

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 8-K

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

Date of report (Date of earliest event reported): August 18, 2021

**Bath & Body Works, Inc.**

(Exact Name of Registrant  
as Specified in Its Charter)

**Delaware**

(State or Other Jurisdiction of Incorporation)

**1-8344**

(Commission File Number)

**31-1029810**

(IRS Employer Identification No.)

**Three Limited Parkway  
Columbus, OH**

(Address of Principal Executive Offices)

**43230**

(Zip Code)

**(614) 415-7000**

(Registrant's Telephone Number, Including Area Code)

**Not Applicable**

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.50 Par Value	BBWI	The New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

**Item 2.02. Results of Operations and Financial Condition  
and**

**Item 7.01. Regulation FD Disclosure.**

The following information is being furnished pursuant to Item 2.02, "Results of Operations and Financial Condition" and Item 7.01, "Regulation FD Disclosure", and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

On August 18, 2021, Bath & Body Works, Inc. (the "Company") issued a press release setting forth its second quarter 2021 results, and its third quarter 2021 earnings guidance. A copy of the press release is attached hereto as Exhibit 99.1 and is hereby incorporated by reference.

In addition, the Company made available a supplemental investor presentation provided in connection with the separation of Victoria's Secret & Co. on the investor relations section of the Company's website. The Company believes the presentation provides investors with useful supplemental financial information regarding the performance of the Company's continuing operations after reflecting the separation. A copy of the supplemental investor presentation is attached hereto as Exhibit 99.2 and is hereby incorporated by reference.

**Item 9.01. Financial Statements and Exhibits.**

Exhibit 99.1 [Press Release of Bath & Body Works, Inc., dated August 18, 2021.](#)

Exhibit 99.2 [Supplemental Investor Presentation, dated August 18, 2021.](#)

Exhibit 104 Cover Page Interactive Data File (embedded within the Inline XBRL document)

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Bath & Body Works, Inc.

Date: August 18, 2021

By: /s/ WENDY C. ARLIN

Wendy C. Arlin

Executive Vice President and Chief Financial Officer



## BATH & BODY WORKS REPORTS RECORD SECOND QUARTER 2021 EARNINGS RESULTS AND PROVIDES THIRD QUARTER GUIDANCE

Columbus, Ohio (Aug. 18, 2021) — Bath & Body Works, Inc. (formerly known as L Brands, Inc.) (NYSE: BBWI) today reported second quarter earnings results. As a reminder, these second quarter results include both Bath & Body Works and Victoria's Secret.

The company reported net sales of \$3.318 billion for the second quarter ended July 31, 2021, compared to net sales of \$2.319 billion for the second quarter ended Aug. 1, 2020. Second quarter 2020 sales were negatively impacted by the closure of stores for approximately half the quarter due to the COVID-19 pandemic. Sales for the second quarter of 2021 increased 14 percent compared to sales of \$2.902 billion in 2019.

Bath & Body Works' net sales were \$1.704 billion for the second quarter ended July 31, 2021, compared to net sales of \$1.253 billion for the second quarter ended Aug. 1, 2020. Bath & Body Works sales for the second quarter of 2021 increased 54 percent compared to the same period of 2019.

Andrew Meslow, CEO of Bath & Body Works, stated, "Due to the tremendous focus and effort of the teams across our business, Bath & Body Works reported record second quarter results, with a net sales increase of 54 percent compared to the second quarter of 2019. Anchored by our leadership position spanning key product categories, combined with our continued strong performance across channels and our growing, loyal customer base, Bath & Body Works is well positioned to continue delivering growth and profitability. We are also pleased to have completed the separation from Victoria's Secret, which we announced on August 3, 2021, subsequent to the end of the second quarter. We wish the Victoria's Secret business and associates well as they embark on their journey as a public company. As we look to the remainder of the year, we will continue to focus on executing our long-term growth strategy as a standalone business and driving value for shareholders."

Victoria's Secret net sales were \$1.614 billion for the second quarter ended July 31, 2021, compared to net sales of \$1.066 billion for second quarter ended Aug. 1, 2020. Victoria's Secret comparable sales for the second quarter of 2021 increased 5 percent compared to 2019.

Reported earnings per share for the second quarter ended July 31, 2021, were a record \$1.34 compared to a loss per share of \$0.18 for the quarter ended Aug. 1, 2020. Second quarter operating income was \$599.1 million compared to \$44.0 million last year, and net income was \$374.2 million compared to a net loss of \$49.6 million last year.

The second quarter 2020 reported results include net charges of \$0.42 per share, as further described in the reconciliation of reported-to-adjusted results at the conclusion of this press release. Excluding these special items, adjusted earnings per share for the second quarter ended Aug. 1, 2020 were \$0.25, adjusted operating income was \$205.7 million, and adjusted net income was \$69.0 million.

### Third Quarter 2021 Outlook

The company is forecasting third quarter earnings per share between \$0.55 and \$0.60, which excludes one-time costs related to the spin-off of Victoria's Secret, compared to adjusted earnings per share from continuing operations of \$0.83 in 2020 and \$0.20 in 2019.

Additional second quarter financial information, including management commentary, is currently available at [www.BBWInc.com](http://www.BBWInc.com). Bath & Body Works, Inc. will conduct its second quarter earnings call at 9:00 a.m. Eastern on August 19. To listen, call 1-888-946-7609 (international dial-in number: 1-517-308-9411); conference ID 6362067. For an audio replay, call 1-800-813-5527 (international replay number: 1-203-369-3347); conference ID 6362067 or log onto [www.BBWInc.com](http://www.BBWInc.com).

**ABOUT BATH & BODY WORKS:**

Bath & Body Works is one of the world's leading specialty retailers and home to America's Favorite Fragrances® offering a breadth of exclusive fragrances for the body and home, including the #1 selling collections for fine fragrance mist, body lotion and body cream, 3-wick candles, home fragrance diffusers and liquid hand soap. For more than 30 years, customers have looked to Bath & Body Works for quality, on-trend products and the newest, freshest fragrances. Today, these fragrant products can be purchased at more than 1,750 company-operated Bath & Body Works locations in the U.S. and Canada, and more than 300 international franchised locations, as well as on bathandbodyworks.com.

**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 press release 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," "planned," "potential" and any similar expressions may identify forward-looking statements. Risks associated with the following factors, among others, 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 press release or otherwise made by our company or our management:

- the spin-off of Victoria's Secret may not be tax-free for U.S. federal income tax purposes;
- a loss of synergies from separating the Bath & Body Works and Victoria's Secret businesses that could negatively impact the balance sheet, profit margins or earnings of Bath & Body Works or that Bath & Body Works does not realize all of the expected benefits of the spin-off;
- general economic conditions, consumer confidence, consumer spending patterns and market disruptions including pandemics or significant health hazards, severe weather conditions, natural disasters, terrorist activities, financial crises, political crises or other major events, or the prospect of these events;
- the novel coronavirus (COVID-19) global pandemic has had and is expected to continue to have an adverse effect on our business and results of operations;
- the seasonality of our business;
- divestitures or other dispositions and related operations and contingent liabilities from businesses that we have divested;
- difficulties arising from turnover in company leadership or other key positions;
- our ability to attract, develop and retain qualified associates and manage labor-related costs;
- the dependence on mall traffic and the availability of suitable store locations on appropriate terms;
- our ability to grow through new store openings and existing store remodels and expansions;
- our ability to successfully operate and expand internationally and related risks;
- our independent franchise, license and wholesale partners;
- our direct channel businesses;
- our ability to protect our reputation and our brand images;
- our ability to attract customers with marketing, advertising and promotional programs;
- our ability to maintain, enforce and protect our trade names, trademarks and patents;
- the highly competitive nature of the retail industry and the segments in which we operate;
- consumer acceptance of our products and our ability to manage the life cycle of our brands, keep up with fashion trends, develop new merchandise and launch new product lines successfully;
- our ability to source, distribute and sell goods and materials on a global basis, including risks related to:
  - political instability, environmental hazards or natural disasters;
  - significant health hazards or pandemics, which could result in closed factories, reduced workforces, scarcity of raw materials, and scrutiny or embargoing of goods produced in infected areas;
  - duties, taxes and other charges;
  - legal and regulatory matters;
  - volatility in currency exchange rates;
  - local business practices and political issues;
  - potential delays or disruptions in shipping and transportation and related pricing impacts;
  - disruption due to labor disputes; and

- changing expectations regarding product safety due to new legislation;
- our geographic concentration of vendor and distribution facilities in central Ohio;
- fluctuations in foreign currency exchange rates;
- the ability of our vendors to deliver products in a timely manner, meet quality standards and comply with applicable laws and regulations;
- fluctuations in product input costs;
- our ability to adequately protect our assets from loss and theft;
- fluctuations in energy costs;
- increases in the costs of mailing, paper, printing or other order fulfillment logistics;
- claims arising from our self-insurance
- our and our third-party service providers' ability to implement and maintain information technology systems and to protect associated data;
- our ability to maintain the security of customer, associate, third-party and company information;
- stock price volatility;
- our ability to pay dividends and related effects;
- shareholder activism matters;
- our ability to maintain our credit rating;
- our ability to service or refinance our debt and maintain compliance with our restrictive covenants;
- our ability to comply with laws, regulations and technology platform rules or other obligations related to data privacy and security;
- our ability to comply with regulatory requirements;
- legal and compliance matters; and
- tax, trade and other regulatory matters.

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 press release to reflect circumstances existing after the date of this press release 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.

For further information, please contact:

Bath & Body Works, Inc.:

Investor Relations

Amie Preston

[investorrelations@bbw.com](mailto:investorrelations@bbw.com)

Media Relations

[Communications@bbw.com](mailto:Communications@bbw.com)

**BATH & BODY WORKS, INC.**  
**SECOND QUARTER 2021**

**Total Sales (Millions):**

	Second Quarter 2021	Second Quarter 2020	% Inc/ (Dec)	Second Quarter 2021	Second Quarter 2019	% Inc/ (Dec)
Bath & Body Works Stores - U.S. and Canada	\$ 1,229.5	\$ 678.1	81.3 %	\$ 1,229.5	\$ 882.5	39.3 %
Bath & Body Works Direct	407.2	518.6	(21.5 %)	407.2	178.4	128.2 %
Bath & Body Works International <sup>1</sup>	67.0	56.5	18.7 %	67.0	45.9	46.0 %
<b>Total Bath &amp; Body Works</b>	\$ 1,703.7	\$ 1,253.2	36.0 %	\$ 1,703.7	\$ 1,106.8	53.9 %
Victoria's Secret Stores - U.S. and Canada	\$ 1,036.9	\$ 363.6	185.2 %	\$ 1,036.9	\$ 1,232.6	(15.9 %)
Victoria's Secret Direct	468.8	613.9	(23.6 %)	468.8	373.1	25.7 %
Victoria's Secret International <sup>2</sup>	108.1	88.8	21.9 %	108.1	179.0	(39.6 %)
<b>Total Victoria's Secret</b>	\$ 1,613.8	\$ 1,066.3	51.3 %	\$ 1,613.8	\$ 1,784.7	(9.6 %)
Other	—	—	—	—	10.0	—
<b>Total</b>	<b>\$ 3,317.5</b>	<b>\$ 2,319.5</b>	<b>43.0 %</b>	<b>\$ 3,317.5</b>	<b>\$ 2,901.5</b>	<b>14.3 %</b>

<sup>1</sup> - Results include royalties associated with franchised stores and wholesale sales.

<sup>2</sup> - Results include company-operated stores in the U.K. (pre-joint venture) and Greater China, royalties associated with franchised stores and wholesale sales.

	Year-to-Date 2021	Year-to-Date 2020	% Inc/ (Dec)	Year-to-Date 2021	Year-to-Date 2019	% Inc/ (Dec)
Bath & Body Works Stores - U.S. and Canada	\$ 2,280.0	\$ 1,101.9	106.9 %	\$ 2,280.0	\$ 1,596.8	42.8 %
Bath & Body Works Direct	756.4	807.5	(6.3 %)	756.4	334.8	125.0 %
Bath & Body Works International <sup>1</sup>	136.8	104.4	31.0 %	136.8	94.2	45.0 %
<b>Total Bath &amp; Body Works</b>	\$ 3,173.2	\$ 2,013.8	57.6 %	\$ 3,173.2	\$ 2,025.8	56.6 %
Victoria's Secret Stores - U.S. and Canada	\$ 1,969.7	\$ 877.6	124.1 %	\$ 1,969.7	\$ 2,381.3	(17.3 %)
Victoria's Secret Direct	989.7	921.5	7.4 %	989.7	735.2	34.6 %
Victoria's Secret International <sup>2</sup>	208.7	160.8	29.8 %	208.7	338.6	(38.4 %)
<b>Total Victoria's Secret</b>	\$ 3,168.1	\$ 1,959.9	61.8 %	\$ 3,168.1	\$ 3,455.1	(8.9 %)
Other	—	—	—	—	49.4	—
<b>Total</b>	<b>\$ 6,341.3</b>	<b>\$ 3,973.7</b>	<b>59.6 %</b>	<b>\$ 6,341.3</b>	<b>\$ 5,530.3</b>	<b>14.1 %</b>

<sup>1</sup> - Results include royalties associated with franchised stores and wholesale sales.

<sup>2</sup> - Results include company-operated stores in the U.K. (pre-joint venture) and Greater China, royalties associated with franchised stores and wholesale sales.

**Total Company-Operated Stores:**

	Stores at 1/30/21	Opened	Closed	Stores at 7/31/21
Bath & Body Works	1,633	41	(11)	1,663
Bath & Body Works Canada	103	—	—	103
<b>Total Bath &amp; Body Works</b>	<b>1,736</b>	<b>41</b>	<b>(11)</b>	<b>1,766</b>
Victoria's Secret	703	—	(8)	695
PINK	143	—	—	143
Victoria's Secret Canada	23	1	—	24
PINK Canada	2	—	—	2
Victoria's Secret Beauty and Accessories	36	1	(1)	36
Victoria's Secret Greater China	26	—	—	26
<b>Total Victoria's Secret</b>	<b>933</b>	<b>2</b>	<b>(9)</b>	<b>926</b>
<b>Total</b>	<b>2,669</b>	<b>43</b>	<b>(20)</b>	<b>2,692</b>

**Total Partner-Operated Stores:**

	Stores at 1/30/21	Opened	Closed	Stores at 7/31/21
Bath & Body Works	270	21	(5)	286
Bath & Body Works - Travel Retail	18	1	—	19
<b>Total Bath &amp; Body Works</b>	<b>288</b>	<b>22</b>	<b>(5)</b>	<b>305</b>
Victoria's Secret	103	3	—	106
PINK	17	—	—	17
Victoria's Secret Beauty & Accessories	195	4	(4)	195
Victoria's Secret Beauty & Accessories - Travel Retail	143	3	(2)	144
<b>Total Victoria's Secret</b>	<b>458</b>	<b>10</b>	<b>(6)</b>	<b>462</b>
<b>Total</b>	<b>746</b>	<b>32</b>	<b>(11)</b>	<b>767</b>



**BATH & BODY WORKS, INC.**  
**CONSOLIDATED STATEMENTS OF INCOME (LOSS)**  
**THIRTEEN WEEKS ENDED JULY 31, 2021 AND AUGUST 1, 2020**  
(Unaudited)  
(In thousands except per share amounts)

	2021	2020
Net Sales	\$ 3,317,573	\$ 2,319,466
Costs of Goods Sold, Buying and Occupancy	(1,819,608)	(1,607,986)
Gross Profit	1,497,965	711,480
General, Administrative and Store Operating Expenses	(898,888)	(667,440)
Operating Income	599,077	44,040
Interest Expense	(98,569)	(104,245)
Other Loss	(1,137)	(56)
Income (Loss) Before Income Taxes	499,371	(60,261)
Provision (Benefit) for Income Taxes	125,178	(10,664)
Net Income (Loss)	\$ 374,193	\$ (49,597)
Net Income (Loss) Per Diluted Share	\$ 1.34	\$ (0.18)
Weighted Average Shares Outstanding <sup>1</sup>	280,002	277,795

1 - Reported Weighted Average Shares Outstanding in the second quarter of 2020 reflects basic shares due to the Net Loss.

**BATH & BODY WORKS, INC.**  
**CONSOLIDATED STATEMENTS OF INCOME (LOSS)**  
**TWENTY-SIX WEEKS ENDED JULY 31, 2021 AND AUGUST 1, 2020**  
(Unaudited)  
(In thousands except per share amounts)

	2021	2020
Net Sales	\$ 6,341,272	\$ 3,973,675
Costs of Goods Sold, Buying and Occupancy	(3,429,469)	(2,973,586)
Gross Profit	2,911,803	1,000,089
General, Administrative and Store Operating Expenses	(1,740,666)	(1,273,748)
Operating Income (Loss)	1,171,137	(273,659)
Interest Expense	(212,275)	(201,044)
Other Income (Loss)	(106,478)	2,193
Income (Loss) Before Income Taxes	852,384	(472,510)
Provision (Benefit) for Income Taxes	201,575	(126,046)
Net Income (Loss)	\$ 650,809	\$ (346,464)
Net Income (Loss) Per Diluted Share	\$ 2.31	\$ (1.25)
Weighted Average Shares Outstanding <sup>1</sup>	282,232	277,391

1 - Reported Weighted Average Shares Outstanding in 2020 reflects basic shares due to the Net Loss.

**BATH & BODY WORKS, INC.**  
**ADJUSTED FINANCIAL INFORMATION**  
(Unaudited)  
(In thousands except per share amounts)

	Second Quarter		Year-to-Date	
	2021	2020	2021	2020
<b>Details of Special Items - Income (Expense)</b>				
Victoria's Secret Asset Impairment	\$ —	\$ (117,109)	\$ —	\$ (213,953)
Restructuring Charges	—	(80,807)	—	(80,807)
Hong Kong Closure	—	36,287	—	36,287
Special Items included in Operating Income (Loss)	—	(161,629)	—	(258,473)
Loss on Extinguishment of Debt	—	—	(105,464)	—
Special Items Included in Other Income (Loss)	—	—	(105,464)	—
Tax Benefit from the Resolution of Certain Tax Matters	—	20,544	—	70,904
Tax Effect of Special Items included in Operating Income (Loss) and Other Income (Loss)	—	22,456	25,337	47,296
Special Items included in Net Income (Loss)	<u>\$ —</u>	<u>\$ (118,629)</u>	<u>\$ (80,127)</u>	<u>\$ (140,273)</u>
Special Items included in Earnings (Loss) Per Diluted Share	<u>\$ —</u>	<u>\$ (0.42)</u>	<u>\$ (0.28)</u>	<u>\$ (0.50)</u>
<b>Reconciliation of Reported Operating Income (Loss) to Adjusted Operating Income (Loss)</b>				
Reported Operating Income (Loss)	\$ 599,077	\$ 44,040	\$ 1,171,137	\$ (273,659)
Special Items included in Operating Income (Loss)	—	161,629	—	258,473
Adjusted Operating Income (Loss)	<u>\$ 599,077</u>	<u>\$ 205,669</u>	<u>\$ 1,171,137</u>	<u>\$ (15,186)</u>
<b>Reconciliation of Reported Net Income (Loss) to Adjusted Net Income (Loss)</b>				
Reported Net Income (Loss)	\$ 374,193	\$ (49,597)	\$ 650,809	\$ (346,464)
Special Items included in Net Income (Loss)	—	118,629	80,127	140,273
Adjusted Net Income (Loss)	<u>\$ 374,193</u>	<u>\$ 69,032</u>	<u>\$ 730,936</u>	<u>\$ (206,191)</u>
<b>Reconciliation of Reported Earnings (Loss) Per Diluted Share to Adjusted Earnings (Loss) Per Diluted Share</b>				
Reported Earnings (Loss) Per Diluted Share	\$ 1.34	\$ (0.18)	\$ 2.31	\$ (1.25)
Special Items included in Earnings (Loss) Per Diluted Share	—	0.42	0.28	0.50
Adjusted Earnings (Loss) Per Diluted Share	<u>\$ 1.34</u>	<u>\$ 0.25</u>	<u>\$ 2.59</u>	<u>\$ (0.74)</u>

See Notes to Reconciliation of GAAP Financial Measures to Non-GAAP Financial Measures.

**BATH & BODY WORKS, INC.**  
**NOTES TO RECONCILIATION OF GAAP FINANCIAL MEASURES**  
**TO NON-GAAP FINANCIAL MEASURES**  
**(Unaudited)**

The “Adjusted Financial Information” provided in the attached reflects the following non-GAAP financial measures:

Fiscal 2021

In the second quarter of 2021, there were no adjustments to results.

In the first quarter of 2021, adjusted results exclude the following:

- A \$105.5 million pre-tax loss (\$80.1 million net of tax of \$25.4 million), included in other income (loss), associated with the early extinguishment of outstanding notes.

Fiscal 2020

In the second quarter of 2020, adjusted results exclude the following:

- A \$117.1 million charge (\$98.7 million net of tax of \$18.5 million), included in buying and occupancy expenses, related to the impairment of certain Victoria’s Secret lease and store assets.
- An \$80.8 million charge (\$65.2 million net of tax of \$15.6 million), included in general, administrative and store operating expenses, related to previously announced restructuring actions.
- A \$36.3 million gain (\$24.7 million net of tax of \$11.6 million), principally included in buying and occupancy expenses, related to the closure and termination of our lease and the related liability for the Victoria’s Secret Hong Kong flagship store.
- A \$20.5 million income tax benefit related to recent changes in tax legislation included in the CARES Act.

In the first quarter of 2020, adjusted results exclude the following:

- A \$96.8 million charge (\$72.0 million net of tax of \$24.8 million), included in buying and occupancy expenses, related to the impairment of certain Victoria’s Secret store assets.
- A \$50.4 million tax benefit related to the resolution of certain tax matters.

The Adjusted Financial Information should not be construed as an alternative to the reported results determined in accordance with generally accepted accounting principles. Further, the Company’s definition of adjusted income information may differ from similarly titled measures used by other companies. Management believes that the presentation of adjusted financial information provides additional information to investors to facilitate the comparison of past and present operations. While it is not possible to predict future results, management believes the adjusted information is useful for the assessment of the ongoing operations of the Company because the adjusted items are not indicative of our ongoing operations due to their size and nature. Additionally, management uses adjusted financial information as key performance measures of results of operations for the purpose of evaluating performance internally. The Adjusted Financial Information should be read in conjunction with the Company’s historical financial statements and notes thereto contained in the Company’s quarterly reports on Form 10-Q and annual report on Form 10-K.

**BATH & BODY WORKS, INC.**  
**ADJUSTED FINANCIAL INFORMATION**  
**DISCONTINUED OPERATIONS PRESENTATION - GIVING EFFECT TO THE**  
**VICTORIA'S SECRET & CO. SPIN-OFF**  
**(Unaudited)**  
**(In thousands except per share amounts)**

	Third Quarter	
	2019	2020
<b>Details of Special Items - Income (Expense)</b>		
Loss on Extinguishment of Debt (a)	\$ —	\$ (52,668)
La Senza Charges (b)	(37,217)	—
Special Items Included in Other Income (Loss)	(37,217)	(52,668)
Tax Effect of Special Items included in Other Income (Loss)	9,516	12,640
Special Items included in Net Income from Continuing Operations	\$ (27,701)	\$ (40,028)
<b>Reconciliation of Reported Operating Income to Adjusted Operating Income</b>		
Reported Operating Income	\$ 166,324	\$ 436,058
Special Items included in Operating Income	—	—
Adjusted Operating Income	\$ 166,324	\$ 436,058
<b>Reconciliation of Reported Net Income from Continuing Operations to Adjusted Net Income from Continuing Operations</b>		
Reported Net Income from Continuing Operations	\$ 27,727	\$ 196,142
Special Items included in Net Income from Continuing Operations	27,701	40,028
Adjusted Net Income from Continuing Operations	\$ 55,428	\$ 236,170
<b>Reconciliation of Reported Earnings from Continuing Operations Per Diluted Share to Adjusted Earnings from Continuing Operations Per Diluted Share</b>		
Reported Earnings from Continuing Operations Per Diluted Share	\$ 0.10	\$ 0.69
Special Items included in Earnings from Continuing Operations Per Diluted Share	0.10	0.14
Adjusted Earnings from Continuing Operations Per Diluted Share	\$ 0.20	\$ 0.83

- (a) In the third quarter of 2020 we recognized a \$52.7 million pre-tax loss (\$40.0 million net of tax of \$12.7 million), included in other income (loss) associated with the early extinguishment of outstanding notes.
- (b) In the third quarter of 2019, we recognized a \$37.2 million charge (\$27.7 million net of tax of \$9.5 million), included in other income (loss), to increase reserves related to ongoing guarantees for the La Senza business which was sold in the fourth quarter of 2018.

The Adjusted Financial Information should not be construed as an alternative to the reported results determined in accordance with generally accepted accounting principles. Further, the Company's definition of adjusted income information may differ from similarly titled measures used by other companies. Management believes that the presentation of adjusted financial information provides additional information to investors to facilitate the comparison of past and present operations. While it is not possible to predict future results, management believes the adjusted information is useful for the assessment of the ongoing operations of the Company because the adjusted items are not indicative of our ongoing operations due to their size and nature. Additionally, management uses adjusted financial information as key performance measures of results of operations for the purpose of evaluating performance internally. The Adjusted Financial Information should be read in conjunction with the Company's historical financial statements and notes thereto contained in the Company's quarterly reports on Form 10-Q and annual report on Form 10-K.

BATH & BODY WORKS, INC.  
**CONSOLIDATED STATEMENTS OF INCOME (LOSS) - FISCAL 2019**  
**DISCONTINUED OPERATIONS PRESENTATION - GIVING EFFECT TO THE VICTORIA'S SECRET & CO. SPIN-OFF**  
(Unaudited)  
(In thousands, except per share amounts)

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Full Year
Net Sales	\$ 958,408	\$ 1,116,846	\$ 1,099,261	\$ 2,230,947	\$ 4,054,461
Costs of Goods Sold, Buying and Occupancy	(561,261)	(664,376)	(617,626)	(1,174,879)	(3,018,142)
Gross Profit	397,146	452,470	481,635	1,056,068	2,387,319
General, Administrative and Store Operating Expenses	(275,766)	(313,247)	(315,311)	(443,007)	(1,347,332)
Operating Income	121,380	139,224	166,324	613,061	1,039,987
Interest Expense	(97,150)	(93,143)	(90,094)	(90,023)	(370,410)
Other Income (Loss)	5,603	(36,534)	(35,244)	3,822	(62,352)
Income from Continuing Operations before Income Taxes	29,632	9,548	40,987	536,859	607,225
Provision (Benefit) for Income Taxes	6,143	(5,076)	13,260	133,819	148,146
Net Income from Continuing Operations	23,689	14,623	27,727	393,040	459,079
Income (Loss) from Discontinued Operations, Net of Tax	16,566	22,973	(279,719)	(585,296)	(825,475)
Net Income (Loss)	\$ 40,255	\$ 37,596	\$ (251,992)	\$ (192,255)	\$ (366,396)
Earnings (Loss) per Common Share - Basic					
Continuing Operations	\$ 0.09	\$ 0.05	\$ 0.10	\$ 1.42	\$ 1.66
Discontinued Operations	\$ 0.06	\$ 0.08	\$ (1.01)	\$ (2.12)	\$ (2.99)
Total Earnings (Loss) per Common Share - Basic	\$ 0.15	\$ 0.14	\$ (0.91)	\$ (0.70)	\$ (1.33)
Earnings (Loss) per Common Share - Dilutive					
Continuing Operations	\$ 0.09	\$ 0.05	\$ 0.10	\$ 1.41	\$ 1.65
Discontinued Operations	\$ 0.06	\$ 0.08	\$ (1.01)	\$ (2.10)	\$ (2.97)
Total Earnings (Loss) per Common Share - Dilutive	\$ 0.14	\$ 0.14	\$ (0.91)	\$ (0.69)	\$ (1.32)
Weighted Average Shares Outstanding					
Basic	275,481	276,297	276,398	276,477	276,163
Dilutive	278,165	278,487	277,985	278,785	278,356

Reflects the Consolidated Statements of Income (Loss) of Bath & Body Works, Inc. (the "Company") as if the Victoria's Secret business was reported as a discontinued operation for the periods presented. Income (Loss) from Discontinued Operations, Net of Tax reflects the after-tax operating results of Victoria's Secret, and does not include any allocation of general corporate overhead expense or interest expense of the Company to Victoria's Secret. Beginning in the third quarter of fiscal 2021, Victoria's Secret's historical financial results for periods prior to the spin-off will be reflected in the Company's consolidated financial statements as discontinued operations.

**BATH & BODY WORKS, INC.**  
**CONSOLIDATED STATEMENTS OF INCOME (LOSS) - FISCAL 2020**  
**DISCONTINUED OPERATIONS PRESENTATION - GIVING EFFECT TO THE VICTORIA'S SECRET & CO. SPIN-OFF**  
(Unaudited)  
(In thousands, except per share amounts)

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Full Year
Net Sales	\$ 760,602	\$ 1,253,132	\$ 1,702,177	\$ 2,718,192	\$ 6,434,102
Costs of Goods Sold, Buying and Occupancy	(492,754)	(694,266)	(839,471)	(1,311,854)	(3,338,345)
Gross Profit	267,847	558,866	862,706	1,406,338	3,095,757
General, Administrative and Store Operating Expenses	(231,678)	(296,127)	(426,648)	(537,110)	(1,491,563)
Operating Income	36,169	262,740	436,058	869,228	1,604,194
Interest Expense	(84,688)	(102,810)	(119,317)	(115,642)	(422,457)
Other Income (Loss)	3,749	(80)	(51,531)	(2,366)	(50,228)
Income (Loss) from Continuing Operations before Income Taxes	(44,770)	159,850	265,210	751,220	1,121,508
Provision (Benefit) for Income Taxes	(54,001)	47,460	69,868	194,271	256,848
Net Income (Loss) from Continuing Operations	(98,771)	112,390	335,078	556,949	864,660
Income (Loss) from Discontinued Operations, Net of Tax	(296,097)	(161,987)	134,440	303,432	(20,210)
Net Income (Loss)	\$ (296,867)	\$ (49,597)	\$ 330,582	\$ 860,381	\$ 844,450
Earnings (Loss) per Common Share - Basic					
Continuing Operations	\$ (0.00)	\$ 0.40	\$ 0.70	\$ 2.00	\$ 3.11
Discontinued Operations	\$ (1.07)	\$ (0.58)	\$ 0.48	\$ 1.09	\$ (0.07)
Total Earnings (Loss) per Common Share - Basic	\$ (1.07)	\$ (0.18)	\$ 1.19	\$ 3.08	\$ 3.04
Earnings (Loss) per Common Share - Dilutive					
Continuing Operations	\$ (0.00)	\$ 0.40	\$ 0.69	\$ 1.96	\$ 3.07
Discontinued Operations	\$ (1.07)	\$ (0.58)	\$ 0.48	\$ 1.07	\$ (0.07)
Total Earnings (Loss) per Common Share - Dilutive	\$ (1.07)	\$ (0.18)	\$ 1.17	\$ 3.03	\$ 3.00
Weighted Average Shares Outstanding					
Basic	276,988	277,795	278,629	279,038	278,112
Dilutive	276,988	279,880	283,001	283,802	281,471

Reflects the Consolidated Statements of Income (Loss) of Bath & Body Works, Inc. (the "Company") as if the Victoria's Secret business was reported as a discontinued operation for the periods presented. Income (Loss) from Discontinued Operations, Net of Tax reflects the after tax operating results of Victoria's Secret, and does not include any allocation of general corporate overhead expense or interest expense of the Company to Victoria's Secret. Beginning in the third quarter of fiscal 2021, Victoria's Secret's historical financial results for periods prior to the spin-off will be reflected in the Company's consolidated financial statements as discontinued operations.

**BATH & BODY WORKS, INC.**  
**CONSOLIDATED STATEMENTS OF INCOME - FISCAL 2021**  
**DISCONTINUED OPERATIONS PRESENTATION - GIVING EFFECT TO THE VICTORIA'S SECRET & CO. SPIN-OFF**  
**(Unaudited)**  
(In thousands, except per share amounts)

	First Quarter	Second Quarter	First Half
Net Sales	\$ 1,469,479	\$ 1,703,726	\$ 3,173,205
Costs of Goods Sold, Buying and Occupancy	(727,781)	(875,348)	(1,603,129)
Gross Profit	741,698	828,379	1,570,076
General, Administrative and Store Operating Expenses	(404,534)	(444,217)	(848,751)
Operating Income	337,164	384,161	721,325
Interest Expense	(113,701)	(96,684)	(210,385)
Other Loss	(105,186)	(230)	(105,416)
Income from Continuing Operations before Income Taxes	118,276	287,247	405,524
Provision for Income Taxes	28,017	71,983	100,000
Net Income from Continuing Operations	90,259	215,265	305,524
Income from Discontinued Operations, Net of Tax	186,356	158,929	345,285
Net Income	<u>\$ 276,616</u>	<u>\$ 374,193</u>	<u>\$ 650,809</u>
Earnings per Common Share - Basic			
Continuing Operations	\$ 0.32	\$ 0.78	\$ 1.10
Discontinued Operations	\$ 0.67	\$ 0.58	\$ 1.25
Total Earnings per Common Share - Basic	<u>\$ 0.99</u>	<u>\$ 1.36</u>	<u>\$ 2.35</u>
Earnings per Common Share - Dilutive			
Continuing Operations	\$ 0.32	\$ 0.77	\$ 1.08
Discontinued Operations	\$ 0.66	\$ 0.57	\$ 1.22
Total Earnings per Common Share - Dilutive	<u>\$ 0.97</u>	<u>\$ 1.34</u>	<u>\$ 2.31</u>
Weighted Average Shares Outstanding			
Basic	279,121	274,978	277,050
Dilutive	284,461	280,002	282,232

Reflects the Consolidated Statements of Income of Bath & Body Works, Inc. (the "Company") as if the Victoria's Secret business was reported as a discontinued operation for the periods presented. Income from Discontinued Operations, Net of Tax reflects the after-tax operating results of, and costs to separate, Victoria's Secret, and does not include any allocation of general corporate overhead expense or interest expense of the Company to Victoria's Secret. Beginning in the third quarter of fiscal 2021, Victoria's Secret's historical financial results for periods prior to the spin-off will be reflected in the Company's consolidated financial statements as discontinued operations.

BATH AND BODY WORKS, INC.  
 ADJUSTED FINANCIAL INFORMATION  
 DISCONTAILED OPERATIONS PRESENTATION - (GIVING EFFECT TO THE VICTORIMA'S SECRET & CO. SPLIT-UP)  
 (Amounts)  
 (\$ thousands except per share amounts)

	2019				2018				2017				Year-to-Date
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	
<b>Details of Special Items - Income (Expense)</b>													
Restructuring Charges (a)	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Special items included in Operating Income	-	-	-	-	-	-	-	-	-	-	-	-	-
Loss on Extinguishment of Debt (b)	-	(28,364)	-	-	(28,364)	-	-	(28,364)	-	(28,364)	-	-	(28,364)
La Senza Charge (c)	-	-	(27,217)	-	(27,217)	-	-	(27,217)	-	-	-	-	(27,217)
Special items included in Other Income (Loss)	(28,364)	(27,217)	-	(78,782)	(28,364)	-	(28,364)	-	(28,364)	-	(28,364)	-	(28,364)
Net tax benefit from the disposition of certain La Senza US	-	-	-	-	50,360	-	-	50,360	-	-	-	-	50,360
Tax Effect of Special Items included in Operating Income and Other Income (Loss)	-	8,161	-	19,248	-	-	18,743	14,645	-	18,883	19,387	-	38,317
Special items included in net income (loss) from Continuing Operations	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Reconciliation of Reported Operating Income to Adjusted Operating Income</b>													
Reported Operating Income	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Special items included in Operating Income	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Adjusted Operating Income	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Reconciliation of Reported Net Income (Loss) from Continuing Operations to Adjusted Net Income (Loss) from Continuing Operations</b>													
Reported Net Income (Loss) from Continuing Operations	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Special items included in net income (loss) from Continuing Operations	25,000	27,761	381,040	458,079	(780)	132,380	194,142	558,089	964,949	60,258	215,295	305,524	305,524
Adjusted Net Income (Loss) from Continuing Operations	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Reconciliation of Reported Earnings (Loss) from Continuing Operations Per Diluted Share to Adjusted Earnings (Loss) from Continuing Operations Per Diluted Share</b>													
Reported Average (Loss) from Continuing Operations Per Diluted Share	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Special items included in Earnings (Loss) from Continuing Operations Per Diluted Share	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjusted Average (Loss) from Continuing Operations Per Diluted Share	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$

(a) - In the second quarter of 2019, we recognized a \$26.1 million charge (\$25.9 million net of tax of \$0.2 million), included in special, administrative and other operating expenses, related to previously announced restructuring activities.

(b) - In the first quarter of 2017, we recognized a \$28.4 million pre-tax loss (\$28.1 million net of tax of \$0.3 million), in the third quarter of 2017 we recognized a \$28.7 million pre-tax loss (\$28.0 million net of tax of \$0.7 million) and in the second quarter of 2018 we recognized a \$28.6 million pre-tax loss (\$28.0 million net of tax of \$0.6 million) associated with the extinguishment of outstanding debt. These pre-tax losses are included in other income (loss).

(c) - In the first quarter of 2019, we recognized a \$17.2 million charge (\$17.7 million net of tax of \$0.5 million), included in other income (loss), in increase reserves related to ongoing operations for the La Senza business which was sold in the fourth quarter of 2018.

(d) - In the first quarter of 2019, we recognized a \$8.4 million tax benefit related to the resolution of certain tax matters.

The Adjusted Financial Information should not be considered as an alternative to the reported results, determined in accordance with generally accepted accounting principles. Further, the Company's definition of adjusted income information may differ from similarly titled measures used by other companies. Management believes that the presentation of adjusted financial information provides additional information to investors to evaluate the performance of its core and primary operations. While it is not possible to predict future results, management believes the adjusted information is useful for the assessment of the ongoing operations of the Company. Please see the discussion of our trading operations (due to their non-recurring nature), which management views as adjusted financial information in the performance measures of results of operations for the purpose of evaluating performance. The Adjusted Financial Information should be read in conjunction with the Company's historical financial statements and notes thereto contained in the Company's quarterly reports on Form 10-Q and annual reports on Form 10-K.



**BATH & BODY WORKS, INC.**  
**ADJUSTED STATEMENTS OF INCOME FROM CONTINUING OPERATIONS - FISCAL 2019**  
**DISCONTINUED OPERATIONS PRESENTATION - GIVING EFFECT TO THE VICTORIA'S SECRET & CO. SPIN-OFF**  
**(Unaudited)**  
(In thousands, except per share amounts)

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Full Year
Net Sales	\$ 958,408	\$ 1,116,846	\$ 1,099,261	\$ 2,230,947	\$ 5,405,461
Costs of Goods Sold, Buying and Occupancy	(561,261)	(664,316)	(617,626)	(1,174,879)	(2,018,142)
Gross Profit	397,146	452,470	481,635	1,056,068	2,387,319
General, Administrative and Store Operating Expenses	(275,766)	(313,247)	(315,311)	(443,007)	(1,347,332)
Operating Income	121,380	139,224	166,324	613,060	1,039,987
Interest Expense	(97,150)	(93,143)	(90,094)	(90,093)	(370,410)
Other Income (a)	5,603	3,030	1,973	3,822	14,429
Income from Continuing Operations before Income Taxes	29,832	49,112	78,204	526,859	684,006
Provision for Income Taxes (b)	6,143	4,456	22,776	133,819	167,194
Net Income from Continuing Operations	\$ 23,689	\$ 44,655	\$ 55,428	\$ 393,040	\$ 516,812
Earnings (Loss) per Common Share - Basic					
Continuing Operations	\$ 0.09	\$ 0.16	\$ 0.20	\$ 1.42	\$ 1.87
Earnings (Loss) per Common Share - Dilutive					
Continuing Operations	\$ 0.09	\$ 0.16	\$ 0.20	\$ 1.41	\$ 1.86
Weighted Average Shares Outstanding					
Basic	275,481	276,297	276,398	276,477	276,163
Dilutive	278,165	278,487	277,985	278,785	278,356

(a) - In the second quarter we recognized a \$39.6 million pre-tax loss (\$30.0 million net of tax of \$9.5 million) associated with the early extinguishment of outstanding notes. In the third quarter, we recognized a \$37.2 million charge (\$27.7 million net of tax of \$9.5 million), to increase reserves related to ongoing guarantees for the La Senza business which was sold in the fourth quarter of 2018.

(b) - Includes the income tax effects of the items referenced above.

Reflects the Adjusted Statements of Income from Continuing Operations of Bath & Body Works, Inc. as if the Victoria's Secret business was reported as a discontinued operation for the periods presented. Refer to "Adjusted Financial Information" for more information on the adjustments made to historical results. Beginning in the third quarter of fiscal 2021, Victoria's Secret's historical financial results for periods prior to the spin-off will be reflected in the Company's consolidated financial statements as discontinued operations.

**BATH & BODY WORKS, INC.**  
**ADJUSTED STATEMENTS OF INCOME (LOSS) FROM CONTINUING OPERATIONS - FISCAL 2020**  
**DISCONTINUED OPERATIONS PRESENTATION - GIVING EFFECT TO THE VICTORIA'S SECRET & CO. SPIN-OFF**  
(Unaudited)  
(In thousands, except per share amounts)

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Full Year
Net Sales	\$ 760,602	\$ 1,253,132	\$ 1,702,177	\$ 2,718,192	\$ 6,434,102
Costs of Goods Sold, Buying and Occupancy	(492,754)	(694,266)	(939,471)	(1,311,854)	(3,338,345)
Gross Profit	267,847	558,866	862,706	1,406,338	3,095,757
General, Administrative and Store Operating Expenses (a)	(231,678)	(266,555)	(426,648)	(537,110)	(1,461,991)
Operating Income	36,169	292,312	436,058	869,228	1,633,766
Interest Expense	(94,688)	(102,810)	(119,317)	(115,642)	(432,457)
Other Income (Loss) (b)	3,749	(80)	1,137	(2,366)	2,440
Income (Loss) from Continuing Operations before Income Taxes	(54,770)	189,422	317,878	751,220	1,203,748
Provision (Benefit) for Income Taxes (c)	(3,641)	55,173	81,708	194,371	325,561
Net Income (Loss) from Continuing Operations	\$ (58,411)	\$ 134,249	\$ 236,170	\$ 556,849	\$ 878,187
Earnings (Loss) per Common Share - Basic Continuing Operations	\$ (0.18)	\$ 0.49	\$ 0.85	\$ 2.00	\$ 3.16
Earnings (Loss) per Common Share - Dilutive Continuing Operations	\$ (0.18)	\$ 0.49	\$ 0.83	\$ 1.96	\$ 3.12
Weighted Average Shares Outstanding					
Basic	276,988	277,795	278,629	279,038	278,112
Dilutive	276,988	279,880	283,001	283,802	281,471

(a) - In the second quarter, we recognized a \$29.6 million charge (\$23.9 million net of tax of \$5.7 million) related to previously announced restructuring actions.

(b) - In the third quarter, we recognized a \$52.7 million pre-tax loss (\$40.0 million net of tax of \$12.7 million) associated with the early extinguishment of outstanding notes.

(c) - In the first quarter, we recognized a \$50.4 million tax benefit related to the resolution of certain tax matters, and includes the income tax effects of the items referenced above.

Reflects the Adjusted Statements of Income (Loss) from Continuing Operations of Bath & Body Works, Inc. as if the Victoria's Secret business was reported as a discontinued operation for the periods presented. Refer to "Adjusted Financial Information" for more information on the adjustments made to historical results. Beginning in the third quarter of fiscal 2021, Victoria's Secret's historical financial results for periods prior to the spin-off will be reflected in the Company's consolidated financial statements as discontinued operations.

**BATH & BODY WORKS, INC.**  
**ADJUSTED STATEMENTS OF INCOME FROM CONTINUING OPERATIONS - FISCAL 2021**  
**DISCONTINUED OPERATIONS PRESENTATION - GIVING EFFECT TO THE VICTORIA'S SECRET & CO. SPIN-OFF**  
**(Unaudited)**  
(In thousands, except per share amounts)

	First Quarter	Second Quarter	First Half
Net Sales	\$ 1,469,479	\$ 1,703,726	\$ 3,173,205
Costs of Goods Sold, Buying and Occupancy	(727,781)	(875,348)	(1,603,129)
Gross Profit	741,698	828,379	1,570,076
General, Administrative and Store Operating Expenses	(404,534)	(444,217)	(848,751)
Operating Income	337,164	384,161	721,325
Interest Expense	(113,701)	(96,684)	(210,385)
Other Income (Loss) (a)	278	(230)	48
Income from Continuing Operations before Income Taxes	223,740	287,247	510,988
Provision for Income Taxes (b)	53,354	71,983	125,337
Net Income from Continuing Operations	<u>\$ 170,386</u>	<u>\$ 215,265</u>	<u>\$ 385,651</u>
Earnings per Common Share - Basic			
Continuing Operations	\$ 0.61	\$ 0.78	\$ 1.39
Earnings per Common Share - Dilutive			
Continuing Operations	\$ 0.60	\$ 0.77	\$ 1.37
Weighted Average Shares Outstanding			
Basic	279,121	274,978	277,050
Dilutive	284,461	280,002	282,232

(a) - In the first quarter, we recognized a \$105.5 million pre-tax loss (\$80.1 million net of tax of \$25.4 million)

(b) - Includes the income tax effect of the item referenced above.

Reflects the Adjusted Statements of Income from Continuing Operations of Bath & Body Works, Inc. as if the Victoria's Secret business was reported as a discontinued operation for the periods presented. Refer to "Adjusted Financial Information" for more information on the adjustments made to historical results. Beginning in the third quarter of fiscal 2021, Victoria's Secret's historical financial results for periods prior to the spin-off will be reflected in the Company's consolidated financial statements as discontinued operations.

**BATH & BODY WORKS, INC.**  
**CONSOLIDATED BALANCE SHEETS**  
**DISCONTINUED OPERATIONS PRESENTATION - GIVING EFFECT TO THE VICTORIA'S SECRET & CO. SPIN-OFF**  
(Unaudited)  
(In millions)

	July 31, 2021	January 30, 2021	August 1, 2020
<b>Current Assets</b>			
Cash and Cash Equivalents	\$ 1,695	\$ 3,568	\$ 2,446
Accounts Receivable, Net	131	148	150
Inventories	728	572	553
Other	133	52	73
Current Assets of Discontinued Operations	1,826	1,239	1,282
<b>Total Current Assets</b>	<b>4,514</b>	<b>5,579</b>	<b>4,505</b>
Property and Equipment, Net	1,002	1,017	1,084
Operating Lease Assets	1,051	968	876
Goodwill	628	628	628
Trade Names	165	165	165
Deferred Income Taxes	59	58	56
Other Assets	143	176	278
Noncurrent Assets of Discontinued Operations	2,831	2,981	3,288
<b>Total Assets</b>	<b>\$ 10,392</b>	<b>\$ 11,571</b>	<b>\$ 10,880</b>
<b>Current Liabilities:</b>			
Accounts Payable	\$ 460	\$ 345	\$ 463
Accrued Expenses and Other	699	712	755
Current Debt	-	-	450
Current Operating Lease Liabilities	148	173	169
Income Taxes	-	83	48
Current Liabilities of Discontinued Operations	1,318	1,512	1,549
<b>Total Current Liabilities</b>	<b>2,625</b>	<b>2,826</b>	<b>3,433</b>
Deferred Income Taxes	149	141	133
Long-term Debt	5,347	6,366	6,180
Long-term Operating Lease Liabilities	1,019	942	865
Other Long-term Liabilities	270	289	167
Long-term Liabilities of Discontinued Operations	2,170	1,667	2,006
<b>Shareholder's Equity (Deficit):</b>			
Preferred Stock	-	-	-
Common Stock	140	143	143
Additional Paid-in-Capital	911	891	869
Accumulated Other Comprehensive Income	87	83	49
Retained Earnings (Accumulated Deficit)	(1,505)	(1,421)	(2,611)
Less: Treasury Stock	(822)	(358)	(358)
<b>Total L Brands Equity</b>	<b>(1,189)</b>	<b>(662)</b>	<b>(1,908)</b>
Noncontrolling Interest	1	1	4
<b>Total Equity (Deficit)</b>	<b>(1,188)</b>	<b>(661)</b>	<b>(1,904)</b>
<b>Total Liabilities and Equity</b>	<b>\$ 10,392</b>	<b>\$ 11,571</b>	<b>\$ 10,880</b>

Reflects the Consolidated Balance Sheets of Bath & Body Works, Inc. (the "Company") as if the Victoria's Secret business was reported as a discontinued operation for the periods presented. Assets and liabilities of Discontinued Operations include those classes of assets and liabilities that were transferred to Victoria's Secret & Co. pursuant to the spin-off, and exclude certain liabilities related to Victoria's Secret & Co. that were retained by the Company in connection with the spin-off. Beginning in the third quarter of fiscal 2021, Victoria's Secret's historical financial results for periods prior to the spin-off will be reflected in the Company's consolidated financial statements as discontinued operations.

