost of goods sold for the quarterly periods divided by the average of the beginning and ending inventory balances from the consolidated balance sheets

Balance Sheet Summary *(unaudited)*

ASSETS (In thousands)	May 3, 2025	February 1, 2025	May 4, 2024
Cash and cash equivalents	\$ 87,853	\$ 308,962	\$ 300,518
Short-term investments	-	50,000	—
Merchandise inventory	645,062	636,655	681,062
Accounts receivable, net	228,561	262,365	230,934
Prepaid expenses	103,466	76,088	72,973
Other current assets	23,082	20,161	25,830
Total current assets	1,088,024	1,354,231	1,311,317
Operating lease right-of-use assets	1,471,705	1,295,400	1,123,649
Property and equipment, at cost, net of accumulated depreciation	765,594	751,264	703,551
Goodwill, net	225,225	225,079	225,253
Non-current deferred income taxes	78,483	68,158	89,332
Intangible assets, net	41,549	42,449	45,178
Other assets	96,774	94,194	58,937
Total assets	\$ 3,767,354	\$ 3,830,775	\$ 3,557,217
LIABILITIES & STOCKHOLDERS EQUITY (In thousands)	May 3, 2025	February 1, 2025	May 4, 2024
Accounts payable	\$ 247,994	\$280,712	\$ 225,480
Current portion of operating lease liabilities	319,626	313,034	303,603
Accrued compensation and payroll taxes	63,282	113,388	57,373
Unredeemed gift cards and gift certificates	58,380	70,094	64,502
Accrued income taxes and other	23,114	30,677	50,716
Other current liabilities and accrued expenses	75,261	74,751	71,655
Total current liabilities	787,657	882,656	773,329
Non-current operating lease liabilities	1,337,489	1,133,296	1,002,529
Long-term debt, net	110,000	—	—
Other non-current liabilities	57,992	47,963	29,003
Total non-current liabilities	1,505,481	1,181,259	1,031,532
Commitments and contingencies	—	—	—
Preferred stock	—	—	—
Common stock	2,496	2,496	2,496
Contributed capital	365,326	365,845	345,922
Accumulated other comprehensive loss	(42,105)	(56,390)	(15,722)
Retained earnings	2,361,273	2,456,063	2,267,785
Treasury stock	(1,212,774)	(1,001,154)	(848,125)
Total stockholders' equity	1,474,216	1,766,860	1,752,356
Total Liabilities and Stockholders' Equity	\$ 3,767,354	\$ 3,830,775	\$ 3,557,217
Current ratio	1.38	1.53	1.70

Revenue by Segment *(unaudited)*

(In thousands)	13 weeks ended	
	May 3, 2025	May 4, 2024
Net Revenue:		
American Eagle	\$ 693,865	\$ 724,744
Aerie	359,788	372,652
Other	43,970	54,984
Intersegment Elimination	(8,024)	(8,513)
Total Net Revenue	\$ 1,089,599	\$ 1,143,867

Statement of Operations Summary-GAAP Basis *(unaudited)*

13 Weeks Ended (In thousands)	May 3, 2025	% of Revenue	May 4, 2024	% of Revenue
Total net revenue	\$1,089,599	100.0%	\$1,143,867	100.0%
Cost of sales, including certain buying, occupancy and warehousing expenses	767,178	70.4%	679,628	59.4%
Gross profit	322,421	29.6%	464,239	40.6%
Selling, general and administrative expenses	338,786	31.1%	333,493	29.2%
Impairment and restructuring charges	17,119	1.6%	-	0.0%
Depreciation and amortization expense	51,697	4.7%	52,910	4.6%
Operating (loss) income	(85,181)	(7.8%)	77,836	6.8%
Interest (income), net	(219)	0.0%	(3,439)	(0.3%)
Other (income), net	(351)	0.0%	(1,396)	(0.1%)
(Loss) income before income taxes	(84,611)	(7.8%)	82,671	7.2%
(Benefit) provision for income taxes	(19,712)	(1.8%)	14,919	1.3%
Net (loss) income	\$(64,899)	(6.0%)	\$67,752	5.9%
Net (loss) income per basic share	\$ (0.36)		\$0.34	
Net (loss) income per diluted share	\$ (0.36)		\$0.34	
Weighted average common shares outstanding - basic	179,548		196,429	
Weighted average common shares outstanding - diluted	179,548		201,310	

GAAP to Non-GAAP Reconciliation *(unaudited)*

13 Weeks Ended May 3, 2025 (in thousands, except per share amounts)				
	Operating Loss	Income Tax Benefit	Net Loss	Earnings per Diluted Share
GAAP Basis	\$ (85,181)	\$ (19,712)	\$(64,899)	\$ (0.36)
% of Revenue	(7.8%)		(6.0%)	
Add: Impairment and restructuring charges ¹	17,119		13,131	0.07
Tax effect of the above ²		\$ 3,988		
Non-GAAP Basis	\$ (68,062)	\$ (15,724)	\$ (51,768)	\$ (0.29)
% of Revenue	(6.2%)		(4.8%)	

- (1) The Company recorded \$15.3 million of asset impairment charges primarily related to closing two fulfillment centers as part of its supply chain network optimization project. Of this amount, \$10.4 million of charges relate to ROU assets and \$4.9 million relates to property and equipment. The Company also recorded \$1.8 million of employee severance, primarily related to closing two fulfillment centers.
- (2) The tax effect of excluded items is the difference between the tax benefit calculated on a GAAP basis and on a non-GAAP basis.



Real Estate Highlights

1Q Real Estate Summary *(unaudited)*

QTD Real Estate Summary (unaudited)

Consolidated stores at beginning of period 1,172

Consolidated stores opened during the period

AE Brand (1)	1
Aerie (incl. OFFL/NE) (2)	3
Todd Snyder	1
Unsubscribed	1

(1) AE Brand includes AE stand alone locations, AE/Aerie side-by side locations, AE/OFFL/NE side-by-side locations, and AE/Aerie/OFFL/NE side-by-side locations.

Consolidated stores closed during the period

AE Brand (1)	(2)
Aerie (incl. OFFL/NE) (2)	-
Todd Snyder	-

(2) Aerie (incl. OFFL/NE) includes Aerie stand alone locations, OFFL/NE stand alone locations, and Aerie/OFFL/NE side-by-side locations.

Consolidated stores at end of period 1,176

(3) International license locations are not included in the consolidated store data or the total gross square footage calculation.

AE Brand (1)	828
Aerie (incl. OFFL/NE) (2)	321
Todd Snyder	20
Unsubscribed	7

Total gross square footage at end of period 7,232

(In thousands)

International licensed locations at end of period (3) 363

Historical Quarterly Store Data by Brand *(unaudited)*

Store Counts																		Sqft By Brand	
AE SA		Aerie SA		Off/ine SA		AE / Aerie SBS		AE / Off/ine SBS		AE / Aerie / Off/ine SBS		Aerie / Off/ine SBS		Total Stores (1)				AE	Aerie & Offline
End Store Count	Weighted Gross Square Feet	End Store Count	Weighted Gross Square Feet	End Store Count	Weighted Gross Square Feet	End Store Count	Weighted Gross Square Feet	End Store Count	Weighted Gross Square Feet	End Store Count	Weighted Gross Square Feet	End Store Count	Weighted Gross Square Feet	End Store Count	Weighted Gross Square Feet	End Store Count	Weighted Gross Square Feet	Weighted Gross Square Feet	Weighted Gross Square Feet
FY2021																			
1Q21	713	4,524,654	174	667,658	5	10,898	177	1,595,290	1	7,423	-	-	-	-	1,074	6,814,239	1Q21	5,702,752	1,103,207
2Q21	711	4,505,846	186	704,611	5	13,608	182	1,622,470	1	7,423	-	-	-	-	1,090	6,865,434	2Q21	5,709,478	1,144,492
3Q21	716	4,530,387	203	749,207	8	15,289	181	1,628,785	1	7,423	-	-	-	-	1,121	6,961,748	3Q21	5,735,321	1,213,811
4Q21	695	4,404,621	212	819,078	20	42,670	181	1,624,673	2	13,240	2	32,982	12	54,792	1,133	7,001,905	4Q21	5,620,294	1,361,398
FY2022																			
1Q22	689	4,376,087	217	851,913	19	56,185	185	1,639,209	2	16,236	2	38,190	18	124,486	1,141	7,105,875	1Q22	5,619,427	1,464,808
2Q22	686	4,360,553	224	878,365	31	74,868	183	1,629,930	2	16,236	3	38,500	21	138,152	1,160	7,144,146	2Q22	5,573,736	1,544,487
3Q22	685	4,359,004	233	903,525	33	96,075	186	1,648,257	2	16,236	3	41,323	26	175,466	1,179	7,268,188	3Q22	5,603,096	1,636,790
4Q22	673	4,355,839	233	935,244	34	104,052	186	1,650,545	2	16,236	4	54,273	28	193,254	1,175	7,346,365	4Q22	5,607,958	1,701,486
FY2023																			
1Q23	674	4,267,335	234	930,288	34	104,783	186	1,654,391	2	16,236	5	58,889	29	207,553	1,180	7,281,914	1Q23	5,522,450	1,717,024
2Q23	674	4,262,274	236	939,059	34	104,783	185	1,650,535	2	16,236	5	59,957	30	214,916	1,184	7,296,202	2Q23	5,515,903	1,731,856
3Q23	679	4,263,763	238	948,558	38	116,003	187	1,650,629	2	16,236	5	59,957	31	225,388	1,199	7,333,797	3Q23	5,517,013	1,763,521
4Q23**	657	4,283,829	238	952,268	39	123,206	187	1,659,667	2	16,236	5	59,957	33	239,282	1,182	7,390,868	4Q23**	5,535,448	1,798,996
FY2024																			
1Q24	651	4,130,266	237	949,193	38	123,206	188	1,658,522	2	16,236	5	63,347	32	241,041	1,173	7,238,283	1Q24	5,383,944	1,797,159
2Q24	649	4,113,244	238	962,486	39	125,608	187	1,662,814	2	16,236	5	63,347	36	241,306	1,178	7,242,612	2Q24	5,368,895	1,816,146
3Q24	649	4,095,712	239	974,838	41	132,052	187	1,662,794	5	17,417	5	63,347	37	252,728	1,186	7,262,264	3Q24	5,348,993	1,849,894
4Q24	635	4,108,584	237	982,314	41	136,250	183	1,665,733	6	24,657	5	63,347	39	258,255	1,172	7,304,142	4Q24	5,363,303	1,875,838
FY2025																			
1Q25	635	4,030,868	239	975,055	42	133,966	182	1,657,161	6	24,971	5	63,347	40	260,139	1,176	7,209,190	1Q25	5,279,978	1,865,529

(1) Total Stores includes Todd Snyder and Unsubscribed
** The fourth quarter of Fiscal 2023 represents the 14 weeks ended February 3, 2024.

Historical Financials

Historical Financial Information - GAAP Basis *(unaudited)*

	Fiscal 2024									Fiscal 2025
<i>(In thousands, except per share amounts and store counts)</i>	2020	2021	2022	2023*	Q1	Q2	Q3	Q4	2024	Q1
Total net revenue	\$3,759,113	\$5,010,785	\$4,989,833	\$5,261,770	\$1,143,867	\$1,291,058	\$1,289,094	\$1,604,633	\$5,328,652	\$1,089,599
Cost of sales, including certain buying, occupancy and warehousing expenses	2,610,966	3,018,995	3,244,585	3,237,192	679,628	792,162	762,470	1,005,458	3,239,719	767,178
Gross profit	1,148,147	1,991,790	1,745,248	2,024,578	464,239	498,896	526,624	599,175	2,088,933	322,421
Selling, general and administrative expenses	977,264	1,222,000	1,269,095	1,433,300	333,493	345,313	351,380	401,628	1,431,814	338,786
Impairment, restructuring and other charges	279,826	11,944	22,209	141,695	-	-	17,561	-	17,561	17,119
Depreciation and amortization expense	162,402	166,781	206,897	226,866	52,910	52,474	51,594	55,277	212,255	51,697
Operating income (loss)	(271,345)	591,065	247,047	222,717	77,836	101,109	106,089	142,270	427,303	(85,181)
Debt related charges	-	-	64,721	-	-	-	-	-	-	-
Interest (income) expense, net	24,610	34,632	14,297	(6,190)	(3,439)	(730)	(1,246)	(2,355)	(7,769)	(219)
Other (income) expense, net	(3,682)	(2,489)	(10,465)	(10,951)	(1,396)	(1,715)	(895)	(3,154)	(7,162)	(351)
Income (loss) before income taxes	(292,273)	558,922	178,494	239,858	82,671	103,554	108,230	147,779	442,234	(84,611)
Provision (benefit) for income taxes	(82,999)	139,293	53,358	69,820	14,919	26,290	28,211	43,434	112,854	(19,712)
Net income (loss)	\$ (209,274)	\$419,629	\$125,136	\$170,038	\$67,752	\$77,264	\$80,019	\$104,346	\$329,380	\$ (64,899)
Net income (loss) per basic share	-\$1.26	\$2.50	\$0.69	\$0.87	\$0.34	\$0.40	\$0.42	\$0.55	\$1.71	-\$0.36
Net income (loss) per diluted share (1)	-\$1.26	\$2.03	\$0.64	\$0.86	\$0.34	\$0.39	\$0.41	\$0.54	\$1.68	-\$0.36
Weighted average common shares outstanding - basic	166,455	168,156	181,778	195,646	196,429	193,661	191,630	190,497	193,056	179,548
Weighted average common shares outstanding - diluted	166,455	206,529	205,226	196,863	201,310	197,757	195,782	193,496	196,412	179,548
Comparable sales (2) (3)	Not provided	30%	-7%	3%	7%	4%	3%	3%	4%	-3%
American Eagle brand comparable sales	Not provided	35%	-9%	1%	7%	5%	3%	1%	3%	-2%
Aerie brand comparable sales	Not provided	27%	-3%	8%	6%	4%	5%	6%	5%	-4%
Total revenue growth (2)	-13%	33%	0%	5%	6%	8%	-1%	-4%	1%	-5%
American Eagle brand revenue growth	-21%	30%	-8%	3%	8%	8%	-3%	-6%	1%	-4%
Aerie brand revenue growth	24%	39%	9%	11%	4%	9%	4%	0%	4%	-3%
Total store count - end of period	1,078	1,133	1,175	1,182	1,173	1,178	1,186	1,172	1,172	1,176
Weighted gross square feet - end of period	6,739	6,790	7,237	7,189	7,238	7,243	7,262	7,304	7,260	7,209

(1) In Q1 2022, the Company adopted ASU 2020-06 under the modified retrospective method, which requires the Company to utilize the "if-converted" method of calculated diluted EPS.

(2) Comparable sales includes results from Todd Snyder and Unsubscribed brands. Total revenue growth includes results from Todd Snyder and Unsubscribed brands and Quiet Platforms.

(3) Comparable sales are calculated for stores and channels open at least one year over the comparable prior year period. In fiscal years following those with 53 weeks, the prior year period is shifted by one week to compare similar calendar weeks. A store is included in comparable sales in the thirteenth 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 thirteenth 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. The Company did not provide comparable sales results for Fiscal 2020 due to temporary store closures as a result of COVID-19.

*Fiscal 2023 represents the 53 weeks ended February 3, 2024.

Legend of Numerical Guidance

DESCRIPTION	% RANGE
Flat	0.00%
Slight	0.1-0.9%
Low Single Digits	1.0-3.3%
Mid Single Digits	3.4-6.6%
High Single Digits	6.7-9.9%
Low Double Digits	10.0-12.9%
Low Teens	13.0-13.3%
Mid Teens	13.4-16.6%
High Teens	16.7-19.9%
Low Twenties	20.0-23.3%
Mid Twenties	23.4-26.6%
High Twenties	26.7-29.9%

