Bath & Body Works®

Q3 2025 Earnings & 2025 Guidance

November 20, 2025

Q3 Earnings Call Participants

Daniel Heaf
Chief Executive Officer

Eva Boratto
Chief Financial Officer

Luke Long
VP Strategy & Investor Relations

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. There are risks, uncertainties and other factors that 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 the Company or our management. These factors can be found in Item 1A. Risk Factors in our 2024 Annual Report on Form 10-K, and our subsequent filings.

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.

Confidence & Foundational Strengths

- We are a market leader in attractive, growing consumer categories.
- Iconic brand – with a vault of beloved fragrance franchises.
- Operate +2,400 stores worldwide and employ exceptional associates.
- Large loyalty base and a fast, largely domestic supply chain.
- Strong margins and high free cash flow conversion.

Diagnosis

Reduced Focus on the Core: Innovation was focused on new product adjacencies, and we reduced focus in investing in our core categories.

Collaboration Strategy: Collaborations that should be used to drive excitement, energy and equity into the brand, have been used to carry quarters.

Unsustainable Growth: We became overly reliant on deeper and more frequent promotions to drive growth. Great value and exciting deals have always been central to our brand, and that will not change.

Customer Base: Adjacencies, collaborations and promotions raised basket sizes with existing customers, but we have not grown our total customer base, and we have not attracted a younger consumer.

Failed to Keep Up With Consumers: Over the years, consumers have evolved. They seek greater efficacy, ingredient-led products, modern packaging, compelling storytelling, and elevated multi-channel experiences.

The Consumer First Formula

Putting the consumer at the center, with focus on four largest revenue driving opportunities.

Create Disruptive & Innovative Products

Return to best-in-class product leadership in our core categories: body care, home fragrance, soaps, and sanitizers.

Reignite the Brand

Invest in marketing (influencers, store visuals, product franchises, bigger & bolder campaigns) to reclaim our place as a brand that shapes culture.

Win in the Marketplace

Expand access and ease of discovery through enhanced digital experiences, third-party channels (including Amazon), and refreshed in-store merchandising.

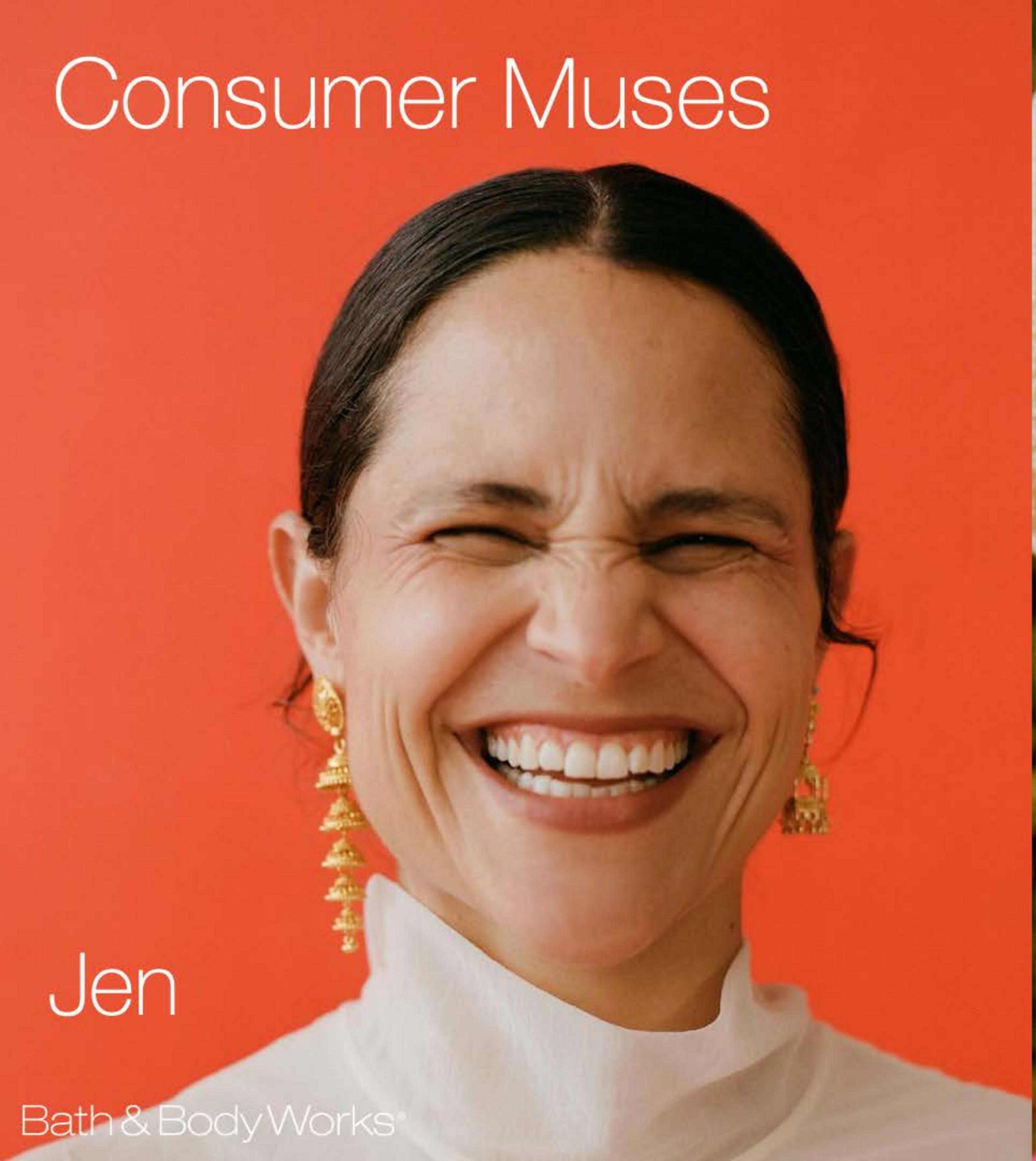
Operate with Speed & Efficiency

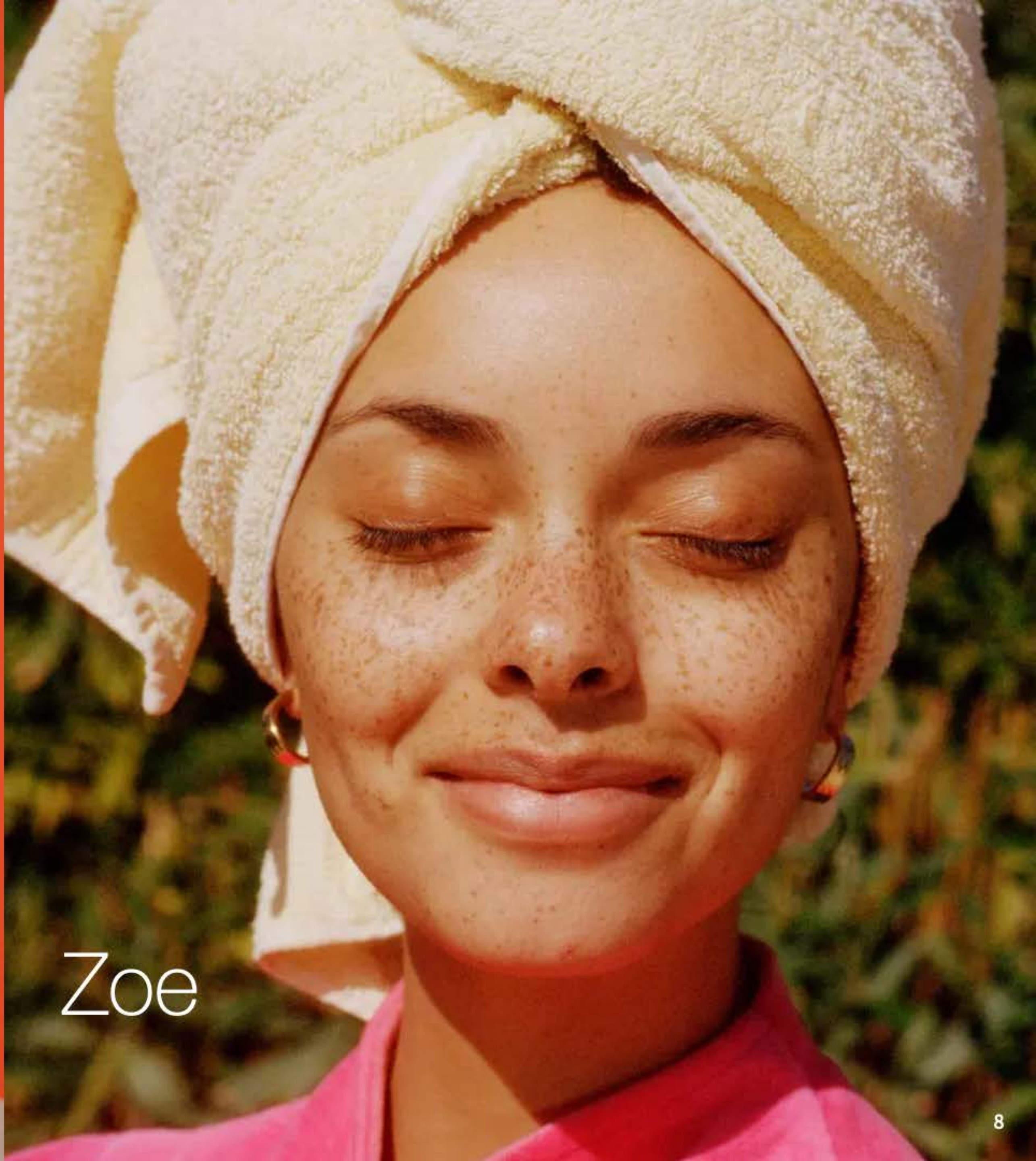
Fund growth through disciplined execution. Targeting ~$250M in cost savings over two years, with over half identified in 2026, to reinvest in revenue-generating activities in product and brand.

Build Winning Teams & Culture

Create Disruptive & Innovative Products

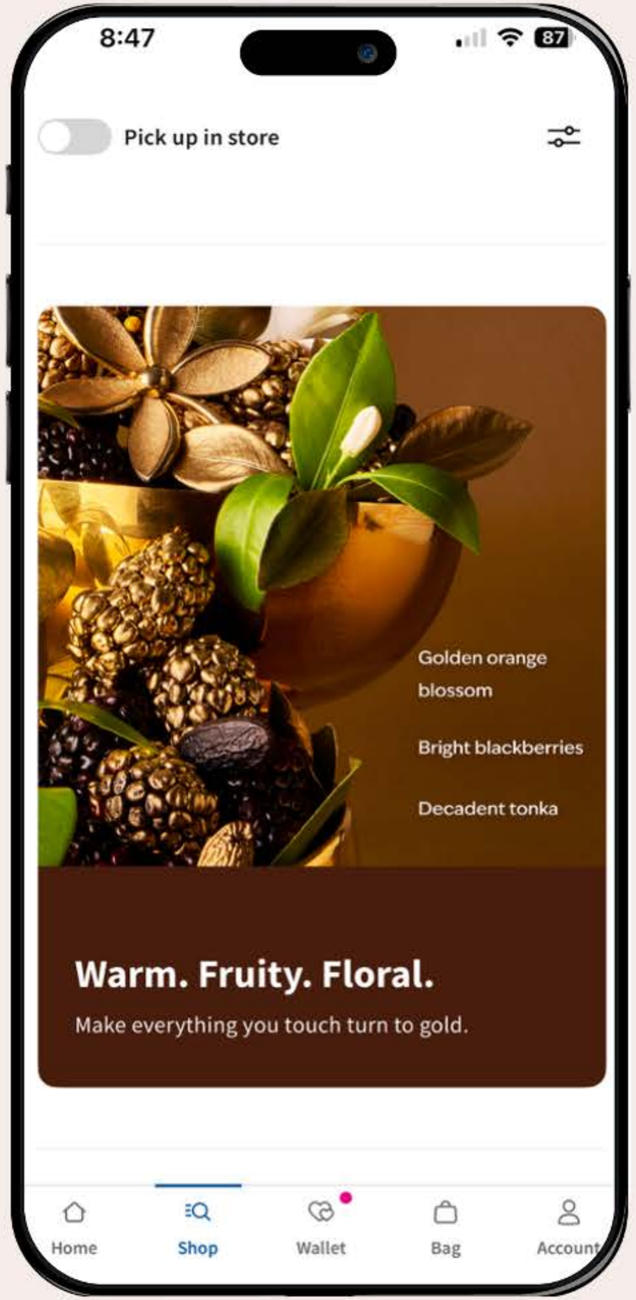
Consumer Muses





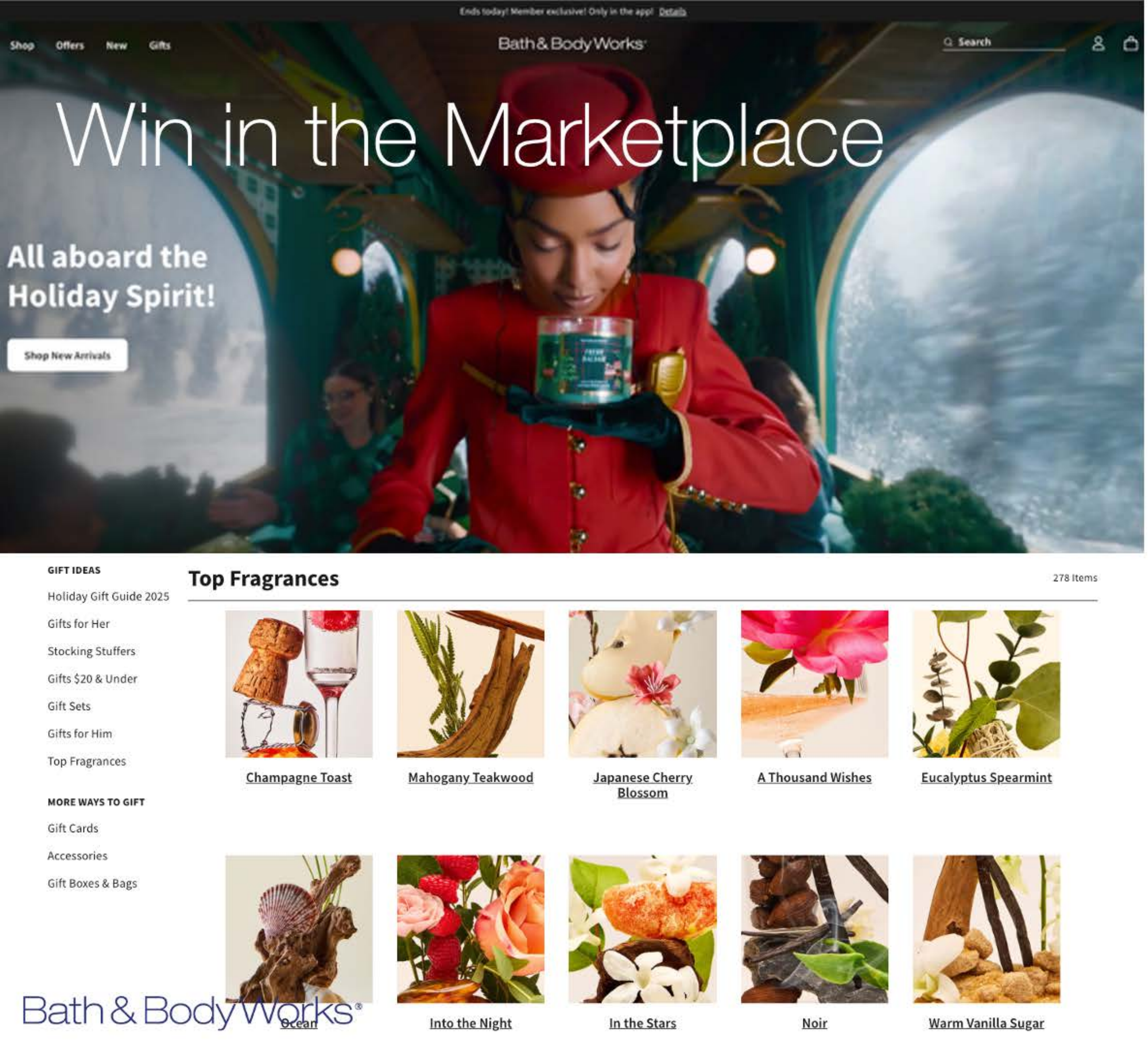

BATH & BODY WORKS
COVERED
IN
ROSES

Reignite the Brand



Bath & Body Works

Win in the Marketplace



Bath & Body Works®

Operate with Speed & Efficiency

Leadership

<u>A transformational plan requires transformational leadership</u>.
We are putting the right leaders in the right roles with clear accountability.

Veronique Gabai
Creative Product & Brand Advisor

Maly Bernstein
Chief Commercial Officer

Q3 2025 Financial Highlights

Net Sales	Gross Profit Rate
$1.6B	41.3%
(1%) LY	(220) bps LY

Operating Income	Adjusted Diluted EPS[1]
$161M	$0.35
(26%) LY	(29%) to LY

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

Net sales & adjusted earnings per diluted share[1] below expectations.

Disney Villains collection did not generate the consumer response expected and our start to holiday, in late October, has been very challenging.

Increased promotional activity to clear seasonal inventory.

Acted decisively to manage expenses and inventory amid softer sales.

We are acting with urgency on the steps required to deliver sustainable growth, and 2026 will be a year of intentional investment behind our brand—strengthening our fundamentals and positioning the business for long-term success.

Q3 2025 North American Category Performance

BODY CARE

Q3 sales down low-single digits

HOME FRAGRANCE

Q3 sales down low-single digits

SOAPS & SANITIZERS

Q3 sales down low-single digits

Q3 2025 Net Sales By Channel

$1.2B

Flat to LY

Q3 Stores sales benefited by ~2pts from BOPIS.

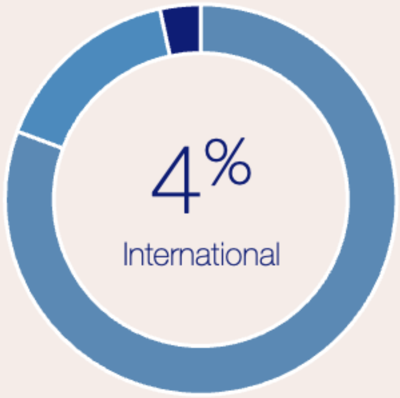
$299M

- 7% to LY

Q3 Direct sales negatively impacted by ~6 pts from BOPIS.

BOPIS net sales are reported as store net sales, and Q3 BOPIS demand increased 12% YoY.

BOPIS represents ~30% of total direct demand.



$73M

+6% to LY

International system-wide retail sales[1] up 16% in the quarter.

1 - Total "international system-wide retail sales" means 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.

NOTE: BOPIS stands for "Buy Online, Pickup In Store."

Bath & Body Works®

Q3 2025 Financial Results[1]

in millions, except earnings per share

	ACTUALS	vs. LY Favorable/(Unfavorable)	GUIDANCE (August 28, 2025[2])
Net Sales	$1,594	(1.0%)	+1% - +3%
COGS and B&O	$936	-	
Gross Profit	$658	(6.0%)	
Gross Profit Rate	41.3%	(220 bps)	~42.2%
SG&A	$497	(3.2%)	
SG&A Rate	31.2%	(120 bps)	~31.5%
Operating Income	$161	(26.1%)	
Operating Income Rate	10.1%	(340 bps)	
Adjusted Interest Expense & Other[1]	$66	+10.1%	~$65
Adjusted Tax Provision[1]	$24		
Adjusted Tax Rate[1]	25.4%		~25%
Adjusted Net Income[1]	$71	(33.0%)	
Weighted Average Diluted Shares Outstanding	206		~206
Adjusted Earnings Per Diluted Share[1]	$0.35	(28.9%)	$0.37 - $0.45

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

2 - The company's Q3 guidance was provided as a part of the company's Q2 2025 earnings materials.

Bath & Body Works®

Key Highlights

Net sales of $1.6B, a decline of (1%) to LY, below expectations.

- Villains collaboration did not generate consumer response expected
- Our start to holiday, in late October, has been very challenging.

Gross Profit rate decreased 220 basis points to the prior year, below expectations.

- Decrease driven by ~260 basis point decrease in merchandise margin.
- Tariff impact of ~$35 million or ~200 basis points.
- Increased promotional activity to clear seasonal inventory.
- B&O leverage of 40 basis points, benefitted from the exit of a third-party fulfillment center in Q1.

SG&A deleveraged by 120 basis points to the prior year, slightly better than expectations.

- Deleverage was driven by soft sales performance and investments in new stores and continued higher healthcare costs.
- Offset by reduced store labor and incentive compensation, due to softer financial performance.

Store Count And Company-Operated Selling Square Feet

Q3 2025 vs. Q2 2025

Total Company-Operated Stores

	Stores				Selling Sq. Ft. (000's)			
	8/2/2025	Opened	Closed	11/1/2025	8/2/2025	Opened/ Remodels	Closed	11/1/2025
Bath & Body Works U.S.	1,791	40	(10)	1,821	5,094	101	(22)	5,172
Bath & Body Works Canada	113	-	-	113	325	1	-	326
Total Bath & Body Works	1,904	40	(10)	1,934	5,419	102	(22)	5,498

Total Partner-Operated Stores

	Stores			
	8/2/2025	Opened	Closed	11/1/2025
International	501	10	(3)	508
International – Travel Retail	36	-	-	36
Total International[1]	537	10	(3)	544

1- Includes store locations only and does not include kiosks, shop-in-shops, gondola or beauty counter locations.

Q4 2025 Guidance

in millions, except earnings per share

METRIC	GUIDANCE (November 20, 2025)
Net Sales	Down high-single digits
Gross Profit Rate	~44.5%
SG&A Expense Rate	~24%
Interest Expense & Other	~$60
Tax Rate	~25%
Weighted Average Diluted Shares Outstanding	~204 million
Earnings Per Diluted Share	At least $1.70

Key Highlights

We expect Q4 sales of down high-single digits.

- Very challenging start to holiday season, beginning in late Q3.
- Macro consumer sentiment is weighing heavily on our consumers' purchase intent.
- Early indicators pointing to a highly competitive holiday season.
- Assumes trends experienced to date continue through the season.
- Modest impact from changes to on-line purchase limits.
- Systemwide international retail sales to be up high-single digits and reported net sales up mid-single digits.

Gross profit rate of ~44.5%, reflecting impacts from tariffs and higher promotion levels.

- We expect tariffs to negatively impact gross profit rate by ~100 basis points, net of mitigation efforts.

SG&A rate to be approximately 24%, reflecting deleverage due to softer topline trends offset by disciplined cost management.

Earnings per Diluted Share of at least $1.70 as we aggressively work to improve the business.

FY 2025 Guidance[1]

In millions, except earnings per share

METRIC	GUIDANCE (November 20, 2025)	GUIDANCE (August 28, 2025) [2]
Net Sales	Down low-single digits	up 1.5% - up 2.7%
Gross Profit Rate	~43.3%	~44%
Adjusted SG&A Expense Rate[1]	~28.3%	~27.7%
Adjusted Interest Expense & Other[1]	~$250	~$250
Adjusted Tax Rate[1]	~26.2%	~26%
Weighted Average Diluted Shares Outstanding	~209 million	~209 million
Adjusted Earnings Per Diluted Share[1]	At least $2.87	$3.35 - $3.60
Capital Expenditures	~$240	$250 - $270
Free Cash Flow[1]	~$650	$750 - $850

1- See Appendix for important information regarding the non-GAAP financial measures, including reconciliations of forecasted amounts.

2 - The company's full year guidance was provided as a part of the company's Q2 2025 earnings materials.

Key Highlights

As a result of Q3 performance and Q4 guidance - we are lowering our net sales guidance to down low-single digits and lowering our adjusted earnings per diluted share guidance to at least $2.87.

We now expect gross profit rate to be approximately 43.3%.

- We expect tariffs to negatively impact gross profit rate by ~100 basis points, net of mitigation efforts.

Adjusted SG&A rate is now expected to be approximately 28.3%, reflecting softer topline expectations.

We now expect free cash flow to be approximately $650 million reflecting the reduction in operating performance.

Capital Allocation Highlights

	Q3'25 YTD	FY'25 Guidance
Capital Expenditures	$174M	~$240M
Dividend Payments	$126M $0.60/share dividend	~$170M maintain $0.80/share annual dividend
Share Repurchases	$343M	$400M

FY '25 Free Cash Flow Guidance[1] ~$650M

1 - See Appendix for important information regarding the non-GAAP financial measures, including reconciliations of forecasted amounts.

STRONG BUSINESS MODEL

We are laser focused on returning the business to consistent and sustainable growth and creating value for our customers and key stakeholders.

LEADER IN ATTRACTIVE SPACE

Market leader in each of our 3 core categories: Home Fragrance, Soaps & Sanitizers, and Body Care[1]

HEALTHY MARGINS

~17% Operating Margins[2]

STRONG FORECASTED FREE CASH FLOW

~$650M FY'25 Guidance[3]

RETURNING CASH TO SHAREHOLDERS

~$170M Forecasted Dividends

$400M Forecasted Share Repurchases

1 - Source: Circana & BBW Internal Data, based on full year 2024 results;
2 – Based on full year 2024 results.
3 - See Appendix for important information regarding the non-GAAP financial measures.

Q&A

WHITE BARN
CRISP MORNING AIR
CLEANSING GEL HAND SOAP
WHITE BARN
KITCHEN LEMON
CLEANSING GEL HAND SOAP
MADE WITHOUT SULFATES, PARABENS & DYES
8 FL OZ / 236 mL
WHITE BARN
MAHOGANY TEAKWOOD
GENTLE & CLEAN FOAMING HAND SOAP
MADE WITHOUT SULFATES, PARABENS & DYES
8.75 FL OZ / 259 mL
WHITE BARN
CHAMPAGNE TOAST
CLEANSING GEL HAND SOAP
MADE WITHOUT SULFATES, PARABENS & DYES
8 FL OZ / 236 mL
WHITE BARN
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8.75 FL OZ / 259 mL
WHITE BARN

APPENDIX

Other financial information

Strong Loyalty Program

~40M

Active[1] loyalty members as of the end of Q3 2025

+6% to Q3 LY

~85%

Of Q3 2025 U.S. sales driven by loyalty members

+ 4 pts to Q3 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.

Store Count And Company-Operated Selling Square Feet

Q3 2025 vs. Q4 2024

Total Company-Operated Stores

	Stores				Selling Sq. Ft. (000's)			
	2/1/2025	Opened	Closed	11/1/2025	2/1/2025	Opened/ Remodels	Closed	11/1/2025
Bath & Body Works U.S.	1,782	73	(34)	1,821	5,066	184	(77)	5,172
Bath & Body Works Canada	113	-	-	113	325	1	-	326
Total Bath & Body Works	1,895	73	(34)	1,934	5,391	185	(77)	5,498

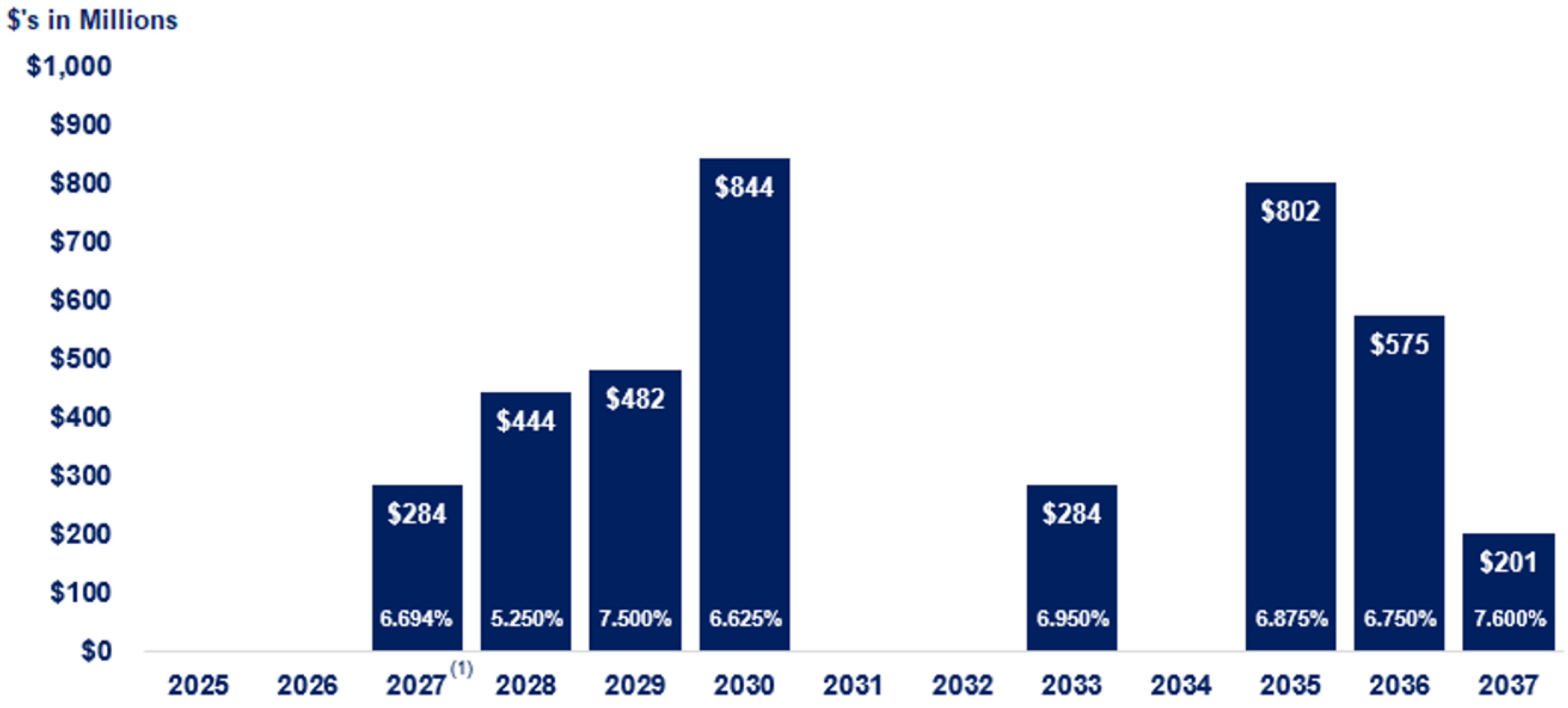
Total Partner-Operated Stores

	Stores			
	2/1/2025	Opened	Closed	11/1/2025
International	494	35	(21)	508
International – Travel Retail	35	3	(2)	38
Total International[1]	529	38	(23)	544

1- Includes store locations only and does not include kiosks, shop-in-shops, gondola or beauty counter locations.

Debt Maturities

as of November 1, 2025



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

Adjusted Financial Information – Q3 2025

$ in millions, except per share amounts

	Q3 2025	
Reconciliation of Reported Interest Expense & Other to Adjusted Interest Expense & Other	**$**	
Reported Interest Expense & Other	$58	
Gain on Sale of Non-core Asset	8	
Adjusted Interest Expense & Other	$66	
Reconciliation of Reported Tax Provision to Adjusted Tax Provision	**$**	**Rate**
Reported Tax Provision	$26	25.3%
Tax Effect of Gain on Sale of Non-core Asset	(2)	0.1%
Adjusted Tax Provision	$24	25.4%
Reconciliation of Reported Net Income to Adjusted Net Income	**$**	
Reported Net Income	$77	
Gain on Sale of Non-core Asset	(8)	
Tax Effect of Gain on Sale of Non-core Asset	2	
Adjusted Net Income	$71	
Reconciliation of Reported Net Income Per Diluted Share to Adjusted Net Income Per Diluted Share	**$**	
Reported Net Income Per Diluted Share	$0.37	
Gain on Sale of Non-core Asset	(0.04)	
Tax Effect of Gain on Sale of Non-core Asset	0.01	
Adjusted Net Income Per Diluted Share	$0.35	

The third quarter of 2025 adjusted results exclude the following:

- An $8 million pre-tax gain ($6 million after-tax), included in Interest Expense & Other, related to the sale of a non-core asset.

Forecasted Adjusted Financial Information – FY 2025

$ in millions, except share amounts

	Full-Year 2025
Reconciliation of Forecasted SG&A Expense Rate to Forecasted Adjusted SG&A Expense Rate	
Forecasted SG&A Expense Rate	28.5%
SG&A Expense Rate Impact of Leadership Transition Costs	(0.2%)
Forecasted Adjusted SG&A Expense Rate	28.3%
Reconciliation of Forecasted Interest Expense & Other to Forecasted Adjusted Interest Expense & Other	
Forecasted Interest Expense & Other	$242
Gain on Sale of Non-core Asset	8
Forecasted Adjusted Interest Expense & Other	$250
Reconciliation of Forecasted Tax Rate to Forecasted Adjusted Tax Rate	
Forecasted Tax Rate	26.5%
Tax Rate Impact of Leadership Transition Costs	(0.3%)
Tax Rate Impact of Gain on Sale of Non-core Asset	-
Forecasted Adjusted Tax Rate	26.2%
Reconciliation of Forecasted Earnings Per Diluted Share to Forecasted Adjusted Earnings Per Diluted Share	
Forecasted Earnings Per Diluted Share	$2.83
Leadership Transition Costs, Net of Tax	0.07
Gain on Sale of Non-core Asset, Net of Tax	(0.03)
Forecasted Adjusted Earnings Per Diluted Share	$2.87

Forecasted adjusted full-year 2025 results exclude the following:

- Aggregate pre-tax costs of $15 million ($14 million after-tax) recognized in the second quarter of 2025, included in SG&A expense, due to the transition of certain members of the leadership team, primarily related to severance benefits.

- An $8 million pre-tax gain ($6 million after-tax) recognized in the third quarter of 2025, included in Interest Expense & Other, related to the sale of a non-core asset.

Forecasted Free Cash Flow Information – FY 2025

$ in millions

	Full-Year 2025
Reconciliation of Forecasted Net Cash Provided by Operating Activities to Forecasted Free Cash Flow	
Forecasted Net Cash Provided by Operating Activities	$890
Forecasted Capital Expenditures	(240)
Forecasted Free Cash Flow	$650

Forecasted Free Cash Flow

Our Forecasted Free Cash Flow is defined as Forecasted Net Cash Provided by Operating Activities less our Forecasted Capital Expenditures. Our Forecasted Free Cash Flow is a non-GAAP financial measure which we believe is useful to analyze our anticipated ability to generate cash. Our Forecasted Free Cash Flow calculation may not be comparable to similarly-titled measures reported by other companies. Our Forecasted Free Cash Flow should be evaluated in addition to, and not considered a substitute for, other GAAP financial measures.