

Q4 & FULL YEAR 2024 EARNINGS + 2025 GUIDANCE

February 27, 2025



BATH & BODY WORKS
VANILLA BEAN NOEL
ULTIMATE HYDRATION
body cream
WITH SHEA BUTTER • HYALURONIC ACID
24 HOUR MOISTURE
8 OZ / 226 g

BATH & BODY WORKS
TWISTED PEPPER MINT
fine fragrance mist
8 FL OZ / 234 mL

25th ANNIVERSARY
BATH & BODY WORKS
WINTER CANDY APPLE
GENTLE & CLEAN
FOAMING
hand soap
MADE WITHOUT SULFATES
PARABENS & DYES
8.75 FL OZ / 259 mL

25TH ANNIVERSARY
WINTER CANDY APPLE
exclusively fragranced
SOY WAX BLEND CANDLE
BATH & BODY WORKS



Q4 EARNINGS CALL PARTICIPANTS



GINA BOSWELL

Chief Executive Officer & Director



EVA BORATTO

Chief Financial Officer



LUKE LONG

VP Strategy & Investor Relations

FORWARD-LOOKING STATEMENTS

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

We caution that any forward-looking statements (as such term is defined in the Private Securities Litigation Reform Act of 1995) contained in this presentation or made by our company or our management involve risks and uncertainties and are subject to change based on various factors, many of which are beyond our control. Accordingly, our future performance and financial results may differ materially from those expressed or implied in any such forward-looking statements. Words such as “estimate,” “project,” “plan,” “believe,” “expect,” “anticipate,” “intend,” “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, 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;
- 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, wholesale and other distribution-related partners;
- our direct channel business;
- our ability to protect our reputation and our brand image;
- our ability to attract customers with marketing, advertising, promotional programs and our loyalty program;
- 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 and expand 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, 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, tariffs, 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; or
 - changing expectations regarding product safety due to new legislation;
- our ability to successfully complete environmental, social and governance initiatives, and associated costs thereof;
- the geographic concentration of third-party manufacturing facilities and our 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;
- the spin-off of Victoria's Secret may not be tax-free for U.S. federal income tax purposes;
- 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;
- 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 make share repurchases under share repurchase authorizations;
- shareholder activism matters;
- our ability to maintain our credit ratings;
- 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 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 2023 Annual Report on Form 10-K, as filed with the Securities and Exchange Commission, and our subsequent filings.



“Our strategy is working, and we are driving topline growth through product innovation, enhanced marketing and technology, and by extending our reach through category adjacencies and international expansion” - Gina Boswell, CEO



BUILDING MOMENTUM IN FY '24

This past year can be best summarized as building momentum and establishing a strong foundation for long-term growth



Collaborations:

Launched collaborations with big names in pop culture



EDL:

Successfully rolled out Everyday Luxuries, our prestige-inspired line of fine fragrance mists



Loyalty:

Grew our active¹ loyalty membership 6% year over year



Adjacencies:

Expanded customer reach by growing agencies such as Men's, Hair, Lip and Laundry

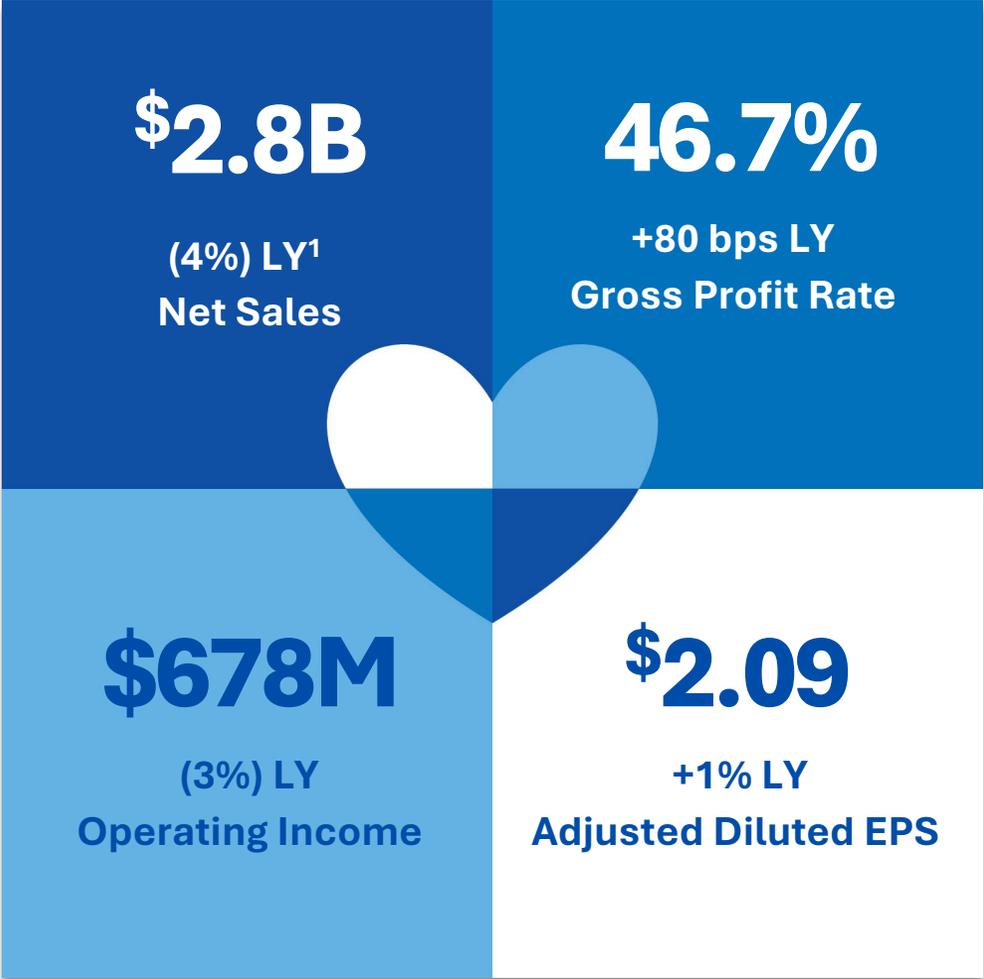


Cost Savings:

Delivered ~\$155 million of incremental cost savings through our Fuel for Growth program

1 - Active members of our loyalty program represent loyalty program members who have purchased at least once directly from the company during the preceding twelve-month period.

Q4 2024 FINANCIAL HIGHLIGHTS



HIGHLIGHTS

Beat our guidance on both the top and bottom line.

Drove sequential net sales improvement in every quarter of 2024 when normalizing for calendar shifts, the 53rd week last year, and the shortened holiday calendar.

Strong execution drove positive dual channel traffic and conversion, with traffic exceeding third party benchmarks.

Core categories performed in line with the market, each maintaining category leadership and unit market share in 2024.

Delivered record high customer retention rates. Active² loyalty membership grew 6% and we drove increased redemption rates.

Fuel for growth delivered ~\$155M of incremental cost savings in 2024.

1 – As expected, the year-over-year change in net sales was impacted by an approximate 500 basis point headwind from the shifted fiscal calendar and the 53rd week in 2023.

2 - Active members of our loyalty program represent loyalty program members who have purchased at least once directly from the company during the preceding twelve-month period.

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

KEY PRIORITIES

Strengthening our operational foundation while building a platform for sustained success through our key strategies

- ♥ Accelerating topline growth
- ♥ Enhancing operational excellence and efficiency
- ♥ Strengthening our financial positioning and disciplined return of capital

Strong execution drove positive dual channel traffic and conversion, with traffic exceeding third-party benchmarks.

Customers turned to us to celebrate the holiday season as their trusted gifting destination.

Holiday Traditions rose to be the #1 collection, and the Home for the Holidays collection had the largest growth year over year, up double digits.

Continued innovation across our key categories supported by compelling marketing and enhanced technology.

TOP LINE GROWTH DRIVERS



Q4 2024 NORTH AMERICAN CATEGORY PERFORMANCE

Categories performed in line with the market, each maintaining category leadership and unit market share in FY 2024.



BODY CARE

Q4 sales up low-single digits;
maintained unit market share in 2024

The image shows five bottles of Bath & Body Works body care products. From left to right: 'GET AWAY SOIREE' (gold), 'COVERED IN ROSES' (pink), 'LOST IN SANTAL' (green), 'PINK OBSESSED' (red), and 'FLORAL FANTASY' (purple). The bottles are decorated with gold ribbons and are set against a dark background with light effects.

- Customers responded positively to the incredible high-quality fragrance and value of Everyday Luxuries
- Our on-trend single fragrance launches of Platinum and Perfect in Pink performed well



HOME FRAGRANCE

Q4 sales down low-single digits;
maintained unit market share in 2024

The image displays several Home Fragrance items. In the foreground, there is a lit green candle in a glass jar labeled 'TREE FARM'. Behind it, a red candle in a tin labeled 'WINTER CANDY APPLE' is visible. To the left, a round candle in a tin labeled 'CINNAMON CARAMEL SWIRL' sits on a stack of wrapped gifts. Other wrapped gifts in various colors are scattered around the products.

- Candle promotional timing drove Q4 Home Fragrance decline
- In the second half of the year, Home Fragrance was up slightly to last year, an improvement to the first half of the year's performance
- Wallflowers – our fragrance air freshener plug-in performed well



SOAPS & SANITIZERS

Q4 sales up mid-single digits;
maintained unit market share in 2024

The image features three products from the Soaps & Sanitizers category. On the left is a green bottle of 'TREE FARM' hand soap. In the center is a large red and white package of 'Gentle & Clean Foaming HAND SOAP REFILL' in the 'WINTER CANDY APPLE' scent. On the right is a dark bottle of 'GINGERBREAD BAKERY' hand sanitizer. The products are set against a warm, golden background with decorative ribbons.

- Continued strength in Sanitizers with demand fueled by the "quad-demic"
- Soap refills, making up slightly less than 10% of soaps, grew nicely in the quarter

To provide the best sense of the health of the business, category metrics in this presentation are all on a comparable calendar basis.
Market Share Data Source: Circana & BBW Internal Data. Additionally, soaps & sanitizers market share data has been adjusted for impact of refill business.

COLLABORATIONS

Collaborations are a key element of our product and marketing strategy across our core business



EMILY IN PARIS



SWEETHEARTS



DISNEY PRINCESS

CUSTOMER EXPERIENCE

Enhanced by Marketing, Loyalty, Technology

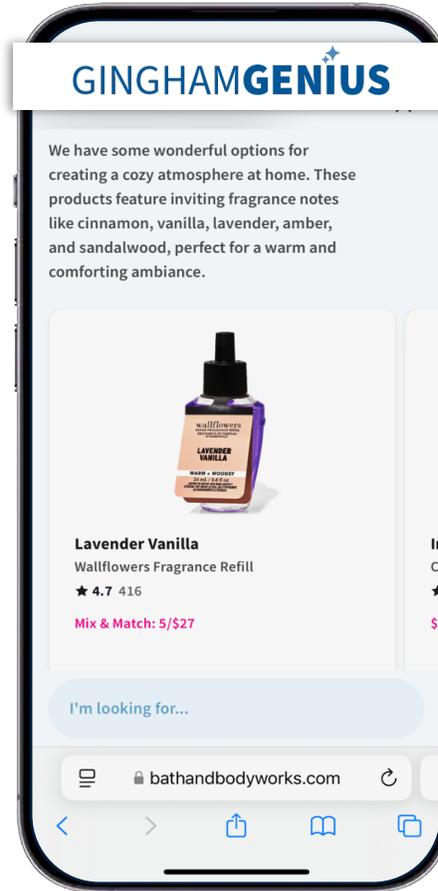
Marketing



Loyalty



Technology



We strive to improve the in-store and online customer experience, by investing in marketing, loyalty, and technology.

57% of stores in off-mall locations with a target mix now of 75% off-mall over time given continued consumer preference.

Achieved record high customer retention rates and improvement in attracting new-to-brand customers in Q4.

STRONG LOYALTY PROGRAM



~39M

Active¹ loyalty members as of the end of Q4 2024

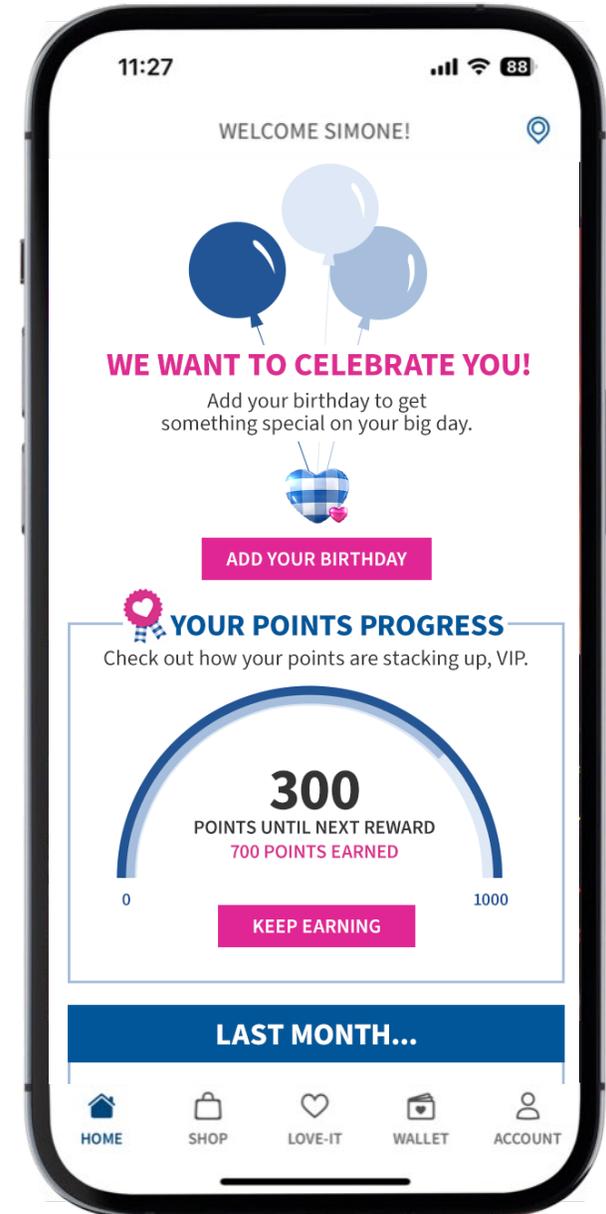
+ 6% to Q4 LY



Over 80%

Of 2024 U.S. sales driven by loyalty members

+ 2 pts to full year LY



1 - Active members of our loyalty program represent loyalty program members who have purchased at least once directly from the company during the preceding twelve-month period.

To provide the best sense of the health of the business, loyalty metrics in this presentation are all on a comparable calendar basis, which is the 13 weeks ended February 1, 2025, versus the 13 weeks ended February 3, 2024.

EXTEND OUR REACH



Growing adjacent categories and expanding internationally.

Adjacencies are an opportunity to expand and diversify our product portfolio, applying our fragrance expertise and leadership to large addressable markets.

Our adjacent categories of Men's, Hair, Lip and Laundry continue to perform well and represent approximately 10% of our business.

CUSTOMERS RESPONDING FAVORABLY TO INNOVATION



MEN'S

Men's is our largest adjacency, and we see significant opportunity as we continue to increase awareness.



LIP

Lip net sales were up ~50% year-over-year in the fourth quarter and we expect to launch exciting new lip products quarterly in 2025.



LAUNDRY

We are pleased with the full rollout and early performance of Laundry in 2024, and we expect to introduce new Laundry forms beyond detergent and boosters in the future.

INTERNATIONAL

International expansion remains an important pillar of our strategy and as we enter 2025, we expect the International business to return to topline growth.



Aeon Bukit Tinggi – Malaysia



Westfield Stratford - UK

OPERATIONAL EFFICIENCY & DISCIPLINED RETURN OF CAPITAL



**BEAUTY
PARK**

Ohio-based Beauty Park continues to be a significant advantage, driving speed and operational agility with 80% of our products manufactured in the US.

2-year Fuel for Growth program delivered over \$300 million of incremental cost savings, significantly exceeding our initial targets.

Taking a continuous improvement mindset to manage cost and enhance operational efficiencies.

Generated significant operating cash flow in 2024 – nearly \$900 million – and we remain disciplined in how we deploy that cash.

ENTERING 2025 WITH MOMENTUM

We believe our strategy and actions position the company to achieve sustainable, profitable growth, and to drive long-term shareholder value.



Poised to drive growth through our product innovation, marketing, and technology.



Building on innovation platforms we launched in 2024 and extend our reach through adjacencies and International expansion.



Turning to our 2025 outlook:

- Net sales growth of 1% to 3%
- Diluted EPS of \$3.25 to \$3.60



Q4 2024 FINANCIAL RESULTS

\$ in millions, except earnings per share

METRIC	ACTUALS 13 weeks	LY 14 weeks	GUIDANCE (November 25, 2024 ¹)
Net Sales	\$2,788, down 4.3%	\$2,912	Down 6.5% – Down 4.5%
Gross Profit Rate	46.7%	45.9%	~46.3%
SG&A Expense Rate	22.3%	22.0%	~22.4%
Operating Margin Rate	24.3%	23.9%	-
Net Non-Operating Expense	\$67	\$74	~\$70
Adjusted Net Non-Operating Expense	\$67	\$72	~\$70
Weighted Average Diluted Shares Outstanding	217 million	227 million	~217 million
Earnings Per Diluted Share	\$2.09	\$2.55	\$1.94 - \$2.07
Adjusted Earnings Per Diluted Share	\$2.09	\$2.06	\$1.94 - \$2.07

KEY HIGHLIGHTS

- Net sales of \$2.8B exceeded guidance and decreased 4.3% compared to prior year.
- The fourth quarter was negatively impacted by approximately 500 basis points from the shifted fiscal calendar and the 53rd week in 2023. We estimate there was also a ~150 basis point headwind from the shortened holiday calendar.
- Our net sales growth accelerated from the third quarter when normalized for these factors. Driven by positive dual-channel traffic and conversion, and growth in Body Care and Soaps & Sanitizers.
- Gross Profit rate expanded 80 basis points to the prior year and benefited from continued cost savings, distribution productivity and timing of certain costs.
- SG&A deleveraged by 30 basis points versus LY driven by investments in marketing, in line with our expectations.
- Our cost optimization work spans across both gross profit and SG&A and delivered benefits of ~\$40M in the quarter.

1- The company's fourth quarter guidance was provided as a part of the company's third quarter 2024 earnings materials.
Note: See Appendix for important information regarding the non-GAAP financial measures, including reconciliations of reported-to-adjusted results.

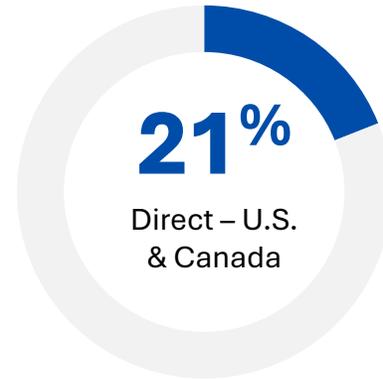
Q4 2024 NET SALES BY CHANNEL



\$2.1B

57% of North American fleet in off-mall locations.

-2.4% to Q4 LY
13 week TY vs. 14 week LY



\$595M

BOPIS net sales are recognized as store net sales, and we drove 45% growth in demand YoY.

BOPIS represented ~25% of direct demand in the year.

-9.4% to Q4 LY
13 week TY vs. 14 week LY



\$84M

International system-wide retail sales¹ up nearly 10% in the quarter on a calendar adjusted basis.

-10.1% to Q4 LY
13 week TY vs. 14 week LY

1 - There are two components to our total international system-wide retail sales: (1) royalties collected from franchise retail sales, and (2) wholesale revenue generated by the product we sell to our franchise partners. In aggregate, these are 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."

STORE COUNT AND COMPANY-OPERATED SELLING SQUARE FEET

Full Year 2024

Total Company-Operated Stores

	Stores				Selling Sq. Ft. (000's)			
	2/3/2024	Opened	Closed	2/1/2025	2/3/2024	Opened/ Remodels	Closed	2/1/2025
Bath & Body Works U.S.	1,739	104	(61)	1,782	4,916	285	(136)	5,066
Bath & Body Works Canada	111	2	-	113	314	11	-	325
Total Bath & Body Works	1,850	106	(61)	1,895	5,230	297	(136)	5,391

Total Partner-Operated Stores

	Stores			
	2/3/2024	Opened	Closed	2/1/2025
International	454	61	(21)	494
International – Travel Retail	31	5	(1)	35
Total International	485	66	(22)	529

FY 2025 GUIDANCE

\$ in millions, except earnings per share

METRIC	GUIDANCE (February 27, 2025)
Net Sales	up 1.0% – up 3.0%
Gross Profit Rate	~44%
SG&A Expense Rate	~27%
Net Non-Operating Expense	~\$255
Tax Rate	~26%
Weighted Average Diluted Shares Outstanding	~213 million
Earnings Per Diluted Share	\$3.25 - \$3.60
Capital Expenditures	\$250 - \$270
Free Cash Flow	\$750 - \$850

KEY HIGHLIGHTS

- We expect FY 2025 net sales growth of 1% to 3% versus prior year.
 - The midpoint of our guidance assumes growth consistent with the fourth quarter, when adjusting for calendar impacts and the headwind from the shorter 2024 holiday calendar.
- Gross profit rate expected to be approximately 44%, supported by cost discipline, offset by product innovation and investments in real estate.
- SG&A rate expected to be approximately 27%, in line with last year.
 - We continue to invest in technology, with spending up modestly versus 2024 and are continuing marketing investments of approximately 3.5% of net sales.
 - We expect a modest wrap-around benefit from our 2024 cost savings initiatives.
- We expect to repurchase approximately \$300M of shares in FY 2025.
- We have included the impact of China tariffs in our guidance. We have not included other potential tariffs in our guidance, due to the current uncertainty.

Q1 2025 GUIDANCE

\$ in millions, except earnings per share

METRIC	GUIDANCE (February 27, 2025)
Net Sales	up 1.0% to up 3.0%
Gross Profit Rate	~43.3%
SG&A Expense Rate	~30.2%
Net Non-Operating Expense	~\$65
Tax Rate	~29%
Weighted Average Diluted Shares Outstanding	~217 million
Earnings Per Diluted Share	\$0.36 - \$0.43

KEY HIGHLIGHTS

- We expect Q1 2025 net sales growth of between 1% and 3% versus prior year.
 - The midpoint of our guidance assumes growth consistent with the fourth quarter, when adjusting for calendar impacts and the headwind from the shorter 2024 holiday calendar.
- Gross profit rate expected to be approximately 43.3%, 50bps deleverage compared to prior year driven primarily by a higher mix into international net sales.
- SG&A rate expected to be approximately 30.2%, comparable to Q1 2024
- We have included the impact of China tariffs in our guidance. We have not included other potential tariffs in our guidance, due to the current uncertainty.

CAPITAL ALLOCATION HIGHLIGHTS

FY'24 Results

FY'25 Guidance

**Capital
Expenditures**

\$226M

\$245M Capital Investments¹

\$250M - \$270M

**Free Cash
Flow**

\$725M

Adjusted

\$750M - \$850M

**Dividend
Payments**

\$177M

\$0.80/share annual dividend

~\$170M

maintain \$0.80/share annual dividend

**Share
Repurchase**

\$400M

\$300M

**Debt Repayment
& Leverage**

\$514M

Principal senior notes
repurchases

2.5X

Gross adjusted
debt-to-EBITDAR

*No additional debt
paydown assumed*

STRONG BUSINESS MODEL

Our strategy is working, and we are beginning to see results.

We are laser focused on achieving sustainable, long-term profitable growth and creating value for our customers and shareholders.

LEADER IN ATTRACTIVE SPACES

Market leader in each of our 3 categories, Home Fragrance, Soaps & Sanitizers, and Body Care¹

HEALTHY MARGINS

~17% Operating Margins²

STRONG ADJUSTED FREE CASH FLOW

\$725M in FY'24

RETURNING CASH TO SHAREHOLDERS

\$177M FY'24 Dividends Paid

\$400M FY'24 Share Repurchases

1 - Source: Circana & BBW Internal Data, based on full year 2024 results

2 - Based on full year 2024 results

Note: See Appendix for important information regarding the non-GAAP financial measures, including reconciliations of adjusted results.

Q & A



Appendix

Other financial information



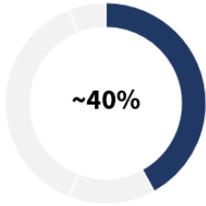
2024 CATEGORY HIGHLIGHTS

FY'24

(% of North American Sales)

2024 Highlights

Home
Fragrance



- Home Fragrance was flat to prior year and maintained market leadership and unit market share.
- In the second half of the year, home fragrance was up slightly to last year, an improvement to the first half of the year's performance.
- Rolled out Laundry to ~300 stores in Q1, ~800 stores in Q2, and all stores in Q3.

Body Care &
Fragrance



- Body Care was flat to prior year and maintained market leadership and unit market share.
- We successfully rolled out Everyday Luxuries to ~600 stores in Q1 and all stores during Q3 and expanded it to Men's in late Q4.
- Momentum in Men's remains strong, in Q4 we launched our first Men's Purchase With Purchase set for the holiday season.
- Rolled out Hair to all stores in Q1.
- Rolled out Lip fixture to ~100 stores in Q1 and nearly all stores by the end of Q3.

Soaps &
Sanitizers



- Soaps and Sanitizers were +1% to prior year and maintained market leadership and unit market share.
- Sanitizers performed well, with demand fueled by assortment innovation and market growth.
- Soap refills make up slightly less than 10% of soaps, grew nicely in the year.
- Rolled out new sanitizer form, 1oz Sprays, to all stores in Q3.

Other



- Had our largest gifting year ever as customers really responded to our gifts at a range of price points.
- Note: Other reflects gifting and accessories.

2024 CALENDAR IMPACTS

Vs. LY	Q1	Q2	Q3	Q4 ¹	Full Year
Net Sales Reported	(0.9%)	(2.1%)	3.0%	(4.3%)	(1.6%)
Calendar Shift & Extra Week in 2023	+200 bps	0 bps	+200 bps	(500) bps	(100) bps
Net Sales (excl. Calendar Shift)	(2.9%)	(2.1%)	1.0%	0.6%	(0.6%)

1 – Q4 also incurred an estimated ~150bps headwind from the shorter holiday calendar (fewer days between Black Friday and Christmas in 2024 vs. 2023).

DEBT MATURITIES

as of February 27, 2025

\$'s in Millions

\$1,000

\$900

\$800

\$700

\$600

\$500

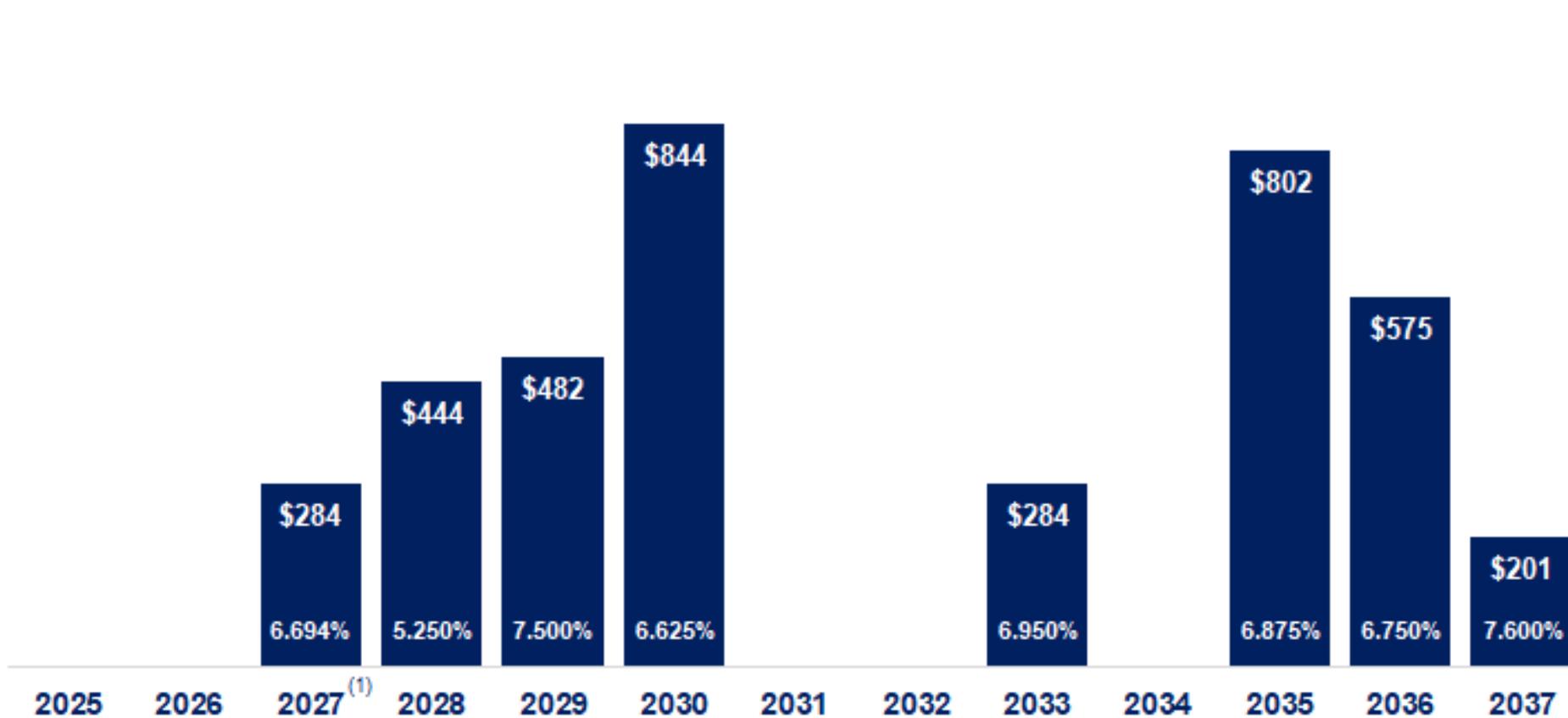
\$400

\$300

\$200

\$100

\$0



⁽¹⁾ The 2027 Notes mature on 1/15/27, which falls in fiscal year 2026.

ADJUSTED FINANCIAL INFORMATION – Q4 & FULL YEAR 2024

\$ in millions, except per share amounts

Reconciliation of Net Non-Operating Expense to Adjusted Net Non-Operating Expense

Reported Net Non-Operating Expense
Gain on Sales of Easton Investments
Gain on Extinguishment of Debt
Impairment of Equity Method Investment
Adjusted Net Non-Operating Expense

Fourth Quarter		Full Year	
2024	2023	2024	2023
(13 weeks)	(14 weeks)	(52 weeks)	(53 weeks)
\$67	\$74	\$238	\$265
-	-	39	-
-	6	-	34
-	(8)	-	(8)
<u>\$67</u>	<u>\$72</u>	<u>\$277</u>	<u>\$291</u>

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

Reported Net Income Per Diluted Share
Gain on Sales of Easton Investments
Gain on Extinguishment of Debt
Impairment of Equity Method Investment
Tax Effect of Adjustments included in Other Income
Tax Benefit from Valuation Allowance Release
Adjusted Net Income Per Diluted Share

\$2.09	\$2.55	\$3.61	\$3.84
-	-	(0.18)	-
-	(0.03)	-	(0.15)
-	0.04	-	0.04
-	-	0.06	0.03
-	(0.49)	(0.20)	(0.49)
<u>\$2.09</u>	<u>\$2.06</u>	<u>\$3.29</u>	<u>\$3.27</u>

The full year 2024 adjusted results exclude the following:

- A \$39 million aggregate pre-tax gain (\$25 million net of tax of \$14 million), included in other income, related to the sales of certain Easton investments, and a \$44 million tax benefit related to the release of a valuation allowance on a deferred tax asset.

The fourth quarter of 2023 adjusted results exclude the following:

- An \$8 million pre-tax impairment charge (\$6 million net of tax of \$2 million), included in other income, related to an equity method investment, a \$6 million pre-tax gain (\$5 million net of tax of \$1 million), included in other income, associated with the early extinguishment of outstanding notes, and a \$112 million tax benefit related to the partial release of a valuation allowance on a deferred tax asset.

The full year 2023 adjusted results exclude the following:

- An \$8 million pre-tax impairment charge (\$6 million net of tax of \$2 million), included in other income, related to an equity method investment, pre-tax gains of \$34 million (\$26 million net of tax of \$8 million), included in other income, associated with the early extinguishment of outstanding notes, and a \$112 million tax benefit related to the partial release of a valuation allowance on a deferred tax asset.

FREE CASH FLOW INFORMATION – FY 2024 & FY 2025

\$ in millions

	<u>Full-Year</u>
	<u>2024</u>
<u>Reconciliation of FY24 Net Cash Provided by Operating Activities to Adjusted Free Cash Flow</u>	
Net Cash Provided by Operating Activities	\$886
Capital Expenditures	(226)
Free Cash Flow	<u>660</u>
Tax Payments Related to Sales of Easton Investments ¹	<u>65</u>
Adjusted Free Cash Flow	<u><u>\$725</u></u>

	<u>Full-Year</u>	
	<u>2025</u>	
	<u>Low</u>	<u>High</u>
<u>Reconciliation of FY25 Forecasted Net Cash Provided by Operating Activities to Forecasted Free Cash Flow</u>		
Forecasted Net Cash Provided by Operating Activities	\$1,020	\$1,100
Forecasted Capital Expenditures	(270)	(250)
Forecasted Free Cash Flow	<u>\$750</u>	<u>\$850</u>

¹ - Full-year 2024 Adjusted Free Cash Flow excludes tax payments associated with the sales of certain Easton Investments.

Q4 2024 v Q4 2023 GENERAL, ADMINISTRATIVE AND STORE OPERATING EXPENSE SUMMARY

\$ in millions

	2024									
	Q1		Q2		Q3		Q4 (13 weeks)		YTD (52 weeks)	
	\$s	% of Net Sales	\$s	% of Net Sales	\$s	% of Net Sales	\$s	% of Net Sales	\$s	% of Net Sales
Selling Expenses	\$ 247	17.8%	\$ 261	17.1%	\$ 295	18.3%	\$ 388	13.9%	\$ 1,191	16.3%
Home Office & Marketing Expenses	172	12.5%	182	11.9%	187	11.6%	235	8.4%	777	10.6%
Total	\$ 419	30.3%	\$ 443	29.1%	\$ 482	30.0%	\$ 623	22.3%	\$ 1,968	26.9%
Net Sales	\$ 1,384		\$ 1,526		\$ 1,610		\$ 2,788		\$ 7,307	

	2023									
	Q1		Q2		Q3		Q4 (14 weeks)		YTD (53 weeks)	
	\$s	% of Net Sales	\$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%	\$ 398	13.7%	\$ 1,177	15.8%
Home Office & Marketing Expenses	172	12.3%	181	11.6%	178	11.4%	243	8.3%	774	10.4%
Total	\$ 415	29.7%	\$ 434	27.8%	\$ 461	29.5%	\$ 641	22.0%	\$ 1,951	26.3%
Net Sales	\$ 1,396		\$ 1,559		\$ 1,562		\$ 2,912		\$ 7,429	

	Change									
	Q1		Q2		Q3		Q4		YTD	
	\$s	% of Net Sales	\$s	% of Net Sales	\$s	% of Net Sales	\$s	% of Net Sales	\$s	% of Net Sales
Selling Expenses	\$ 4	40 bps	\$ 8	90 bps	\$ 12	20 bps	\$ (10)	20 bps	\$ 14	50 bps
Home Office & Marketing Expenses	-	20 bps	1	30 bps	9	20 bps	(8)	10 bps	3	20 bps
Total	\$ 4	60 bps	\$ 9	130 bps	\$ 21	50 bps	\$ (18)	30 bps	\$ 17	60 bps