

HOLIDAY SALES SCRIPT
JANUARY 7, 2021

- Happy new year! L Brands is providing this additional commentary related to its Holiday sales report for the nine-week period ending January 2, 2021.
- Any forward-looking contained in this commentary are subject to the safe harbor statement found in our SEC filings.
- Net sales for the nine weeks ended January 2, 2021 (quarter-to-date) were \$3.836 billion, compared to net sales of \$3.906 billion for the nine weeks ended January 4, 2020.
- Quarter-to-date comparable sales increased 5%
- The quarter-to-date merchandise margin rate was up significantly to last year.
- We expect to report fourth quarter earnings per share between \$2.70 and \$2.80, driven by better than expected performance and an increase in profitability at both Bath & Body Works and Victoria's Secret.

BATH & BODY WORKS

- At Bath & Body Works, quarter-to-date comps were up 17% on top of 9% for the comparable period last year. Store comparable sales were up 5% and our direct channel sales were up 64% quarter-to-date.
- Holiday sales were above expectations with strong customer response across all periods and continued strong growth from our direct channel. Our strategy of spreading out promotions over multiple days in our capacity constrained stores proved effective.
- Quarter-to-date, the merchandise margin rate is up significantly, as we were able to offset the impact of extending some key store events over a longer period of time by less aggressive promotional pricing and pulling back on secondary product offers.

- Semi-annual sale started the day after Christmas and is performing in line with expectations. We are anticipating this year's sale to run 2 days shorter than last year driven by the timing of Christmas and will end in mid-January, similar to last year.

VICTORIA'S SECRET

- Victoria's Secret quarter-to-date comparable sales were down 9%. Store comparable sales were down 23% and our direct channel sales were up 24% quarter-to-date. Significant increases in both conversion and average unit retails partially offset the decline in store traffic, which was down in the mid-fifties.
- The quarter-to-date merchandise margin rate was up significantly to last year. Improved assortments, disciplined inventory management and improved selling enabled a substantial reduction in promotional activity.
- Results were above our expectations in the Lingerie, PINK and Beauty businesses. We are pleased with the continued progress in the turnaround of the Victoria's Secret business.
- Semi-annual sale started on the same calendar day as last year online but started three days later in stores this year. This year's semi-annual sale is planned to end in the middle of January, which is earlier than last year. We are pleased with our early performance.
- Thank you for your continuing interest in L Brands.