

Bath & Body Works®

Find That Feeling

Q2 Earnings & 2026 Guidance

August 26, 2026



Q2 Earnings Call Participants



Daniel Heaf
Chief Executive Officer



Tom Javitch
Interim Chief Financial Officer



Luke Long
GVP Strategy & Investor Relations

Forward-looking Statements

Safe Harbor Statement Under the Private Securities Litigation Reform Act of 1995

We caution that any forward-looking statements (as such term is defined in the Private Securities Litigation Reform Act of 1995) contained in this presentation or made by our Company or our management involve risks and uncertainties and are subject to change based on various factors, many of which are beyond our control. Accordingly, our future performance and financial results may differ materially from those expressed or implied in any such forward-looking statements. Words such as “estimate,” “project,” “plan,” “believe,” “expect,” “anticipate,” “intend,” “potential,” “target,” “goal” and any similar expressions may identify forward-looking statements. There are risks, uncertainties and other factors that in some cases have affected and, in the future, could affect our financial performance and actual results and could cause actual results to differ materially from those expressed or implied in any forward-looking statements included in this presentation or otherwise made by the Company or our management. These factors can be found in Item 1A. Risk Factors in our 2025 Annual Report on Form 10-K, and our subsequent filings.

We are not under any obligation and do not intend to make publicly available any update or other revisions to any of the forward-looking statements contained in this presentation to reflect circumstances existing after the date of this presentation or to reflect the occurrence of future events even if experience or future events make it clear that any expected results expressed or implied by those forward-looking statements will not be realized.



Q2 2026 Financial Highlights

Net Sales
\$1.5B

Gross
Profit Rate
45.7%

Adjusted Operating
Income¹
\$225M

Adjusted Diluted
EPS¹
\$0.62

1- See Appendix for important information regarding the non-GAAP financial measures, including reconciliations of reported-to-adjusted results.

Second quarter net sales and adjusted EPS results both ahead of expectations.

Adjusted Gross Profit Rate, Adjusted Operating Income and Adjusted Diluted EPS results included ~\$80 million of tariff refunds. Excluding this benefit, adjusted EPS would have been \$0.31, ahead of expectations.

While underlying business trends remained pressured, direct returned to growth, innovation and expanded distribution provided encouraging early proof points.

Narrowing full-year net sales guidance to down 4% to down 2.5% and raising our adjusted EPS guidance to \$2.60 to \$2.80.

2026 remains an investment year, with a continued focus on disciplined execution and strengthening our foundation for durable growth.

Create Disruptive & Innovative Products





Bath & Body Works

EVERYDAY
LUXURIES

ORCHID EFFECT

EAU DE PARFUM





BATH & BODY WORKS
CANDLE



Reignite The Brand



We believe
everybody
deserves to
feel good

FEEL GOOD

Our Value System

Feel Good is our ultimate emotional benefit and what we value most.

THE AMERICAN SPIRIT

Our Cultural Lens

We express feel good through a distinctly American perspective, rooted in optimism, creativity, resilience, and belonging.

FOR EVERYBODY

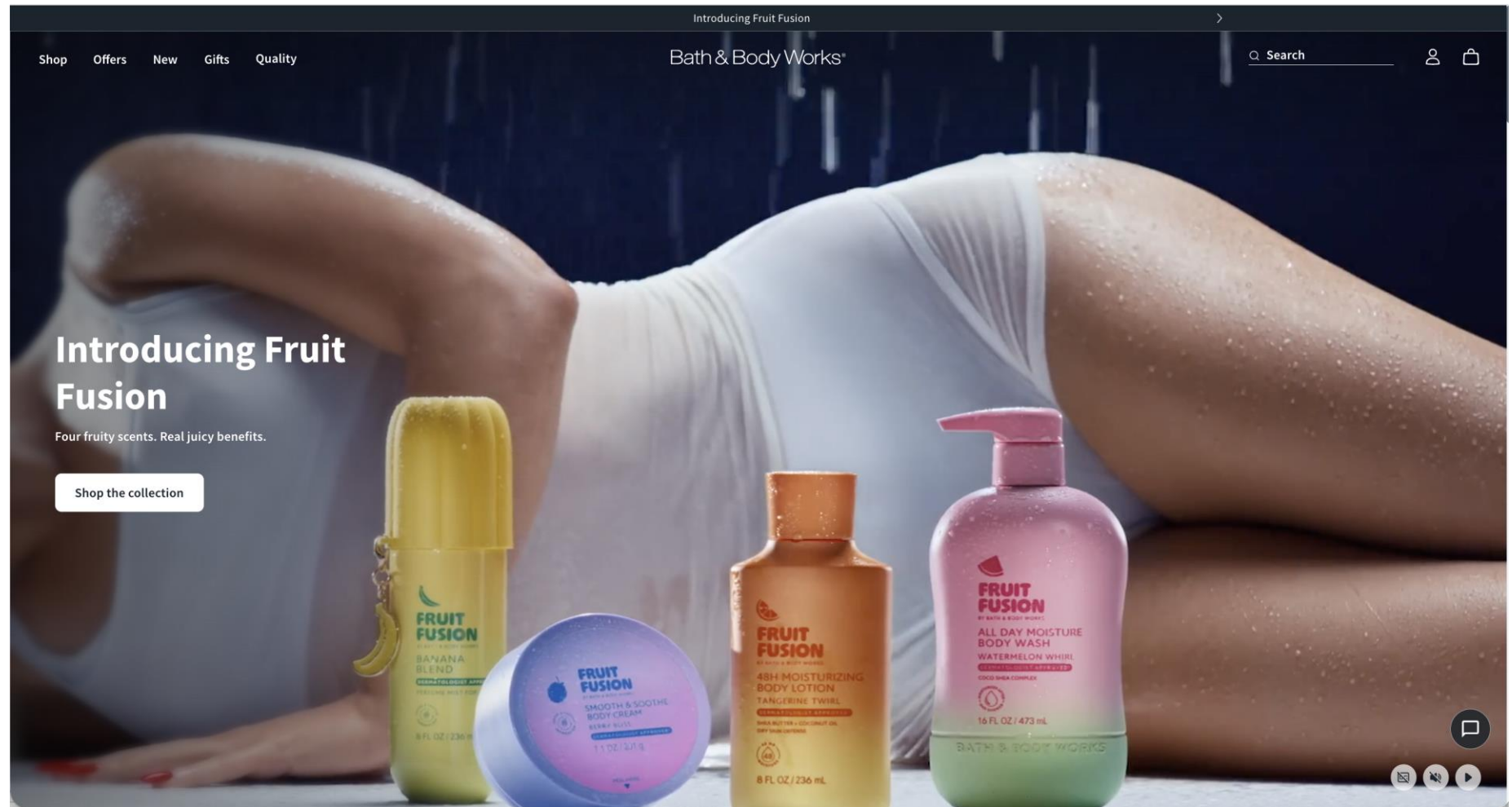
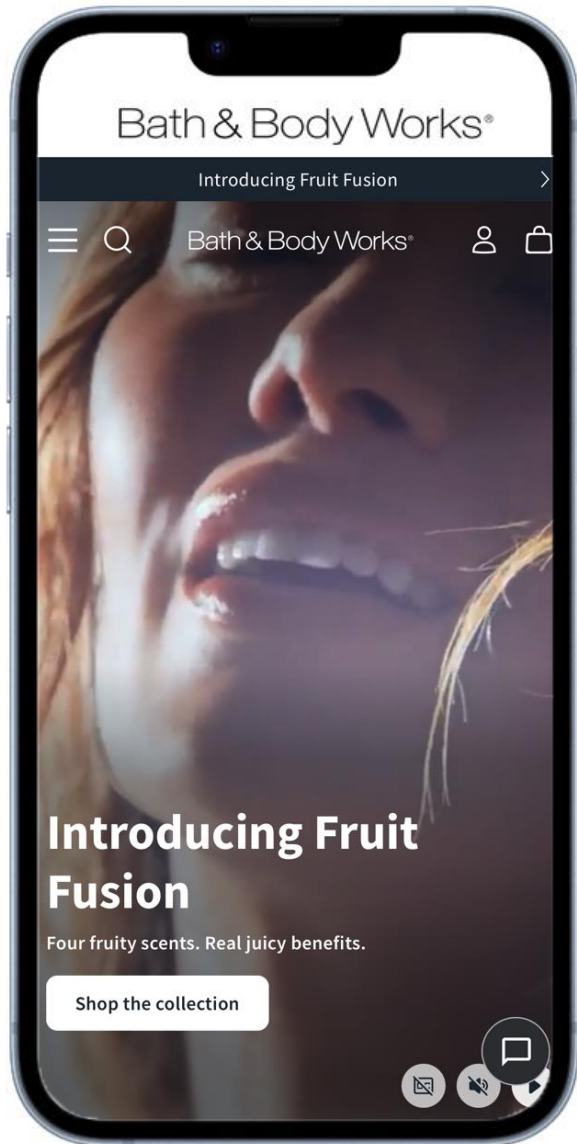
Our Community

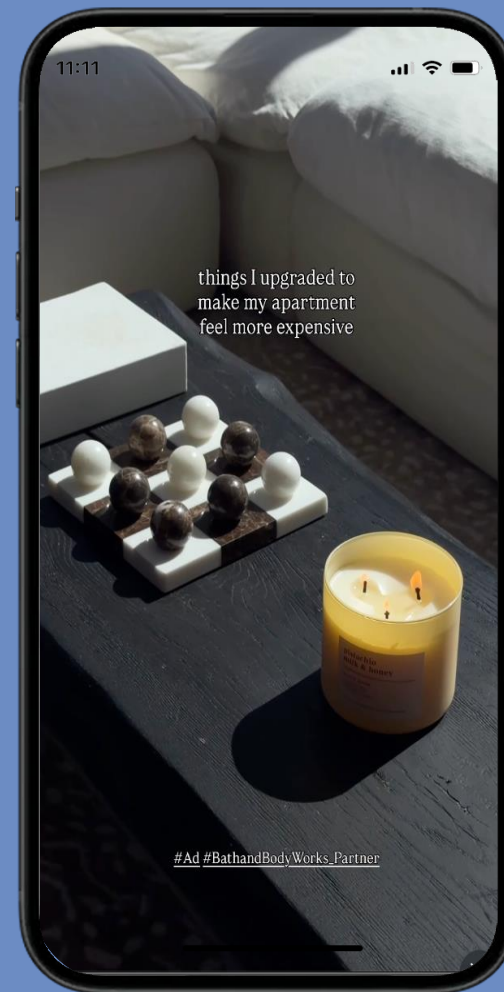
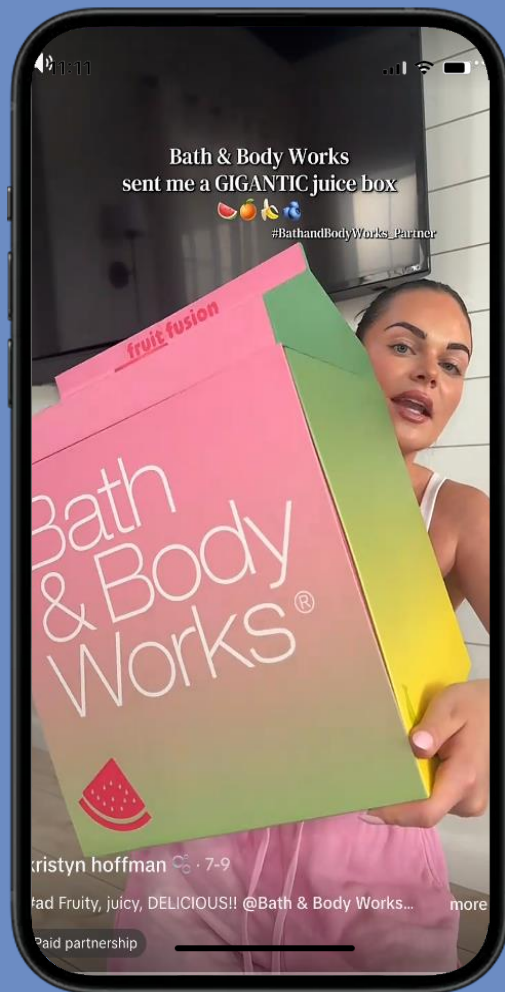
We are built on the belief that everybody deserves to feel good through generosity and access.

Bath
& Body
Works®

Find That Feeling

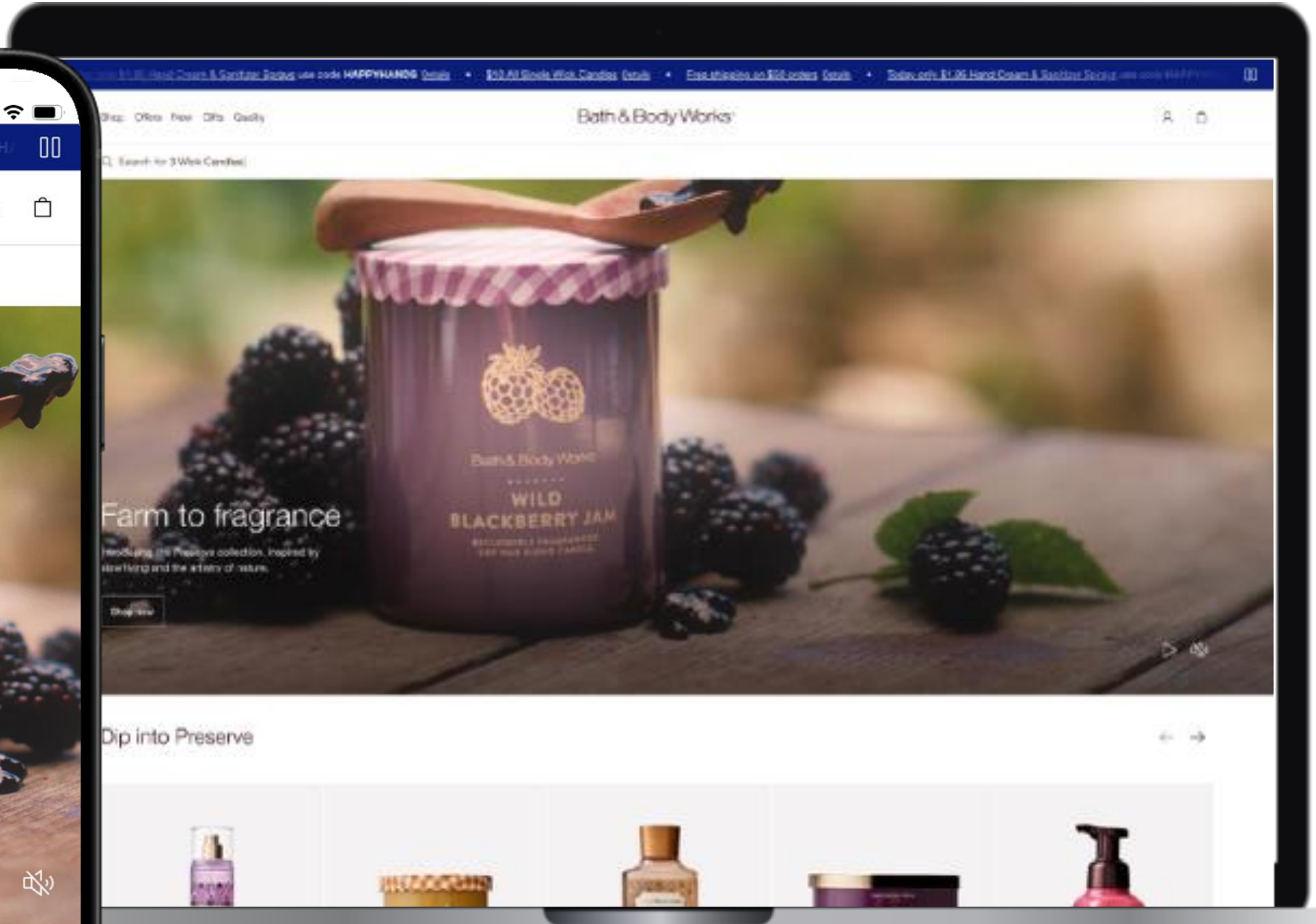
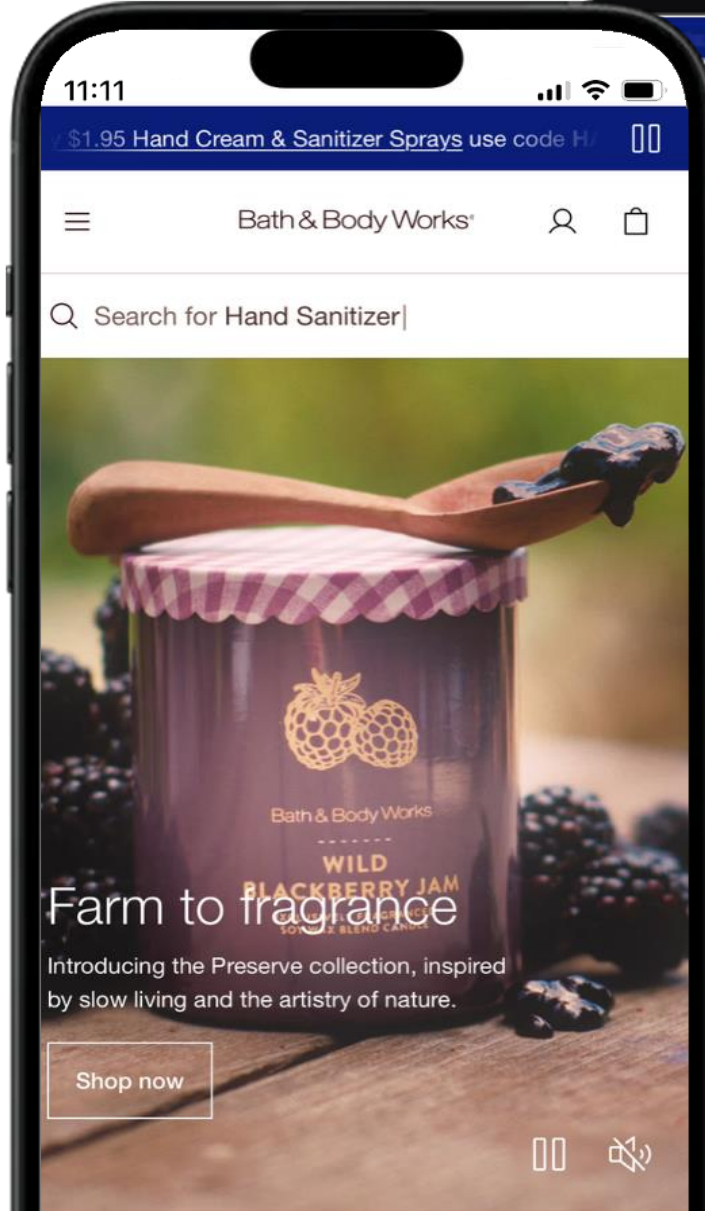


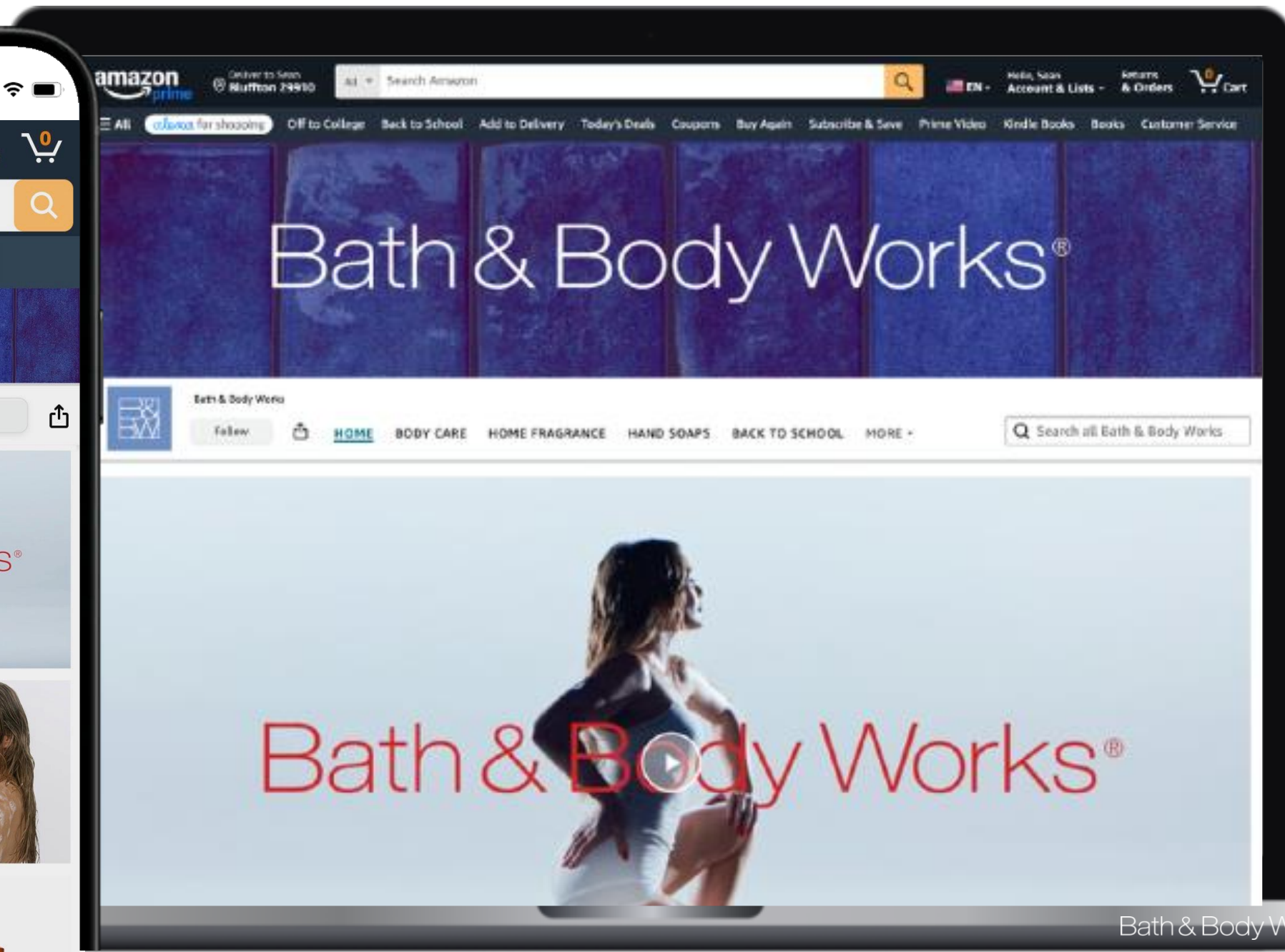
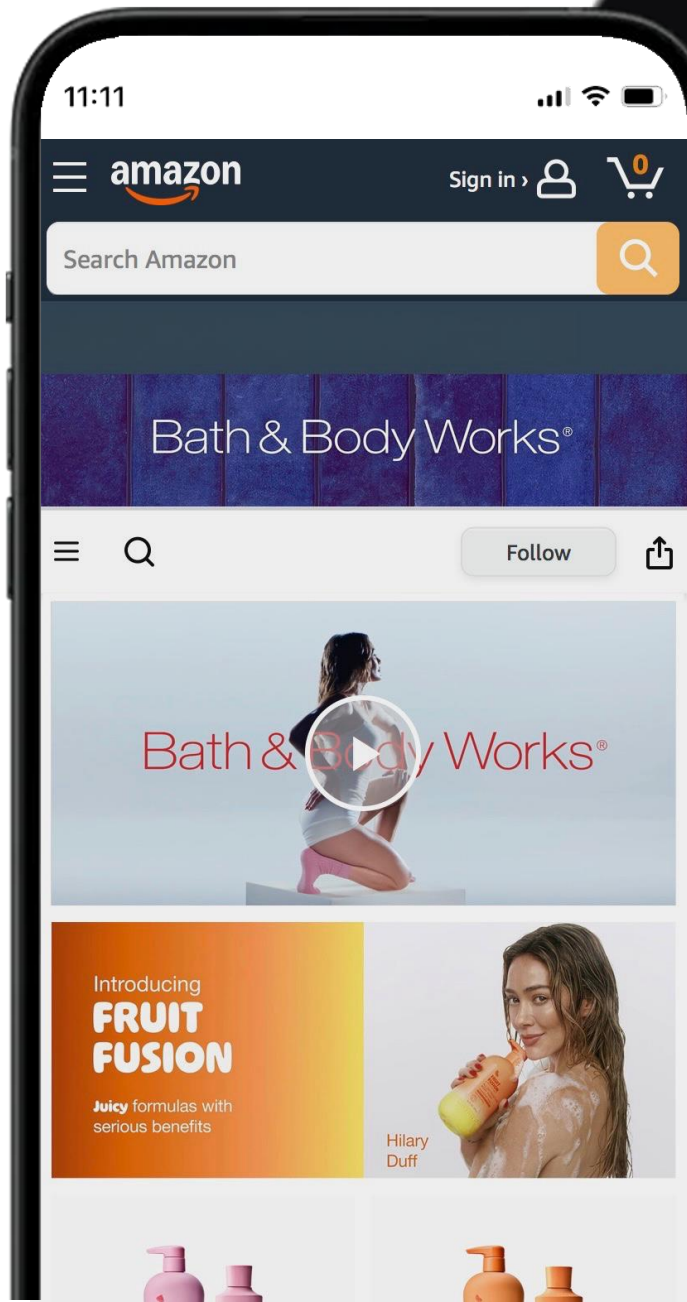




Win in the Marketplace











Bath & Body Works





Operate With
Speed & Efficiency



The Consumer First Formula

Putting the consumer at the center, with focus on the four largest revenue driving opportunities



Create Disruptive & Innovative Products

Best in class Body Care, Home Fragrance, Soaps & Sanitizers with scents that are unmistakably Bath & Body Works



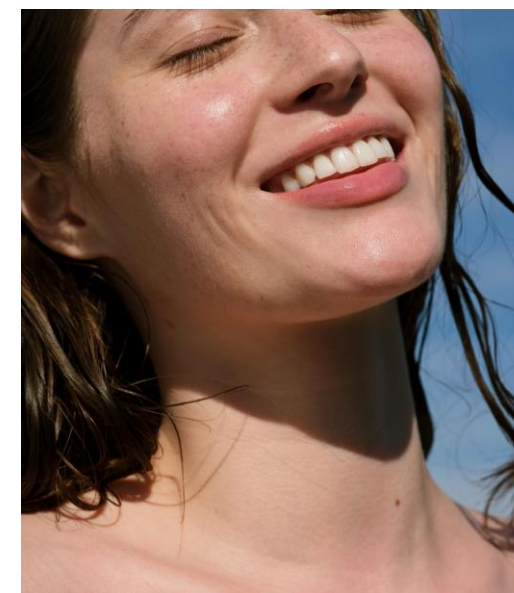
Reignite The Brand

A brand with cultural currency showing up through creators and in store theater, and building meaningful emotional connections with consumers



Win In The Marketplace

The best of Bath & Body Works, accessible anytime and anywhere she chooses to shop



Operate With Speed & Efficiency

Empowered teams, working with focus and agility to prioritize what consumers care about most

Build Winning Teams & Culture

Empowered and engaged high performing teams bringing our Consumer First Formula to life everyday

Q2 2026 Financial Results¹

in millions, except earnings per share

	ACTUALS	vs. LY Favorable/(Unfavorable)	GUIDANCE (May 27, 2026 ²)
Net Sales	\$1,514	(2.3%)	(5%) – (3%)
COGS and B&O	\$822	-	
Gross Profit	\$692	+8.1%	
Gross Profit Rate	45.7%	+440 bps	~40%
Adjusted SG&A ¹	\$467	Flat	
Adjusted SG&A Rate ¹	30.8%	(60 bps)	~31.8%
Adjusted Operating Income ¹	\$225	+30.4%	
Adjusted Operating Income Rate ¹	14.8%	+370 bps	
Interest Expense & Other	\$52	+17.6%	~\$56
Adjusted Tax Provision ¹	\$48		
Adjusted Tax Rate ¹	27.9%		~29.3%
Adjusted Net Income ¹	\$125	+60.7%	
Weighted Average Diluted Shares Outstanding	202 million		~203
Adjusted Earnings Per Diluted Share ¹	\$0.62	+67.6%	\$0.20 - \$0.25

1- See Appendix for important information regarding the non-GAAP financial measures, including reconciliations of reported-to-adjusted results.

2 - The company's Q2 guidance was provided as a part of the company's Q1 2026 earnings materials.

Key Highlights

Net sales of \$1.5B, a decline of (2.3%) to LY, above expectations.

- Underlying business trends remained consistent with past several quarters, improved sequentially to the first quarter.
- Performance reiterates the necessity of the Consumer First Formula.

Gross Profit rate was 45.7%, excluding the benefit of the tariff refund, gross profit rate would have been 40.4%, a decline of 90 bps.

- Slightly above expectations by ~40bps.
- Decline to prior year is driven primarily by B&O deleverage of ~70 bps due to sales declines.
- Merchandise margin rate roughly flat, excluding the benefit of tariff refunds.
- Mixed adjusted AUR was flat.

Adjusted SG&A dollars were flat and rate increased by 60 basis points to the prior year.

- Better than expected due to incremental expense savings and discrete items.
- Adjusted SG&A rate increase to prior year driven by sales deleverage as investments in Consumer First Formula and increases in inflation and merit were offset by Fuel for Growth.

Q2 2026 North American Category Performance



Body Care

Q2 sales down
mid-single digits



Home Fragrance

Q2 sales down
low-single digits



Soaps & Sanitizers

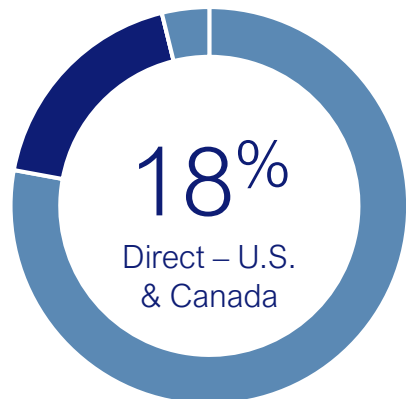
Q2 sales flat

Q2 2026 Net Sales By Channel



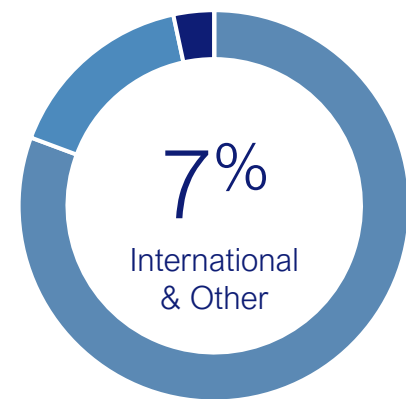
\$1.1B
(5.4%) to LY

- BOPIS net sales are reported as store net sales.



\$275M
+3.0% to LY

- Normalized for our free shipping threshold change, digital outperformed stores.
- BOPIS represents ~25% of total direct demand.



\$108M
+24.9% to LY

- Inclusive of domestic third-party wholesale revenues.
- International system-wide retail sales¹ up high single digits and net sales were up low-double digits in the quarter.

1 - Total "international system-wide retail sales" means the net sales of all Bath & Body Works stores and digital channels located outside North America and owned and/or operated by the company's franchise, license and wholesale partners. While total international system-wide retail sales are not recorded as net sales by the company, management believes the information is important in understanding the company's financial performance because these sales are the basis on which the company calculates and records certain net sales for its International business and are indicative of the financial health of the company's franchise, license and wholesale partners and the prospects for growth of the company's International business.

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in millions, except earnings per share

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- Mixed adjusted AUR was flat.

Adjusted SG&A dollars were flat and rate increased by 60 basis points to the prior year.

- Better than expected due to incremental expense savings and discrete items.
- Adjusted SG&A rate increase to prior year driven by sales deleverage as investments in Consumer First Formula and increases in inflation and merit were offset by Fuel for Growth.

Store Count And Company-Operated Selling Square Feet

Q1 2026 vs. Q2 2026

Total Company-Operated Stores

	Stores				Selling Sq. Ft. (000's)			
	5/2/2026	Opened	Closed	8/1/2026	5/2/2026	Opened/ Remodels	Closed	8/1/2026
Bath & Body Works U.S.	1,810	23	(10)	1,823	5,155	57	(22)	5,189
Bath & Body Works Canada	113	1	-	114	329	3	-	332
Total Bath & Body Works	1,923	24	(10)	1,937	5,484	60	(22)	5,521

Total Partner-Operated Stores

	Stores			
	5/2/2026	Opened	Closed	8/1/2026
International	542	17	-	559
International – Travel Retail	37	-	-	37
Total International ¹	579	17	-	596

1- Includes store locations only and does not include kiosks, shop-in-shops, gondola or beauty counter locations.

FY 2026 Guidance¹

In millions, except earnings per share

Metric	Guidance (August 26, 2026)	Guidance (May 27, 2026)
Net Sales	(4%) – (2.5%)	(4.5%) – (2.5%)
Adjusted Gross Profit Rate ¹	~43.3%	~42.4%
Adjusted SG&A Expense Rate ¹	~29.6%	~29.2%
Adjusted Interest Expense & Other ¹	~\$217	~\$230
Adjusted Tax Rate ¹	~26.8%	~26.5%
Weighted Average Diluted Shares Outstanding	~203 million	~203 million
Adjusted Earnings Per Diluted Share ¹	\$2.60 - \$2.80	\$2.40 - \$2.65
Capital Expenditures	~\$240	~\$270
Free Cash Flow ¹	~\$650	~\$600

1- See Appendix for important information regarding the non-GAAP financial measures, including reconciliations of forecasted amounts.

Key Highlights

Net sales now expected to be down (4%) to down (2.5%).

- Underlying business trend down low single digits with comparable level of promotions to prior year.
- Macro environment similar to 2025 with continued value-seeking consumer.
- Innovation pipeline, improved marketing and new touchpoints will begin to contribute over time, with a greater impact in the back half of 2026 and into 2027.

Benefit of Q2 tariff refunds of ~\$80 million is partially offset by:

- Tariff and input cost inflation of ~\$30 million.
- Incremental investments in the Consumer First Formula, primarily into marketing efforts of ~\$35 million.

Adjusted Gross profit rate now expected to be ~43.3%.

- B&O deleverage due to sales declines.
- Assumes the approved tariffs and input cost environment as of the end of Q2 remains in place through the balance of the year.

Adjusted SG&A rate now expected to be ~29.6%, reflecting increased Consumer First Formula investments.

Fuel for Growth targets \$250 million of cost savings over two years. We expect to exceed our initial target of ~\$175 million in 2026 by \$25 million, split roughly evenly between Gross Margin and SG&A.

Full-year guidance excludes any assumption of share repurchases.

Q3 2026 Guidance¹

in millions, except earnings per share

Metric	Guidance (August 26, 2026)
Net Sales	(5%) – (2.5%)
Gross Profit Rate	~40%
SG&A Expense Rate	~34.8%
Adjusted Interest Expense & Other ¹	~\$54
Adjusted Tax Rate ¹	~26%
Weighted Average Diluted Shares Outstanding	~203 million
Adjusted Earnings Per Diluted Share ¹	\$0.07 - \$0.12

1- See Appendix for important information regarding the non-GAAP financial measures, including reconciliations of forecasted amounts.

Key Highlights

Q2 net sales expected to be down (5%) to down (2.5%).

- Underlying business trend down low-single digits with comparable level of promotions to prior year.

Gross profit rate expected to be ~40%, reflecting higher store occupancy and deleverage due to sales declines, as well as product transformation investments.

SG&A rate expected to be ~34.8%, reflecting sales deleverage and increased investments associated with the Consumer First Formula, primarily in marketing.

Capital Allocation Highlights

	Q2 Year-to-Date Results	FY'26 Guidance
Capital Expenditures	\$98M	~\$240M
Dividend Payments	\$80M \$0.40/share dividend	Expect to maintain our annual dividend of \$0.80/share
Debt Repayment	\$284M Notional Redemption of January 2027 notes (Q1'26)	~\$534M Notional Redemption of \$284M January 2027 notes (Q1'26) and \$250M partial redemption of June 2029 notes (Q3'26)
Free Cash Flow ¹		~\$650M

A Strong Foundation to Execute the Consumer First Formula

2026 is a year of disciplined investment and execution behind the Consumer First Formula to position the business for sustainable, long-term growth, and we are confident in our strategy and ability to establish Bath & Body Works as a premier global brand.

Leader In Attractive Space

A market leader in each of our 3 hero categories: Home Fragrance, Soaps & Sanitizers, and Body Care¹ provides a strong base for innovation and brand elevation.

Margins That Support Strategic Investment

FY26 adjusted operating margin expectations of ~14%² reflect disciplined cost management while funding product, brand, digital and marketplace capabilities.

Consistent Free Cash Flow Generation

~\$650M³ expected in FY26, enabling reinvestment in growth and maintaining balance sheet strength.

Balanced, Disciplined Capital Allocation

Expected continued payment of annual dividend, ~\$240 million of capital expenditures for the year, and a commitment to maintaining a strong balance sheet, underscoring our commitment to disciplined capital allocation priorities.

1 - Source: Circana & BBW Internal Data, based on full year 2025 results;

2 - Based on the mid-point of our fiscal 2026 full year guidance.

3 - See Appendix for important information regarding the non-GAAP financial measures.

Q&A



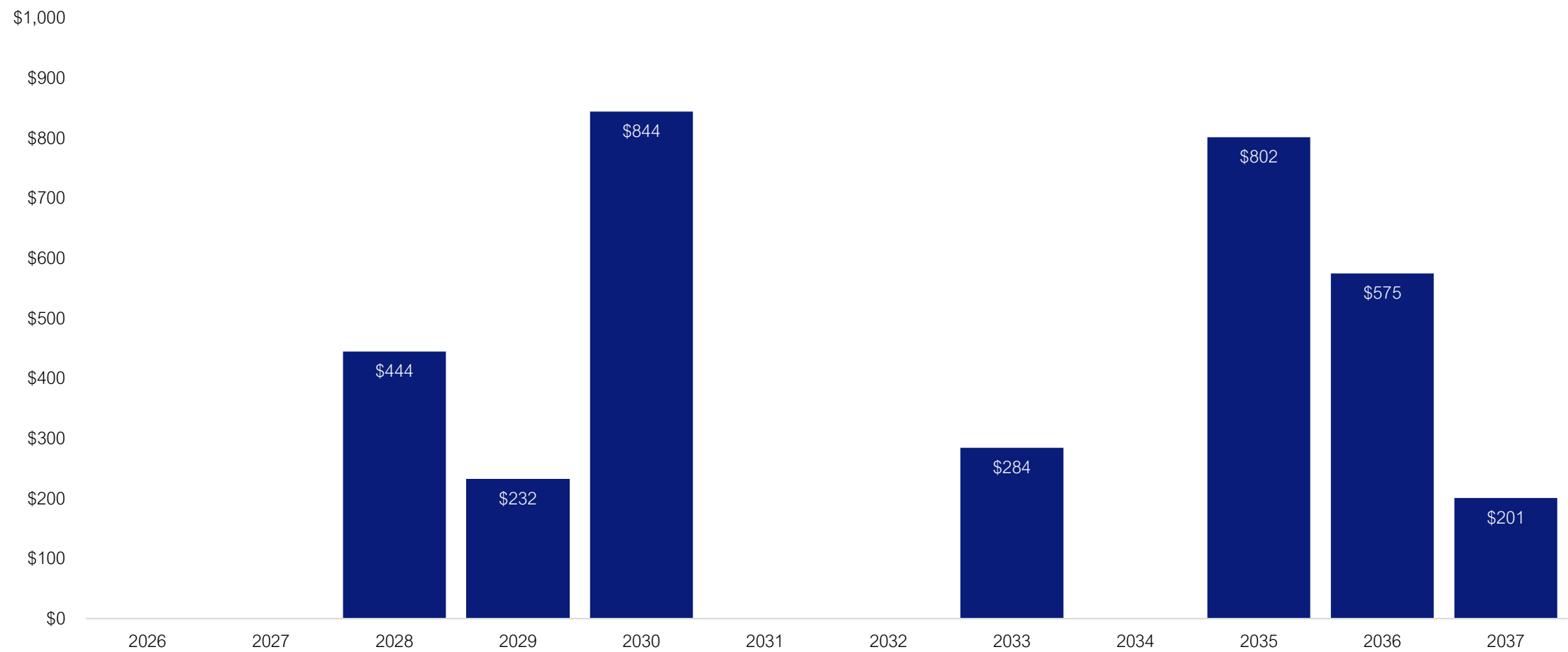
Appendix

Other financial information



Debt Maturities

as of August 26, 2026



Store Count And Company-Operated Selling Square Feet

Year-to-date

Total Company-Operated Stores

	Stores				Selling Sq. Ft. (000's)			
	1/31/2026	Opened	Closed	8/1/2026	1/31/2026	Opened/ Remodels	Closed	8/1/2026
Bath & Body Works U.S.	1,814	36	(27)	1,823	5,166	88	(64)	5,189
Bath & Body Works Canada	113	1	-	114	328	4	-	332
Total Bath & Body Works	1,927	37	(27)	1,937	5,493	92	(64)	5,521

Total Partner-Operated Stores

	Stores			
	1/31/2026	Opened	Closed	8/1/2026
International	536	25	(2)	559
International – Travel Retail	37	-	-	37
Total International ¹	573	25	(2)	596

1- Includes store locations only and does not include kiosks, shop-in-shops, gondola or beauty counter locations.

Adjusted Financial Information – Q2 2026

\$ in millions, except per share amounts

Reconciliation of Reported SG&A Expense to Adjusted SG&A Expense

Reported SG&A Expense
Business Transformation Activities
Adjusted SG&A Expense

Q2 2026	
\$	Rate
\$ 476	31.5%
(9)	(0.6%)
<u>\$ 467</u>	<u>30.8%</u>

Reconciliation of Reported Operating Income to Adjusted Operating Income

Reported Operating Income
Business Transformation Activities
Adjusted Operating Income

\$	Rate
\$ 216	14.2%
9	0.6%
<u>\$ 225</u>	<u>14.8%</u>

Reconciliation of Reported Tax Provision to Adjusted Tax Provision

Reported Tax Provision
Tax Effect of Adjustments
Adjusted Tax Provision

\$	Rate
\$ 46	28.0%
2	(0.2%)
<u>\$ 48</u>	<u>27.9%</u>

Reconciliation of Reported Net Income to Adjusted Net Income

Reported Net Income
Business Transformation Activities
Tax Effect of Adjustments
Adjusted Net Income

\$
\$ 118
9
(2)
<u>\$ 125</u>

Reconciliation of Reported Net Income Per Diluted Share to Adjusted Net Income Per Diluted Share

Reported Net Income Per Diluted Share
Business Transformation Activities
Tax Effect of Adjustments
Adjusted Net Income Per Diluted Share

\$
\$ 0.58
0.05
(0.01)
<u>\$ 0.62</u>

The second quarter 2026 adjusted results above excludes the following:

- Aggregate pre-tax costs of \$9 million (\$7 million after tax) included in SG&A Expense, resulting from business transformation activities in connection with the Consumer First Formula.

Forecasted Adjusted Financial Information – 2026

\$ in millions, except earnings per share amounts

	Q3 2026	Full-Year 2026
<u>Reconciliation of Forecasted Gross Profit Rate to Forecasted Adjusted Gross Profit Rate</u>		
Forecasted Gross Profit Rate		Rate
		43.3%
Business Transformation Activities		-
Forecasted Adjusted Gross Profit Rate		43.3%
<u>Reconciliation of Forecasted SG&A Expense Rate to Forecasted Adjusted SG&A Expense Rate</u>		
Forecasted SG&A Expense Rate		Rate
		28.6%
Interchange Fee Settlements		1.2%
Business Transformation Activities		(0.2%)
Forecasted Adjusted SG&A Expense Rate		29.6%
<u>Reconciliation of Forecasted Interest Expense & Other to Forecasted Adjusted Interest Expense & Other</u>		
Forecasted Interest Expense & Other	\$	\$
	\$59	\$228
Loss on Extinguishment of Debt	(5)	(14)
Gain on Sale of Non-core Asset	-	3
Forecasted Adjusted Interest Expense & Other	\$54	\$217
<u>Reconciliation of Forecasted Tax Rate to Forecasted Adjusted Tax Rate</u>		
Forecasted Tax Rate	Rate	Rate
	26.4%	19.4%
Tax Effect of Adjustments	(0.4%)	0.2%
Tax Benefit from the Resolution of Certain Tax Matters	-	7.2%
Forecasted Adjusted Tax Rate	26.0%	26.8%

Forecasted Adjusted Financial Information – 2026, cont.

\$ in millions, except earnings per share amounts

	Q3 2026		Full-Year 2026	
	Low	High	Low	High
	\$	\$	\$	\$
Reconciliation of Forecasted Net Income Per Diluted Share to Forecasted Adjusted Net Income Per Diluted Share				
Forecasted Net Income Per Diluted Share	\$ 0.05	\$ 0.10	\$ 3.13	\$ 3.33
Business Transformation Activities	-	-	0.09	0.09
Interchange Fee Settlements	-	-	(0.43)	(0.43)
Loss on Extinguishment of Debt	0.03	0.03	0.07	0.07
Gain on Sale of Non-core Asset	-	-	(0.02)	(0.02)
Tax Effect of Adjustments	(0.01)	(0.01)	0.07	0.07
Tax Benefit from the Resolution of Certain Tax Matters	-	-	(0.31)	(0.31)
Forecasted Adjusted Net Income Per Diluted Share	<u>\$ 0.07</u>	<u>\$ 0.12</u>	<u>\$ 2.60</u>	<u>\$ 2.80</u>

Our third quarter and full-year 2026 forecasted adjusted results exclude a \$5 million pre-tax loss (\$4 million after tax), which will be included in Interest Expense & Other, related to the repurchase and early extinguishment of outstanding debt completed on August 19, 2026.

Our full-year 2026 forecasted adjusted results also exclude the adjusted items recognized in the first and second quarters, discussed below;

- Aggregate pre-tax costs of \$17 million (\$13 million after tax), primarily included in SG&A Expense, resulting from business transformation activities in connection with the Consumer First Formula;
- An \$88 million pre-tax gain (\$66 million after tax), included as a reduction to SG&A Expense, related to cash proceeds received, net of legal fees, for favorable settlements of payment card interchange fee litigation;
- An \$8 million pre-tax loss (\$6 million after tax), included in Interest Expense & Other, related to the repurchase and early extinguishment of outstanding debt completed in the first quarter.
- A \$3 million pre-tax gain (\$3 million after tax), included in Interest Expense & Other, related to the sale of a non-core asset; and
- A \$62 million tax benefit associated with the resolution of certain tax matters.

Forecasted Free Cash Flow Information

\$ in millions, except share amounts

	<u>Full-Year</u> <u>2026</u>
<u>Reconciliation of Forecasted Net Cash Provided by Operating Activities to Forecasted Free Cash Flow</u>	
Forecasted Net Cash Provided by Operating Activities	\$ 890
Forecasted Capital Expenditures	(240)
Forecasted Free Cash Flow	<u>\$ 650</u>

Free Cash Flow

Our Forecasted Free Cash Flow is defined as Forecasted Net Cash Provided by Operating Activities less our Forecasted Capital Expenditures. Our Free Cash Flow measures are non-GAAP financial measures which we believe are useful to analyze our anticipated ability to generate cash. Our Free Cash Flow calculations may not be comparable to similarly titled measures reported by other companies. Our Free Cash Flow measures should be evaluated in addition to, and not considered a substitute for, other GAAP financial measures.

Bath & Body Works®

Find That Feeling