

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 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): February 20, 2020

L BRANDS, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or another 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)

Registrant's telephone number, including area code: (614) 415-7000

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 140.13e-4(c))

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

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common Stock - \$0.50 par value per share	LB	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 (17 CFR 230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR 240.12b-2).

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 February 20, 2020, L Brands, Inc. (the “Company”) issued a press release announcing its entry into a transaction pursuant to which the Company will separate its Victoria’s Secret Lingerie, Victoria’s Secret Beauty and PINK businesses (collectively, “Victoria’s Secret”) and sell a 55% interest in Victoria’s Secret to affiliates of Sycamore Partners (the “Transaction”). A copy of this press release is furnished as Exhibit 99.1 hereto and is incorporated herein by reference.

On February 20, 2020, the Company announced the availability of an investor presentation in connection with the Transaction on the investor relations section of the Company’s website, which includes certain estimated results for the year ended February 1, 2020. A copy of the investor presentation is furnished as Exhibit 99.2 hereto and is incorporated herein by reference.

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 Current Report on Form 8-K or made by the Company or its 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 risk that the transaction is not consummated, including the risk that required regulatory approvals for such transaction may not be obtained;
 - diversion of our management’s attention away from other business concerns;
 - the ongoing obligations of our company in connection with the transaction;
 - general economic conditions, consumer confidence, consumer spending patterns and market disruptions including severe weather conditions, natural disasters, health hazards, terrorist activities, financial crises, political crises or other major events, or the prospect of these events;
 - the seasonality of our business;
 - 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 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 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:
 - o political instability, significant health hazards, environmental hazards or natural disasters;
 - o duties, taxes and other charges;
 - o legal and regulatory matters;
 - o volatility in currency exchange rates;
-

- o local business practices and political issues;
- o potential delays or disruptions in shipping and transportation and related pricing impacts;
- o disruption due to labor disputes; and
- o 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;
- stock price volatility;
- our ability to pay dividends and related effects;
- our ability to maintain our credit rating;
- our ability to service or refinance our debt;
- shareholder activism matters;
- our ability to retain key personnel;
- our ability to attract, develop and retain qualified associates and manage labor-related costs;
- 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 and printing;
- claims arising from our self-insurance;
- liabilities arising from divested businesses;
- our ability to implement and maintain information technology systems and to protect associated data;
- our ability to maintain the security of customer, associate, third-party or company information;
- 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 forward-looking statements in this Form 8-K to reflect circumstances existing after the date of this Form 8-K 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.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
99.1	Press Release of L Brands, Inc., dated as of February 20, 2020.
99.2	Investor Presentation of L Brands, Inc., dated as of February 20, 2020.
104	Inline XBRL for the cover page of this Current Report on Form 8-K

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.

L BRANDS, INC.

By: /s/ STUART B. BURGDOERFER
Name: Stuart B. Burgdoerfer
Title: Executive Vice President and Chief Financial Officer

Date: February 20, 2020

Lbrands

L BRANDS ANNOUNCES TRANSFORMATIVE TRANSACTION WITH SYCAMORE PARTNERS TO DRIVE SHAREHOLDER VALUE

BATH & BODY WORKS TO BECOME FOCUSED, STANDALONE PUBLIC COMPANY

MAJORITY 55% INTEREST IN VICTORIA'S SECRET LINGERIE, VICTORIA'S SECRET BEAUTY AND PINK TO BE ACQUIRED BY SYCAMORE PARTNERS, WITH L BRANDS RETAINING 45% MINORITY STAKE, AT A TOTAL ENTERPRISE VALUE OF \$1.1 BILLION

UPON CLOSING OF TRANSACTION, LESLIE H. WEXNER TO STEP DOWN AS CHAIRMAN AND CEO; TO BECOME CHAIRMAN EMERITUS

ANDREW MESLOW PROMOTED TO CEO OF BATH AND BODY WORKS; UPON CLOSING OF TRANSACTION, MESLOW TO BE APPOINTED CEO OF L BRANDS AND WILL JOIN ITS BOARD

L BRANDS EXTENDS AGREEMENT WITH BARINGTON CAPITAL GROUP, L.P.

L BRANDS UPDATES FOURTH QUARTER SALES AND EARNINGS ESTIMATES

Columbus, Ohio, Feb. 20, 2020 — L Brands, Inc. (NYSE: LB) and Sycamore Partners, a private equity firm specializing in consumer and retail investments, today announced a strategic transaction that is intended to deliver long-term value to L Brands shareholders by positioning Bath & Body Works as a highly profitable, standalone public company and separating Victoria's Secret Lingerie, Victoria's Secret Beauty and PINK (collectively, Victoria's Secret) into a privately-held entity focused on reinvigorating its market-leading businesses and returning them to historic levels of profitability and growth.

A Transaction Committee of the Board of Directors, consisting of independent directors Allan Tessler and Sarah Nash, led the review process resulting in the transaction, which has been approved by a unanimous vote of the L Brands Board of Directors. Under the terms of the transaction, Victoria's Secret, with a total enterprise value of \$1.1 billion, will be separated from L Brands into a privately-held company majority-owned by Sycamore. After taking into account certain liabilities, Sycamore will purchase a 55% interest in Victoria's Secret for approximately \$525 million. L Brands will retain a 45% stake in Victoria's Secret to enable its shareholders to meaningfully participate in the upside potential of these businesses. The company intends to use the proceeds from the transaction, along with approximately \$500 million in excess balance sheet cash, to reduce debt, and expects that its overall leverage, on an adjusted debt to EBITDAR basis, will be close to its current leverage ratio.

VICTORIA'S SECRET / PINK / BATH & BODY WORKS
Three Limited Parkway, Columbus, OH 43230 www.LB.com

Allan Tessler, lead independent Board director, said, "The Board undertook a comprehensive review of a broad range of options to best position its brands for long-term success and drive shareholder value. As the Board and its advisers explored these potential alternatives, we received valuable input from a number of shareholders, and we greatly appreciate their support. We are confident that this transformative transaction is the best path forward to strengthen our iconic brands and deliver enhanced value to all L Brands shareholders."

Leslie Wexner, Chairman and Chief Executive Officer of L Brands, stated, "We believe this structure will allow Bath & Body Works – which represents the vast majority of 2019 consolidated operating income – to continue to achieve strong growth and receive its appropriate market valuation. The transaction will also allow the company to reduce debt."

Wexner continued, "We believe the separation of Victoria's Secret Lingerie, Victoria's Secret Beauty and PINK into a privately held company provides the best path to restoring these businesses to their historic levels of profitability and growth. Sycamore, which has deep experience in the retail industry and a superior track record of success, will bring a fresh perspective and greater focus to the business. We believe that, as a private company, Victoria's Secret will be better able to focus on longer-term results. We are pleased that, by retaining a significant ownership stake, our shareholders will have the ability to meaningfully participate in the upside potential of these iconic brands."

"We have long had great respect and admiration for L Brands and its success in building a world-class portfolio of lingerie and beauty brands," said Stefan Kaluzny, Managing Director of Sycamore Partners. "With unmatched global brand awareness and customer loyalty, we believe there is a significant opportunity to reinvigorate growth and improve the profitability of Victoria's Secret. We look forward to partnering with the leadership team to pursue these objectives."

LEADERSHIP CHANGES

Upon the closing of the transaction, Wexner will step down as Chief Executive Officer and Chairman of the Board of L Brands. He will remain a member of the Board as Chairman Emeritus. Tessler said, "Les Wexner is a retail legend who has built incredible brands that are household names around the globe. His leadership through this transition exemplifies his commitment to further growth of Bath & Body Works and Victoria's Secret and driving overall shareholder value."

Nick Coe, the current Chief Executive Officer of Bath & Body Works, has been named Vice Chairman of Bath & Body Works Brand Strategy and New Ventures. In Coe's new role, he will focus more intently on the strategic position of the business, the evolution of the brand, product development and new ventures/acquisitions. Andrew Meslow, currently Chief Operating Officer of Bath & Body Works, has been promoted to Chief Executive Officer of Bath & Body Works. At the close of the transaction, Meslow will become Chief Executive Officer of L Brands and will join its Board.

"For nearly nine years, Nick and Andrew have been a powerful combination, driving the Bath & Body Works brand to more than \$5 billion in sales with best-in-class profitability. Management and the Board have been engaged in thoughtful discussions over the past few years to develop a succession plan that leverages the unique partnership established by Nick and Andrew to advance the long-term, strategic direction of the brand," Wexner said. "We are pleased to name Andrew as CEO of Bath & Body Works and have Nick step into this new, more focused role as the team propels the brand and business forward."

VICTORIA'S SECRET / PINK / BATH & BODY WORKS
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“Andrew’s deep company knowledge, his retail and financial acumen and his unwavering commitment to doing the right thing for the customer, our business and our associates make him the ideal leader for the next chapter of Bath & Body Works,” Coe said. “Andrew and I have walked side by side on this journey, and I look forward to our continued collaboration in our new roles as the entire team remains committed to keeping this exceptional brand on a growth trajectory well into the future.”

Meslow, who joined L Brands in 2003, has 29 years of experience in the retail industry, the last 15 at Bath & Body Works.

GOVERNANCE AND BOARD STRUCTURE

The Board of Directors remains committed to continuing governance enhancements, including submitting proposals at the 2020 Annual Meeting of Shareholders to declassify the Board and to eliminate the company’s supermajority voting requirements. The company has also demonstrated its continuing commitment to board refreshment, most recently through last year’s election of Sarah Nash and Anne Sheehan to the Board. This refreshment process will continue this year with the retirement, as of the date of our Annual Meeting, of the following directors: Allan Tessler, lead independent director; Gordon Gee; and Raymond Zimmerman. Andrew Meslow will join the Board at the closing of the transaction. In addition, Heidrick & Struggles remains engaged to assist in the identification and evaluation of potential new directors.

EXTENSION OF BARINGTON CAPITAL GROUP AGREEMENT

The company also announced today that it has extended its agreement with Barington Capital Group, L.P. and Barington Companies Equity Partners, L.P. (collectively, “Barington”), for an additional twelve months. Under the agreement, Barington will continue to serve as special advisor to L Brands.

Tessler stated, “Barington has been an invaluable advisor to the company during the last year, enabling us to focus on strategies that will unlock long-term shareholder value. They have provided us with essential shareholder input in areas including board governance, corporate strategy and brand management. We are looking forward to continuing our relationship with Barington as we transition to a more focused company.”

James A. Mitarotonda, Chairman and Chief Executive Officer of Barington said, “We are pleased to have worked with the L Brands Board and management team and I congratulate them on the steps they have taken to address the operational, financial and governance objectives we first outlined last year. We look forward to continuing our relationship with the company and are confident that today’s announcements will position the company for future success.”

ESTIMATED FOURTH QUARTER RESULTS

The company expects to report a fourth quarter comparable sales decline of 2 percent, consisting of a positive 10 percent comp at Bath & Body Works and a decline of 10 percent at Victoria's Secret. The company remains comfortable with its guidance for fourth quarter adjusted earnings per share, which was provided on Jan. 9, 2020. The company will report fourth quarter earnings results on Feb. 26 after the close of the market and conduct its earnings call at 9 a.m. Eastern on Feb. 27.

ADVISORS

BridgePark Advisors and PJT Partners are serving as financial advisors to L Brands and Davis Polk & Wardwell is serving as legal counsel. Kirkland & Ellis LLP is serving as legal counsel for Sycamore Partners.

ADDITIONAL INFORMATION

An investor presentation with additional information can be found on the company's website, www.LB.com.

ABOUT L BRANDS:

L Brands, through Victoria's Secret, PINK and Bath & Body Works, is an international company. The company operates 2,920 company-owned specialty stores in the United States, Canada, the United Kingdom and Greater China, and its brands are also sold in more than 700 franchised locations worldwide. The company's products are also available online at www.VictoriasSecret.com and www.BathandBodyWorks.com.

ABOUT SYCAMORE PARTNERS:

Sycamore Partners is a private equity firm based in New York. The firm specializes in consumer, distribution and retail-related investments and partners with management teams to improve the operating profitability and strategic value of their business. Sycamore has approximately \$10 billion in assets under management. The firm's investment portfolio currently includes Belk, Coldwater Creek, CommerceHub, Hot Topic, MGF Sourcing, NBG Home, Pure Fishing, Staples, Inc., Staples United States Retail, Staples Canada, Talbots, The Limited and Torrid.

ABOUT BARINGTON CAPITAL GROUP, L.P.:

Barington Capital Group, L.P. is a fundamental, value-oriented activist investment firm founded in January 2000 by James A. Mitarotonda. Barington invests in undervalued publicly traded companies that it believes can appreciate significantly in value when substantive improvements are made to their operations, corporate strategy, capital allocation and corporate governance. Barington's investment team, advisors and network of industry experts draw upon their extensive strategic, operating and boardroom experience to assist companies in designing and implementing initiatives to improve long-term stockholder value. Barington has significant experience investing in consumer-focused companies, with prior investments in companies such as The Children's Place, Dillard's, The Jones Group, Warnaco, Nautica, The Pep Boys, Steven Madden, Avon Products and Darden Restaurants.

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- the risk that the transaction is not consummated, including the risk that required regulatory approvals for such transaction may not be obtained;
- diversion of our management's attention away from other business concerns;
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- our ability to protect our trade names, trademarks and patents;
- the highly competitive nature of the retail industry and the segments in which we operate;
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For further information, please contact:

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 Tammy Roberts Myers
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Lbrands

VICTORIA'S SECRET / PINK
BATH & BODY WORKS

February 20, 2020

Upon closing of the transaction, existing shareholders will retain ownership in both BBW and VS, allowing them to benefit from future upside in both businesses.

Standalone Bath & Body Works ("BBW")

- Publicly listed on NYSE (Ticker: LB)
- Andrew Meslow CEO (Current COO of BBW)
- 2019E Revenue of \$5.4bn⁽¹⁾
- 2019E EBITDA of \$1.3bn⁽¹⁾

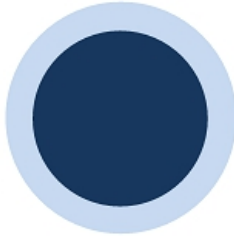
Victoria's Secret ("VS")

- Privately Held
- Includes all global business for:
 - Victoria's Secret Lingerie
 - PINK
 - Victoria's Secret Beauty

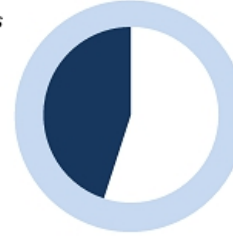
Current LB shareholders retain 100% of Standalone Bath & Body Works

Sycamore Partners to purchase 55% of Victoria's Secret at a ~\$1.1 billion total enterprise valuation

LB Shareholders
100%



LB Shareholders
45%



Sycamore
55%

Note: 2019E based on earnings estimates provided in the transaction press release.

(1) Standalone BBW does not include financial performance of 45% stake in Victoria's Secret.

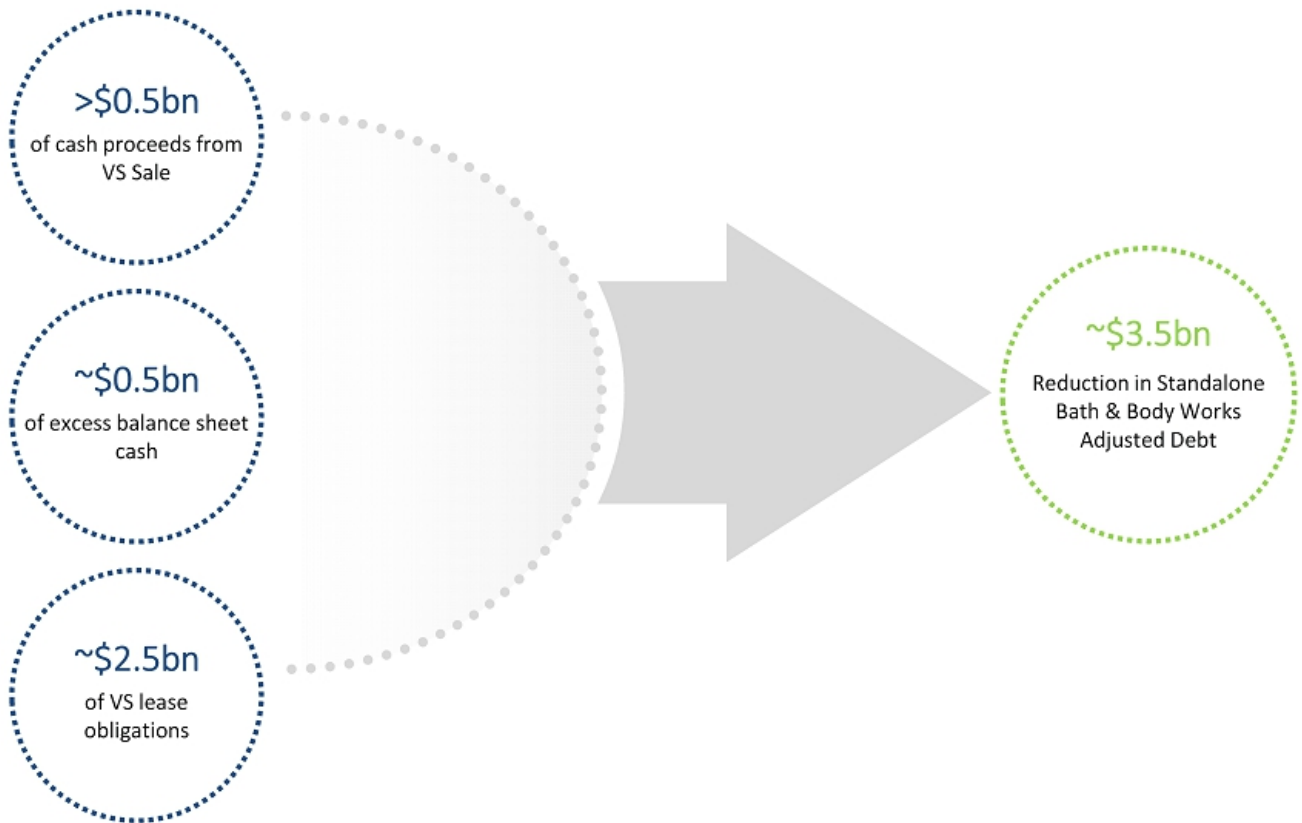
Sycamore Partners purchase of 55% interest in Victoria's Secret for \$525mm



- *VS entity will be 55% owned by Sycamore Partners*
- *Total enterprise value of \$1.1 billion; after accounting for certain liabilities assumed by Sycamore, Sycamore will purchase a 55% interest for ~\$525 million*
- *Preferred equity investment*
- *The Victoria's Secret Board will consist of five members; Sycamore Partners to appoint three; Standalone Bath & Body Works to appoint two*
- *Customary minority shareholder rights for Standalone Bath & Body Works*
- *Reduce debt at Standalone Bath & Body Works*

- ✓ Highlight value and performance of Standalone Bath & Body Works business
- ✓ Enhance management focus
- ✓ Reduce structural complexity
- ✓ Create best environment for Victoria's Secret to execute turnaround
- ✓ Allow existing shareholders to participate in future value creation at Victoria's Secret

Selling a majority of VS will allow Standalone BBW to remove significant amounts of debt and lease obligations from its balance sheet.





- Extensive carveout experience involving similar levels of structural complexity
- Seasoned operations team with relevant experience and knowledge of specialty apparel
- Strong track record as collaborative partners



Coldwater Creek

HOT TOPIC



S T U A R T
W E I T Z M A N

TALBOTS

(1) Represents select list of current and exited portfolio companies.

- ✓ Address underperforming assets:
 - Announced closure of Henri Bendel business in September 2018
 - Announced divestiture of La Senza business in December 2018
- ✓ Dividend reset from \$2.40 to \$1.20 per share to optimize capital structure announced in November 2018
- ✓ Key leadership changes at Victoria's Secret North America to execute turnaround plan
 - Amy Hauk, CEO of PINK, announced in August 2018
 - John Mehas, CEO of Victoria's Secret Lingerie ("VSL"), announced in November 2018
- ✓ Reduce leverage: debt reduced by close to \$300 million in 2019
- ✓ Refresh and diversify Board and improve governance:
 - Hired Heidrick & Struggles to assist in identification and evaluation of new Board members
 - Sarah Nash and Anne Sheehan joined Board in 2019
 - Allan Tessler, Ray Zimmerman and Gordon Gee to retire in 2020
 - Les Wexner to step down as CEO and Board Chairman; continue as Director with Chairman Emeritus title
 - 2020 shareholder proposal to eliminate classified Board and supermajority voting
- ✓ Improved merchandise assortments at Victoria's Secret Lingerie and PINK
 - Informed by customer research
 - Reintroduced swim
- ✓ Commit to evolving Victoria's Secret marketing; some changes made and others underway
- ✓ Separate Victoria's Secret and Bath & Body Works businesses

Transformational Transaction Delivering a Stronger L Brands



Lbrands
Today



Standalone
Bath & Body Works⁽¹⁾

(\$bn)

	Lbrands Today	Standalone Bath & Body Works ⁽¹⁾
2019E Revenue	\$12.9	\$5.4
2019E - Reported Operating Income	0.3	1.1
2019E - Adjusted Operating Income	1.2	1.1
2019E - EBITDA	1.8	1.3
2019E - Reported Operating Income Margin	2.0%	21.1%
2019E - Adjusted Operating Income Margin	9.5%	21.1%
2019E EBITDA Margin	14.1%	24.8%
'18A - '19E Revenue Growth	(0.1%)	12.1%
'18A - '19E - Reported Operating Income	(83.2%)	11.1%
'18A - '19E - Adjusted Operating Income	(18.2%)	11.1%

With a reduction of approximately \$3.5bn of debt and lease obligations.

Note: 2019E based on earnings estimates provided in the transaction press release. Adjusted operating income is depicted on a Non-GAAP basis. See reconciliation of reported to adjusted results in Appendix.

(1) Standalone BBW does not include financial performance of 45% stake in Victoria's Secret. Includes corporate support costs, allocated to BBW based on a percentage of sales basis; not indicative of go-forward expense amounts.

BBW has 12 leaders with 9+ years of working together; ~10 years average experience VP & above; selected leaders listed below



Corporate Leaders:

Andrew Meslow - Chief Executive Officer

- Bath & Body Works Tenure: 15 years
- Previous Experience: Victoria's Secret, Gap Inc. / Banana Republic, Ann Taylor

Nick Coe – Vice Chairman of Brand Strategy and New Ventures

- Bath & Body Works Tenure: 9 years
- Previous Experience: Lands End, Gap Inc. / Banana Republic, Levi Strauss

Stuart Burgdoerfer - Chief Financial Officer

- L Brands Tenure: 19 years
- Previous Experience: The Home Depot, Pepsico / YUM!, Deloitte

Merchant Leaders:

Bill Plasket - Executive Vice President, Home Merchandising

- Bath & Body Works Tenure: 15 years
- Previous Experience: Lane Bryant

Betsy Schumacher - Executive Vice President, Body Care Merchandising

- Bath & Body Works Tenure: 1 year
- Previous Experience: Gymboree, JC Penney, American Eagle, Gap Inc.

Channel Leaders:

Ron Ford – Executive Vice President, Sales

- Bath & Body Works Tenure: 17 years
- Previous Experience: Gap, Sears

Chris Cramer – Executive Vice President and General Manager, BBW Direct

- Bath & Body Works Tenure: 14 years
- Previous Experience: IBM

The Board of Directors has been committed to evaluating and implementing governance enhancements and refreshments.

- **Sarah Nash and Anne Sheehan elected to the Board in 2019**

Sarah Nash

- Chair & CEO, Novagard Solutions
- Board member: Blackbaud, Inc., Knoll, Inc., Irving Oil Company
- Previous Experience: JPMorgan Chase & Co.

Anne Sheehan

- Chair, Securities and Exchange Commission's Investor Advisory Committee
- Founder, Investor Stewardship Group
- Previous Experience: California Department of Finance; California Building Industry Foundation

- **Allan Tessler, Gordon Gee and Raymond Zimmerman to retire from the Board as of the date of the 2020 Annual Meeting**
- **Andrew Meslow to join the Board upon the closing of the transaction**
- **2020 shareholder proposal to eliminate classified Board and supermajority voting**



- Differentiated from competition as **the** specialty fragrance retailer, with high unaided brand awareness and a loyal customer base
- Dominant market share in Beauty and Home markets with accessible price points and brand elasticity
- History of consistent growth
 - Sales and operating income
 - Stores and Direct channels
- Ability to respond quickly to evolving customer tastes with high-speed sourcing and logistics model
- Well positioned for growth in the direct channel with investments to expand fulfillment capacity
- Successful international franchise business with high operating margins and significant growth opportunity
- Experienced and aligned management team with impressive track record

TWO BRANDS



~1,700 Stores (North America)

- ~800 White Barn
- ~900 Core

~260 International Franchised Locations

Remodels performing

TWO CHANNELS



STORES (NORTH AMERICA)	DIRECT (NORTH AMERICA)
\$4.2B 81% OF TOTAL	\$1.0B 19% OF TOTAL

SCALE

- Sizable Footprint in North America
- High Unaided Awareness
- Large Customer Base
- Successful International Franchise Business with Significant Growth Opportunity

CATEGORY DOMINANT

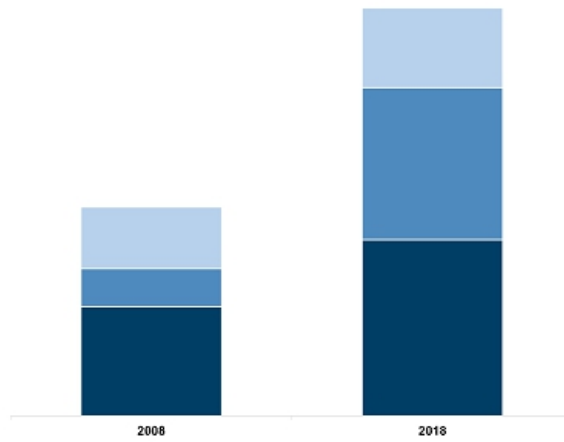
- | | |
|------------------------|--------------------------|
| #1 Fine Fragrance Mist | #1 Specialty HF Retailer |
| #1 Body Moisturizer | #1 Candle Brand |
| #1 Body Cream | #1 3-Wick Candle |
| #1 Body Lotion | #1 Electric Diffuser |
| #1 Shower Gel | #1 Liquid Hand Soap |
| #1 Men's Moisturizer | #1 Hand Sanitizer |

Who We Are: THE Specialty Fragrance Retailer



Category Sales - 2008 vs 2018
(BBW Segment)

■ Body Care ■ Home Fragrance ■ Soaps & Sanitizers



Category Dominant

A Uniquely
Differentiated POV

Fashion



Everyday Use



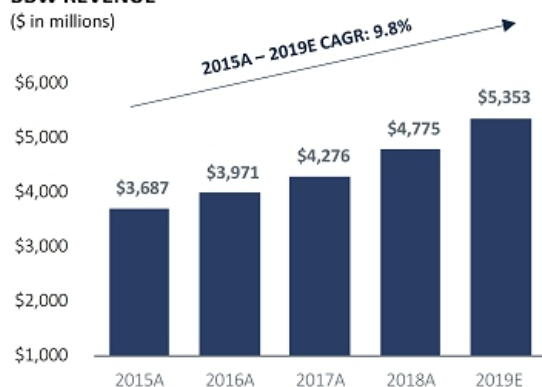
Giftable



APPENDIX

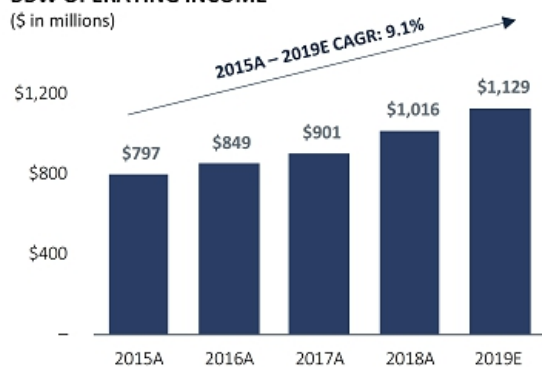
BBW REVENUE⁽¹⁾

(\$ in millions)



BBW OPERATING INCOME⁽¹⁾⁽²⁾

(\$ in millions)



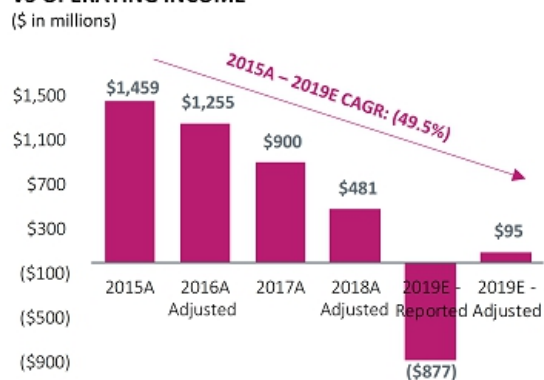
VS REVENUE

(\$ in millions)



VS OPERATING INCOME⁽²⁾

(\$ in millions)



Note: 2019E based on earnings estimates provided in the transaction press release. 2017A represents a 53-week year. La Senza and Henri Bendel are excluded from all years. See reconciliation of reported to adjusted results in Appendix.

(1) 2019E Standalone BBW does not include financial performance of 45% stake in Victoria's Secret.

(2) Historical corporate support allocated on a percentage of sales basis; not indicative of go-forward expense amounts.

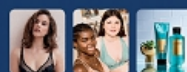
L Brands Historical Financials by Business



	2015A	2016A (Reported)	2016A (Adjusted)	2017A	2018A (Reported)	2018A (Adjusted)	2019E (Reported)	2019E (Adjusted)
Standalone Bath & Body Works⁽¹⁾								
Revenue	\$3,687	\$3,971	\$3,971	\$4,276	\$4,775	\$4,775	\$5,353	\$5,353
Operating Income								
Bath & Body Works North America	\$858	\$907	\$907	\$953	\$1,077	\$1,077	\$1,191	\$1,191
Bath & Body Works International	\$19	\$19	\$19	\$19	\$23	\$23	\$30	\$30
Mast	(\$9)	(\$13)	(\$13)	\$2	(\$2)	(\$2)	\$1	\$1
	\$868	\$913	\$913	\$973	\$1,098	\$1,098	\$1,223	\$1,223
Unallocated Corporate Support ⁽²⁾	(\$71)	(\$64)	(\$64)	(\$72)	(\$82)	(\$82)	(\$94)	(\$94)
Standalone Bath & Body Works - Operating Income	\$797	\$849	\$849	\$901	\$1,016	\$1,016	\$1,129	\$1,129
Depreciation and Amortization							\$198	\$198
EBITDA							\$1,327	\$1,327
Victoria's Secret								
Revenue	\$8,123	\$8,256	\$8,256	\$7,995	\$8,103	\$8,103	\$7,511	\$7,511
Operating Income								
Victoria's Secret North America	\$1,391	\$1,173	\$1,206	\$932	\$462	\$512	(\$616)	\$115
Victoria's Secret International	\$45	(\$13)	(\$13)	(\$42)	(\$87)	(\$56)	(\$292)	(\$50)
Mast	\$180	\$192	\$194	\$144	\$164	\$164	\$162	\$162
	\$1,616	\$1,353	\$1,388	\$1,034	\$539	\$620	(\$746)	\$227
Unallocated Corporate Support ⁽²⁾	(\$157)	(\$133)	(\$133)	(\$134)	(\$140)	(\$140)	(\$131)	(\$131)
Victoria's Secret - Operating Income	\$1,459	\$1,220	\$1,255	\$900	\$400	\$481	(\$877)	\$95
Depreciation and Amortization (Reported includes non-cash impairment charges)							\$1,362	\$390
EBITDA							\$485	\$485

Note: 2019E based on earnings estimates provided in the transaction press release. Adjusted operating income is depicted on a Non-GAAP basis. See reconciliation of reported to adjusted results in the Appendix. 2017A represents a 53-week year. All periods exclude La Senza and Henri Bendel. 2019E Standalone BBW does not include financial performance of 45% stake in Victoria's Secret. Unallocated Corporate Support allocated on a % of sales basis for all years; not indicative of go-forward expense amount.

Reconciliation of Reported to Adjusted Results



Lbrands

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

2019 - Estimated
(in millions)

Net Sales

	Reported (Estimated)	Non-GAAP Adjustments (Estimated)	Adjusted (Estimated)	Transaction Adjustments (Estimated)				Adjusted As Presented (Estimated)	Add-back: Non-GAAP Adjustments (Estimated)	Reported As Presented (Estimated)
				Combine Victoria's Secret North America and International ¹	Combine Bath & Body Works North America and International ²	Allocate Mast ³	Allocate Corporate ⁴			
Victoria's Secret	\$ 6,805	\$ -	\$ 6,805	\$ 539	\$ -	\$ 168	\$ -	\$ 7,511	\$ -	\$ 7,511
Bath & Body Works	5,170	-	5,170	-	61	121	-	5,353	-	5,353
Victoria's Secret and Bath & Body Works International	600	-	600	(539)	(61)	-	-	-	-	-
Other ⁵	339	-	339	-	-	(289)	-	50	-	50
L Brands	\$ 12,914	\$ -	\$ 12,914	\$ -	\$ -	\$ -	\$ -	\$ 12,914	\$ -	\$ 12,914

Operating Income (Loss)

	Reported (Estimated)	Non-GAAP Adjustments (Estimated)	Adjusted (Estimated)	Transaction Adjustments (Estimated)				Adjusted As Presented (Estimated)	Add-back: Non-GAAP Adjustments (Estimated)	Reported As Presented (Estimated)
				Combine Victoria's Secret North America and International ¹	Combine Bath & Body Works North America and International ²	Allocate Mast ³	Allocate Corporate ⁴			
Victoria's Secret	\$ (616)	\$ 731	\$ 115	\$ (50)	\$ -	\$ 162	\$ (131)	\$ 95	\$ (972)	\$ (877)
Bath & Body Works	1,191	-	1,191	-	30	1	(84)	1,129	-	1,129
Victoria's Secret and Bath & Body Works International	(235)	241	6	28	(34)	-	-	-	-	-
Other ⁵	(81)	-	(81)	22	4	(163)	225	7	-	7
L Brands	\$ 259	\$ 972	\$ 1,231	\$ -	\$ -	\$ -	\$ -	\$ 1,231	\$ (972)	\$ 259

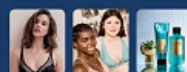
Notes:

1. Combines Victoria's Secret International with Victoria's Secret North America.
2. Combines Bath & Body Works International with Bath & Body Works North America.
3. Allocates Mast between Victoria's Secret and Bath & Body Works International partners.
4. Corporate support is allocated on a % of sales basis for all years; not indicative of go-forward expense amounts.
5. Remaining Net Sales and Operating Income (Loss) for Other "As Presented" relates to Henri Bendel, La Senza and Mast external sales to La Senza International partners.

The "Non-GAAP Adjustments" column includes the following:

- A \$720 million charge related to the impairment of Victoria's Secret goodwill (\$690 million related to Victoria's Secret North America and \$30 million related to Victoria's Secret International).
- A \$211 million charge related to the impairment of Victoria's Secret store assets outside of North America and a \$41 million charge related to the impairment of Victoria's Secret store assets in North America.

Reconciliation of Reported to Adjusted Results



Lbrands

Reconciliation of GAAP Financial Measures to Non-GAAP Financial Measures

2018
(in millions)

Net Sales

	Reported (2018 Form 10-K)	Non-GAAP Adjustments (2018 Form 10-K)	Adjusted	Transaction Adjustments				Adjusted As Presented	Add-back: Non-GAAP Adjustments	Reported As Presented
				Combine Victoria's Secret North America and International ¹	Combine Bath & Body Works North America and International ²	Allocate Mast ³	Allocate Corporate ⁴			
Victoria's Secret	\$ 7,375	\$ -	\$ 7,375	\$ 553	\$ -	\$ 175	\$ -	\$ 8,103	\$ -	\$ 8,103
Bath & Body Works	4,631	-	4,631	-	52	92	-	4,775	-	4,775
Victoria's Secret and Bath & Body Works International	605	-	605	(553)	(52)	-	-	-	-	-
Other ⁵	626	-	626	-	-	(267)	-	359	-	359
L Brands	\$ 13,237	\$ -	\$ 13,237	\$ -	\$ -	\$ -	\$ -	\$ 13,237	\$ -	\$ 13,237

Operating Income (Loss)

	Reported (2018 Form 10-K)	Non-GAAP Adjustments (2018 Form 10-K)	Adjusted	Transaction Adjustments				Adjusted As Presented	Add-back: Non-GAAP Adjustments	Reported As Presented
				Combine Victoria's Secret North America and International ¹	Combine Bath & Body Works North America and International ²	Allocate Mast ³	Allocate Corporate ⁴			
Victoria's Secret	\$ 462	\$ 50	\$ 512	\$ (58)	\$ -	\$ 164	\$ (140)	\$ 481	\$ (81)	\$ 400
Bath & Body Works	1,077	-	1,077	-	23	(2)	(82)	1,016	-	1,016
Victoria's Secret and Bath & Body Works International	(37)	31	(6)	34	(28)	-	-	-	-	-
Other ⁵	(265)	119	(146)	22	5	(162)	222	(59)	(119)	(178)
L Brands	\$ 1,237	\$ 200	\$ 1,437	\$ -	\$ -	\$ -	\$ -	\$ 1,437	\$ (200)	\$ 1,237

Notes:

1. Combines Victoria's Secret International with Victoria's Secret North America.
2. Combines Bath & Body Works International with Bath & Body Works North America.
3. Allocates Mast between Victoria's Secret and Bath & Body Works International partners.
4. Corporate support is allocated on a % of sales basis for all years; not indicative of go-forward expense amounts.
5. Remaining Net Sales and Operating Income (Loss) for Other "As Presented" relates to Henri Bendel, La Senza and Mast external sales to La Senza International partners.

The "Non-GAAP Adjustments" column includes the following:

- A \$99 million loss on the sale of La Senza to an affiliate of Regent LP.
- A \$50 million charge related to the impairment of Victoria's Secret store assets in North America and a \$31 million charge related to the impairment of Victoria's Secret store assets outside of North America.
- \$20 million of Henri Bendel closure costs.

Reconciliation of Reported to Adjusted Results



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

2017
(in millions)

Net Sales

	Reported (2017 Form 10-K)	Non-GAAP Adjustments (2017 Form 10-K)	Adjusted	Transaction Adjustments				As Presented
				Combine Victoria's Secret North America and International ¹	Combine Bath & Body Works North America and International ²	Allocate Mast ³	Allocate Corporate ⁴	
Victoria's Secret	\$ 7,387	\$ -	\$ 7,387	\$ 454	\$ -	\$ 153	\$ -	\$ 7,995
Bath & Body Works	4,148	-	4,148	-	48	80	-	4,276
Victoria's Secret and Bath & Body Works International	502	-	502	(454)	(48)	-	-	-
Other ⁵	595	-	595	-	-	(233)	-	362
L Brands	\$ 12,632	\$ -	\$ 12,632	\$ -	\$ -	\$ -	\$ -	\$ 12,632

Operating Income (Loss)

	Reported (2017 Form 10-K)	Non-GAAP Adjustments (2017 Form 10-K)	Adjusted	Transaction Adjustments				As Presented
				Combine Victoria's Secret North America and International ¹	Combine Bath & Body Works North America and International ²	Allocate Mast ³	Allocate Corporate ⁴	
Victoria's Secret	\$ 932	\$ -	\$ 932	\$ (42)	\$ -	\$ 144	\$ (134)	\$ 900
Bath & Body Works	953	-	953	-	19	2	(72)	901
Victoria's Secret and Bath & Body Works International	5	-	5	19	(24)	-	-	-
Other ⁵	(162)	-	(162)	23	5	(146)	206	(73)
L Brands	\$ 1,728	\$ -	\$ 1,728	\$ -	\$ -	\$ -	\$ -	\$ 1,728

- Notes:
1. Combines Victoria's Secret International with Victoria's Secret North America.
 2. Combines Bath & Body Works International with Bath & Body Works North America.
 3. Allocates Mast between Victoria's Secret and Bath & Body Works International partners.
 4. Corporate support is allocated on a % of sales basis for all years; not indicative of go-forward expense amounts.
 5. Remaining Net Sales and Operating Income (Loss) for Other "As Presented" relates to Henri Bendel, La Senza and Mast external sales to La Senza International partners.

There were no non-GAAP adjustments in 2017 impacting Net Sales or Operating Income (Loss).

Reconciliation of Reported to Adjusted Results



Reconciliation of GAAP Financial Measures to Non-GAAP Financial Measures

2016
(in millions)

Net Sales

	Reported (2016 Form 10-K)	Non-GAAP Adjustments (2016 Form 10-K)	Adjusted	Transaction Adjustments				Adjusted As Presented	Add-back: Non-GAAP Adjustments	Reported As Presented
				Combine Victoria's Secret North America and International ¹	Combine Bath & Body Works North America and International ²	Allocate Mast ³	Allocate Corporate ⁴			
Victoria's Secret	\$ 7,781	\$ -	\$ 7,781	\$ 367	\$ -	\$ 108	\$ -	\$ 8,256	\$ -	\$ 8,256
Bath & Body Works	3,852	-	3,852	-	56	63	-	3,971	-	3,971
Victoria's Secret and Bath & Body Works International	423	-	423	(367)	(56)	-	-	-	-	-
Other ⁵	518	-	518	-	-	(172)	-	347	-	347
L Brands	\$ 12,574	\$ -	\$ 12,574	\$ -	\$ -	\$ -	\$ -	\$ 12,574	\$ -	\$ 12,574

Operating Income (Loss)

	Reported (2016 Form 10-K)	Non-GAAP Adjustments (2016 Form 10-K)	Adjusted	Transaction Adjustments				Adjusted As Presented	Add-back: Non-GAAP Adjustments	Reported As Presented
				Combine Victoria's Secret North America and International ¹	Combine Bath & Body Works North America and International ²	Allocate Mast ³	Allocate Corporate ⁴			
Victoria's Secret	\$ 1,173	\$ 34	\$ 1,206	\$ (13)	\$ -	\$ 194	\$ (133)	\$ 1,255	\$ (35)	\$ 1,220
Bath & Body Works	907	-	907	-	19	(13)	(64)	849	-	849
Victoria's Secret and Bath & Body Works International	40	-	40	(16)	(24)	-	-	-	-	-
Other ⁵	(117)	1	(116)	29	5	(181)	197	(67)	-	(67)
L Brands	\$ 2,003	\$ 35	\$ 2,037	\$ -	\$ -	\$ -	\$ -	\$ 2,037	\$ (35)	\$ 2,003

- Notes:**
1. Combines Victoria's Secret International with Victoria's Secret North America.
 2. Combines Bath & Body Works International with Bath & Body Works North America.
 3. Allocates Mast between Victoria's Secret and Bath & Body Works International partners.
 4. Corporate support is allocated on a % of sales basis for all years; not indicative of go-forward expense amounts.
 5. Remaining Net Sales and Operating Income (Loss) for Other "As Presented" relates to Herit Bendel, La Senza and Mast external sales to La Senza International partners.

The "Non-GAAP Adjustments" column includes the following:

- Pre-tax charges of \$35 million related to actions at Victoria's Secret, including severance charges, fabric cancellations and the write-off of catalogue paper.

Reconciliation of Reported to Adjusted Results



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

2015
(in millions)

Net Sales

	Reported (2015 Form 10-K)	Non-GAAP Adjustments (2015 Form 10-K)	Adjusted	Transaction Adjustments				As Presented
				Combine Victoria's Secret North America and International ¹	Combine Bath & Body Works North America and International ²	Allocate Mast ³	Allocate Corporate ⁴	
Victoria's Secret	\$ 7,672	\$ -	\$ 7,672	\$ 334	\$ -	\$ 117	\$ -	\$ 8,123
Bath & Body Works	3,587	-	3,587	-	51	49	-	3,687
Victoria's Secret and Bath & Body Works International	385	-	385	(334)	(51)	-	-	-
Other ⁵	510	-	510	-	-	(166)	-	344
L Brands	\$ 12,154	\$ -	\$ 12,154	\$ -	\$ -	\$ -	\$ -	\$ 12,154

Operating Income (Loss)

	Reported (2015 Form 10-K)	Non-GAAP Adjustments (2015 Form 10-K)	Adjusted	Transaction Adjustments				As Presented
				Combine Victoria's Secret North America and International ¹	Combine Bath & Body Works North America and International ²	Allocate Mast ³	Allocate Corporate ⁴	
Victoria's Secret	\$ 1,391	\$ -	\$ 1,391	\$ 45	\$ -	\$ 180	\$ (157)	\$ 1,459
Bath & Body Works	858	-	858	-	19	(9)	(71)	797
Victoria's Secret and Bath & Body Works International	88	-	88	(64)	(24)	-	-	-
Other ⁵	(145)	-	(145)	19	5	(171)	228	(64)
L Brands	\$ 2,192	\$ -	\$ 2,192	\$ -	\$ -	\$ -	\$ -	\$ 2,192

Notes:

1. Combines Victoria's Secret International with Victoria's Secret North America.
2. Combines Bath & Body Works International with Bath & Body Works North America.
3. Allocates Mast between Victoria's Secret and Bath & Body Works International partners.
4. Corporate support is allocated on a % of sales basis for all years; not indicative of go-forward expense amounts.
5. Remaining Net Sales and Operating Income (Loss) for Other "As Presented" relates to Henri Bendel, La Senza and Mast external sales to La Senza International partners.

There were no non-GAAP adjustments in 2015 impacting Net Sales or Operating Income (Loss).

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,” “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 presentation or otherwise made by our company or our management:

- the risk that the transaction is not consummated, including the risk that required regulatory approvals for such transaction may not be obtained;
- diversion of our management’s attention away from other business concerns;
- the ongoing obligations of our company in connection with the transaction;
- general economic conditions, consumer confidence, consumer spending patterns and market disruptions including severe weather conditions, natural disasters, health hazards, terrorist activities, financial crises, political crises or other major events, or the prospect of these events;
- the seasonality of our business;
- 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 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 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, significant health hazards, environmental hazards or natural disasters;
 - 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;

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

- 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;
- stock price volatility;
- our ability to pay dividends and related effects;
- our ability to maintain our credit rating;
- our ability to service or refinance our debt;
- shareholder activism matters;
- our ability to retain key personnel;
- our ability to attract, develop and retain qualified associates and manage labor-related costs;
- 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 and printing;
- claims arising from our self-insurance;
- liabilities arising from divested businesses;
- our ability to implement and maintain information technology systems and to protect associated data;
- our ability to maintain the security of customer, associate, third-party or company information;
- 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. Additional information regarding these and other factors can be found in Item 1A. Risk Factors in our 2018 Annual Report on Form 10-K.