

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 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): June 21, 2021

L Brands, Inc.

(Exact name of registrant as specified in charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

001-08344
(Commission
File Number)

31-1029810
(IRS Employer
Identification No.)

Three Limited Parkway
P.O. Box 16000
Columbus, Ohio 43230
Three Limited Parkway(Address of principal executive offices)

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

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 240.13e-4(c))

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.50 Par Value	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 (Sec.230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (Sec.240.12b-2 of this chapter).

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 7.01 Regulation FD Disclosure

On June 21, 2021, L Brands, Inc. (“LB”) issued a press release announcing the filing of a registration statement on Form 10 (“Form 10”) with the Securities and Exchange Commission by Victoria’s Secret & Co. (“VS”) in connection with LB’s previously announced separation of the Victoria’s Secret business into an independent, public company. A copy of the press release is furnished hereto as Exhibit 99.1. In addition, furnished hereto as Exhibit 99.2 is a presentation with information on the planned separation available on the investor relations section of LB’s website.

The information contained in this Item 7.01, including Exhibits 99.1 and 99.2 attached hereto, is being furnished and shall not be deemed filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of Section 18. Furthermore, the information contained in this report shall not be deemed to be incorporated by reference into any registration statement or other document filed pursuant to the Securities Act of 1933, as amended.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release issued by L Brands, Inc., dated June 21, 2021, announcing the filing of a registration statement on Form 10 by VS.
99.2	Supplemental Information Presentation dated June 21, 2021.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

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.

Date: June 21, 2021

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

Lbrands

L BRANDS, INC. ANNOUNCES PUBLIC FILING OF FORM 10 REGISTRATION STATEMENT FOR PLANNED SEPARATION OF VICTORIA'S SECRET AND AVAILABILITY OF INVESTOR PRESENTATION

COLUMBUS, Ohio (June 21, 2021)— L Brands, Inc. (NYSE: LB) today announced the public filing of a Form 10 registration statement with the U.S. Securities and Exchange Commission in connection with the previously announced separation of the Victoria's Secret business into an independent, public company. The new company, named Victoria's Secret & Co., will include Victoria's Secret Lingerie, PINK and Victoria's Secret Beauty.

The filing provides detailed information on Victoria's Secret's business, strategy and historical financial results.

"Today's filing is an important step toward creating two independent, public companies designed to thrive in an evolving retail environment," said Andrew Meslow, Chief Executive Officer of L Brands. "We believe Victoria's Secret and Bath & Body Works will achieve new levels of success and unlock significant value for all stakeholders by pursuing growth strategies best suited to each company's customer base and strategic objectives. I look forward to working with our exceptional Bath & Body Works team to continue to deliver category-leading product, engaging customer experiences and consistent results as we embark on our next chapter of growth."

Martin Waters, Chief Executive Officer, Victoria's Secret, added, "This is an exciting time for all of us at Victoria's Secret. The progress we have made over the last year underscores our commitment to driving profitable growth, creating new opportunities for our talented associates, and evolving our brand and products to reflect the diverse experiences, passions and perspectives of our customers. We look forward to building on our momentum as an independent, public company."

As previously announced, the separation is currently expected to be completed in August 2021, subject to certain customary conditions, including final approval by the L Brands Board of Directors and effectiveness of the Form 10 registration statement.

The Form 10 registration statement is available at www.sec.gov under "Victoria's Secret & Co." A presentation on the planned separation is available at www.lb.com.

ABOUT L BRANDS:

L Brands, through Bath & Body Works, Victoria's Secret and PINK, is an international company. The company operates 2,681 company-operated specialty stores in the United States, Canada and Greater China, in more than 700 franchised locations worldwide and through its websites worldwide.

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 report 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 report or otherwise made by our company or our management:

- the spin-off may not be consummated within the anticipated time period or at all;
 - disruption to our business in connection with the proposed spin-off and that we could lose revenue as a result of such disruption;
 - the spin-off may not be tax-free for U.S. federal income tax purposes;
-

- a loss of synergies from separating the businesses that could negatively impact the balance sheet, profit margins or earnings of both businesses or that the companies resulting from the spin-off do not realize all of the expected benefits of the spin-off;
 - the combined value of the common stock of the two publicly-traded companies will not be equal to or greater than the value of our common stock had the spin-off not occurred;
 - general economic conditions, 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 novel coronavirus (COVID-19) global pandemic has had and is expected to continue to have an adverse effect on our business and results of operations;
 - the seasonality of our business;
 - divestitures or other dispositions, including a spin-off of Victoria's Secret and related operations and contingent liabilities from businesses that we have divested;
 - difficulties arising from turnover in company leadership or other key positions;
 - our ability to attract, develop and retain qualified associates and manage labor-related costs;
 - 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 operate and 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 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 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, environmental hazards or natural disasters;
 - significant health hazards or pandemics, which could result in closed factories, reduced workforces, scarcity of raw materials, and scrutiny or embargoing of goods produced in infected areas;
 - 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;
 - 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;
- 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, printing or other order fulfillment logistics;
- 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 related effects;
- shareholder activism matters;
- our ability to maintain our credit rating;
- 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 report to reflect circumstances existing after the date of this report 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.

For further information, please contact:

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Media Relations
Brooke Wilson
(614) 415-6042
communications@lb.com

Lbrands

L Brands to Separate into Two Leading Retail Companies to Maximize Long-Term Value Creation

June 21, 2021



Forward Looking Statements

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

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Forward Looking Statements

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

- legal and regulatory matters;
- volatility in currency exchange rates;
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- our geographic concentration of vendor and distribution facilities in central Ohio;
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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.

Non-GAAP Financial Measures

This presentation contains financial measures which have not been calculated in accordance with United States generally accepted accounting principles ("GAAP"), because they are a basis upon which our management assesses our performance and we believe they reflect the underlying trends and indicators of our business. Although we believe these measures may be useful for investors for the same reasons, these financial measures should not be considered as an alternative to GAAP financial measures as a measure of the Company's financial condition, profitability and performance or liquidity. In addition, these financial measures may not be comparable to similar measures used by other companies. In the Appendix to this presentation, we provide further descriptions of these non-GAAP measures and reconciliations of these non-GAAP measures to the corresponding most closely related GAAP measures.

Creating Two Industry-Leading Independent Publicly Traded Retailers

Bath&BodyWorks



#1 Specialty Home Fragrance & Fragrant Body Care in North America

1,752 Stores Across the U.S. and Canada	299 International Franchise Locations	30% LTM Q1 2021 Digital Penetration
\$7.1bn LTM Q1 2021 Revenue	\$2.1bn LTM Q1 2021 Operating Income	

VICTORIA'S
SECRET

PINK

VICTORIA'S SECRET BEAUTY



#1 U.S. Lingerie Brand

929 Stores Across the U.S., Canada and China	458 International Franchise Locations	43% LTM Q1 2021 Digital Penetration
\$6.1bn LTM Q1 2021 Revenue	\$600mm LTM Q1 2021 Adjusted Operating Income ²	

Differentiated Long-Term (3-5 years) Targets

Mid to High-Single Digit Revenue Growth
Low to Mid-20's Operating Income Rate

Mid-Single Digit Revenue Growth
Mid-Teens Operating Income Rate

Source: ¹Data as of Q1 2021; ²See reconciliation of reported to adjusted results in the Appendix

Compelling Strategic Rationale for Separation



Creates two industry-leading, highly-focused retailers



Distinct strategic and management focus on specific operational and growth priorities



Differentiated investment opportunities, aligning each company with its natural shareholder base



Ability for the investment community to value each business independently and enhance shareholder value



Tailored capital deployment strategies based on each company's operating and financial model



Bath & Body Works at a Glance

Category Mix¹



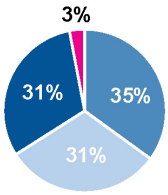
Body Care & Fragrance (~35%)



Home Fragrance (~40%)



Soaps & Sanitizers (~20%)



Balanced Channel Mix²

- US and Canada Stores - Mall
- US and Canada Stores - Non Mall
- Direct
- International

+47%³
Stores sales growth
Q1 '21 vs. Q1 '19

+123%
Digital net sales growth
Q1 '21 vs. Q1 '19

+127%⁴
Increase in operating
income Q1 '21 vs. Q1 '19

Investment Highlights

Category dominant: The Specialty Fragrance Retailer

Sustained track record of double-digit topline growth (12% prior 5-year CAGR) and success with true omnichannel presence including best-in-class digital penetration

Highly profitable across all locations in U.S. and Canada with a diverse real estate portfolio across venue tiers and types

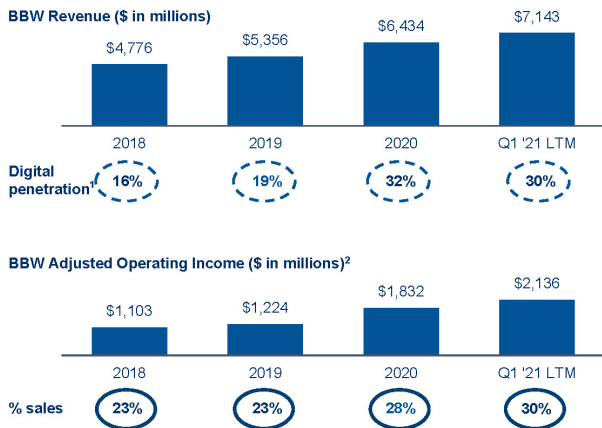
Numerous powerful levers to drive future growth at high and consistent margins

Highly-experienced management team with the right focus to execute on strategies for increased shareholder value

Source: ¹ Fiscal Year 2020 BBW net sales for US and Canada; ²Fiscal Year 2020 BBW net sales; ³U.S. and Canada store sales; ⁴BBW segment as reported

Continued Execution at Bath & Body Works Creates Opportunities for Long-Term Growth

Financial Summary



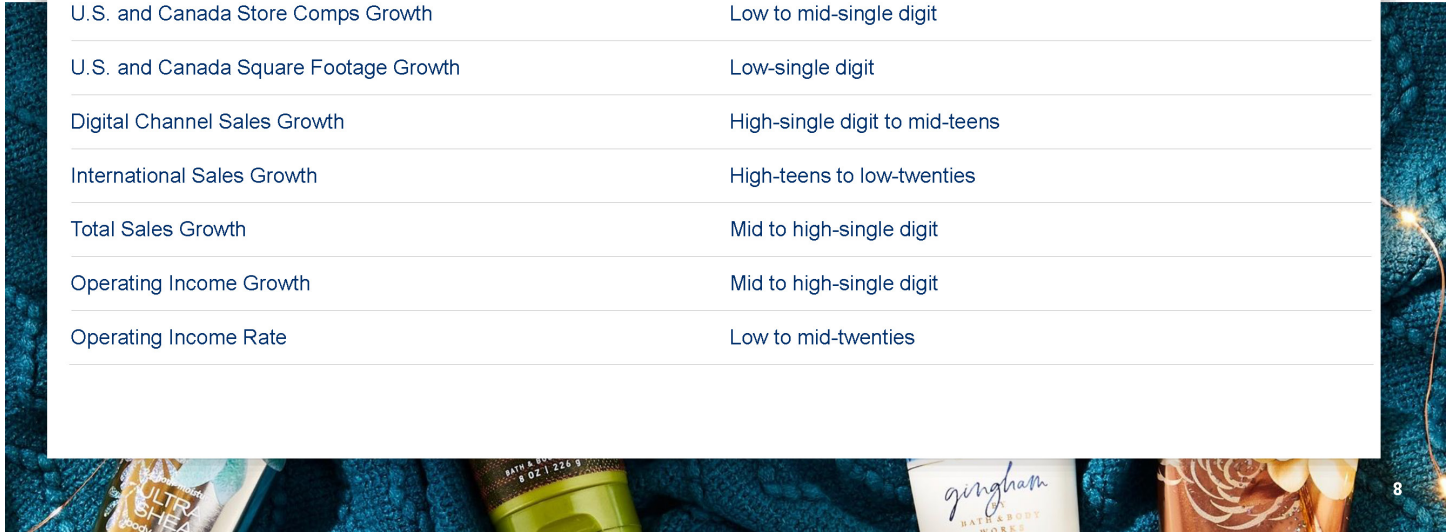
Growth Drivers

- **Growth in Existing Categories**
 - Will continue to innovate and drive the market through new forms, new fragrances and additional products
- **New or Adjacent Categories**
 - Opportunities for growth in new categories including hair care, skin care and organic/naturals product lines
- **Continued Momentum in Digital Channels**
 - Continuing to invest in capabilities to provide an exceptional customer experience
- **International Expansion**
 - Additional growth opportunities through expansion of geographies, stores and digital sales

Note: ¹ Bath & Body Works Digital net sales % of BBW U.S. and Canada ²See reconciliation of reported to adjusted results in the Appendix

Bath & Body Works – Three to Five Year Financial Targets

Metric	Target
U.S. and Canada Store Comps Growth	Low to mid-single digit
U.S. and Canada Square Footage Growth	Low-single digit
Digital Channel Sales Growth	High-single digit to mid-teens
International Sales Growth	High-teens to low-twenties
Total Sales Growth	Mid to high-single digit
Operating Income Growth	Mid to high-single digit
Operating Income Rate	Low to mid-twenties



Victoria's Secret at a Glance

VICTORIA'S SECRET

Victoria's Secret Lingerie (~50%)¹

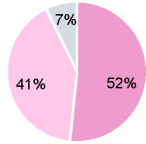
PINK

PINK (~35%)¹

VICTORIA'S SECRET BEAUTY

Victoria's Secret Beauty (~15%)¹

Balanced Channel Mix²



- U.S. and Canada Stores
- Digital
- International

+>\$220mm

Increase in operating income Q1 '21 vs. Q1 '19³

+44%

Digital net sales in Q1 '21 vs. Q1 '19

+80%

Store sales \$ per footstep Q1 '21 vs. Q1 '19

Investment Highlights

Two category-defining intimates and beauty brands with clearly defined purpose, mission and vision

Global scale at retail, delivered through three strategic channels: Digital, company operated stores and a largely franchised International channel

Tightly-controlled and highly responsive supply chains across intimates, apparel and beauty

Powerful levers to drive significant future top and bottom-line growth

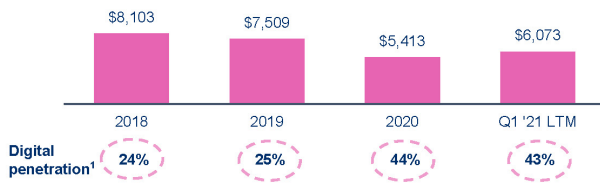
Highly-talented management team with deep industry experience

Source: ¹% of U.S. and Canada Retail Sales; ² Fiscal Year 2020 Victoria's Secret net sales; ³ Q1 2019 reflects historical adjusted operating income results for the 9 Victoria's Secret segment, adjusted for the allocation of corporate overhead.

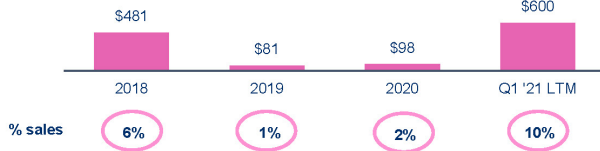
Victoria's Secret is Well Positioned for Long-Term Sustainable Growth

Financial Summary

Victoria's Secret Revenue (\$ in millions)



Victoria's Secret Adjusted Operating Income (\$ in millions)²



Growth Drivers

- **Evolve Merchandise Assortment and Marketing to Inspire Women Around the World with Products and Experiences that Uplift and Champion Them**
- **Continue to Drive Penetration and Growth in our Digital Channel**
 - Believe that our global brands and our scaled retail footprint in U.S. and Canada is a unique platform to continue to grow our digital business
 - Omni-channel initiatives, including buy online pick-up in store, and an increased focus on mobile and application interactions
- **Expand our International Business**
 - Increase our international store count, enabled by a new store design, lower costs and flexible store formats
 - Country-specific web platforms tailored to local languages and preferences and through additional regional expansion
- **Continue Optimizing Customer Experience through Elevated and Profitable Company-Operated Stores**
 - Refreshing existing stores and working towards a store of the future that will include smaller, more flexible space to meet the needs of our customer and accommodate shifting consumer preferences for omni-channel shopping

¹ Victoria's Secret digital sales % of VS U.S. and Canada ²See reconciliation of reported to adjusted results in the Appendix

Victoria's Secret – Three to Five Year Financial Targets

Metric	Target
Total Sales Growth	Mid-single digit
Digital Penetration	~50%
Operating Income Growth	High-single digit
Operating Income Rate	Mid-teens

Lbrands

Transaction Details



Pathway to Completion

Transaction Structure

Planned as a tax-free spin-off of Victoria's Secret to L Brands shareholders

Financial Implications

Both companies expected to be well-capitalized with flexibility to fund growth priorities and capital allocation strategies

Each company will set its own capital allocation policies

Timing & Other Matters

Expected to be completed by August 2021, subject to customary closing conditions including, but not limited to:

- Effectiveness of a Form 10 registration statement on file with the U.S. SEC
- Receipt of a tax opinion of legal counsel with respect to the tax-free nature of the separation
- Final approval from L Brands' Board of Directors

Public company leadership roles in place and Victoria's Secret & Co. board members named

Both businesses are planning investor days to further communicate strategy, growth opportunities and capital structure



Lbrands

Appendix



Bath & Body Works - Adjusted Operating Income Reconciliation
 (\$ in millions)

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>Q1 2021 TTM</u>	<u>Q1 2021</u>	<u>Q1 2020</u>
Operating Income - GAAP	\$ 1,103	\$ 1,224	\$ 1,821	\$ 2,125	\$ 380	\$ 76
Restructuring Charges ¹	\$ -	\$ -	\$ 11	\$ 11	\$ -	\$ -
Adjusted Operating Income	<u>\$ 1,103</u>	<u>\$ 1,224</u>	<u>\$ 1,832</u>	<u>\$ 2,136</u>	<u>\$ 380</u>	<u>\$ 76</u>
Adjusted Operating Income % of Sales	23%	23%	28%	30%	26%	10%

¹In the second quarter of 2020, we recognized pre-tax severance charges of \$11 million related to restructuring activities.

Victoria's Secret - Adjusted Operating Income (Loss) Reconciliation
(\$ in millions)

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>Q1 2021 TTM</u>	<u>Q1 2021</u>	<u>Q1 2020</u>
Operating Income (Loss) - GAAP	\$ 400	\$ (892)	\$ (101)	\$ 498	\$ 226	\$ (373)
Asset Impairments ¹	\$ 81	\$ 253	\$ 214	\$ 117	\$ -	\$ 97
Restructuring Charges ²	\$ -	\$ -	\$ 51	\$ 51	\$ -	\$ -
Hong Kong Store Closure and Lease Termination ³	\$ -	\$ -	\$ (36)	\$ (36)	\$ -	\$ -
Establishment of Victoria's Secret U.K. and Ireland Joint Venture ⁴	\$ -	\$ -	\$ (30)	\$ (30)	\$ -	\$ -
Impairment of Goodwill ⁵	\$ -	\$ 720	\$ -	\$ -	\$ -	\$ -
Adjusted Operating Income (Loss)	<u>\$ 481</u>	<u>\$ 81</u>	<u>\$ 98</u>	<u>\$ 600</u>	<u>\$ 226</u>	<u>\$ (276)</u>
Adjusted Operating Income % of Sales	6%	1%	2%	10%	15%	-31%

¹We recognized pre-tax impairment charges of \$97 million and \$117 million related to certain store and lease assets in the first and second quarter of 2020, respectively. We recognized pre-tax impairment charges of \$218 million and \$35 million related to certain store and lease assets in the third and fourth quarter of 2019, respectively. In the third quarter of 2018, we recognized an \$81 million pre-tax impairment charge related to certain store assets.

²In the second quarter of 2020, we recognized pre-tax severance charges of \$51 million related to restructuring activities.

³In the second quarter of 2020, we recognized a net pre-tax gain of \$36 million related to the closure and termination of our lease for the Hong Kong flagship store.

⁴In the third quarter of 2020, we recognized a pre-tax gain of \$30 million related to the establishment of a joint venture for the U.K. and Ireland business with Next PLC.

⁵In the fourth quarter of 2019, we recognized a \$690 million pre-tax goodwill impairment charge related to the North America reporting unit. In the third quarter of 2019, we recognized a \$30 million goodwill impairment charge (no tax impact) related to the Greater China reporting unit.