

BBWI FOURTH QUARTER EARNINGS UPDATE**JANUARY 6, 2022**

- Happy new year! Bath & Body Works is providing this additional commentary related to its press release today updating fourth quarter earnings guidance.
- Any forward-looking statements contained in this commentary are subject to the safe harbor statement found in our SEC filings.
- Holiday (November and December) sales were above expectations with strong customer response across all categories. Fragrant body care and home fragrance sales increased substantially compared to last year. As expected, soap and sanitizer sales were down compared to last year, but up meaningfully compared to 2019.
- Overall holiday promotional activity was consistent with our projections. Customers responded well to our key promotional events, and business in the week before Christmas was strong.
- We are currently in our semi-annual sale, which started the day after Christmas. It is currently performing below our expectations, and we will continue to make promotional adjustments to end the year with clean inventories.
- We expect total fourth quarter sales at the high end of our guidance for a mid- to high-single digit percent increase compared to 2020.
- We expect our fourth quarter gross margin rate to be down significantly compared to last year, consistent with the guidance we provided on our third quarter earnings call. As noted on that call, this decline is the result of inflationary cost increases which have only been partially offset by retail price increases.
- We expect that fourth quarter earnings per share will be at the high end of our previous guidance of \$2.10 to \$2.25, compared to earnings per share from continuing operations of \$1.96 in 2020.
- We will report fourth quarter earnings on Feb. 23, 2022.

- Thank you for your continuing interest in Bath & Body Works.