

# Bath & Body Works®



# Why Bath & Body Works?



Market leader in product categories with loyal and large customer base



Ongoing newness in existing categories, expanding in new product categories and geographies



Strong product innovation and development capabilities



Consistent history of strong cash flow



Mostly domestic and highly agile supply chain



Experienced management team complemented by new leaders with diverse backgrounds



# Uniquely Differentiated Versus Competition

We Are Positioned at the Crossroads of Best-in-Class Vertical Retailer and CPG Business

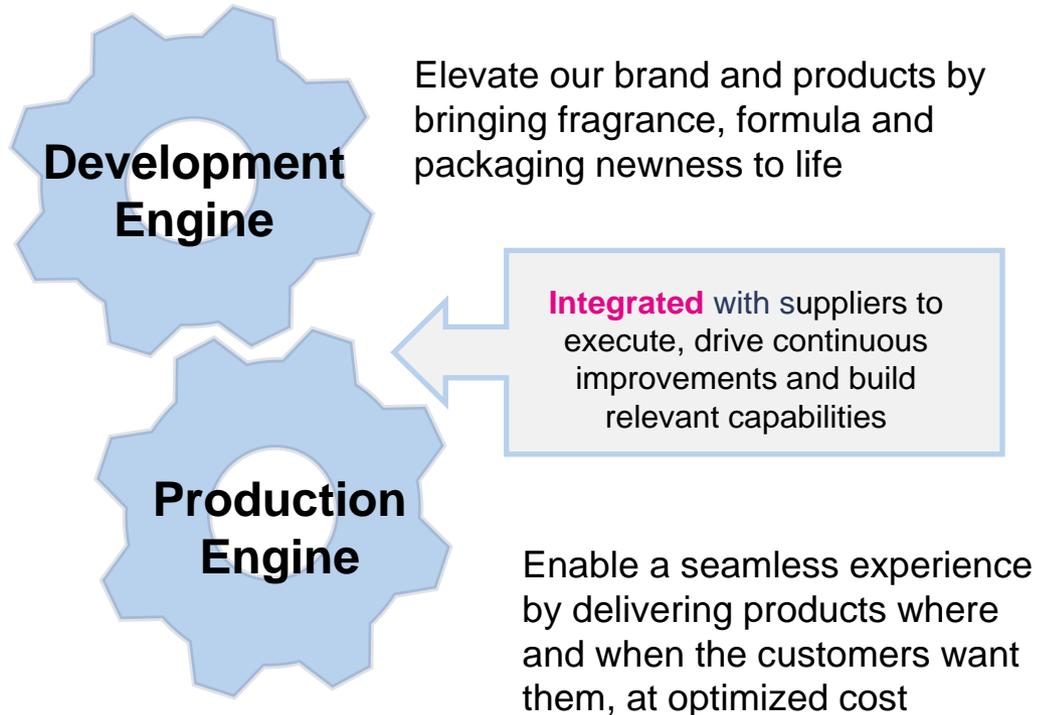
| Attributes   | Bath & Body Works                   | CPG Company                         | Best-in-Class Vertical Retailer     |
|--|-------------------------------------|-------------------------------------|-------------------------------------|
| Control channels of distribution (stores and digital)  | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| Frequent newness and product launches - website and floorsets change every 4-6 weeks                           | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| High “giftability” of products   | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| Passionate, knowledgeable sales associates; fun, engaging store experience                                     | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| Emotional connection between brand and customers   | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| Control innovation of product assortment, informed by global patterning and partnerships with fragrance houses | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| Replenishment-like qualities / Repeat business   | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| Consistent traffic driven by every day, "use-up" categories  | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| Vertically integrated supply chain management  | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |

# Our Business Is Enabled by an Agile Supply Chain

| Industry-leading speed in product development from concept to customer   | Formidable chase capabilities   | Long-term supplier relationships   | Predominately U.S. supply base   |
|--|---|--|--|
| <ul style="list-style-type: none"> <li>• ~7,000+ new SKUs launched each year across channels, including 260+ New Fragrances and 70+ New Formulas</li> <li>• Development teams in New York and Columbus</li> <li>• Fragrance developers, R&amp;D chemists and package engineers support product pipeline</li> </ul> | <ul style="list-style-type: none"> <li>• ~50% total production via speed replenishment model</li> <li>• Re-order speeds (Instant Program) as fast as 4 weeks to store: 146M units in 2023</li> <li>• Ability to leverage vertically integrated Beauty Park vendors</li> </ul> | <ul style="list-style-type: none"> <li>• ~50 strategic, vendor relationships provide deep capabilities across product categories</li> <li>• Numerous vendor relationships for 15+ years</li> <li>• Beauty Park vertically-integrated for 12+ years; responsible for ~55% of finished goods and ~30% of components</li> </ul> | <ul style="list-style-type: none"> <li>• Multi-sourced product and raw materials</li> <li>• 85% North American-based supply chain</li> </ul> |

# Uniquely Differentiated Supply Chain Operations: Integrated Development and Production Engines

Innovation, speed at scale, quality and agility fuels BBW's growth



## Enabling capabilities:

- ⚙️ Strategic Engagement
- 📊 Data & Analytics
- 🌱 Sustainability
- 🔧 Operational Excellence

# End-to-end control and flexibility from concept to customer

~85%

NORTH AMERICAN  
BASED SUPPLY CHAIN

~7,000

NEW SKUS LAUNCHED  
EACH YEAR



# Beauty Park Overview

A world-class vertical production campus with:

- Contract manufacturing
- Component production and packaging
- Gift set assembly

Partnerships with leading fragrance houses

**10+**  
STRATEGIC  
VENDORS

**~730M**  
FINISHED GOOD  
UNITS IN 2023

Bath & Body Works®



# Beauty Park Strategic Advantages



Agility and speed



Newness and innovation



Control and flexibility



Cost, quality and risk management



# Beauty Park History and Capabilities

## A World-class vertical production campus

•First units produced in 2011

•Contract manufacturing for:

- Body Creams
- Body Lotions
- Body Butters
- Hand Creams
- Candles
- Eau de parfums / Eau de toilettes
- Fragrance Mists
- Shower Gels
- Soaps
- Sanitizers
- Wallflower Bulbs
- Gifting Assembly

•Component production for:

- Body Care
- Home Fragrance
- Soaps and Sanitizers

**Bath & Body Works®**



# Beauty Park Strategic Vendors



CONTRACT  
MANUFACTURING

COMPONENT  
PRODUCTION  
AND PACKAGING

GIFT SET  
ASSEMBLY



In 2023

~55%

TOTAL FINISHED GOODS  
PRODUCTION

40+%

GROWTH IN FINISHED  
GOOD UNITS SINCE 2017

# Speed at Work – Foaming Soap

|                         | <b>BEFORE<br/>BEAUTY PARK</b>                               | <b>TODAY</b>                                       |
|-------------------------|---|--|
| <b>BOTTLE /<br/>CAP</b> | Canada to Virginia<br><b>~570 MILES</b>                     | Within Beauty Park<br><b>0.4 MILE</b>              |
| <b>PUMP</b>             | China to Virginia<br><b>~12,000 MILES</b><br>(boat + truck) | Within Beauty Park<br><b>0.3 MILE</b>              |
| <b>FILLING</b>          | Virginia to Columbus<br><b>~400 MILES</b>                   | Beauty Park to Columbus:<br><b>10 MILES</b>        |
|                         | <b>~12,970 MILES</b><br>12 weeks to distribution center     | <b>~11 MILES</b><br>3 weeks to distribution center |



# How Our Speed Menu Works

## Bath & Body Works



### Plan

Project inventory needs  
Typical season goal is to be ~60-70% bought in advance

Commit to portion in advance  
**< 100%**



### Read & React

Analyze early-season sales data

Adjust total production in-season up to  
**~40%**



### Chase

Maintain flexibility with reorder speeds as fast as **4-5 weeks**

Drive increased revenue from winners

## Others

Committed to 100% of planned production months in advance

At risk of shipping or logistical delays

Potential to be overbought at end of seasons

