

REFINITIV STREETEVENTS

EDITED TRANSCRIPT

BBWI.N - Bath & Body Works Inc at Bank of America Consumer & Retail Conference

EVENT DATE/TIME: MARCH 11, 2025 / 12:00PM GMT

OVERVIEW:

Company Summary

CORPORATE PARTICIPANTS

Eva Boratto *Bath & Body Works Inc - Chief Financial Officer*

CONFERENCE CALL PARTICIPANTS

Lorraine Hutchinson *Bank of America - Merrill Lynch - Analyst*

PRESENTATION

Lorraine Hutchinson - *Bank of America - Merrill Lynch - Analyst*

Good morning, everybody, and welcome to the 2025 Consumer & Retail Conference. We're really happy this morning to kick it off with Bath & Body Works. I have Eva Boratto here to give us a quick overview of Bath & Body Works story and we'll leave a little bit of time for Q&A at the end.

So Eva, thank you so much for joining us today.

Eva Boratto - *Bath & Body Works Inc - Chief Financial Officer*

Thank you for having us, Lorraine, thank you.

QUESTIONS AND ANSWERS

Lorraine Hutchinson - *Bank of America - Merrill Lynch - Analyst*

You recently reported fourth quarter, you gave 2025 guidance. You reaffirmed that this morning. On the call, you said you were pleased with how the first quarter started. Can we interpret that to mean quarter-to-date revenue is at or above your 1% to 3% guidance?

Eva Boratto - *Bath & Body Works Inc - Chief Financial Officer*

Yeah. Thanks for that question, Lorraine. And for those who didn't see, we filed an 8-K this morning as Lorraine referenced, reaffirming both our Q1 as well as our full-year guidance. So go back to the call, right? We entered the quarter with momentum. We said we were pleased with how we entered the quarter. Obviously, we were in the early days of our Disney collaboration. And as we sit here to set today, what I can say is we're very confident in delivering the high end of that revenue guidance range that we provided.

And I just -- I would add, it's not just Disney working, right? It's bringing all aspects of our innovation together and the shop and we've talked a lot about our three-legged stool of innovation, marketing, and technology, and we're pleased with the results that we're driving.

Lorraine Hutchinson - *Bank of America - Merrill Lynch - Analyst*

Great. Thank you. Very confident in the high end. That's probably not something we'll hear a lot today. So that's good news. Can you give us an overview of how you think the year plays out? Any big headwinds or tailwinds we should be aware of?

Eva Boratto - *Bath & Body Works Inc - Chief Financial Officer*

Yeah. Again, Lorraine, we just had our call a week or so ago, and the market continues to be quite volatile. But overall, for us, I would say, as I think about the headwinds, right, risk of consumer sentiment declining, we haven't seen that, right? Our customer, we've been saying, has been value

seeking, that's continued, and we haven't seen a real change. Our input cost on the production side, we said that are basically flattish for the year across the portfolio. We're watching that if there are any pressures given the market volatility.

And then finally, tariffs, right? As we said, China tariffs were baked into our outlook. We're continuing to watch, monitor what's going on in some of the other areas. 80% of our production is US sourced, but we still have about 7% between Canada and Mexico. So we have a team developing mitigation strategies, opportunities to help us offset those over time, should they come to fruition.

On the tailwind side, let's be a little more positive. On the tailwind side, obviously, fragrance continues to be on trend, right? Second, innovation and newness is the lifeblood of the company, right, and driving and delivering that for our customer. We've seen consistently that customers respond to that. And finally, we do have some benefits of, I'll call it, wraparound of some of our Fuel for Growth from last year.

Lorraine Hutchinson - Bank of America - Merrill Lynch - Analyst

Great. And on your target consumer, you pointed that out as a risk. How would you characterize the health of that consumer this year? And what purchasing patterns are you seeing?

Eva Boratto - Bath & Body Works Inc - Chief Financial Officer

Yeah. So overall, we've been saying for many, many months now, right, that we've had a value-seeking customer. And value doesn't just mean price, right? It's value of the product, the quality of the product. We haven't seen a change in that customer. We haven't seen differentiation by income bracket, for example, how our customers are performing.

So also looking back at Q4, we had our highest retention rate ever, really strong customer retention. And in the fall, we started to make nice progress on attracting new customers. So we'll continue through our three-legged stool on this journey to grow our customership to drive customers into our stores.

Lorraine Hutchinson - Bank of America - Merrill Lynch - Analyst

Great. And maybe you could follow that with talking about some of the growth drivers for 2025 that you're most excited about?

Eva Boratto - Bath & Body Works Inc - Chief Financial Officer

Yeah. So, Lorraine, that's like asking which of your children is your favorite, right? But as we are -- all kidding aside, as we look at our growth drivers, we -- you heard Gina talk a lot about our three-legged stool, first, innovation; second, marketing; third technology. So as I think about innovation, we're going to be just as innovative in 2025 as we were in 2024.

Things like collabs help us innovate in our core. We just had Disney, there'll be more throughout the year. We expanded our Everyday Luxury assortment. We expanded that into men's. And just one other highlight around laundry, right? We're going to be expanding beyond detergent and fragrance boosters. So there are just a few examples of the innovation we're bringing.

Second, as you look at marketing, right, just over a year ago, a little more than a year ago, we stepped up our investment in marketing to 3.5% of sales. We're pleased with the returns that we're seeing, the engagement that we're driving. We're much more present in the social conversation on some of the social media outlets. So that's working for us. And technology, we're on a multiyear journey, right, to enhance the omni experience to give us better data capabilities around knowledge of our customers so we can take action digitally.

Lorraine Hutchinson - Bank of America - Merrill Lynch - Analyst

Okay. On the Disney topic, can you talk about the customer response you're seeing to that collection? What's working and any takeaways you have for future collabs?

Eva Boratto - Bath & Body Works Inc - Chief Financial Officer

Yeah. So we're super excited about Disney and the performance in the stores and the unique storytelling we were able to create across each of the Disney princesses. When you take two brands like a Bath & Body Works and a Disney, you're really able to open and unlock a much broader customer excitement. And that spans age, it spans sociodemographics. And we're really pleased with the performance. Day 1, we had earned 1 million TikTok views. We were on National TV, right? So there's a lot to be excited about there with Disney.

Lorraine Hutchinson - Bank of America - Merrill Lynch - Analyst

Great. And on the fourth quarter call, Gina talked about being excited about the 2025 product innovation pipeline. I know you can't give us details on collaborations or specific products. But would you characterize it as a similar level of newness in the pipeline for '25 as '24?

Eva Boratto - Bath & Body Works Inc - Chief Financial Officer

Yeah, I would. And we highlighted -- I highlighted a few things a minute ago, right, whether it's the collabs, whether it's expansion in laundry, whether it's EDL. Of course, we're always going to work to be on trend with fragrance. So I would say we're going to be just as innovative in 2025 as we were in 2024.

Lorraine Hutchinson - Bank of America - Merrill Lynch - Analyst

Okay. And maybe let's talk about the candle market. That's been a pressure on results for the past couple of years. When do you expect the market to return to growth? And does your '25 guidance assume that this happens this year?

Eva Boratto - Bath & Body Works Inc - Chief Financial Officer

Yeah. Thanks for that question. It comes up a lot, right, Lorraine, I'm sure you get it a lot as well. Back in the third quarter of '24 -- I'll just take a minute to go backwards, right? What we saw was, I'll say, the normalization that we were experiencing in the market had moderated to a point that we didn't expect a material impact. That played out in Q4 as well as you look at the overall market, and that's what we expect in 2025.

The candle market does not need to return to growth for us to deliver on our outlook. And as the leader in the candle market, it's a very competitive market, right? You see a lot of different players, but as the leader in the candle market, we will continue to drive innovation. We spoke a little bit on the earnings call about a restage that we're planning that will be coming up here shortly, but we'll continue to drive innovation, whether it's in fragrance, what have you, to maintain our leadership in that market.

Lorraine Hutchinson - Bank of America - Merrill Lynch - Analyst

So flattish candle market is the guidance?

Eva Boratto - Bath & Body Works Inc - Chief Financial Officer

Yes, I'd say we don't -- yeah, flattish, right? We're not expecting it to return to growth nor a material degradation. So I think that's fair.

Lorraine Hutchinson - Bank of America - Merrill Lynch - Analyst

Okay. And the adjacencies have been rolled out. What's the focus in each of these adjacencies? I won't ask you to pick favorites, but maybe if we could talk through some of the focus now that they're all in the fleet, where do we go from here?

Eva Boratto - Bath & Body Works Inc - Chief Financial Officer

Yeah. So adjacencies represent about 10% of our overall book of business. We expect the adjacencies to grow at a faster rate than the core given where they are in their life cycle, right? These are whether it's men's, laundry, these are large addressable markets for us, right, that we say we're in the early innings of. So if you think about Men's, I talked about, we launched everyday luxuries. Last year, we had our first purchase within purchase celebrating during the holiday season, right? Just a bigger focus for us on that. On laundry, new form, as I said, more to come. That will be later in the year.

And lip, we're super excited about lip. We had explosive growth last year. driven by the new lip fixture, but it also enabled us to bring in a younger customer, right, and created somewhat of a playground around that fixture. So we'll continue to bring new forms to our lip as we look out throughout this year.

Lorraine Hutchinson - Bank of America - Merrill Lynch - Analyst

Great. And then just pivoting to international. You guided to a return to sales growth in 2025. How much of that is due to stabilization in areas driven by the war versus organic growth drivers and new markets?

Eva Boratto - Bath & Body Works Inc - Chief Financial Officer

Yeah. As we look at international, if you look back prior to the war, the international business grew consistently in that double-digit range, right, both from what we referred to as system-wide retail sales, which is really the underlying health of the market. It's the sales in the end market, but as well as our net reported sales.

Now let's just think about Q4. In Q4, we had lapped the war, right, that it started year prior in October. So the regions not affected by the war continue to grow nicely, grew at 20%, right? They've seen -- they've driven double-digit growth, whether that's expansion in new markets, whether that's growth in existing markets, right? We're winning. We have brand relevance in those markets.

And then in the markets affected by the war, we were down about 4% in the fourth quarter. So as we -- so overall, we were up 10% in system-wide retail sales. As we look forward to our guidance, we expect pretty comparable performance because we expect those war affected regions to stabilize and potentially return to growth but at least be stable and continued consistent performance in the other regions.

Lorraine Hutchinson - Bank of America - Merrill Lynch - Analyst

Great. And then any change to your marketing strategy moving forward?

Eva Boratto - Bath & Body Works Inc - Chief Financial Officer

I would say, at this point in time, there's no material changes to our marketing strategy. We like what we're doing, right? We're still -- we're a year in, a year plus into the step-up in investment, but focus areas around more social, relevant working toward the men's customer, the younger customer. Last year, you did hear us talk about reducing our investment in some of our direct mail. That will continue this year, freeing up some of our investments for other more social relevant channels.

Lorraine Hutchinson - Bank of America - Merrill Lynch - Analyst

Okay. And then just shifting to margin. You guided some slight 2025 gross margin pressure, driven in part by merchandise margin headwinds from new products, collaborations, what are the ways you're looking to offset this?

Eva Boratto - Bath & Body Works Inc - Chief Financial Officer

I think we can wrap margins and SG&A together almost, Lorraine, as you think about it. So the gross -- at the gross margin level, over the past two years, we delivered tremendous value from our Fuel for Growth, right? \$300 million over two years, of which 60% accrued to -- two-thirds to margin, one-third to SG&A. And I would think about that as that's embedded in our DNA, and we'll look for opportunities to offset some of the things you highlighted, higher costs through the elevation or the collabs, the royalty that we -- that come as part of the collabs.

What I would say is where we're going to look, we're always looking to value engineer our production or sourcing. Obviously, growing sales, right, and delivering leverage through B&O will also be beneficial to us. But what you've seen us do is optimize whether it's our transportation cost, our distribution costs, we've successfully deployed some of those strategies, and we'll continue to look to do that.

Now on the SG&A front, our leverage is about flattish, right, in our outlook. This year, our tech investment is up slightly, largely in the back half of the year. And I think about this as a multiyear journey that we're on as it pertains to tech. And I wouldn't expect it to keep growing, right? We've said we'll be at this elevated level over several years, but it can be bumpy one year up a little, one year down a little.

And again, we've driven durable savings, whether it's through our procurement efforts, whether it's enhancements that we've made to using technology to drive automation of things. And we'll continue to drive those programs to offset any cost pressures.

Lorraine Hutchinson - Bank of America - Merrill Lynch - Analyst

Okay. And then one gross margin driver, you didn't call out was promotions. I think that's one of the toughest nuts to crack sitting outside the Bath & Body Works organization. How are you thinking about the promotional cadence for this year?

Eva Boratto - Bath & Body Works Inc - Chief Financial Officer

Yeah. So overall, as we look at promotions in our outlook in 2025, we've assumed no material change in promotions from the 2024 levels. We will always use our agile model to meet the customer where the customer is and where that's opportunities to reduce promotional efforts as the newness is driving and we have strong traffic or where we need to utilize promotions to drive the traffic in a particular quarter. So overall, we're basically flattish, if you will, on that level. But this is where I think our agile model is a real competitive advantage for us.

Lorraine Hutchinson - Bank of America - Merrill Lynch - Analyst

Okay. And then how about pricing? As you think about the pricing architecture for your products, are there any changes planned?

Eva Boratto - Bath & Body Works Inc - Chief Financial Officer

There are no material changes planned right now as you think about the pricing architecture. We have a good, better, best product strategy, which we think in this value-seeking environment serves us well. We've made some changes on our everyday deals, again, with the customer in mind and focus.

Also, it's -- again, I'll go back to it's not just about pricing, right? It's about the value. And we haven't talked at all about loyalty, right? Loyalty is a key driver for us, right? Our loyalty program, we have very strong NPS scores, high engagement across a host of metrics, right? Whether it's trips, whether it's units per transaction, right? Our loyalty members are highly engaged, and we'll continue to look to optimize that to drive our business going forward as well.

Lorraine Hutchinson - Bank of America - Merrill Lynch - Analyst

What do you think -- I get this question a lot about loyalty, what makes people loyal to Bath & Body Works, if they could buy a cheaper candle on another website. Is it scent? Is it quality? Is it burn time? Like what do you think are the key attributes of why people love the brand so much?

Eva Boratto - Bath & Body Works Inc - Chief Financial Officer

I think it's all of the above, right? People have they're tested true favorite fragrance from when they were younger or just their favorite holiday tradition that creates emotion for them. Our newer innovations have been right on trend, whether it's Vanilla that's been on trend or [Rose] have recently been on trend, right, and that was highlighted.

So it comes back to the innovation, Lorraine, that we bring that our customers are excited about. And we're at a price point, right, where we consider ourselves masstige, right? So we're at a price point that someone can treat themselves with a very high-quality product while they're value seeking.

And you and your question, you used a candle as an example, right? Our marketing -- given the competitive nature of the candle market as we're the leader, our marketing efforts are focused on elevating around the quality of our candle, whether it's the burn time, the consistency, the fragrance flow. We think that's really important when there are other lower price point products out there.

Lorraine Hutchinson - Bank of America - Merrill Lynch - Analyst

Okay. Thanks. So fourth quarter AURs were pressured by five fewer shopping days in the holiday. Can you just explain what that means? Why that happened? And was that part of your plan? Were you expecting that?

Eva Boratto - Bath & Body Works Inc - Chief Financial Officer

Yeah. So we were expecting it. If you think about it, some of our strongest -- so let me take a step back, Lorraine. Our AURs were down low single digits mix adjusted right? There were two factors driving that, one you highlighted. So as you had a compressed holiday period, some of our highest AUR days are in the final days of that shopping. People may not really realize that, right? Because other retailers, as you see, see sales prices increasing, we actually are able to reduce our promotional efforts during that period.

So as the holiday period was squeezed, right, it affected the AUR and the number of days. We were able to execute on that. The second area that drove our AURs, we were more promotional in fourth quarter versus LY. We were pleased with the results. We beat our guidance on both margin. We expanded margins in the quarter year-over-year. So we feel good about how we were paid for that. And the other piece of color I would add, when you look sequentially year-over-year, there was a deceleration in Q4 relative to Q3 promotional activity year-over-year.

Lorraine Hutchinson - Bank of America - Merrill Lynch - Analyst

Okay. And then just as you think about the 2025 algorithm, is that an AUR driven sales growth?

Eva Boratto - Bath & Body Works Inc - Chief Financial Officer

I'd say -- like I said, promotions relatively flat. So you can think about AUR is not a real contributor. Mix adjusted, of course.

Lorraine Hutchinson - Bank of America - Merrill Lynch - Analyst

Okay. You mentioned Fuel for Growth, [\$300 million] of savings over the past two years. Thank you, next. What can we think about as far as the go-forward opportunities for cost cutting?

Eva Boratto - Bath & Body Works Inc - Chief Financial Officer

Yeah. So on the go-forward opportunities. First, I want to go back to your AUR question for a minute, right? As you look at the company, we would expect AUR to be a topline driver to our growth algorithm, over time. In this value-seeking environment, we haven't been able to do that. I would say our AURs are still up double digit from pre-pandemic levels, right? So we have been able to capture it. And over time, we would expect that to be a contributor.

On the cost front, we're going to continue whether it's value engineering of our product, how can we be more efficient in our operations. Obviously, driving top line to leverage our SG&A at 2.5% to 3.5% sales growth, we'll be able to leverage our SG&A and our B&O at that 2% to 3% sales growth. So we're -- we remain focused on the 20% OI being our target. We think that's the right target. And we're going to work towards that over time through driving the top line as well as managing our cost.

Lorraine Hutchinson - Bank of America - Merrill Lynch - Analyst

Okay. And you mentioned earlier the flattish SG&A rate includes some investments. Can you talk about what exactly you're spending on in IT? And then also if there are any offsets to potentially create some leverage on the SG&A line?

Eva Boratto - Bath & Body Works Inc - Chief Financial Officer

Yeah. So you heard Gina talk about this over a year ago, right? We have some tech debt that we're building out of it -- building out of. I would put it two buckets. One, customer facing and enabling and, two, just back-office support systems, right, that are needed. So we're working through a new point-of-sale system. We're testing it in certain stores right now, enhancing our order management system that will, ultimately -- this isn't in 2025, but it'll ultimately unlock greater visibility and insights of inventory to create an even better omnichannel experience. So there are a couple of examples there.

On the offsets, some of the capabilities that we've built in I'll say in the data and analytics area, but it starts with the data, you need the data first at the capability, we've been able to build tools and engage with customers that are nearly lapsed, right? Looking at that as a year longer lapsed and reengaged with them digitally to bring them back into the brand, and we've had success there. So there are ways where there -- we're looking for returns for these investments.

Lorraine Hutchinson - Bank of America - Merrill Lynch - Analyst

And then as you think out to 2026, would you expect a similar level of investment?

Eva Boratto - Bath & Body Works Inc - Chief Financial Officer

So I'm not going to guide 2026 here today, Lorraine, but I would on our investment strategy, right, this is a multiyear journey. So I wouldn't expect the tech investments to come down in any meaningful way. We've said we have multiple years to invest here. But we'll have more to say as we get closer to '26.

Lorraine Hutchinson - Bank of America - Merrill Lynch - Analyst

Okay. You talked about an off-mall target of 75%. It's new. Is there a timeline for that goal? Should we expect any kind of accelerated store openings, closings, relocations in '25?

Eva Boratto - Bath & Body Works Inc - Chief Financial Officer

Yeah. I wouldn't expect an acceleration at this point. As you look at our '25 outlook, we said we expect to grow square footage in the 2% to 3% zip code in North America, which is pretty comparable to 2024. We took that target up, right? We were at two-thirds previously, and we're sitting at 57% off-mall today. But as we looked at; A, customer preferences; B, competition; C, performance, right, we believe now that 75% is a target.

We'll -- as you think about the malls, it's the lower performing malls that will be exiting. Certainly, there's still a place for us in the malls. And this is a multiyear journey. So I wouldn't expect us to get to the 75% over the next several years. It's a multiyear journey, but it remains our target.

Lorraine Hutchinson - Bank of America - Merrill Lynch - Analyst

Okay. I wanted to ask you to just touch on Beauty Park for a minute. I think probably a lot of -- those in the audience don't really know what it is or the advantages that it gives you, can you talk a little bit about it and how you're using that to maybe potentially mitigate some of the tariff exposure?

Eva Boratto - Bath & Body Works Inc - Chief Financial Officer

Yeah. So many, many years ago, almost a decade ago, we formed partnerships in the Ohio area, less than 10 miles from our headquarters with suppliers to produce our products, right? 80% of our production is US-based and about half of that is in the Beauty Park. And there are real advantages to that. These aren't vendor supplier relationships; these are true partnerships. And for investors that had an opportunity to go and visit or talk to any of those, right, they talked about it as a true partnership.

We believe we're able to move more rapidly in the market, right? It's a key enabler of our ability to chase. We talk about when we're ordering inventory, we don't have to order to the full level of our projections. We can order, I don't know, 60%, 70% upfront and see how the product is working in the market with an ability to chase. So we see this as a huge competitive advantage.

And you're right, as we look at tariffs, and this was done in the past, right, how can we leverage some of those US-based sites to shift some of our production, where need be, if need be, to optimize and help with mitigating those tariffs.

Lorraine Hutchinson - Bank of America - Merrill Lynch - Analyst

How long do you think that would take to move the China, Mexico 7% here?

Eva Boratto - Bath & Body Works Inc - Chief Financial Officer

I think it depends, right? It depends on the form, the capacity that exists. I don't want to provide an exact rule of thumb, but we've been able to do it quite quickly.

Lorraine Hutchinson - Bank of America - Merrill Lynch - Analyst

Okay. Okay. That's interesting. And then 85% -- 80% of your total production is done at Beauty Park or in North America?

Eva Boratto - Bath & Body Works Inc - Chief Financial Officer

North America.

Lorraine Hutchinson - Bank of America - Merrill Lynch - Analyst

Yeah. Okay. Okay. Before we open it up to audience questions, I wanted to ask about free cash flow, probably should have started with actually. \$170 million of dividend payments, \$300 million of share repurchase, that leaves you with about \$300 million of extra free cash flow generation. How are you thinking about further share repurchase, debt repayments? How do you use that extra cash?

Eva Boratto - Bath & Body Works Inc - Chief Financial Officer

Yeah. Let me take a step back a little bit, right? We're -- Bath & Body Works generates a tremendous amount of cash, right? And our priorities are -- haven't changed, invest in the business, right? Now that we've hit our leverage target, maintained our 2.5 times leverage, and returned cash to shareholders through dividends and share repurchases, so as you referenced, the excess cash, right, we'll opportunistically look throughout the year for areas to return cash to shareholders just as we did in 2024, right?

Our initial guidance was \$300 million of share repurchases, as we got a couple of quarters under our belt, right, we took that guide up. So we'll continue to look to do that as well. My -- the only area I would note is our cash is also quite seasonal, and the majority of the cash builds in fourth quarter. And it's important, we like to start the year with \$500 million of cash in order to provide ample liquidity throughout the year while we build the cash. So there are also factors we take into account. But we -- our priorities remain the same, and we'll return cash to our shareholders as we've done.

Lorraine Hutchinson - Bank of America - Merrill Lynch - Analyst

Yeah. Okay. Let's see if there are any questions from the audience.

Unidentified Participant

My name is Mannan. I had just a quick follow-up question on share repurchases.

Eva Boratto - Bath & Body Works Inc - Chief Financial Officer

Yeah.

Unidentified Participant

Can you just describe to us the framework that you guys use? Are you guys in the open market every day? Or are you guys being opportunistic on the stock pending the seasonality comment you made?

Eva Boratto - Bath & Body Works Inc - Chief Financial Officer

Yeah, I would -- thank you for the question. I would say all of the above, I'll speak more generally. We purchased shares in the open market. We do try to be opportunistic. We execute on 10b5-1s, right, when -- with tiered pricing, when our windows are closed to purchase in the past, we've done ASRs as well. We have not in the past 1.5 years done in ASR. But we utilize all those tools.

Unidentified Participant

And I have a second question, if that's okay. You guys have done a really nice job over the last few years. You had declining sales, declining margins. You talked a lot about these initiatives. Obviously, in the second half of last year, you saw traffic and conversion deflect AURs continue to be a pressure. As you guys have these pillars of growth, especially the first one in terms of innovation, can you just talk about where do you see that -- not providing guidance, but where do you see that AUR potentially even deflecting along with the other two variables?

Eva Boratto - Bath & Body Works Inc - Chief Financial Officer

Yeah. It goes back a little bit to the question that Lorraine asked, right? As we look over time, right, we do expect AURs to be a positive contributor to our top line growth algorithm. As I said earlier, our AURs are still up pretty meaningfully double digits from 2019 levels. And I know that's becoming a long time ago. And so over time, I can't give you an exact date here today in what year, but what I can tell you is we will use our agile model to optimize the growth, the top line growth as well as margin expansion for the business. And we're focused on both.

Lorraine Hutchinson - Bank of America - Merrill Lynch - Analyst

We have time for one more if somebody has it.

Unidentified Participant

Thank you very much. Just a clarification on your comment about towards the high end of your guide. Was that a 1Q comment, just to clarify?

Eva Boratto - Bath & Body Works Inc - Chief Financial Officer

It was a 1Q comment. Thank you.

Unidentified Participant

Okay, great. Thank you very much.

Lorraine Hutchinson - Bank of America - Merrill Lynch - Analyst

I think we are about out of time. Eva, thank you so much for joining us today.

Eva Boratto - Bath & Body Works Inc - Chief Financial Officer

Thank you, Lorraine. Thank you, everyone, for your interest in Bath & Body Works.

DISCLAIMER

Refinitiv reserves the right to make changes to documents, content, or other information on this web site without obligation to notify any person of such changes.

In the conference calls upon which Event Transcripts are based, companies may make projections or other forward-looking statements regarding a variety of items. Such forward-looking statements are based upon current expectations and involve risks and uncertainties. Actual results may differ materially from those stated in any forward-looking statement based on a number of important factors and risks, which are more specifically identified in the companies' most recent SEC filings. Although the companies may indicate and believe that the assumptions underlying the forward-looking statements are reasonable, any of the assumptions could prove inaccurate or incorrect and, therefore, there can be no assurance that the results contemplated in the forward-looking statements will be realized.

THE INFORMATION CONTAINED IN EVENT TRANSCRIPTS IS A TEXTUAL REPRESENTATION OF THE APPLICABLE COMPANY'S CONFERENCE CALL AND WHILE EFFORTS ARE MADE TO PROVIDE AN ACCURATE TRANSCRIPTION, THERE MAY BE MATERIAL ERRORS, OMISSIONS, OR INACCURACIES IN THE REPORTING OF THE SUBSTANCE OF THE CONFERENCE CALLS. IN NO WAY DOES REFINITIV OR THE APPLICABLE COMPANY ASSUME ANY RESPONSIBILITY FOR ANY INVESTMENT OR OTHER DECISIONS MADE BASED UPON THE INFORMATION PROVIDED ON THIS WEB SITE OR IN ANY EVENT TRANSCRIPT. USERS ARE ADVISED TO REVIEW THE APPLICABLE COMPANY'S CONFERENCE CALL ITSELF AND THE APPLICABLE COMPANY'S SEC FILINGS BEFORE MAKING ANY INVESTMENT OR OTHER DECISIONS.

©2025, Refinitiv. All Rights Reserved.