Bath&BodyWorks®

Q2 2024 RESULTS & 2024 GUIDANCE

August 28, 2024

Q2 EARNINGS CALL PARTICIPANTS

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Forward-Looking Statements

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," "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 presentation or otherwise made by our company or our management:

- 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 seasonality of our business;
- 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, wholesale and other distribution-related partners;
- our direct channel business;
- our ability to protect our reputation and our brand image;
- our ability to attract customers with marketing, advertising, promotional programs and our loyalty program;
- 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 and expand 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, 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; or
  - changing expectations regarding product safety due to new legislation;
- our ability to successfully complete environmental, social and governance initiatives, and associated costs thereof;
- the geographic concentration of third-party manufacturing facilities and our 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;
- the spin-off of Victoria's Secret may not be tax-free for U.S. federal income tax purposes;
- 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;
- 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 make share repurchases under share repurchase authorizations;
- 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 2023 Annual Report on Form 10-K, as filed with the Securities and Exchange Commission, and our subsequent filings.

Taking actions to drive growth in our core portfolio, extend our reach to new adjacencies and markets, use our agile model to adapt to a dynamic environment, and optimize our business to reduce costs and expand margin

Q2 2024 Financial Results

Delivered net sales in line with guidance and adjusted EPS exceeded expectations

Net sales results driven by semi-annual sale (SAS) performance and more value-conscious consumer due to choppier macroeconomic environment

Adjusted EPS outperformance driven by continued improvements in merchandise margin and solid execution on our Fuel for Growth initiatives

$1.5B

Net Sales

-2.1% YoY
-1% Ex. SAS

41%

Gross Margin

+110 bp to LY

12%

Operating Margin

Flat to LY

$0.37

Adjusted Diluted EPS

-7% to LY
Adjusted EPS

Note: See Appendix for important information regarding the non-GAAP financial measures, including reconciliations of reported-to-adjusted results.

Fortifying our operating foundation while building a platform for growth through our five key strategies

1. **ELEVATING** THE BRAND & PRODUCT
2. **EXTENDING** OUR REACH
3. **ENGAGING** WITH CUSTOMERS
4. **ENABLING** SEAMLESS OMNI-CHANNEL
5. **ENHANCING** OPERATIONAL EXCELLENCE

ELEVATE *The Brand & Product*

Bringing the power of fragrance to elevate staple categories through exceptional product quality

We work with the world's top fragrance houses, to bring customers the affordable luxuries they come to expect

Innovating across portfolio and leveraging vertically integrated model

Good / Better / Best strategy to meet customers where they are with product they will love and trust

ELEVATING THE BRAND

INNOVATION

Recently launched Everyday Luxuries collection and Stranger Things Part 2 collaboration in all North American stores

EVERYDAY LUXURIES

STRANGER THINGS (PART 2)

EXTEND *Our Reach*

Growing new categories, opening new store locations, and expanding internationally

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Men's, Hair, Lip and Laundry performing well, particularly with existing customers, but taking time to build brand awareness and attract greater number of "new to brand" customers

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North American real estate portfolio remains healthy, with approximately 55% of stores now in off-mall locations

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Nearly 500 international locations as of the end of Q2; accelerating growth to now expecting approximately 50 net new locations in 2024 from prior plan of at least 35

EXTENDING OUR REACH

ACCELERATING INTERNATIONAL GROWTH

Our partners opened the first stand-alone store in London and the first shop-in-shop in South Korea; both are performing above expectations

ENGAGE *with Customers*

Our Net Promoter Score, one way we measure customer engagement and satisfaction, is consistently in the top quartile of retailers measured

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Advancing loyalty program and technology roadmap remains on-track

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Over 37M active loyalty members at the end of Q2, up 8% compared to prior year

ENGAGING WITH CUSTOMERS

STRONG LOYALTY PROGRAM

Over 37M

Active[1] loyalty members as of the end of Q2 2024

+ 8% to Q2 LY

Over 80%

Of year-to-date U.S. sales driven by loyalty members

+ 6 pts to Q2 YTD LY

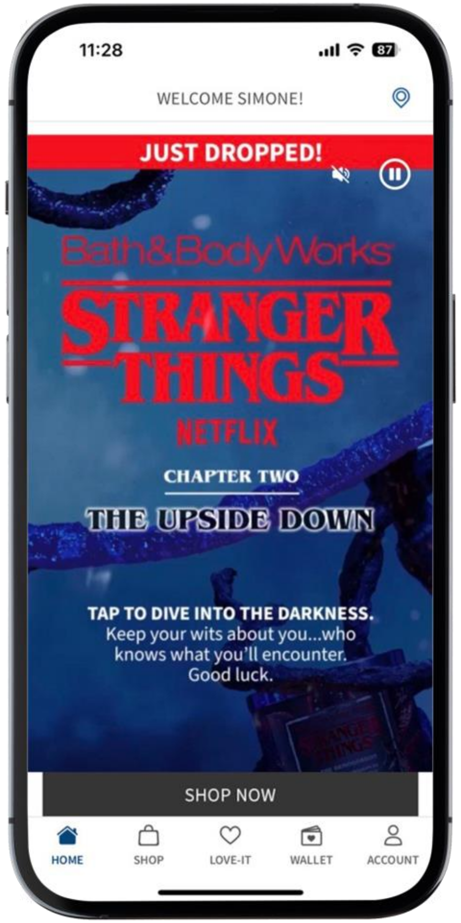
1 - Active members of our loyalty program represent loyalty program members who have purchased at least once directly from the company during the preceding twelve-month period.

To provide the best sense of the health of the business, loyalty metrics in this presentation are all on a comparable calendar basis, which is the 13 weeks ended August 3, 2024, versus the 13 weeks ended August 5, 2023.

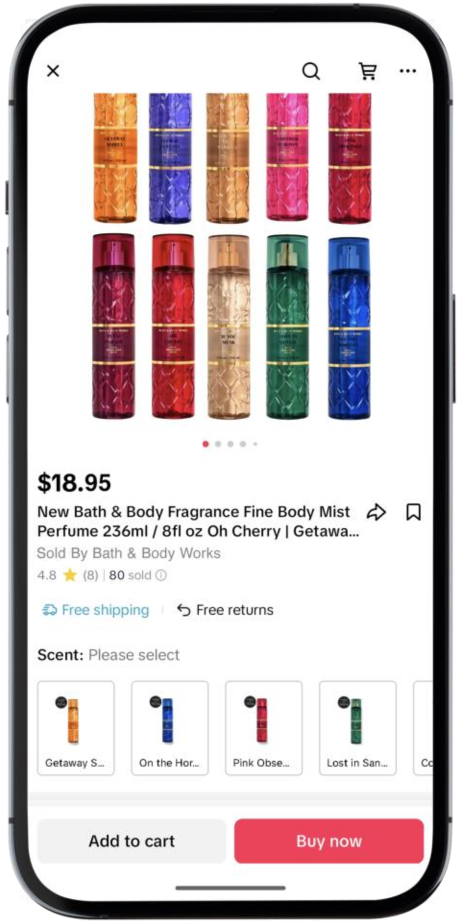
ENABLE

Seamless Omnichannel

Mobile App



TikTok Shop



Putting in place the foundational tools and systems needed to support future growth

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Recently upgraded our mobile app

Launching a BBW TikTok shop in Q3

Launching our Generative AI fragrance finder, Gingham Genius, in Q4

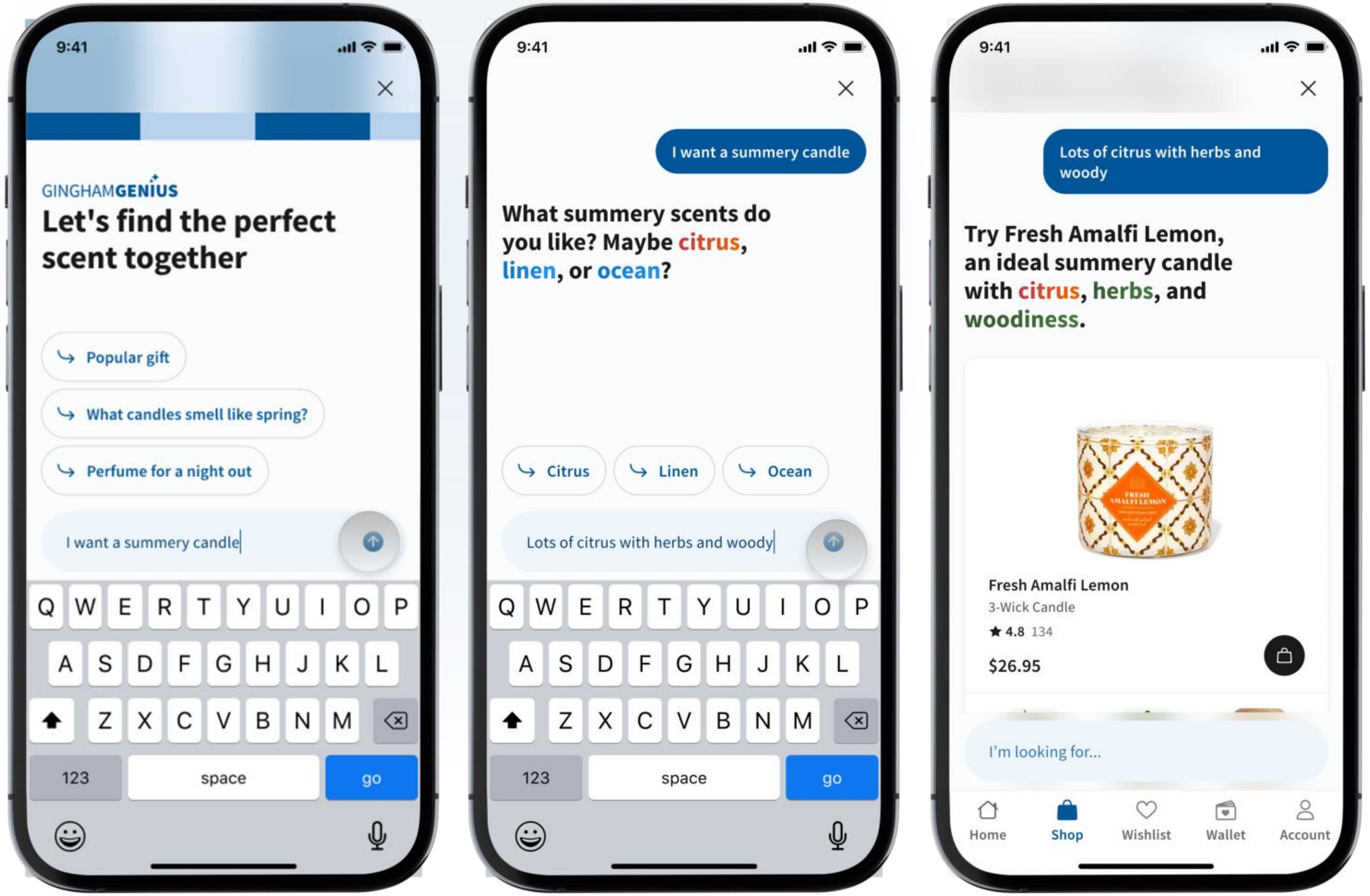
ENGAGING WITH CUSTOMERS

GINGHAM GENIUS

by Bath&BodyWorks

FRAGRANCE FINDER

AI Fragrance Finder to launch in Q4, providing customers with personalized experience leveraging large language models (LLMs) and the power of our data



ENHANCE

Operational Excellence

Increasing our 2024 cost savings guidance to $130 million from $100 million

The two-year program, that started in 2023, is now expected to deliver $280 million in run rate savings, up from the initial plan of $200 million

2H 2024 Actions We Are Taking

Focused on executing with precision

Executing with precision and continuing to bring newness to customers

Demonstrating our strong value proposition across our product assortment

Key launches in 2H will be supported with integrated marketing

Strong Business Model

High-margin business model and cash flow generation position us to invest in our 5 key strategies, which we expect will drive our return to growth

Leader in Attractive Spaces

#1 in Home Fragrance and Soaps & Sanitizers, #2 in Body Care[1]

Healthy Margins

17% Operating Margins[2]

Strong Adjusted Free Cash Flow

$675M to $775M forecasted in FY24

Returning Cash to Shareholders

$400M from $300M

Increased FY24 share repurchase forecast

1 - Source: Circana & BBW Internal Data

2 – Based on midpoint of full year guidance.

Note: See Appendix for important information regarding the non-GAAP financial measures, including reconciliations of adjusted results.

Bath & Body Works®

Q2 2024 North American Category Performance

Maintained Overall Unit Market Share YTD

Body Care

- Body Care results impacted by SAS performance
- Men's continued to be one of our fastest growing subcategories
- Lip fixture rolled out to nearly all North American stores
- Travel continued to perform well

Q2 sales down low-single digits; YTD unit market share declined slightly

Home Fragrance

- Candles continued to decline from last year; macro normalization continued, but at moderating pace
- Narrowed assortment of single wick candles contributed to decline

Q2 sales down low-single digits; YTD unit market share grew slightly

Soaps & Sanitizers

- Sanitizers significantly impacted by exit of full-size form
- Soap refills, making up slightly less than 10% of soaps, grew nicely in the quarter

Q2 sales down mid-single digits; YTD unit market share declined

To provide the best sense of the health of the business, category metrics in this presentation are all on a comparable calendar basis.

Customers Responding Favorably to Innovation

MEN’S

Men’s continues to be one of our fastest growing categories in Body Care

LIP

Expanded Lip assortment to nearly all NA stores, Lip sales doubled in those stores YTD

LAUNDRY

Laundry rolling out to all U.S. stores by end of September, launching national advertising campaign

HAIR

Hair continued to drive new customers to the category

"Prestige-inspired" Everyday Luxuries rolling out to all stores in Q3 following successful Q1 test in 600 stores

Stranger Things Part 2 and other to-come brand collaborations are fueling excitement & buzz with customers

Building on the success with on-trend fragrances, like Vanilla and Milk

Generating Excitement in Our Core Categories

Bath&BodyWorks

Value-based product offerings like soap refills and small size product, like Travel, both grew nicely in the quarter

AMERICA'S MOST LOVED CANDLE BRAND

High concentration of rich Fragrance Oils

Room-filling fragrance (approx. 25-45 hours)

Only at Bath&BodyWorks

America's Most Loved Candle Brand provides tremendous quality for the money, marketing to reassert product attributes

Q2 2024 Financial Results

$ in millions, except earnings per share

METRIC	ACTUALS	LY	GUIDANCE (JUNE 4, 2024[1])
Net Sales	**$1,526, down 2.1%**	**$1,559**	**Down 2% - Flat**
Gross Profit Rate	**41.0%**	**39.9%**	**~40%**
SG&A Expense Rate	**29.1%**	**27.8%**	**~29%**
Operating Margin Rate	**12.0%**	**12.0%**	**—**
Net Non-Operating Expense	**$30**	**$61**	**~$65**
Adjusted Net Non-Operating Expense	**$69**	**$70**	
Weighted Average Diluted Shares Outstanding	**223 million**	**229 million**	**~224 million**
Earnings Per Diluted Share	**$0.68**	**$0.43**	**$0.31 - $0.36**
Adjusted Earnings Per Diluted Share	**$0.37**	**$0.40**	

1- The company's second quarter guidance was provided as a part of the company's first quarter 2024 earnings materials.
Note: See Appendix for important information regarding the non-GAAP financial measures, including reconciliations of reported-to-adjusted results.

Key Highlights

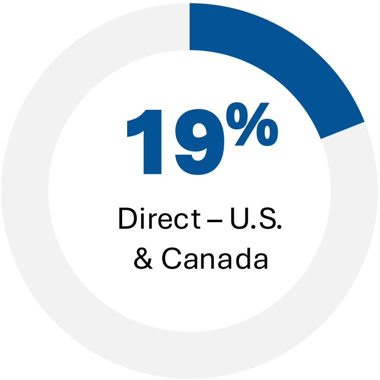
- Net sales were $1.5 billion and declined 2.1% compared to the prior year.
  - Net sales declined primarily driven by semi-annual sales performance and a more value conscious consumer due to a choppier macroeconomic environment.
- Merchandise margin rate improved 130 basis points year-over-year, exceeding expectations.
- AUR +1%, driven by mix.
- Buying and occupancy expense deleveraged driven by real estate investments and sales decline.
- SG&A deleveraged by 130 basis points versus last year driven by investments in marketing and wage inflation, partially offset by benefits from our cost optimization initiatives.
- Our cost optimization work spans across both gross profit and SG&A and delivered benefits of ~$40 million in the quarter.

Q2 2024 Net Sales by Channel

$1.1B

Approximately 55% of North American fleet in off-mall locations

-0.3% to Q2 LY



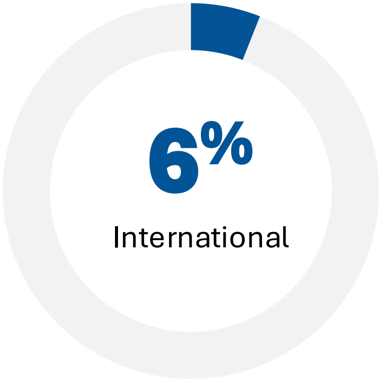
$297M

BOPIS net sales are recognized as store net sales, and we delivered ~60% growth in demand year-over-year.

BOPIS represents ~23% of direct demand, year to date

Adjusted for BOPIS, direct outperformed stores

-9.7% to Q2 LY



$89M

International system-wide retail sales[1] up double-digits outside of areas affected by the war in the Middle East.

+2.2% to Q2 LY

1 - There are two components to our total international system-wide retail sales: (1) royalties collected from franchise retail sales, and (2) wholesale revenue generated by the product we sell to our franchise partners. In aggregate, these are the net sales of all Bath & Body Works stores and digital channels located outside North America and owned and/or operated by the company's franchise, license and wholesale partners. While total international system-wide retail sales are not recorded as net sales by the company, management believes the information is important in understanding the company's financial performance because these sales are the basis on which the company calculates and records certain net sales for its International business and are indicative of the financial health of the company's franchise, license and wholesale partners and the prospects for growth of the company's International business.

Store Count and Company-Operated Selling Square Feet

Q2 2024 Actuals

Total Company-Operated Stores

	Stores				Selling Sq. Ft. (000's)			
	2/3/2024	Opened	Closed	8/3/2024	2/3/2024	Opened/ Remodels	Closed	8/3/2024
Bath & Body Works U.S.	1,739	40	(18)	1,761	4,916	114	(41)	4,989
Bath & Body Works Canada	111	-	-	111	314	2	-	316
Total Bath & Body Works	**1,850**	**40**	**(18)**	**1,872**	**5,230**	**116**	**(41)**	**5,305**

Total Partner-Operated Stores

	Stores			
	2/3/2024	Opened	Closed	8/3/2024
International	454	25	(13)	466
International – Travel Retail	31	-	-	31
Total International	**485**	**25**	**(13)**	**497**

FY 2024 Guidance

$ in millions, except earnings per share

METRIC	GUIDANCE (August 28, 2024[1])	GUIDANCE (June 4, 2024)
Net Sales	**Down 4% - Down 2%**	**Down 2.5% - Flat**
Gross Profit Rate	**~44%**	**~43.7%**
SG&A Expense Rate	**~27%**	**~26.7%**
Adjusted Net Non-Operating Expense	**~$280**	**~$270**
Adjusted Tax Rate	**~26.5%**	**~27%**
Weighted Average Diluted Shares Outstanding	**~222 million**	**~224 million**
Adjusted Earnings Per Diluted Share	**$3.06 - $3.26**	**$3.05 - $3.35**
Capital Expenditures	**~$250**	**$300 - $325**
Adjusted Free Cash Flow	**$675 - $775**	**$675 - $775**

1 - Our guidance now includes the expectation to repurchase $400 million of shares in FY24, up from our previous expectation of $300 million.

Note: See Appendix for important information regarding the non-GAAP financial measures, including reconciliations to adjusted results.

Key Highlights

- Net sales results to range between down 4% to down 2% year-over-year.
  - The 53rd week in 2023, represents a headwind of approximately 100 basis points to our 2024 growth.
- Cost Savings Initiative is now expected to be $130M in 2024, up from $100M
  - Majority of savings are being generated in five areas: transportation costs, store labor and selling productivity efficiencies, call center optimization, home office expenses and indirect spend.
  - The benefits of our cost optimization work are expected to impact gross profit and SG&A at a split of approximately 60 and 40 percent, respectively.
- We now expect gross profit rate to be approximately 44% and SG&A rate to be 27%.
  - Gross profit rate represents improvement in merchandise margin and deleverage in B&O expense as a percent to net sales driven by our investments in store real estate.
  - SG&A expense rate expected to deleverage, driven by higher marketing investment and wage inflation, partially offset by cost optimization initiatives.

Q3 2024 Guidance

$ in millions, except earnings per share

METRIC	GUIDANCE (August 28, 2024)
Net Sales	**Flat – Up 2.5%**
Gross Profit Rate	**~43.5%**
SG&A Expense Rate	**~30.5%**
Net Non-Operating Expense	**~$70**
Tax Rate	**~27%**
Weighted Average Diluted Shares Outstanding	**~220 million**
Earnings Per Diluted Share	**$0.41 - $0.47**

Key Highlights

- We expect third quarter net sales range of flat to up 2.5% versus the prior year. We expect the third quarter will benefit by approximately 200 basis points from the shifted fiscal calendar.
- Gross profit rate is expected to be ~43.5%, consistent with the third quarter of the prior year.
- SG&A expense rate expected to increase to ~30.5%, compared to the third quarter of the prior year.
  - Largely driven by higher marketing investment and wage inflation, partially offset by the benefits of cost optimization initiatives.

Capital Allocation Highlights & Outlook

$101M

YTD capital expenditures

$249M

YTD stock repurchases

$90M

YTD dividend payments

~$250M

forecasted FY'24 capital expenditures

$400M

forecasted FY'24 share repurchases

2.7X

TTM Gross Adjusted Debt-to-EBITDAR

$675-$775M

forecasted adjusted FY'24 Free Cash Flow

Note: See Appendix for important information regarding the non-GAAP financial measures, including reconciliations to adjusted results.

Q&A

Bath&BodyWorks®

APPENDIX

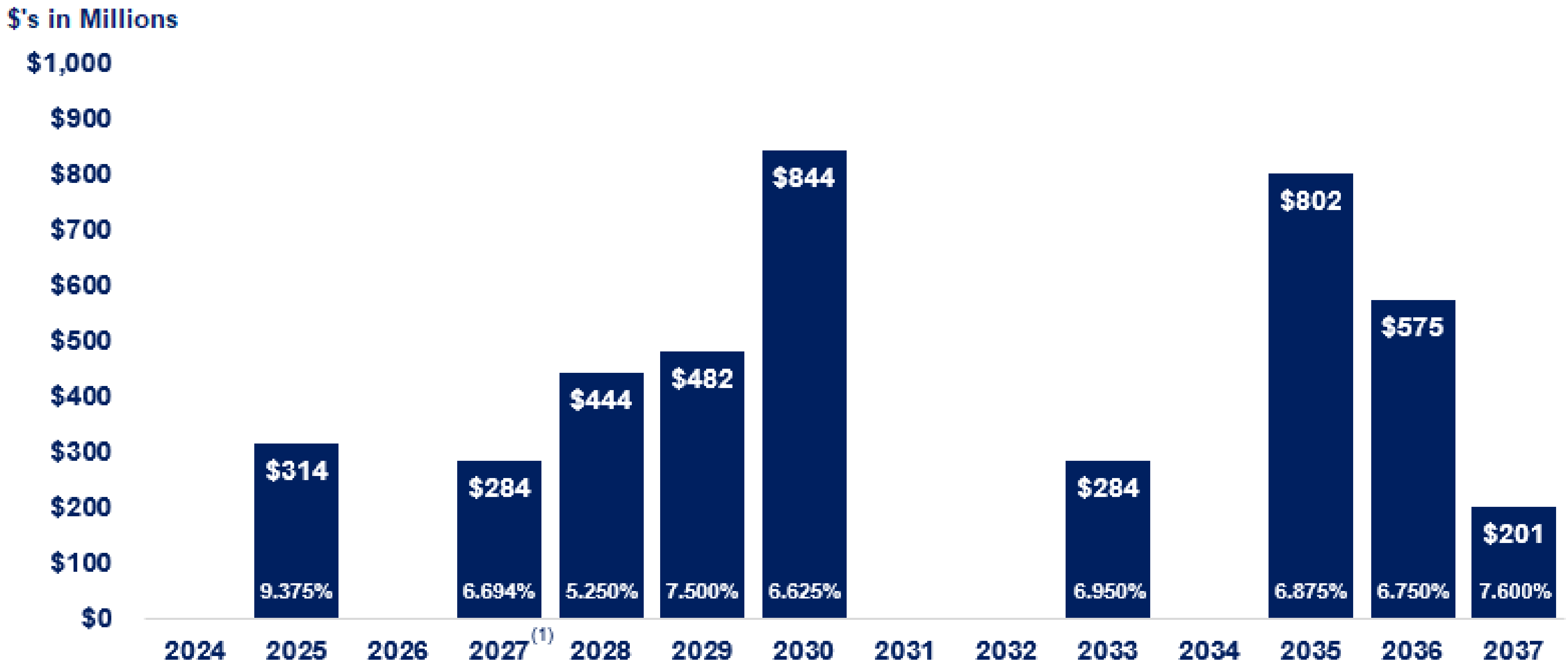
Other Financial Information

2024 Calendar Shift

Vs. LY	Q1 (Reported)	Q2 (Reported)	Q3 (Guidance)	Q4 (Implied)	Full Year (Guidance)
Net Sales Reported / Guidance	**(0.9%)**	**(2.1%)**	**0% - 2.5%**	**(9%) - (5%)**	**(4%) – (2%)**
Calendar Shift	**+200 bps**	**0 bps**	**~+200 bps**	**~ (500) bps**	**~ (100) bps**
Net Sales (excl. Calendar Shift)	**(2.9%)**	**(2.1%)**	**(2%) - +0.5%**	**(4%) – Flat**	**(3%) – (1%)**

Debt Maturities

as of August 3, 2024



(1) The 2027 Notes mature on 1/15/27, which falls in fiscal year 2026.

Adjusted Financial Information – Q2 2024 & YTD

$ in millions, except per share amounts

	Second Quarter		Year-to-Date	
	2024	**2023**	**2024**	**2023**
Reconciliation of Net Non-Operating Expense to Adjusted Net Non-Operating Expense				
Reported Net Non-Operating Expense	$30	$61	$98	$129
Gain on Sales of Easton Investments	39	-	39	-
Gain on Extinguishment of Debt	-	9	-	16
Adjusted Net Non-Operating Expense	$69	$70	$137	$145
Reconciliation of Net Income Per Diluted Share to Adjusted Net Income Per Diluted Share				
Reported Net Income Per Diluted Share	$0.68	$0.43	$1.06	$0.78
Gain on Sales of Easton Investments	(0.18)	-	(0.18)	-
Gain on Extinguishment of Debt	-	(0.04)	-	(0.07)
Tax Effect of Adjustments included in Other Income	0.06	0.01	0.06	0.02
Tax Benefit from Valuation Allowance Release	(0.20)	-	(0.19)	-
Adjusted Net Income Per Diluted Share	$0.37	$0.40	$0.76	$0.73

The second quarter of and year-to-date 2024 adjusted results exclude:

- A $39 million aggregate pre-tax gain ($25 million net of tax of $14 million), included in other income, related to the sales of certain Easton investments.
- A $44 million tax benefit related to the release of a valuation allowance on a deferred tax asset.

The second quarter of 2023 adjusted results exclude:

- A $9 million pre-tax gain ($7 million net of tax of $2 million), included in other income, associated with the early extinguishment of outstanding notes.

The year-to-date 2023 adjusted results exclude:

- A $16 million pre-tax gain ($12 million net of tax of $4 million), included in other income, associated with the early extinguishment of outstanding notes.

Adjusted Forecasted Financial Information – FY24

$ in millions, except per share amounts

	Full-Year 2024
Reconciliation of Forecasted Net Non-Operating Expense to Adjusted Forecasted Net Non-Operating Expense	
Forecasted Net Non-Operating Expense	$241
Gain on Sales of Easton Investments	39
Adjusted Forecasted Net Non-Operating Expense	$280
Reconciliation of Forecasted Tax Rate to Adjusted Forecasted Tax Rate	
Forecasted Tax Rate	22.6%
Tax Rate Impact on Gain of Sales of Easton Investments	(0.4%)
Tax Rate Impact on Valuation Allowance Release	4.3%
Adjusted Forecasted Tax Rate	26.5%

Reconciliation of Forecasted Earnings Per Diluted Share to Adjusted Forecasted Earnings Per Diluted Share

	Low	High
Forecasted Earnings Per Diluted Share	$3.37	$3.57
Gain on Sales of Easton Investments, Net of Tax	(0.11)	(0.11)
Tax Benefit from Valuation Allowance Release	(0.20)	(0.20)
Adjusted Forecasted Earnings Per Diluted Share	$3.06	$3.26

Forecasted full-year 2024 adjusted results exclude the following:

- A $39 million aggregate pre-tax gain ($25 million net of tax of $14 million), included in other income, related to the sales of certain Easton investments, and a $44 million tax benefit related to the release of a valuation allowance on a deferred tax asset.

Adjusted Forecasted Financial Information – FY24

$ in millions

Reconciliation of Forecasted Free Cash Flow to Adjusted Forecasted Free Cash Flow	Full-Year 2024	
	Low	High
Forecasted Net Cash Provided by Operating Activities	$860	$960
Forecasted Capital Expenditures	(250)	(250)
Forecasted Free Cash Flow	610	710
Forecasted Tax Payments Related to Sales of Easton Investments	65	65
Adjusted Forecasted Free Cash Flow	$675	$775

Forecasted full-year 2024 adjusted Free Cash Flow excludes the following:

- Forecasted tax payments associated with the sales of certain Easton Investments.

Q2 2024 v Q2 2023 General, Administrative and Store Operating Expense Summary

$ in millions

2024

	Q1			Q2			YTD		
		$s	% of Net Sales		$s	% of Net Sales		$s	% of Net Sales
Selling Expenses	$	247	17.8%	$	261	17.1%	$	508	17.5%
Home Office & Marketing Expenses		172	12.5%		182	11.9%		355	12.2%
Total	$	419	30.3%	$	443	29.1%	$	863	29.6%
Net Sales	$	1,384		$	1,526		$	2,910	

2023

	Q1			Q2			YTD		
		$s	% of Net Sales		$s	% of Net Sales		$s	% of Net Sales
Selling Expenses	$	243	17.4%	$	253	16.2%	$	496	16.8%
Home Office & Marketing Expenses		172	12.3%		181	11.6%		353	11.9%
Total	$	415	29.7%	$	434	27.8%	$	849	28.7%
Net Sales	$	1,396		$	1,559		$	2,955	

Change

	Q1			Q2			YTD		
		$s	% of Net Sales		$s	% of Net Sales		$s	% of Net Sales
Selling Expenses	$	4	40 bps	$	8	90 bps	$	12	70 bps
Home Office & Marketing Expenses		-	20 bps		1	30 bps		2	20 bps
Total	$	4	60 bps	$	9	130 bps	$	14	90 bps