Cautionary Notices & Non-GAAP Financial Measures

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:

- general economic conditions, consumer confidence, consumer spending patterns and market disruptions including severe weather conditions, natural disasters, significant health hazards or pandemics, terrorist activities, financial crises, political crises or other major events, or the prospect of these events;
- divestitures or other dispositions, including any divestiture of Victoria's Secret and related operations, could negatively impact our business, and contingent liabilities from businesses that we have sold could adversely affect our financial statements;
- 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;
- liabilities arising from divested businesses;
- 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 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 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;
Safe Harbor Statement Under the Private Securities Litigation Reform Act of 1995

- 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;
  - potential 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;
- our geographic concentration of vendor and distribution facilities in central Ohio;
- fluctuations in foreign currency exchange rates;
- stock price volatility;
- our ability to pay dividends and related effects;
- our ability to maintain our credit rating;
- our ability to service or refinance our debt;
- shareholder activism matters;
- 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;
- our ability to adequately protect our assets from loss and theft;
- fluctuations in energy costs;
- increases in the costs of mailing, paper and printing;
- claims arising from our self-insurance;
- our ability to implement and maintain information technology systems and to protect associated data;
- our ability to maintain the security of customer, associate, third-party or company information;
- our ability to comply with laws and regulations 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.

Non-GAAP Financial Measures

In presenting the company’s results, management has included and discussed certain non-GAAP financial measures. Management believes that these non-GAAP measures, which may be defined differently by other companies, better explain the company’s results of operations in a manner that allows for a more complete understanding of the underlying trends in the company’s business. However, these measures should not be viewed as a substitute for those determined in accordance with GAAP. For a description of non-GAAP financial measures and reconciliations used in this presentation, please see the Appendix to this presentation.
Executive Summary

L Brands, Inc. ("L Brands," "we," "our," or the "Company") is a specialty retailer with multiple category-leading brands focused on women’s intimate and other apparel, personal care, beauty, and home fragrance products across ~2,920 company owned stores worldwide as of the end of fiscal 2019.

- L Brands generated net sales of $12.9 billion and adjusted EBITDA\(^1\) of $1.8 billion in fiscal 2019.

On April 30, 2020, the Company executed an amendment of its existing $1 billion Cash Flow Revolver into an Asset-Based Revolver to provide appropriate financial flexibility.

On May 4, 2020, the Company and Sycamore Partners mutually agreed to terminate their February agreement for Sycamore to buy a 55% controlling interest in the Victoria’s Secret ("VS") business.

Moving forward, L Brands is focused on driving strong growth at Bath & Body Works ("BBW") and implementing a profit improvement plan at VS to create a foundation for separation and growth.

On March 17, 2020 in response to COVID-19, L Brands temporarily closed all stores in the United States and Canada; L Brands had reopened approximately 20 stores as of the end of Q1 2020.

To bolster liquidity during the COVID-19 pandemic and address near term debt maturities, on June 4, 2020 L Brands issued $750mm of new 5-year Senior Secured Notes and $500 million of new 5-year Guaranteed Senior Unsecured Notes.

- The use of proceeds will be to redeem the existing $450 million 6.625% Senior Unsecured Notes due 2021 and for general corporate purposes, which will include paydown of near-term bond maturities as well as a $200 million paydown of L Brands’ supplemental retirement plan during 2021.

- Pro forma for the Senior Secured Notes offering, the Company will have secured and total leverage of 0.6x and 4.4x, respectively. Total net leverage remains effectively unchanged at 3.2x and pro forma liquidity will be ~$2,475mm\(^2\).

\(^1\) Adjusted EBITDA is a non-GAAP financial measure. See Appendix for reconciliation.

\(^2\) Revolving credit availability based on an ABL Borrowing Base of $751mm as of 5/2/2020; $1,724mm represents pro forma cash.
Who We Are

- 50+ year history of creating, scaling and managing the lifecycle of successful specialty retail concepts

- Operating under 3 global brands, in categories with high emotional content:
  - Bath & Body Works
  - Victoria’s Secret
  - PINK

- Long track record of successfully weathering macro-economic challenges and evolving our brands and portfolio of businesses

- Committed to meeting the needs of our customers, associates and communities, while delivering value to shareholders

- Committed to establishing Bath & Body Works as a pure-play public company; taking necessary steps to prepare Victoria’s Secret Businesses to operate on a separate, standalone basis
L Brands Historical Performance

**BBW REVENUE**
($ in millions)

- 2015: $3,587
- 2016: $3,852
- 2017: $4,148
- 2018: $4,631
- 2019: $5,170

**2015A – 2019A CAGR: 9.6%**

**VS REVENUE**
($ in millions)

- 2015: $7,672
- 2016: $7,781
- 2017: $7,387
- 2018: $7,375
- 2019: $6,805

**2015A – 2019A CAGR: (3.0%)**

**VS AND BBW INTERNATIONAL REVENUE**
($ in millions)

- 2015: $385
- 2016: $423
- 2017: $502
- 2018: $605
- 2019: $600

**2015A – 2019A CAGR: 11.7%**

**BBW OPERATING INCOME**
($ in millions)

- 2015: $858
- 2016: $907
- 2017: $953
- 2018: $1,077
- 2019: $1,191

**2015A – 2019A CAGR: 8.5%**

**VS OPERATING INCOME**
($ in millions)

- 2015 Adjusted: $1,391
- 2016 Adjusted: $1,206
- 2017: $932
- 2018 Adjusted: $512
- 2019 Adjusted: $115

**2015A – 2019A CAGR: (46.4%)**

**VS AND BBW INTERNATIONAL OPERATING INCOME**
($ in millions)

- 2015: $80
- 2016: $88
- 2017: $40
- 2018 Adjusted: $(56)
- 2019 Adjusted: $6

**2015A – 2019A CAGR: (48.5%)**

Note: Operating Income are depicted on a non-GAAP reported basis. 2017 represents a 53-week year. Other Segment is excluded.
Recent Strategic Actions Taken to Improve Results

➢ Address underperforming assets:
   ▪ Announced closure of Henri Bendel business in September 2018
   ▪ Announced divestiture of La Senza business in December 2018

➢ Dividend reset from $2.40 to $1.20 per share to optimize capital structure announced in November 2018. Dividend suspended as of Q2 2020 in response to COVID-19 pandemic.

➢ Key leadership changes at Victoria's Secret North America to execute turnaround plan
   ▪ Amy Hauk, CEO of PINK, announced in August 2018
   ▪ John Mehas, CEO of Victoria’s Secret Lingerie, announced in November 2018
   ▪ Stuart Burgdoerfer appointed interim CEO of VS in May 2020

➢ Reduce leverage: debt reduced by close to $300M in 2019

➢ Refresh and diversify Board and improve governance:
   ▪ Hired Heidrick & Struggles to assist in identification and evaluation of new Board members
   ▪ Sarah Nash and Anne Sheehan joined Board in 2019

Changes effective as of the May 14th annual shareholder meeting:
   ▪ Sarah Nash appointed Chair of the L Brands Board
   ▪ Andrew Meslow became CEO of L Brands and was appointed to the Board
   ▪ Les Wexner stepped down as CEO and Board Chairman; continuing as Director with Chairman Emeritus title
   ▪ Allan Tessler, Ray Zimmerman and Gordon Gee retired
   ▪ Eliminated classified Board and supermajority voting

➢ Improve merchandise assortments at Victoria’s Secret Lingerie and PINK
   ▪ Informed by customer research
   ▪ Reintroduced swim

➢ Commit to evolving Victoria's Secret marketing; some changes made and others underway

➢ In Process: Separate Victoria’s Secret and Bath & Body Works businesses
COVID-19 Pandemic Response

Stores and Operations:
- Closed all stores in North America as of March 17 and asked all associates who can to work from home. Furloughed most store associates as of April 5.
- Suspended store rent for April and May. We are in active discussions with our landlords around go-forward rent costs. While the suspension of rent payments results in a cash benefit, rent was still accrued and expensed in the first quarter.
- During store closures, we have increased focus on driving customers to our online businesses with BBW Direct sales up 85% in Q1 2020 and VS Direct April sales up +30% after being closed for one week in March.
- Plans to shut roughly 250 Victoria’s Secret and PINK stores across North America this year.
- We anticipate substantially all of the go-forward store fleets for both VS and BBW will be open by the end of July. As we re-open stores, we are doing so with extra safety precautions.

Strengthen Financial Flexibility:
- Amended our revolver to an asset-backed loan facility which remains at $1.0 billion in commitments.
  - Upon the completion of the amendment, the Company repaid the $950 million that had been previously drawn.
- Suspended our quarterly dividend as of Q2.
- Executing a substantial reduction in expenses, capital expenditures, and forward inventory receipts.
- Extended vendor payment terms.
- Temporarily reduced base compensation by 20% for senior vice presidents and above. The cash compensation of Chairman Emeritus Leslie H. Wexner and other members of the Board of Directors has been suspended. Additionally, we are deferring annual merit increases.
- Issued $1.25 billion in Senior Secured Notes on June 4, 2020
- Our cash and cash equivalents balance at the end of the first quarter was $957 million, and there were no borrowings outstanding under the ABL.
Key Highlights

1. Strong portfolio of highly recognized and global brands
   - Bath & Body Works – The #1 fragrance specialty retailer (with leading market share across categories)
   - Victoria’s Secret – The #1 intimates retailer with strong global reach (with a profit improvement plan in place)

2. Compelling digital presence and omni-channel capabilities

3. Highly productive real estate footprint with strategic initiatives underway to right-size the fleet

4. Strong liquidity and historical cash flow generation

5. Highly experienced leadership team and Board of Directors
   - Recently refreshed leadership team and Board are poised to execute strategic initiatives
One of the largest specialty personal care and home fragrance brands in the world, with $5.2bn in net sales(1) selling under the brands Bath & Body Works, White Barn, C.O. Bigelow and others.

#1 Specialty Home Fragrance Retailer in America and #1 Brand in America for Body Moisturizer, Hand Soap & Hand Sanitizer by 2019 Sales(2)

1,739 Stores(4)

Specialty retailer of women's intimate and other apparel, featuring fashion-inspired collections and prestige fragrances, with $6.8bn in net sales(1) Victoria’s Secret also includes the brand PINK which markets products to the college-aged woman.

#1 in Intimates market share(3)

1,091 Stores(4)

(1) Fiscal Year 2019 Net Sales
(2) Sources: Kline & Co Cosmetics & Toiletries 2018 and 2019 Database; IRI 2018 and 2019 Scanner Data; BBW Actuals Across Direct & Stores
(3) Based on the NPD Group / Consumer Tracking Service 12ME Dec ’18/Women’s Apparel
(4) Includes company-owned stores in the U.S. and Canada as of February 1, 2020
Bath & Body Works: Business Overview

Two Brands

1,739 stores (US and Canada)²
- ~840 updated White Barn store design
- ~900 BBW
278 international franchised locations¹,²

Two Channels³

Stores 81%
$4.2bn

Direct 19%
$1.0bn

Scale

» Sizable footprint in North America
» High unaided awareness
» Large customer base
» Successful international franchise business with significant growth opportunity

Category Dominant

#1 Fine Fragrance Mist
#1 Body Moisturizer
#1 Body Cream
#1 Body Lotion
#1 Shower Gel
#1 Men’s Moisturizer

#1 Specialty HF Retailer
#1 Candle Brand
#1 3-Wick Candle
#1 Electric Diffuser
#1 Liquid Hand Soap
#1 Hand Sanitizer

(1) Represents Noncompany-Owned Stores for BBW and BBW – Travel Retail
(2) As of February 1, 2020
(3) Fiscal Year 2019 Net Sales. Includes company-owned stores in the U.S. and Canada
Bath & Body Works: The Specialty Fragrance Retailer

Category Dominant

**BODY CARE & FRAGRANCE**

- ~40% Of BBW Sales*

**HOME FRAGRANCE**

- ~40% Of BBW Sales*

**SOAPS & SANITIZERS**

- ~15% Of BBW Sales*

A Uniquely Differentiated POV

**FASHION**

**EVERYDAY USE**

**GIFTABLE**

*BBW sales for US and Canada.*
High profitability across all mall types in North America

43% of stores are not in malls

Leases provide significant protection based on occupancy and co-tenancy provisions

26% of stores are in C-mall locations and have a remaining average lease term of 3 years or less

Minimal exposure in vulnerable venues due to strong lease termination rights which provide flexibility

Current Total Stores\(^{(1)}\) 1,739

- A Malls 207 Stores (12%)
- B Malls 316 Stores (18%)
- C Malls 460 Stores (26%)
- Specialty, Strip, Other 756 Stores (43%)

Sales Productivity

Continued proactive management of real estate from beginning of 2008 to end of 2019:

- Opened 407 stores primarily in top tier and off-mall venues
- Closed 260 stores primarily in lower tier venues

Performance based investment – we can and do adjust spending levels based on performance

Continued opportunity for White Barn store remodels, with strong returns

Diverse real estate portfolio across venue tiers and types

\(^{(1)}\) Total company-owned BBW stores operating as of February 1, 2020.
Bath & Body Works: Topline Consistency and Success

Historical Quarterly Comps (BBW Segment)

Read & Quickly Correct

Source: Company filings and 2019 Investor Update Meeting materials.
Bath & Body Works: Digital Strengths and Capabilities

Digital Engagement

- **More than 400 million** website visits to bathandbodyworks.com per year
- Robust social media engagement as a specialty retailer
  - 10M Facebook Followers
  - 6M Instagram Followers
  - 297K Followers On Twitter
  - 374K Pinterest Followers

Bath and Body Direct sales ($mm):

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales ($mm)</th>
<th>% of BBW Segment</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>$362</td>
<td>10.1%</td>
</tr>
<tr>
<td>2016</td>
<td>$452</td>
<td>11.7%</td>
</tr>
<tr>
<td>2017</td>
<td>$559</td>
<td>13.5%</td>
</tr>
<tr>
<td>2018</td>
<td>$724</td>
<td>15.6%</td>
</tr>
<tr>
<td>2019</td>
<td>$958</td>
<td>18.5%</td>
</tr>
</tbody>
</table>

Select examples

Social media presence:

Direct channel capabilities:

Bath & Body Works direct net sales increased by 85% in Q1 2020 compared to Q1 2019
Victoria’s Secret: Business Overview

Two Brands

1,091 Stores (US and Canada)²
• 942 Victoria’s Secret
• 149 PINK
90 international company owned stores
444 international franchised locations¹,²

Two Channels³

Stores  75%
$5.1bn
Direct  25%
$1.7bn

Scale

➢ Sizable footprint in North America
➢ High unaided awareness
➢ Large customer base and strong online presence across various social media
➢ Global reach and appeal

Category Dominant

#1 in Intimates market share

¹ Represents Noncompany-Owned Stores for Victoria’s Secret Beauty & Accessories - Travel Retail, Victoria’s Secret Beauty & Accessories, Victoria’s Secret and PINK
² As of February 1, 2020
³ Fiscal Year 2019 net sales. Includes company-owned stores in the U.S. and Canada
Victoria’s Secret: Digital and Store Overview

VS Digital

Digital Engagement

- Victoria’s Secret:
  - **69mm** followers on Instagram
  - **29mm** fans on Facebook
  - **11mm** followers on Twitter

- PINK:
  - **14mm** fans on Facebook
  - **8mm** followers on Instagram
  - **14mm** members of PINK Nation
  - **909K** followers on Twitter

Victoria’s Secret Direct sales ($mm):

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales ($mm)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>1,560</td>
</tr>
<tr>
<td>2016</td>
<td>1,582</td>
</tr>
<tr>
<td>2017</td>
<td>1,508</td>
</tr>
<tr>
<td>2018</td>
<td>1,747</td>
</tr>
<tr>
<td>2019</td>
<td>1,693</td>
</tr>
</tbody>
</table>

- **20.3%** of VS Segment

- VS direct sales increased by 30% in April 2020, when stores were closed

VS Stores

VS Stores by Location Type

- **Current Total Stores**(1) 1,091

  - **A Malls** 284 Stores (26%)
  - **B Malls** 335 Stores (31%)
  - **C Malls** 240 Stores (22%)
  - **Specialty, Strip, Other** 232 Stores (21%)

Sales Productivity

Victoria’s Secret U.S. Sales per Average Selling Square Foot

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales ($mm)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>$864</td>
</tr>
<tr>
<td>2016</td>
<td>$844</td>
</tr>
<tr>
<td>2017</td>
<td>$784</td>
</tr>
<tr>
<td>2018</td>
<td>$739</td>
</tr>
<tr>
<td>2019</td>
<td>$684</td>
</tr>
</tbody>
</table>

(1) 1,091 Total VS stores in US and Canada operating as of February 1, 2020
Victoria’s Secret: Profit Improvement Plan

1. Merchandise Margin rate improvement
   - Better inventory management
   - Sourcing / tariff mitigation
   - More on trend fashion / full price selling

2. Store selling cost rate reduction

3. Elimination / substantial reduction of worst store losses / rent reductions
   - Estimate approximately 250 VS store closures in 2020

4. Address UK and China Operating Income and EBITDA losses

5. Home office overhead reductions
Strong Liquidity and Historical Cash Flow Generation

Liquidity ($mm)

- **2016**: $2,934
  - Cash and Cash Equivalents: $1,934
  - Available Revolver: $992
  - Letter of Credit: $8
- **2017**: $2,515
  - Cash and Cash Equivalents: $1,515
  - Available Revolver: $991
  - Letter of Credit: $9
- **2018**: $2,413
  - Cash and Cash Equivalents: $1,413
  - Available Revolver: $991
  - Letter of Credit: $9
- **2019**: $2,499
  - Cash and Cash Equivalents: $1,499
  - Available Revolver: $981
  - Letter of Credit: $19

Free cash flow$^1$ ($mm)

- **2016**: $900
- **2017**: $699
- **2018**: $748
- **2019**: $778

Source: SEC Filings

$^1$ Free Cash Flow is a non-GAAP measure that is defined as Operating Cash Flow less Capital Expenditures

We maintain significant liquidity through cash on the balance sheet and capacity through our revolving credit facility.

We have generated ~$700 million of free cash flow or more in each of the last 4 fiscal years.
We Have Taken Decisive Actions To Manage Liquidity

**Operating expenses**
- Suspended payment of store rent for April and May
  - In active discussions with landlords around go-forward rent costs
- Reducing salaries for senior VPs and above by 20%
- Suspending associate merit increases
- Suspending cash compensation for the Company’s former Chairman and CEO, Les Wexner, and for board members
- VS profit improvement plan

**Working capital**
- Reducing Spring inventory receipts versus last year by approximately 45% at Victoria’s Secret/PINK and 20% at Bath & Body Works
- Extending vendor payment terms

**Capex**
- Reducing capital expenditures forecast from $550 million to approximately $250 million
- Projecting 55 real estate projects (new stores and remodels) for 2020, down from historical rate of about 200 projects per year

**Financing Actions**
- Amended our revolver to an asset-backed loan facility
- ABL Borrowing Base of $751mm as of 5/2/2020
- Issued $1.25 billion new Senior Secured notes on 6/4/2020

**Summary of additional levers**
- Ability to draw down on revolving credit facility
- Further reduce capital expenditures as needed
- Continue discussions with landlords regarding rent
- All operating expenses remain under ongoing review
- Continue to assess opportunities to enhance working capital to improve near-term cash position

**Q1 Liquidity ($mm)**

<table>
<thead>
<tr>
<th></th>
<th>2019 Q1</th>
<th>2020 Q1</th>
<th>2020 Q1 Pro Forma</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Cash Equivalents</td>
<td>$2,146</td>
<td>$1,146</td>
<td></td>
</tr>
<tr>
<td>Available Revolver / ABL(2)</td>
<td>$790</td>
<td>$723</td>
<td></td>
</tr>
<tr>
<td>Letter of Credit</td>
<td>$10</td>
<td>$28</td>
<td>$28</td>
</tr>
</tbody>
</table>

**Q1 Free cash flow\(^1\) ($mm)**

<table>
<thead>
<tr>
<th></th>
<th>2019 Q1</th>
<th>2020 Q1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating CF</td>
<td>($73)</td>
<td>($342)</td>
</tr>
<tr>
<td>CapEx</td>
<td>($123)</td>
<td>($196)</td>
</tr>
<tr>
<td></td>
<td>($55)</td>
<td>($397)</td>
</tr>
</tbody>
</table>

Source: SEC Filings.

(1) Free Cash Flow is a non-GAAP measure that is defined as Operating Cash Flow less Capital Expenditures
(2) Q1, 2020 ABL Revolver availability based on deemed borrowing base as appraisal and field exam have not been completed due to store closures. Borrowing Base of $751mm as of 5/2/2020.
Effective May 14, 2020, Sarah E. Nash became Chair of the Board, Andrew Meslow was appointed L Brands CEO as well as to the Board, and Allan Tessler, current lead independent director, Gordon Gee and Raymond Zimmerman retired from the Board while Donna James, Michael Morris and Robert Schottenstein were elected for a term of one year.
### Historical Financials

#### Net Sales

- **Net Sales ($ in bn)**
  - 2015: $12.2
  - 2016: $12.6
  - 2017: $12.6
  - 2018: $13.2
  - 2019: $12.9
  - LTM: $11.9

- **% Growth**
  - 2015: 6.1%
  - 2016: 3.5%
  - 2017: 0.5%
  - 2018: 4.8%
  - 2019: (2.4%)
  - LTM: (10.0%)
## Q1 2020 Update

### L Brands 1st Quarter 2020 Vs. 1st Quarter 2019

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
<th>Increase (Decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Increase (Decrease)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net Sales</strong></td>
<td>$1,654.2</td>
<td>$2,628.8</td>
<td>$(974.6) -37%</td>
</tr>
<tr>
<td><strong>Comparable Sales (Stores only)</strong></td>
<td>-5%</td>
<td>-3%</td>
<td></td>
</tr>
<tr>
<td><strong>Comparable Sales (Stores and Direct)</strong></td>
<td>4%</td>
<td>0%</td>
<td></td>
</tr>
<tr>
<td><strong>Gross Profit</strong></td>
<td>385.5</td>
<td>934.0</td>
<td>(548.5) -59%</td>
</tr>
<tr>
<td><strong>% of Net Sales</strong></td>
<td>23.3%</td>
<td>35.5%</td>
<td>(1220 bps)</td>
</tr>
<tr>
<td><strong>Adjusted Operating Income (Loss)</strong></td>
<td>(220.9)</td>
<td>153.3</td>
<td>(374.2) -244%</td>
</tr>
<tr>
<td><strong>% of Net Sales</strong></td>
<td>-13.4%</td>
<td>5.8%</td>
<td>(1920 bps)</td>
</tr>
<tr>
<td><strong>Adjusted Net Income (Loss)</strong></td>
<td>$(275.2)</td>
<td>$40.3</td>
<td>$(315.5) -783%</td>
</tr>
<tr>
<td><strong>% of Net Sales</strong></td>
<td>-16.6%</td>
<td>1.5%</td>
<td>(1810 bps)</td>
</tr>
<tr>
<td><strong>Adjusted Net Income (Loss) Per Diluted Share</strong></td>
<td>$(0.99)</td>
<td>$0.14</td>
<td>$(1.13) -807%</td>
</tr>
<tr>
<td><strong>Weighted Average Shares Outstanding</strong></td>
<td>277.0</td>
<td>278.2</td>
<td></td>
</tr>
</tbody>
</table>

### Q1 2020 Results:

- Q1 2020 loss per share was 99 cents compared to earnings per share of 14 cents in Q1 2019.
- Net sales declined by 37% in Q1 2020 to $1.654 billion, driven by declines in our stores businesses as stores were closed in the United States and Canada as of March 17, and earlier in international locations.

(1) Non-GAAP financial measure. See appendix for reconciliation.
## L Brands 1st Quarter 2020 by Business

<table>
<thead>
<tr>
<th></th>
<th>Bath &amp; Body Works(^{(1)})</th>
<th>Victoria's Secret(^{(1)})</th>
<th>Total L Brands</th>
</tr>
</thead>
<tbody>
<tr>
<td>Comparable sales (Stores only)</td>
<td>20%</td>
<td>(15%)</td>
<td>(5%)</td>
</tr>
<tr>
<td>Comparable sales (Stores and Direct)</td>
<td>41%</td>
<td>(13%)</td>
<td>4%</td>
</tr>
<tr>
<td>Sales change</td>
<td>(18%)</td>
<td>(46%)</td>
<td>(37%)</td>
</tr>
<tr>
<td>Sales</td>
<td>$713</td>
<td>$822</td>
<td>$1,654</td>
</tr>
<tr>
<td>Adjusted operating income (loss) (% of sales)</td>
<td>9.7%</td>
<td>(24.7%)</td>
<td>(13.4%)</td>
</tr>
<tr>
<td>Adjusted operating income (loss)</td>
<td>$69</td>
<td>($203)</td>
<td>($221)</td>
</tr>
<tr>
<td>Adjusted net income (loss)</td>
<td></td>
<td>($275)</td>
<td></td>
</tr>
<tr>
<td>Average shares outstanding</td>
<td></td>
<td></td>
<td>277</td>
</tr>
<tr>
<td>Adjusted net income (loss) per share</td>
<td></td>
<td></td>
<td>($0.99)</td>
</tr>
</tbody>
</table>

\(^{(1)}\) Includes company-owned stores in the U.S. and Canada and Direct sales
## Leverage Profile

<table>
<thead>
<tr>
<th>($in billions)</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance Sheet Debt</td>
<td>$5.7</td>
<td>$5.7</td>
<td>$5.8</td>
<td>$5.8</td>
<td>$5.5</td>
</tr>
<tr>
<td>Adjusted EBITDA (1)</td>
<td>$2.6</td>
<td>$2.5</td>
<td>$2.3</td>
<td>$2.0</td>
<td>$1.8</td>
</tr>
<tr>
<td>Debt / Adjusted EBITDA</td>
<td>2.2x</td>
<td>2.3x</td>
<td>2.5x</td>
<td>2.9x</td>
<td>3.0x</td>
</tr>
<tr>
<td>End of Year Cash and Cash Equivalents</td>
<td>$2.5</td>
<td>$1.9</td>
<td>$1.5</td>
<td>$1.4</td>
<td>$1.5</td>
</tr>
</tbody>
</table>

Source: SEC Filings.

(1) Non-GAAP measure. Adjusted to exclude certain special items. See appendix for reconciliation.
### Reconciliation of Adjusted Operating Income and Adjusted EBITDA

<table>
<thead>
<tr>
<th>Details of Special Items - Income (Expense)</th>
<th>Reconciled Operating Income (Loss)</th>
<th>Reconciled Net Income (Loss) to EBITDA to Adjusted EBITDA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Impairment of Victoria's Secret Goodwill</td>
<td>$ (720)</td>
<td>$ (704)</td>
</tr>
<tr>
<td>Victoria's Secret Store-Related Asset Impairment</td>
<td>(349)</td>
<td>$ 376</td>
</tr>
<tr>
<td>Henri Bendel Closure Costs</td>
<td>-</td>
<td>$ 50</td>
</tr>
<tr>
<td>Loss on Divestiture of La Senza</td>
<td>-</td>
<td>$ 582</td>
</tr>
<tr>
<td>Victoria's Secret Restructuring</td>
<td>-</td>
<td>$ 582</td>
</tr>
<tr>
<td>Special Items included in Operating Income(2)</td>
<td>(1,069)</td>
<td>$ 376</td>
</tr>
<tr>
<td>La Senza Charges</td>
<td>(37)</td>
<td>$ 376</td>
</tr>
<tr>
<td>Loss on Extinguishment of Debt</td>
<td>(40)</td>
<td>$ 376</td>
</tr>
<tr>
<td>Gain on Distribution from Easton Town Center, LLC</td>
<td>-</td>
<td>$ 376</td>
</tr>
<tr>
<td>Gain on Divestiture of Third-party Apparel Sourcing Business</td>
<td>-</td>
<td>$ 376</td>
</tr>
<tr>
<td>Special Items included in Other Income (Loss) (3)</td>
<td>(77)</td>
<td>$ 376</td>
</tr>
<tr>
<td>Special Items included in EBITDA(2)(3)</td>
<td>(1,146)</td>
<td>$ 1,146</td>
</tr>
</tbody>
</table>

#### Reconciliation of Reported Operating Income to Adjusted Operating Income

<table>
<thead>
<tr>
<th>Reported Operating Income (Loss)</th>
<th>Special Items included in Operating Income (Loss)(2)</th>
<th>Adjusted Operating Income (Loss)</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ (213)</td>
<td>1,069</td>
<td>$ 856</td>
</tr>
</tbody>
</table>

#### Reconciliation of Net Income (Loss) to EBITDA to Adjusted EBITDA

<table>
<thead>
<tr>
<th>Reporting Net Income (Loss)</th>
<th>Interest Expense</th>
<th>Income Tax Expense</th>
<th>Depreciation &amp; Amortization</th>
<th>EBITDA</th>
<th>Special Items included in EBITDA(2)(3)</th>
<th>Adjusted EBITDA</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ (704)</td>
<td>$ 376</td>
<td>$ 50</td>
<td>$ 582</td>
<td>$ 304</td>
<td>1,146</td>
<td>$ 1,451</td>
</tr>
</tbody>
</table>

(1)(2)(3) See the following page for notes
Reconciliation of Adjusted Operating Income and Adjusted EBITDA

(1) Results reflect the adoption of ASC 842

(2) Adjusted Operating Income (Loss) excludes the effect of the following items:

- In the fiscal year ended February 1, 2020, a $720 million charge related to Victoria’s Secret goodwill and a $252 million charge related to the impairment of certain Victoria’s Secret long-lived store assets.

- In the fiscal year ended February 2, 2019, a $99 million pre-tax loss on the sale of La Senza, an $81 million charge related to the impairment of certain Victoria’s Secret long-lived store assets and $20 million of Henri Bendel closure costs.

- In the fiscal year ended January 28, 2017, pre-tax charges of $35 million related to actions at Victoria’s Secret, including severance charges, fabric cancellations and the write-off of catalogue paper.

- In the thirteen weeks ended May 2, 2020, a $97 million charge related to the impairment of certain Victoria’s Secret long-lived store assets.

(3) In addition to the Operating Income adjustments, Adjusted EBITDA excludes the effect of the following items:

- In the fiscal year ended February 1, 2020, a pre-tax loss of $40 million associated with the early extinguishment of $764 million in outstanding notes maturing between 2020 and 2022 and charges of $37 million to increase reserves related to ongoing contingent obligations for the La Senza business.

- In the fiscal year ended February 3, 2018, a pre-tax loss of $45 million associated with the early extinguishment of our 8.500% senior notes due 2019.

- In the fiscal year ended January 28, 2017, a $36 million pre-tax loss associated with the early extinguishment of our July 2017 notes, a $108 million pre-tax gain related to a $124 million cash distribution from Easton Town Center.

- In the fiscal year ended January 30, 2016, a $78 million pre-tax gain related to the sale of our remaining interest in the third-party apparel sourcing business.
### Reconciliation of Operating Income to Adjusted Operating Income

<table>
<thead>
<tr>
<th>(M’s)</th>
<th>Victoria’s Secret</th>
<th>Bath and Body Works</th>
<th>Victoria’s Secret and Bath &amp; Body Works International</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fiscal Year 2019</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reported Operating Income</td>
<td>(616)</td>
<td>1,191</td>
<td>(235)</td>
<td>(81)</td>
<td>258</td>
</tr>
<tr>
<td>Adjustments</td>
<td>731</td>
<td>-</td>
<td>241</td>
<td>-</td>
<td>972</td>
</tr>
<tr>
<td>Adjusted Operating Income</td>
<td>115</td>
<td>1,191</td>
<td>6</td>
<td>(81)</td>
<td>1,230</td>
</tr>
<tr>
<td><strong>Fiscal Year 2018</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reported Operating Income</td>
<td>462</td>
<td>1,077</td>
<td>(37)</td>
<td>(265)</td>
<td>1,237</td>
</tr>
<tr>
<td>Adjustments</td>
<td>50</td>
<td>-</td>
<td>31</td>
<td>119</td>
<td>200</td>
</tr>
<tr>
<td>Adjusted Operating Income</td>
<td>512</td>
<td>1,077</td>
<td>(6)</td>
<td>(146)</td>
<td>1,437</td>
</tr>
<tr>
<td><strong>Fiscal Year 2017</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reported Operating Income</td>
<td>932</td>
<td>953</td>
<td>5</td>
<td>(162)</td>
<td>1,728</td>
</tr>
<tr>
<td>Adjustments</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Adjusted Operating Income</td>
<td>932</td>
<td>953</td>
<td>5</td>
<td>(162)</td>
<td>1,728</td>
</tr>
<tr>
<td><strong>Fiscal Year 2016</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reported Operating Income</td>
<td>1,173</td>
<td>907</td>
<td>40</td>
<td>(117)</td>
<td>2,003</td>
</tr>
<tr>
<td>Adjustments</td>
<td>34</td>
<td>-</td>
<td>-</td>
<td>1</td>
<td>35</td>
</tr>
<tr>
<td>Adjusted Operating Income</td>
<td>1,206</td>
<td>907</td>
<td>40</td>
<td>(116)</td>
<td>2,037</td>
</tr>
<tr>
<td><strong>Fiscal Year 2015</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reported Operating Income</td>
<td>1,391</td>
<td>858</td>
<td>88</td>
<td>(145)</td>
<td>2,192</td>
</tr>
<tr>
<td>Adjustments</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Adjusted Operating Income</td>
<td>1,391</td>
<td>858</td>
<td>88</td>
<td>(145)</td>
<td>2,192</td>
</tr>
<tr>
<td><strong>Fiscal Q1, 2020</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reported Operating Income</td>
<td>(300)</td>
<td>69</td>
<td>(35)</td>
<td>(52)</td>
<td>(318)</td>
</tr>
<tr>
<td>Adjustments</td>
<td>97</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>97</td>
</tr>
<tr>
<td>Adjusted Operating Income</td>
<td>(203)</td>
<td>69</td>
<td>(35)</td>
<td>(52)</td>
<td>(221)</td>
</tr>
</tbody>
</table>

Adjusted Operating Income (Loss) excludes the effect of the following items:

- In the fiscal year ended February 1, 2020, a $720 million charge related to Victoria’s Secret goodwill and a $252 million charge related to the impairment of certain Victoria’s Secret long-lived store assets.

- In the fiscal year ended February 2, 2019, a $99 million pre-tax loss on the sale of La Senza, an $81 million charge related to the impairment of certain Victoria’s Secret long-lived store assets and $20 million of Henri Bendel closure costs.

- In the fiscal year ended January 28, 2017, pre-tax charges of $35 million related to actions at Victoria’s Secret, including severance charges, fabric cancellations and the write-off of catalogue paper.

- In the thirteen weeks ended May 2, 2020, a $97 million charge related to the impairment of certain Victoria’s Secret long-lived store assets.
Reconciliation of GAAP Financial Measures to Non-GAAP Financial Measures.

## Reconciliation of Reported To Adjusted Results

### THIRTEEN WEEKS ENDED MAY 2, 2020 AND MAY 4, 2019

(In millions except per share amounts)

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>Adjustments</th>
<th>Adjusted</th>
<th>2019</th>
<th>Adjustments</th>
<th>Adjusted</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Sales</strong></td>
<td>$ 1,654</td>
<td>$</td>
<td>$ 1,654</td>
<td>$ 2,629</td>
<td>$</td>
<td>$ 2,629</td>
</tr>
<tr>
<td>Costs of Goods Sold, Buying &amp; Occupancy</td>
<td>(1,366)</td>
<td>97</td>
<td>(1,269)</td>
<td>(1,695)</td>
<td>-</td>
<td>(1,695)</td>
</tr>
<tr>
<td><strong>Gross Profit</strong></td>
<td>289</td>
<td>97</td>
<td>385</td>
<td>934</td>
<td>-</td>
<td>934</td>
</tr>
<tr>
<td>General, Administrative and Store Operating Expenses</td>
<td>(606)</td>
<td>-</td>
<td>(606)</td>
<td>(781)</td>
<td>-</td>
<td>(781)</td>
</tr>
<tr>
<td>Operating Income (Loss)</td>
<td>(318)</td>
<td>97</td>
<td>(221)</td>
<td>153</td>
<td>-</td>
<td>153</td>
</tr>
<tr>
<td>Interest Expense</td>
<td>(97)</td>
<td>-</td>
<td>(97)</td>
<td>(99)</td>
<td>-</td>
<td>(99)</td>
</tr>
<tr>
<td>Other Income</td>
<td>2</td>
<td>-</td>
<td>2</td>
<td>6</td>
<td>-</td>
<td>6</td>
</tr>
<tr>
<td>Income (Loss) Before Income Taxes</td>
<td>(412)</td>
<td>97</td>
<td>(315)</td>
<td>61</td>
<td>-</td>
<td>61</td>
</tr>
<tr>
<td>Provision (Benefit) for Income Taxes</td>
<td>(115)</td>
<td>75</td>
<td>(40)</td>
<td>20</td>
<td>-</td>
<td>20</td>
</tr>
<tr>
<td><strong>Net Income (Loss)</strong></td>
<td>$ (297)</td>
<td>$ 22</td>
<td>$ (275)</td>
<td>$ 40</td>
<td>$</td>
<td>$ 40</td>
</tr>
<tr>
<td>Net Income (Loss) Per Diluted Share</td>
<td>$ (1.07)</td>
<td>$ (0.99)</td>
<td>$ 0.14</td>
<td>$</td>
<td>$ 0.14</td>
<td></td>
</tr>
<tr>
<td>Weighted Average Shares Outstanding</td>
<td>277</td>
<td>277</td>
<td>278</td>
<td>278</td>
<td>278</td>
<td></td>
</tr>
</tbody>
</table>

In the first quarter of 2020, adjusted results exclude the following:

- 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 Victoria’s Secret store-related assets.
- A $50.4 million tax benefit related to the resolution of certain tax matters.

1 - Reported Weighted Average Shares Outstanding in the first quarter of 2020 reflects basic shares due to the Net Loss.