

REFINITIV

DELTA REPORT

10-Q

VICTORIAS SECRET & CO.

10-Q - MAY 04, 2024 COMPARED TO 10-Q - OCTOBER 28, 2023

The following comparison report has been automatically generated

TOTAL DELTAS 1489

■ CHANGES	297
■ DELETIONS	587
■ ADDITIONS	605

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended **October 28, 2023** **May 4, 2024**

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____
Commission file number 001-40515

VICTORIA'S SECRET & CO.

(Exact name of registrant as specified in its charter)

Delaware

86-3167653

(State or other jurisdiction of
incorporation or organization)

(IRS Employer Identification No.)

4 Limited Parkway East

43068

Reynoldsburg, Ohio

(Zip Code)

(Address of principal executive offices)

(614) 577-7000

(Registrant's Telephone Number, Including Area Code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.01 Par Value	VSCO	The New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer
Non-accelerated filer Smaller reporting company
Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act.) Act. Yes No

As of November 24, 2023 May 31, 2024, the number of outstanding shares of the Registrant's common stock was 77,434,945 78,299,234 shares.

VICTORIA'S SECRET & CO.

TABLE OF CONTENTS

Part I. Financial InformationItem 1. Financial Statements*

Consolidated Statements of Income (Loss) for the Thirteen-Weeks and Thirty-Nine-Weeks Ended October 28 May 4, 2023 2024 and October April 29, 2022 2023 (Unaudited)

3

Consolidated Statements of Comprehensive Income (Loss) for the Thirteen-Weeks and Thirty-Nine-Weeks Ended October 28 May 4, 2023 2024 and October April 29, 2022 2023 (Unaudited)

3

Consolidated Balance Sheets as of October 28 May 4, 2023 2024 (Unaudited), January 28, 2023 February 3, 2024 and October April 29, 2022 2023 (Unaudited)

4

Consolidated Statements of Equity for the Thirteen-Weeks and Thirty-Nine-Weeks Ended October 28 May 4, 2023 2024 and October April 29, 2022 2023 (Unaudited)

5

Consolidated Statements of Cash Flows for the Thirteen-Weeks Ended October 28 May 4, 2023 2024 and October April 29, 2022 2023 (Unaudited)

76

Notes to Consolidated Financial Statements (Unaudited)

87

Safe Harbor Statement Under the Private Securities Litigation Reform Act of 1995

2116

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

2217

Item 3. Quantitative and Qualitative Disclosures About Market Risk

3427

Item 4. Controls and Procedures

3528

Part II. Other Information

3629

Item 1. Legal Proceedings

3629

Item 1A. Risk Factors

3629

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

3629

Item 3. Defaults Upon Senior Securities

3629

Item 4. Mine Safety Disclosures

3629

Item 5. Other Information

3629

Item 6. Exhibits

3730

Signature

3831

* Victoria's Secret & Co.'s fiscal year ends on the Saturday nearest to January 31. As used herein, "third quarter of 2023" 2024 and "third quarter of 2022" 2023 refer to the thirteen-week periods ended October 28, 2023 May 4, 2024 and October 29, 2022, respectively. "Year-to-date 2023" and "year-to-date 2022" refer to the thirty-nine-week periods ended October 28, 2023 and October 29, 2022 April 29, 2023, respectively, and "fiscal year 2023" 2024 and "fiscal year 2022" 2023 refer to the fifty-two-week period ending February 1, 2025 and the fifty-three-week period ended February 3, 2024 and the fifty-two-week period ended January 28, 2023, respectively.

PART I—FINANCIAL INFORMATION

Item 1. FINANCIAL STATEMENTS

VICTORIA'S SECRET & CO.
CONSOLIDATED STATEMENTS OF INCOME (LOSS)
(in millions except per share amounts)
(Unaudited)

	Net Sales	Third Quarter		Year-to-Date	
		2023	2022	2023	2022
		\$ 1,265	\$ 1,318	\$ 4,099	\$ 4,323
Net Sales	Net Sales				
Net Sales					
Net Sales					
Costs of Goods Sold, Buying and Occupancy					
Costs of Goods Sold, Buying and Occupancy					
Costs of Goods Sold, Buying and Occupancy	Costs of Goods Sold, Buying and Occupancy	(838)	(861)	(2,683)	(2,809)
Gross Profit	Gross Profit	427	457	1,416	1,514
Gross Profit					
Gross Profit					
General, Administrative and Store Operating Expenses	General, Administrative and Store Operating Expenses	(494)	(414)	(1,429)	(1,280)
Operating Income (Loss)		(67)	43	(13)	234
General, Administrative and Store Operating Expenses					
General, Administrative and Store Operating Expenses					
Operating Income					
Operating Income					
Operating Income					
Interest Expense	Interest Expense	(26)	(15)	(72)	(41)
Other Income (Loss)		—	2	—	(2)
Income (Loss) Before Income Taxes		(93)	30	(85)	191
Provision (Benefit) for Income Taxes		(22)	8	(17)	25
Interest Expense					
Interest Expense					
Other Income					
Other Income					
Other Income					
Income Before Income Taxes					
Income Before Income Taxes					
Income Before Income Taxes					

Provision for Income Taxes					
Provision for Income Taxes					
Provision for Income Taxes					
Net Income (Loss)	Net Income (Loss)	(71)	22	(68)	166
Less: Net Income (Loss) Attributable to Noncontrolling Interest		—	(2)	4	(9)
Net Income (Loss)					
Net Income (Loss)					
Less: Net Income Attributable to Noncontrolling Interest					
Less: Net Income Attributable to Noncontrolling Interest					
Less: Net Income Attributable to Noncontrolling Interest					
Net Income (Loss) Attributable to Victoria's Secret & Co.					
Net Income (Loss) Attributable to Victoria's Secret & Co.	Net Income (Loss)				
Attributable to Victoria's Secret & Co.	Attributable to Victoria's Secret & Co.	\$ (71)	\$ 24	\$ (72)	\$ 175
Net Income (Loss) Per Basic Share	Net Income (Loss) Per Basic Share				
Attributable to Victoria's Secret & Co.	Attributable to Victoria's Secret & Co.	\$ (0.92)	\$ 0.30	\$ (0.93)	\$ 2.12
Net Income (Loss) Per Basic Share Attributable to Victoria's Secret & Co.					
Net Income (Loss) Per Basic Share Attributable to Victoria's Secret & Co.					
Net Income (Loss) Per Diluted Share Attributable to Victoria's Secret & Co.					
Net Income (Loss) Per Diluted Share Attributable to Victoria's Secret & Co.					
Net Income (Loss) Per Diluted Share Attributable to Victoria's Secret & Co.	Net Income (Loss)				
Per Diluted Share Attributable to Victoria's Secret & Co.	Per Diluted Share Attributable to Victoria's Secret & Co.	\$ (0.92)	\$ 0.29	\$ (0.93)	\$ 2.07

**VICTORIA'S SECRET & CO.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)**

(in millions)
(Unaudited)

First Quarter

First Quarter

First Quarter

2024

2024

2024

		Third Quarter		Year-to-Date	
		2023	2022	2023	2022
Net Income (Loss)					
Net Income (Loss)					
Net Income (Loss)					
Other Comprehensive Income (Loss), Net of Tax:					
Other Comprehensive Income (Loss), Net of Tax:					
Other Comprehensive Income (Loss), Net of Tax:					
Foreign Currency Translation					
Foreign Currency Translation					
Foreign Currency Translation					
Total Other Comprehensive Loss, Net of Tax					
Net Income (Loss)	\$ (71)	\$ 22	\$ (68)	\$ 166	
Other Comprehensive Income (Loss), Net of Tax:					
Foreign Currency Translation	(2)	(9)	(4)	(10)	
Amounts Reclassified from Accumulated Other Comprehensive Income to Paid-in Capital	—	—	—	3	
Total Other Comprehensive Loss, Net of Tax					
Total Other Comprehensive Loss, Net of Tax					
Net of Tax	Net of Tax	(2)	(9)	(4)	(7)
Total Comprehensive Income (Loss)	Total Comprehensive Income (Loss)	(73)	13	(72)	159
Less: Net Income (Loss) Attributable to Noncontrolling Interest	—	(2)	4	(9)	
Total Comprehensive Income (Loss)					
Total Comprehensive Income (Loss)					
Less: Net Income Attributable to Noncontrolling Interest					
Less: Net Income Attributable to Noncontrolling Interest					
Less: Net Income Attributable to Noncontrolling Interest					
Less: Foreign Currency Translation Attributable to Noncontrolling Interest	Less: Foreign Currency Translation Attributable to Noncontrolling Interest	(1)	(3)	(2)	(2)
Comprehensive Income (Loss) Attributable to Victoria's Secret & Co.	\$ (72)	\$ 18	\$ (74)	\$ 170	
Less: Foreign Currency Translation Attributable to Noncontrolling Interest					

Less: Foreign Currency Translation
 Attributable to Noncontrolling Interest
 Comprehensive Loss Attributable to
 Victoria's Secret & Co.
 Comprehensive Loss Attributable to
 Victoria's Secret & Co.
 Comprehensive Loss Attributable to
 Victoria's Secret & Co.

The accompanying Notes are an integral part of these Consolidated Financial Statements.

VICTORIA'S SECRET & CO.
CONSOLIDATED BALANCE SHEETS
 (in millions except par value amounts)

		January							
		October 28, 2023							
					May 4, 2024				
ASSETS		ASSETS							
Current Assets:		Current Assets:							
Current Assets:									
Cash and Cash Equivalents									
Cash and Cash Equivalents									
Cash and Cash Equivalents		Cash and Cash Equivalents							
		\$ 124	\$ 427	\$ 126					
Accounts Receivable, Net		Accounts Receivable, Net							
		139	141	184					
Inventories		Inventories							
		1,211	1,052	1,242					
Other		Other							
		162	117	157					
Total Current Assets		Total Current Assets							
		1,636	1,737	1,709					
Property and Equipment, Net		Property and Equipment, Net							
		871	846	855					
Operating Lease Assets		Operating Lease Assets							
		1,311	1,232	1,228					
Goodwill		Goodwill							
		365	365	—					
Trade Names		Trade Names							
		286	289	246					
Other Intangible Assets, Net		Other Intangible Assets, Net							
		121	137	—					

Deferred Income	Deferred Income			
Taxes	Taxes	15	18	20
Other Assets	Other Assets	82	87	84
Total Assets	Total Assets	<u>\$ 4,687</u>	<u>\$ 4,711</u>	<u>\$ 4,142</u>
LIABILITIES AND EQUITY	LIABILITIES AND EQUITY			
Current Liabilities:	Current Liabilities:			
Current Liabilities:				
Accounts Payable				
Accounts Payable				
Accounts Payable	Accounts Payable	\$ 449	\$ 481	\$ 397
Accrued Expenses and Other	Accrued Expenses and Other	625	737	618
Current Debt	Current Debt	4	4	4
Current Operating Lease Liabilities	Current Operating Lease Liabilities	288	310	305
Income Taxes	Income Taxes	2	47	8
Total Current Liabilities	Total Current Liabilities	<u>1,368</u>	<u>1,579</u>	<u>1,332</u>
Deferred Income Taxes	Deferred Income Taxes	60	53	59
Long-term Debt	Long-term Debt	<u>1,530</u>	<u>1,271</u>	<u>1,244</u>
Long-term Operating Lease Liabilities	Long-term Operating Lease Liabilities	1,279	1,201	1,207
Other Long-term Liabilities	Other Long-term Liabilities	212	206	48
Total Liabilities	Total Liabilities	<u>4,449</u>	<u>4,310</u>	<u>3,890</u>
Shareholders' Equity:	Shareholders' Equity:			
Preferred Stock — \$0.01 par value; 10 shares authorized; 0 shares issued and outstanding	Preferred Stock — \$0.01 par value; 10 shares authorized; 0 shares issued and outstanding	—	—	—
Common Stock — \$0.01 par value; 1,000 shares authorized; 77, 80, and 81 shares issued and outstanding, respectively	Common Stock — \$0.01 par value; 1,000 shares authorized; 77, 80, and 81 shares issued and outstanding, respectively	1	1	1
Preferred Stock — \$0.01 par value; 10 shares authorized; 0 shares issued and outstanding	Preferred Stock — \$0.01 par value; 10 shares authorized; 0 shares issued and outstanding			

Preferred Stock — \$0.01 par value; 10 shares authorized; 0 shares issued and outstanding	
Common Stock — \$0.01 par value; 1,000 shares authorized; 78, 78, and 78 shares issued and outstanding, respectively	
Paid-in Capital	Paid-in Capital
	223
Accumulated Other	Accumulated Other
Comprehensive Income (Loss)	Comprehensive Income (Loss)
	(1)
Retained Earnings (Accumulated Deficit)	186
	47
Retained Earnings	
Total Victoria's Secret & Co.	
Shareholders' Equity	
Total Victoria's Secret & Co.	
Shareholders' Equity	
Total Victoria's Secret & Co. Shareholders' Equity	Total Victoria's Secret & Co. Shareholders' Equity
	220
Noncontrolling Interest	Noncontrolling Interest
	18
Total Equity	Total Equity
	238
Total Liabilities and Equity	Total Liabilities and Equity
	\$ 4,687
	\$ 4,711
	\$ 4,142

The accompanying Notes are an integral part of these Consolidated Financial Statements.

VICTORIA'S SECRET & CO.
CONSOLIDATED STATEMENTS OF EQUITY
(in millions)
(Unaudited)

Third First Quarter 2023 2024

	Common Stock		Accumulated			Total		
	Shares Outstanding	Par Value	Paid-in Capital	Other	Retained Earnings	Victoria's Secret & Co. Equity	Noncontrolling Interest	Total Equity
				Comprehensive Income (Loss)	(Accumulated Deficit)			
Balance, July 29, 2023	77	\$ 1	\$ 210	—	\$ 68	\$ 279	\$ 21	\$ 300
Net Loss	—	—	—	—	(71)	—	(71)	— (71)
Other Comprehensive Loss	—	—	—	(1)	—	— (1)	— (1)	— (2)

Total Comprehensive Loss	—	—	—	(1)	(71)	—	(72)	(1)	(73)
Share-based Compensation Expense	—	—	14	—	—	—	14	—	14
Tax Payments related to Share-based Awards	—	—	(1)	—	—	—	(1)	—	(1)
Distribution to Noncontrolling Interest	—	—	—	—	—	—	—	(2)	(2)
Balance, October 28, 2023	77	\$ 1	\$ 223	(1)	\$ (3)	\$ 220	\$ 18	\$ 238	

	Common Stock				Accumulated				Total			
	Common Stock		Other		Comprehensive		Retained		Treasury		Victoria's	
	Shares Outstanding	Par Value	Paid-in Capital	Income	Earnings	Stock	Secret & Co. Equity	Noncontrolling Interest	Total Equity			
Balance, February 3, 2024	78	\$ 1	\$ 238	—	—	\$ 178	\$ 417	21	\$ 438			
Net Income (Loss)	—	—	—	—	(4)	—	(4)	1	(3)			
Other Comprehensive Income	—	—	—	—	—	—	—	—	—			
Total Comprehensive Income (Loss)	—	—	—	—	(4)	—	(4)	1	(3)			
Share-based Compensation Expense	—	—	16	—	—	—	16	—	16			
Tax Payments related to Share-based Awards	(1)	—	(7)	—	—	—	(7)	—	(7)			
Other	1	—	1	—	—	—	1	—	1			
Balance, May 4, 2024	78	\$ 1	\$ 248	—	\$ 174	\$ 423	\$ 22	\$ 445				

Third First Quarter 2022 2023

	Common Stock										Accumulated										Total									
	Common Stock					Other					Comprehensive					Retained					Treasury					Victoria's				
	Shares Outstanding	Par Value	Paid-in Capital	Income	Earnings	Stock	Noncontrolling Interest	Total Equity	Shares Outstanding	Par Value	Paid-in Capital	Noncontrolling Interest	Total Equity	Shares Outstanding	Par Value	Paid-in Capital	Noncontrolling Interest	Total Equity	Shares Outstanding	Par Value	Paid-in Capital	Noncontrolling Interest	Total Equity							
Balance, July 30, 2022	82	\$ 1	\$ 177	\$ 6	\$ 65	\$ (2)	—	\$ 247	\$ 22					\$ 269																
Net Income (Loss)	—	—	—	—	24	—	—	24	(2)	—	—	—	22																	
Other Comprehensive Loss	—	—	—	(6)	—	—	—	(6)	(3)	—	—	—	(9)																	
Balance, January 28, 2023	82	\$ 1	\$ 177	\$ 6	\$ 65	\$ (2)	—	\$ 247	\$ 22					\$ 269																
Net Income	—	—	—	—	—	—	—	—	—	—	—	—	—																	
Other	—	—	—	—	—	—	—	—	—	—	—	—	—																	
Comprehensive	—	—	—	—	—	—	—	—	—	—	—	—	—																	
Income (Loss)	—	—	—	—	—	—	—	—	—	—	—	—	—																	
Total	Total																													
Comprehensive	Comprehensive	—	—	—	—	—	—	—	—	—	—	—	—																	
Income (Loss)	Income (Loss)	—	—	—	(6)	24	—	—	18	(5)	—	—	13																	
Repurchases of Common Stock	Repurchases of Common Stock	—	—	—	—	—	—	—	—	—	—	—	—																	
Repurchases of Common Stock	Repurchases of Common Stock	(1)	—	—	—	—	—	(43)	(43)	—	—	—	(43)																	

Treasury Share	Treasury Share							
Retirements	Retirements	—	—	(3)	—	(42)	45	—
Share-based	Share-based							
Compensation	Compensation							
Expense	Expense	—	—	12	—	—	—	12
Share-based Compensation								
Expense								
Share-based Compensation								
Expense								
Tax Payments	Tax Payments							
related to	related to							
Share-based	Share-based							
Awards	Awards	—	—	(1)	—	—	—	(1)
Other	Other	—	—	2	—	—	—	2
Balance, October 29, 2022		81	\$ 1	\$ 187	\$ —	\$ 47	\$ —	\$ 235
								\$ 17
								\$ 252
Balance, April								
29, 2023								

The accompanying Notes are an integral part of these Consolidated Financial Statements.

VICTORIA'S SECRET & CO.
CONSOLIDATED STATEMENTS OF EQUITY
(in millions)
(Unaudited)

Year-to-Date 2023

	Common Stock			Accumulated			Total			
	Shares Outstanding	Par Value	Paid-in Capital	Other		Retained Earnings	Treasury Stock	Victoria's Secret & Co. Equity	Noncontrolling Interest	Total Equity
				Comprehensive Income (Loss)	(Accumulated Deficit)					
Balance, January 28, 2023	80	\$ 1	\$ 195	\$ 1	\$ 186	\$ —	\$ 383	\$ 18	\$ 401	
Net Income (Loss)	—	—	—	—	(72)	—	(72)	—	4	(68)
Other Comprehensive Loss	—	—	—	(2)	—	—	(2)	—	(2)	(4)
Total Comprehensive Income (Loss)	—	—	—	(2)	(72)	—	(74)	2	—	(72)
Repurchases of Common Stock	(3)	—	—	—	—	(126)	(126)	—	—	(126)
Treasury Share Retirements	—	—	(9)	—	(117)	126	—	—	—	—
Share-based Compensation Expense	—	—	41	—	—	—	41	—	—	41
Tax Payments related to Share-based										
Awards	(1)	—	(10)	—	—	—	(10)	—	—	(10)
Distribution to Noncontrolling Interest	—	—	—	—	—	—	—	(2)	(2)	(2)
Other	1	—	6	—	—	—	6	—	—	6
Balance, October 28, 2023	77	\$ 1	\$ 223	\$ (1)	\$ (3)	\$ 220	\$ 18	\$ 238		

Year-to-Date 2022

	Common Stock	Accumulated	Retained	Treasury	Total
		Other	Earnings	Stock	Victoria's

	Shares	Par	Paid-in	Comprehensive			Secret & Co.			Noncontrolling		Total
	Outstanding	Value	Capital	Income			Equity			Interest	Equity	
Balance, January 29, 2022	85	\$ 1	\$ 125	\$ 5	\$ 126	\$ —	\$ 257	\$ —	\$ 257	\$ —	\$ 257	
Net Income (Loss)	—	—	—	—	175	—	175	—	175	(9)	166	
Other Comprehensive Loss	—	—	—	(5)	—	—	(5)	—	(5)	(2)	(7)	
Total Comprehensive Income (Loss)	—	—	—	(5)	175	—	170	—	170	(11)	159	
Sale of Noncontrolling Interest	—	—	17	—	—	—	17	—	17	28	45	
Repurchases of Common Stock	(5)	—	50	—	—	(264)	(264)	(214)	(214)	—	(214)	
Treasury Share Retirements	—	—	(10)	—	(254)	264	—	—	—	—	—	
Share-based Compensation Expense	—	—	38	—	—	—	38	—	38	—	38	
Tax Payments related to Share-based Awards	(1)	—	(40)	—	—	—	(40)	—	(40)	—	(40)	
Other	2	—	7	—	—	—	7	—	7	—	7	
Balance, October 29, 2022	81	\$ 1	\$ 187	\$ —	\$ 47	\$ —	\$ 235	\$ 17	\$ 252			

The accompanying Notes are an integral part of these Consolidated Financial Statements.

VICTORIA'S SECRET & CO.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in millions)
(Uaudited)

	Year-to-Date		First Quarter		2023
	2023	2022	2024		
Operating Activities:	Operating Activities:				
Net Income (Loss)	Net Income (Loss)	\$ (68)	\$ 166		
Net Income (Loss)					
Net Income (Loss)					
Adjustments to Reconcile Net Income (Loss) to Net Cash Used for Operating Activities:	Adjustments to Reconcile Net Income (Loss) to Net Cash Used for Operating Activities:				
Depreciation and Amortization of Long-lived Assets					
Depreciation and Amortization of Long-lived Assets					
Depreciation and Amortization of Long-lived Assets	Depreciation and Amortization of Long-lived Assets	216	208		
Share-based Compensation Expense	Share-based Compensation Expense	41	38		
Share-based Compensation Expense					

Share-based Compensation		
Expense		
Deferred		
Income Taxes		
Amortization of Fair Value	Amortization of Fair Value	
Adjustment to Acquired Inventories	Adjustment to Acquired Inventories	22 —
Deferred Income Taxes		7 (3)
Changes in Assets and Liabilities:	Changes in Assets and Liabilities:	
Accounts Receivable	Accounts Receivable	
Accounts Receivable	Accounts Receivable	— (23)
Inventories	Inventories	(184) (298)
Accounts Payable, Accrued Expenses and Other	Accounts Payable, Accrued Expenses and Other	(122) (229)
Income Taxes	Income Taxes	(83) (131)
Other Assets and Liabilities	Other Assets and Liabilities	(29) (7)
Net Cash Used for Operating Activities	Net Cash Used for Operating Activities	(200) (279)
Investing Activities:	Investing Activities:	
Capital Expenditures	Capital Expenditures	(224) (125)
Acquisition, Net of Cash Acquired	Acquisition, Net of Cash Acquired	1 —
Investment in Frankies Bikinis, LLC	Investment in Frankies Bikinis, LLC	— (18)
Capital Expenditures	Capital Expenditures	
Other Investing Activities	Other Investing Activities	— (7)
Net Cash Used for Investing Activities	Net Cash Used for Investing Activities	
Net Cash Used for Investing Activities	Net Cash Used for Investing Activities	
Net Cash Used for Investing Activities	Net Cash Used for Investing Activities	(223) (150)
Financing Activities:	Financing Activities:	
Borrowings from Asset-based Revolving Credit Facility	Borrowings from Asset-based Revolving Credit Facility	405 267

Borrowings from Asset-based Revolving Credit Facility			
Borrowings from Asset-based Revolving Credit Facility			
Repayments of Borrowings from Asset-based Revolving Credit Facility	Repayments of Borrowings from Asset-based Revolving Credit Facility	(145)	—
Payments for Contingent Consideration related to Adore Me Acquisition			
Tax Payments related to Share-based Awards			
Payments of Long-term Debt			
Repurchases of Common Stock	Repurchases of Common Stock	(125)	(214)
Tax Payments related to Share-based Awards		(10)	(40)
Repurchases of Common Stock			
Repurchases of Common Stock			
Proceeds from Stock Option Exercises	Proceeds from Stock Option Exercises	3	4
Payments of Long-term Debt		(3)	(3)
Cash Received from Noncontrolling Interest Partner		—	55
Other Financing Activities	Other Financing Activities	(3)	(2)
Net Cash Provided by Financing Activities		122	67
Other Financing Activities			
Other Financing Activities			
Net Cash Used for Financing Activities		—	—
Effects of Exchange Rate Changes on Cash and Cash Equivalents	Effects of Exchange Rate Changes on Cash and Cash Equivalents	(2)	(2)
Net Decrease in Cash and Cash Equivalents	Net Decrease in Cash and Cash Equivalents	(303)	(364)

Cash and Cash Equivalents, Beginning of Period	Cash and Cash Equivalents, Beginning of Period	427	490
Cash and Cash Equivalents, End of Period	Cash and Cash Equivalents, End of Period	\$124	\$126

The accompanying Notes are an integral part of these Consolidated Financial Statements.

VICTORIA'S SECRET & CO.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. Description of Business, Basis of Presentation and Summary of Significant Accounting Policies

Description of Business

Victoria's Secret & Co. (together with its subsidiaries unless the context otherwise requires, the "Company") is a specialty retailer of women's intimate and other apparel and beauty products marketed under the Victoria's Secret, PINK and Adore Me brand names. The Company has more than 900 approximately 910 stores in the United States ("U.S."), Canada and China as well as its own websites, www.VictoriasSecret.com, www.PINK.com and www.AdoreMe.com, and other online digital channels worldwide. Additionally, the Company has more than 440 470 stores in nearly 70 countries operating under franchise, license and wholesale arrangements. The Company also includes the merchandise sourcing and production function serving the Company and its international partners. The Company operates as a single segment designed to serve customers worldwide seamlessly through stores and online digital channels.

On December 30, 2022, the Company completed its acquisition of 100% of AdoreMe, Inc. ("Adore Me"), a digitally-native intimates brand. For additional information, see Note 2, "Acquisition."

In July 2022, the Company announced a new, simplified corporate leadership structure designed to unite the Company's brands, better align its teams with a shifting consumer landscape and enable better execution of its strategy. The restructuring eliminated approximately 160 management roles, or approximately 5% of the Company's home office headcount. In the fourth quarter of 2022 and in the first quarter of 2023, the Company implemented additional restructuring actions to continue to reorganize and improve its organizational structure. For additional information, see Note 4, "Restructuring Activities."

Fiscal Year

The Company's fiscal year ends on the Saturday nearest to January 31. As used herein, "third first quarter of 2023" 2024 and "third first quarter of 2022" 2023 refer to the thirteen-week periods ended October 28, 2023 May 4, 2024 and October 29, 2022, respectively. "Year-to-date 2023" and "year-to-date 2022" refer to the thirty-nine-week periods ended October 28, 2023 and October 29, 2022 April 29, 2023, respectively, and "fiscal year 2023" 2024 and "fiscal year 2022" 2023 refer to the fifty-two-week period ending February 1, 2025 and the fifty-three-week period ended February 3, 2024 and the fifty-two-week period ended January 28, 2023, respectively.

Basis of Presentation

The Consolidated Financial Statements have been prepared in conformity with accounting principles generally accepted in the United States ("GAAP").

Interim Financial Statements

The Consolidated Financial Statements as of and for the periods ended October 28, 2023 May 4, 2024 and October 29, 2022 April 29, 2023 are unaudited. These Consolidated Financial Statements should be read in conjunction with the audited Consolidated Financial Statements and Notes thereto included in our Annual Report on Form 10-K filed with the Securities and Exchange Commission ("SEC") on March 17, 2023 March 22, 2024.

In the opinion of management, the accompanying Consolidated Financial Statements reflect all adjustments, which are of a normal recurring nature, necessary for a fair presentation of the results for the interim periods.

Seasonality of Business

Due to the seasonal variations in the retail industry, the results of operations for the thirteen-week and thirty-nine week periods period ended October 28, 2023 May 4, 2024 are not necessarily indicative of the results expected for any other interim period or the full fiscal year ending February 3, 2024 February 1, 2025.

Equity Method Investments

The Company accounts for investments in unconsolidated entities where it exercises significant influence, but does not have control, using the equity method. Under the equity method of accounting, the Company recognizes its share of the investee's net income or loss. Losses are only recognized to the extent the Company has positive carrying value related to the investee. Carrying values are only reduced below zero if the Company has an obligation to provide funding to

the investee. The Company's share of net income or loss of unconsolidated entities from which the Company purchases merchandise or merchandise components is included in Costs of Goods Sold, Buying and Occupancy in the Consolidated Statements of Income (Loss), and the Company's share of net income or loss from all other unconsolidated entities is included in General, Administrative and Store Operating Expenses in the Consolidated Statements of Income (Loss). The Company's equity method investments are required to be reviewed for impairment when it is determined there may be an other-than-temporary loss in value.

In March 2022, the Company acquired a minority interest in swimwear brand Frankies Bikinis, LLC ("Frankies Bikinis") in exchange for \$18 million. The investment in Frankies Bikinis is accounted for using the equity method of accounting.

The carrying values of equity method investments were \$56 \$60 million as of October 28, 2023 May 4, 2024, \$56 \$60 million as of January 28, 2023 February 3, 2024 and \$52 \$58 million as of October 29, 2022 April 29, 2023. These investments are recorded in Other Assets on the Consolidated Balance Sheets.

Noncontrolling Interest

The Company accounts for investments in entities where it has control over the entity by consolidating the entities' assets, liabilities and results of operations and including them in the Company's Consolidated Financial Statements. The share of the investment not owned by the Company is reflected in Noncontrolling Interest in the Consolidated Balance Sheets. The Company recognizes the share of net income or loss not attributable to the Company in Net Income (Loss) Attributable to Noncontrolling Interest in the Consolidated Statements of Income (Loss). Noncontrolling interest represents the portion of equity interests in a joint venture in China that is not owned by the Company. For additional information, see Note 4, "Restructuring Activities."

Concentration of Credit Risk

The Company maintains cash and cash equivalents with various major financial institutions. The Company monitors the relative credit standing of financial institutions with whom the Company transacts with and limits the amount of credit exposure with any one entity. As of October 28, 2023 May 4, 2024, the Company's investment portfolio is primarily comprised of bank deposits.

The Company also periodically reviews the relative credit standing of franchise, license and wholesale partners and other entities to which the Company grants credit terms in the normal course of business. The Company determines the required allowance for expected credit losses using information such as customer credit history and financial condition. Amounts are recorded to the allowance when it is determined that expected credit losses may occur.

Supplier Finance Programs

The Company has agreements with designated third-party financial institutions to provide supplier finance programs which facilitate participating suppliers' ability to finance payment obligations of the Company. Participating suppliers may finance one or more payment obligations of the Company prior to their scheduled due dates and receive a discounted payment from participating financial institutions. The Company's obligations to its suppliers, including amounts due and scheduled payment dates, are not impacted by suppliers' decisions to finance amounts under these arrangements. All amounts payable to financial institutions relating to suppliers participating in these programs are recorded in Accounts Payable in the Consolidated Balance Sheets and were \$154 \$117 million as of October 28, 2023 May 4, 2024, \$213 \$183 million as of January 28, 2023 February 3, 2024 and \$140 \$155 million as of October 29, 2022 April 29, 2023.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period, as well as the related disclosure of contingent assets and liabilities at the date of the financial statements. Actual results may differ from those estimates, and the Company revises its estimates and assumptions as new information becomes available.

Recently Issued Accounting Pronouncements

The Company did not adopt any new accounting standards during the third first quarter of 2023 2024 that had a material impact on the Company's Company's results of operations, financial position or cash flows.

Income Taxes

In addition, there are no new accounting standards December 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*, which is intended to enhance the transparency and decision-usefulness of income tax disclosures, primarily by requiring enhanced disclosure for income taxes paid and the effective tax rate reconciliation. This standard will be effective for annual reporting periods beginning in fiscal year 2025 and for interim periods beginning in fiscal year 2026, with early adoption permitted. The updates required by this standard should be applied prospectively, but retroactive application is permitted. The Company does not yet adopted that are expected expect this standard to have a material impact on the Company's its results of operations, financial position or cash flows.

Segment Reporting

In November 2023, the FASB issued ASU 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosure*, which is intended to improve reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expense categories that are regularly provided to the chief operating decision maker and included in each reported measure of a segment's profit or loss. The update also requires all annual disclosures about a reportable segment's profit or loss and assets to be provided in interim periods and for entities with a single reportable segment to provide all the disclosures required by ASC 280, *Segment Reporting*, including the significant segment expense disclosures. This standard will be effective for annual reporting periods beginning in fiscal year 2024 and interim periods beginning in fiscal year 2025, with early adoption permitted. The updates required by this standard should be applied retrospectively to all periods presented in the financial statements. The Company does not expect this standard to have a material impact on its results of operations, financial position or cash flows.

2. Acquisition

On December 30, 2022, the Company completed the acquisition of 100% of the equity interests of AdoreMe, Inc. ("Adore Me. Adore Me is a direct-to-consumer lingerie and apparel brand with technology driven commerce service and a series of innovation-driven products. The acquisition creates the opportunity for the Company to leverage Adore Me's expertise and technology to continue to improve the Victoria's Secret and PINK customer shopping experience and accelerate the modernization of the Company's digital platform.

Under the terms of the definitive agreement setting forth the terms and conditions of the acquisition (the "Merger Agreement"), the Company made an upfront cash payment of \$391 million at closing and will agree to pay further cash consideration in an aggregate amount of at least \$80 million, consisting of a fixed payment to be made on or prior to January 15, 2025, and up to \$300 million based on the performance of Adore Me and achievement of specified strategic objectives and certain EBITDA and net revenue goals within the two-year period following closing of the transaction. Under the terms of the Merger Agreement, up to \$60 million of the further cash consideration is subject to the continued employment of a certain Adore Me employee ("Contingent Compensation Payments"). These Contingent Compensation Payments are not included as consideration when applying the acquisition method of accounting and are recognized as compensation expense within General, Administrative and Store Operating Expenses in the Consolidated Statements of Income (Loss) if and when earned in future periods.

During the first quarter of 2024, the Company made payments of \$20 million for the achievement of a specified strategic objective under the terms of the Merger Agreement, including \$16 million for contingent consideration when applying the acquisition method of accounting was initially \$537 million, net of \$22 million classified as financing cash outflows and \$4 million of Contingent Compensation Payments classified as operating cash acquired. The gross consideration as outflows in the Consolidated Statement of Cash Flows.

In both the acquisition date of \$559 million consisted of \$391 million in cash paid at closing, \$98 million which represented the fair value of the contingent cash consideration as of the acquisition date and \$70 million which represented the fair value of the future fixed payment as of the acquisition date. During the second first quarter of 2023, the Company received \$1 million in cash for the final working capital settlement, which decreased the total consideration of the acquisition to \$536 million.

The Company accounted for the acquisition of Adore Me using the acquisition method of accounting. Assets acquired 2024 and liabilities assumed have been recorded based on their preliminary fair values, and as a result, the estimates and assumptions are subject to change. The Company is still in the process of finalizing the valuation estimates and final purchase price allocation which includes potential adjustments related to amounts allocated to intangible assets. The Company expects to complete this process no later than twelve months after the closing of the acquisition. Year-to-date 2023, the Company recorded certain measurement period adjustments based on additional information, primarily related to assumed deferred income tax liabilities, assumed accrued expenses and other liabilities and acquired accounts receivable, resulting in a \$2 million increase to Deferred Income Tax Liabilities, a \$2 million decrease to Accrued Expenses and Other and a \$1 million decrease to Accounts Receivable. The measurement period adjustments had an offsetting impact to Goodwill.

The following is a preliminary purchase price allocation of assets acquired and liabilities assumed as of December 30, 2022 related to the Adore Me acquisition:

	Measurement Period		
	Initial Allocation	Adjustments	Adjusted Allocation
	(in millions)		
Accounts Receivable	\$ 1	\$ (1)	\$ —
Inventories	105	—	105
Other Current Assets	7	—	7
Property and Equipment, Net	12	—	12
Operating Lease Assets	5	—	5
Goodwill	365	—	365

Trade Name	43	—	43
Other Intangible Assets	137	—	137
Other Assets	1	—	1
Accounts Payable	17	—	17
Accrued Expenses and Other	88	(2)	86
Current Operating Lease Liabilities	2	—	2
Deferred Income Tax Liabilities	21	2	23
Long-term Operating Lease Liabilities	3	—	3
Other Long-term Liabilities	8	—	8
Net Assets Acquired and Liabilities Assumed	\$ 537	\$ (1)	\$ 536

The following table represents the definite-lived intangible assets acquired, the preliminary fair values and respective useful lives:

	Useful Life	Preliminary Fair Value	
		(in millions)	
Customer Relationships	7 years	\$	81
Developed Technology	6 years		56
Trade Name	10 years		43
Total Definite-Lived Intangible Assets		\$	180

The Company used the multi-period excess earnings method to value the customer relationships intangible assets and the relief from royalty method to value the developed technology and trade name intangible assets. The significant assumptions used to estimate the fair value of customer relationships included forecasted revenues, customer attrition rates and a discount rate. The significant assumptions used to estimate the fair value of developed technology and the trade name included forecasted revenues, royalty rates and a discount rate. These significant assumptions are forward-looking and could be affected by future economic and market conditions. The estimated weighted-average useful life was 7.4 years for definite-lived intangible assets.

Goodwill was calculated as the difference between the acquisition date fair value of the consideration transferred and the fair value of net assets recognized for Adore Me, and represents the future economic benefits, including synergies, and assembled workforce, that are expected to be achieved as a result of the consummation of the acquisition of Adore Me. The goodwill arising from the acquisition is not expected to be deductible for tax purposes.

The Company consolidates Adore Me's financial information on an approximate one-month reporting lag. Accordingly, given the acquisition closing date of December 30, 2022, the operating results of Adore Me for the period subsequent to the acquisition date are recorded in the Company's consolidated financial statements beginning in 2023.

In the third quarter and year-to-date 2023, the Company recognized the financial impact of purchase accounting items, and additional acquisition-related costs, including recognition in gross profit of the fair value adjustment to acquired inventories as it is sold, recognition of changes in the estimated fair value of contingent consideration and Contingent Compensation Payments as well as and amortization of acquired intangible assets. During In addition, in the third first quarter of 2023, the Company recognized total related the financial impact of additional acquisition-related costs and recognition in gross profit of \$8 million, including \$7 million the fair value adjustment to acquired inventories that were sold in Costs the first quarter of Goods Sold, Buying 2023.

The following table provides a summary by line item in the Consolidated Statements of Income (Loss) of the financial impact of purchase accounting items and Occupancy additional acquisition-related costs for the first quarter of 2024 and \$1 million in Interest Expense. Year-to-date 2023, the Company recognized total related costs of \$49 million, including \$22 million in Costs of Goods Sold, Buying and Occupancy, \$24 million in General, Administrative and Store Operating Expenses and \$3 million in Interest Expense. See Note 12, "Fair Value of Financial Instruments" for further information on the contingent consideration. 2023:

Income Statement Line Item	First Quarter	
	2024	2023
	(in millions)	
Costs of Goods Sold, Buying and Occupancy	\$ —	\$ 9
General, Administrative and Store Operating Expenses	13	7
Interest Expense	1	1

The deferred consideration liability for the future fixed payment was \$77 million and \$76 million as of May 4, 2024 and February 3, 2024, respectively, and is included within Accrued Expenses and Other in the Consolidated Balance Sheets. As of April 29, 2023, the deferred consideration liability for the future fixed

payment was \$72 million and is included within Other Long-term Liabilities in the Consolidated Balance Sheets and was \$74 million as of Sheet. See Note 11, "Fair Value of October 28, 2023 and \$71 million as of January 28, 2023. Financial Instruments" for further information regarding the liability recognized at fair value for the contingent consideration.

3. Revenue Recognition

Accounts receivable, net from revenue-generating activities were \$102 \$113 million as of October 28, 2023 May 4, 2024, \$101 \$103 million as of January 28, 2023 February 3, 2024 and \$133 \$99 million as of October 29, 2022 April 29, 2023. Accounts receivable primarily relate to amounts due from the Company's franchise, license and wholesale partners. Under these arrangements, payment terms are typically 60 to 90 days.

The Company records deferred revenue when cash payments are received in advance of transfer of control of goods or services. Deferred revenue primarily relates to gift cards, loyalty and credit card programs and direct channel shipments, which are all impacted by seasonal and holiday-related sales patterns.

Deferred revenue was \$283 million \$298 million as of October 28, 2023 May 4, 2024, \$309 million \$310 million as of January 28, 2023 February 3, 2024 and \$229 million \$284 million as of October 29, 2022 April 29, 2023. The Company recognized \$109 million \$64 million as revenue year-to-date 2023 in the first quarter of 2024 from amounts recorded as deferred revenue at the beginning of the year. As of October 28, 2023 May 4, 2024, the Company recorded deferred revenue of \$267 million \$284 million within Accrued Expenses and Other, and \$16 million \$14 million within Other Long-term Liabilities on the Consolidated Balance Sheet.

The following table provides a disaggregation of Net Sales for the third first quarter of 2024 and year-to-date 2023 and 2022: 2023:

	Third Quarter		Year-to-Date		(in millions)	
	2023		2022			
	2023	2022	2023	2022		
Stores – North America (a)	\$ 723	\$ 813	\$ 2,326	\$ 2,712		
Direct (a)	382	342	1,281	1,176		
International (b)	160	163	492	435		
Total Net Sales	\$ 1,265	\$ 1,318	\$ 4,099	\$ 4,323		

	First Quarter		(in millions)	
	2024			
	2024	2023		
Stores – North America	\$ 729	\$ 786		
Direct	449	464		
International (a)	181	157		
Total Net Sales	\$ 1,359	\$ 1,407		

(a) Results in 2023 include Adore Me sales.

(b) Results include consolidated joint venture sales in China, royalties associated with franchised stores and wholesale sales.

The Company has a Victoria's Secret and PINK multi-tender loyalty program along with a co-branded credit card and U.S. private label credit card through which customers can earn points on purchases of Victoria's Secret and PINK product and through the co-branded credit card can earn points on purchases outside of the Company. A third-party financing company is the sole owner of the credit card accounts and underwrites the credit issued under the credit card programs. Revenue earned in connection with the Company's credit card arrangements with the third-party is primarily recognized based on credit card sales and usage.

The Company recognized Net Sales of \$20 \$17 million and \$29 \$23 million in the third first quarter of 2023 2024 and 2022, respectively, related to revenue earned in connection with its credit card arrangements. The Company recognized Net Sales of \$66 million and \$85 million year-to-date 2023, and 2022, respectively, related to revenue earned in connection with its credit card arrangements.

The Company's international net sales include sales from Company-operated stores, royalty revenue from franchise and license arrangements, wholesale revenues and direct sales shipped internationally. Certain of these sales are subject to the impact of fluctuations in foreign currency. The Company's net sales outside of the U.S. totaled \$205 \$221 million and \$211 \$200 million for the third first quarter of 2023 2024 and 2022, respectively. The Company's net sales outside of the U.S. totaled \$637 million and \$594 million year-to-date 2023, and 2022, respectively.

4. Restructuring Activities

Organizational Restructuring

In the first quarter of 2023, the Company implemented additional restructuring actions to continue to reorganize and improve its organizational structure. As a result, pre-tax severance and related costs of \$11 million, of which \$8 million are included in General, Administrative and Store Operating Expenses and \$3 million are included in Costs of Goods Sold, Buying and Occupancy, are included in the Year-to-Date 2023 Consolidated Statement of Loss Income.

During the second quarter and fourth quarter of 2022, the Company implemented restructuring actions to reorganize and improve its organizational structure. As a result of the restructuring actions in the second quarter of 2022, the Company incurred pre-tax severance and related costs of \$29 million, of which \$16 million are included in General, Administrative and Store Operating Expenses and \$13 million are included in Costs of Goods Sold, Buying and Occupancy in the 2022 Consolidated Statements of Income. As a result of the restructuring actions in the fourth quarter of 2022, the Company incurred pre-tax severance and related costs of \$6 million, of which \$5 million are included in General, Administrative and Store Operating Expenses and \$1 million are included in Costs of Goods Sold, Buying and Occupancy.

Year-to-date 2023, the Company made payments of \$14 \$2 million and \$5 million related to severance and related costs associated with these reductions. As restructuring actions during the first quarter of October 28, 2023, liabilities, 2024 and the first quarter of 2023, respectively. Liabilities, after accrual adjustments, related to these the restructuring activities actions of \$9 \$3 million are included in the October 28, 2023 May 4, 2024 Consolidated Balance Sheet.

Victoria's Secret China

In April 2022, the Company announced the completion of the joint venture agreement with Regina Miracle International (Holdings) Limited ("Regina Miracle"), a company listed on the Hong Kong Stock Exchange, related to its existing Company-owned business in China. The Company and Regina Miracle formed a joint venture to operate Victoria's Secret stores and the related online business in China. Under the terms of the agreement, the Company owns 51% of the joint venture and Regina Miracle owns the remaining 49%. The Company received \$45 million in cash from Regina Miracle during the first quarter of 2022 as consideration for its investment in the joint venture. In connection with the execution of the agreement, the Company and Regina Miracle each contributed \$10 million in cash to the joint venture. The cash received from Regina Miracle is reflected within Cash Received from Noncontrolling Interest Partner in the 2022 Consolidated Statement of Cash Flows.

Since the Company has retained control over the joint venture, the joint venture's assets, liabilities and results of operations will continue to be consolidated in the Company's consolidated financial statements. Regina Miracle's interest in the joint venture is now reflected in Noncontrolling Interest in the Consolidated Balance Sheets and in Net Income (Loss) Attributable to Noncontrolling Interest in the Consolidated Statements of Income (Loss).

5. Earnings (Loss) Per Share and Shareholders' Equity

Earnings (Loss) Per Share

Earnings (loss) per basic share is computed based on the weighted-average number of common shares outstanding. Earnings (loss) per diluted share include the weighted-average effect of dilutive restricted stock units, performance share units and options (collectively, "Dilutive Awards") on the weighted-average shares outstanding.

The following table provides the weighted-average shares utilized for the calculation of basic and diluted earnings (loss) per share for the third first quarter of 2024 and year-to-date 2023 and 2022: 2023:

		Third Quarter		Year-to-Date	
		2023	2022	2023	2022
(in millions)					
First Quarter					
First Quarter					
First Quarter					
2024					
2024					
2024					
(in millions)					
(in millions)					
(in millions)					
Common Shares	Common Shares	77	81	78	83
Treasury Shares	Treasury Shares	—	—	—	—

Treasury Shares					
Treasury Shares					
Basic Shares					
Basic Shares					
Basic Shares	Basic Shares	<u>77</u>	<u>81</u>	<u>78</u>	<u>83</u>
Effect of Dilutive Awards (a)(b)	Effect of Dilutive Awards (a)(b)	—	2	—	2
Effect of Dilutive Awards (a)(b)					
Effect of Dilutive Awards (a)(b)					
Diluted Shares					
Diluted Shares					
Diluted Shares	Diluted Shares	<u>77</u>	<u>83</u>	<u>78</u>	<u>85</u>
Anti-dilutive Awards (a)	Anti-dilutive Awards (a)	5	2	5	1
Anti-dilutive Awards (a)					
Anti-dilutive Awards (a)					

- (a) Shares underlying certain restricted stock units, performance share units and options were excluded from the calculation of diluted earnings per share because their inclusion would have been anti-dilutive.
- (b) For the **third** **first** quarter **and year-to-date 2023**, of **2024**, shares underlying outstanding restricted stock units, performance share units and options were excluded from diluted shares as a result of the Company's net loss for the **periods** **period**.

Shareholders' Equity

Common Stock Share Repurchases & Treasury Stock Retirements

Fiscal Year 2023 March 2024 Share Repurchase Program

In March 2024, the Company's Board of Directors approved a share repurchase program ("March 2024 Share Repurchase Program"), authorizing the repurchase of up to \$250 million of the Company's common stock, subject to market conditions and other factors, through open market, accelerated share repurchase or privately negotiated transactions, including pursuant to one or more Rule 10b5-1 trading plans. The March 2024 Share Repurchase Program is open-ended in term and will continue until exhausted.

The Company did not repurchase any shares of its common stock under the March 2024 Share Repurchase Program during the first quarter of 2024. As of May 4, 2024, the Company was authorized to repurchase up to \$250 million of the Company's common stock under the March 2024 Share Repurchase Program.

January 2023 Share Repurchase Program

In January 2023, the Company's Board of Directors approved a share repurchase program ("January 2023 Share Repurchase Program"), authorizing the repurchase of up to \$250 million of the Company's common stock. The \$250 million authorization, is expected to be which expired at the end of fiscal year 2023, was utilized in fiscal year 2023 to repurchase shares in the open market or as otherwise authorized by and under the Board of Directors, subject to market conditions and other factors. The January 2023 Share Repurchase Program began upon completion of the March 2022 Share Repurchase Program and will continue until exhausted, but no later than the end of fiscal year 2023, accelerated share repurchase agreement described below.

In February 2023, as part of the January 2023 Share Repurchase Program, the Company entered into an accelerated share repurchase agreement ("ASR Agreement") with Goldman Sachs & Co. LLC ("Goldman Sachs") to repurchase \$125 million of the Company's common stock. In February 2023, the Company made an initial payment of \$125 million to Goldman Sachs and received an initial delivery of 2.4 million shares of the Company's common stock. As a result of the initial share delivery, there was an additional \$1 million increase in Treasury Stock, which reflects the excise tax liability recorded related to the share repurchase in accordance with the Inflation Reduction Act of 2022.

In May 2023, upon final settlement of the ASR Agreement, the Company received an additional 1.3 million shares of the Company's common stock from Goldman Sachs. The final number of shares received was based on the volume-weighted average price of the Company's common stock during the term of the ASR Agreement, less a discount and subject to adjustments pursuant to the terms of the ASR Agreement.

The Company repurchased final settlement of the following shares ASR Agreement occurred in May 2023 subsequent to the end of its common stock under the January 2023 Share Repurchase Program during year-to-date 2023:

Amount Authorized	Shares Repurchased	Amount Repurchased	Average Stock Price

	(in millions)	(in thousands)	(in millions)
January 2023 Share Repurchase Program	\$ 250	3,652	\$ 125 \$ 34.22

As first quarter of October 28, 2023, 2023. At final settlement, the Company was authorized to repurchase up to \$125 received an additional 1.3 million shares of the Company's common stock under from Goldman Sachs.

As of April 29, 2023, the January \$125 million payment to Goldman Sachs was recognized as a reduction to shareholders' equity, consisting of a \$100 million increase in Treasury Stock, which reflected the value of the initial 2.4 million shares received upon initial settlement, and a \$25 million decrease in Paid-in Capital, which reflected the value of the stock then held by Goldman Sachs pending final settlement of the ASR Agreement. The \$25 million recorded in Paid-in Capital as of April 29, 2023 was reclassified to Treasury Stock in the second quarter of 2023 Share Repurchase Program.

In connection with the final settlement of the ASR Agreement. As a result of the initial share delivery, there was an additional \$1 million increase in Treasury Stock, which reflected the excise tax liability recorded related to the share repurchase in accordance with the Board Inflation Reduction Act of Directors' resolution, shares 2022.

Shares repurchased under the January 2023 Share Repurchase Program were immediately retired, retired upon repurchase. As a result, the Company retired the 3.72.4 million shares repurchased in connection with the settlement of the ASR Agreement year-to-date during the first quarter of 2023. The retirement resulted in a reduction of \$126 \$101 million in Treasury Stock, less than \$1 million in the par value of Common Stock, \$9 \$6 million in Paid-in Capital and \$117 \$95 million in Retained Earnings (Accumulated Deficit) year-to-date 2023.

Fiscal Year 2022

March 2022 Share Repurchase Program

In March 2022, the Company's Board of Directors approved a share repurchase program ("March 2022 Share Repurchase Program"), providing for the repurchase of up to \$250 million of the Company's common stock. The \$250 million authorization was utilized in fiscal year 2022 to repurchase shares in the open market, subject to market conditions and other factors.

The Company repurchased the following shares of its common stock under the March 2022 Share Repurchase Program during year-to-date 2022:

	Amount Authorized	Shares Repurchased	Amount Repurchased	Average Stock Price
	(in millions)	(in thousands)	(in millions)	
March 2022 Share Repurchase Program	\$ 250	5,104	\$ 214 \$ 41.91	

In accordance with the Board of Directors' resolution, shares of the Company's common stock repurchased under the March 2022 Share Repurchase Program were retired upon repurchase. As a result, year-to-date 2022 the Company retired 5.1 million shares repurchased under the March 2022 Share Repurchase Program, which resulted in reductions of less than \$1 million in the par value of Common Stock, \$10 million in Paid-in Capital and \$204 million in Retained Earnings.

December 2021 Accelerated Share Repurchase Agreement

In February 2022, upon final settlement of the Company's December 2021 accelerated share repurchase agreement ("December 2021 ASR Agreement") with Goldman Sachs, the Company received an additional 0.3 million shares of the Company's common stock from Goldman Sachs. The delivery of shares resulted in an immediate reduction of the outstanding shares used to calculate the weighted-average common shares outstanding for basic and diluted net income per share. In connection with the settlement of the December 2021 ASR Agreement, \$50 million previously recorded in Paid-in Capital as of January 29, 2022, was reclassified to Treasury Stock in the first quarter of 2022. In February 2022, the Company immediately retired the additional 0.3 million shares repurchased in connection with the settlement of the December 2021 ASR Agreement. The retirement resulted in a reduction of \$50 million in Treasury Stock, less than \$1 million in the par value of Common Stock, less than \$1 million in Paid-in Capital and nearly \$50 million in Retained Earnings. 2023.

6. Inventories

The following table provides details of Inventories as of October 28, 2023 May 4, 2024, January 28, 2023 February 3, 2024 and October 29, 2022 April 29, 2023:

October 28, 2023	January 28, 2023	October 29, 2022	
(in millions)			
May 4, 2024			
			February 3, 2024
			April 29, 2023
(in millions)			

Finished Goods	Finished Goods
Merchandise	Merchandise
	\$1,159
Raw Materials	Raw Materials
and	and
Merchandise	Merchandise
Components	Components
	52
	55
	56
Total Inventories	Total Inventories
	\$1,211
	\$1,052
	\$1,242

Inventories are principally valued at the lower of cost or net realizable value, on an average cost basis. The above amounts are net of valuation adjustments for inventory where the cost exceeds the amount the Company expects to realize from the ultimate sale or disposal of the inventory and net of loss adjustments for estimated physical inventory losses that have occurred since the date of the last physical inventory.

7. Long-Lived Assets

The following table provides details of Property and Equipment, Net as of **October 28, 2023** **May 4, 2024**, **January 28, 2023** **February 3, 2024** and **October 29, 2022** **April 29, 2023**:

	October 28, 2023	January 28, 2023	October 29, 2022	
	(in millions)			
May 4, 2024				
	(in millions)			
Property and Equipment, at Cost	Property and Equipment, at Cost	\$3,654	\$3,716	\$3,684
Accumulated Depreciation and Amortization	Accumulated Depreciation and Amortization	(2,783)	(2,870)	(2,829)
Property and Equipment, Net	Property and Equipment, Net	\$ 871	\$ 846	\$ 855

Depreciation expense was **\$65** **\$59** million and **\$68** **\$67** million for the **third** **first** quarter of 2024 and 2023, and 2022, respectively. Depreciation expense was **\$197** million and **\$208** million for year-to-date 2023 and 2022, respectively.

8. Intangible Assets

Goodwill

The Company's goodwill was established as a result of the acquisition of Adore Me on December 30, 2022. For additional information, see Note 2, "Acquisition." Prior to the acquisition of Adore Me, the Company did not have any goodwill.

The following table shows the change in the carrying value of goodwill:

	(in millions)
Balance, January 28, 2023	\$ 365
Adjustments (a)	—
Balance, October 28, 2023	\$ 365

(a) Includes offsetting measurement period adjustments related to the acquisition of Adore Me. For additional information, see Note 2, "Acquisition."

Trade Name - Indefinite-Lived

The Victoria's Secret trade name, an indefinite-lived intangible asset, was \$246 million as of October 28, 2023, January 28, 2023 and October 29, 2022, respectively.

Definite-Lived Intangible Assets

The Company's definite-lived intangible assets were established as a result of the acquisition of Adore Me. Prior to the acquisition of Adore Me, the Company did not have any definite-lived intangible assets.

The following table provides details of the gross carrying amount and accumulated amortization of the Company's definite-lived intangible assets as of October 28, 2023 and January 28, 2023:

	October 28, 2023	January 28, 2023
	(in millions)	
Gross Definite-Lived Intangible Assets		
Customer Relationships	\$ 81	\$ 81
Developed Technology	56	56
Adore Me Trade Name	43	43
Total Gross Definite-Lived Intangible Assets	\$ 180	\$ 180
Accumulated Amortization		
Customer Relationships	\$ (9)	\$ —
Developed Technology	(7)	—
Adore Me Trade Name	(3)	—
Total Accumulated Amortization	(19)	—
Total Definite-Lived Intangible Assets, Net	\$ 161	\$ 180

Amortization expense for intangible assets was \$6 million and \$19 million for the third first quarter of 2023 2024 and year-to-date 2023, respectively. There

In the first quarter of 2024, the Company classified certain non-store corporate-related assets that are expected to be sold within the next twelve months as held for sale within Other Current Assets on the Consolidated Balance Sheet. As of May 4, 2024, the carrying value of these assets held for sale was no amortization expense recorded related to these definite-lived intangible assets in fiscal year 2022, \$18 million.

9.8. Accrued Expenses and Other

The following table provides additional information about the composition of Accrued Expenses and Other as of October 28, 2023 May 4, 2024, January 28, 2023 February 3, 2024 and October 29, 2022 April 29, 2023:

	October 28, 2023	January 28, 2023	October 29, 2022
	(in millions)		
Deferred Revenue on Gift Cards			
Cards	\$ 213	\$ 238	\$ 168
	May 4, 2024	May 4, 2024	February 3, 2024
			April 29, 2023
			(in millions)

Deferred Revenue on Gift Cards and Merchandise Credits	Compensation, Payroll Taxes and Benefits	Compensation, Payroll Taxes and Benefits	103	105	112
Contingent Consideration Related to Adore Me Acquisition	Future Fixed Payment Related to Adore Me Acquisition				
Deferred Revenue on Loyalty and Credit Card Programs	Deferred Revenue on Loyalty and Credit Card Programs	43	40	30	
Taxes, Other than Income	Taxes, Other than Income	39	40	21	
Accrued Marketing	Accrued Marketing	37	37	38	
Accrued Interest	Accrued Interest	19	7	13	
Contingent Consideration Related to Adore Me Acquisition		16	30	—	
Returns Reserve	Returns Reserve	14	22	15	
Accrued Freight and Other Logistics		11	16	23	
Deferred Revenue on Direct Shipments not yet Delivered	Deferred Revenue on Direct Shipments not yet Delivered	11	13	12	
Accrued Claims on Self-insured Activities	Accrued Claims on Self-insured Activities	10	8	6	
Accrued Freight and Other Logistics					
Rent	Rent	5	63	62	
Other	Other	104	118	118	

Total Accrued	Total Accrued		
Expenses and Expenses and			
Other	Other	\$ 625	\$ 737
		<u> </u>	<u> </u>
		\$ 618	

10.9. Income Taxes

The provision (benefit) for income taxes is based on the current estimate of the annual effective tax rate and is adjusted as necessary for quarterly events.

For the **third** first quarter of **2023**, **2024**, the Company's effective tax rate was **24.1%** **151.1%** compared to **25.0%** **34.0%** in the **third** first quarter of **2022**, **2023**. The **third** first quarter of **2023** **2024** rate differed from the Company's **Company's** combined estimated federal and state statutory rate primarily due to **foreign earnings** taxed at a lower rate than **additional tax expense** from the Company's combined federal and state statutory rate, **vesting** of share-based compensation awards. The **third** first quarter of **2022** rate was consistent with the Company's combined federal and state statutory rate.

For year-to-date 2023, the Company's effective tax rate was 20.6% compared to 13.2% for year-to-date 2022. The year-to-date 2023 rate differed from the Company's combined estimated federal and state statutory rate primarily due to non-deductible liabilities related to contingent consideration and Contingent Compensation Payments. The year-to-date 2022 rate was lower than **under** the Company's combined estimated federal and state statutory rate primarily due to terms of the **recognition** of excess tax benefits related to share-based compensation awards that vested in the respective period, **Merger Agreement**.

The Company paid income taxes in the amount of \$6 million and **\$18 million** **\$16 million** for the **third** first quarter of **2023** **2024** and **2022**, respectively. Year-to-date income taxes paid were \$65 million and \$158 million for **2023**, and **2022**, respectively.

11.10. Long-term Debt and Borrowing Facilities

The following table provides the Company's outstanding Long-term Debt balance, net of unamortized debt issuance costs and discounts and any current portion, as of **October 28, 2023** **May 4, 2024**, **January 28, 2023** **February 3, 2024** and **October 29, 2022** **April 29, 2023**:

	October 28, 2023	January 28, 2023	October 29, 2022	
(in millions)				
	May 4, 2024	May 4, 2024	February 3, 2024	April 29, 2023
	(in millions)			
<u>Senior</u>	<u>Senior</u>			
<u>Secured</u>	<u>Secured</u>			
<u>Debt with</u>	<u>Debt with</u>			
<u>Subsidiary</u>	<u>Subsidiary</u>			
<u>Guarantee</u>	<u>Guarantee</u>			
\$392 million Term Loan due August 2028 ("Term Loan Facility")	\$ 385	\$ 387	\$ 388	
\$390 million Term Loan due August 2028 ("Term Loan Facility")				
\$390 million Term Loan due August 2028 ("Term Loan Facility")				
\$390 million Term Loan due August 2028 ("Term Loan Facility")				

Asset-based Revolving Credit Facility due August 2026 ("ABL Facility")	Asset-based Revolving Credit Facility due August 2026 ("ABL Facility")	555	295	267
Total	Total			
Senior	Senior			
Secured	Secured			
Debt with	Debt with			
Subsidiary	Subsidiary			
Guarantee	Guarantee	940	682	655
Senior	Senior			
Debt with	Debt with			
Subsidiary	Subsidiary			
Guarantee	Guarantee			
\$600 million, 4.625% Fixed Interest Rate Notes due July 2029 ("2029 Notes")	\$600 million, 4.625% Fixed Interest Rate Notes due July 2029 ("2029 Notes")	594	593	593
Total	Total			
Senior	Senior			
Debt with	Debt with			
Subsidiary	Subsidiary			
Guarantee	Guarantee	594	593	593
Total	Total	1,534	1,275	1,248
Total	Total			
Current	Current			
Debt	Debt	(4)	(4)	(4)
Total	Total			
Long-term	Long-term			
Debt, Net	Debt, Net			
of Current	of Current			
Portion	Portion	\$1,530	\$1,271	\$1,244

Cash paid for interest was \$54 million and \$29 million for year-to-date the first quarter of 2024 and 2023, and year-to-date 2022, respectively.

Credit Facilities

In September 2023, the Company entered into a delayed draw term loan, secured by certain real estate assets owned by the Company, to increase available liquidity in consideration of potential seasonal working capital needs. The delayed draw term loan has a maximum borrowing capacity of \$75 million and any

amounts borrowed will mature in December 2023. As of December 1, 2023, the Company has not drawn any amounts under this term loan. During the third quarter of 2023 and year-to-date 2023, fees incurred in relation to this delayed draw term loan were \$1 million and are being amortized over the life of the delayed draw term loan through the maturity date.

On August 2, 2021, the Company entered into a term loan B credit facility in an aggregate principal amount of \$400 million, which will mature in August 2028. The discounts and issuance costs from the Term Loan Facility are being amortized through the maturity date and are included within Long-term Debt on the Consolidated Balance Sheets. Commencing in December 2021, the Company is required to make quarterly principal payments on the Term Loan Facility in an amount equal to 0.25% of the original principal amount of \$400 million. The Company made principal payments for the Term Loan Facility of \$1 million during both the **third** **first** quarter of **2023** **2024** and the **third** quarter of **2022** and \$3 million during both year-to-date 2023 and year-to-date 2022. **2023**.

In May 2023, the Company amended its Term Loan Facility to allow for an early transition to using the Term Secured Overnight Financing Rate ("Term SOFR") as the applicable reference rate to calculate interest instead of the London Interbank Offered Rate ("LIBOR"). Prior to the amendment, interest under the Term Loan Facility was calculated by reference to LIBOR or an alternative base rate, plus an interest rate margin equal to (i) in the case of LIBOR loans, 3.25% and (ii) in the case of alternate base rate loans, 2.25%. The LIBOR rate applicable to the Term Loan Facility was subject to a floor of 0.50%. In accordance with the amendment, interest on Term SOFR loans under the Term Loan Facility is now calculated by reference to Term SOFR, plus an interest rate margin ranging from 3.36% to 3.68%. The obligation to pay principal and interest on the loans under the Term Loan Facility is jointly and severally guaranteed on a full and unconditional basis by certain of the Company's wholly-owned domestic subsidiaries. The loans under the Term Loan Facility are secured on a first-priority lien basis by certain assets of the Company and guarantors that do not constitute priority collateral of the ABL Facility and on a second-priority lien basis by priority collateral of the ABL Facility, subject to customary exceptions. As of **October 28, 2023** **May 4, 2024**, the interest rate on the loans under the Term Loan Facility was **8.90%** **8.84%**.

On August 2, 2021, the Company also entered into a senior secured asset-based revolving credit facility. The ABL Facility allows for borrowings and letters of credit in U.S. dollars or Canadian dollars and has aggregate commitments of \$750 million and an expiration date of August 2026. The availability under the ABL Facility is the lesser of (i) the borrowing base, determined primarily based on the Company's eligible U.S. and Canadian credit card receivables, eligible accounts receivable, eligible inventory and eligible real property, and (ii) the aggregate commitment. In May 2023, the Company amended its ABL Facility to allow for an early transition to using Term SOFR as the applicable reference rate to calculate interest instead of LIBOR. Prior to the amendment, interest on the loans under the ABL Facility was calculated by reference to (i) LIBOR or an alternative base rate and (ii) in the case of loans denominated in Canadian dollars, Canadian Dollar Offered Rate ("CDOR") or a Canadian base rate, plus an interest rate margin based on average daily excess availability ranging from (x) in the case of LIBOR and CDOR loans, 1.50% to 2.00% and (y) in the case of alternate base rate loans and Canadian base rate loans, 0.50% to 1.00%. In accordance with the amendment, interest on Term SOFR loans under the ABL Facility is now calculated by reference to Term SOFR, plus an interest rate margin based on average daily excess availability ranging from 1.60% to 2.10%. Unused commitments under the ABL Facility accrue an unused commitment fee ranging from 0.25% to 0.30%. The obligation to pay principal and interest on the loans under the ABL Facility is jointly and severally guaranteed on a full and unconditional basis by certain of the Company's wholly-owned domestic and Canadian subsidiaries. The loans under the ABL Facility are secured on a first-priority lien basis by the Company's eligible U.S. and Canadian credit card receivables, eligible accounts receivable, eligible inventory and eligible real property and on a second-priority lien basis on substantially all other assets of the Company, subject to customary exceptions.

Year-to-date 2023, the **The** **Company** **borrowed** **\$405** **and** **made** **repayments** **of** **\$90** **million** **and** **made** **payments** **of** **\$145** **\$15** **million** **under** **the** **ABL** **Facility.** **Facility** **during** **the** **first** **quarter** **of** **2024** **and** **2023,** **respectively.** **As** **of** **October 28, 2023** **May 4, 2024,** **there** **were** **borrowings** **of** **\$555** **\$145** **million** **outstanding** **under** **the** **ABL** **Facility** **and** **the** **interest** **rate** **on** **the** **borrowings** **was** **7.58%** **7.17%.** **The** **Company** **had** **\$19** **million** **of** **outstanding** **letters** **of** **credit** **as** **of** **October 28, 2023** **May 4, 2024** **that** **further** **reduced** **its** **availability** **under** **the** **ABL** **Facility.** **As** **of** **October 28, 2023** **May 4, 2024,** **the** **Company's** **remaining** **availability** **under** **the** **ABL** **Facility** **was** **\$176** **million** **\$482** **million.**

Subsequent to the end of the third quarter of 2023 and as of November 30, 2023, borrowings of \$464 million remained outstanding under the ABL Facility.

The Company's long-term debt and borrowing facilities contain certain financial and other covenants, including, but not limited to, the maintenance of financial ratios. The 2029 Notes and the Term Loan Facility include the maintenance of a consolidated coverage ratio and a consolidated total leverage ratio, and the ABL Facility includes the maintenance of a fixed charge coverage ratio and a debt to earnings before interest, income taxes, depreciation, amortization and rent ("EBITDAR") ratio. The financial covenants could, within specific predefined circumstances, limit the Company's ability to incur additional indebtedness, make certain investments, pay dividends or repurchase shares. As of **October 28, 2023** **May 4, 2024**, the Company was in compliance with all covenants under its long-term debt and borrowing facilities.

The **Company** **elected** **the** **optional** **expedient** **under** **Accounting** **Standards** **Update** **No.** **2020-04,** **Reference** **Rate** **Reform,** **in** **connection** **with** **amending** **its** **Term** **Loan** **Facility** **and** **ABL** **Facility** **agreements** **to** **replace** **the** **reference** **rate** **from** **LIBOR** **to** **Term** **SOFR** **to** **consider** **the** **amendments** **as** **a** **continuation** **of** **the** **existing** **contract** **without** **having** **to** **perform** **an** **assessment** **that** **would** **otherwise** **be** **required** **under** **GAAP.**

12.11. Fair Value of Financial Instruments

Cash and Cash Equivalents include cash on hand, deposits with financial institutions and highly liquid investments with original maturities of 90 days or less. The Company's Cash and Cash Equivalents are considered Level 1 fair value measurements as they are valued using unadjusted quoted prices in active markets for identical assets.

The following table provides a summary of the principal value and estimated fair value of the Company's outstanding debt as of **October 28, 2023** **May 4, 2024**, **January 28, 2023** **February 3, 2024** and **October 29, 2022** **April 29, 2023**:

	October 28, 2023	January 28, 2023	October 29, 2022	
	(in millions)			
	May 4, 2024			February 3, 2024
	May 4, 2024			April 29, 2023
	(in millions)			(in millions)
Principal	Principal			
Value	Value	\$ 992	\$ 995	\$ 996
Fair	Fair			
Value,	Value,			
Estimated	Estimated			
(a)	(a)	830	894	870

(a) The estimated fair value of the Company's publicly traded debt is based on reported transaction prices which are considered Level 2 inputs in accordance with ASC 820, *Fair Value Measurement*. The estimates presented are not necessarily indicative of the amounts that the Company could realize in a current market exchange.

Management believes that the carrying values of accounts receivable, accounts payable and accrued expenses approximate fair value because of their short maturity. Management further believes the principal value of the outstanding debt under the ABL Facility approximates its fair value as of **October 28, 2023** **May 4, 2024** based on the terms of the borrowings from the ABL Facility.

Recurring Fair Value Measurements

The following tables provide a summary of the Company's contingent consideration recognized at fair value related to the Adore Me acquisition as of **October 28, 2023** **May 4, 2024**, **February 3, 2024**, **April 29, 2023** and **January 28, 2023** (in millions):

October 28,								
					2023	Level 1	Level 2	Level 3
Balance Sheet Location	Accrued Expenses and Other				\$	\$	\$	\$
Other Long-term Liabilities					71	—	—	71
Balance Sheet Location	Accrued Expenses and Other	January 28, 2023	Level 1	Level 2	May 4, 2024	February 3, 2024	April 29, 2023	January 28, 2023
Location	Location	2023	1	2	3	Measurement Level		
Accrued Expenses and Other	Accrued Expenses and Other	\$ 30	\$—	\$—	\$ 30			
Other Long-term Liabilities	Other Long-term Liabilities	70	—	—	70			

The estimated fair value of the contingent consideration is valued using a Scenario-Based method and a Monte Carlo simulation which utilize inputs including discount rates, estimated probability of achievement of certain milestones, forecasted revenues, forecasted EBITDA and volatility rates. These are considered Level 3 inputs in accordance with ASC 820, *Fair Value Measurement*. Changes in the fair value of the contingent consideration are recorded within General,

Administrative and Store Operating Expenses on the Consolidated Statements of Income (Loss). For additional information regarding the contingent consideration, see Note 2, "Acquisition."

13.12. Comprehensive Income (Loss)

The following table provides the rollforward of accumulated other comprehensive income attributable to Victoria's Secret & Co. for the first quarter of 2024:

	Foreign Currency Translation	Accumulated Other Comprehensive Income
(in millions)		
Balance as of February 3, 2024	\$ —	\$ —
Other Comprehensive Income Before Reclassifications	—	—
Tax Effect	—	—
Current-period Other Comprehensive Income	—	—
Balance as of May 4, 2024	\$ —	\$ —

The following table provides the rollforward of accumulated other comprehensive income (loss) attributable to Victoria's Secret & Co. for year-to-date 2023:

	Foreign Currency Translation	Accumulated Other Comprehensive Income (Loss)
(in millions)		
Balance as of January 28, 2023	\$ 1	\$ 1
Other Comprehensive Loss Before Reclassifications	(2)	(2)
Tax Effect	—	—
Current-period Other Comprehensive Loss	(2)	(2)
Balance as of October 28, 2023	\$ (1)	\$ (1)

The following table provides the rollforward of accumulated other comprehensive income attributable to Victoria's Secret & Co. for year-to-date 2022:

	Foreign Currency Translation	Accumulated Other Comprehensive Income (Loss)
(in millions)		
Balance as of January 29, 2022	\$ 5	\$ 5
Other Comprehensive Loss Before Reclassifications	(8)	(8)
Amounts Reclassified from Accumulated Other Comprehensive Income to Paid-in Capital	3	3
Tax Effect	—	—
Current-period Other Comprehensive Loss	(5)	(5)
Balance as of October 29, 2022	\$ —	\$ —

As a result of the China joint venture agreement completed in April 2022, the Company reclassified \$3 million of accumulated foreign currency translation adjustments related to the joint venture out of Accumulated Other Comprehensive Income and into Paid-in Capital in the first quarter of 2022 in order to reflect the amount attributable to the noncontrolling interest partner. For additional information see Note 4, "Restructuring Activities." 2023:

	Foreign Currency Translation	Accumulated Other Comprehensive Income (Loss)
(in millions)		
Balance as of January 28, 2023	\$ 1	\$ 1
Other Comprehensive Loss Before Reclassifications	(2)	(2)
Tax Effect	—	—

Current-period Other Comprehensive Loss	(2)	(2)
Balance as of April 29, 2023	\$ (1)	\$ (1)

14.13. Commitments and Contingencies

The Company is subject to various claims and contingencies related to lawsuits, taxes, insurance and other matters arising out of the normal course of business. Actions filed against the Company from time to time include commercial, tort, intellectual property, customer, employment, data privacy and other claims, including purported class action lawsuits. Management believes that the ultimate liability arising from such claims and contingencies, if any, is not likely to have a material adverse effect on the Company's results of operations, financial condition or cash flows.

Occupancy-related Legal Matter

The Company was a tenant of portions of a building known as Two Herald Square, New York, New York (the "Premises") pursuant to an Agreement of Lease dated August 22, 2001 (the "Lease") with Herald Square Owner LLC (the "Landlord"). On February 20, 2021, the Company surrendered the Premises to the Landlord. On February 16, 2021, the Landlord filed a Motion for Partial Summary Judgment seeking treble holdover damages against the Company for the period commencing June 9, 2020 through February 20, 2021, the date on which the Company vacated and surrendered the Premises. By an order dated July 21, 2021, the court granted the Landlord's motion and awarded it damages in an amount equal to three times the aggregate of the rents and charges payable under the Lease during the last month of the term of the Lease. On August 6, 2021, judgment was entered against the Company in the amount of \$23 million. On September 15, 2021, the Landlord filed a Motion for Partial Summary Judgment seeking treble holdover damages against the Company for the period commencing February 21, 2021 through September 30, 2021. By an order dated April 22, 2022, the court granted the Landlord's motion and awarded it damages in an amount equal to three times the aggregate amount of the rents and charges payable under the Lease during the last month of the term of the Lease. On May 9, 2022, judgment was entered against the Company in the amount of \$22 million. The Company appealed both judgments; on March 2, 2023, the appellate court issued a denial of the appeals. During the first quarter of 2023, the Company paid the Landlord for the judgment amount in full.

SAFE HARBOR STATEMENT UNDER THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995

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 report 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:

- the spin-off from our Former Parent may not be tax-free for U.S. federal income tax purposes;
- we may not realize all of the expected benefits of the spin-off; 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 mall traffic to our stores and the availability of suitable store locations on appropriate satisfactory terms;
- our ability to successfully operate and expand internationally and related risks;
- the operations and performance of our independent franchise, license, wholesale, 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, keep up remain current with fashion trends, and develop new merchandise and launch new merchandise, product lines and brands successfully;
- our ability to realize the potential benefits and synergies sought with the acquisition of Adore Me;

- 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 goods and materials merchandise on a global basis, including risks related to:
 - political instability and geopolitical conflicts;
 - environmental hazards or and natural disasters;
 - significant health hazards or and pandemics;
 - legal and regulatory matters;
 - delays or disruptions in shipping and transportation and related pricing impacts; and
 - disruption due to labor disputes;
- our geographic concentration of vendor 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, including those caused by inflation; 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 report to reflect circumstances existing after the date of this report 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 20222023 Annual Report on Form 10-K filed with the SEC on **March 17, 2023** March 22, 2024.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of financial condition and results of operations are based upon our Consolidated Financial Statements, which have been prepared in accordance with GAAP. The following information should be read in conjunction with our financial statements and the related notes included in Item 1. Financial Statements.

Executive Overview

Victoria's Secret is an iconic global brand of women's intimate and other apparel, personal care and beauty products. We sell our products through three brands, brands: Victoria's Secret, PINK and Adore Me. Victoria's Secret is a category-defining market leading global lingerie brand with a leading market position and a rich, over 45-year history of serving women across the globe. PINK is a fashion and lifestyle brand for the college-oriented customer, young women built around a strong intimates core. We also sell beauty products under both the Victoria's Secret and PINK brands. Adore Me is a technology-led, digital first innovative intimates brand serving women of all sizes and budgets at all phases of life. Together, Victoria's Secret, PINK Victoria's Secret Beauty and Adore Me support, inspire strive to provide the best products to help women express their confidence, sexiness and celebrate women through every phase power and use our platform to create connection and community while celebrating the extraordinary diversity of their life. women's experiences.

Victoria's Secret, PINK and Adore Me merchandise is sold online through e-commerce platforms, through retail stores located in the U.S., Canada and China, and through international stores and websites operated by partners under franchise, license, wholesale and joint venture arrangements. We have a presence in nearly 70 countries and we believe we benefit from global brand awareness, a wide and compelling product assortment and a powerful, deep connection with our customers.

In the third first quarter of 2023, 2024, our operating loss was \$67 million net sales decreased \$48 million, or 3%, to \$1.359 billion compared to operating income of \$43 million \$1.407 billion in the third first quarter of 2022, and our operating income (loss) rate (expressed as a percentage of net sales) was (5.3%) compared to 3.2% last year. The operating income (loss) decrease in the third quarter of 2023 compared to the third quarter of 2022 was primarily driven by an increase in general, administrative and store operating expense and a decrease in net sales and gross profit. Net sales decreased \$53 million, or 4%, to \$1.265 billion compared to \$1.318 billion in the third quarter of 2022 and comparable sales decreased 7% 5% in the third first quarter of 2023, 2024. Our North American store sales decreased \$90 by 7%, or \$57 million, to \$723 \$729 million compared to \$813 \$786 million in the third first quarter of 2022, 2023, primarily driven by a decrease in traffic, average unit retail (which we define as the average price per unit purchased), traffic and conversion (which we define as the percentage of customers who visit our stores and make a purchase) in the quarter compared to the third first quarter of 2022, 2023. Our direct channel sales increased decreased by 12% 3%, or \$40 \$15 million, to \$382 million \$449 million compared to \$342 million \$464 million in the third first quarter of 2022,

driven 2023, as an increase in conversion was more than offset by the inclusion of Adore Me sales in our results beginning in fiscal year 2023. On a comparable basis, our direct channel sales decrease was driven by a decrease in average unit retail and traffic compared to the third first quarter of 2022, 2023. Our operating income was \$26 million in the first quarter of 2024 compared to operating income of \$28 million in the first quarter of 2023, and our operating income rate (expressed as a percentage of net sales) was 1.9% compared to 2.0% last year. The slight decrease in operating income in the first quarter of 2024 compared to the first quarter of 2023 was primarily driven by the decrease in net sales partially offset by a decrease in costs of goods sold, buying and occupancy expenses.

Despite a macro environment that remained challenging on the customer, we We continue to focus on our strategic growth plan priorities: 1) Accelerate Our Core; 2) Ignite Growth; and 3) Transform the three priorities of our strategy: accelerating our core, igniting growth and transforming the foundation. Foundation. We are committed to optimizing our performance in the current challenging environment by focusing on what is within our control, and we are confident in our strategic growth plan direction and remain committed to delivering long-term sustainable value for our shareholders. stockholders.

For additional information related to our third first quarter of 2023 2024 financial performance, see "Results of Operations."

Financial Impacts of the Adore Me Acquisition

We consolidate Adore Me's financial information on an approximate one-month reporting lag. Accordingly, given In both the acquisition closing date first quarter of December 30, 2022, the operating results of Adore Me for the period subsequent to the acquisition date are recorded in our results beginning in 2023.

In the third quarter 2024 and year-to-date 2023, we recognized the financial impact of purchase accounting items, and additional acquisition-related costs, including recognition in gross profit of the fair value adjustment to acquired inventories as it is sold, recognition of changes in the estimated fair value of contingent consideration and Contingent Compensation Payments as well as and amortization of acquired intangible assets. In addition, in the first quarter of 2023, we recognized the financial impact of additional acquisition-related costs and recognition in gross profit of the fair value adjustment to acquired inventories that were sold in the first quarter of 2023. For additional information, see Note 2, "Acquisition."

Non-GAAP Financial Information

In addition to our results provided in accordance with GAAP above and throughout this Quarterly Report on Form 10-Q, provided below are 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 special items. We non-recurring, infrequent or unusual items that we believe that these special items 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 adjusted non-GAAP financial information measures may differ from similarly titled measures used by other companies. The table below reconciles the most directly comparable GAAP financial measures to the each non-GAAP financial measures. measure.

	Third Quarter	Year-to-Date			
	First Quarter				
	First Quarter				
	First Quarter				
(in millions, except per share amounts)	(in millions, except per share amounts)				
		2023	2022	2023	2022
Reconciliation of Reported to Adjusted Operating Income (Loss).					
Reported Operating Income (Loss) - GAAP		\$ (67)	\$ 43	\$ (13)	\$ 234
(in millions, except per share amounts)					
(in millions, except per share amounts)					
Reconciliation of Reported to Adjusted Operating Income					

Reconciliation of Reported to Adjusted**Operating Income****Reconciliation of Reported to Adjusted****Operating Income**

Reported

Operating

Income -

GAAP

Adore Me Acquisition-related Items (a)

Adore Me Acquisition-related Items (a)

Adore Me	Adore Me
Acquisition-related Items	Acquisition-related
(a)	Items (a)

1 — 26 —

Amortization of Intangible

Assets (b)

Restructuring Charges (c)

Occupancy-related Legal

Matter (d)

Adjusted Operating Income

(Loss)	\$ (60)	\$ 43	\$ 43	\$ 285
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Amortization of Intangible

Assets (b)

Amortization of Intangible

Assets (b)

Restructuring Charge (c)

Restructuring Charge (c)

Restructuring Charge (c)

Adjusted Operating Income

Adjusted Operating Income

Adjusted Operating Income

Reconciliation of Reported to Adjusted**Net Income (Loss) Attributable to****Victoria's Secret & Co.****Reconciliation of Reported to Adjusted****Net Income (Loss) Attributable to****Victoria's Secret & Co.**Reconciliation of Reported toAdjusted Net Reconciliation ofIncome (Loss) Reported to Adjusted NetAttributable to Income (Loss)Victoria's Attributable to Victoria'sSecret & Co. Secret & Co.

Reconciliation of Reported to Adjusted**Net Income (Loss) Per Diluted Share****Attributable to Victoria's Secret & Co.****Reconciliation of Reported to Adjusted****Net Income (Loss) Per Diluted Share****Attributable to Victoria's Secret & Co.****Reconciliation of Reported to Adjusted Net Income (Loss) Per Diluted Share Attributable to Victoria's Secret & Co.**

Reported	
Reported Net Income (Loss)	Net Income (Loss) Per Diluted Share
Attributable to Victoria's Secret & Co. -	Attributable to Victoria's Secret & Co.
GAAP	Co. - GAAP
Adore Me Acquisition-related Items (a)	Adore Me Acquisition-related Items (a)

Adore Me Acquisition-related Items (a)	Adore Me Acquisition-related Items (a)
Amortization of Intangible Assets (b)	Amortization of Intangible Assets (b)
Restructuring Charges (c)	—
Occupancy-related Legal Matter (d)	—
Adjusted Net Income (Loss) Per Diluted Share Attributable to Victoria's Secret & Co.	<u><u>\$(0.86)</u></u> <u><u>\$0.29</u></u> <u><u>\$(0.33)</u></u> <u><u>\$2.52</u></u>

Amortization of Intangible Assets (b)
 Amortization of Intangible Assets (b)
 Restructuring Charge (c)
 Restructuring Charge (c)
 Restructuring Charge (c)
 Adjusted Net Income Per Diluted Share Attributable to Victoria's Secret & Co.
 Adjusted Net Income Per Diluted Share Attributable to Victoria's Secret & Co.
 Adjusted Net Income Per Diluted Share Attributable to Victoria's Secret & Co.

(a) In the **third** **first** quarter of **2023** **2024**, we recognized a **an** **\$8** million pre-tax charge of **\$2** million (**\$18** million after-tax) within net loss, **\$7** million included in costs of goods sold, buying general, administrative and **occupancy** store operating expense and **\$1** million included in interest **expense**, partially offset by **\$6** million income included in general, administrative and store operating expense, related to the financial impact of purchase accounting items related to the acquisition of Adore Me. Year-to-date In the first quarter of 2023, we recognized an **\$11** million pre-tax charges of **\$30** million charge (**\$24.8** million after-tax) within net loss, **\$22** million **income**, **\$9** million included in costs of goods sold, buying and **occupancy** expense, **\$5** million **\$1** million included in **interest** **expense** and **\$1** million included in general, administrative and store operating **expense** and **\$3** million included in **interest** **expense**, related to the financial impact of purchase accounting items and professional service costs related to the acquisition of Adore Me. For additional information, see Note 2, "Acquisition" included in Item 1. Financial Statements.

(b) In both the **third** **first** quarter of **2024** and **2023**, we recognized **\$6** million of amortization expense (**\$5** million after-tax) included in general, administrative and store operating expense related to the acquisition of Adore Me. Year-to-date **2023**, we recognized **\$19** million (**\$14** million after-tax) included in general, administrative and store operating expense related to the acquisition of Adore Me. For additional information, see Note 2, "Acquisition" and Note 8, "Intangible 7, "Long-Lived Assets" included in Item 1. Financial Statements.

(c) In the first quarter of **2023**, we recognized **a** **an** **\$11** million pre-tax charge of **\$11** million (**\$8** million after-tax), **\$8** million included in general, administrative and store operating expense and **\$3** million included in buying and **occupancy** expense, related to restructuring activities to continue to reorganize and improve our organizational structure. In the second quarter of **2022**, we recognized a pre-tax charge of **\$29** million (**\$22** million after-tax), **\$16** million included in general, administrative and store operating expense and **\$13** million included in buying and **occupancy** expense, related to restructuring activities to reorganize our leadership structure. For additional information, see Note 4, "Restructuring Activities" included in Item 1. Financial Statements.

(d) In the first quarter of **2022**, we recognized a pre-tax charge of **\$22** million (**\$16** million after-tax), included in buying and **occupancy** expense, related to a legal matter with a landlord regarding a high-profile store that we surrendered to the landlord prior to our separation from the Former Parent. For additional information, see Note 14, "Commitments and Contingencies" included in Item 1. Financial Statements.

Store Data

The following table compares the **third** quarter of **2023** U.S. company-operated store data to the **third** quarter of **2022** and year-to-date **2023** to year-to-date **2022**:

Sales per Average Store (in thousands) (a)				
Sales per Average Store (in thousands) (a)				
Average Store Size (selling square feet)				
Average Store Size (selling square feet)				
Average Store Size (selling square feet)	Average Store Size (selling square feet)	6,833	6,919	(1 %)
Total Selling Square Feet (in thousands)	Total Selling Square Feet (in thousands)	5,610	5,618	— %
Total Selling Square Feet (in thousands)				
Total Selling Square Feet (in thousands)				

(a) Sales per average selling square foot and sales per average store, which are indicators of store productivity, are calculated based on store sales for the period divided by the average, including the beginning and end of period, of total square footage and store count, respectively.

The following table represents store data for **year-to-date 2023: the first quarter of 2024**:

		Stores		Stores			
		at		at			
		January		October			
		28,		28,			
		2023	Opened	Closed	2023		
		Stores		Stores			
		at		at			
		Stores		at			
		Stores		at			
		at		at			
		February 3, 2024		February 3, 2024			
<u>Company-Operated:</u>		<u>Company-Operated:</u>					
U.S.							
U.S.							
U.S.	U.S.	812	12	(9)	815		
Canada	Canada	25	—	(1)	24		
Subtotal	Subtotal						
Company-Operated	Company-Operated						
China Joint Venture:	China Joint Venture:						
China Joint Venture:	China Joint Venture:						

Beauty & Accessories						
(a)						
Beauty & Accessories						
(a)						
Beauty &	Beauty &					
Accessories	Accessories					
(a)	(a)	39	2	(6)	35	
Full	Full					
Assortment	Assortment	33	2	(1)	34	
Subtotal	Subtotal	72	4	(7)	69	
China Joint	China Joint					
Venture	Venture					
<u>Partner-Operated:</u>	<u>Partner-Operated:</u>					
<u>Partner-Operated:</u>	<u>Partner-Operated:</u>					
Beauty & Accessories						
Beauty & Accessories						
Beauty &	Beauty &					
Accessories	Accessories					
(a)	(a)	308	13	(24)		
Full	Full					
Assortment	Assortment	135	23	(9)		
Subtotal	Subtotal	443	36	(33)	446	
Partner-Operated	Partner-Operated					
Adore Me	Adore Me	6	—	—	6	
Adore Me						
Adore Me						
Total	Total	1,358	52	(50)	1,360	

(a) Includes fourteen partner-operated stores as of **October 28, 2023** **May 4, 2024**.

The following table represents store data for **year-to-date 2022**: **the first quarter of 2023**:

		Stores		Reclassified		Stores	
		at		to		at	
		January		October			
		29,		Joint	29,		
		2022	Opened	Closed	Venture	2022	
		Stores					
		at					
		Stores		at			
		Stores		at			
		Stores		at			
		January 28, 2023		January 28, 2023		Stores at	
<u>Company-Operated:</u>	<u>Company-Operated:</u>					Opened	Closed
<u>Company-Operated:</u>	<u>Company-Operated:</u>						April 29, 2023

U.S.	U.S.	808	11	(7)	—	812
Canada	Canada	26	—	—	—	26
Subtotal	Subtotal					
Company-Operated	Company-Operated	834	11	(7)	—	838
China Joint Venture:	China Joint Venture:					
China Joint Venture:	China Joint Venture:					
Beauty & Accessories						
(a)						
Beauty & Accessories						
(a)						
Beauty & Accessories	Beauty & Accessories					
(a)	(a)	35	2	(6)	8	39
Full Assortment	Full Assortment	30	2	(1)	—	31
Subtotal	Subtotal	65	4	(7)	8	70
China Joint Venture	China Joint Venture					
Partner-Operated:	Partner-Operated:					
Partner-Operated:	Partner-Operated:					
Beauty & Accessories						
Beauty & Accessories						
Beauty & Accessories	Beauty & Accessories	335	10	(30)	(8)	
Accessories	Accessories					307
Full Assortment	Full Assortment	128	16	(8)	—	
Subtotal	Subtotal	463	26	(38)	(8)	443
Partner-Operated	Partner-Operated					
Adore Me						
Adore Me						
Adore Me						
Total	Total	1,362	41	(52)	—	1,351

(a) Includes nine fourteen partner-operated stores as of October 29, 2022 April 29, 2023.

Results of Operations

Third First Quarter of 2023 2024 Compared to Third First Quarter of 2022 2023

Operating Income (Loss)

For the third first quarter of 2023, 2024, operating income (loss) decreased \$110 million slightly by \$2 million, to an operating loss income of \$67 million \$26 million, compared to operating income of \$43 million \$28 million in the third first quarter of 2022, 2023, and the operating income (loss) rate (expressed as a

percentage of net sales) decreased slightly to (5.3%) 1.9% from 3.2% 2.0%. The drivers of the operating income (loss) results are discussed in the following sections.

Net Sales

The following table provides net sales for the third quarter of 2023 in comparison to the third quarter of 2022 and 2023:

	2023	2022	% Change
<u>Third Quarter</u>	(in millions)		
Stores – North America (a)	\$ 723	\$ 813	(11 %)
Direct (a)	382	342	12 %
International (b)	160	163	(2 %)
Total Net Sales	\$ 1,265	\$ 1,318	(4 %)

	2024	2023	% Change
	(in millions)		
First Quarter			
Stores – North America	\$ 729	\$ 786	(7 %)
Direct	449	464	(3 %)
International (a)	181	157	16 %
Total Net Sales	\$ 1,359	\$ 1,407	(3 %)

(a) Results for the third quarter of 2023 include Adore Me sales.
(b) Results include consolidated joint venture sales in China, royalties associated with franchised stores and wholesale sales.

The following table provides a reconciliation of net sales from the third quarter of 2022 to the third quarter of 2023:

		(in millions)
2022	2023	Net Sales
		\$ 1,318
Sales Associated with Stores Included in the Comparable Store Sales Stores Calculation		(78)(56)
Sales Associated with New, Closed and Non-comparable Remodeled Stores, Net (a)		(3) 4
Direct Channels (a)(b)		56 (6)
Credit Card Programs		(9) (5)
International Wholesale, Royalty and Sourcing		(17) 18
Foreign Currency Translation		(2) (3)
2023	2024	Net Sales
		\$ 1,265
		1,359

(a) Results for the third quarter of 2023 include Adore Me sales.
(b) Results include consolidated joint venture direct sales in China.

The following table compares the first quarter of 2023/2024 comparable sales to the first quarter of 2022/2023:

	2023	2022		2024		2023
Comparable Sales (Stores and Direct) (a)	Comparable Sales (Stores and Direct) (a)		Comparable Sales (Stores and Direct) (a)		2024	2023
			(7 %) (11 %)		(5 %)	(11 %)

Comparable Store Sales	Comparable Store Sales	Comparable Store Sales (a)		
(a)	(a)	(11 %) (10 %)	(8 %)	(14 %)

(a) The percentage change in comparable sales represents direct and comparable store sales. The percentage change in comparable store sales represents the change in sales at comparable stores only and excludes the change in sales from our direct channels. The change in comparable sales provides an indication of period over period growth (decline). A store is typically included in the calculation of comparable sales when it has been open 12 months or more and it has not had a change in selling square footage of 20% or more. Closed stores are excluded from the comparable sales calculation if they have been closed for four consecutive days or more. Upon re-opening, the stores are included in the calculation. Additionally, stores are excluded if total selling square footage in the mall changes by 20% or more through the opening or closing of a second store. The percentage change in comparable sales is calculated on a comparable calendar period as opposed to a fiscal basis. Comparable sales attributable to our international stores are calculated on a constant currency basis.

Net sales in the **third** first quarter of **2023** **2024** decreased **\$53 million** **\$48 million**, or **4% 3%**, to **\$1.265 billion** **\$1.359 billion** compared to **\$1.318 billion** **\$1.407 billion** in the **third** first quarter of **2022**, **2023**.

In the stores channel, our North America net sales decreased **\$90 million** **\$57 million**, or **11% 7%**, to **\$723 million** **\$729 million** compared to the **third** first quarter of **2022** **2023** driven by a decrease in **traffic**, **average unit retail**, **traffic** and **conversion** in the quarter compared to the **third** quarter of **2022**, **conversion**.

In the direct channel, net sales **increased \$40** **decreased \$15 million**, or **12% 3%**, to **\$382 million** **\$449 million**, **driven as an increase in conversion was more than offset by the inclusion of Adore Me sales in our results beginning in fiscal year 2023**. On a comparable basis, our direct channel sales **decrease was driven by a decrease** **decreases in average unit retail and traffic compared to the **third** first quarter of **2022**, **2023****.

In the international channel, net sales **decreased \$3** **increased \$24 million**, or **2% 16%**, to **\$160 million** **\$181 million** compared to the **third** first quarter of **2022**, **2023**. Increases in net sales in the **third** first quarter of **2024** compared to the first quarter of **2023** **compared related to the **third** quarter of **2022** related to increases in net sales in China and from our wholesale arrangements, as well as royalties earned associated with franchised stores and online sales in many countries outside of North America were offset by a decrease in net sales related to sourcing sales to our partners. America**.

Gross Profit

For the **third** first quarter of **2023**, **2024**, our gross profit decreased **\$30 million** slightly by **\$1 million** compared to the **third** first quarter of **2022** **2023** to **\$427 million** **\$501 million**, and our gross profit rate (expressed as a percentage of net sales) **decreased** **increased** to **33.8% 36.9%** from **34.7% 35.7%**.

The **decrease in gross profit dollars was primarily due to the decrease in merchandise margin dollars driven by the decrease in net sales and the increase in targeted promotional activity, partially offset by a decrease in supply chain costs compared to the **third** quarter of **2022**. Buying and occupancy expenses were higher compared to the **third** quarter of **2022**, primarily driven by the inclusion of Adore Me buying and occupancy expenses in the current year. Additionally, the decrease in gross profit dollars was driven by the partial recognition in gross profit of the inventory fair value step-up adjustment related to acquired inventory from Adore Me.**

The gross profit rate decrease was driven by deleverage in buying and occupancy expenses in the quarter as a result of the decrease in sales compared to the **third quarter of **2022**.**

General, Administrative and Store Operating Expenses

For the third quarter of 2023, our general, administrative and store operating expenses increased \$80 million, or 19%, compared to the third quarter of 2022 to \$494 million. The increase in general, administrative and store operating expenses compared to the third quarter of 2022 was primarily due to strategic marketing investments including the Victoria's Secret World Tour, the inclusion of Adore Me general, administrative and store operating expenses beginning in fiscal year 2023 and technology investments to enhance our digital business.

The general, administrative and store operating expense rate (expressed as a percentage of net sales) increased to 39.1% from 31.5% due to strategic marketing investments including the Victoria's Secret World Tour, deleverage driven by the decrease in sales compared to the third quarter of 2022 and the inclusion of Adore Me general, administrative and store operating expenses beginning in fiscal year 2023.

Interest Expense

For the third quarter of 2023, our interest expense increased \$11 million to \$26 million compared to the third quarter of 2022, primarily driven by the increase in our outstanding debt due to the borrowings from the ABL Facility and a higher average borrowing rate for our Term Loan Facility.

Provision (Benefit) for Income Taxes

For the third quarter of 2023, the Company's effective tax rate was 24.1% compared to 25.0% in the third quarter of 2022. The third quarter of 2023 rate differed from the Company's combined estimated federal and state statutory rate primarily due to foreign earnings taxed at a lower rate than the Company's combined federal and state statutory rate. The third quarter of 2022 rate was consistent with the Company's combined federal and state statutory rate.

Results of Operations

Year-to-Date 2023 Compared to Year-to-Date 2022

Operating Income (Loss)

For year-to-date 2023, operating income (loss) decreased \$247 million, to an operating loss of \$13 million, compared to operating income of \$234 million year-to-date 2022, and the operating income (loss) rate (expressed as a percentage of net sales) decreased to (0.3%) from 5.4%. The drivers of the operating income (loss) results are discussed in the following sections.

Net Sales

The following table provides net sales for year-to-date 2023 in comparison to year-to-date 2022:

Year-to-Date	2023		2022		% Change
	(in millions)				
Stores – North America (a)	\$	2,326	\$	2,712	(14 %)
Direct (a)		1,281		1,176	9 %
International (b)		492		435	13 %
Total Net Sales	\$	4,099	\$	4,323	(5 %)

(a) Results for year-to-date 2023 include Adore Me sales.

(b) Results include consolidated joint venture sales in China, royalties associated with franchised stores and wholesale sales.

The following table provides a reconciliation of net sales from year-to-date 2022 to year-to-date 2023:

	(in millions)
2022 Net Sales	\$ 4,323
Comparable Store Sales	(322)
Sales Associated with New, Closed and Non-comparable Remodeled Stores, Net (a)	(36)
Direct Channels (a)(b)	158
Credit Card Programs	(19)
International Wholesale, Royalty and Sourcing	5
Foreign Currency Translation	(10)
2023 Net Sales	\$ 4,099

(a) Results for year-to-date 2023 include Adore Me sales.

(b) Results include consolidated joint venture direct sales in China.

The following table compares year-to-date 2023 comparable sales to year-to-date 2022:

	2023	2022
Comparable Sales (Stores and Direct) (a)	(10 %)	(9 %)
Comparable Store Sales (a)	(13 %)	(7 %)

(a) The percentage change in comparable sales represents direct and comparable store sales. The percentage change in comparable store sales represents the change in sales at comparable stores only and excludes the change in sales from our direct channels. The change in comparable sales provides an indication of period over period growth (decline). A store is typically included in the calculation of comparable sales when it has been open 12 months or more and it has not had a change in selling square footage of 20% or more. Closed stores are excluded from the comparable sales calculation if they have been closed for four consecutive days or more. Upon re-opening, the stores are included in the calculation. Additionally, stores are excluded if total selling square footage in the mall changes by 20% or more through the opening or closing of a second store. The percentage change in comparable sales is calculated on a comparable calendar period as opposed to a fiscal basis. Comparable sales attributable to our international stores are calculated on a constant currency basis.

Net sales year-to-date 2023 decreased \$224 million, or 5%, to \$4.099 billion compared to \$4.323 billion year-to-date 2022.

In the stores channel year-to-date 2023, our North America net sales decreased \$386 million, or 14%, to \$2.326 billion, compared to year-to-date 2022 driven by a decrease in traffic which was down compared to year-to-date 2022. Our North American store sales were also impacted by decreases in average unit retail and conversion compared to year-to-date 2022.

In the direct channel, net sales increased \$105 million, or 9%, to \$1.281 billion, driven by the inclusion of Adore Me sales in our results beginning in fiscal year 2023. On a comparable basis, our direct channel sales decrease was driven by a decrease in average unit retail, conversion and traffic compared to year-to-date 2022.

In the international channel, net sales increased \$57 million, or 13%, to \$492 million compared to year-to-date 2022, as stores and online sales increased in many countries outside of North America driven by new full assortment store growth, comparable store sales growth driven in part by increased traffic and strong e-commerce performance, as well as positive customer acceptance of our product assortment.

Gross Profit

For year-to-date 2023, our gross profit decreased \$98 million to \$1.416 billion, and our gross profit rate (expressed as a percentage of net sales) decreased to 34.6% from 35.0%.

The slight decrease in gross profit dollars was primarily due to the decrease in merchandise margin dollars driven by the decrease in net sales and the increase in promotional activity, partially offset by reductions in costs of goods sold related to our supply chain initiative and a decrease in supply chain costs buying and occupancy expenses. Additionally, gross profit dollars were slightly lower compared to year-to-date 2022. Buying and occupancy expenses were down compared to year-to-date 2022, the first quarter of 2023, primarily driven by a legal reserve the recognition in gross profit of \$22 million related to a landlord matter \$9 million in the first quarter of 2022 and restructuring charges of \$13 million in 2023 related to the second quarter of 2022, partially offset by the inclusion of Adore Me buying and occupancy expenses beginning in fiscal year 2023. Additionally, the decrease in gross profit dollars was driven by the partial recognition in gross profit of the inventory fair value step-up adjustment related to the acquired inventory from Adore Me and a restructuring charge of \$3 million in the first quarter of 2023.

The gross profit rate decrease increase was primarily driven by reductions in costs of goods sold related to our supply chain initiative and the expenses recorded in the first quarter of 2023 as noted above, partially offset by increased promotional activity and deleverage in buying and occupancy expenses as a result of the decrease in net sales compared to year-to-date 2022, partially offset by a decrease in supply chain costs compared to year-to-date 2022. activity.

General, Administrative and Store Operating Expenses

For year-to-date 2023, the first quarter of 2024, our general, administrative and store operating expenses increased \$149 million, or 12%, slightly by \$1 million compared to \$1.429 billion the first quarter of 2023, to \$475 million. The slight increase in general, administrative and store operating expenses compared to year-to-date 2022 the first quarter of 2023 was primarily due to the inclusion of increases in charges related to Adore Me general, purchase accounting items and certain other administrative and store operating expenses, beginning in fiscal year 2023 and strategic marketing investments including the Victoria's Secret World Tour in fiscal year 2023. The increase in general, administrative and store operating expenses in 2023 was also due to the amortization of intangible assets acquired from Adore Me of \$19 million, recognition partially offset by a restructuring charge of \$8 million of restructuring charges to continue to reorganize and improve our organizational structure that was recognized in the first quarter of 2023, partially offset by restructuring charges of \$16 million in the second quarter of 2022 and lower store selling expenses in the current year due to improvements in our labor model. 2023.

The general, administrative and store operating expense rate (expressed as a percentage of net sales) increased to 34.9% from 29.6% 33.7% primarily due to the inclusion of Adore Me general, administrative and store operating expenses beginning in fiscal year 2023, deleverage driven by the decrease in sales compared to 2022 and strategic marketing investments including the Victoria's Secret World Tour first quarter of 2023.

Interest Expense

For year-to-date 2023, the first quarter of 2024, our interest expense increased \$31 million to \$72 million remained flat at \$22 million compared to year-to-date 2022, primarily driven by the increase in first quarter of 2023, as our lower average outstanding debt due to the borrowings from the ABL Facility and a was offset by higher average borrowing rate rates for our ABL Facility and Term Loan Facility.

Provision (Benefit) for Income Taxes

For year-to-date 2023, the Company's first quarter of 2024, the Company's effective tax rate was 20.6% 151.1% compared to 13.2% year-to-date 2022. 34.0% in the first quarter of 2023. The year-to-date first quarter of 2024 rate differed from the Company's combined estimated federal and state statutory rate primarily due to additional tax expense from the vesting of share-based compensation awards. The first quarter of 2023 rate differed from the Company's Company's combined estimated federal and state statutory rate primarily due to non-deductible liabilities related to contingent consideration and Contingent Compensation Payments. The year-to-date 2022 rate was lower than Payments under the Company's combined estimated federal and state statutory rate primarily due to terms of the recognition of excess tax benefits related to share-based compensation awards that vested in the respective period. Merger Agreement.

FINANCIAL CONDITION

Liquidity and Capital Resources

Liquidity, or access to cash, is an important factor in determining our financial stability. We are committed to maintaining adequate liquidity. Cash generated from our operating activities provides the primary resources to support current operations, growth initiatives, seasonal funding requirements and capital expenditures. Our Net cash provided by (used for) operations operating activities is impacted by our net income (loss) and working capital changes. Our net income (loss) is impacted by, among other things, sales volume, seasonal sales patterns, success of new product introductions, profit margins and income taxes. Historically, sales are higher during the fourth quarter of the fiscal year due to seasonal and holiday-related sales patterns. Generally, our need for working capital peaks during the summer and fall months as inventory builds in anticipation of the holiday period.

Our ability to fund our operating needs is primarily dependent upon our ability to continue to generate positive cash flow from operations, as well as borrowing capacity under our ABL Facility, which we rely on to supplement cash generated by our operating activities, particularly when our need for working capital peaks in the summer and fall months as discussed above. Management believes that our cash balances and funds provided by operating activities, along with the borrowing capacity under our ABL Facility, taken as a whole, provide (i) adequate liquidity to meet all of our current and long-term obligations when due, (ii) adequate liquidity to fund capital expenditures, and (iii) flexibility to consider investment opportunities that may arise. However, certain investment opportunities or seasonal funding requirements may require us to seek additional debt or equity financing, and there can be no assurances assurance that we will be able to obtain additional debt or equity financing on acceptable terms, if at all, in the future.

We expect to utilize our cash flows to continue to invest in our brands, talent, and capabilities, and growth strategies strategic initiatives as well as to repay our indebtedness over time. We believe that our available short-term and long-term capital resources are sufficient to fund our working capital and other cash flow requirements over the next 12 months.

Working Capital and Capitalization

Based upon our cash balances and funds cash provided by our operating activities, along with the borrowing capacity under our ABL Facility, we believe we will be able to continue to meet our working capital needs.

The following table provides a summary of our working capital position and capitalization as of October 28, 2023 May 4, 2024, January 28, 2023 February 3, 2024 and October 29, 2022 April 29, 2023:

	October 28, 2023	January 28, 2023	October 29, 2022	
	(in millions)			
	May 4, 2024		May 4, 2024	February 3, 2024
	(in millions)			(in millions)
Net Cash	Net Cash			
Provided by (Used for) Operating Activities (a)	Provided by (Used for) Operating Activities (a)	\$ (200)	\$ 437	\$ (279)
Capital Expenditures (a)	Capital Expenditures (a)	224	164	125
Working Capital	Working Capital	268	158	377
Capitalization:	Capitalization:			
Long-term Debt	Long-term Debt	1,530	1,271	1,244
Long-term Debt	Long-term Debt			
Victoria's Secret & Co. Shareholders' Equity	Victoria's Secret & Co. Shareholders' Equity	220	383	235
Total Capitalization	Total Capitalization	\$1,750	\$1,654	\$1,479

Amounts Available Under the ABL Facility	Amounts Available Under the ABL Facility
(b)	(b) \$ 176 \$ 259 \$ 441

(a) The **October 28, 2023** **May 4, 2024** and **October 29, 2022** **April 29, 2023** amounts represent **thirty-nine-week** **thirteen-week** periods and the **January 28, 2023** **February 3, 2024** amounts represent a **fifty-two-week** **fifty-three-week** period.

(b) For the reporting period ended **October 28, 2023** **May 4, 2024**, the availability under the ABL Facility was limited to the maximum aggregate commitment amount by our borrowing base of **\$750 million** **\$646 million**, less outstanding borrowings of **\$555 million** **\$145 million** and letters of credit of **\$19 million**. For the reporting period ended **January 28, 2023** **February 3, 2024**, the availability was limited by our borrowing base of **\$596 million** **\$587 million**, less outstanding borrowings of **\$145 million** and letters of credit of **\$19 million**. For the reporting period ended **April 29, 2023**, the availability under the ABL Facility was limited by our borrowing base of **\$633 million**, less outstanding borrowings of **\$295 million** and letters of credit of **\$42 million**. For the reporting period ended **October 29, 2022**, the availability under the ABL Facility was limited to the maximum aggregate commitment amount of **\$750 million**, less outstanding borrowings of **\$267 million** and letters of credit of **\$42 million** **\$30 million**.

Cash Flow

The following table provides a summary of our cash flow activity for **year-to-date 2023** **the first quarter of 2024** and **2022: 2023**:

	Year-to-Date		First Quarter		
			2023	2022	
			(in millions)		
	2024		2024		2023
	(in millions)				(in millions)
Cash and Cash Equivalents, Beginning of Period	Cash and Cash Equivalents, Beginning of Period	\$427	\$490		
Net Cash Flows Used for Operating Activities		(200)	(279)		
Net Cash Flows Used for Investing Activities		(223)	(150)		
Net Cash Flows Provided by Financing Activities		122	67		
Net Cash Used for Operating Activities					
Net Cash Used for Investing Activities					
Net Cash Used for Financing Activities					

Effects of Exchange Rate Changes on Cash and Cash Equivalents	Effects of Exchange Rate Changes on Cash and Cash Equivalents	(2)	(2)
Net Decrease in Cash and Cash Equivalents	Net Decrease in Cash and Cash Equivalents	(303)	(364)
Cash and Cash Equivalents, End of Period	Cash and Cash Equivalents, End of Period	\$124	\$126

Operating Activities

Net cash used for operating activities reflects net income (loss) adjusted for non-cash items, including depreciation and amortization, share-based compensation expense and deferred tax expense, as well as changes in working capital. Net cash used for operating activities year-to-date 2023 in the first quarter of 2024 was \$200 million \$116 million, an increase in net cash flows from used for operating activities of \$79 million \$8 million compared to year-to-date 2022, the first quarter of 2023. The increase in net cash flows from used for operating activities year-to-date 2023 in the first quarter of 2024 was primarily driven by lower net income (loss), partially offset by lower net operating cash outflows associated with working capital changes partially offset by lower net income (loss) of \$19 million compared to the first quarter of 2023. The most significant working capital driver resulting in the increase decrease in net operating cash flows outflows this year compared to last year was the timing of payments related to the increased inventory levels last year, which were primarily driven by modal mix changes and longer in-transit shipment times. The other significant working capital driver resulting in the increase in operating cash flows this year is related to income taxes paid of \$65 million year-to-date 2023 \$6 million in the first quarter of 2024 compared to \$158 million \$16 million paid year-to-date 2022, in the first quarter of 2023.

Investing Activities

Net cash used for investing activities year-to-date 2023 in the first quarter of 2024 was \$223 million \$39 million, consisting primarily solely of capital expenditures of \$224 million. The capital expenditures were primarily related to our store capital program and investments in technology related to our strategic initiatives to drive growth and technology investments relating to separation activities from our Former Parent.

growth.

Net cash used for investing activities year-to-date 2022 in the first quarter of 2023 was \$150 million \$55 million, consisting primarily solely of capital expenditures of \$125 million and our \$18 million investment in Frankies Bikinis. The capital expenditures were primarily related to our store capital program, along with investments in technology, distribution and logistics to support our retail capabilities.

We are estimating capital expenditures to be approximately \$255 million \$230 million for fiscal year 2023. We expect that our capital expenditures during fiscal year 2023 will continue to be primarily focused on our store capital program along with investments in technology related to our strategic initiatives to drive growth and technology investments relating to separation activities from our Former Parent. growth.

Financing Activities

Net cash provided by used for financing activities year-to-date 2023 was \$122 million, consisting primarily of borrowings of \$405 million from the ABL Facility, partially offset by \$145 million of repayments under the ABL Facility and \$125 million of share repurchases.

Net cash provided by financing activities year-to-date 2022 was \$67 million, consisting primarily of \$267 million of borrowings from the ABL Facility and \$55 million of cash received from Regina Miracle in connection with the joint venture agreement completed in the first quarter of 2022. Those proceeds were partially offset by \$214 million 2024 was \$10 million, consisting primarily of a \$16 million payment for contingent consideration related to the acquisition of Adore Me and offsetting borrowings and repayments of \$90 million under the ABL Facility.

Net cash used for financing activities in the first quarter of 2023 was \$132 million, consisting primarily of \$125 million of share repurchases and \$40 million \$9 million of payments for taxes on share-based compensation awards issued. issued, partially offset by \$3 million of proceeds from stock option exercises.

Common Stock Share Repurchases & Treasury Stock Retirements

Our Board of Directors determines share repurchase authorizations, giving consideration to our levels of profit and cash flows, capital requirements, current and forecasted liquidity, ~~the and~~ restrictions placed upon us by our borrowing arrangements, ~~and the Tax Matters Agreement with the Former Parent~~, as well as financial and other conditions existing at the time. We use cash flows generated from operating activities to fund ~~our any~~ share repurchase programs. ~~repurchases~~. Once authorized by our Board of Directors, the timing and amount of any share repurchases are made at our discretion, taking into account a number of factors, including market conditions.

Fiscal Year 2023 March 2024 Share Repurchase Program

In March 2024, our Board of Directors approved the March 2024 Share Repurchase Program, authorizing the repurchase of up to \$250 million of our common stock, subject to market conditions and other factors, through open market, accelerated share repurchase or privately negotiated transactions, including pursuant to one or more Rule 10b5-1 trading plans. The March 2024 Share Repurchase Program is open-ended in term and will continue until exhausted.

We did not repurchase any shares of our common stock under the March 2024 Share Repurchase Program during the first quarter of 2024. As of May 4, 2024, we were authorized to repurchase up to \$250 million of our common stock under the March 2024 Share Repurchase Program.

January 2023 Share Repurchase Program

In January 2023, our Board of Directors approved the January 2023 Share Repurchase Program, authorizing the repurchase of up to \$250 million of our common stock. The \$250 million authorization, ~~is expected to be which expired at the end of fiscal year 2023, was utilized in fiscal year 2023 to repurchase shares in the open market or as otherwise authorized by and under the Board of Directors, subject to market conditions and other factors. The January 2023 Share Repurchase Program began upon completion of the March 2022 Share Repurchase Program and will continue until exhausted, but no later than the end of fiscal year 2023, accelerated share repurchase agreement described below.~~

In February 2023, as part of the January 2023 Share Repurchase Program, we entered into the ASR Agreement with Goldman Sachs to repurchase \$125 million of our common stock. In February 2023, we made an initial payment of \$125 million to Goldman Sachs and received an initial delivery of 2.4 million shares of our common stock. ~~As a result of the initial share delivery, there was an additional \$1 million increase in Treasury Stock, which reflects the excise tax liability recorded related to the share repurchase in accordance with the Inflation Reduction Act of 2022.~~

In May 2023, upon final settlement of the ASR Agreement, we received an additional 1.3 million shares of our common stock from Goldman Sachs. The final number of shares received was based on the volume-weighted average price of our common stock during the term of the ASR Agreement, less a discount and subject to adjustments pursuant to the terms of the ASR Agreement.

We repurchased ~~The final settlement of the following ASR Agreement occurred in May 2023 subsequent to the end of the first quarter of 2023. At final settlement, we received an additional 1.3 million shares of our common stock under the January 2023 Share Repurchase Program during year-to-date 2023:~~

	Amount Authorized	Shares Repurchased	Amount Repurchased	Average Stock Price
	(in millions)	(in thousands)	(in millions)	
January 2023 Share Repurchase Program	\$ 250	3,652	\$ 125	\$ 34.22

from Goldman Sachs.

As of ~~October 28, 2023~~ April 29, 2023, we were authorized to repurchase up to \$125 million ~~payment to Goldman Sachs was recognized as a reduction to shareholders' equity, consisting of our common~~ a \$100 million increase in Treasury Stock, which reflected the value of the initial 2.4 million shares received upon initial settlement, and a \$25 million decrease in Paid-in Capital, which reflected the value of the stock ~~under~~ then held by Goldman Sachs pending final settlement of the January ASR Agreement. The \$25 million recorded in Paid-in Capital as of April 29, 2023 was reclassified to Treasury Stock in the second quarter of 2023 Share Repurchase Program.

~~In connection with the final settlement of the ASR Agreement. As a result of the initial share delivery, there was an additional \$1 million increase in Treasury Stock, which reflected the excise tax liability recorded related to the share repurchase in accordance with the Board Inflation Reduction Act of Directors' resolution, shares 2022.~~

Shares repurchased under the January 2023 Share Repurchase Program were ~~immediately retired, retired upon repurchase~~. As a result, we retired the ~~8.7~~ 2.4 million shares repurchased in connection with the settlement of the ASR Agreement year-to-date during the first quarter of 2023. The retirement resulted in a reduction of ~~\$126~~ \$101 million in Treasury Stock, less than \$1 million in the par value of Common Stock, ~~\$9~~ \$6 million in Paid-in Capital and ~~\$117~~ \$95 million in Retained Earnings (Accumulated Deficit) year-to-date during the first quarter of 2023.

Fiscal Year 2022

March 2022 Share Repurchase Program

In March 2022, our Board of Directors approved the March 2022 Share Repurchase Program, providing for the repurchase of up to \$250 million of our common stock. The \$250 million authorization was utilized in fiscal year 2022 to repurchase shares in the open market, subject to market conditions and other factors.

We repurchased the following shares of its common stock under the March 2022 Share Repurchase Program during year-to-date 2022:

	Amount Authorized	Shares Repurchased	Amount Repurchased	Average Stock Price
	(in millions)	(in thousands)	(in millions)	
March 2022 Share Repurchase Program	\$ 250	5,104	\$ 214	\$ 41.91

In accordance with the Board of Directors' resolution, shares of our common stock repurchased under the March 2022 Share Repurchase Program were retired upon repurchase. As a result, year-to-date 2022 we retired 5.1 million shares repurchased under the March 2022 Share Repurchase Program, which resulted in reductions of less than \$1 million in the par value of Common Stock, \$10 million in Paid-in Capital and \$204 million in Retained Earnings.

December 2021 ASR Agreement

In February 2022, upon final settlement of our December 2021 ASR Agreement with Goldman Sachs, we received an additional 0.3 million shares of our common stock from Goldman Sachs. The delivery of shares resulted in an immediate reduction of the outstanding shares used to calculate the weighted-average common shares outstanding for basic and diluted net income per share. In connection with the settlement of the December 2021 ASR Agreement, \$50 million previously recorded in Paid-in Capital as of January 29, 2022, was reclassified to Treasury Stock in the first quarter of 2022. In February 2022, we immediately retired the additional 0.3 million shares repurchased in connection with the settlement of the December 2021 ASR Agreement. The retirement resulted in a reduction of \$50 million in Treasury Stock, less than \$1 million in the par value of Common Stock, less than \$1 million in Paid-in Capital and nearly \$50 million in Retained Earnings.

Dividend Policy and Procedures

We have not paid any cash dividends since becoming an independent, publicly traded company. We cannot guarantee that we will pay a dividend in the future or continue to pay any dividends if and when we commence paying dividends. The declaration and amount of any dividends to holders of our common stock will be at the discretion of our Board of Directors and will depend upon many factors, including our financial condition, earnings, cash flows, capital requirements of our business, covenants associated with our debt obligations, legal requirements, regulatory constraints, industry practice and any other factors the Board of Directors deems relevant. We would use cash flow generated from operating and financing activities to fund our dividends.

Long-term Debt and Borrowing Facilities

The following table provides our outstanding Long-term Debt balance, net of unamortized debt issuance costs and discounts and any current portion, as of **October 28, 2023** **May 4, 2024**, **January 28, 2023** **February 3, 2024** and **October 29, 2022** **April 29, 2023**:

	October 28, 2023	January 28, 2023	October 29, 2022	
	(in millions)			
May 4, 2024		May 4, 2024		February 3, 2024
Senior Secured Debt with Subsidiary Guarantee				April 29, 2023
\$392 million Term Loan due August 2028 ("Term Loan Facility")	\$ 385	\$ 387	\$ 388	
\$390 million Term Loan due August 2028 ("Term Loan Facility")				
\$390 million Term Loan due August 2028 ("Term Loan Facility")				
\$390 million Term Loan due August 2028 ("Term Loan Facility")				

Asset-based	Asset-based			
Revolving	Revolving			
Credit	Credit			
Facility due	Facility due			
August	August			
2026 ("ABL Facility")	2026 ("ABL Facility")	555	295	267
Total	Total			
Senior	Senior			
Secured	Secured			
Debt with	Debt with			
Subsidiary	Subsidiary			
Guarantee	Guarantee	940	682	655
Senior	Senior			
Debt with	Debt with			
Subsidiary	Subsidiary			
Guarantee	Guarantee			
\$600 million, 4.625%				
Fixed Interest Rate				
Notes due July 2029				
("2029 Notes")				
\$600 million, 4.625%				
Fixed Interest Rate				
Notes due July 2029				
("2029 Notes")				
\$600 million, 4.625%				
Fixed Interest Rate				
Interest Notes due July 2029				
Rate Notes due July 2029				
due July 2029				
2029				
("2029 Notes")				
594	593	593		
Total	Total			
Senior	Senior			
Debt with	Debt with			
Subsidiary	Subsidiary			
Guarantee	Guarantee	594	593	593
Total	Total	1,534	1,275	1,248
Current	Current			
Debt	Debt	(4)	(4)	(4)
Total	Total			
Long-term	Long-term			
Debt, Net	Debt, Net			
of Current	of Current			
Portion	Portion	\$1,530	\$1,271	\$1,244

Cash paid for interest was \$54 \$12 million and \$29 \$13 million for year-to-date the first quarter of 2024 and 2023, and year-to-date 2022, respectively.

Credit Facilities

In September 2023, we entered into a delayed draw term loan, secured by certain real estate assets owned by us, to increase available liquidity in consideration of potential seasonal working capital needs. The delayed draw term loan has a maximum borrowing capacity of \$75 million and any amounts borrowed will mature in December 2023. As of December 1, 2023, we have not drawn any amounts under this term loan. During the third quarter of 2023 and year-to-date 2023, fees incurred in relation to this delayed draw term loan were \$1 million and are being amortized over the life of the delayed draw term loan through the maturity date.

On August 2, 2021, we entered into a term loan B credit facility in an aggregate principal amount of \$400 million, which will mature in August 2028. The discounts and issuance costs from the Term Loan Facility are being amortized through the maturity date and are included within Long-term Debt on the Consolidated Balance Sheets. Commencing in December 2021, we are required to make quarterly principal payments on the Term Loan Facility in an amount equal to 0.25% of the original principal amount of \$400 million. We made principal payments for the Term Loan Facility of \$1 million during both the **third** **first** quarter of **2023** **2024** and the **third** quarter of **2022** and **\$3 million** during both **year-to-date 2023** and **year-to-date 2022**.

In May 2023, we amended our Term Loan Facility to allow for an early transition to using Term SOFR as the applicable reference rate to calculate interest instead of LIBOR. Prior to the amendment, interest under the Term Loan Facility was calculated by reference to the LIBOR or an alternative base rate, plus an interest rate margin equal to (i) in the case of LIBOR loans, 3.25% and (ii) in the case of alternate base rate loans, 2.25%. The LIBOR rate applicable to the Term Loan Facility was subject to a floor of 0.50%. In accordance with the amendment, interest on Term SOFR loans under the Term Loan Facility is now calculated by reference to Term SOFR, plus an interest rate margin ranging from 3.36% to 3.68%. The obligation to pay principal and interest on the loans under the Term Loan Facility is jointly and severally guaranteed on a full and unconditional basis by certain of our wholly-owned domestic subsidiaries. The loans under the Term Loan Facility are secured on a first-priority lien basis by certain assets of ours and guarantors that do not constitute priority collateral of the ABL Facility and on a second-priority lien basis by priority collateral of the ABL Facility, subject to customary exceptions. As of **October 28, 2023** **May 4, 2024**, the interest rate on the loans under the Term Loan Facility was **8.90%** **8.84%**.

On August 2, 2021, we also entered into a senior secured asset-based revolving credit facility. The ABL Facility allows for borrowings and letters of credit in U.S. dollars or Canadian dollars and has aggregate commitments of \$750 million and an expiration date of August 2026. The availability under the ABL Facility is the lesser of (i) the borrowing base, determined primarily based on our eligible U.S. and Canadian credit card receivables, eligible accounts receivable, eligible inventory and eligible real property, and (ii) the aggregate commitment. In May 2023, we amended our ABL Facility to allow for an early transition to using Term SOFR as the applicable reference rate to calculate interest instead of LIBOR. Prior to the amendment, interest on the loans under the ABL Facility was calculated by reference to (i) LIBOR or an alternative base rate and (ii) in the case of loans denominated in Canadian dollars, CDOR or a Canadian base rate, plus an interest rate margin based on average daily excess availability ranging from (x) in the case of LIBOR and CDOR loans, 1.50% to 2.00% and (y) in the case of alternate base rate loans and Canadian base rate loans, 0.50% to 1.00%. In accordance with the amendment, interest on Term SOFR loans under the ABL Facility is now calculated by reference to Term SOFR, plus an interest rate margin based on average daily excess availability ranging from 1.60% to 2.10%. Unused commitments under the ABL Facility accrue an unused commitment fee ranging from 0.25% to 0.30%. The obligation to pay principal and interest on the loans under the ABL Facility is jointly and severally guaranteed on a full and unconditional basis by certain of our wholly-owned domestic and Canadian subsidiaries. The loans under the ABL Facility are secured on a first-priority lien basis by our eligible U.S. and Canadian credit card receivables, eligible accounts receivable, eligible inventory and eligible real property and on a second-priority lien basis on substantially all other assets of ours, subject to customary exceptions.

Year-to-date 2023, we **We** borrowed **\$405** and made repayments of **\$90 million** and made payments of **\$145** **\$15 million** under the ABL Facility during the first quarter of 2024 and 2023, respectively. As of **October 28, 2023** **May 4, 2024**, there were borrowings of **\$555** **\$145 million** outstanding under the ABL Facility and the interest rate on the borrowings was **7.58%** **7.17%**. We had \$19 million of outstanding letters of credit as of **October 28, 2023** **May 4, 2024** that further reduced our availability under the ABL Facility. As of **October 28, 2023** **May 4, 2024**, our remaining availability under the ABL Facility was **\$176 million** **\$482 million**.

Subsequent to the end of the third quarter of 2023 and as of November 30, 2023, borrowings of \$464 million remained outstanding under the ABL Facility.

Our long-term debt and borrowing facilities contain certain financial and other covenants, including, but not limited to, the maintenance of financial ratios. The 2029 Notes and the Term Loan Facility include the maintenance of a consolidated coverage ratio and a consolidated total leverage ratio, and the ABL Facility includes the maintenance of a fixed charge coverage ratio and a debt to EBITDAR ratio. The financial covenants could, within specific predefined circumstances, limit our ability to incur additional indebtedness, make certain investments, pay dividends or repurchase shares. As of **October 28, 2023** **May 4, 2024**, we were in compliance with all covenants under our long-term debt and borrowing facilities.

We elected the optional expedient under Accounting Standards Update No. 2020-04, *Reference Rate Reform*, in connection with amending our Term Loan Facility and ABL Facility agreements to replace the reference rate from LIBOR to Term SOFR to consider the amendments as a continuation of the existing contract without having to perform an assessment that would otherwise be required under GAAP.

Credit Ratings

The following table provides our credit ratings as of **October 28, 2023** **May 4, 2024**:

	Moody's	S&P
Corporate	Ba3	BB-
Senior Secured Debt with Subsidiary Guarantee	Ba2	BB+
Senior Unsecured Debt with Subsidiary Guarantee	B1	BB-
Outlook	Stable	Negative
	Stable	Negative

Contingent Liabilities and Contractual Obligations

Contractual Obligations

Our contractual obligations primarily consist of long-term debt and the related interest payments, operating leases, purchase orders for merchandise inventory, deferred cash consideration related to the acquisition of Adore Me and other long-term obligations. These contractual obligations impact our short-term and long-term liquidity and capital resource needs. Except with respect to the additional \$260 million of outstanding borrowings under the ABL Facility, there have been no material changes in our contractual obligations since **January 28, 2023** **February 3, 2024**, as discussed in "Contingent Liabilities and Contractual Obligations" in our **2022** **2023** Annual Report on Form 10-K filed with the SEC on **March 17, 2023** **March 22, 2024**. Certain of our contractual obligations may fluctuate during the normal course of business (primarily changes in our merchandise inventory-related purchase obligations, which fluctuate throughout the year as a result of the seasonal nature of our operations).

RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

We did not adopt any new accounting standards during the **third** **first** quarter of **2023** **2024** that had a material impact on our results of operations, financial position or cash flows.

Income Taxes

In addition, there are no new accounting standards December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*, which is intended to enhance the transparency and decision-usefulness of income tax disclosures, primarily by requiring enhanced disclosure for income taxes paid and the effective tax rate reconciliation. This standard will be effective for annual reporting periods beginning in fiscal year 2025 and for interim periods beginning in fiscal year 2026, with early adoption permitted. The updates required by this standard should be applied prospectively, but retroactive application is permitted. We do not yet adopted that are expected expect this standard to have a material impact on our results of operations, financial position or cash flows.

Segment Reporting

In November 2023, the FASB issued ASU 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosure*, which is intended to improve reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expense categories that are regularly provided to the chief operating decision maker and included in each reported measure of a segment's profit or loss. The update also requires all annual disclosures about a reportable segment's profit or loss and assets to be provided in interim periods and for entities with a single reportable segment to provide all the disclosures required by ASC 280, *Segment Reporting*, including the significant segment expense disclosures. This standard will be effective for annual reporting periods beginning in fiscal year 2024 and interim periods beginning in fiscal year 2025, with early adoption permitted. The updates required by this standard should be applied retrospectively to all periods presented in the financial statements. We do not expect this standard to have a material impact on our results of operations, financial position or cash flows.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The preparation of financial statements in conformity with GAAP requires management to adopt accounting policies related to estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period, as well as the related disclosure of contingent assets and liabilities at the date of the financial statements. On an ongoing basis, management evaluates its accounting policies, estimates and judgments, including those related to inventories, long-lived assets, claims and contingencies, income taxes and revenue recognition. Management bases our estimates and judgments on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

There have been no material changes to the critical accounting policies and estimates disclosed in our **2022** **2023** Annual Report on Form 10-K filed with the SEC on **March 17, 2023** **March 22, 2024**.

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market Risk

The market risk inherent in our financial instruments represents the potential loss in fair value, earnings or cash flows arising from adverse changes in foreign currency exchange rates or interest rates. We may use derivative financial instruments like foreign currency forward contracts, cross-currency swaps and interest rate swap arrangements to manage exposure to market risks. We do not use derivative financial instruments for trading purposes.

Foreign Exchange Rate Risk

We have operations and investments in unconsolidated entities in foreign countries which expose us to market risk associated with foreign currency exchange rate fluctuations. Our Canadian dollar and Chinese Yuan denominated earnings are subject to exchange rate risk as substantially all our merchandise sold in Canada and China is sourced through U.S. dollar transactions. From time to time we may adjust our exposure to foreign exchange rate risk by entering into foreign currency forward contracts, however, these measures may not succeed in offsetting all the short-term impact of foreign currency rate movements and generally may not be effective in offsetting the long-term impact of sustained shifts in foreign currency rates.

Further, although our royalty arrangements with our international partners are denominated in U.S. dollars, the royalties we receive in U.S. dollars are calculated based on sales in the local currency. As a result, our royalties in these arrangements are exposed to foreign currency exchange rate fluctuations.

Interest Rate Risk

Our investment portfolio primarily consists of interest-bearing instruments that are classified as cash and cash equivalents based on their original maturities. Our investment portfolio is maintained in accordance with our investment policy, which specifies permitted types of investments, specifies credit quality standards and maturity profiles and limits credit exposure to any single issuer. The primary objective of our investment activities is the preservation of principal, the maintenance of liquidity and the maximization of interest income while minimizing risk. As of **October 28, 2023** **May 4, 2024**, our investment portfolio is primarily comprised of bank deposits. Given the short-term nature and quality of investments in our portfolio, we do not believe there is any material risk to principal associated with increases or decreases in interest rates.

Our **outstanding** long-term debt as of **October 28, 2023** **May 4, 2024** consists of the 2029 Notes, which have a fixed interest rate, the **\$392 million** **\$390 million** in outstanding borrowing under the Term Loan Facility, which has a variable interest rate based on Term SOFR, and the **\$555 million** **\$145 million** in outstanding borrowing under the ABL Facility, which has a variable interest rate based on Term SOFR. Our exposure to interest rate changes is limited to the fair value of the debt outstanding as well as the interest we pay on the Term Loan Facility and ABL Facility, which we believe would not have a material impact on our earnings or cash flows.

Fair Value of Financial Instruments

The following table provides a summary of the principal value and estimated fair value of our outstanding debt as of **October 28, 2023** **May 4, 2024**, **January 28, 2023** **February 3, 2024** and **October 29, 2022** **April 29, 2023**:

	October 28, 2023	January 28, 2023	October 29, 2022	
	(in millions)			
May 4, 2024		May 4, 2024		February 3, 2024
	(in millions)			April 29, 2023
Principal	Principal			
Value	Value	\$ 992	\$ 995	\$ 996
Fair Value, Estimated	Fair Value, Estimated			
(a)	(a)	830	894	870

(a) The estimated fair value of our publicly traded debt is based on reported transaction prices which are considered Level 2 inputs in accordance with ASC 820, *Fair Value Measurement*. The estimates presented are not necessarily indicative of the amounts that we could realize in a current market exchange.

As of **October 28, 2023** **May 4, 2024**, we believe that the carrying values of accounts receivable, accounts payable and accrued expenses approximate fair value because of their short maturity. We further believe the principal value of the outstanding debt under the ABL Facility approximates its fair value as of **October 28,**

2023 May 4, 2024 based on the terms of the borrowings from the ABL Facility.

Concentration of Credit Risk

We maintain cash and cash equivalents with various major financial institutions. We monitor the relative credit standing of financial institutions with whom we transact and limit the amount of credit exposure with any one entity. As of October 28, 2023 May 4, 2024, our investment portfolio is primarily comprised of bank deposits. We also periodically review the relative credit standing of franchise, license and wholesale partners and other entities to which we grant credit terms in the normal course of business.

Item 4. CONTROLS AND PROCEDURES

Evaluation of disclosure controls and procedures. As of the end of the period covered by this report, we carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures, as such term is defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934 (the "Exchange Act"). Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that as of the end of the period covered by this report, our disclosure controls and procedures were effective and designed to ensure that information required to be disclosed by us in reports we file or submit under the Exchange Act is (1) recorded, processed, summarized and reported within the time periods specified in SEC rules and forms, and (2) accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure.

Changes in internal control over financial reporting. We are integrating Adore Me into our internal controls over financial reporting beginning in fiscal year 2023.

Other than the changes with regard to Adore Me, there were no changes in our internal control over financial reporting that occurred during the third first quarter of 2023 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION

Item 1. LEGAL PROCEEDINGS

We are a defendant in a variety of lawsuits arising in the ordinary course of business. Actions filed against us from time to time may include commercial, tort, intellectual property, customer, employment, data privacy, securities and other claims, including purported class action lawsuits. Although it is not possible to predict with certainty the eventual outcome of any litigation, in the opinion of management, our current legal proceedings are not expected to have a material adverse effect on our financial position or results of operations.

Item 1A. RISK FACTORS

The risk factors that affect our business and financial results are set forth under "Item 1A. Risk Factors" in our 2022 2023 Annual Report on Form 10-K filed with the SEC on March 17, 2023 March 22, 2024. There have been no material changes to the risk factors from those described in the 2022 2023 Annual Report on Form 10-K. We wish to caution the reader that the risk factors discussed in "Item 1A. Risk Factors" in our 2022 2023 Annual Report on Form 10-K and those described in this report or other SEC filings could cause actual results to differ materially from those stated in any forward-looking statements.

Item 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

The following table provides our repurchases of shares of our common stock during the third first quarter of 2023: 2024:

Period	Total Number of Shares				
	Total		Purchased as		Maximum Number of Shares (or
	Number of	Average	Part of Publicly	Approximate Dollar Value) that	
	Shares	Price Paid per	Announced Plans or	May Yet be Purchased Under the	
Purchased (a)		Share (b)	Programs	Plans or Programs (c)	
		(in thousands)	(in thousands)		
July 30, 2023 - August 26, 2023 ("August 2023")	18	\$ 20.63	—	\$	125,000
August 27, 2023 - September 30, 2023 ("September 2023")	28	\$ 17.93	—	—	125,000
October 1, 2023 - October 28, 2023 ("October 2023")	25	\$ 14.76	—	—	125,000
Total	71		—	—	

Period	Total Number of Shares			
	Total	Purchased as	Maximum Number of Shares (or	
	Number of	Part of Publicly	Approximate Dollar Value) that	
	Shares	Price Paid per	Announced Plans or	May Yet be Purchased Under the
Purchased (a)	Share (b)	Programs	Plans or Programs (c)	
(in thousands)				(in thousands)
February 4, 2024 - March 2, 2024 ("February 2024")	4	\$ 30.01	—	\$ —
March 3, 2024 - April 6, 2024 ("March 2024")	346	\$ 18.65	—	250,000
April 7, 2024 - May 4, 2024 ("April 2024")	4	\$ 17.44	—	250,000
Total	354		—	

- (a) The total number of shares repurchased includes shares repurchased as part of publicly announced programs, with the remainder relating to shares repurchased in connection with tax withholding payments due upon vesting of employee restricted stock awards and the use of shares of our common stock to pay the exercise price on employee stock options.
- (b) The average price paid per share includes any broker commissions.
- (c) The ~~January 2023~~ March 2024 Share Repurchase Program, which was publicly announced on ~~January 11, 2023~~ March 6, 2024, authorizes the purchase of up to \$250 million of our common stock, subject to market conditions and other factors. The ~~January 2023~~ March 2024 Share Repurchase Program will continue until ~~exhausted, but no later than the end of fiscal year 2023~~ exhausted.

Item 3. DEFAULTS UPON SENIOR SECURITIES

Not applicable.

Item 4. MINE SAFETY DISCLOSURES

Not applicable.

Item 5. OTHER INFORMATION

None.

Item 6. EXHIBITS

Exhibits

3.1*	Amended and Restated Certificate of Incorporation of Victoria's Secret & Co. (incorporated by reference to Exhibit 3.1 to the Company's Form 8-K filed on August 3, 2021).
3.2*	Second Amended and Restated Bylaws of Victoria's Secret & Co. (incorporated by reference to Exhibit 3.2 to the Company's Form 10-K filed on March 17, 2023).
10.1	Executive Severance Agreement by and between VS Service Company, LLC and Melinda McAfee, dated as of June 29, 2021.
31.1	Section 302 Certification of CEO.
31.2	Section 302 Certification of CFO.
32	Section 906 Certification (by CEO and CFO).
101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)

* Previously filed.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

VICTORIA'S SECRET & CO.

(Registrant)

By: /s/ Timothy Johnson

Timothy Johnson

Chief Financial and Administrative Officer *

Date: December 1, 2023 June 7, 2024

* Mr. Johnson is the principal financial officer and the principal accounting officer and has been duly authorized to sign on behalf of the Registrant.

3831

Exhibit 10.1

EXECUTIVE SEVERANCE AGREEMENT

THIS EXECUTIVE SEVERANCE AGREEMENT (this "Agreement") is made and entered into as of the last date of signature below (the "Effective Date"), by and between the Company and Melinda McAfee (the "Executive") (hereinafter collectively referred to as the "Parties").

WHEREAS, the Executive currently serves as a key employee of the Company and the Executive's services and knowledge are valuable to the Company; and

WHEREAS, in consideration of the Executive's continued employment, the Company has determined that it is in its best interests to provide the Executive with the severance protections in accordance with the terms and conditions of this Agreement.

NOW, THEREFORE, IN CONSIDERATION of the foregoing, and in view of the promises and other good and valuable consideration described in this Agreement (the sufficiency and receipt of which are hereby acknowledged) the Parties agree as follows:

a. Effective Date and Term of this Agreement. This Agreement shall be effective on the Effective Date and will remain in effect unless and until (i) the Executive's employment with the Company is terminated by either Party in accordance with Section 2, and (ii) all payments and/or benefits to which the Executive is entitled under this Agreement, if any, have been made or provided to the Executive in accordance with the terms of this Agreement.

b. Termination of Employment. The Executive's employment with the Company shall terminate upon the earlier of: (i) automatically thirty (30) days after the Executive provides a written Notice of Termination of his or her resignation for any reason other than for Good Reason; (ii) thirty (30) days following the Executive providing a Notice of Termination indicating the existence of a condition(s) constituting Good Reason other than to the extent that such condition is cured; (iii) immediately upon the Executive's Disability or death; (iv) automatically thirty (30) days after the Executive receives written Notice of Termination from the Company of his or her Termination without Cause; or (v) the date set forth in the Notice of Termination from the Company of the Executive's termination of employment with the Company for Cause (collectively, the earlier of being the "Termination Date"). The Company may elect to pay the Executive in lieu of the thirty (30) days' written notice, but will still deliver a Notice of Termination.

c. Non-Qualifying Termination.

(i)Notwithstanding anything herein or in any other agreement to the contrary, if the Executive's employment is terminated by the Company for Cause, the Company's sole obligation shall be to pay the Executive the Accrued Amounts and the Executive shall not be entitled to severance benefits under this Agreement or any other agreement or severance plan, policy or program of the Company (or any of its affiliates).

(ii)Notwithstanding anything herein or in any other agreement to the contrary, to the extent that the Executive experiences a Termination for any reason while a Company-led internal investigation into facts that could reasonably give rise to the Executive's Termination for Cause is pending: (i) the Executive shall not be entitled to receive any severance benefits under this Agreement (other than the Accrued Amounts) or any other agreement or severance plan, policy or program of the Company (or any of its affiliates); and (ii) the Executive shall not be entitled to vest in or receive any Variable Compensation, in either case, unless and until the Company concludes its investigation with a finding that grounds for a Termination for Cause did not in fact exist, and only to the extent provided for under the terms of the applicable agreement, plan, policy or program.

(iii)If the Executive experiences a Termination by reason of the Executive's death or if the Executive gives the Company a written Notice of Termination other than for Good Reason, the Company's sole obligation shall be to pay the Executive the Accrued Amounts.

1

(iv)If the Executive's experiences a Termination by reason of the Executive's Disability, the Company's sole obligation shall be to pay the Executive the Accrued Amounts and the Executive shall be entitled to receive disability benefits available under the Company's (or any affiliate's) long-term disability plan, to the extent applicable.

d. Severance Upon a Qualifying Termination Not Within the Protection Period. If the Executive experiences a Qualifying Termination not within the Protection Period, then, subject to Section 6, the Company will provide the Executive with the following (collectively, the "Severance Benefits"):

(i)Accrued Amounts;

(ii)The Company shall continue to pay the Executive's Base Salary for a period of two (2) years following the Qualifying Termination, less applicable withholding, payable as follows: (i) on the Company's first regularly scheduled pay date falling on or after sixty (60) days from the Executive's Termination Date (the "First Payment Date"), the Company will pay the Executive, without interest, the number of missed payroll installments that would have been paid during the period beginning on the Termination Date and ending on the First Payment Date had the installments been paid on the Company's regularly scheduled payroll dates, and (ii) each of the remaining installments shall be paid on the Company's regularly scheduled pay dates during the remainder of such two (2)-year period;

(iii) For up to two (2) years following the Termination Date, and provided that the Executive pays the applicable contribution amount required to be paid by similarly-situated active employees for such coverage, the Company shall provide to the Executive and the Executive's covered dependents, medical and dental benefits substantially similar in the aggregate to those provided to similarly-situated active employees, provided that the Company's contribution toward the cost of such coverage shall be treated as taxable income to the Executive and the Executive must continue to pay his or her portion of the cost of this coverage with after-tax dollars (the "Benefit Continuation"). The Company's obligation to provide the Benefit Continuation shall cease upon the Executive becoming eligible for similar benefits as the result of employment with another employer. Notwithstanding the foregoing, if the Executive is not eligible to continue to participate in the relevant plan(s) providing the Benefit Continuation or if providing the Benefit Continuation would violate the nondiscrimination rules under Section 105(h) of the Code, or the rules applicable to non-grandfathered health plans under the Patient Protection and Affordable Care Act of 2010 ("PPACA"), or result in the imposition of penalties under the Code and/or PPACA and the related regulations and guidance promulgated thereunder, the Parties agree to reform this section in a manner as necessary to comply with applicable law, while, to the extent permitted by applicable law, preserve its intended economic benefit;

(iv) The Company shall pay the Executive any incentive compensation under the IC Plan that the Executive would have received if the Executive had remained employed with the Company for a period of one (1) year after the Termination Date based on actual performance, less applicable withholding, subject to the terms of the IC Plan. The foregoing payments shall be paid at the same time as payments under the IC Plan are typically paid, but in no event earlier than three (3) months following the Executive's Qualifying Termination and in no event later than March 15th of the year following the year in which the applicable season is completed. For the purposes of clarity, under this subsection, the Executive shall not be entitled to payments under the IC Plan pursuant to this provision for partial performance periods that are not then-completed on the first anniversary of the Termination Date; and

(v) The treatment of any outstanding equity awards will be determined as follows:

(1) A pro-rata portion of the outstanding unvested equity awards that are held by the Executive as of the Termination Date and vest only based on the passage of time shall vest and be settled on the First Payment Date, which pro-rata vesting shall be determined by (A) multiplying (x) the number of shares subject to the award by (y) a fraction, the numerator of which is the number of complete months between the first day of the applicable time-based vesting period and the Termination Date, and the denominator of which is the aggregate number of months in the time-based vesting period, less (B) the number of shares subject to the award that had already vested pursuant to the award's terms prior to the Termination Date, if any;

(2) A pro-rata portion of the outstanding unvested equity awards that are held by the Executive as of the Termination Date and vest based, at least in part, on the satisfaction of performance goals shall vest and be settled by the later of the First Payment Date and sixty (60) days following the end of the applicable performance period, which pro-rata vesting shall be determined by (A) multiplying the number of shares that the Executive would have earned for the entire performance period based on the level of performance determined in accordance with the applicable plan and award agreements by (B) a fraction, the numerator of which is the number of complete months between the first day of the applicable performance period and the Termination Date, and the denominator of which is the aggregate number of months in the performance period;

(3) To the extent that any outstanding unvested equity award that is held by the Executive as of the Termination Date would vest at a greater percentage under the terms of the applicable plan and award agreement than as provided for under Sections 4(e)(i)-(ii), the terms of such award agreement shall instead determine the number of shares covered by such equity award that will vest under this Section 4(e), subject to Sections 4(e)(iv)-(v);

(4) Notwithstanding the foregoing, no equity awards that are outstanding as of the Termination Date will be forfeited during the three (3)-month period commencing upon the Termination Date, provided, that, (x) to the extent a VS Change in Control occurs during such three (3)-month period, any such equity awards that are outstanding and unvested as of the VS Change in Control will instead be treated in accordance with Section 5; and (y) to the extent a VS Change in Control does not occur during such three (3)-month period, any portion of the equity awards outstanding as of Termination Date that do not vest pursuant to Sections 4(e)(i)-(iii) shall be forfeited; and

(5) To the extent that the payment or settlement of any equity awards in accordance with the foregoing would constitute an impermissible change in the time or form of payment under Section 409A of the Code, then such portion shall be payable at a time that would be permitted under Section 409A of the Code and that is as near as possible to the payment timing contemplated by the foregoing.

e. Severance Upon a Qualifying Termination Within the Protection Period. If the Executive has a Qualifying Termination within the Protection Period, then, subject to Section 6, the Company will provide the Executive with the following (collectively, the "Change in Control Severance Benefits"):

(i)The payments and benefits described in Sections 4(a), (b), and (c);

(ii)A payment equal to the sum of the incentive compensation payouts that the Executive actually received under the IC Plan for the four (4) completed seasons immediately preceding the Termination Date (the "Bonus Amount"). The Bonus Amount shall be paid, less applicable withholding, in a lump sum cash payment on the First Payment Date;

(iii)A payment equal to the product of (i) the IC Plan payment that the Executive would have earned for the season during which the Executive's Qualifying Termination occurs, based on actual performance, multiplied by (ii) a fraction, the numerator of which is the number of days in the season (within the meaning of the IC Plan) in which the Termination Date occurs that elapsed through the Termination Date and the denominator of which is the total number of days in such season. The foregoing payment, less applicable withholding, shall be paid at the same time as payments under the IC Plan are typically paid, but in no event earlier than the First Payment Date and in no event later than March 15th of the year following the year in which the applicable season is completed; and

3

(iv)All of the outstanding and unvested equity awards held by the Executive immediately before such Qualifying Termination will immediately become fully vested and payable on the First Payment Date, provided that, to the extent that paying any portion of such amount in accordance with the foregoing would constitute an impermissible change in the time or form of payment under Section 409A of the Code, then such portion shall be payable at a time that would be permitted under Section 409A of the Code and that is as near as possible to the payment timing contemplated by the foregoing. To the extent that an equity award vests based on the achievement of performance goals, performance goals will be deemed to be achieved at target levels if less than one-third of the applicable performance period has elapsed as of the date of the Change in Control, otherwise performance goals will be deemed achieved at maximum levels.

In the event that the Termination Date occurs during the portion of the Protection Period that precedes a VS Change in Control and the Executive has already commenced receiving payments and/or benefits under Section 4 prior to the VS Change in Control, then (i) the Executive will be entitled to the payments and benefits under this Section 5 in lieu of any additional payments or benefits under Section 4, but only to the extent an equivalent payment and/or benefit has not already been paid or provided pursuant to Section 4; and (ii) any payments that the Executive would have otherwise been entitled to under this Section 5 that have not otherwise been paid to the Executive as of the VS Change in Control will be paid to the Executive in a single lump sum payment as soon as administratively practicable, but no later than sixty (60) calendar days following the occurrence of the VS Change in Control.

f. Release Requirement. Notwithstanding any other provisions of this Agreement to the contrary, the Company shall not make or provide the Severance Benefits or the Change in Control Severance Benefits (in each case, other than the Accrued Amounts), unless the Executive timely executes and delivers to the Company a release of claims in favor of the Company, its affiliates and their respective officers and directors in a form provided by the Company (the "Release") and such Release becomes effective and irrevocable within sixty (60) days following the Executive's Termination Date. If the foregoing requirements are not satisfied by the Executive, then no Severance Benefits nor Change in Control Severance Benefits (in each case, other than the Accrued Amounts) shall be due to the Executive pursuant to this Agreement.

g. Effect on Other Plans, Agreements and Benefits.

(i)Any severance benefits payable to the Executive under this Agreement will be in lieu of and not in addition to: (i) any severance benefits to which the Executive would otherwise be entitled under any general severance policy or severance plan maintained by the Company (or any of its affiliates) or any agreement between the Executive and the Company (or any of its affiliates) that provides for severance benefits; (ii) unused PTO remaining upon the Termination Date; and (iii) salary continuation provided for under the Confidentiality, Noncompetition and Intellectual Property Agreement.

(ii)Any severance benefits payable to the Executive under this Agreement will not be counted as compensation for purposes of determining benefits under any other benefit policies or plans of the Company (or any of its affiliates), except to the extent expressly provided therein.

(iii)The Executive's entitlement to any other benefits not expressly referenced herein shall be determined in accordance with the applicable employee benefit plans then in effect.

(iv)The Executive expressly agrees that any amounts the Executive may owe to the Company as of the Termination Date may be deducted from the amounts that the Company would otherwise owe to the Executive under this Agreement.

(v)Notwithstanding anything herein or in any other agreement to the contrary, if the Executive incurs a Termination for Cause, then all Variable Compensation shall be immediately canceled for no consideration. If the Executive incurs a Termination for Cause, or the Company becomes aware (after the Executive's Termination) of conduct on the part of the Executive that would have been grounds for a Termination for Cause, then, the Executive will be required to deliver to the Company, immediately upon request, the Variable Compensation (in shares and/or cash), granted on or after the Effective Date and paid or delivered to the Executive within the three (3) years prior to the Termination Date, including the profit the Executive realized upon the exercise of stock options.

h. Section 280G of the Code.

(i)Notwithstanding anything in this Agreement to the contrary, if the Executive is a "disqualified individual" (as defined in Section 280G(c) of the Code), and the payments and benefits provided for in this Agreement, together with any other payments and benefits which the Executive has the right to receive from the Company or any other person, would constitute a "parachute payment" (as defined in Section 280G(b)(2) of the Code), then the payments and benefits provided for in this Agreement will be either (a) reduced (but not below zero) so that the present value of such total amounts and benefits received by the Executive from the Company and/or such person(s) will be \$1.00 less than three (3) times the Executive's "base amount" (as defined in Section 280G(b)(3) of the Code) and so that no portion of such amounts and benefits received by the Executive will be subject to the excise tax imposed by Section 4999 of the Code or (b) paid in full, whichever produces the better "net after-tax position" to the Executive (taking into account any applicable excise tax under Section 4999 of the Code and any other applicable taxes).

(ii)The reduction of payments and benefits hereunder, if applicable, will be made by reducing, first, payments or benefits to be paid in cash hereunder in the order in which such payment or benefit would be paid or provided (beginning with such payment or benefit that would be made last in time and continuing, to the extent necessary, through to such payment or benefit that would be made first in time) and, then, reducing any benefit to be provided in-kind hereunder in a similar order.

(iii)The determination as to whether any such reduction in the amount of the payments and benefits provided hereunder is necessary will be made applying principles, assumptions and procedures consistent with Section 280G of the Code by an accounting firm or law firm of national reputation that is selected for this purpose by the Company (the "280G Firm"). In order to assess whether payments under this Agreement or otherwise qualify as reasonable compensation that is exempt from being a parachute payment under Section 280G of the Code, the 280G Firm or the Company may retain the services of an independent valuation expert.

(iv)If a reduced payment or benefit is made or provided and through error or otherwise that payment or benefit, when aggregated with other payments and benefits from the Company (or its affiliates) used in determining if a "parachute payment" exists, exceeds \$1.00 less than three (3) times the Executive's base amount, then the Executive must immediately repay such excess to the Company upon notification that an overpayment has been made. Nothing in this Section 8 will require the Company to be responsible for, or have any liability or obligation with respect to, the Executive's excise tax liabilities under Section 4999 of the Code.

i. Arbitration and Class and Representative Action Waiver.

(i) The Parties agree that, subject to Section 9(b), any controversy or claim between the Company and the Executive arising out of or relating to this Agreement or its termination shall be settled and determined by a single arbitrator whose award shall be accepted as final and binding upon the parties. If Executive initiates arbitration, Executive will be responsible for paying a filing fee of \$300 or the filing fee in federal court in Columbus, Ohio, whichever is lower. Each Party will be responsible for its/her own attorney's fees. The Parties shall jointly select an arbitrator from JAMS, Inc. ("JAMS") or the American Arbitration Association ("AAA") with at least ten (10) years of experience in employment disputes. The arbitration shall be conducted on a confidential basis by the AAA or JAMS and administered under their Employment Arbitration Rules, which are currently available at <http://www.adr.org> and <http://www.jamsadr.com>, respectively. The arbitrator shall have the authority to allow for appropriate discovery and exchange of information before a hearing, including, but not limited to, production of documents, information requests, depositions and subpoenas. Unless the arbitrator determines additional discovery is necessary to adequately arbitrate Executive's claims, discovery shall be conducted in accordance with the then-current version of the Federal Rules of Civil Procedure. Those rules can be found at <https://www.law.cornell.edu/rules/frcp>. The arbitration shall take place in Columbus, Ohio. Notwithstanding the AAA or JAMS rules, all parties to the arbitration shall have the right to file a dispositive motion and shall not be required to seek permission from the arbitrator to do so. Any decision or award as a result of any such arbitration proceeding shall be in writing and shall provide an explanation for all conclusions of law and fact and shall include the assessment of costs, expenses, and reasonable attorneys' fees. Judgment on the award may be entered in any court having jurisdiction.

(ii) This Arbitration provision does not include:

- (1) Any claim arising under or related to the Confidentiality, Noncompetition and Intellectual Property Agreement;
- (2) A claim for workers' compensation benefits;
- (3) A claim for unemployment compensation benefits;
- (4) A claim based upon the Company's current (successor or future) employee benefits and/or welfare plans that contain an appeal procedure or other procedure for the resolution of disputes under this Agreement; and
- (5) A claim of sexual harassment, including hostile work environment, "sexual assault" (defined as actual or threatened unwelcomed touching of a sexual nature), gender discrimination, and retaliation related to same.

(iii) This Agreement also does not prevent Executive from filing a claim or charge with a federal, state or local administrative agency, such as the Equal Employment Opportunity Commission, the National Labor Relations Board, or similar state or local agencies.

(iv) This Agreement does not prohibit those limited circumstances under which either Party finds it necessary to seek emergency or temporary injunctive relief, such as a preliminary injunction or a temporary restraining order, from a court that may be necessary to protect any rights or property of either Party pending the establishment of the arbitral tribunal or its determination of the merits of the dispute.

(v) **CLASS ACTION WAIVER.** To the extent permissible by law, there shall be no right or authority for any dispute to be arbitrated as a class action or collective action ("Class Action Waiver"). **THIS MEANS THAT, EXCEPT AS EXPLICITLY PROVIDED HEREIN, ALL DISPUTES BETWEEN THE PARTIES THAT ARISE, OR HAVE ARisen, OUT OF EXECUTIVE'S EMPLOYMENT OR THE TERMINATION OF EXECUTIVE'S EMPLOYMENT SHALL PROCEED IN ARBITRATION SOLELY ON AN INDIVIDUAL BASIS, AND THAT THE ARBITRATOR'S AUTHORITY TO RESOLVE ANY DISPUTE AND TO MAKE WRITTEN AWARDS WILL BE LIMITED TO EXECUTIVE'S INDIVIDUAL CLAIMS.**

(vi) **REPRESENTATIVE ACTION WAIVER.** To the extent permissible by law, there shall be no right or authority for any dispute to be arbitrated as a representative action or as a private attorney general action, including but not limited to claims brought pursuant to the Private Attorney General Act of 2004, Cal. Lab. Code § 2698, et seq. ("Representative Action Waiver"). **THIS MEANS THAT, TO THE EXTENT CONSISTENT WITH APPLICABLE LAW, EXECUTIVE MAY NOT SEEK RELIEF ON BEHALF OF OTHERS IN ARBITRATION, INCLUDING BUT NOT LIMITED TO SIMILARLY AGGRIEVED EMPLOYEES. THE ARBITRATOR'S AUTHORITY TO RESOLVE ANY DISPUTE AND TO MAKE WRITTEN AWARDS WILL BE LIMITED TO EXECUTIVE'S INDIVIDUAL CLAIMS.**

(vii)The Parties agree that only a court of competent jurisdiction may interpret this Section 9 and resolve challenges to its validity and enforceability, including but not limited to the validity, enforceability and interpretation of the Class Action Waiver and Representative Action Waiver. The arbitrator shall have no jurisdiction or power to make such determinations. The Federal Arbitration Act, 9 U.S.C. §§ 1-16, shall govern the interpretation and enforcement of the duty to arbitrate found in this Section 9 and all arbitration proceedings under this Agreement.

(viii)Any conflict between the rules and procedures set forth in either the JAMS or AAA rules and those set forth in this Agreement shall be resolved in favor of those in this Agreement.

(ix)The burden of proof at an arbitration shall at all times be on the Party seeking relief.

(x)In reaching a decision, the arbitrator shall apply the governing substantive law applicable to the claims, causes of action and defenses asserted by the Parties, as applicable in Ohio. The arbitrator shall have the power to award all remedies that could be awarded by a court or administrative agency in accordance with the governing and applicable substantive law, including, without limitation, Title VII, the Age Discrimination in Employment Act, the Family and Medical Leave Act.

(xi)The aggrieved Party must give written notice of any claim to the other Party as soon as possible after the aggrieved Party first knew or should have known of the facts giving rise to the claim. The written notice shall describe the nature of all claims asserted, the facts upon which those claims are based, and shall set forth the aggrieved Party's intention to pursue arbitration. The notice shall be mailed to the other Party by certified or registered mail, return receipt requested. A copy of the notice may be sent by electronic mail.

j. Amendment. No provision of this Agreement may be modified, waived, or discharged unless such waiver, modification, or discharge is agreed to in writing and signed by the Executive and the Company.

k. At-Will Employment. This Agreement does not alter the status of each Executive as an at-will employee of the Company. Nothing contained herein shall be deemed to give the Executive the right to remain employed by the Company or to interfere with the rights of the Company to terminate the employment of the Executive at any time, with or without Cause.

l. Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement. If any provision of this Agreement is held by a court of competent jurisdiction to be illegal, invalid, void or unenforceable, such provision shall be deemed modified, amended and narrowed to the extent necessary to render such provision legal, valid and enforceable, and the other remaining provisions of this Agreement shall not be affected but shall remain in full force and effect. If a court of competent jurisdiction finds the Class Action Waiver and/or Representative Action Waiver in Section 9 is unenforceable for any reason, then the unenforceable waiver provision shall be severable from this Agreement, and any claims covered by any deemed unenforceable waiver provision may only be litigated in a court of competent jurisdiction, but the remainder of the Agreement shall be binding and enforceable.

m. Headings and Subheadings. Headings and subheadings contained in this Agreement are intended solely for convenience and no provision of this Agreement is to be construed by reference to the heading or subheading of any section or paragraph.

n. Unfunded Obligations. The amounts to be paid to the Executive under this Agreement are unfunded obligations of the Company. The Company is not required to segregate any monies or other assets from its general funds with respect to these obligations. The Executive shall not have any preference or security interest in any assets of the Company other than as a general unsecured creditor.

o. Notice. For the purposes of this Agreement, notices and all other communications provided for in this Agreement (including the Notice of Termination and a notice of a claim for which a Party seeks arbitration) shall be in writing and shall be deemed to have been duly given when personally delivered or sent by registered or certified mail, return receipt requested, postage prepaid, or upon receipt if overnight delivery service or facsimile is used, addressed as follows:

To the Executive:

Melinda McAfee
[REDACTED]

To the Company:

VS Service Company, LLC
Four Limited Parkway,
Reynoldsburg, Ohio 43068
Attn: Chief Legal Officer

p. Successors and Assigns. The Company may assign its rights and obligations under this Agreement without the Executive's consent: to (i) an affiliate of the Company, or (ii) in the event that the Company shall hereafter effect a reorganization, consolidate with, or merge into, any other entity or person, or transfer all or substantially all of its properties, stock, or assets to any other entity or person, to the acquirer or resulting entity in such transaction. This Agreement will be binding upon any successor of the Company (whether direct or indirect, by purchase, merger, consolidation or otherwise), in the same manner and to the same extent that the Company would be obligated under this Agreement if no succession had taken place. Neither this Agreement nor any right or interest hereunder shall be assignable or transferable by the Executive, the Executive's beneficiaries or legal representatives, except by will or by the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by the Executive's legal personal representative.

q. Waiver. Any Party's failure to enforce any provision or provisions of this Agreement will not in any way be construed as a waiver of any such provision or provisions, nor prevent any Party from thereafter enforcing each and every other provision of this Agreement.

r. Counterparts. This Agreement may be executed in one or more counterparts, all of which taken together shall be deemed to constitute one and the same original.

s. Governing Law. Unless otherwise noted in this Agreement, this Agreement shall be construed in accordance with and governed by the laws of Ohio without regard to conflicts of law principles.

t. Withholding. The Company shall have the right to withhold from any amount payable hereunder any Federal, state and local taxes in order for the Company to satisfy any withholding tax obligation it may have under any applicable law or regulation.

u. Section 409A of the Code. This Agreement is intended to either avoid the application of, or comply with, Section 409A of the Code. To that end, this Agreement shall at all times be interpreted in a manner that is consistent with Section 409A of the Code. Notwithstanding any other provision in this Agreement to the contrary, the Company shall have the right, in its sole discretion, to adopt such amendments to this Agreement or take such other actions (including amendments and actions with retroactive effect) as it determines is necessary or appropriate for this Agreement to comply with Section 409A of the Code. Further:

(i) Any reimbursement of any costs and expenses by the Company to the Executive under this Agreement shall be made by the Company in no event later than the close of the Executive's taxable year following the taxable year in which the cost or expense is incurred by the Executive. The expenses incurred by the Executive in any calendar year that are eligible for reimbursement under this Agreement shall not affect the expenses incurred by the Executive in any other calendar year that are eligible for reimbursement hereunder and the Executive's right to receive any reimbursement hereunder shall not be subject to liquidation or exchange for any other benefit.

(ii) Any payment following a separation from service that would be subject to Section 409A(a)(2)(A)(i) of the Code as a distribution following a separation from service of a "specified employee" (as defined under Section 409A(a)(2)(B)(i) of the Code) shall be made on the first to occur of (i) ten (10) days after the expiration of the six (6)-month period following such separation from service, (ii) death, or (iii) such earlier date that complies with Section 409A of the Code.

(iii) Each payment that the Executive may receive under this Agreement shall be treated as a "separate payment" for purposes of Section 409A of the Code.

(iv)Payments under this Agreement are intended to be exempt from the requirements of Section 409A of the Code to the maximum extent possible, whether pursuant to the short-term deferral exception described in Treasury Regulation Section 1.409A-1(b)(4), the involuntary separation pay plan exception described in Treasury Regulation Section 1.409A-1(b)(9)(iii), or otherwise. Any payments and benefits provided under this Agreement may be accelerated in time or schedule by the Company, in its sole discretion, to the extent permitted by Section 409A of the Code.

v. Definitions. Capitalized terms used but not otherwise defined herein have the meanings set forth in this Section 22.

(i)"2020 Stock Plan" means the L Brands, Inc. 2020 Stock Option and Performance Incentive Plan, as amended from time to time.

(ii)"Accrued Amounts" means: (i) unpaid Base Salary through the Termination Date; and (ii) unreimbursed business expenses incurred by the Executive on behalf of the Company during the term of his or her employment in accordance with the Company's standard policies (including expense verification policies) regarding the reimbursement of business expenses, as the same may be modified from time to time.

(iii)"Base Salary" means the Executive's annual base salary in effect as of the Termination Date (without giving effect to any reduction resulting in a Qualifying Termination for Good Reason).

(iv)"Cause" means, as determined by the Company in its sole discretion, that the Executive (i) was grossly negligent in the performance of the Executive's duties with the Company (other than a failure resulting from the Executive's incapacity due to physical or mental illness); (ii) has pled "guilty" or "no contest" to, or has been convicted of, an act which is defined as a felony under federal or state law; (iii) engaged in misconduct in bad faith that could reasonably be expected to materially harm the Company's business or its reputation; or (iv) commits or engages in Subject Conduct. No event of condition described in subsections (i), (iii) or (iv) of the immediately preceding sentence shall constitute Cause unless (x) the Company provides the Executive a Notice of Termination stating the grounds for such termination; (y) such grounds for termination (if susceptible to correction) are not corrected by the Executive within thirty (30) days of the Executive's receipt of the Notice of Termination; and (z) the Company terminates the Executive's employment with the Company (any its affiliates) immediately following expiration of such thirty-day (30) period. Notwithstanding anything in this Agreement to the contrary, if the Executive's experiences a Termination other than by the Company for Cause, the Company shall have the sole discretion to later use after-acquired evidence to retroactively re-characterize the prior Termination as a Termination for Cause if such after-acquired evidences supports such an action.

(v)"Change in Control" means a VS Change in Control and/or an LB Change in Control.

(vi)"Code" means the Internal Revenue Code of 1986, as amended. Any reference to a section of the Code shall be deemed to include a reference to any regulations promulgated thereunder.

(vii)"Company" means VS Service Company, LLC, a Delaware limited liability company or its successors and permitted assigns.

(viii)"Disability" means a physical or mental infirmity that impairs the Executive's ability to substantially perform the Executive's duties for the Company for a period of at least six (6) months in any twelve (12)-month calendar period as determined in accordance with the Company's (or any affiliate's) long-term disability plan, to the extent applicable.

(ix)"IC Plan" means the incentive compensation plan of the Company (or any of its affiliates) in which the Executive participates as of the Termination Date.

(x)"Good Reason" means (i) a material reduction in the Executive's positions, duties, authority, responsibilities or reporting requirements; (ii) the failure of the Company to obtain the assumption in writing of its obligation to perform this Agreement by any successor to all or substantially all of the assets of the Company within fifteen (15) days after a merger, consolidation, sale, or similar transaction; (iii) a material reduction in the Executive's Base Salary or annual bonus opportunity under the IC Plan other than pursuant to an across-the-board reduction applicable to all similarly-situated employees; or (iv) the relocation of the Executive's principal place of employment from the Columbus, Ohio area. "Good Reason" shall not include acts taken by the Company by reason of the Executive's physical or mental infirmity which impairs the Executive's ability to substantially perform his or her duties. Notwithstanding the foregoing provisions of this definition, any assertion by the Executive of a termination for Good Reason shall not be effective unless all of the following conditions are satisfied: (x) the Executive has provided a Notice of Termination to the Company indicating the existence of the condition(s) providing grounds for termination for Good Reason within sixty (60) days of the initial existence of such condition becoming known (or should have become known) to him or her; (y) the condition(s) specified in

such notice must remain uncorrected by the Company for thirty (30) days following the Company's receipt of such written notice; and (x) the Executive terminates employment immediately following the expiration of such thirty-day (30) period.

(xi)"LB Change in Control" means a "Change in Control" under the 2020 Stock Plan.

(xii)"Notice of Termination" means a written notice that (i) indicates the specific termination provision in this Agreement relied upon, if applicable, (ii) to the extent applicable, sets forth in reasonable detail the facts and circumstances claimed to provide a basis for the Executive's Termination under the provision so indicated, and (iii) if the Termination Date is other than the date of receipt of such notice, specifies the Termination Date.

10

(xiii)"Protection Period" means, (i) the period beginning three (3) months prior to a VS Change in Control and ending twenty-four (24) months following a VS Change in Control, and (ii) only to the extent that an LB Change in Control occurs prior to a VS Change in Control, the period beginning on the date of an LB Change in Control and ending twenty-four (24) months thereafter.

(xiv)"Qualifying Termination" means the Executive's Termination either: (i) by the Company without Cause; or (ii) by the Executive for Good Reason.

(xv)"Subject Conduct" means sexual harassment (including creation of a hostile work environment), gender discrimination and retaliation related to the foregoing or a violation of any policy of the Company (or any of its affiliates) relating to sexual harassment (including creation of a hostile work environment), gender discrimination and retaliation related to the foregoing.

(xvi)"Termination" means the Executive's termination of employment with the Company, for any reason, whether voluntary or involuntary, provided that such termination constitutes a "separation from service" as defined and applied under Section 409A of the Code.

(xvii)"Variable Compensation" means any cash-based performance or incentive award paid by or any equity compensation awarded by the Company (or any of its affiliates), including, but not limited to, under the 2020 Stock Plan (and any successor thereto) and the IC Plan.

(xviii)"VS Change in Control" means, (i) the consummation of any transaction (including, without limitation, any sale of stock, merger, consolidation or spin-off), the result of which is that L Brands no longer owns, directly or indirectly, at least fifty percent (50%) of the voting securities of VS&Co. then outstanding; (ii) any Person (other than an Excluded Person) becomes, together with all "affiliates" and "associates" (each as defined under Rule 12b-2 of the Securities Exchange Act of 1934, as amended (the "Act")) the "beneficial owner" (as defined under Rule 13d-3 of the Act) of securities representing fifty percent (50%) or more of the combined voting power of the Voting Stock of VS&Co. then outstanding, unless such Person becomes the "beneficial owner" of fifty percent (50%) or more of the combined voting power of such Voting Stock then outstanding solely as a result of an acquisition of such Voting Stock by VS&Co. which, by reducing the Voting Stock of VS&Co. outstanding, increases the proportionate Voting Stock beneficially owned by such Person (together with all "affiliates" and "associates" of such Person) to fifty percent (50%) or more of the combined voting power of the Voting Stock of VS&Co. then outstanding; provided that if a Person shall become the "beneficial owner" of fifty percent (50%) or more of the combined voting power of the Voting Stock of VS&Co. then outstanding by reason of such Voting Stock acquisition by VS&Co. and shall thereafter become the "beneficial owner" of any additional Voting Stock of VS&Co. which causes the proportionate voting power of Voting Stock beneficially owned by such Person to increase to fifty percent (50%) or more of the combined voting power of the Voting Stock of VS&Co. then outstanding, such Person shall, upon becoming the "beneficial owner" of such additional Voting Stock of VS&Co., be deemed to have become the "beneficial owner" of fifty percent (50%) or more of the combined voting power of the Voting Stock then outstanding other than solely as a result of such Voting Stock acquisition by VS&Co.; (iii) the sale or other disposition of all or substantially all of the assets of VS&Co.; or (iv) the consummation of a complete liquidation or dissolution of VS&Co. For the purposes of the foregoing definition, "Person," "Excluded Person," and "Voting Stock" shall have their respective meanings set forth in the 2020 Stock Plan as of the Effective Date, provided that any reference therein to the Company shall be deemed a reference to VS&Co.

(xix)VS&Co. means Victoria's Secret & Company.

[SIGNATURE PAGE FOLLOWS]

11

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed by its duly authorized officer and the Executive has executed this Agreement as of the day and year first above written.

MELINDA McAFFEE

/s/ Melinda McAfee

DATE

6/29/2021

VS SERVICE COMPANY, LLC

By: /s/ Martin Waters

DATE

6/29/2021

12

Exhibit 31.1

Section 302 Certification

I, Martin Waters, certify that:

1. I have reviewed this report on Form 10-Q of Victoria's Secret & Co.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Martin Waters

Martin Waters

Chief Executive Officer

Date: December 1, 2023 June 7, 2024

Exhibit 31.2

Section 302 Certification

I, Timothy Johnson, certify that:

1. I have reviewed this report on Form 10-Q of Victoria's Secret & Co.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Timothy Johnson

Timothy Johnson

Chief Financial and Administrative Officer

Section 906 Certification

Martin Waters, the Chief Executive Officer, and Timothy Johnson, the Chief Financial and Administrative Officer, of Victoria's Secret & Co. (the "Company"), each certifies that, to the best of his knowledge:

- (i) the Quarterly Report of the Company on Form 10-Q dated **December 1, 2023** **June 7, 2024** for the period ended **October 28, 2023** **May 4, 2024** (the "Form 10-Q"), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (ii) the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Martin Waters

Martin Waters
Chief Executive Officer

/s/ Timothy Johnson

Timothy Johnson
Chief Financial and Administrative Officer

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