

# Fourth Quarter and Full Year Earnings

March 2, 2022

VS&Co  
VICTORIA'S SECRET & CO.



# 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” 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 from Bath & Body Works, Inc. (f/k/a L Brands, Inc.) 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 Victoria’s Secret or that Victoria’s Secret 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 such businesses;
  - 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;
    - 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;

# Forward Looking Statements

- Safe Harbor Statement Under the Private Securities Litigation Reform Act of 1995
  - 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 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 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. More information on potential factors that could affect Victoria's Secret results is included in Victoria's Secret Registration Statement on Form 10 and the quarterly reports on Form 10-Q filed with the Securities and Exchange Commission.

**VICTORIA'S SECRET & CO.**  
**CONSOLIDATED AND COMBINED STATEMENTS OF INCOME**  
**THIRTEEN WEEKS ENDED JANUARY 29, 2022 AND JANUARY 30, 2021**  
**(Unaudited)**

(In millions except per share amounts)

	<u>2021</u>	<u>2020</u>	<u>Increase (Decrease)</u>	<u>% Increase (Decrease)</u>
Net Sales	\$ 2,175.4	\$ 2,099.7	\$ 75.7	4%
Comparable Store Sales	12%	-18%		
Comparable Sales	1%	-3%		
Gross Profit	853.2	900.6	(47.4)	-5%
% of Sales	39.2%	42.9%	(370 bps)	
General, Administrative and Store Operating Expenses	520.0	512.7	7.3	1%
% of Sales	23.9%	24.4%	(50 bps)	
Operating Income	<u>333.2</u>	<u>387.9</u>	(54.7)	-14%
% of Sales	15.3%	18.5%	(320 bps)	
Interest Expense and Other (Income)	<u>10.2</u>	<u>(0.8)</u>	11.0	1375%
Income Before Income Taxes	323.0	388.7	(65.7)	-17%
Provision for Income Taxes	76.9	106.3	(29.4)	-28%
% of Pre-Tax Income	23.8%	27.3%		
Net Income	<u>\$ 246.1</u>	<u>\$ 282.4</u>	\$ (36.3)	-13%
% of Sales	11.3%	13.4%	(210 bps)	
Net Income Per Diluted Share	<u>\$ 2.70</u>	<u>\$ 3.20</u>	\$ (0.50)	-16%
Weighted Average Shares Outstanding <sup>1</sup>	<u>91.1</u>	<u>88.3</u>		

1 - Reported Weighted Average Shares Outstanding reflects diluted shares in the fourth quarter of 2021. For periods prior to the separation in the third quarter of 2021, basic shares at the separation date are being utilized for the calculation of basic and diluted net income per share.

Results prior to the third quarter of 2021 are on a carve-out basis and include unallocated overhead as part of L Brands. The results, because of this, are not necessarily indicative of what we would expect as a standalone business.



**VICTORIA'S SECRET & CO.**  
**ADJUSTED <sup>1</sup> CONSOLIDATED AND COMBINED STATEMENTS OF INCOME**  
**FIFTY-TWO WEEKS ENDED JANUARY 29, 2022 AND JANUARY 30, 2021**

(Unaudited)

(In millions except per share amounts)

	<u>2021</u>	<u>2020</u>	<u>Increase (Decrease)</u>	<u>% Increase (Decrease)</u>
Net Sales	\$ 6,784.6	\$ 5,412.8	\$ 1,371.8	25%
Comparable Store Sales	10%	-15%		
Comparable Sales	3%	1%		
Gross Profit	2,760.0	1,746.6	1,013.4	58%
% of Sales	40.7%	32.3%	840 bps	
General, Administrative and Store Operating Expenses	1,890.5	1,649.1	241.4	15%
% of Sales	27.9%	30.5%	(260 bps)	
Operating Income	869.5	97.5	772.0	792%
% of Sales	12.8%	1.8%	1100 bps	
Interest Expense and Other	26.4	4.6	21.8	474%
Income Before Income Taxes	843.1	92.9	750.2	808%
Provision for Income Taxes	196.7	49.9	146.8	294%
% of Pre-Tax Income	23.3%	53.7%		
Net Income	<u>\$ 646.4</u>	<u>\$ 43.0</u>	\$ 603.4	1403%
% of Sales	9.5%	0.8%	870 bps	
Net Income Per Diluted Share	<u>\$ 7.18</u>	<u>\$ 0.49</u>	\$ 6.69	1365%
Weighted Average Shares Outstanding <sup>2</sup>	<u>90.0</u>	<u>88.3</u>		

1 - 2020 reported results were adjusted for significant items. Refer to Adjusted Financial Information table for additional information.

2 - Reported Weighted Average Shares Outstanding reflects diluted shares in the third and fourth quarter of 2021. For periods prior to the separation in the third quarter of 2021, basic shares at the separation date are being utilized for the calculation of basic and diluted net income per share.

Results prior to the third quarter of 2021 are on a carve-out basis and include unallocated overhead as part of L Brands. The results, because of this, are not necessarily indicative of what we would expect as a standalone business.

**VICTORIA'S SECRET & CO.**  
**CONSOLIDATED AND COMBINED BALANCE SHEETS**  
(Unaudited)  
(In thousands)

	<u>January 29, 2022</u>	<u>January 30, 2021</u>
<b>ASSETS</b>		
Current Assets		
Cash and Cash Equivalents	\$ 489,783	\$ 335,028
Accounts Receivable, Net	162,388	121,285
Inventories	948,750	701,062
Other	89,736	81,808
Total Current Assets	1,690,657	1,239,183
Property and Equipment, Net	957,062	1,077,761
Operating Lease Assets	1,369,226	1,590,142
Trade Name	246,300	246,300
Deferred Income Taxes	16,776	19,895
Other Assets	63,551	55,478
<b>TOTAL ASSETS</b>	<b><u>\$ 4,343,572</u></b>	<b><u>\$ 4,228,759</u></b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current Liabilities		
Accounts Payable	\$ 538,138	\$ 337,650
Accrued Expenses and Other	714,129	782,517
Current Debt	4,000	-
Current Operating Lease Liabilities	339,634	420,785
Income Taxes	104,362	14,574
Total Current Liabilities	1,700,263	1,555,526
Deferred Income Taxes	56,382	19,198
Long-Term Debt	977,863	-
Long-term Debt due to Former Parent	-	97,225
Long-Term Operating Lease Liabilities	1,313,915	1,552,636
Other Long-Term Liabilities	38,666	112,719
Shareholders' Equity	256,483	891,455
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b><u>\$ 4,343,572</u></b>	<b><u>\$ 4,228,759</u></b>

**VICTORIA'S SECRET & CO.**  
(\$ amounts in millions)  
(Unaudited)

	Q4 2021	Full Year 2021
<b>Comparable store sales</b>	<b>12%</b>	<b>10%</b>
<b>Comparable sales</b>	<b>1%</b>	<b>3%</b>
<b>Sales change</b>	<b>4%</b>	<b>25%</b>
<b>Sales</b>	<b>\$2,175</b>	<b>\$6,785</b>
<b>Gross profit (% of sales)</b>	<b>39.2%</b>	<b>40.7%</b>
<b>Operating income (% of sales)</b>	<b>15.3%</b>	<b>12.8%</b>
<b>Operating income</b>	<b>\$333</b>	<b>\$870</b>
<b>Net income</b>	<b>\$246</b>	<b>\$646</b>
<b>Weighted average shares outstanding <sup>1</sup></b>	<b>91.1</b>	<b>90.0</b>
<b>Net income per diluted share</b>	<b>\$2.70</b>	<b>\$7.18</b>

1 - Reported Weighted Average Shares Outstanding reflects diluted shares in the third and fourth quarter of 2021. For periods prior to the separation in the third quarter of 2021, basic shares at the separation date are being utilized for the calculation of basic and diluted net income per share.

Results prior to the third quarter of 2021 are on a carve-out basis and include unallocated overhead as part of L Brands. The results, because of this, are not necessarily indicative of what we would expect as a standalone business.

**VICTORIA'S SECRET & CO.**  
**2022 Outlook as of March 2, 2022**

	<u>First Quarter</u>	<u>Full Year</u>
<b>Net Sales</b>	\$1.425 billion to \$1.495 billion	Flat to up low-single digits
<b>Gross Margin Rate</b>	About 37%, down from 2021 rate of 43.2%	-
<b>SG&amp;A Expense Rate</b>	About 31%, up to 2021 rate of 28.7%	-
<b>Operating Income</b>	Between \$80 million and \$110 million	Directionally in line with 2021 results
<b>Net Non-Operating Expense</b>	Approximately \$12 million	Approximately \$48 million
<b>Tax Rate (before discrete items)</b>	Approximately 10%	Approximately 23%
<b>Weighted Average Diluted Shares Outstanding</b> <sup>1</sup>	Approximately 91 million	Approximately 91 million
<b>Net Income Per Diluted Share</b>	Between \$0.70 and \$0.95	-

1 - This estimate does not reflect any impact from the new \$250 million March 2022 Share Repurchase Program approved by our Board of Directors on March 2, 2022.



**VICTORIA'S SECRET & CO.**  
**COMPANY - OPERATED STORE COUNT AND SELLING SQ FT**  
**2021 Actual**

	Beginning of Year	New Stores	Closures	Total Reconstructions and Change in SSF	End of Year	Increase / (Decrease)	
U.S.							
Store Count	846	-	(38)	3	808	(38)	(4%)
Selling Sq Ft 000's	5,861	-	(252)	-	5,609	(252)	(4%)
Canada							
Store Count	25	1	-	-	26	1	4%
Selling Sq Ft 000's	250	4	-	-	253	4	1%
<b>Subtotal North America</b>							
<b>Store Count</b>	<b>871</b>	<b>1</b>	<b>(38)</b>	<b>3</b>	<b>834</b>	<b>(37)</b>	<b>(4%)</b>
<b>Selling Sq Ft 000's</b>	<b>6,111</b>	<b>4</b>	<b>(252)</b>	<b>-</b>	<b>5,862</b>	<b>(249)</b>	<b>(4%)</b>
Greater China - Full Assortment							
Store Count	26	4	-	-	30	4	15%
Selling Sq Ft 000's	171	10	-	-	181	10	6%
Greater China - Beauty & Accessories							
Store Count	36	2	(3)	1	35	(1)	(3%)
Selling Sq Ft 000's	31	2	(3)	-	30	(1)	(4%)
<b>Subtotal International</b>							
<b>Store Count</b>	<b>62</b>	<b>6</b>	<b>(3)</b>	<b>1</b>	<b>65</b>	<b>3</b>	<b>5%</b>
<b>Selling Sq Ft 000's</b>	<b>203</b>	<b>11</b>	<b>(3)</b>	<b>-</b>	<b>211</b>	<b>9</b>	<b>4%</b>
<b>Total Company - Operated</b>							
<b>Store Count</b>	<b>933</b>	<b>7</b>	<b>(41)</b>	<b>4</b>	<b>899</b>	<b>(34)</b>	<b>(4%)</b>
<b>Selling Sq Ft 000's</b>	<b>6,313</b>	<b>15</b>	<b>(255)</b>	<b>-</b>	<b>6,073</b>	<b>(240)</b>	<b>(4%)</b>

**VICTORIA'S SECRET & CO.**  
**COMPANY - OPERATED STORE COUNT AND SELLING SQ FT**  
**2022 Forecast**

	Beginning of Year	New Stores	Closures	Total Reconstructions and Change in SSF	End of Year	Increase / (Decrease)	
U.S.							
Store Count	808	15	(10 to 27)	approx. 20	796 to 813	(12) to 5	(1%) to 1%
Selling Sq Ft 000's	5,609	67	(38 to 132)	approx. (12)	5,532 to 5,626	(77) to 17	(1%) to 0%
Canada							
Store Count	26	-	(0 to 3)	-	23 to 26	(3) to 0	(12%) to 0%
Selling Sq Ft 000's	253	-	(0 to 18)	-	235 to 253	(18) to 0	(7%) to 0%
<b>Subtotal North America</b>							
<b>Store Count</b>	<b>834</b>	<b>15</b>	<b>(10 to 30)</b>	<b>approx. 20</b>	<b>819 to 839</b>	<b>(15) to 5</b>	<b>(2%) to 1%</b>
<b>Selling Sq Ft 000's</b>	<b>5,862</b>	<b>67</b>	<b>(38 to 150)</b>	<b>approx. (12)</b>	<b>5,767 to 5,879</b>	<b>(95) to 17</b>	<b>(2%) to 0%</b>
Greater China - Full Assortment							
Store Count	30	4 to 6	-	-	34 to 36	4 to 6	13 to 20%
Selling Sq Ft 000's	181	10 to 15	-	-	191 to 196	10 to 15	6 to 8%
Greater China - Beauty & Accessories							
Store Count	35	2 to 4	(1 to 3)	-	34 to 38	(1) to 3	(3%) to 9%
Selling Sq Ft 000's	30	2 to 4	(1 to 3)	-	29 to 33	(1) to 3	(3%) to 10%
<b>Subtotal International</b>							
<b>Store Count</b>	<b>65</b>	<b>6 to 10</b>	<b>(1 to 3)</b>	<b>-</b>	<b>68 to 74</b>	<b>3 to 9</b>	<b>5 to 14%</b>
<b>Selling Sq Ft 000's</b>	<b>211</b>	<b>12 to 19</b>	<b>(1 to 3)</b>	<b>-</b>	<b>220 to 229</b>	<b>9 to 18</b>	<b>4 to 9%</b>
<b>Total Company - Operated</b>							
<b>Store Count</b>	<b>899</b>	<b>21 to 25</b>	<b>(11 to 33)</b>	<b>approx. 20</b>	<b>887 to 913</b>	<b>(12) to 14</b>	<b>(1%) to 2%</b>
<b>Selling Sq Ft 000's</b>	<b>6,073</b>	<b>79 to 86</b>	<b>(39 to 153)</b>	<b>approx. (12)</b>	<b>5,987 to 6,108</b>	<b>(86) to 35</b>	<b>(1%) to 1%</b>

**VICTORIA'S SECRET & CO.  
INTERNATIONAL STORE COUNT  
2021 Actual**

	<u>2020 Year End</u>	<u>2021 New Stores</u>	<u>2021 Closures</u>	<u>2021 Year End</u>
<b><u>Partner - Operated Stores</u></b>				
Full Assortment	120	8	-	128
Beauty & Accessories	338	16	(19)	335
<b>Partner - Operated Total</b>	<u>458</u>	<u>24</u>	<u>(19)</u>	<u>463</u>
<b><u>Company - Operated Stores</u></b>				
Full Assortment - Greater China	26	4	-	30
Beauty & Accessories - Greater China	36	2	(3)	35
<b>Company - Operated Total</b>	<u>62</u>	<u>6</u>	<u>(3)</u>	<u>65</u>
<b>Total</b>	<u>520</u>	<u>30</u>	<u>(22)</u>	<u>528</u>

**VICTORIA'S SECRET & CO.  
INTERNATIONAL STORE COUNT  
2022 Forecast**

	<u>2021 Year End</u>	<u>2022 New Stores</u>	<u>2022 Closures</u>	<u>2022 Year End</u>
<b><u>Partner - Operated Stores</u></b>				
Full Assortment	128	16 to 20	-	144 to 148
Beauty & Accessories	335	9 to 13	(7 to 10)	334 to 341
<b>Partner - Operated Total</b>	<u>463</u>	<u>25 to 33</u>	<u>(7 to 10)</u>	<u>478 to 489</u>
<b><u>Company - Operated Stores</u></b>				
Full Assortment - Greater China	30	4 to 6	-	34 to 36
Beauty & Accessories - Greater China	35	2 to 4	(1 to 3)	34 to 38
<b>Company - Operated Total</b>	<u>65</u>	<u>6 to 10</u>	<u>(1 to 3)</u>	<u>68 to 74</u>
<b>Total</b>	<u>528</u>	<u>31 to 43</u>	<u>(8 to 13)</u>	<u>546 to 563</u>

# APPENDIX

VS&Co

**VICTORIA'S SECRET & CO.**  
**Historical Reported Results - Carve Out Basis**  
**Fiscal 2020 - Quarterly**  
(Unaudited)  
(In thousands)

	First Quarter			Second Quarter			
	Victoria's Secret Segment (1)	Corporate / Other (2)	Total VS & Co.	Victoria's Secret Segment (1)	Corporate / Other (2)	Total VS & Co.	
Net Sales	\$ 893,607		\$ 893,607	\$ 1,066,334		\$ 1,066,334	
Costs of Goods Sold, Buying and Occupancy	872,846		872,846	913,720		913,720	
Gross Profit	20,762		20,762	152,614		152,614	
General, Administrative and Store Operating Expenses	374,630	\$ 19,526	394,156	371,314	\$ 24,637	395,951	
Operating Income (Loss)	\$ (353,868)	\$ (19,526)	\$ (373,395)	\$ (218,701)	\$ (24,637)	\$ (243,337)	
	Gross Profit Rate	2.3%	nm	2.3%	14.3%	nm	14.3%
	Operating Income (Loss) Rate	-39.6%	nm	-41.8%	-20.5%	nm	-22.8%
	Third Quarter			Fourth Quarter			
	Victoria's Secret Segment (1)	Corporate / Other (2)	Total VS & Co.	Victoria's Secret Segment (1)	Corporate / Other (2)	Total VS & Co.	
Net Sales	\$ 1,353,100		\$ 1,353,100	\$ 2,099,749		\$ 2,099,749	
Costs of Goods Sold, Buying and Occupancy	856,315		856,315	1,199,166		1,199,166	
Gross Profit	496,785		496,785	900,583		900,583	
General, Administrative and Store Operating Expenses	352,230	\$ 17,178	369,407	497,209	\$ 15,495	512,703	
Operating Income	\$ 144,555	\$ (17,178)	\$ 127,377	\$ 403,374	\$ (15,495)	\$ 387,880	
	Gross Profit Rate	36.7%	nm	36.7%	42.9%	nm	42.9%
	Operating Income Rate	10.7%	nm	9.4%	19.2%	nm	18.5%
	Full Year						
	Victoria's Secret Segment (1)	Corporate / Other (2)	Total VS & Co.				
Net Sales	\$ 5,412,789		\$ 5,412,789				
Costs of Goods Sold, Buying and Occupancy	3,842,046		3,842,046				
Gross Profit	1,570,743		1,570,743				
General, Administrative and Store Operating Expenses	1,595,383	\$ 76,836	1,672,218				
Operating Income (Loss)	\$ (24,640)	\$ (76,836)	\$ (101,475)				
	Gross Profit Rate	29.0%	nm				
	Operating Income Rate	-0.5%	nm				

(1): The Victoria's Secret segment represents company-operated retail stores located in the U.S., Canada, the U.K. (prior to the joint venture with Next PLC) and Greater China, company-operated Victoria's Secret digital platforms, and international stores/digital platforms operated by partners under franchise, license and wholesale arrangements. Additionally, this segment includes the Victoria's Secret merchandise sourcing and production function serving the Company and its international partners.

(2): Corporate/Other includes corporate infrastructure and governance functions and other non-recurring items that are deemed to be corporate in nature. The amounts included above are the L Brands' corporate costs that were allocated to Victoria's Secret & Co. for purposes of preparing its results on a carve-out basis. As a result of the VS Spin-Off, the above operating results are not necessarily indicative of future results nor do they reflect what results of operations would have been as an independent public company during the periods presented.



**VICTORIA'S SECRET & CO.**  
**ADJUSTED FINANCIAL INFORMATION**  
(Unaudited)

(In thousands except per share amounts)

*The Adjusted Financial Information should not be construed as an alternative to the reported results determined in accordance with generally accepted accounting principles. Further, the Company's definition 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 information is useful for the assessment of the ongoing operations of the Company because the adjusted items are not indicative of our 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 should be read in conjunction with the Company's historical financial statements and notes thereto contained in the Company's Registration Statement on Form 10 and the quarterly reports on Form 10-Q filed with the Securities and Exchange Commission.*

	Fourth Quarter		Full Year	
	2021	2020	2021	2020
<b><u>Reconciliation of Reported Operating Income (Loss) to Adjusted Operating Income</u></b>				
Reported Operating Income (Loss) - GAAP	\$ 333,206	\$ 387,880	\$ 869,537	\$ (101,475)
Asset Impairments (a)	-	-	-	213,953
Restructuring Charges (b)	-	-	-	51,236
Hong Kong Store Closure and Lease Termination (c)	-	-	-	(36,287)
Establishment of Victoria's Secret U.K. and Ireland Joint Venture (d)	-	-	-	(29,918)
Adjusted Operating Income	\$ 333,206	\$ 387,880	\$ 869,537	\$ 97,509
<b><u>Reconciliation of Reported Net Income (Loss) to Adjusted Net Income</u></b>				
Reported Net Income (Loss) - GAAP	\$ 246,052	\$ 282,373	\$ 646,381	\$ (72,316)
Asset Impairments (a)	-	-	-	213,953
Restructuring Charges (b)	-	-	-	51,236
Hong Kong Store Closure and Lease Termination (c)	-	-	-	(36,287)
Establishment of Victoria's Secret U.K. and Ireland Joint Venture (d)	-	-	-	(29,918)
Tax Effect of Adjusted Items	-	-	-	(39,992)
Tax Benefit Related to a Tax Matter Associated with Foreign Investments (e)	-	-	-	(43,629)
Adjusted Net Income	\$ 246,052	\$ 282,373	\$ 646,381	\$ 43,047
<b><u>Reconciliation of Reported Net Income (Loss) Per Diluted Share to Adjusted Net Income Per Diluted Share</u></b>				
Reported Net Income (Loss) Per Diluted Share - GAAP	\$ 2.70	\$ 3.20	\$ 7.18	\$ (0.82)
Asset Impairments (a)	-	-	-	1.93
Restructuring Charges (b)	-	-	-	0.46
Hong Kong Store Closure and Lease Termination (c)	-	-	-	(0.28)
Establishment of Victoria's Secret U.K. and Ireland Joint Venture (d)	-	-	-	(0.31)
Tax Benefit Related to a Tax Matter Associated with Foreign Investments (e)	-	-	-	(0.49)
Adjusted Net Income Per Diluted Share	\$ 2.70	\$ 3.20	\$ 7.18	\$ 0.49

- (a) In the second quarter of 2020, we recognized a \$117.1 million charge (\$98.7 million net of tax of \$18.5 million), included in buying and occupancy expenses, related to the impairment of certain lease and store assets. In the first quarter of 2020, we recognized a \$96.8 million charge (\$72.0 million net of tax of \$24.8 million), included in buying and occupancy expenses, related to the impairment of certain store assets.
- (b) In the second quarter of 2020, we recognized a \$51.2 million charge (\$40.2 million net of tax of \$11.0 million), included in general, administrative and store operating expenses, related to restructuring activities.
- (c) In the second quarter of 2020, we recognized a \$36.3 million gain (\$24.7 million net of tax of \$11.6 million), principally included in buying and occupancy expenses, related to the closure and termination of our lease and the related liability for the Hong Kong flagship store.
- (d) In the third quarter of 2020, we recognized a \$29.9 million pre-tax gain (\$27.2 million net of tax of \$2.7 million), included in general, administrative and store operating expenses, related to the establishment of a joint venture for the Victoria's Secret U.K. and Ireland business with Next PLC.
- (e) In the third quarter of 2020, we recognized a \$43.6 million tax benefit related to a tax matter associated with foreign investments.

**VICTORIA'S SECRET & CO.**  
**ADJUSTED FINANCIAL INFORMATION**  
**FIFTY-TWO WEEKS ENDED JANUARY 29, 2022**  
(Unaudited, in millions)

**Reconciliation of Net Income to EBITDA**

Net Income	\$	646.4
Interest Expense		27.4
Provision for Income Taxes		196.7
Depreciation and Amortization		302.6
EBITDA	\$	<u>1,173.1</u>

**SELECTED DATA**  
**FIFTY-TWO WEEKS ENDED JANUARY 29, 2022 AND JANUARY 30, 2021**  
(Unaudited, in thousands)

**Capital Expenditures**

	<u>2021</u>	<u>2020</u>
First Quarter	\$ 19,303	\$ 27,259
Second Quarter	46,714	43,121
Spring Season	\$ 66,017	\$ 70,380
Third Quarter	50,574	41,099
Fourth Quarter	52,195	15,809
Year	<u>\$ 168,786</u>	<u>\$ 127,288</u>

**Depreciation & Amortization**

	<u>2021</u>	<u>2020</u>
First Quarter	\$ 80,046	\$ 89,863
Second Quarter	78,123	81,217
Spring Season	\$ 158,169	\$ 171,080
Third Quarter	74,862	78,684
Fourth Quarter	69,573	76,731
Year	<u>\$ 302,604</u>	<u>\$ 326,495</u>