
Bath
& Body
Works®
Find That Feeling
Q3 Earnings & 2026 Guidance
November 19, 2026

Q3 Earnings Call Participants



Daniel Heaf
Chief Executive Officer



Tom Javitch
Interim Chief Financial Officer



Luke Long
GVP Strategy & Investor Relations

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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.



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One year into transformation



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Q3 2026 Financial Highlights

Net Sales
$1.6B

Adjusted Gross Profit Rate[1]
40.8%

Adjusted Operating Income[1]
$121M

Adjusted Diluted EPS[1]
$0.26

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

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

While underlying business and macro trends remained pressured, the digital channel continued to improve, innovation and wholesale channels provided encouraging early proof points.

Raising full-year net sales guidance to down 3.4% to down 2.1% and maintaining our adjusted EPS[1] guidance of $2.60 to $2.80.

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

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Create Disruptive & Innovative Products



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EVERYDAY LUXURIES

Bath & Body Works®



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essentials
by Bath & Body Works
essentials
by Bath & Body Works
16.6 FL OZ / 490 mL
essentials
by Bath & Body Works
16.6 OZ / 470 g


THE RESERVE
COLLECTION
Bath & Body Works


EVERYDAY
LUXURIES
Bath & Body Works®
Bath & Body Works
EVERYDAY
LUXURIES
ORCHID EFFECT
EAU DE PARFUM


FRUIT
FUSION
by Bath & Body Works®
FRUIT FUSION
ALL DAY MOISTURE
BODY WASH
WATERMELON WHIRL
FRUIT FUSION
ALL DAY MOISTURE
BODY WASH
CHERRY CRUSH
FRUIT FUSION
ALL DAY MOISTURE
BODY WASH
PLUM PLEASE
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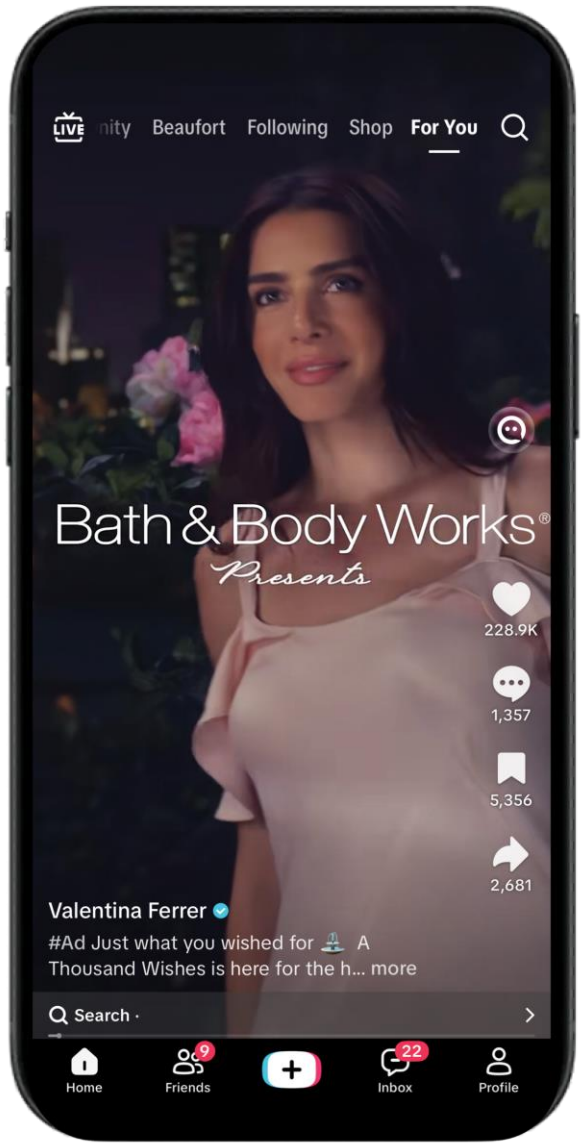
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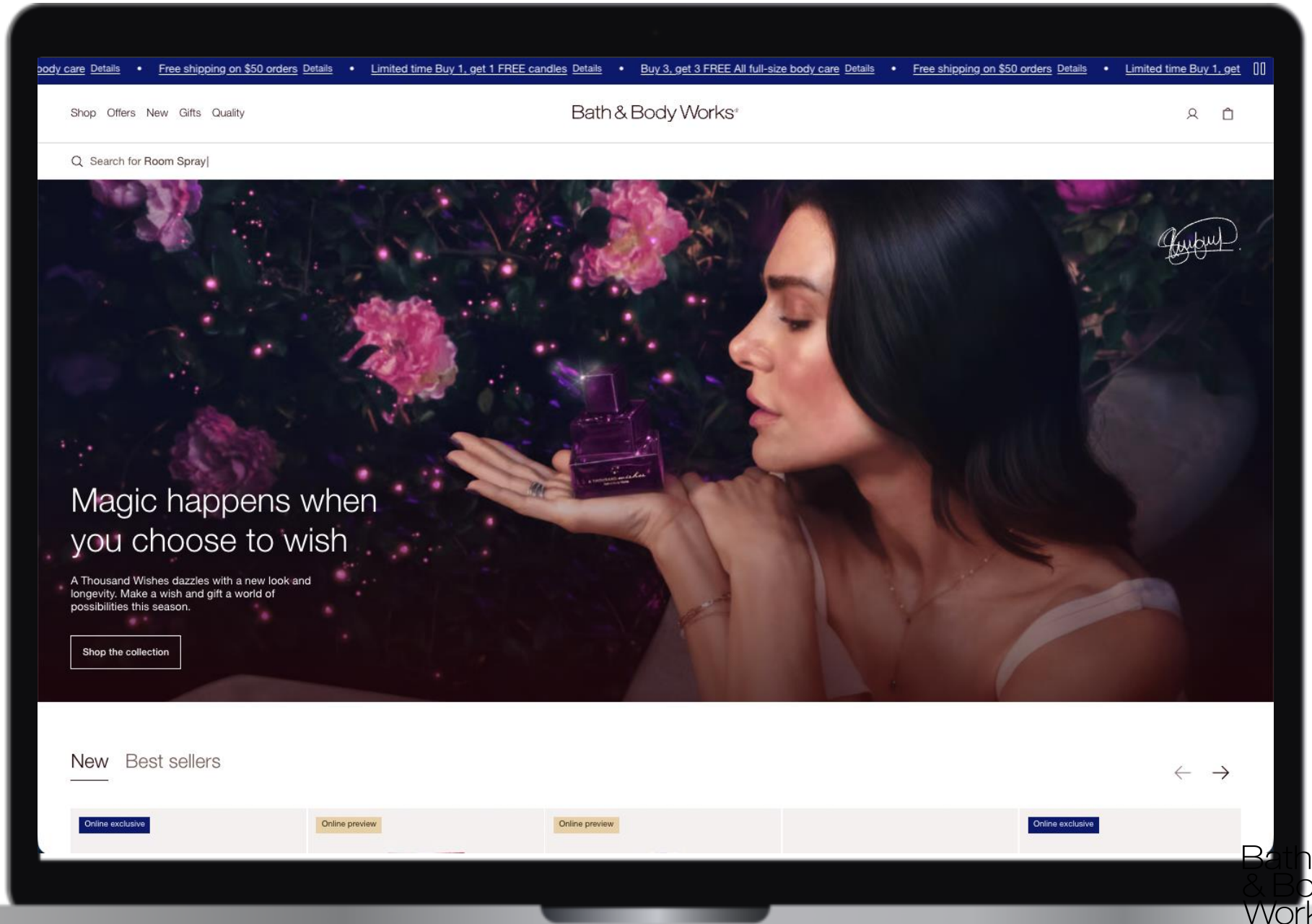
Reignite The Brand



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Let it be a season of
WONDER
Bath & Body Works
Bath & Body Works
Snowflakes & Cashmere
Bath & Body Works
Snowflakes & Cashmere
ULTIMATE HYDRATION BODY CREAM
Snowflakes & Cashmere
Bath & Body Works
Snowflakes & Cashmere
FINE FRAGRANCE MIST
Bath & Body Works
Find That Feeling





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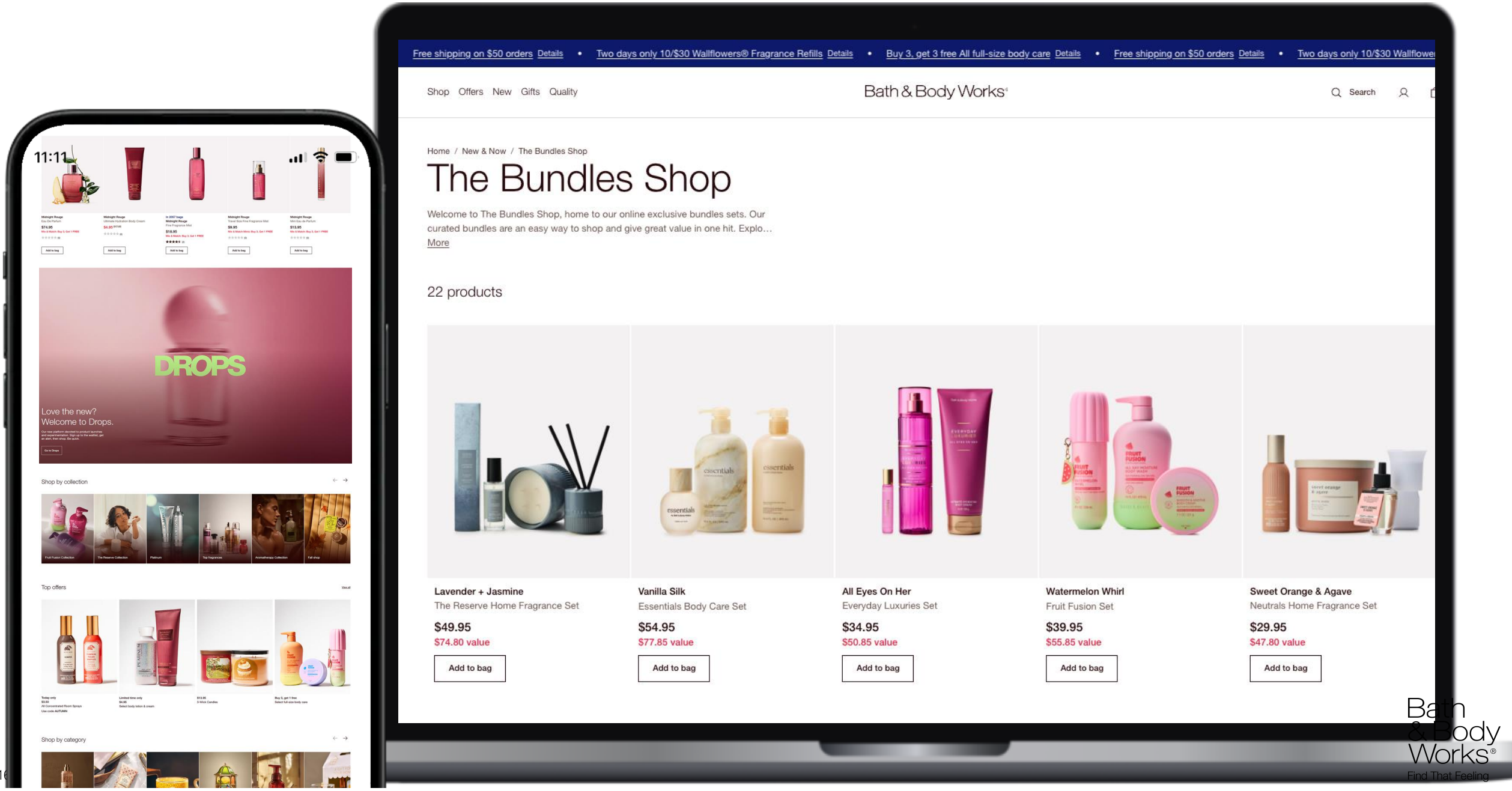


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Win in the Marketplace



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Operate With Speed & Efficiency



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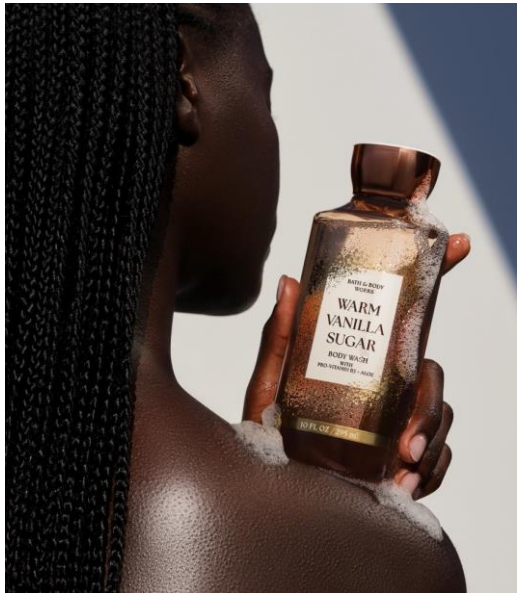
The Consumer First Formula

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



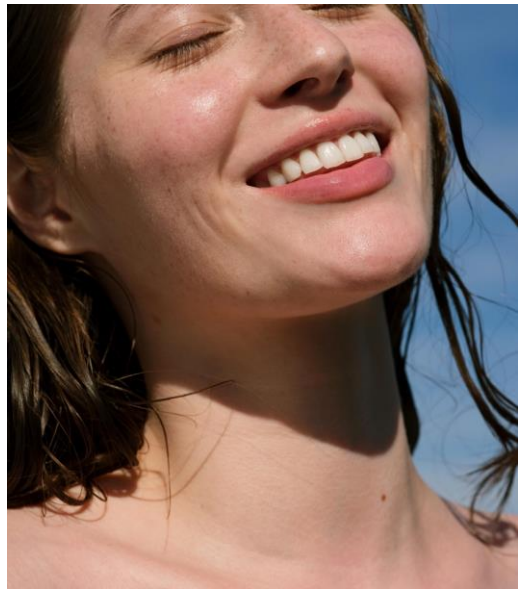
Reignite The Brand

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 every day

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Q3 2026 Financial Results[1]

in millions, except earnings per share

	ACTUALS	vs. LY Favorable/(Unfavorable)	GUIDANCE (August 26, 2026[2])
Net Sales	$1,577	(1.0%)	(5%) – (2.5%)
Adjusted COGS and B&O[1]	$934	-	
Adjusted Gross Profit[1]	$643	(2.3%)	
Adjusted Gross Profit Rate[1]	40.8%	(50 bps)	~40%
Adjusted SG&A[1]	$522	(4.9%)	
Adjusted SG&A Rate[1]	33.1%	(190 bps)	~34.8%
Adjusted Operating Income[1]	$121	(24.8%)	
Adjusted Operating Income Rate[1]	7.7%	(240 bps)	
Adjusted Interest Expense & Other[1]	$54	+18.5%	~$54
Adjusted Tax Provision[1]	$15		
Adjusted Tax Rate[1]	23.1%		~26%
Adjusted Net Income[1]	$52	(26.9%)	
Weighted Average Diluted Shares Outstanding	202 million		~203 million
Adjusted Earnings Per Diluted Share[1]	$0.26	(25.7%)	$0.07 – $0.12

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

2 - The company's Q3 guidance was provided as a part of the company's Q2 2026 earnings materials.

Key Highlights

Net sales of $1.6B, a decline of (1.0%) to prior year, above guidance.

- Underlying business performance remained pressured, especially store traffic.

Adjusted Gross Profit rate was 40.8%, a decline of 50bps to prior year and above guidance.

- Above expectations by ~80bps, driven by favorable physical inventory results and tariff timing.
- Decline to prior year is driven primarily by B&O deleverage of ~80bps due to sales declines and continued real estate investment.
- Adjusted merchandise margin rate improved approximately 30bps to prior year.
- Mix adjusted AUR was roughly flat.

Adjusted SG&A was $522M, an increase of 4.9% to prior year, and the rate increased 190bps.

- Adjusted SG&A increases to prior year reflects increased marketing investment and deleverage on lower sales.

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Q3 2026 North American Category Performance



Body Care

Q3 sales down
high-single digits



Home Fragrance

Q3 sales about flat



Soaps & Sanitizers

Q3 sales up
low-single digits

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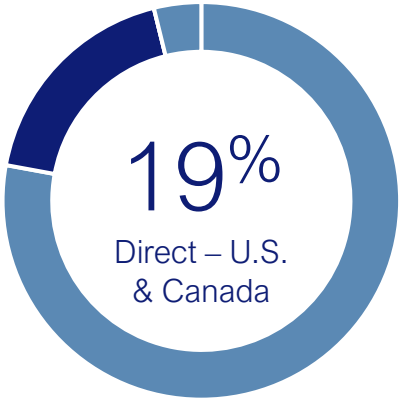
Q3 2026 Net Sales By Channel



$1.2B

(4.3%) to LY

- BOPIS net sales are reported as store net sales.



$307M

+2.6% to LY

- BOPIS represents ~27% of total direct demand.



$101M

+39.3% to LY

- Inclusive of domestic third-party wholesale revenues.
- International system-wide retail sales[1] up low double digits and net sales were up even higher 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.

NOTE: BOPIS stands for "Buy Online, Pickup In Store."

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Store Count And Company-Operated Selling Square Feet

Q2 2026 vs. Q3 2026

Total Company-Operated Stores

	Stores				Selling Sq. Ft. (000's)			
	8/1/2026	Opened	Closed	10/31/2026	8/1/2026	Opened/ Remodels	Closed	10/31/2026
Bath & Body Works U.S.	1,823	24	(2)	1,845	5,189	59	(4)	5,244
Bath & Body Works Canada	114	-	-	114	332	-	-	332
Total Bath & Body Works	1,937	24	(2)	1,959	5,521	59	(4)	5,576

Total Partner-Operated Stores

	Stores			
	8/1/2026	Opened	Closed	10/31/2026
International	559	27	(1)	585
International – Travel Retail	37	2	(1)	38
Total International[1]	596	29	(2)	623

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

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Q4 2026 Guidance

in millions, except earnings per share

Metric	Guidance (November 19, 2026)
Net Sales	(5.5%) – (2.0%)
Gross Profit Rate	~42.4%
SG&A Expense Rate	~25%
Interest Expense & Other	~$51
Tax Rate	~25.7%
Weighted Average Diluted Shares Outstanding	~199 million
Earnings Per Diluted Share	$1.41 - $1.61

Key Highlights

Q4 net sales expected to be down (5.5%) to down (2.0%).

- Outlook reflects a cautious view of the consumer and holiday environment, despite better-than-expected Q3 performance.

Gross profit rate expected to be ~42.4%, reflecting merchandise margin pressure from incremental Canadian tariffs, higher crude-oil rates, higher store occupancy and deleverage due to sales declines.

SG&A rate expected to be ~25%, reflecting sales deleverage and continued investments associated with the Consumer First Formula, primarily in marketing.

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FY 2026 Guidance[1]

in millions, except earnings per share

Metric	Guidance (November 19, 2026)	Guidance (August 26, 2026)
Net Sales	(3.4%) – (2.1%)	(4.0%) – (2.5%)
Adjusted Gross Profit Rate[1]	~42.8%	~43.3%
Adjusted SG&A Expense Rate[1]	~29.3%	~29.6%
Adjusted Interest Expense & Other[1]	~$216	~$217
Adjusted Tax Rate[1]	~26.3%	~26.8%
Weighted Average Diluted Shares Outstanding	~201 million	~203 million
Adjusted Earnings Per Diluted Share[1]	$2.60 - $2.80	$2.60 - $2.80
Capital Expenditures	~$215	~$240
Free Cash Flow[1]	~$600	~$650

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 (3.4%) to down (2.1%).

- Updated outlook incorporates better-than-expected Q3 performance alongside a measured Q4 view.
- Innovation pipeline, improved marketing and new touchpoints will begin to contribute over time, with a greater impact into 2027.

Adjusted Gross profit rate now expected to be ~42.8%.

- B&O deleverage due to sales declines and real estate investment.
- Assumes the approved tariffs and input cost environment as of the end of Q3 remains in place through the balance of the year.

Adjusted SG&A rate now expected to be ~29.3%, reflecting Consumer First Formula investments.

Free cash flow reduced to $600M to account for increased inventory build to support expanded distribution channels and key franchise production.

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Capital Allocation Highlights

	Q3 Year-to-Date Results	FY'26 Guidance
Capital Expenditures	$155M	~$215M
Dividend Payments	$120M $0.60/share dividend	Expect to maintain our annual dividend of $0.80/share
Free Cash Flow[1]		~$600M
Debt Repayment	~$534M Notional Redemption of $284M January 2027 notes (Q1'26) and $250M partial redemption of June 2029 notes (Q3'26)	

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

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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 Care[1] 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

~$600M[3] expected in FY26, enabling reinvestment in growth and maintaining balance sheet strength.

Balanced, Disciplined Capital Allocation

Expected continued payment of annual dividend, ~$215 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.

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Q&A



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Appendix

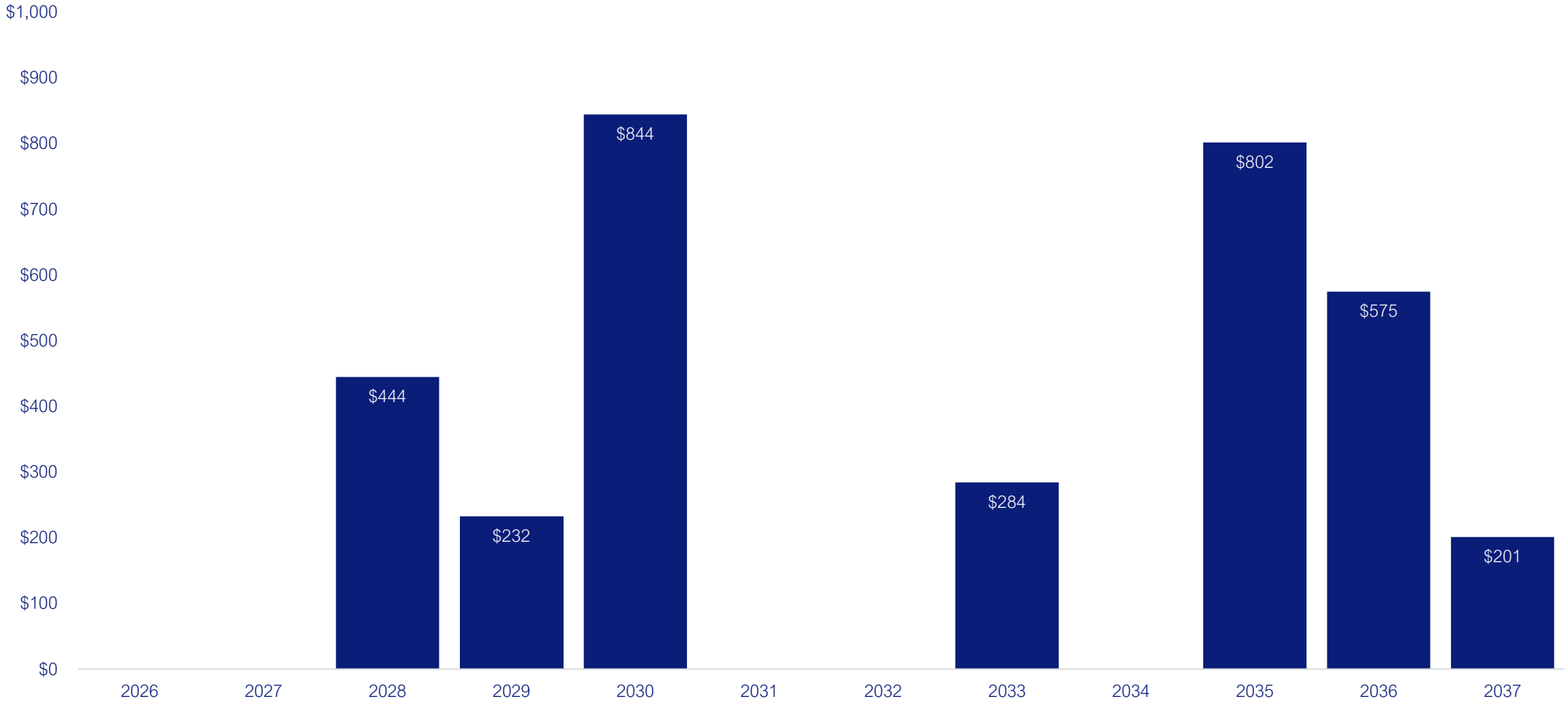
Other financial information



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Debt Maturities

as of November 19, 2026 (in millions)



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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	10/31/2026	1/31/2026	Opened/ Remodels	Closed	10/31/2026
Bath & Body Works U.S.	1,814	60	(29)	1,845	5,166	146	(67)	5,244
Bath & Body Works Canada	113	1	-	114	328	4	-	332
Total Bath & Body Works	1,927	61	(29)	1,959	5,493	150	(67)	5,576

Total Partner-Operated Stores

	Stores			
	1/31/2026	Opened	Closed	10/31/2026
International	536	52	(3)	585
International – Travel Retail	37	2	(1)	38
Total International[1]	573	54	(4)	623

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

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Adjusted Financial Information – Q3 2026

$ in millions, except per share amounts

	Q3 2026	
Reconciliation of Reported COGS & B&O to Adjusted COGS & B&O	**$**	
Reported COGS & B&O	$ 939	
Business Transformation Activities	(5)	
Adjusted COGS & B&O	$ 934	
Reconciliation of Reported Gross Profit to Adjusted Gross Profit	**$**	**Rate**
Reported Gross Profit	$ 638	40.4%
Business Transformation Activities	5	0.4%
Adjusted Gross Profit	$ 643	40.8%
Reconciliation of Reported SG&A Expense to Adjusted SG&A Expense	**$**	**Rate**
Reported SG&A Expense	$ 530	33.6%
Business Transformation Activities	(8)	(0.5%)
Adjusted SG&A Expense	$ 522	33.1%
Reconciliation of Reported Operating Income to Adjusted Operating Income	**$**	**Rate**
Reported Operating Income	$ 108	6.8%
Business Transformation Activities	13	0.9%
Adjusted Operating Income	$ 121	7.7%
Reconciliation of Reported Interest Expense & Other to Adjusted Interest Expense & Other	**$**	
Reported Interest Expense & Other	$ 59	
Loss on Extinguishment of Debt	(5)	
Adjusted Interest Expense & Other	$ 54	

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Adjusted Financial Information – Q3 2026 cont.

$ in millions, except per share amounts

Reconciliation of Reported Tax Provision to Adjusted Tax Provision	$	Rate
Reported Tax Provision	$ 11	22.5%
Tax Effect of Adjustments	4	0.6%
Adjusted Tax Provision	$ 15	23.1%

Reconciliation of Reported Net Income to Adjusted Net Income	$
Reported Net Income	$ 38
Business Transformation Activities	13
Loss on Extinguishment of Debt	5
Tax Effect of Adjustments	(4)
Adjusted Net Income	$ 52

Reconciliation of Reported Net Income Per Diluted Share to Adjusted Net Income Per Diluted Share	$
Reported Net Income Per Diluted Share	$ 0.19
Business Transformation Activities	0.06
Loss on Extinguishment of Debt	0.03
Tax Effect of Adjustments	(0.02)
Adjusted Net Income Per Diluted Share	$ 0.26

The third quarter 2026 adjusted results above exclude the following:

- Aggregate pre-tax costs of $13 million ($10 million after tax), primarily included in SG&A Expense, resulting from business transformation activities in connection with the Consumer First Formula; and

- A $5 million pre-tax loss ($4 million after tax), included in Interest Expense & Other, related to the repurchase and early extinguishment of outstanding debt.

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Forecasted Adjusted Financial Information – 2026

$ in millions, except earnings per share amounts

	Full-Year 2026
Reconciliation of Forecasted Gross Profit Rate to Forecasted Adjusted Gross Profit Rate	**Rate**
Forecasted Gross Profit Rate	42.7%
Business Transformation Activities	0.1%
Forecasted Adjusted Gross Profit Rate	42.8%
Reconciliation of Forecasted SG&A Expense Rate to Forecasted Adjusted SG&A Expense Rate	**Rate**
Forecasted SG&A Expense Rate	28.4%
Interchange Fee Settlements	1.2%
Business Transformation Activities	(0.3%)
Forecasted Adjusted SG&A Expense Rate	29.3%
Reconciliation of Forecasted Interest Expense & Other to Forecasted Adjusted Interest Expense & Other	**$**
Forecasted Interest Expense & Other	$227
Loss on Extinguishment of Debt	(14)
Gain on Sale of Non-core Asset	3
Forecasted Adjusted Interest Expense & Other	$216
Reconciliation of Forecasted Tax Rate to Forecasted Adjusted Tax Rate	**Rate**
Forecasted Tax Rate	18.6%
Tax Effect of Adjustments	0.1%
Tax Benefit from the Resolution of Certain Tax Matters	7.6%
Forecasted Adjusted Tax Rate	26.3%

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Forecasted Adjusted Financial Information – 2026, cont.

$ in millions, except earnings per share amounts

Reconciliation of Forecasted Net Income Per Diluted Share to Forecasted Adjusted Net Income Per Diluted Share	Low $	High $
Forecasted Net Income Per Diluted Share	$ 3.09	$ 3.29
Business Transformation Activities	0.15	0.15
Interchange Fee Settlements	(0.44)	(0.44)
Loss on Extinguishment of Debt	0.07	0.07
Gain on Sale of Non-core Asset	(0.02)	(0.02)
Tax Effect of Adjustments	0.06	0.06
Tax Benefit from the Resolution of Certain Tax Matters	(0.31)	(0.31)
Forecasted Adjusted Net Income Per Diluted Share	$ 2.60	$ 2.80

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

- Aggregate pre-tax costs of $30 million ($23 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;

- Aggregate pre-tax losses of $14 million ($10 million after tax), included in Interest Expense & Other, related to the repurchases and early extinguishments of outstanding debt.

- 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.

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Forecasted Free Cash Flow Information

$ in millions

	Full-Year 2026
Reconciliation of Forecasted Net Cash Provided by Operating Activities to Forecasted Free Cash Flow	
Forecasted Net Cash Provided by Operating Activities	$ 815
Forecasted Capital Expenditures	(215)
Forecasted Free Cash Flow	$ 600

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.

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