

Bath & Body Works®

**Third Quarter Earnings Presentation
November 17, 2021**

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 spin-off of Victoria’s Secret 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 Bath & Body Works or that Bath & Body Works does not realize all of the expected benefits of the spin-off;
- 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 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 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 impacted areas;
 - duties, taxes and other charges;
 - legal and regulatory matters;
 - volatility in currency exchange rates;
 - local business practices and political issues;

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

- 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, including those caused by inflation;
- our ability to adequately protect our assets from loss and theft;
- fluctuations in energy costs, including those caused by inflation;
- 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 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 2020 Annual Report on Form 10-K, as updated by the risk factors disclosed under Part II, "Item 1A. Risk Factors" in our Quarterly Report on Form 10-Q for the quarter ended July 31, 2021, the risk factors to be disclosed under Part II, "Item 1A. Risk Factors" in our Quarterly Report on Form 10-Q for the quarter ended October 30, 2021 to be filed with the Securities Exchange Commission, and our subsequent filings.

BATH & BODY WORKS, INC.
ADJUSTED CONSOLIDATED STATEMENTS OF INCOME FROM CONTINUING OPERATIONS
THIRTEEN WEEKS ENDED OCTOBER 30, 2021 AND OCTOBER 31, 2020
(Unaudited)
(Dollars in millions except per share amounts)

	<u>2021</u>	<u>2020</u>	<u>Increase (Decrease)</u>	<u>% Increase (Decrease)</u>
Net Sales	\$ 1,680.9	\$ 1,702.2	\$ (21.3)	-1%
Comparable Store Sales	-2%	38%		
Comparable Sales	-7%	56%		
Gross Profit	838.8	862.7	(23.9)	-3%
% of Sales	49.9%	50.7%	(80 bps)	
General, Administrative and Store Operating Expenses	430.3	426.6	3.7	1%
% of Sales	25.6%	25.1%	50 bps	
Operating Income	<u>408.5</u>	<u>436.1</u>	(27.6)	-6%
% of Sales	24.3%	25.6%	(130 bps)	
Interest Expense and Other	<u>92.4</u>	<u>118.2</u>	(25.8)	-22%
Income from Continuing Operations Before Income Taxes	316.1	317.9	(1.8)	-1%
Provision for Income Taxes	71.3	81.7	(10.4)	-13%
% of Pre-Tax Income	22.6%	25.7%		
Net Income from Continuing Operations	<u>\$ 244.8</u>	<u>\$ 236.2</u>	\$ 8.6	4%
% of Sales	14.6%	13.9%	70 bps	
Net Income from Continuing Operations Per Diluted Share	<u>\$ 0.92</u>	<u>\$ 0.83</u>	\$ 0.09	11%
Weighted Average Shares Outstanding	<u>267.0</u>	<u>283.0</u>		

BATH & BODY WORKS, INC.
ADJUSTED CONSOLIDATED STATEMENTS OF INCOME FROM CONTINUING OPERATIONS
THIRTY-NINE WEEKS ENDED OCTOBER 30, 2021 AND OCTOBER 31, 2020
(Unaudited)

(Dollars in millions except per share amounts)

	<u>2021</u>	<u>2020</u>	<u>Increase (Decrease)</u>	<u>% Increase (Decrease)</u>
Net Sales	\$ 4,854.1	\$ 3,715.9	\$ 1,138.2	31%
Comparable Store Sales	-6%	45%		
Comparable Sales	-8%	70%		
Gross Profit	2,408.9	1,689.3	719.6	43%
% of Sales	49.6%	45.5%	410 bps	
General, Administrative and Store Operating Expenses	1,279.0	924.8	354.2	38%
% of Sales	26.3%	24.9%	140 bps	
Operating Income	<u>1,129.9</u>	<u>764.5</u>	365.4	48%
% of Sales	23.3%	20.6%	270 bps	
Interest Expense and Other	<u>302.7</u>	<u>312.0</u>	(9.3)	-3%
Income from Continuing Operations Before Income Taxes	827.2	452.5	374.7	83%
Provision for Income Taxes	196.7	131.2	65.4	50%
% of Pre-Tax Income	23.8%	29.0%		
Net Income from Continuing Operations	<u>\$ 630.5</u>	<u>\$ 321.3</u>	\$ 309.2	96%
% of Sales	13.0%	8.6%	440 bps	
Net Income from Continuing Operations Per Diluted Share	<u>\$ 2.28</u>	<u>\$ 1.14</u>	\$ 1.14	100%
Weighted Average Shares Outstanding	<u>277.2</u>	<u>280.7</u>		

BATH & BODY WORKS, INC.
CONSOLIDATED CONDENSED BALANCE SHEETS
(Unaudited)
(In thousands)

	<u>October 30, 2021</u>	<u>October 31, 2020</u>
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 1,441,424	\$ 2,432,992
Accounts Receivable, Net	242,243	161,493
Inventories	1,149,336	883,458
Other	152,451	71,226
Current Assets of Discontinued Operations	-	1,377,669
	<hr/>	<hr/>
Total Current Assets	2,985,454	4,926,838
Property and Equipment, Net	1,017,465	1,063,982
Operating Lease Assets	1,023,309	874,976
Goodwill	628,236	628,236
Trade Names	164,700	164,700
Deferred Income Taxes	61,666	58,641
Other Assets	149,777	279,079
Noncurrent Assets of Discontinued Operations	-	3,164,279
	<hr/>	<hr/>
TOTAL ASSETS	\$ 6,030,607	\$ 11,160,731
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)		
Current Liabilities		
Accounts Payable	\$ 655,821	\$ 552,963
Accrued Expenses and Other	636,170	870,940
Current Operating Lease Liabilities	143,223	182,010
Income Taxes	1,434	111,682
Current Liabilities of Discontinued Operations	-	1,612,079
	<hr/>	<hr/>
Total Current Liabilities	1,436,648	3,329,674
Deferred Income Taxes	145,640	117,345
Long-Term Debt	4,851,616	6,363,988
Long-Term Operating Lease Liabilities	992,516	856,988
Other Long-Term Liabilities	281,475	163,287
Long-Term Liabilities of Discontinued Operations	-	1,893,463
Shareholders' Equity (Deficit)	<hr/> (1,677,288)	<hr/> (1,564,014)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)	\$ 6,030,607	\$ 11,160,731

Bath&BodyWorks®

Bath & Body Works, Inc.
2021 Outlook as of November 17, 2021

Metric

Fourth Quarter

Net Sales	Up in the mid- to high-single digit percentage range compared to LY
Gross Margin Rate	Down significantly compared to 51.7% LY
SG&A Expense Dollars	Up in the low-single digit percentage range compared to \$537 million LY
Net Non-Operating Expense	Approximately \$90 million
Tax Rate (before discrete items)	About 25 - 26%
Weighted Average Shares Outstanding	Approximately 261 million
Earnings Per Share	Between \$2.10 and \$2.25

BATH & BODY WORKS, INC.
COMPANY - OPERATED STORE COUNT AND SELLING SQ FT
2021 Forecast

	Beginning of Year	New Stores	Closures	Total Reconstructions and Change in SSF	End of Year	Increase / (Decrease)	
Bath & Body Works							
Bath & Body Works							
Store Count	1,633	53	(40)	74	1,646	13	1%
Selling Sq Ft 000's	4,344	161	(89)	61	4,476	133	3%
Bath & Body Works - Canada							
Store Count	103	1	-	5	104	1	1%
Selling Sq Ft 000's	262	3	-	5	270	8	3%
Total BBW Company - Operated							
Store Count	1,736	54	(40)	79	1,750	14	1%
Selling Sq Ft 000's	4,606	163	(89)	66	4,747	141	3%

**BATH & BODY WORKS, INC.
INTERNATIONAL STORE COUNT
2021 FORECAST**

	<u>2020 Year End</u>	<u>2021 New Stores</u>	<u>2021 Closures</u>	<u>2021F Year End</u>
<u>Bath & Body Works International</u>				
<u>Partner - Operated Stores</u>				
International	270	56 to 58	(8 to 9)	317 to 320
International - Travel Retail	18	3 to 7	(0 to 1)	20 to 25
Total International	<u>288</u>	<u>59 to 65</u>	<u>(8 to 10)</u>	<u>337 to 345</u>

APPENDIX

BATH & BODY WORKS, INC.
CONSOLIDATED STATEMENTS OF INCOME (LOSS)
THIRTEEN WEEKS ENDED OCTOBER 30, 2021 AND OCTOBER 31, 2020
(Unaudited)
(In thousands except per share amounts)

	2021	2020
Net Sales	\$ 1,680,905	\$ 1,702,176
Costs of Goods Sold, Buying and Occupancy	<u>(842,149)</u>	<u>(839,471)</u>
Gross Profit	838,756	862,705
General, Administrative and Store Operating Expenses	<u>(430,258)</u>	<u>(426,649)</u>
Operating Income	408,498	436,056
Interest Expense	(90,761)	(119,317)
Other Loss	<u>(90,773)</u>	<u>(51,531)</u>
Income from Continuing Operations before Income Taxes	226,964	265,208
Provision for Income Taxes	<u>49,910</u>	<u>69,068</u>
Net Income from Continuing Operations	177,054	196,140
Income (Loss) from Discontinued Operations, Net of Tax	<u>(89,249)</u>	<u>134,442</u>
Net Income	<u>\$ 87,805</u>	<u>\$ 330,582</u>
Net Income (Loss) Per Diluted Share		
Continuing Operations	\$ 0.66	\$ 0.69
Discontinued Operations	<u>\$ (0.33)</u>	<u>\$ 0.48</u>
Total Net Income Per Diluted Share	<u>\$ 0.33</u>	<u>\$ 1.17</u>
Weighted Average Shares Outstanding	<u>266,994</u>	<u>283,001</u>

BATH & BODY WORKS, INC.
CONSOLIDATED STATEMENTS OF INCOME (LOSS)
THIRTY-NINE WEEKS ENDED OCTOBER 30, 2021 AND OCTOBER 31, 2020
(Unaudited)
(In thousands except per share amounts)

	2021	2020
Net Sales	\$ 4,854,110	\$ 3,715,910
Costs of Goods Sold, Buying and Occupancy	<u>(2,445,187)</u>	<u>(2,026,491)</u>
Gross Profit	2,408,923	1,689,419
General, Administrative and Store Operating Expenses	<u>(1,279,009)</u>	<u>(954,452)</u>
Operating Income	1,129,914	734,967
Interest Expense	(301,146)	(316,815)
Other Loss	<u>(196,191)</u>	<u>(47,863)</u>
Income from Continuing Operations before Income Taxes	632,577	370,289
Provision for Income Taxes	<u>149,910</u>	<u>62,527</u>
Net Income from Continuing Operations	482,667	307,762
Income (Loss) from Discontinued Operations, Net of Tax	<u>255,945</u>	<u>(323,644)</u>
Net Income (Loss)	<u>\$ 738,612</u>	<u>\$ (15,882)</u>
Net Income (Loss) Per Diluted Share		
Continuing Operations	\$ 1.74	\$ 1.10
Discontinued Operations	\$ 0.92	\$ (1.15)
Total Net Income (Loss) Per Diluted Share	<u>\$ 2.67</u>	<u>\$ (0.06)</u>
Weighted Average Shares Outstanding	<u>277,153</u>	<u>280,694</u>

BATH & BODY WORKS, INC.
ADJUSTED FINANCIAL INFORMATION FROM CONTINUING OPERATIONS
THIRTEEN WEEKS ENDED OCTOBER 30, 2021 AND OCTOBER 31, 2020
(Unaudited)
(In thousands except per share amounts)

	<u>2021</u>			<u>2020</u>		
	Reported		Adjusted	Reported		Adjusted
	Cont. Operations	Adjustments	Cont. Operations	Cont. Operations	Adjustments	Cont. Operations
Net Sales	\$ 1,680,905	\$ -	\$ 1,680,905	\$ 1,702,176	\$ -	\$ 1,702,176
Costs of Goods Sold, Buying & Occupancy	(842,149)	-	(842,149)	(839,471)	-	(839,471)
Gross Profit	838,756	-	838,756	862,705	-	862,705
General, Administrative and Store Operating Expenses	(430,258)	-	(430,258)	(426,649)	-	(426,649)
Operating Income	408,498	-	408,498	436,056	-	436,056
Interest Expense	(90,761)	-	(90,761)	(119,317)	-	(119,317)
Other Income (Loss)	(90,773)	89,145	(1,628)	(51,531)	52,668	1,137
Income from Continuing Operations Before Income Taxes	226,964	89,145	316,109	265,208	52,668	317,876
Provision for Income Taxes	49,910	21,417	71,327	69,068	12,640	81,708
Net Income from Continuing Operations	<u>\$ 177,054</u>	<u>\$ 67,728</u>	<u>\$ 244,782</u>	<u>\$ 196,140</u>	<u>\$ 40,028</u>	<u>\$ 236,168</u>
Net Income from Continuing Operations Per Diluted Share	<u>\$ 0.66</u>		<u>\$ 0.92</u>	<u>\$ 0.69</u>		<u>\$ 0.83</u>
Weighted Average Shares Outstanding	<u>266,994</u>		<u>266,994</u>	<u>283,001</u>		<u>283,001</u>

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

BATH & BODY WORKS, INC.
ADJUSTED FINANCIAL INFORMATION FROM CONTINUING OPERATIONS
THIRTY-NINE WEEKS ENDED OCTOBER 30, 2021 AND OCTOBER 31, 2020
(Unaudited)
(In thousands except per share amounts)

	2021			2020		
	Reported Cont. Operations	Adjustments	Adjusted Cont. Operations	Reported Cont. Operations	Adjustments	Adjusted Cont. Operations
Net Sales	\$ 4,854,110	\$ -	\$ 4,854,110	\$ 3,715,910	\$ -	\$ 3,715,910
Costs of Goods Sold, Buying & Occupancy	(2,445,187)	-	(2,445,187)	(2,026,491)	-	(2,026,491)
Gross Profit	2,408,923	-	2,408,923	1,689,419	-	1,689,419
General, Administrative and Store Operating Expenses	(1,279,009)	-	(1,279,009)	(954,452)	29,572	(924,880)
Operating Income	1,129,914	-	1,129,914	734,967	29,572	764,539
Interest Expense	(301,146)	-	(301,146)	(316,815)	-	(316,815)
Other Income (Loss)	(196,191)	194,610	(1,581)	(47,863)	52,668	4,805
Income from Continuing Operations Before Income Taxes	632,577	194,610	827,187	370,289	82,240	452,529
Provision for Income Taxes	149,910	46,754	196,664	62,527	68,713	131,240
Net Income from Continuing Operations	<u>\$ 482,667</u>	<u>\$ 147,856</u>	<u>\$ 630,523</u>	<u>\$ 307,762</u>	<u>\$ 13,527</u>	<u>\$ 321,289</u>
Net Income from Continuing Operations Per Diluted Share	<u>\$ 1.74</u>		<u>\$ 2.28</u>	<u>\$ 1.10</u>		<u>\$ 1.14</u>
Weighted Average Shares Outstanding	<u>277,153</u>		<u>277,153</u>	<u>280,694</u>		<u>280,694</u>

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

BATH & BODY WORKS, INC.
NOTES TO RECONCILIATION OF GAAP FINANCIAL MEASURES
TO NON-GAAP FINANCIAL MEASURES
(Unaudited)

The “Adjusted Financial Information from Continuing Operations” provided in the attached reflects the following non-GAAP financial measures:

Fiscal 2021

In the third quarter of 2021, adjusted results exclude the following:

- An \$89.1 million pre-tax loss (\$67.7 million net of tax of \$21.4 million), included in other income (loss), associated with the early extinguishment of outstanding notes.

In the second quarter of 2021, there were no adjustments to results.

In the first quarter of 2021, adjusted results exclude the following:

- A \$105.5 million pre-tax loss (\$80.1 million net of tax of \$25.4 million), included in other income (loss), associated with the early extinguishment of outstanding notes.

Fiscal 2020

In the third quarter of 2020, adjusted results exclude the following:

- A \$52.7 million pre-tax loss (\$40.0 million net of tax of \$12.7 million), included in other income (loss), associated with the early extinguishment of outstanding notes.

In the second quarter of 2020, adjusted results exclude the following:

- A \$29.6 million charge (\$23.9 million net of tax of \$5.7 million), included in general, administrative and store operating expenses, related to previously announced restructuring actions.

In the first quarter of 2020, adjusted results exclude the following:

- A \$50.4 million tax benefit related to the resolution of certain tax matters.

The Adjusted Financial Information from Continuing Operations should not be construed as an alternative to the reported results determined in accordance with generally accepted accounting principles. Further, the Company’s definitions of adjusted income information may differ from similarly titled measures used by other companies. Management believes that the presentation of adjusted financial information provides additional information to investors to facilitate the comparison of past and present operations. While it is not possible to predict future results, management believes the adjusted financial information is useful for the assessment of the ongoing operations of the Company because the adjusted items are not indicative of the Company’s ongoing operations due to their size and nature. Additionally, management uses adjusted financial information as key performance measures of results of operations for the purpose of evaluating performance internally. The Adjusted Financial Information from Continuing Operations should be read in conjunction with the Company’s historical financial statements and notes thereto contained in the Company’s quarterly reports on Form 10-Q and annual report on Form 10-K.

BATH & BODY WORKS, INC.
COMPANY - OPERATED STORES AND SELLING SQUARE FOOTAGE
At October 30, 2021 and October 31, 2020

	October 30, 2021		October 31, 2020	
	Stores	Selling Sq. Ft. (000's)	Stores	Selling Sq. Ft. (000's)
Bath & Body Works U.S.	1,672	4,514	1,643	4,360
Bath & Body Works Canada	103	267	103	262
Total Bath & Body Works Company - Operated	<u>1,775</u>	<u>4,781</u>	<u>1,746</u>	<u>4,622</u>

BATH & BODY WORKS, INC.**2021 Selected Data****(Unaudited)****(In thousands)**

	<u>2021</u>	<u>2020</u>
Capital Expenditures		
First Quarter	\$ 45,242	\$ 27,962
Second Quarter	<u>66,524</u>	<u>25,667</u>
Spring Season	111,766	53,629
Third Quarter	64,780	35,056
Fourth Quarter	<u>-</u>	<u>12,367</u>
Year	\$ 176,546	\$ 101,052
Depreciation & Amortization		
First Quarter	\$ 48,924	\$ 48,684
Second Quarter	<u>50,605</u>	<u>46,378</u>
Spring Season	99,529	95,062
Third Quarter	52,166	48,398
Fourth Quarter	<u>-</u>	<u>50,656</u>
Year	\$ 151,695	\$ 194,116

Note: The amounts above are only reflective of long-lived assets that remained with Bath & Body Works, Inc. following the Victoria's Secret spin-off.