VGR

// Q2 FY2027

URBN

URBAN OUTFITTERS ANTHROPOLOGIE FREE PEOPLE *forwardment* nuuly

VGR MARKET INTELLIGENCE

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01

Executive Summary

Sales grew 10.4% to $1,661.9 million, and FP Group and Nuuly, 39.5% of quarterly sales, supplied 65.4% of the increase

Net sales of $1,661.9 million were 10.4% above the same quarter a year earlier and are the highest the company has reported. Reported net income was $240.7 million and reported diluted earnings per share $2.78; on the company's reconciled adjusted basis, which removes one-time tariff refunds and a deferred-tax benefit, net income was $149.3 million and diluted earnings per share $1.72. Net sales rose $157.2 million. FP Group supplied $63.0 million of that, or 40.1%, growing 15.2%. Nuuly supplied $39.7 million, or 25.2%, growing 28.6%. Between them the two carry 39.5% of the sales base and produced 65.4% of the growth. Anthropologie, which is the largest brand at 38.2% of sales, supplied $27.6 million, or 17.5%, on growth of 4.5%. Urban Outfitters supplied $26.8 million, or 17.1%, on growth of 8.1%. Menus & Venues was flat and supplied $23 thousand. The five shares sum to 100.0% and the arithmetic is exact.

The comparable figures the company discloses show the same asymmetry. Comparable Retail segment net sales rose 6.2% overall: 10.0% at FP Group, 8.4% at Urban Outfitters and 3.0% at Anthropologie. Anthropologie is therefore growing at less than half the group's comparable rate while carrying the largest single share of the base, and its weight in net sales fell from 40.3% to 38.2% over the year. Nuuly's rose from 9.2% to 10.7%.

Subscription net sales grew 28.6% and average active subscribers grew 30.4%. The ratio of the two growth factors, 1.286 over 1.304, implies net sales per average active subscriber fell about 1.4% in the quarter; on the six-month figures, 31.4% against 31.8%, the same calculation gives about 0.3%. The segment grew through the number of subscribers. Absolute subscriber numbers are not disclosed, so no level can be stated, only the direction of the ratio. Section 04 sets out the arithmetic and its limits.

Splitting the Retail segment between comparable and everything else puts a bound on how much of the group's growth came from space. The segment grew 8.0% while its comparable base grew 6.2%; applying 6.2% to the whole prior-year Retail segment gives $79.9 million, which leaves $23.3 million from non-comparable sources. Because the comparable base is a subset of the segment, $79.9 million is the most the comparable estate can have contributed and $23.3 million the least the rest can have. In points of group growth: at most 5.3 from comparable Retail, at least 1.5 from the rest of Retail, 0.9 from Wholesale and 2.6 from Subscription. Company-owned stores rose from 784 to 801 over the six months, a net 17, and 16 of those 17 are FP Group.

The reported gross margin rose 580 basis points; on the company's adjusted basis it rose 4, and the adjusted operating margin rose 3

The reported gross margin went from 37.6% to 43.4%. All 580 basis points of that are the $95.7 million of IEEPA tariff refunds the company credited to cost of sales and then removed in its own reconciliation. On the adjusted basis the gross margin is 37.7% against 37.6%, a movement of four basis points, which is the company's own figure and VGR's. Adjusted gross profit rose 10.6% while net sales rose 10.4%.

Below gross profit the ratios also held. Selling, general and administrative expenses rose $41.0 million, or 10.5%, and held at 26.0% of net sales — the company describes the ratio as flat, and VGR's arithmetic puts the movement at one basis point. The adjusted operating margin is therefore 11.6% against 11.6%, a gain of three basis points, and adjusted operating profit rose 10.7% to $193.1 million.

The incremental arithmetic gives the same reading. Adjusted gross profit rose $59.7 million and SG&A rose $41.0 million, so 68.7% of the extra gross profit was absorbed before it reached operating profit. What was left, $18.7 million, divided by the $157.2 million of extra sales, is an incremental adjusted operating margin of 11.9% against a company adjusted operating margin of 11.6%. The additional revenue was converted at approximately the rate the existing business already earns. The company names the offsetting forces itself: leverage in store occupancy and in delivery expense on one side; increased Retail markdowns driven by Anthropologie, tariffs and inbound freight fuel surcharges in initial merchandise cost, marketing to support customer growth, and increased artificial intelligence technology investment on the other.

Reported net income of $240.7 million contains $91.4 million of one-time benefits; adjusted net income grew 3.8% and adjusted diluted earnings per share 8.9%

The gap between the reported and the adjusted result has four parts, all disclosed: $95.7 million of IEEPA tariff refunds in cost of sales, $4.4 million of interest income on those refunds in other income, $25.0 million of tax on the two, and a $16.2 million benefit from releasing a valuation allowance against certain foreign net deferred tax assets. The net is $91.4 million, which is 38.0% of reported net income and 61.2% of adjusted net income. On the per-share line, $1.06 of the reported $2.78 comes from the adjustments. The refund alone equals 5.8% of quarterly net sales and 49.5% of the quarter's adjusted operating profit. The three-month and six-month adjustment columns are identical, so the whole benefit fell in this quarter, and there is no equivalent in either prior-year period.

Underneath the adjustments, two things happen between operating profit and the per-share line. Adjusted other income, net — reported other income of $9.8 million less the $4.4 million of refund interest — is $5.4 million against $8.9 million, a fall of 39.7%, which is why adjusted pre-tax profit grew 8.3% while adjusted operating profit grew 10.7%. Cash and marketable securities fell 4.4% over the year and

18.3% since January. Then the adjusted effective tax rate rose from 21.5% to 24.8%. At last year's rate, adjusted pre-tax profit of $198.4 million would have produced adjusted net income of $155.8 million, or growth of 8.3%; the rate change costs about $6.5 million and accounts for the whole gap between 8.3% and the 3.8% actually reported. Diluted weighted-average shares fell 4.9%, from 91.2 million to 86.7 million, which is what converts 3.8% more adjusted profit into 8.9% more adjusted earnings per share.

WHAT TO WATCH

Q3 fiscal 2027, quarter ending 31 October 2026; the release date has not been announced. The adjusted gross profit rate against the prior-year quarter. A continuation is a movement within 10 basis points of the prior year, as in this quarter. A break is a fall of more than 50 basis points with no refund credited to cost of sales.

Q3 fiscal 2027. Comparable Retail segment net sales at Anthropologie, reported as a percentage alongside FP Group and Urban Outfitters. A continuation is a rate at or below 3.0% while the group comparable stays above 5.0%. A break is a rate of 5.0% or more, or a negative rate.

Q3 fiscal 2027. Subscription segment net sales growth against the growth in average active subscribers, the two figures the company prints in the same sentence. A continuation is sales growth again below subscriber growth. A break is sales growth at or above it.

Q3 fiscal 2027. Retail segment comparable inventory growth against comparable Retail segment net sales growth. This quarter the gap was 220 basis points, 8.4% against 6.2%. A continuation is a gap of 200 basis points or more, with Anthropologie again named as the source of increased markdowns. A break is the gap closing below 100 basis points.

VGR will publish the Q3 fiscal 2027 analysis when the figures are released.

02 · THE PERIOD IN FIGURES

Reported and adjusted, side by side

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URBAN OUTFITTERS, INC. · NASDAQ: URBN · Q2 FISCAL 2027 · USD AS PUBLISHED

FINANCIAL YEAR ENDS 31 JANUARY 2027 · PERIOD ENDED 31 JULY 2026 · REPORTED 26 AUGUST 2026 · ANALYSIS 30 SEPTEMBER 2026

NET REVENUES	GROSS PROFIT	OPERATING PROFIT	NET PROFIT
+10.4%	+10.6%	+10.7%	+3.8%
1,661.9 vs 1,504.8	625.9 vs 566.2	193.1 vs 174.4	149.3 vs 143.9

GROSS MARGIN	OPERATING MARGIN	RoS
37.7%	11.6%	9.0%
from 37.6%	from 11.6%	from 9.6%

$m, quarter against the same quarter a year earlier; gross profit, operating profit and net profit on the company's own reconciled adjusted basis; net revenues as reported

Primary source: Urban Outfitters, Inc., "URBN Reports Record Q2 Sales and Profits", distributed at 16:05 ET, carrying the three condensed consolidated statements, the net sales tables by brand and segment, the store data and the full non-GAAP reconciliation. Unaudited. US dollars as published, nothing converted. The percentage changes, margin rates and return on sales above are VGR arithmetic; return on sales is net profit divided by net revenues.

The left pair of columns is the condensed consolidated statement of income exactly as published. The right pair is the same quarter on the company's own reconciled adjusted basis, which is the basis on which the two periods are comparable. Every figure in both is the company's; the growth rates and the ratios to net sales are VGR arithmetic.

USD THOUSANDS	Q2 FY27	Q2 FY26	CHANGE
Net sales	1,661,915	1,504,755	+10.4%
Cost of sales	940,364	938,594	+0.2%
Gross profit	721,551	566,161	+27.4%
Selling, general and administrative	432,812	391,774	+10.5%

USD THOUSANDS	Q2 FY27	Q2 FY26	CHANGE
Income from operations	288,739	174,387	+65.6%
Other income, net	9,801	8,886	+10.3%
Income before income taxes	298,540	183,273	+62.9%
Income tax expense	57,889	39,408	+46.9%
Net income	240,651	143,865	+67.3%
Diluted EPS	$2.78	$1.58	+75.9%

Company: condensed consolidated statements of income. VGR: the change column.

ADJUSTED BASIS, USD THOUSANDS	Q2 FY27	Q2 FY26	CHANGE
Net sales	1,661,915	1,504,755	+10.4%
Adjusted cost of sales	1,036,024	938,594	+10.4%
Adjusted gross profit	625,891	566,161	+10.6%
Selling, general and administrative	432,812	391,774	+10.5%
Adjusted income from operations	193,079	174,387	+10.7%
Adjusted other income, net	5,356	8,886	−39.7%
Adjusted income before income taxes	198,435	183,273	+8.3%
Adjusted income tax expense	49,136	39,408	+24.7%
Adjusted net income	149,299	143,865	+3.8%
Adjusted diluted EPS	$1.72	$1.58	+8.9%

Company: the reconciliation of non-GAAP financial measures, for adjusted gross profit, adjusted income from operations, adjusted income before income taxes, adjusted income tax expense, adjusted net income and adjusted diluted EPS. VGR: adjusted cost of sales, as net sales less adjusted gross profit; adjusted other income, net, as reported other income less the $4,445 of refund interest the company itself identifies; and the change column. SG&A carries no adjustment in either period.

RATIO TO NET SALES	Q2 FY27	Q2 FY26	MOVEMENT
Reported gross margin	43.4%	37.6%	+580bp
Adjusted gross margin	37.7%	37.6%	+4bp
SG&A ratio	26.0%	26.0%	+1bp

RATIO TO NET SALES	Q2 FY27	Q2 FY26	MOVEMENT
Reported operating margin	17.4%	11.6%	+580bp
Adjusted operating margin	11.6%	11.6%	+3bp
Reported net margin	14.5%	9.6%	+490bp
Adjusted net margin	9.0%	9.6%	−58bp
Effective tax rate	19.4%	21.5%	−210bp
Adjusted effective tax rate	24.8%	21.5%	+330bp

Company: the percentage-of-net-sales table in the statements of income, the +580bp and +4bp gross-margin movements, and both effective tax rates. VGR: the adjusted margins and the movement column, computed on the disclosed dollar figures. Basis-point movements are computed on unrounded ratios.

Two lines in the reported column move differently from net sales. Cost of sales rose 0.2% against net sales growth of 10.4% because the $95,660 thousand tariff refund was credited to that line. Add it back and adjusted cost of sales rose 10.4%, in line with sales to the first decimal. Income tax expense rose 46.9% while pre-tax income rose 62.9%, which is the valuation-allowance release working the other way.

SIX MONTHS, USD THOUSANDS	6M FY27	6M FY26	CHANGE
Net sales	3,143,260	2,834,256	+10.9%
Gross profit	1,264,117	1,055,225	+19.8%
Adjusted gross profit	1,168,457	1,055,225	+10.7%
Income from operations	428,420	302,614	+41.6%
Adjusted income from operations	332,760	302,614	+10.0%
Net income	356,356	252,212	+41.3%
Adjusted net income	265,004	252,212	+5.1%
Adjusted diluted EPS	$3.02	$2.73	+10.6%

Company: all levels, from the statements of income and the non-GAAP reconciliation. VGR: the change column.

The six-month figures follow the quarter: net sales up 10.9%, adjusted operating margin 10.6% against 10.7% a year earlier, adjusted net income up 5.1%, adjusted diluted earnings per share up 10.6% on a share count that is smaller. The whole of the IEEPA benefit sits in the second quarter, so the six-month adjustment columns and the three-month adjustment columns carry the same $95,660 thousand and the same $4,445 thousand.

03 · THE RESTATEMENT BRIDGE

One restatement, made by the company, and three comparability limits it does not remove

There is a single comparability adjustment in this quarter and URBN makes it itself, in a full reconciliation table, with the affected income-statement line named for each item. VGR adopts it without amendment. Nothing else in the two periods requires restatement: there is no acquisition or disposal, no change of accounting policy, no restated prior period, no change in the segment or brand definitions, and no change in the length of the reporting period. Both quarters are the three months ended 31 July of their year.

ITEM	Q2 FY27	INCOME-STATEMENT LINE
IEEPA tariff refunds	95,660	Cost of sales
Interest income on those refunds	4,445	Other income, net
Tax on the two items above	(24,978)	Income tax expense
Release of valuation allowance	16,225	Income tax expense
Net benefit removed	91,352	

Company: the reconciliation of non-GAAP financial measures and its footnotes (a) to (d). USD thousands. There is no counterpart in either prior-year period; every prior adjustment column reads nil.

Three limits remain after the restatement. First, the company gives no currency disclosure of any kind — no constant-currency growth rate, no translation effect, no split of net sales between North America and Europe — although it operates stores in the United States, Canada and Europe and reports 21 Anthropologie, 14 Free People and 76 Urban Outfitters locations in Europe. The currency contribution to the 10.4% is therefore not calculable, and no estimate is substituted anywhere in this analysis.

Second, the comparable Retail base is not sized. The company gives a comparable growth rate of 6.2% and a total Retail growth rate of 8.0% but does not say what proportion of the segment is comparable, so the split between comparable and non-comparable contribution can only be bounded, as section 04 does, and not stated exactly.

Third, the tariff position is not sized on a forward basis. The company states that tariffs and inbound freight fuel surcharges had a negative impact on initial merchandise costs in the quarter, and separately that it received refunds of tariffs previously paid under IEEPA. It does not quantify the ongoing tariff cost still carried in cost of sales, does not say which periods the refunded tariffs were originally paid

in, and does not say whether further refunds are expected. The ongoing gross-margin effect of tariffs is therefore not calculable from this release.

04 · GROWTH COMPOSITION

Two of the five brands produced two-thirds of the increase

BRAND, USD THOUSANDS	Q2 FY27	Q2 FY26	GROWTH	SHARE OF GROWTH
Anthropologie	634,535	606,954	+4.5%	17.5%
FP Group	478,053	415,014	+15.2%	40.1%
Urban Outfitters	360,015	333,171	+8.1%	17.1%
Nuuly	178,605	138,932	+28.6%	25.2%
Menus & Venues	10,707	10,684	+0.2%	0.0%
Total Company	1,661,915	1,504,755	+10.4%	100.0%

Company: the net sales by brand table. VGR: the growth and share-of-growth columns. Share of growth is each brand's absolute increase divided by the group increase of $157,160 thousand. Menus & Venues grew $23 thousand, which is 0.01% of the total and prints as 0.0%. The shares sum to 100.0%.

SEGMENT, USD THOUSANDS	Q2 FY27	Q2 FY26	GROWTH	SHARE OF GROWTH
Retail	1,392,520	1,289,269	+8.0%	65.7%
Subscription	178,605	138,932	+28.6%	25.2%
Wholesale	90,790	76,554	+18.6%	9.1%
Total Company	1,661,915	1,504,755	+10.4%	100.0%

Company: the net sales by segment table, and the 8.0%, 28.6% and 18.6% growth rates in the narrative. VGR: the share-of-growth column.

The mix moved with the growth. Anthropologie fell from 40.3% of net sales to 38.2%, Urban Outfitters from 22.1% to 21.7%. FP Group rose from 27.6% to 28.8% and Nuuly from 9.2% to 10.7%. The Retail segment fell from 85.7% of net sales to 83.8%, Subscription rose from 9.2% to 10.7% and Wholesale from 5.1% to 5.5%. Nuuly and the Subscription segment are the same figures: Nuuly brand net sales equal Subscription segment net sales in all four columns of the company's own table.

The growth composition index

The five VGR sources of growth, in points of the reported 10.4%. Two are exact and two are bounded, for the reason given in section 03.

SOURCE	POINTS OF GROWTH	PRECISION
Currency	not disclosed	no currency disclosure of any kind
Perimeter	0.0	no acquisition or disposal in either period
Comparable Retail	at most 5.3	bounded; comparable base not sized
Non-comparable Retail	at least 1.5	bounded; the residual of the above
Wholesale sell-in	0.9	exact
Subscription	2.6	exact
Reported growth	10.4	

VGR arithmetic on the company's disclosed figures. Comparable Retail is the disclosed 6.2% applied to the whole prior-year Retail segment of $1,289,269 thousand, giving $79,935 thousand; because the comparable base is a subset of the segment this is the ceiling on the comparable contribution and the $23,316 thousand residual is the floor on the rest. The four dollar components sum to $157,160 thousand exactly; the rounded points sum to 10.3 against reported growth of 10.4, and the 0.1 difference is rounding.

On these bounds, at least $77.2 million of the $157.2 million increase, 49.1%, came from outside the comparable Retail estate: the Subscription segment at 2.6 points, Wholesale at 0.9, and at least 1.5 points of new and non-comparable Retail space. Whether any part of the remainder is translation cannot be established from this release.

Nuuly: average active subscribers grew 30.4% and net sales 28.6%

The company gives two growth rates for the Subscription segment in the same sentence and no levels: net sales up 28.6% and average active subscribers up 30.4%. The ratio of the two, 1.286 divided by 1.304, implies net sales per average active subscriber fell 1.4%. On the six-month pair, 31.4% and 31.8%, the same calculation gives a fall of 0.3%. This is a ratio of two disclosed rates and is exact as such; it is not an amount, and no amount can be derived, because absolute subscriber counts are not disclosed in this release or referenced in it. In both the quarter and the half, subscriber growth ran ahead of net sales growth, so the number of subscribers rose while net sales per average active subscriber fell slightly.

05 · THE ESTATE

Seventeen net new company-owned stores in six months, and sixteen of them are FP Group

BANNER	31 JAN 26	OPENINGS	CLOSINGS	31 JUL 26
Total Anthropologie	254	4	1	257
Total FP Group	268	17	1	284
Total Urban Outfitters	253	2	3	252
Menus & Venues	9	—	1	8
Total company-owned	784	23	6	801
Franchisee-owned	9	—	—	9
Total URBN	793	23	6	810

Company: the store data table for the six months ended 31 July 2026. The roll-forward ties: 784 plus 23 less 6 is 801, and 793 plus 23 less 6 is 810. Franchisee-owned stores comprise 7 Urban Outfitters and 2 Anthropologie locations.

Company-owned stores rose 2.2% over the six months, from 784 to 801. FP Group accounts for a net 16 of the net 17, and 10 of its 17 openings are FP Movement, which took that banner from 88 to 97, a net gain of 10.2% in six months. Urban Outfitters closed three and opened two, and Anthropologie opened four against one closure. Net openings are therefore concentrated in the brand group that is also producing the largest share of the sales growth.

In Europe the store count changed little: Anthropologie went from 20 to 21, Free People from 13 to 14, and Urban Outfitters opened one and closed one to stay at 76. Of the 23 openings in the half, 21 are North American.

The metrics that would turn the store count into unit economics are not published. URBN discloses no square footage, no sales per store or per square foot, no store-level profitability, no split of net sales between the store and digital channels in dollars, and no split between North America and Europe. Retail segment net sales of $1,392,520 thousand divided by the average of the opening and closing company-owned store count is $1.76 million a store for the quarter, but that figure includes all digital and franchise-supplied revenue in the numerator and is not a store productivity measure. It is not used elsewhere in this analysis. The prior-year store count is not given in this release, so even that ratio has no comparative.

06 · MARGIN ARCHITECTURE

Four basis points of gross margin, one of SG&A, three of operating margin

BASIS-POINT BRIDGE, ADJUSTED	Q2 FY27	Q2 FY26	MOVEMENT
Adjusted gross margin	37.7%	37.6%	+4bp
Less: SG&A ratio	26.0%	26.0%	−1bp
Adjusted operating margin	11.6%	11.6%	+3bp

VGR arithmetic on the company's disclosed dollar figures: adjusted gross profit of $625,891 and $566,161 thousand, SG&A of $432,812 and $391,774 thousand, and net sales of $1,661,915 and $1,504,755 thousand. The +4bp gross-margin movement is also the company's own stated figure. The movements are computed on unrounded ratios and the two components sum to the third.

On the adjusted basis the gross margin moved four basis points and the operating margin three. The 580 basis points visible in the reported column are one item, disclosed, non-recurring by the company's own definition, and removed by the company's own reconciliation.

What the company says moved inside the four basis points

URBN names five factors in the quarter and does not size any of them. Raising the margin: leverage in store occupancy costs, from the increase in comparable Retail segment store net sales, and leverage in delivery expense, from several company initiatives to offset fuel surcharges. Lowering it: an increase in Retail segment markdowns driven by Anthropologie, and the negative impacts of tariffs and inbound freight fuel surcharges on initial merchandise costs. Because none of the five carries a number, the four-basis-point net is the only measurable output, and the gross composition of it is not calculable.

The six-month figure contains one item the quarter does not. Over six months the adjusted gross margin fell six basis points, and the company attributes the fall to Anthropologie markdowns and to the absence of a $4.8 million prior-year gain of 17 basis points, partly offset by occupancy leverage. Add back the 17 basis points of prior-year gain and the six-month adjusted gross margin is up about 11 basis points on a like-for-like basis. Both the quarter's and the half's movements are below 20 basis points, against net sales growth above 10.0%.

SG&A and the incremental margin

SG&A rose $41.0 million, or 10.5%, marginally faster than net sales at 10.4%, and the ratio held at 26.0%. The company attributes the dollar growth to marketing, to store payroll, and to artificial intelligence technology investment, and describes store payroll as leveraging while marketing and technology deleverage. None of the three is sized.

The consequence is measurable even though the components are not. Adjusted gross profit rose $59,730 thousand; SG&A rose $41,038 thousand; 68.7% of the incremental gross profit was consumed before it reached operating profit, leaving $18,692 thousand. Against $157,160 thousand of incremental net sales that is an incremental adjusted operating margin of 11.9%, against an existing adjusted operating margin of 11.6%. That is why the adjusted operating margin moved three basis points in a quarter in which net sales rose 10.4%.

07 · INVENTORY AND THE MARKDOWN CYCLE

Comparable inventory grew 220 basis points faster than comparable sales

MEASURE	GROWTH	BASIS
Total inventory	+11.8%	$778,539k against $696,199k
Total net sales	+10.4%	as disclosed
Total Retail segment inventory	+12.0%	as disclosed
Retail comparable inventory	+8.4%	as disclosed
Comparable Retail net sales	+6.2%	as disclosed
Wholesale segment inventory	+10.0%	as disclosed
Wholesale segment net sales	+18.6%	as disclosed

Company: every growth rate in this table and the balance-sheet inventory figures. VGR: the pairing of each inventory measure with the sales measure on the same basis.

The like-for-like pairing is comparable Retail inventory against comparable Retail net sales. Comparable Retail inventory grew 8.4% while comparable Retail net sales grew 6.2%, a gap of 220 basis points. On the total measures the gap is 140 basis points, 11.8% against 10.4%. Wholesale runs the other way, with inventory up 10.0% against sales up 18.6%.

Days of inventory are computed on adjusted cost of sales, so that the tariff refund does not reduce the denominator. Adjusted cost of sales for the quarter is $1,036,024 thousand — reported cost of sales of $940,364 thousand plus the $95,660 thousand refund credited to it — against $938,594 thousand a year earlier. Inventory of $778,539 thousand over that, across the 92 days from 1 May to 31 July, is 69.1 days, against 68.2 days a year earlier, an increase of 0.9 days. On reported

cost of sales the same calculation would give 76.2 days and would be an artefact of the refund.

The company gives two reasons for the Retail increase, the growth in net sales and the timing of inventory receipts, and does not separate them. It also names Anthropologie as the source of the increased Retail segment markdowns in both the quarter and the half, and Anthropologie is the brand with the 3.0% comparable growth, the lowest of the three brand groups, while comparable inventory across the segment grew faster than comparable sales. Inventory by brand is not disclosed, so the concentration of the 220-basis-point gap cannot be established from this release. Section 12 records it as an absence.

08 · WORKING CAPITAL, CASH AND CAPITAL STRUCTURE

Operating cash flow rose 56.0%; capital expenditure rose 149.2% and free cash flow fell

SIX MONTHS, USD THOUSANDS	6M FY27	6M FY26	CHANGE
Net income	356,356	252,212	+41.3%
Depreciation and amortization	73,637	61,400	+19.9%
Provision for deferred income taxes	73,591	11,608	+534.0%
Inventory movement	(79,103)	(70,611)	
Prepaid expenses and other assets	(70,389)	(25,095)	
Net cash from operating activities	391,742	251,046	+56.0%
Cash paid for property and equipment	(268,056)	(107,549)	+149.2%
Operating cash flow less capital expenditure	123,686	143,497	−13.8%
Net cash used in financing activities	(329,891)	(180,588)	+82.7%

Company: the condensed consolidated statements of cash flows. VGR: operating cash flow less capital expenditure, and the change column. The company does not label any measure as free cash flow, and none is presented here under that name.

Operating cash flow rose 56.0% over the six months, to $391.7 million. The provision for deferred income taxes, a non-cash item, contributed $73.6 million against $11.6 million a year earlier, an increase of $62.0 million, which is 44.1% of the $140.7 million increase in operating cash flow. The release does not break the

provision down; its rise coincides with the tax items removed in the non-GAAP reconciliation.

Cash paid for property and equipment was $268.1 million against $107.5 million, a rise of 149.2%. As a share of net sales it went from 3.8% to 8.5%, and it is now 3.6 times depreciation and amortization of $73.6 million. Property and equipment, net, stands at $1,658.3 million, up 13.1% since January and 20.4% on the year. Operating cash flow less capital expenditure was $123.7 million against $143.5 million, a fall of 13.8%, on a half in which net income rose 41.3%. The company does not say what the capital expenditure is for.

BALANCE SHEET, USD THOUSANDS	31 JUL 26	31 JAN 26	31 JUL 25
Cash and cash equivalents	598,756	369,206	332,171
Marketable securities, current	117,371	326,724	290,664
Marketable securities, non-current	229,407	461,858	366,336
Cash and marketable securities	945,534	1,157,788	989,171
Inventory	778,539	700,945	696,199
Total assets	5,122,987	5,007,613	4,710,793
Total liabilities	2,268,771	2,192,326	2,130,401
Total shareholders' equity	2,854,216	2,815,287	2,580,392

Company: the condensed consolidated balance sheets. VGR: the cash and marketable securities line, as the sum of the three above it.

Cash rose $229.6 million over the half, but the group's total holding of cash and marketable securities fell: $945.5 million against $1,157.8 million in January, a fall of 18.3%, and against $989.2 million a year earlier, a fall of 4.4%. Sales and maturities of marketable securities of $555.6 million exceeded purchases of $118.0 million by $437.6 million. The increase in cash on the balance sheet comes from selling securities, and the combined position is smaller. That is also the mechanism behind the 39.7% fall in adjusted other income, net, in section 10.

The balance sheet carries no borrowings in any of the three columns. Total liabilities of $2,268.8 million are accounts payable, operating lease liabilities of $1,213.4 million current and non-current together, accrued expenses and other non-current liabilities. Other non-current liabilities rose from $74.1 million in January to $124.5 million, an increase of $50.3 million that the release does not explain. Operating

lease liabilities were broadly unchanged, at $1,213.4 million against $1,225.6 million in January, against right-of-use assets of $1,047.9 million.

09 · CAPITAL ALLOCATION AND RETURNS

$322.1 million returned in six months, against $268.1 million invested in the estate

SIX MONTHS, USD THOUSANDS	6M FY27	6M FY26
Cash paid for property and equipment	268,056	107,549
Share repurchases under the programme	299,996	151,935
Share repurchases for taxes on share-based awards	22,092	21,144
Total returned to shareholders	322,088	173,079
Net cash from operating activities	391,742	251,046
Total returned as a share of operating cash flow	82.2%	68.9%

Company: every dollar figure, from the statements of cash flows. VGR: the total returned, as the sum of the two repurchase lines, and the ratio to operating cash flow. URBN pays no dividend and none is referred to in the release.

URBN bought back 4.6 million shares for approximately $300 million in the half, against 3.3 million shares for approximately $154 million across the whole of the prior fiscal year. Both share counts are given to one decimal place, so the implied average price of roughly $65 a share this year and roughly $47 last year is approximate and is presented as such. Ten million shares remain under the 20 million-share authorisation of June 2019.

Shares issued and outstanding fell 4.5% over twelve months, from 89,696,293 to 85,650,390. Diluted weighted-average shares fell 4.9%, from 91,167,981 to 86,667,561. That is the whole of the difference between adjusted net income growth of 3.8% and adjusted diluted earnings per share growth of 8.9% in the quarter, and between 5.1% and 10.6% over the half.

Repurchases also explain why total shareholders' equity rose only $38.9 million, from $2,815.3 million to $2,854.2 million, in a half in which net income was $356.4 million. Retained earnings rose $60.2 million. The difference between six-month net

income of $356.4 million and that $60.2 million — $296.1 million — is the retirement of repurchased shares charged against retained earnings, which is consistent with the company's statement that the shares were repurchased and subsequently retired. Additional paid-in capital fell from $19.9 million to $7.0 million over the same period.

Capital expenditure of $268.1 million and share repurchases of $322.1 million total $590.1 million against operating cash flow of $391.7 million. The $198.4 million shortfall is what was funded by running the marketable-securities portfolio down $437.6 million. Incremental return on the new capital is not calculable from this release: the company discloses no segment operating profit, so the returns on the estate, on the Subscription business and on the Wholesale business cannot be separated.

10 · EARNINGS QUALITY

$91.4 million of reported net income is non-recurring on the company's own reconciliation

MEASURE	VALUE	READING
Net benefit excluded from adjusted net income	$91,352k	38.0% of reported net income
Same, against adjusted net income	61.2%	of $149,299k
IEEPA refund alone, against net sales	5.8%	of $1,661,915k
IEEPA refund alone, against adjusted operating profit	49.5%	of $193,079k
Adjustments per diluted share	$1.06	38.1% of reported $2.78
Operating cash flow to net income, six months	1.10x	$391,742k over $356,356k
Operating cash flow to adjusted net income, six months	1.48x	$391,742k over $265,004k

Company: every dollar and per-share figure, from the reconciliation of non-GAAP financial measures and the statements of cash flows. VGR: the ratios.

URBN identifies each item, names the income-statement line it sits in, gives the tax on it, gives the per-share effect and prints the full reconciliation at four levels: gross

profit, operating profit, pre-tax income and net income. Nothing in this section is an inference; it is the company's own reconciliation restated as ratios.

What the reconciliation does not settle is recurrence. The refund is described as a refund of tariffs previously paid under the International Emergency Economic Powers Act. The release does not say which periods those tariffs were paid in, whether they were expensed as incurred in those periods, or whether any further refund is expected. A refund of a cost charged to an earlier period, credited whole to the current period's cost of sales, raises the current quarter's gross margin and lowered the earlier ones by the same total. The company's own adjusted basis removes it from the current quarter and it is that basis this analysis uses throughout. The prior periods are not restated by anyone.

Below the operating line

ADJUSTED BASIS	Q2 FY27	Q2 FY26	CHANGE
Adjusted income from operations	193,079	174,387	+10.7%
Adjusted other income, net	5,356	8,886	−39.7%
Adjusted income before income taxes	198,435	183,273	+8.3%
Adjusted effective tax rate	24.8%	21.5%	+330bp
Adjusted net income	149,299	143,865	+3.8%
Diluted weighted-average shares	86,667,561	91,167,981	−4.9%
Adjusted diluted EPS	$1.72	$1.58	+8.9%

Company: adjusted income from operations, adjusted income before income taxes, both adjusted effective tax rates, adjusted net income, adjusted diluted EPS and the share counts. VGR: adjusted other income, net, as reported other income of $9,801 thousand less the $4,445 thousand of refund interest the company identifies, and the change column. USD thousands except per-share and share-count lines.

Three steps separate a 10.7% increase in adjusted operating profit from a 3.8% increase in adjusted net income and an 8.9% increase in adjusted earnings per share, and each is measurable. Adjusted other income, net, fell 39.7%, which costs 2.4 points of growth between the operating line and the pre-tax line; the balance sheet in section 08 explains it, since the interest-bearing portfolio is 4.4% smaller than a year ago and 18.3% smaller than in January. The adjusted effective tax rate rose 330 basis points; at the prior year's 21.5% the adjusted result would have been $155.8 million and growth 8.3%, so the rate change costs $6.5 million and the remaining 4.5 points. The share count then adds 5.1 points back on the per-share line. The company attributes the tax-rate movement to the ratio of foreign taxable

earnings to global taxable earnings and gives no geographic profit split, so the durability of the 24.8% cannot be assessed from this release.

The composite earnings quality score is not computed. VGR holds no prior-period record for URBN, and the score requires at least four periods of history and a guidance hit rate the company does not generate, since it issues no guidance. The components that are computable from this release alone are in the table above and are published as components, without a composite, in line with the scoring rules.

11 · GUIDANCE AND THE IMPLIED REQUIREMENT

The release contains no guidance, so there is no guidance to score for this period

URBN issues no guidance of any kind in this release: no full-year or quarterly range for net sales, comparable sales, gross margin, SG&A, tax rate, earnings per share, capital expenditure or store openings. Nor does it refer to guidance given previously, or to any target withdrawn or maintained. The forward-looking statements section is the standard safe harbour text and contains no figure. There is therefore no guidance to score for this period and the guidance reliability record is unchanged.

The nearest thing to a forward statement is the chief executive's sentence that the customer response to the fashion assortments "gives us confidence in URBN's ongoing success". It carries no number and is recorded in section 13 as not verifiable from the disclosure.

THE IMPLIED REQUIREMENT FOR Q3 FY2027	FIGURE	BASIS
Adjusted gross margin to hold flat	37.7%	this quarter's adjusted rate
Group comparable Retail to hold above	6.0%	the six-month rate
Anthropologie comparable at or above	3.0%	this quarter's rate
Subscription net sales growth	28.6%	this quarter's rate
SG&A ratio at or below	26.0%	this quarter's ratio

VGR. In the absence of company guidance the implied requirement is set at this quarter's own outturn, so that the next release is scored against continuation rather than against a forecast. These are VGR reference points, not company targets, and not forecasts.

12 · DISCLOSURE DELTA AND METRICS NOT REPORTED

Complete on the statements; ten metrics that would explain them are not disclosed

Nothing was withdrawn, redefined or restated in this release. The brand and segment definitions are unchanged and the company repeats them in a note. The non-GAAP measures are new to fiscal 2027 because the items they exclude are new; the release states this and sets out the policy. The three primary statements, the segment and brand table, the store table and the reconciliation are all present.

NOT DISCLOSED	CONSEQUENCE FOR THIS ANALYSIS
Any currency disclosure or geographic split of net sales	the currency contribution to the 10.4% is not calculable
Segment operating profit or margin	returns by segment, and on the new capital, are not calculable
The dollar split of Retail sales between digital and stores	the channel mix of the 6.2% comparable is not calculable
The size of the comparable Retail base	the space contribution can be bounded, not stated
Absolute Nuuly subscriber counts	revenue per subscriber has a direction, not a level
Inventory by brand	the 220bp comparable inventory gap cannot be located
Ongoing tariff cost in initial merchandise cost	the forward gross-margin effect is not calculable
Square footage, sales per store, store profitability	unit economics are not calculable
Guidance of any kind	no guidance to score
The purpose of the 149.2% rise in capital expenditure	the investment cannot be attributed to a brand or format

VGR, from a read of the full release. Each line is an absence in this document, not a criticism of the company's obligations, which are set by its filing requirements and are met by the quarterly report on Form 10-Q rather than by this release.

Two absences have the largest effect on this analysis. With 111 stores in Europe, the release gives no currency effect, so trading and translation cannot be separated in the 10.4%. With capital expenditure up 149.2%, it gives no segment operating profit.

13 · THE COMPANY'S ACCOUNT, TESTED

Nine claims, checked against the arithmetic in sections 02 to 10

The claims register was opened only after the measurement was closed. Each claim is quoted or closely paraphrased from the release and set against VGR's own arithmetic, using the four v5 dispositions. Supported by the disclosed figures means the arithmetic reproduces it. Partially supported means it is true as stated but incomplete. Not verifiable from the disclosure means the release does not contain what would settle it.

CLAIM	DISPOSITION	AGAINST WHAT
Net sales were a record $1.66 billion, up 10.4%	Supported by the disclosed figures	$1,661,915k against $1,504,755k is +10.4%
The highest adjusted profit quarter in company history	Not verifiable from the disclosure	adjusted net income of $149,299k is +3.8% on the prior-year quarter, but this release carries no earlier comparatives
Positive Retail segment comps at every brand	Supported by the disclosed figures	+10.0%, +8.4% and +3.0%, all positive
Continued double-digit growth in Wholesale and Subscription	Supported by the disclosed figures	+18.6% and +28.6%
Gross profit dollars increased 27.4% to $721.6m	Supported by the disclosed figures	arithmetically exact, and it is the reported figure that contains the refund
The adjusted gross profit rate increased by 4 basis points	Supported by the disclosed figures	37.7% against 37.6%; VGR's arithmetic gives +4bp
SG&A was flat as a percentage of net sales	Supported by the disclosed figures	26.0% against 26.0%; the movement is one basis point
The Retail inventory increase was due to net sales and receipt timing	Partially supported	sales explain 6.2 of the 8.4 comparable points; the residual 220bp is unattributed
The customer response gives confidence in ongoing success	Not verifiable from the disclosure	no figure attaches to it and no guidance is given

VGR claims register, opened after the measurement in sections 02 to 10 was closed. Claims are from the narrative and the chief executive's statement.

Six of the nine claims are supported by the disclosed figures, including the four-basis-point adjusted gross margin and the flat SG&A ratio, both of which the company states itself. One, the explanation of the Retail inventory increase, is partially supported. Two are not verifiable from the disclosure: a historical superlative this release carries no data to test, and a forward sentence with no number in it.

The narrative gives the reported gross profit movement of 27.4% and the 580-basis-point rate gain their own sentence, and the adjusted movement of 10.6% and the four-basis-point rate gain the sentence after it. Both are printed in the same paragraph, and the reconciliation that separates them is complete.

14 · METHOD, SOURCES AND PRECISION REGISTER

What was measured, from what, and to what precision

This analysis uses one source: the earnings release issued by Urban Outfitters, Inc. on 26 August 2026, carrying the condensed consolidated statements of income, balance sheets and cash flows, the net sales tables by brand and by segment, the store data table and the full reconciliation of non-GAAP financial measures. The statements are unaudited. The corresponding Form 8-K exhibit on SEC EDGAR, under CIK 0000912615, had not been indexed and was not retrievable when this analysis was written, so the company-issued release is the sole source used. No press report, wire summary, broker note, transcript or aggregator was used at any point, and no figure in this document comes from anywhere else.

Figures are in US dollars as published. Nothing has been converted. The company publishes in thousands and this document uses thousands in the tables and millions in the prose, at the same values. Percentages are computed on unrounded inputs and printed to one decimal place; basis-point movements are computed on unrounded ratios and printed whole. Where rounded components do not sum to a rounded total the residual is stated in the table's source line rather than adjusted away.

DERIVED MEASURE	PRECISION	NOTE
Brand and segment growth and share of growth	Exact	the five brand shares sum to 100.0%
Adjusted margins and the basis-point bridge	Exact	gross plus SG&A sums to the operating movement

DERIVED MEASURE	PRECISION	NOTE
Incremental adjusted operating margin	Exact	$18,692k over $157,160k
Adjusted other income, net	Exact	reported other income less the disclosed refund interest
Effect of the tax-rate change	Exact	prior-year rate applied to adjusted pre-tax
Inventory days on adjusted cost of sales	Exact	92 days, 1 May to 31 July
Comparable and non-comparable growth split	Bounded	at most 5.3 points and at least 1.5; the comparable base is not sized
Nuuly revenue per average active subscriber	Bounded	direction only; absolute subscriber counts not disclosed
Average share repurchase price	Bounded	share counts disclosed to one decimal; about $65
Currency contribution to growth	Not calculable	no currency disclosure
Segment and brand profitability	Not calculable	not disclosed
Return on the incremental capital expenditure	Not calculable	no segment operating profit
Store productivity	Not calculable	no square footage and no prior store count
Composite earnings quality score	Not computed	fewer than four periods of history

VGR precision register. Exact means arithmetic on two disclosed numbers; bounded means both ends are stated and the reading given; not calculable means the input is missing and no estimate has been substituted.

The cross-section test could not be run for this period. VGR's archive holds no analysis of a United States specialty apparel retailer for a quarter ended 31 July 2026, so the comparable growth, the adjusted gross margin and the inventory gap in this document are not set against peer figures. No peer number has been introduced from outside the archive to fill the gap. The cross-section will be run when the next comparable analysis is completed.

The working record for this analysis is the file "Urban Outfitters_Q2 FY2027_Source_Figures.md", held with this document. It carries every disclosed

figure in one section and every VGR calculation in another, each with its inputs stated, together with the list of metrics the release does not contain. Every figure in this analysis can be traced to that file and from there to the passage of the release it came from.

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Made with the supervision of Pau Almar.
Revised 30 September 2026 to methodology v5; first published 27 August 2026.

METHODOLOGY

VGR standardised financial analysis methodology v5. Restatement before measurement; arithmetic before language; every finding names the disclosure that would settle it. Executive summary findings selected by rank.

PRIMARY SOURCE

Urban Outfitters, Inc. (NASDAQ: URBN; SEC CIK 0000912615), "URBN Reports Record Q2 Sales and Profits", issued from Philadelphia on 26 August 2026 and distributed at 16:05 Eastern Time, the same text as Form 8-K Exhibit 99.1. The release carries the condensed consolidated statements of income, the condensed consolidated balance sheets at 31 July 2026, 31 January 2026 and 31 July 2025, the condensed consolidated statements of cash flows for the six months ended 31 July 2026 and 2025, net sales by brand and by segment for the three and six months, the store data table for the six months, the share repurchase disclosure and the complete reconciliation of non-GAAP financial measures with its four explanatory footnotes. The statements are unaudited. Comparative figures are the comparative columns printed in the release. No press report, wire summary, broker note, transcript or aggregator was used.
https://www.globenewswire.com/news-release/2026/08/26/3351678/4732/en/urbn-reports-record-q2-sales-and-profits.html

WORKING RECORD

Urban Outfitters_Q2 FY2027_Source_Figures.md, written before any prose existed, with company-disclosed figures and VGR-derived arithmetic in separate sections, a claims register opened only after both were closed, and a precision register marking every derived figure exact, bounded, not calculable or not computed; and _source_manifest_rework.json. Figures in US dollars as published; nothing converted.

NEXT

Q3 fiscal 2027, quarter ending 31 October 2026; release date not yet announced.

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