



First Quarter Earnings

June 5, 2024

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 U.S. Private Securities Litigation Reform Act of 1995) contained in this presentation or made by us, our management, or our spokespeople 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, and any future performance or financial results expressed or implied by such forward-looking statements are not guarantees of future performance. Forward-looking statements include, without limitation, statements regarding our future operating results, the implementation and impact of our strategic plans, and our ability to meet environmental, social, and governance goals. Words such as “estimate,” “commit,” “will,” “target,” “goal,” “project,” “plan,” “believe,” “seek,” “strive,” “expect,” “anticipate,” “intend,” “continue,” “potential” and any similar expressions are intended to identify forward-looking statements. Risks associated with the following factors, among others, could affect our results of operations and financial performance and cause actual results to differ materially from those expressed or implied in any forward-looking statements:
 - we may not realize all of the expected benefits of the spin-off from Bath & Body Works, Inc. (f/k/a L Brands, Inc.);
 - general economic conditions, inflation, and changes in consumer confidence, and consumer spending patterns;
 - 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;
 - our ability to successfully implement our strategic plan;
 - 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;
 - our dependence on traffic to our stores and the availability of suitable store locations on satisfactory terms;
 - our ability to successfully operate and expand internationally and related risks;
 - the operations and performance of our franchisees, licensees, wholesalers, and joint venture partners;
 - our ability to successfully operate and grow our direct channel business;
 - our ability to protect our reputation and the image and value of our brands;
 - our ability to attract customers with marketing, advertising and promotional programs;
 - 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, remain current with fashion trends, and develop and launch new merchandise, product lines and brands successfully;
 - our ability to realize the potential benefits and synergies sought with the acquisition of AdoreMe, Inc.;
 - our ability to incorporate artificial intelligence into our business operations successfully and ethically while effectively managing the associated risks;
 - our ability to source materials and produce, distribute and sell merchandise on a global basis, including risks related to:
 - political instability and geopolitical conflicts;
 - environmental hazards and natural disasters;
 - significant health hazards and pandemics;
 - delays or disruptions in shipping and transportation and related pricing impacts; and
 - disruption due to labor disputes;
 - our geographic concentration of production and distribution facilities in central Ohio and Southeast Asia;
 - the ability of our vendors to manufacture and deliver products in a timely manner, meet quality standards and comply with applicable laws and regulations;
 - fluctuations in freight, product input and energy costs;
 - our and our third-party service providers' ability to implement and maintain information technology systems and to protect associated data and system availability;
 - our ability to maintain the security of customer, associate, third-party and company information;
 - stock price volatility;
 - shareholder activism matters;
 - our ability to maintain our credit rating;
 - our ability to comply with regulatory requirements; and
 - legal, tax, trade and other regulatory matters.
- Except as may be required by law, we assume no 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 Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 22, 2024.

Adjusted¹ Consolidated Statements of Income

Thirteen Weeks Ended May 4, 2024 & April 29, 2023
(Unaudited – In millions except per share amounts)

	2024	2023	Increase (Decrease)	% Increase (Decrease)
Net Sales	\$1,359.4	\$1,407.4	(\$48.0)	-3%
<i>Comparable Store Sales</i>	-8%	-14%		
<i>Comparable Sales</i>	-5%	-11%		
Gross Profit	501.3	514.3	(13.0)	-3%
<i>% of Sales</i>	36.9%	36.5%	40 bps	
General, Administrative and Store Operating Expenses	461.7	459.3	2.4	1%
<i>% of Sales</i>	34.0%	32.6%	140 bps	
Operating Income	39.6	55.0	(15.4)	-28%
<i>% of Sales</i>	2.9%	3.9%	(100 bps)	
Interest Expense and Other	20.3	21.4	(1.1)	-5%
Income Before Income Taxes	19.3	33.6	(14.3)	-43%
Provision for Income Taxes	9.0	8.6	0.4	5%
<i>% of Pre-Tax Income</i>	46.8%	25.6%		
Net Income	10.3	25.0	(14.7)	-59%
<i>% of Sales</i>	0.8%	1.8%	(100 bps)	
Less: Net Income Attributable to Noncontrolling Interest	1.2	3.1	(1.9)	-61%
Net Income Attributable to Victoria's Secret & Co.	\$9.1	\$21.9	(\$12.8)	-58%
<i>% of Sales</i>	0.7%	1.6%	(90 bps)	
Net Income Per Diluted Share Attributable to Victoria's Secret & Co.	\$0.12	\$0.28	(\$0.16)	-57%
Weighted Average Shares Outstanding	79.1	79.7		

¹ 2024 and 2023 results are on an adjusted basis.

Refer to Non-GAAP Financial Information table in the Appendix for additional information including a reconciliation to the most directly comparable GAAP financial measure.



Consolidated Balance Sheets

(Unaudited – In thousands)

	May 4, 2024	April 29, 2023
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$104,583	\$132,445
Accounts Receivable, Net	151,698	125,500
Inventories	987,033	1,040,701
Other	149,466	135,968
Total Current Assets	1,392,780	1,434,614
Property and Equipment, Net	804,845	834,299
Operating Lease Assets	1,316,496	1,245,245
Goodwill	366,960	367,529
Trade Names	283,400	287,640
Other Intangible Assets, Net	110,878	131,776
Deferred Income Taxes	19,789	15,894
Other Assets	88,879	88,331
TOTAL ASSETS	\$4,384,027	\$4,405,328
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts Payable	\$411,258	\$388,110
Accrued Expenses and Other	755,069	649,421
Current Debt	4,071	4,066
Current Operating Lease Liabilities	245,887	297,599
Income Taxes	18,386	29,968
Total Current Liabilities	1,434,671	1,369,164
Deferred Income Taxes	41,512	62,484
Long-Term Debt	1,119,354	1,270,944
Long-Term Operating Lease Liabilities	1,284,766	1,219,128
Other Long-Term Liabilities	58,993	196,890
Victoria's Secret & Co. Shareholders' Equity	423,183	265,259
Noncontrolling Interest	21,548	21,459
TOTAL LIABILITIES AND EQUITY	\$4,384,027	\$4,405,328



2024 Outlook

(As of June 5, 2024)

	Second Quarter	Full Year
Net Sales	Decrease low-single digits compared to \$1.427 billion in 2023	Approximately \$6.0 billion, decrease low-single digits compared to 2023 excluding the extra week
Adjusted Gross Margin Rate	Approximately 34.5% to 35.5%, flat to up compared to 2023 rate of 34.6%	-
Adjusted SG&A Expense Rate	Approximately 32.0%, deleveraging compared to 2023 rate of 31.2%	-
Adjusted Operating Income	Approximately \$30 million to \$45 million	Approximately \$250 million to \$275 million
Adjusted Net Non-Operating Expense	Approximately \$20 million	-
Adjusted Tax Rate (before discrete items)	Approximately 30% to 34%	-
Weighted Average Diluted Shares Outstanding	Approximately 80 million	-
Adjusted Net Income Per Diluted Share Attributable to VS&Co	Approximately \$0.05 to \$0.20	-
Capital Expenditures	-	Approximately \$230 million
Free Cash Flow ¹	-	Approximately \$175 million to \$200 million

¹ Free cash flow is defined as operating cash flow less capital expenditures.



Store Count & Selling Sq Ft – 2024 Forecast

	Beginning of Year	New Stores	Closures	Total Reconstructions and Change in SSF	End of Year	Increase / (Decrease)	
Company-Operated							
U.S.							
Store Count	808	14	(38 to 42)	50 to 57	780 to 784	(28 to 24)	(3%)
Selling Sq Ft 000's	5,542	78	(150 to 188)	(39 to 43)	5,389 to 5,431	(153 to 111)	(3% to 2%)
Canada							
Store Count	23	1	-	3	24	1	4%
Selling Sq Ft 000's	212	5	-	(6)	211	(1)	0%
Subtotal Company-Operated							
Store Count	831	15	(38 to 42)	53 to 60	804 to 808	(27 to 23)	(3%)
Selling Sq Ft 000's	5,754	83	(150 to 188)	(45 to 49)	5,600 to 5,642	(154 to 112)	(3% to 2%)
China Joint Venture							
Beauty & Accessories Store Count	34	0 to 2	(2 to 4)	-	30 to 34	(4) to 0	(12%) to 0%
Full Assortment Store Count	36	2 to 4	(2 to 3)	-	35 to 38	(1) to 2	(3%) to 6%
Subtotal China Joint Venture Store Count	70	2 to 6	(4 to 7)	-	65 to 72	(5) to 2	(7%) to 3%
Partner-Operated							
Beauty & Accessories Store Count	307	43 to 52	(28 to 32)	-	318 to 331	11 to 24	4% to 8%
Full Assortment Store Count	156	30 to 37	(6 to 9)	-	177 to 187	21 to 31	13% to 20%
Subtotal Partner-Operated Store Count	463	73 to 89	(34 to 41)	-	495 to 518	32 to 55	7% to 12%
Adore Me							
Store Count	6	-	-	-	6	-	-
Selling Sq Ft 000's	23	-	-	-	23	-	-
Total Store Count	1,370	90 to 110	(76 to 90)	-	1,370 to 1,404	0 to 34	0% to 2%

APPENDIX

Consolidated Statements of Income (Loss)

Thirteen Weeks Ended May 4, 2024 & April 29, 2023
(Unaudited – In thousands except per share amounts)

	2024	2023
Net Sales	\$1,359,442	\$1,407,380
Costs of Goods Sold, Buying and Occupancy	(858,127)	(904,986)
Gross Profit	501,315	502,394
General, Administrative and Store Operating Expenses	(475,046)	(474,120)
Operating Income	26,269	28,274
Interest Expense	(21,735)	(22,505)
Other Income	327	3
Income Before Income Taxes	4,861	5,772
Provision for Income Taxes	7,345	1,960
Net Income (Loss)	(2,484)	3,812
Less: Net Income Attributable to Noncontrolling Interest	1,158	3,087
Net Income (Loss) Attributable to Victoria's Secret & Co.	(\$3,642)	\$725
Net Income (Loss) Per Diluted Share Attributable to Victoria's Secret & Co.	(\$0.05)	\$0.01
Weighted Average Shares Outstanding ¹	77,949	79,671

1 - Reported Weighted Average Shares Outstanding in the first quarter of 2024 reflects basic shares due to the Net Loss.



Selected Data

Thirteen Weeks Ended May 4, 2024 & April 29, 2023
(Unaudited – In thousands)

Capital Expenditures	2024	2023
First Quarter	\$38,521	\$54,851
Second Quarter	-	89,105
Spring Season	\$38,521	\$143,956
Third Quarter	-	79,630
Fourth Quarter	-	32,100
Year	\$38,521	\$255,686

Depreciation & Amortization ¹	2024	2023
First Quarter	\$65,250	\$72,555
Second Quarter	-	72,654
Spring Season	\$65,250	\$145,209
Third Quarter	-	70,341
Fourth Quarter	-	68,815
Year	\$65,250	\$284,365

¹ First quarter of 2024 and 2023 include \$6.3 million of intangible asset amortization expense related to the acquisition of Adore Me. Full year 2023 includes \$25.1 million of intangible asset amortization expense related to the acquisition of Adore Me.



Non-GAAP Financial Information

Fifty-Two Weeks Ended February 1, 2025 Forecast & Fifty-Three Weeks Ended February 3, 2024
(Unaudited – In millions)

In addition to our results provided in accordance with GAAP, this presentation provides non-GAAP financial measures that present operating income, net income attributable to Victoria's Secret & Co. and net income per diluted share attributable to Victoria's Secret & Co. on an adjusted basis, which remove certain non-recurring, infrequent or unusual items that we believe are not indicative of the results of our ongoing operations due to their size and nature. The intangible asset amortization excluded from these non-GAAP financial measures is excluded because the amortization, unlike the related revenue, is not affected by operations of any particular period unless an intangible asset becomes impaired or the estimated useful life of an intangible asset is revised. We use adjusted financial information as key performance measures of our results of operations for the purpose of evaluating performance internally. These non-GAAP measurements are not intended to replace the presentation of our financial results in accordance with GAAP. Instead, we believe that the presentation of adjusted financial information provides additional information to investors to facilitate the comparison of past and present operations. Further, our definition of non-GAAP financial measures may differ from similarly titled measures used by other companies. The table below reconciles the most directly comparable GAAP financial measure to each non-GAAP financial measure.

Free Cash Flow ¹

	2024 Forecast	2023
Net Cash Provided by Operating Activities	\$405 to \$430	\$ 389
Capital Expenditures	Approximately (230)	(256)
Free Cash Flow	<u>\$175 to \$200</u>	<u>\$ 133</u>

¹ - Free cash flow is defined as operating cash flow less capital expenditures.



Non-GAAP Financial Information

(Unaudited – In thousands except per share amounts)

	First Quarter	
	2024	2023
Reconciliation of Reported to Adjusted Gross Profit		
Reported Gross Profit - GAAP	\$501,315	\$502,394
% Net Sales	36.9%	35.7%
Adore Me Acquisition-related Items (a)	-	8,587
Restructuring Charge (c)	-	3,276
Adjusted Gross Profit	\$501,315	\$514,257
% Net Sales	36.9%	36.5%
Reconciliation of Reported to Adjusted General, Administrative and Store Operating Expenses		
Reported General, Administrative and Store Operating Expenses - GAAP	\$475,046	\$474,120
% Net Sales	34.9%	33.7%
Adore Me Acquisition-related Items (a)	(7,053)	(734)
Amortization of Intangible Assets (b)	(6,284)	(6,284)
Restructuring Charge (c)	-	(7,849)
Adjusted General, Administrative and Store Operating Expenses	\$461,709	\$459,253
% Net Sales	34.0%	32.6%
Reconciliation of Reported to Adjusted Operating Income		
Reported Operating Income - GAAP	\$26,269	\$28,274
% Net Sales	1.9%	2.0%
Adore Me Acquisition-related Items (a)	7,053	9,321
Amortization of Intangible Assets (b)	6,284	6,284
Restructuring Charge (c)	-	11,125
Adjusted Operating Income	\$39,606	\$55,004
% Net Sales	2.9%	3.9%
Reconciliation of Reported to Adjusted Net Income (Loss) Attributable to Victoria's Secret & Co.		
Reported Net Income (Loss) Attributable to Victoria's Secret & Co. - GAAP	(\$3,642)	\$725
Adore Me Acquisition-related Items (a)	8,148	10,416
Amortization of Intangible Assets (b)	6,284	6,284
Restructuring Charges (c)	-	11,125
Tax Effect of Adjusted Items	(1,685)	(6,640)
Adjusted Net Income Attributable to Victoria's Secret & Co.	\$9,105	\$21,910
Reconciliation of Reported to Adjusted Net Income (Loss) Per Diluted Share Attributable to Victoria's Secret & Co.		
Reported Net Income (Loss) Per Diluted Share Attributable to Victoria's Secret & Co. - GAAP	(\$0.05)	\$0.01
Adore Me Acquisition-related Items (a)	0.10	0.10
Amortization of Intangible Assets (b)	0.06	0.06
Restructuring Charge (c)	-	0.10
Adjusted Net Income Per Diluted Share Attributable to Victoria's Secret & Co.	\$0.12	\$0.28

Refer to the following page for details regarding the certain items excluded in the adjusted results.



Non-GAAP Financial Information

(Unaudited)

Adjusted results exclude the following items:

- (a) In the first quarter of 2024, we recognized an \$8.1 million pre-tax charge (\$8.1 million net of tax of less than \$0.1 million), \$7.0 million included in general, administrative and store operating expense and \$1.1 million included in interest expense, related to the financial impact of purchase accounting items related to the acquisition of Adore Me. In the first quarter of 2023, we recognized a \$10.4 million pre-tax charge (\$8.2 million net of tax of \$2.2 million), \$8.6 million included in costs of goods sold, \$1.1 million included in interest expense, and \$0.7 million included in general, administrative and store operating expense, related to the financial impact of purchase accounting items and professional service costs related to the acquisition of Adore Me.
- (b) In both the first quarter of 2024 and 2023, we recognized \$6.3 million of amortization expense (\$4.7 million net of tax of \$1.6 million) included in general, administrative and store operating expense related to the acquisition of Adore Me.
- (c) In the first quarter of 2023, we recognized an \$11.1 million pre-tax charge (\$8.4 million net of tax of \$2.7 million), \$7.8 million included in general, administrative and store operating expense and \$3.3 million included in buying and occupancy expense, related to restructuring activities to continue to reorganize and improve our organizational structure.

Forecasted adjusted operating income and adjusted net income per diluted share for the second quarter and full year 2024 exclude the financial impact of purchase accounting items related to the Adore Me acquisition, including expense (income) related to changes in the estimated fair value of contingent consideration and performance-based payments, as well as the amortization of intangible assets. The Company is not able to provide a reconciliation of forward-looking adjusted operating income or adjusted net income per diluted share to the most directly comparable forward-looking GAAP financial measures because the Company is unable to provide a meaningful or accurate reconciliation or estimation of certain reconciling items without unreasonable effort, due to the inherent difficulty in forecasting the timing of, and quantifying, the various purchase accounting items that are necessary for such reconciliation.

“International system-wide retail sales” means the sales of merchandise sold through stores and digital channels operated by our partners under franchise, license, wholesale and joint venture arrangements. While international system-wide retail sales are not recorded as net sales in our financial statements, management believes the information is important in understanding our financial performance because these sales are the basis on which we calculate and record certain net sales for our International business and are indicative of the financial health of our franchise, license, wholesale and joint venture partners and the prospects for growth of our International business.

