

Bath & Body Works®

Third Quarter Earnings
Supplemental Material
November 16, 2023

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,” “planned,” “potential,” “target,” “goal” 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:

- general economic conditions, inflation and deflation, 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 seasonality of our business;
- the anticipated benefits from the Victoria’s Secret & Co. spin-off may not be realized;
- the spin-off of Victoria’s Secret & Co. may not be tax-free for U.S. federal income tax purposes;
- our dependence on Victoria’s Secret & Co. for information technology services and the transition of such services to our own information technology systems or to those of third-party technology service providers;
- our ability to attract, develop and retain qualified associates and manage labor-related costs;
- difficulties arising from turnover in company leadership or other key positions;
- the dependence on store traffic and the availability of suitable store locations on appropriate terms;
- our continued growth in part 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 business;
- our ability to protect our reputation and our brand image;
- our ability to successfully complete environmental, social and governance initiatives, and associated costs thereof;
- our ability to successfully achieve expected annual cost savings in connection with our profit optimization efforts to reduce expenses and improve operating efficiency in the business;
- 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 brand, 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, wars and other armed conflicts, environmental hazards or natural disasters;
 - significant health hazards or pandemics, such as the COVID-19 pandemic, which could result in closed factories and/or stores, reduced workforces, scarcity of raw materials, and scrutiny or embargoing of goods produced in impacted areas;
 - duties, taxes and other charges;
 - legal and regulatory matters;
 - volatility in currency exchange rates;
 - local business practices and political issues;
 - 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;

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- our geographic concentration of vendor and distribution facilities in central Ohio;
- our reliance on a limited number of suppliers to support a substantial portion of our inventory purchasing needs;
- the ability of our vendors to deliver products in a timely manner, meet quality standards and comply with applicable laws and regulations;
- fluctuations in foreign currency exchange rates;
- fluctuations in product input costs;
- fluctuations in energy costs;
- our ability to adequately protect our assets from loss and theft;
- 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', including Victoria's Secret & Co. during the term of the Transition Services Agreement between us and Victoria's Secret & Co., 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 make share repurchases under share repurchase authorizations;
- shareholder activism matters;
- our ability to maintain our credit ratings;
- our ability to service, repurchase 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 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. Additional information regarding these and other factors can be found in "Item 1A. Risk Factors" in our 2022 Annual Report on Form 10-K, as filed with the Securities and Exchange Commission, and our subsequent filings.

Metric	Actuals	Outlook¹
Sales	Decline of 2.6%	Decline of 2.5% to 4.0%
Gross Profit Rate	43.6%	Approximately 42%
SG&A Expense Rate	29.5%	Approximately 31%
Net Non-Operating Expense	\$62 million	Approximately \$75 million
Adjusted Net Non-Operating Expense	\$74 million	N/A
Tax Rate (before discrete items)	25.3%	Approximately 26%
Weighted Average Diluted Shares Outstanding	Approximately 228 million	Approximately 229 million
Earnings Per Diluted Share	\$0.52	\$0.30 to \$0.40
Adjusted Earnings Per Diluted Share	\$0.48	N/A

¹ - The company's third quarter outlook was provided as a part of the company's second quarter 2023 earnings materials

Note: The company's adjusted third quarter results exclude the gain related to third quarter debt repurchase activity. See slides 6-7 for reconciliations of GAAP financial measures to non-GAAP financial measures.

2023 Outlook as of November 16, 2023

Metric	Fourth Quarter 2023	Full-Year 2023
Sales	Decline of 1% to 5%	Decline of 2.5% to 4%
Gross Profit Rate	Approximately 44%	Approximately 43%
SG&A Expense Rate	Approximately 22%	Approximately 26%
Net Non-Operating Expense	Approximately \$75 million	Approximately \$262 million
Adjusted Net Non-Operating Expense	N/A	Approximately \$290 million
Tax Rate (before discrete items)	Approximately 26%	Approximately 26%
Weighted Average Diluted Shares Outstanding	Approximately 228 million	Approximately 229 million
Earnings Per Diluted Share	\$1.70 to \$1.90	\$2.99 to \$3.19
Adjusted Earnings Per Diluted Share	N/A	\$2.90 to \$3.10
Capital Expenditures	N/A	\$300 to \$350 million
Free Cash Flow (Net Cash Provided by Operating Activities minus Capital Expenditures)	N/A	Between \$675 to \$725 million

Note: The company's fourth quarter and full-year outlook exclude the impact of any future debt or share repurchase activity. See slides 6-7 for reconciliations of GAAP financial measures to non-GAAP financial measures. Fiscal 2023 includes a 53rd week, so the fourth quarter of fiscal 2023 will consist of 14 weeks.

Adjusted Financial Information

\$ in millions, except per share amounts

	<u>Third Quarter</u> <u>2023</u>
<u>Reconciliation of Net Non-Operating Expense to Adjusted Net Non-Operating Expense</u>	
Reported Net Non-Operating Expense	\$62
Gain on Extinguishment of Debt	12
Adjusted Net Non-Operating Expense	<u>\$74</u>
<u>Reconciliation of Earnings Per Diluted Share to Adjusted Earnings Per Diluted Share</u>	
Reported Earnings Per Diluted Share	\$0.52
Gain on Extinguishment of Debt	(0.05)
Tax Effect of Gain on Extinguishment of Debt	0.01
Adjusted Earnings Per Diluted Share	<u>\$0.48</u>

The third quarter of 2023 adjusted results excludes a:

- \$12 million pre-tax gain (\$9 million net of tax of \$3 million), included in other income, associated with the early extinguishment of outstanding notes.

Adjusted Forecasted Financial Information

\$ in millions, except per share amounts

	<u>Full-Year</u> <u>2023</u>
<u>Reconciliation of Forecasted Net Non-Operating Expense to Adjusted Forecasted Net Non-Operating Expense</u>	
Forecasted Net Non-Operating Expense	\$262
Gain on Extinguishment of Debt	28
Adjusted Forecasted Net Non-Operating Expense	<u>\$290</u>

Reconciliation of Forecasted Earnings Per Diluted Share to Adjusted Forecasted Earnings Per Diluted Share

	<u>Low</u>	<u>High</u>
Forecasted Earnings Per Diluted Share	\$2.99	\$3.19
Gain on Extinguishment of Debt	(0.12)	(0.12)
Tax Effect of Gain on Extinguishment of Debt	0.03	0.03
Adjusted Forecasted Earnings Per Diluted Share	<u>\$2.90</u>	<u>\$3.10</u>

Forecasted full-year 2023 adjusted results exclude the following:

- A \$28 million pre-tax gain (\$21 million net of tax of \$7 million), included in other income year-to-date through the third quarter, associated with the early extinguishment of outstanding notes.
- The impact of any future debt repayment or share repurchase activity.

2023 v 2022 General, Administrative and Store Operating Expenses Summary

\$ in millions

	2023							
	Q1		Q2		Q3		YTD	
	\$s	% of Net Sales	\$s	% of Net Sales	\$s	% of Net Sales	\$s	% of Net Sales
Selling Expenses	\$ 243	17.4%	\$ 253	16.2%	\$ 283	18.1%	\$ 779	17.2%
Home Office & Marketing Expenses	172	12.3%	181	11.6%	178	11.4%	531	11.8%
Total	\$ 415	29.7%	\$ 434	27.8%	\$ 461	29.5%	\$ 1,310	29.0%
Net Sales	\$ 1,396		\$ 1,559		\$ 1,562		\$ 4,517	
	2022							
	Q1		Q2		Q3		YTD	
	\$s	% of Net Sales	\$s	% of Net Sales	\$s	% of Net Sales	\$s	% of Net Sales
Selling Expenses	\$ 245	16.9%	\$ 269	16.6%	\$ 300	18.7%	\$ 814	17.4%
Home Office & Marketing Expenses	143	9.9%	149	9.2%	176	11.0%	468	10.0%
Total	\$ 389	26.8%	\$ 418	25.8%	\$ 476	29.7%	\$ 1,282	27.4%
Net Sales	\$ 1,450		\$ 1,618		\$ 1,604		\$ 4,672	
	Change							
	Q1		Q2		Q3		YTD	
	\$s	% of Net Sales	\$s	% of Net Sales	\$s	% of Net Sales	\$s	% of Net Sales
Selling Expenses	\$ (2)	0.5%	\$ (16)	-0.4%	\$ (17)	-0.6%	\$ (35)	-0.2%
Home Office & Marketing Expenses	29	2.4%	32	2.4%	2	0.4%	63	1.8%
Total	\$ 26	2.9%	\$ 16	2.0%	\$ (15)	-0.2%	\$ 28	1.6%

Company-Operated Store Count and Selling Square Feet

	October 28, 2023		October 29, 2022	
	Stores	Selling Sq. Ft. (000's)	Stores	Selling Sq. Ft. (000's)
Bath & Body Works U.S.	1,732	4,879	1,681	4,646
Bath & Body Works Canada	111	311	106	280
Total Bath & Body Works Company - Operated	1,843	5,190	1,787	4,926

Company-Operated Store Count and Selling Square Feet – 2023 Forecast

	Beginning of Year	New Stores	Closures	Total Reconstructions and Change in SSF	End of Year	Increase	
Bath & Body Works							
Bath & Body Works - U.S.							
Store Count	1,693	93	(50)	22	1,736	43	3%
Selling Sq Ft 000's	4,712	275	(108)	32	4,911	199	4%
Bath & Body Works - Canada							
Store Count	109	2	-	8	111	2	2%
Selling Sq Ft 000's	297	8	-	9	314	17	6%
Total BBW Company - Operated							
Store Count	1,802	95	(50)	30	1,847	45	2%
Selling Sq Ft 000's	5,009	283	(108)	41	5,225	215	4%

International Store Count – 2023 Forecast

	<u>Beginning of Year</u>	<u>New Stores</u>	<u>Closures</u>	<u>End of Year</u>
<u>Bath & Body Works International</u>				
<u>Partner - Operated Stores</u>				
International	401	63 to 77	(9 to 11)	453 to 469
International - Travel Retail	26	2 to 5	(0 to 1)	27 to 31
Total International	<u>427</u>	<u>65 to 82</u>	<u>(9 to 12)</u>	<u>480 to 500</u>