

Third Quarter Earnings

December 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 Loss

Thirteen Weeks Ended November 2, 2024 & October 28, 2023

(Unaudited – In millions except per share amounts)

	2024	2023	Increase (Decrease)	% Increase (Decrease)
Net Sales	\$1,347.4	\$1,265.1	\$82.3	7%
<i>Comparable Store Sales</i>	2%	(11%)		
<i>Comparable Sales</i>	3%	(7%)		
Gross Profit	468.3	433.8	34.5	8%
<i>% of Sales</i>	34.8%	34.3%	50 bps	
General, Administrative and Store Operating Expenses	496.3	494.1	2.2	0%
<i>% of Sales</i>	36.8%	39.1%	(230 bps)	
Operating Loss	(28.0)	(60.3)	32.3	54%
<i>% of Sales</i>	(2.1%)	(4.8%)	270 bps	
Interest Expense and Other	21.3	24.9	(3.6)	(14%)
Loss Before Income Taxes	(49.3)	(85.2)	35.9	42%
Benefit for Income Taxes	(11.3)	(19.4)	8.1	42%
<i>% of Pre-Tax Income</i>	23.0%	22.8%		
Net Loss	(38.0)	(65.8)	27.8	42%
<i>% of Sales</i>	(2.8%)	(5.2%)	240 bps	
Less: Net Income Attributable to Noncontrolling Interest	1.5	0.5	1.0	200%
Net Loss Attributable to Victoria's Secret & Co.	(\$39.5)	(\$66.3)	\$26.8	40%
<i>% of Sales</i>	(2.9%)	(5.2%)	230 bps	
Net Loss Per Diluted Share Attributable to Victoria's Secret & Co.	(\$0.50)	(\$0.86)	\$0.36	42%
Weighted Average Shares Outstanding	78.7	77.4		

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.

Adjusted¹ Consolidated Statements of Income (Loss)

Thirty-Nine Weeks Ended November 2, 2024 & October 28, 2023
(Unaudited – In millions except per share amounts)

	2024	2023	Increase (Decrease)	% Increase (Decrease)
Net Sales	\$4,124.1	\$4,099.3	\$24.8	1%
Comparable Store Sales	(4%)	(13%)		
Comparable Sales	(2%)	(10%)		
Gross Profit	1,471.0	1,441.4	29.6	2%
% of Sales	35.7%	35.2%	50 bps	
General, Administrative and Store Operating Expenses	1,397.2	1,398.0	(0.8)	0%
% of Sales	33.9%	34.1%	(20 bps)	
Operating Income	73.8	43.4	30.4	70%
% of Sales	1.8%	1.1%	70 bps	
Interest Expense and Other	61.4	69.2	(7.8)	(11%)
Income (Loss) Before Income Taxes	12.4	(25.8)	38.2	148%
Provision (Benefit) for Income Taxes	8.3	(4.5)	12.8	286%
% of Pre-Tax Income	67.2%	17.4%		
Net Income (Loss)	4.1	(21.3)	25.4	119%
% of Sales	0.1%	(0.5%)	60 bps	
Less: Net Income Attributable to Noncontrolling Interest	3.0	4.2	(1.2)	(29%)
Net Income (Loss) Attributable to Victoria's Secret & Co.	\$1.1	(\$25.5)	\$26.6	104%
% of Sales	0.0%	(0.6%)	60 bps	
Net Income (Loss) Per Diluted Share Attributable to Victoria's Secret & Co.	\$0.01	(\$0.33)	\$0.34	103%
Weighted Average Shares Outstanding	79.9	77.6		

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)

	November 2, 2024	October 28, 2023
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$160,806	\$124,309
Accounts Receivable, Net	163,387	138,845
Inventories	1,290,148	1,210,837
Other	171,956	161,512
Total Current Assets	1,786,297	1,635,503
Property and Equipment, Net	805,824	871,230
Operating Lease Assets	1,471,624	1,311,167
Goodwill	366,960	364,622
Trade Names	281,280	285,520
Other Intangible Assets, Net	100,429	121,327
Deferred Income Taxes	19,152	15,359
Other Assets	89,054	81,950
TOTAL ASSETS	\$4,920,620	\$4,686,678
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts Payable	\$463,707	\$449,435
Accrued Expenses and Other	801,255	624,302
Current Debt	4,042	4,068
Current Operating Lease Liabilities	251,798	288,017
Income Taxes	4,991	2,437
Total Current Liabilities	1,525,793	1,368,259
Deferred Income Taxes	37,792	59,896
Long-Term Debt	1,413,584	1,530,161
Long-Term Operating Lease Liabilities	1,428,284	1,279,162
Other Long-Term Liabilities	62,388	211,389
Victoria's Secret & Co. Shareholders' Equity	429,195	220,028
Noncontrolling Interest	23,584	17,783
TOTAL LIABILITIES AND EQUITY	\$4,920,620	\$4,686,678



2024 Outlook

(As of December 5, 2024)

	Fourth Quarter	Full Year
Net Sales	Increase 2% to 4% compared to Q4 2023 excluding the extra week	Increase 1% to 2% compared to 2023 excluding the extra week
Adjusted Gross Margin Rate	Approximately 38.5% to 39.5%, compared to 2023 rate of 40.0%	-
Adjusted SG&A Expense Rate	Approximately 26.5%, compared to 2023 rate of 26.4%	-
Adjusted Operating Income	Approximately \$240 million to \$270 million	Approximately \$315 million to \$345 million
Adjusted Net Non-Operating Expense	Approximately \$18 million	-
Adjusted Tax Rate (before discrete items)	Approximately 24%	-
Weighted Average Diluted Shares Outstanding	Approximately 83 million	Approximately 81 million
Adjusted Net Income Per Diluted Share Attributable to VS&Co	Approximately \$2.00 to \$2.30	Approximately \$2.05 to \$2.35
Capital Expenditures	-	Approximately \$190 million
Adjusted Free Cash Flow ¹	-	Approximately \$250 million to \$280 million

¹ Refer to Non-GAAP Financial Information table in the Appendix for additional information.



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	16	(42)	47 to 48	782	(26) (3%)
Selling Sq Ft (in thousands)	5,542	77	(184)	(35 to 40)	5,395 to 5,400	(147 to 142) (3%)
Canada						
Store Count	23	1	-	2	24	1 4%
Selling Sq Ft (in thousands)	212	4	-	(6)	210	(2) (1%)
Subtotal Company-Operated						
Store Count	831	17	(42)	49 to 50	806	(25) (3%)
Selling Sq Ft (in thousands)	5,754	81	(184)	(41 to 46)	5,605 to 5,610	(149 to 144) (3% to 2%)
China Joint Venture						
Beauty & Accessories Store Count	34	2	(7)	-	29	(5) (15%)
Full Assortment Store Count	36	4	-	-	40	4 11%
Subtotal China Joint Venture Store Count	70	6	(7)	-	69	(1) (1%)
Partner-Operated						
Beauty & Accessories Store Count	307	25 to 30	(15 to 17)	-	315 to 322	8 to 15 3% to 5%
Full Assortment Store Count	156	29 to 30	(7 to 8)	-	177 to 179	21 to 23 13% to 15%
Subtotal Partner-Operated Store Count	463	54 to 60	(22 to 25)	-	492 to 501	29 to 38 6% to 8%
Adore Me						
Store Count	6	-	-	-	6	-
Selling Sq Ft (in thousands)	23	-	-	-	23	-
Total Store Count	1,370	77 to 83	(71 to 74)	-	1,373 to 1,382	3 to 12 0% to 1%

APPENDIX



Consolidated Statements of Loss

Thirteen Weeks Ended November 2, 2024 & October 28, 2023
(Unaudited – In thousands except per share amounts)

	2024	2023
Net Sales	\$1,347,424	\$1,265,087
Costs of Goods Sold, Buying and Occupancy	(879,137)	(837,712)
Gross Profit	468,287	427,375
General, Administrative and Store Operating Expenses	(514,963)	(494,495)
Operating Loss	(46,676)	(67,120)
Interest Expense	(22,433)	(26,305)
Other Income (Loss)	(456)	331
Loss Before Income Taxes	(69,565)	(93,094)
Benefit for Income Taxes	(14,815)	(22,422)
Net Loss	(54,750)	(70,672)
Less: Net Income Attributable to Noncontrolling Interest	1,477	512
Net Loss Attributable to Victoria's Secret & Co.	(\$56,227)	(\$71,184)
Net Loss Per Diluted Share Attributable to Victoria's Secret & Co.	(\$0.71)	(\$0.92)
Weighted Average Shares Outstanding ¹	78,718	77,369

1 - Reported Weighted Average Shares Outstanding in the third quarter of 2024 and 2023 reflect basic shares due to the Net Loss.



Consolidated Statements of Loss

Thirty-Nine Weeks Ended November 2, 2024 & October 28, 2023
(Unaudited – In thousands except per share amounts)

	2024	2023
Net Sales	\$4,124,059	\$4,099,338
Costs of Goods Sold, Buying and Occupancy	(2,653,091)	(2,682,995)
Gross Profit	1,470,968	1,416,343
General, Administrative and Store Operating Expenses	(1,429,052)	(1,429,143)
Operating Income (Loss)	41,916	(12,800)
Interest Expense	(65,531)	(72,777)
Other Income	338	227
Loss Before Income Taxes	(23,277)	(85,350)
Provision (Benefit) for Income Taxes	1,815	(17,618)
Net Loss	(25,092)	(67,732)
Less: Net Income Attributable to Noncontrolling Interest	2,975	4,155
Net Loss Attributable to Victoria's Secret & Co.	(\$28,067)	(\$71,887)
Net Loss Per Diluted Share Attributable to Victoria's Secret & Co.	(\$0.36)	(\$0.93)
Weighted Average Shares Outstanding ¹	78,335	77,627

1 - Reported Weighted Average Shares Outstanding in 2024 and 2023 reflect basic shares due to the Net Loss.



Selected Data

Thirteen Weeks Ended November 2, 2024 & October 28, 2023
(Unaudited – In thousands)

Capital Expenditures	2024	2023
First Quarter	\$38,521	\$54,851
Second Quarter	60,772	89,105
Spring Season	\$99,293	\$143,956
Third Quarter	50,537	79,630
Fourth Quarter	-	32,100
Year	\$149,830	\$255,686

Depreciation & Amortization ¹	2024	2023
First Quarter	\$65,250	\$72,555
Second Quarter	63,386	72,654
Spring Season	\$128,636	\$145,209
Third Quarter	63,231	70,341
Fourth Quarter	-	68,815
Year	\$191,867	\$284,365

¹ Third quarter of both 2024 and 2023 include \$6.3 million of intangible asset amortization expense related to the acquisition of Adore Me. Year-to-date of both 2024 and 2023 include \$18.9 million of intangible asset amortization expense related to the acquisition of Adore Me.

Non-GAAP Financial Information

Fifty-Two Weeks Ending 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 (loss), net income (loss) attributable to Victoria's Secret & Co. and net income (loss) 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 below tables reconcile the most directly comparable GAAP financial measure to each non-GAAP financial measure.

	2024 (Forecast)	2023 (Actual)
Free Cash Flow¹		
Net Cash Provided by Operating Activities	\$400 to \$430	\$389
Capital Expenditures	Approximately (\$190)	(\$256)
Free Cash Flow ¹	\$210 to \$240	\$133
Payments related to Acquisition of Adore Me	Approximately \$40	-
Adjusted Free Cash Flow¹	\$250 to \$280	\$133

¹ - Free cash flow is defined as operating cash flow less capital expenditures. Adjusted free cash flow removes certain cash payments related to the Adore Me acquisition that are contingent upon the achievement of specified strategic objectives as defined in the Merger Agreement. We are forecasting payments of approximately \$200 million to be paid in fiscal year 2024, of which approximately \$40 million will be included in "operating" cash flow and approximately \$160 million in "financing" cash flow. For additional information related to contingent payments associated with the acquisition, refer to our Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 22, 2024.



Non-GAAP Financial Information

(Unaudited – In thousands except per share amounts)

	Third Quarter		Year-to-Date	
	2024	2023	2024	2023
Reconciliation of Reported to Adjusted Gross Profit				
Reported Gross Profit - GAAP	\$468,287	\$427,375	\$1,470,968	\$1,416,343
% Net Sales	34.8%	33.8%	35.7%	34.6%
Adore Me Acquisition-related Items (a)	-	6,474	-	21,735
Restructuring Charges (c)	-	-	-	3,276
Adjusted Gross Profit	\$468,287	\$433,849	\$1,470,968	\$1,441,354
% Net Sales	34.8%	34.3%	35.7%	35.2%
Reconciliation of Reported to Adjusted General, Administrative and Store Operating Expenses				
Reported General, Administrative and Store Operating Expenses - GAAP	\$514,963	\$494,495	\$1,429,052	\$1,429,143
% Net Sales	38.2%	39.1%	34.7%	34.9%
Adore Me Acquisition-related Items (a)	186	5,900	(524)	(4,526)
Amortization of Intangible Assets (b)	(6,284)	(6,284)	(18,852)	(18,852)
Restructuring Charges (c)	(12,548)	-	(12,548)	(7,849)
Adjusted General, Administrative and Store Operating Expenses	\$496,317	\$494,111	\$1,397,128	\$1,397,916
% Net Sales	36.8%	39.1%	33.9%	34.1%
Reconciliation of Reported to Adjusted Operating Income (Loss)				
Reported Operating Income (Loss) - GAAP	(\$46,676)	(\$67,120)	\$41,916	(\$12,800)
% Net Sales	(3.5%)	(5.3%)	1.0%	(0.3%)
Adore Me Acquisition-related Items (a)	(186)	574	524	26,261
Amortization of Intangible Assets (b)	6,284	6,284	18,852	18,852
Restructuring Charges (c)	12,548	-	12,548	11,125
Adjusted Operating Income (Loss)	(\$28,030)	(\$60,262)	\$73,840	\$43,438
% Net Sales	(2.1%)	(4.8%)	1.8%	1.1%
Reconciliation of Reported to Adjusted Net Income (Loss) Attributable to Victoria's Secret & Co.				
Reported Net Loss Attributable to Victoria's Secret & Co. - GAAP	(\$56,227)	(\$71,184)	(\$28,067)	(\$71,887)
Adore Me Acquisition-related Items (a)	1,400	1,669	4,300	29,546
Amortization of Intangible Assets (b)	6,284	6,284	18,852	18,852
Restructuring Charges (c)	12,548	-	12,548	11,125
Tax Effect of Adjusted Items	(3,473)	(3,029)	(6,533)	(13,134)
Adjusted Net Income (Loss) Attributable to Victoria's Secret & Co.	(\$39,468)	(\$66,260)	\$1,100	(\$25,498)
Reconciliation of Reported to Adjusted Net Income (Loss) Per Diluted Share Attributable to Victoria's Secret & Co.				
Reported Net Loss Per Diluted Share Attributable to Victoria's Secret & Co. - GAAP	(\$0.71)	(\$0.92)	(\$0.36)	(\$0.93)
Adore Me Acquisition-related Items (a)	0.02	-	0.06	0.31
Amortization of Intangible Assets (b)	0.06	0.06	0.17	0.18
Restructuring Charges (c)	0.13	-	0.13	0.11
Adjusted Net Income (Loss) Per Diluted Share Attributable to Victoria's Secret & Co.	(\$0.50)	(\$0.86)	\$0.01	(\$0.33)

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 third quarter of 2024 and 2023, we recognized pre-tax expense of \$1.4 million and \$1.7 million (expense of \$1.5 million and \$0.3 million net of tax benefit of \$0.1 million and tax expense of \$1.4 million, respectively) related to the financial impact of purchase accounting items related to the acquisition of Adore Me. These items include income of \$0.2 million and \$5.9 million, respectively, in general, administrative and store operating expense and interest expense of \$1.6 million and \$1.1 million, respectively. Additionally, expense of \$6.5 million is in costs of goods sold in the third quarter of 2023. Year-to-date 2024 and 2023, we recognized pre-tax expense of \$4.3 million and \$29.5 million (\$4.6 million and \$24.0 million net of tax benefit of \$0.3 million and tax expense of \$5.5 million, respectively) related to the financial impact of purchase accounting items related to the acquisition of Adore Me. These items include expense of \$0.5 million and \$4.5 million, respectively, in general, administrative and store operating expense and interest expense of \$3.8 million and \$3.3 million, respectively. Additionally, expense of \$21.7 million is in costs of goods sold year-to-date 2023.
- (b) In both the third quarter of 2024 and 2023, we recognized amortization expense of \$6.3 million (\$4.7 million net of tax expense of \$1.6 million) in general, administrative and store operating expense related to the acquisition of Adore Me. Year-to-date in both 2024 and 2023, we recognized amortization expense of \$18.9 million (\$14.0 million net of tax expense of \$4.9 million) in general, administrative and store operating expense related to the acquisition of Adore Me.
- (c) In the third quarter of 2024, we recognized a pre-tax charge of \$12.5 million (\$10.6 million net of tax expense of \$1.9 million) in general, administrative and store operating expense related to the appointment of a new CEO and the elimination of two executive officer roles to streamline our executive leadership team. In the first quarter of 2023, we recognized a pre-tax charge of \$11.1 million (\$8.4 million net of tax expense of \$2.7 million), \$7.8 million in general, administrative and store operating expense and \$3.3 million in buying and occupancy expense, related to restructuring activities to reorganize and improve our organizational structure.

Forecasted adjusted operating income and adjusted net income per diluted share for the fourth 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.

