

**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): May 18, 2023

Bath & Body Works, Inc.

(Exact Name of Registrant
as Specified in Its Charter)

Delaware

(State or Other Jurisdiction of Incorporation)

1-8344

(Commission File Number)

31-1029810

(IRS Employer Identification No.)

**Three Limited Parkway
Columbus, OH**

(Address of Principal Executive Offices)

43230

(Zip Code)

(614) 415-7000

(Registrant's Telephone Number, Including Area Code)

Not Applicable

(Former Name or Former Address, if Changed Since Last Report)

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	BBWI	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 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§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 2.02. Results of Operations and Financial Condition**and****Item 7.01. Regulation FD Disclosure.**

The following information, including Exhibit 99.1, is being furnished pursuant to Item 2.02, “Results of Operations and Financial Condition” and Item 7.01, “Regulation FD Disclosure” and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

On May 18, 2023, Bath & Body Works, Inc. issued a press release setting forth its unaudited financial results for the first quarter of 2023 and its earnings guidance for the second quarter of 2023. In addition, the press release contains updated earnings guidance for the full-year 2023. A copy of the press release is attached hereto as Exhibit 99.1 and is hereby incorporated by reference.

Item 9.01. Financial Statements and Exhibits.

[Exhibit 99.1](#) Press Release of Bath & Body Works, Inc., dated May 18, 2023.

Exhibit 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.

Bath & Body Works, Inc.

Date: May 18, 2023

By: /s/ WENDY C. ARLIN

Wendy C. Arlin

Chief Financial Officer

Bath & Body Works®

Bath & Body Works Reports First Quarter 2023 Earnings Results

Exceeds First Quarter Earnings Per Share Guidance and Increases Earnings Per Share Outlook for the Full-Year 2023

COLUMBUS, Ohio, May 18, 2023 -- Bath & Body Works, Inc. (NYSE: BBWI) today reported first quarter 2023 results.

Gina Boswell, CEO of Bath & Body Works, commented, "We delivered first quarter sales in line with our expectations while our EPS was better than anticipated as we saw benefits from our work to improve merchandise margin as well as early benefits from our cost optimization initiatives. I want to thank our team for their continued dedication and efforts in delivering innovation and newness to our customers as well as leveraging the agility of our vertically integrated supply chain to meet demand and capture market opportunities. In addition, we maintained our intense focus on efficiency and navigated the ongoing challenging macroeconomic environment. Looking forward, we are moving quickly and implementing our plans to profitably grow sales and drive long-term value for our shareholders. I remain excited about the opportunities ahead, and I am confident that the future is bright for Bath & Body Works."

First Quarter 2023 Results

The company reported net sales of \$1.396 billion for the first quarter ended April 29, 2023, a decrease of 4% compared to net sales of \$1.450 billion for the first quarter ended April 30, 2022.

The company reported earnings per diluted share of \$0.35 for the first quarter of 2023, compared to \$0.64 for the same period of the prior year. First quarter operating income was \$181 million compared to \$280 million last year, and net income was \$81 million compared to \$155 million last year.

Reported first quarter 2023 net income includes a \$7 million pre-tax gain (\$5 million after-tax gain) associated with the early extinguishment of debt, resulting from the open market repurchase and retirement of \$84 million principal amount of the company's senior notes during the first quarter.

Excluding the gain on the early extinguishment of debt, adjusted first quarter 2023 earnings per diluted share were \$0.33 and adjusted net income was \$76 million.

At the conclusion of this press release is a reconciliation of reported-to-adjusted results.

2023 Outlook

The company has updated its full-year forecast to reflect better-than-expected bottom line results and the impact of the gain on the early extinguishment of debt in the first quarter.

For fiscal 2023, the company reiterates its forecast of flat net sales to a mid-single digit decline compared to \$7.560 billion in 2022. The company now expects full-year 2023 earnings per diluted share to be between \$2.70 and \$3.10, compared to \$3.40 in 2022. The company expects full-year 2023 adjusted earnings per diluted share to be between \$2.68 and \$3.08. The company's adjusted earnings per diluted share forecast excludes the gain on the early extinguishment of debt associated with the open market repurchase and retirement of \$84 million principal amount of the company's senior notes during the first quarter.

Fiscal 2023 will include a 53rd week, with the fourth quarter of fiscal 2023 consisting of 14 weeks. The company's full-year outlook includes the impact of the 53rd week, estimated at 7 cents per diluted share.

The company expects second quarter net sales to decline low- to mid-single digits compared to \$1.618 billion in the second quarter of 2022. Second quarter earnings per diluted share are expected to be between \$0.27 and \$0.32, compared to \$0.52 earnings per diluted share in the second quarter of 2022.

The company's second quarter and full-year outlook exclude the impact of any future debt or share repurchase activity.

Earnings Call and Additional Information

Bath & Body Works, Inc. will conduct its first quarter earnings call at 9:00 a.m. Eastern on May 18. To listen, call 1.888.946.7609 (international dial-in number: 1.517.308.9411); conference ID 6362067. For an audio replay, call 1.888.566.0470 (international replay number: 1.203.369.3050); conference ID 6362067 or log onto www.BBWInc.com.

ABOUT BATH & BODY WORKS

Home of America's Favorite Fragrances®, Bath & Body Works is a global leader in personal care and home fragrance, including top-selling collections for fine fragrance mist, body lotion and body cream, 3-wick candles, home fragrance diffusers and liquid hand soap. Powered by agility and innovation, the company's predominantly U.S.-based supply chain enables the company to deliver quality, on-trend luxuries at affordable prices. Bath & Body Works serves and delights customers however and wherever they want to shop, from welcoming, in-store experiences at more than 1,800 company-operated Bath & Body Works locations in the U.S. and Canada and more than 435 international franchised locations to an online storefront at bathandbodyworks.com.

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 press release 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 press release 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;
- 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;
- the impact of the transition from London Interbank Offered Rate and our ability to adequately manage such transition;
- 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 press release to reflect circumstances existing after the date of this press release 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.

For further information, please contact:

Bath & Body Works, Inc.:

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BATH & BODY WORKS, INC.
First Quarter 2023

Total Sales (In millions):

	First Quarter 2023	First Quarter 2022	% Inc/ (Dec)
Stores - U.S. and Canada	\$ 1,034	\$ 1,059	(2 %)
Direct - U.S. and Canada	280	318	(12 %)
International (a)	82	73	13 %
Total Bath & Body Works	\$ 1,396	\$ 1,450	(4 %)

(a) Results include royalties associated with franchised stores and wholesale sales.

Total Company-Operated Stores:

	Stores 1/28/2023	Opened	Closed	Stores 4/29/2023
United States	1,693	16	(8)	1,701
Canada	109	—	—	109
Total Bath & Body Works	1,802	16	(8)	1,810

Total Partner-Operated Stores:

	Stores 1/28/2023	Opened	Closed	Stores 4/29/2023
International	401	9	—	410
International - Travel Retail	26	—	—	26
Total International	427	9	—	436

BATH & BODY WORKS, INC.
CONSOLIDATED STATEMENTS OF INCOME
THIRTEEN WEEKS ENDED APRIL 29, 2023 AND APRIL 30, 2022
(Unaudited)
(In millions, except per share amounts)

	2023	2022
Net Sales	\$ 1,396	\$ 1,450
Costs of Goods Sold, Buying and Occupancy	(800)	(781)
Gross Profit	596	669
General, Administrative and Store Operating Expenses	(415)	(389)
Operating Income	181	280
Interest Expense	(89)	(89)
Other Income	20	1
Income Before Income Taxes	112	192
Provision for Income Taxes	31	37
Net Income	<u>\$ 81</u>	<u>\$ 155</u>
Net Income per Diluted Share	<u>\$ 0.35</u>	<u>\$ 0.64</u>
Weighted Average Diluted Shares Outstanding	<u>230</u>	<u>243</u>

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

	<u>April 29, 2023</u>	<u>April 30, 2022</u>
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 1,046	\$ 651
Accounts Receivable, Net	145	167
Inventories	771	820
Other	118	114
Total Current Assets	<u>2,080</u>	<u>1,752</u>
Property and Equipment, Net	1,223	1,059
Operating Lease Assets	1,072	1,058
Goodwill	628	628
Trade Name	165	165
Deferred Income Taxes	37	44
Other Assets	158	154
Total Assets	<u>\$ 5,363</u>	<u>\$ 4,860</u>
LIABILITIES AND EQUITY (DEFICIT)		
Current Liabilities:		
Accounts Payable	\$ 426	\$ 470
Accrued Expenses and Other	585	534
Current Operating Lease Liabilities	165	163
Income Taxes	101	73
Total Current Liabilities	<u>1,277</u>	<u>1,240</u>
Deferred Income Taxes	168	157
Long-term Debt	4,781	4,856
Long-term Operating Lease Liabilities	1,032	1,019
Other Long-term Liabilities	275	246
Total Equity (Deficit)	<u>(2,170)</u>	<u>(2,658)</u>
Total Liabilities and Equity (Deficit)	<u>\$ 5,363</u>	<u>\$ 4,860</u>

BATH & BODY WORKS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(In millions)

	First Quarter	
	2023	2022
Operating Activities:		
Net Income	\$ 81	\$ 155
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation of Long-lived Assets	63	53
Share-based Compensation Expense	7	12
Gain on Extinguishment of Debt	(7)	—
Changes in Assets and Liabilities:		
Accounts Receivable	81	72
Inventories	(63)	(111)
Accounts Payable, Accrued Expenses and Other	(113)	(97)
Income Taxes Payable	23	35
Other Assets and Liabilities	(28)	(53)
Net Cash Provided by Operating Activities	<u>\$ 44</u>	<u>\$ 66</u>
Investing Activities:		
Capital Expenditures	\$ (93)	\$ (88)
Other Investing Activities	(1)	—
Net Cash Used for Investing Activities	<u>\$ (94)</u>	<u>\$ (88)</u>
Financing Activities:		
Payments for Long-term Debt	\$ (74)	\$ —
Repurchases of Common Stock	—	(1,227)
Dividends Paid	(46)	(48)
Tax Payments related to Share-based Awards	(8)	(26)
Other Financing Activities	(7)	(5)
Net Cash Used for Financing Activities	<u>\$ (135)</u>	<u>\$ (1,306)</u>
Effects of Exchange Rate Changes on Cash and Cash Equivalents	\$ (1)	\$ —
Net Decrease in Cash and Cash Equivalents	<u>(186)</u>	<u>(1,328)</u>
Cash and Cash Equivalents, Beginning of Year	<u>1,232</u>	<u>1,979</u>
Cash and Cash Equivalents, End of Period	<u>\$ 1,046</u>	<u>\$ 651</u>

BATH & BODY WORKS, INC.
ADJUSTED FINANCIAL INFORMATION
(Unaudited)
(In millions, except per share amounts)

	First Quarter	
	2023	2022
<u>Reconciliation of Reported Net Income to Adjusted Net Income</u>		
Reported Net Income	\$ 81	\$ 155
Gain on Extinguishment of Debt	(7)	—
Tax Effect of Gain on Extinguishment of Debt	2	—
Adjusted Net Income	\$ 76	\$ 155
<u>Reconciliation of Reported Earnings Per Diluted Share to Adjusted Earnings Per Diluted Share</u>		
Reported Earnings Per Diluted Share	\$ 0.35	\$ 0.64
Gain on Extinguishment of Debt	(0.03)	—
Tax Effect of Gain on Extinguishment of Debt	0.01	—
Adjusted Earnings Per Diluted Share	\$ 0.33	\$ 0.64

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

BATH & BODY WORKS, INC.
ADJUSTED FORECASTED FINANCIAL INFORMATION
(Unaudited)

	<u>Full-Year</u>	
	<u>2023</u>	
<u>Reconciliation of Forecasted Earnings Per Diluted Share to Adjusted Forecasted Earnings Per Diluted Share</u>		
Forecasted Earnings Per Diluted Share	\$ 2.70	— \$ 3.10
Gain on Extinguishment of Debt		(0.03)
Tax Effect of Gain on Extinguishment of Debt		0.01
Adjusted Forecasted Earnings Per Diluted Share	<u>\$ 2.68</u>	<u>— \$ 3.08</u>

The company's forecast excludes the impact of any future debt or share repurchase activity.

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” provided in the attached reflects the following non-GAAP financial measures:

Fiscal 2023

In the first quarter of 2023, adjusted results exclude the following:

- A \$7 million pre-tax gain (\$5 million net of tax of \$2 million), included in other income, associated with the early extinguishment of outstanding notes.

Fiscal 2022

In the first quarter of 2022, there were no adjustments to results.

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

Fiscal 2023

Forecasted full-year 2023 adjusted results exclude the following:

- A \$7 million pre-tax gain (\$5 million net of tax of \$2 million), included in other income for the first quarter of 2023, associated with the early extinguishment of outstanding notes.
- The company's forecast of adjusted earnings per diluted share excludes the impact of any future debt or share repurchase activity.

The Adjusted Financial Information and Adjusted Forecasted Financial Information should not be construed as an alternative to the 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 and Adjusted Forecasted Financial Information 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.