

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 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

(State or other jurisdiction of incorporation or organization)

4 Limited Parkway East

Reynoldsburg, Ohio

(Address of principal executive offices)

(614) 577-7000

(Registrant's Telephone Number, Including Area Code)

86-3167653

(IRS Employer Identification No.)

43068

(Zip 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). Yes ☐ No ☒

As of May 31, 2024, the number of outstanding shares of the Registrant’s common stock was 78,299,234 shares.

VICTORIA'S SECRET & CO.
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* Victoria's Secret & Co.'s fiscal year ends on the Saturday nearest to January 31. As used herein, "first quarter of 2024" and "first quarter of 2023" refer to the thirteen-week periods ended May 4, 2024 and April 29, 2023, respectively, and "fiscal year 2024" and "fiscal year 2023" refer to the fifty-two-week period ending February 1, 2025 and the fifty-three-week period ended February 3, 2024, 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)

	First Quarter	
	2024	2023
Net Sales	\$ 1,359	\$ 1,407
Costs of Goods Sold, Buying and Occupancy	(858)	(905)
Gross Profit	501	502
General, Administrative and Store Operating Expenses	(475)	(474)
Operating Income	26	28
Interest Expense	(22)	(22)
Other Income	1	—
Income Before Income Taxes	5	6
Provision for Income Taxes	8	2
Net Income (Loss)	(3)	4
Less: Net Income Attributable to Noncontrolling Interest	1	3
Net Income (Loss) Attributable to Victoria's Secret & Co.	\$ (4)	\$ 1
Net Income (Loss) Per Basic Share Attributable to Victoria's Secret & Co.	\$ (0.05)	\$ 0.01
Net Income (Loss) Per Diluted Share Attributable to Victoria's Secret & Co.	\$ (0.05)	\$ 0.01

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

	First Quarter	
	2024	2023
Net Income (Loss)	\$ (3)	\$ 4
Other Comprehensive Income (Loss), Net of Tax:		
Foreign Currency Translation	—	(1)
Total Other Comprehensive Loss, Net of Tax	—	(1)
Total Comprehensive Income (Loss)	(3)	3
Less: Net Income Attributable to Noncontrolling Interest	1	3
Less: Foreign Currency Translation Attributable to Noncontrolling Interest	—	1
Comprehensive Loss Attributable to Victoria's Secret & Co.	\$ (4)	\$ (1)

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)

	May 4, 2024	February 3, 2024	April 29, 2023
	(Unaudited)		(Unaudited)
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 105	\$ 270	\$ 132
Accounts Receivable, Net	152	152	126
Inventories	987	985	1,041
Other	149	126	136
Total Current Assets	1,393	1,533	1,435
Property and Equipment, Net	805	843	834
Operating Lease Assets	1,316	1,351	1,245
Goodwill	367	367	368
Trade Names	283	284	288
Other Intangible Assets, Net	111	116	132
Deferred Income Taxes	20	20	16
Other Assets	89	86	87
Total Assets	\$ 4,384	\$ 4,600	\$ 4,405
LIABILITIES AND EQUITY			
Current Liabilities:			
Accounts Payable	\$ 412	\$ 513	\$ 388
Accrued Expenses and Other	755	810	649
Current Debt	4	4	4
Current Operating Lease Liabilities	246	267	298
Income Taxes	18	20	30
Total Current Liabilities	1,435	1,614	1,369
Deferred Income Taxes	42	37	62
Long-term Debt	1,119	1,120	1,271
Long-term Operating Lease Liabilities	1,285	1,312	1,219
Other Long-term Liabilities	58	79	197
Total Liabilities	3,939	4,162	4,118
Shareholders' Equity:			
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	1	1	1
Paid-in Capital	248	238	173
Accumulated Other Comprehensive Income (Loss)	—	—	(1)
Retained Earnings	174	178	92
Total Victoria's Secret & Co. Shareholders' Equity	423	417	265
Noncontrolling Interest	22	21	22
Total Equity	445	438	287
Total Liabilities and Equity	\$ 4,384	\$ 4,600	\$ 4,405

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

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

First Quarter 2024

	Common Stock		Paid-in Capital	Accumulated Other Comprehensive Income	Retained Earnings	Treasury Stock	Total Victoria's Secret & Co. Equity	Noncontrolling Interest	Total Equity
	Shares Outstanding	Par Value							
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

First Quarter 2023

	Common Stock		Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Treasury Stock	Total Victoria's Secret & Co. Equity	Noncontrolling Interest	Total Equity
	Shares Outstanding	Par Value							
Balance, January 28, 2023	80	\$ 1	\$ 195	\$ 1	\$ 186	\$ —	\$ 383	\$ 18	\$ 401
Net Income	—	—	—	—	1	—	1	3	4
Other Comprehensive Income (Loss)	—	—	—	(2)	—	—	(2)	1	(1)
Total Comprehensive Income (Loss)	—	—	—	(2)	1	—	(1)	4	3
Repurchases of Common Stock	(2)	—	(25)	—	—	(101)	(126)	—	(126)
Treasury Share Retirements	—	—	(6)	—	(95)	101	—	—	—
Share-based Compensation Expense	—	—	14	—	—	—	14	—	14
Tax Payments related to Share-based Awards	(1)	—	(9)	—	—	—	(9)	—	(9)
Other	1	—	4	—	—	—	4	—	4
Balance, April 29, 2023	78	\$ 1	\$ 173	\$ (1)	\$ 92	\$ —	\$ 265	\$ 22	\$ 287

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

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

	First Quarter	
	2024	2023
Operating Activities:		
Net Income (Loss)	\$ (3)	\$ 4
Adjustments to Reconcile Net Income (Loss) to Net Cash Used for Operating Activities:		
Depreciation and Amortization of Long-lived Assets	65	73
Share-based Compensation Expense	16	14
Deferred Income Taxes	5	10
Amortization of Fair Value Adjustment to Acquired Inventories	—	9
Changes in Assets and Liabilities:		
Accounts Receivable	—	14
Inventories	(2)	2
Accounts Payable, Accrued Expenses and Other	(174)	(180)
Income Taxes	(3)	(18)
Other Assets and Liabilities	(20)	(36)
Net Cash Used for Operating Activities	(116)	(108)
Investing Activities:		
Capital Expenditures	(39)	(55)
Net Cash Used for Investing Activities	(39)	(55)
Financing Activities:		
Borrowings from Asset-based Revolving Credit Facility	90	15
Repayments of Borrowings from Asset-based Revolving Credit Facility	(90)	(15)
Payments for Contingent Consideration related to Adore Me Acquisition	(16)	—
Tax Payments related to Share-based Awards	(7)	(9)
Payments of Long-term Debt	(1)	(1)
Repurchases of Common Stock	—	(125)
Proceeds from Stock Option Exercises	—	3
Other Financing Activities	14	—
Net Cash Used for Financing Activities	(10)	(132)
Effects of Exchange Rate Changes on Cash and Cash Equivalents	—	—
Net Decrease in Cash and Cash Equivalents	(165)	(295)
Cash and Cash Equivalents, Beginning of Period	270	427
Cash and Cash Equivalents, End of Period	\$ 105	\$ 132

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 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 digital channels worldwide. Additionally, the Company has more than 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 digital channels.

In the first quarter of 2023, the Company implemented 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, "first quarter of 2024" and "first quarter of 2023" refer to the thirteen-week periods ended May 4, 2024 and April 29, 2023, respectively, and "fiscal year 2024" and "fiscal year 2023" refer to the fifty-two-week period ending February 1, 2025 and the fifty-three-week period ended February 3, 2024, 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 May 4, 2024 and 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 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 period ended May 4, 2024 are not necessarily indicative of the results expected for any other interim period or the full fiscal year ending 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.

The carrying values of equity method investments were \$60 million as of May 4, 2024, \$60 million as of February 3, 2024 and \$58 million as of 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 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.

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 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 \$117 million as of May 4, 2024, \$183 million as of February 3, 2024 and \$155 million as of 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 first quarter of 2024 that had a material impact on the Company's results of operations, financial position or cash flows.

Income Taxes

In 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 expect this standard to have a material impact on 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 its acquisition of 100% of the equity interests of AdoreMe, Inc. (“Adore Me”). 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 agreed 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 classified as financing cash outflows and \$4 million of Contingent Compensation Payments classified as operating cash outflows in the Consolidated Statement of Cash Flows.

In both the first quarter of 2024 and 2023, the Company recognized the financial impact of purchase accounting items, including recognition of changes in the estimated fair value of contingent consideration and Contingent Compensation Payments and amortization of acquired intangible assets. In addition, in the first quarter of 2023, the Company 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.

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 additional acquisition-related costs for the first quarter of 2024 and 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 Sheet. See Note 11, “Fair Value of 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 \$113 million as of May 4, 2024, \$103 million as of February 3, 2024 and \$99 million as of 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 \$298 million as of May 4, 2024, \$310 million as of February 3, 2024 and \$284 million as of April 29, 2023. The Company recognized \$64 million as revenue in the first quarter of 2024 from amounts recorded as deferred revenue at the beginning of the year. As of May 4, 2024, the Company recorded deferred revenue of \$284 million within Accrued Expenses and Other, and \$14 million within Other Long-term Liabilities on the Consolidated Balance Sheet.

The following table provides a disaggregation of Net Sales for the first quarter of 2024 and 2023:

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

(a) 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 \$17 million and \$23 million in the first quarter of 2024 and 2023, 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 \$221 million and \$200 million for the first quarter of 2024 and 2023, respectively.

4. Restructuring Activities

Organizational Restructuring

In the first quarter of 2023, the Company implemented 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 2023 Consolidated Statement of Income.

The Company made payments of \$2 million and \$5 million related to severance and related costs associated with these restructuring actions during the first quarter of 2024 and the first quarter of 2023, respectively. Liabilities, after accrual adjustments, related to the restructuring actions of \$3 million are included in the May 4, 2024 Consolidated Balance Sheet.

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 first quarter of 2024 and 2023:

	First Quarter	
	2024	2023
	(in millions)	
Common Shares	78	78
Treasury Shares	—	—
Basic Shares	78	78
Effect of Dilutive Awards (a)(b)	—	2
Diluted Shares	78	80
Anti-dilutive Awards (a)	6	1

- (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 first quarter of 2024, shares underlying outstanding restricted stock units, performance share units and options were excluded from dilutive shares as a result of the Company's net loss for the period.

Shareholders' Equity

Common Stock Share Repurchases & Treasury Stock Retirements

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 authorization, which expired at the end of fiscal year 2023, was utilized in fiscal year 2023 to repurchase shares in the open market and under the 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. 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 final settlement of the ASR Agreement occurred in May 2023 subsequent to the end of the first quarter of 2023. At final settlement, the Company received an additional 1.3 million shares of the Company's common stock from Goldman Sachs.

As of April 29, 2023, the \$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 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 Inflation Reduction Act of 2022.

Shares repurchased under the January 2023 Share Repurchase Program were retired upon repurchase. As a result, the Company retired the 2.4 million shares repurchased in connection with the settlement of the ASR Agreement during the first quarter of 2023. The retirement resulted in a reduction of \$101 million in Treasury Stock, less than \$1 million in the par value of Common Stock, \$6 million in Paid-in Capital and \$95 million in Retained Earnings during the first quarter of 2023.

6. Inventories

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

	May 4, 2024	February 3, 2024	April 29, 2023
	(in millions)		
Finished Goods Merchandise	\$ 937	\$ 929	\$ 983
Raw Materials and Merchandise Components	50	56	58
Total Inventories	\$ 987	\$ 985	\$ 1,041

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 May 4, 2024, February 3, 2024 and April 29, 2023:

	May 4, 2024	February 3, 2024	April 29, 2023
	(in millions)		
Property and Equipment, at Cost	\$ 3,564	\$ 3,616	\$ 3,676
Accumulated Depreciation and Amortization	(2,759)	(2,773)	(2,842)
Property and Equipment, Net	\$ 805	\$ 843	\$ 834

Depreciation expense was \$59 million and \$67 million for the first quarter of 2024 and 2023, respectively. Amortization expense for intangible assets was \$6 million for the first quarter of 2024 and 2023, respectively.

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 \$18 million.

8. Accrued Expenses and Other

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

	May 4, 2024	February 3, 2024	April 29, 2023
	(in millions)		
Deferred Revenue on Gift Cards and Merchandise Credits	\$ 226	\$ 239	\$ 221
Compensation, Payroll Taxes and Benefits	97	135	95
Contingent Consideration Related to Adore Me Acquisition	78	74	31
Future Fixed Payment Related to Adore Me Acquisition	77	76	—
Deferred Revenue on Loyalty and Credit Card Programs	43	45	34
Taxes, Other than Income	39	43	39
Accrued Marketing	24	39	42
Accrued Interest	16	9	14
Returns Reserve	15	16	15
Deferred Revenue on Direct Shipments not yet Delivered	15	11	11
Accrued Claims on Self-insured Activities	12	11	8
Accrued Freight and Other Logistics	10	12	14
Rent	6	6	12
Other	97	94	113
Total Accrued Expenses and Other	\$ 755	\$ 810	\$ 649

9. Income Taxes

The provision 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 first quarter of 2024, the Company's effective tax rate was 151.1% compared to 34.0% in the first quarter of 2023. The 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 combined estimated federal and state statutory rate primarily due to non-deductible liabilities related to contingent consideration and Contingent Compensation Payments under the terms of the Merger Agreement.

The Company paid income taxes in the amount of \$6 million and \$16 million for the first quarter of 2024 and 2023, respectively.

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 May 4, 2024, February 3, 2024 and April 29, 2023:

	May 4, 2024	February 3, 2024	April 29, 2023
	(in millions)		
Senior Secured Debt with Subsidiary Guarantee			
\$390 million Term Loan due August 2028 ("Term Loan Facility")	\$ 384	\$ 385	\$ 387
Asset-based Revolving Credit Facility due August 2026 ("ABL Facility")	145	145	295
Total Senior Secured Debt with Subsidiary Guarantee	529	530	682
Senior Debt with Subsidiary Guarantee			
\$600 million, 4.625% Fixed Interest Rate Notes due July 2029 ("2029 Notes")	594	594	593
Total Senior Debt with Subsidiary Guarantee	594	594	593
Total	1,123	1,124	1,275
Current Debt	(4)	(4)	(4)
Total Long-term Debt, Net of Current Portion	\$ 1,119	\$ 1,120	\$ 1,271

Cash paid for interest was \$12 million and \$13 million for the first quarter of 2024 and 2023, respectively.

Credit Facilities

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 first quarter of 2024 and 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 May 4, 2024, the interest rate on the loans under the Term Loan Facility was 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.

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

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 May 4, 2024, the Company was in compliance with all covenants under its long-term debt and borrowing facilities.

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 May 4, 2024, February 3, 2024 and April 29, 2023:

	May 4, 2024	February 3, 2024	April 29, 2023
	(in millions)		
Principal Value	\$ 990	\$ 991	\$ 994
Fair Value, Estimated (a)	867	897	873

- (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 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 May 4, 2024, February 3, 2024, April 29, 2023 and January 28, 2023 (in millions):

Balance Sheet Location	Measurement Level	May 4, 2024	February 3, 2024	April 29, 2023	January 28, 2023
Accrued Expenses and Other	Level 3	\$ 78	\$ 74	\$ 31	\$ 30
Other Long-term Liabilities	Level 3	—	18	62	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."

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	<u>\$ —</u>	<u>\$ —</u>

The following table provides the rollforward of accumulated other comprehensive income (loss) attributable to Victoria's Secret & Co. for the first quarter of 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	<u>\$ (1)</u>	<u>\$ (1)</u>

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.

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:

- we may not realize all of the expected benefits of the spin-off from Bath & Body Works, Inc. (f/k/a L Brands, Inc.);
- general economic conditions, inflation and changes in consumer confidence and consumer spending patterns;
- market disruptions including pandemics or significant health hazards, severe weather conditions, natural disasters, terrorist activities, financial crises, political crises or other major events, or the prospect of these events;
- our ability to successfully implement our strategic plan;
- difficulties arising from turnover in company leadership or other key positions;
- our ability to attract, develop and retain qualified associates and manage labor-related costs;
- our dependence on traffic to our stores and the availability of suitable store locations on satisfactory terms;
- our ability to successfully operate and expand internationally and related risks;
- the operations and performance of our franchisees, licensees, wholesalers, and joint venture partners;
- our ability to successfully operate and grow our direct channel business;
- our ability to protect our reputation and the image and value of our brands;
- our ability to attract customers with marketing, advertising and promotional programs;
- the highly competitive nature of the retail industry and the segments in which we operate;
- consumer acceptance of our products and our ability to manage the life cycle of our brands, remain current with fashion trends, and develop and launch new merchandise, product lines and brands successfully;
- our ability to realize the potential benefits and synergies sought with the acquisition of 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 merchandise on a global basis, including risks related to:
 - political instability and geopolitical conflicts;
 - environmental hazards and natural disasters;
 - significant health hazards and pandemics;
 - delays or disruptions in shipping and transportation and related pricing impacts; and
 - disruption due to labor disputes;
- our geographic concentration of production and distribution facilities in central Ohio and Southeast Asia;
- the ability of our vendors to manufacture and deliver products in a timely manner, meet quality standards and comply with applicable laws and regulations;
- fluctuations in freight, product input and energy costs;
- our and our third-party service providers’ ability to implement and maintain information technology systems and to protect associated data and system availability;
- our ability to maintain the security of customer, associate, third-party and company information;
- stock price volatility;
- shareholder activism matters;
- our ability to maintain our credit rating;
- our ability to comply with regulatory requirements; and

- legal, tax, trade and other regulatory matters.

Except as may be required by law, we assume no obligation and do not intend to make publicly available any update or other revisions to any of the forward-looking statements contained in this 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 2023 Annual Report on Form 10-K filed with the SEC on 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: Victoria's Secret, PINK and Adore Me. Victoria's Secret is a market leading global lingerie brand with a history of serving women across the globe. PINK is a fashion and lifestyle brand for 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 and Adore Me strive to provide the best products to help women express their confidence, sexiness and power and use our platform to create connection and community while celebrating the extraordinary diversity of 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 first quarter of 2024, our net sales decreased \$48 million, or 3%, to \$1.359 billion compared to \$1.407 billion in the first quarter of 2023 and comparable sales decreased 5% in the first quarter of 2024. Our North American store sales decreased by 7%, or \$57 million, to \$729 million compared to \$786 million in the first quarter of 2023, primarily driven by a decrease in 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 first quarter of 2023. Our direct channel sales decreased by 3%, or \$15 million, to \$449 million compared to \$464 million in the first quarter of 2023, as an increase in conversion was more than offset by decreases in average unit retail and traffic compared to the first quarter of 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.

We continue to focus on our strategic priorities: 1) Accelerate Our Core; 2) Ignite Growth; and 3) Transform the Foundation. We are committed to optimizing our performance by focusing on what is within our control, and we are confident in our strategic direction and remain committed to delivering long-term sustainable value for our stockholders.

For additional information related to our first quarter of 2024 financial performance, see “Results of Operations.”

Financial Impacts of the Adore Me Acquisition

In both the first quarter of 2024 and 2023, we recognized the financial impact of purchase accounting items, including recognition of changes in the estimated fair value of contingent consideration and Contingent Compensation Payments 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, net income (loss) attributable to Victoria's Secret & Co. and net income (loss) per diluted share attributable to Victoria's Secret & Co. on an adjusted basis, which remove certain non-recurring, infrequent or unusual items that we believe are not indicative of the results of our ongoing operations due to their size and nature. The intangible asset amortization excluded from these non-GAAP financial measures is excluded because the amortization, unlike the related revenue, is not affected by operations of any particular period unless an intangible asset becomes impaired or the estimated useful life of an intangible asset is revised. We use adjusted financial information as key performance measures of our results of operations for the purpose of evaluating performance internally. These non-GAAP measurements are not intended to replace the presentation of our financial results in accordance with GAAP. Instead, we believe that the presentation of adjusted financial information provides additional information to investors to facilitate the comparison of past and present operations. Further, our definition of non-GAAP financial measures may differ from similarly titled measures used by other companies. The table below reconciles the most directly comparable GAAP financial measure to each non-GAAP financial measure.

(in millions, except per share amounts)	First Quarter	
	2024	2023
Reconciliation of Reported to Adjusted Operating Income		
Reported Operating Income - GAAP	\$ 26	\$ 28
Adore Me Acquisition-related Items (a)	7	10
Amortization of Intangible Assets (b)	6	6
Restructuring Charge (c)	—	11
Adjusted Operating Income	<u>\$ 40</u>	<u>\$ 55</u>
Reconciliation of Reported to Adjusted Net Income (Loss) Attributable to Victoria's Secret & Co.		
Reported Net Income (Loss) Attributable to Victoria's Secret & Co. - GAAP	\$ (4)	\$ 1
Adore Me Acquisition-related Items (a)	8	11
Amortization of Intangible Assets (b)	6	6
Restructuring Charge (c)	—	11
Tax Effect of Adjusted Items	(1)	(7)
Adjusted Net Income Attributable to Victoria's Secret & Co.	<u>\$ 9</u>	<u>\$ 22</u>
Reconciliation of Reported to Adjusted Net Income (Loss) Per Diluted Share Attributable to Victoria's Secret & Co.		
Reported Net Income (Loss) Per Diluted Share Attributable to Victoria's Secret & Co. - GAAP	\$ (0.05)	\$ 0.01
Adore Me Acquisition-related Items (a)	0.10	0.10
Amortization of Intangible Assets (b)	0.06	0.06
Restructuring Charge (c)	—	0.10
Adjusted Net Income Per Diluted Share Attributable to Victoria's Secret & Co.	<u>\$ 0.12</u>	<u>\$ 0.28</u>

- (a) In the first quarter of 2024, we recognized an \$8 million pre-tax charge (\$8 million after-tax) within net loss, \$7 million included in general, administrative and store operating expense and \$1 million included in interest expense, related to the financial impact of purchase accounting items related to the acquisition of Adore Me. In the first quarter of 2023, we recognized an \$11 million pre-tax charge (\$8 million after-tax) within net income, \$9 million included in costs of goods sold, buying and occupancy expense, \$1 million included in interest expense and \$1 million included in general, administrative and store operating 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 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. For additional information, see Note 2, "Acquisition" and Note 7, "Long-Lived Assets" included in Item 1. Financial Statements.
- (c) In the first quarter of 2023, we recognized an \$11 million pre-tax charge (\$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. For additional information, see Note 4, "Restructuring Activities" included in Item 1. Financial Statements.

Store Data

The following table compares the first quarter of 2024 U.S. company-operated store data to the first quarter of 2023:

	First Quarter		
	2024	2023	% Change
Sales per Average Selling Square Foot (a)	\$ 125	\$ 133	(6 %)
Sales per Average Store (in thousands) (a)	\$ 856	\$ 915	(6 %)
Average Store Size (selling square feet)	6,849	6,891	(1 %)
Total Selling Square Feet (in thousands)	5,555	5,600	(1 %)

(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 the first quarter of 2024:

	Stores at February 3, 2024	Opened	Closed	Stores at May 4, 2024
<u>Company-Operated:</u>				
U.S.	808	2	(5)	805
Canada	23	—	—	23
Subtotal Company-Operated	831	2	(5)	828
<u>China Joint Venture:</u>				
Beauty & Accessories (a)	34	1	—	35
Full Assortment	36	—	—	36
Subtotal China Joint Venture	70	1	—	71
<u>Partner-Operated:</u>				
Beauty & Accessories	307	7	(4)	310
Full Assortment	156	11	(4)	163
Subtotal Partner-Operated	463	18	(8)	473
Adore Me	6	—	—	6
Total	1,370	21	(13)	1,378

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

The following table represents store data for the first quarter of 2023:

	Stores at January 28, 2023	Opened	Closed	Stores at April 29, 2023
<u>Company-Operated:</u>				
U.S.	812	1	(6)	807
Canada	25	—	(1)	24
Subtotal Company-Operated	837	1	(7)	831
<u>China Joint Venture:</u>				
Beauty & Accessories (a)	39	1	(2)	38
Full Assortment	33	1	—	34
Subtotal China Joint Venture	72	2	(2)	72
<u>Partner-Operated:</u>				
Beauty & Accessories	308	2	(5)	305
Full Assortment	135	4	(6)	133
Subtotal Partner-Operated	443	6	(11)	438
Adore Me	6	—	—	6
Total	1,358	9	(20)	1,347

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

Results of Operations

First Quarter of 2024 Compared to First Quarter of 2023

Operating Income

For the first quarter of 2024, operating income decreased slightly by \$2 million, to operating income of \$26 million, compared to operating income of \$28 million in the first quarter of 2023, and the operating income rate (expressed as a percentage of net sales) decreased slightly to 1.9% from 2.0%. The drivers of the operating income results are discussed in the following sections.

Net Sales

The following table provides net sales for the first quarter of 2024 in comparison to the first quarter of 2023:

	2024	2023	% Change
<u>First Quarter</u>	(in millions)		
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 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 first quarter of 2023 to the first quarter of 2024:

	(in millions)
2023 Net Sales	\$ 1,407
Sales Associated with Stores Included in the Comparable Stores Calculation	(56)
Sales Associated with New, Closed and Non-comparable Remodeled Stores, Net	4
Direct Channels (a)	(6)
Credit Card Programs	(5)
International Wholesale, Royalty and Sourcing	18
Foreign Currency Translation	(3)
2024 Net Sales	\$ 1,359

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

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

	2024	2023
Comparable Sales (Stores and Direct) (a)	(5 %)	(11 %)
Comparable Store Sales (a)	(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 first quarter of 2024 decreased \$48 million, or 3%, to \$1.359 billion compared to \$1.407 billion in the first quarter of 2023.

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

In the direct channel, net sales decreased \$15 million, or 3%, to \$449 million, as an increase in conversion was more than offset by decreases in average unit retail and traffic compared to the first quarter of 2023.

In the international channel, net sales increased \$24 million, or 16%, to \$181 million compared to the first quarter of 2023. Increases in net sales in the first quarter of 2024 compared to the first quarter of 2023 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.

Gross Profit

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

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 buying and occupancy expenses. Additionally, gross profit dollars were slightly lower compared to the first quarter of 2023, primarily driven by the recognition in gross profit of \$9 million in the first quarter of 2023 related to the fair value step-up adjustment on the acquired inventory from Adore Me and a restructuring charge of \$3 million in the first quarter of 2023.

The gross profit rate increase was 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.

General, Administrative and Store Operating Expenses

For the first quarter of 2024, our general, administrative and store operating expenses increased slightly by \$1 million compared to the first quarter of 2023, to \$475 million. The slight increase in general, administrative and store operating expenses compared to the first quarter of 2023 was due to increases in charges related to Adore Me purchase accounting items and certain other administrative expenses, partially offset by a restructuring charge of \$8 million that was recognized in the first quarter of 2023.

The general, administrative and store operating expense rate (expressed as a percentage of net sales) increased to 34.9% from 33.7% primarily due to deleverage driven by the decrease in sales compared to the first quarter of 2023.

Interest Expense

For the first quarter of 2024, our interest expense remained flat at \$22 million compared to the first quarter of 2023, as our lower average outstanding debt was offset by higher average borrowing rates for our ABL Facility and Term Loan Facility.

Provision for Income Taxes

For the first quarter of 2024, the Company's effective tax rate was 151.1% compared to 34.0% in the first quarter of 2023. The 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 combined estimated federal and state statutory rate primarily due to non-deductible liabilities related to contingent consideration and Contingent Compensation Payments under the terms of the 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. Net cash provided by (used for) 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 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, capabilities, and 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 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 May 4, 2024, February 3, 2024 and April 29, 2023:

	May 4, 2024	February 3, 2024	April 29, 2023
	(in millions)		
Net Cash Provided by (Used for) Operating Activities (a)	\$ (116)	\$ 389	\$ (108)
Capital Expenditures (a)	39	256	55
Working Capital	(42)	(81)	66
Capitalization:			
Long-term Debt	1,119	1,120	1,271
Victoria's Secret & Co. Shareholders' Equity	423	417	265
Total Capitalization	\$ 1,542	\$ 1,537	\$ 1,536
Amounts Available Under the ABL Facility (b)	\$ 482	\$ 423	\$ 308

- (a) The May 4, 2024 and April 29, 2023 amounts represent thirteen-week periods and the February 3, 2024 amounts represent a fifty-three-week period.
- (b) For the reporting period ended May 4, 2024, the availability under the ABL Facility was limited by our borrowing base of \$646 million, less outstanding borrowings of \$145 million and letters of credit of \$19 million. For the reporting period ended February 3, 2024, the availability was limited by our borrowing base of \$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 \$30 million.

Cash Flow

The following table provides a summary of our cash flow activity for the first quarter of 2024 and 2023:

	First Quarter	
	2024	2023
	(in millions)	
Cash and Cash Equivalents, Beginning of Period	\$ 270	\$ 427
Net Cash Used for Operating Activities	(116)	(108)
Net Cash Used for Investing Activities	(39)	(55)
Net Cash Used for Financing Activities	(10)	(132)
Effects of Exchange Rate Changes on Cash and Cash Equivalents	—	—
Net Decrease in Cash and Cash Equivalents	(165)	(295)
Cash and Cash Equivalents, End of Period	\$ 105	\$ 132

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 in the first quarter of 2024 was \$116 million, an increase in net cash flows used for operating activities of \$8 million compared to the first quarter of 2023. The increase in net cash flows used for operating activities 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 of \$19 million compared to the first quarter of 2023. The most significant working capital driver resulting in the decrease in net operating cash outflows this year compared to last year is related to income taxes paid of \$6 million in the first quarter of 2024 compared to \$16 million paid in the first quarter of 2023.

Investing Activities

Net cash used for investing activities in the first quarter of 2024 was \$39 million, consisting solely of capital expenditures. The capital expenditures were primarily related to our store capital program and investments in technology related to our strategic initiatives to drive growth.

Net cash used for investing activities in the first quarter of 2023 was \$55 million, consisting solely of capital expenditures. 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 \$230 million for fiscal year 2024. We expect that our capital expenditures will continue to be focused on our store capital program along with investments in technology related to our strategic initiatives to drive growth.

Financing Activities

Net cash used for financing activities in the first quarter of 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 \$9 million of payments for taxes on share-based compensation awards 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, and restrictions placed upon us by our borrowing arrangements, as well as financial and other conditions existing at the time. We use cash flows generated from operating activities to fund any share 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.

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 authorization, which expired at the end of fiscal year 2023, was utilized in fiscal year 2023 to repurchase shares in the open market and under the 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. 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. The final settlement of the 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 from Goldman Sachs.

As of April 29, 2023, the \$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 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 Inflation Reduction Act of 2022.

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

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 May 4, 2024, February 3, 2024 and April 29, 2023:

	May 4, 2024	February 3, 2024	April 29, 2023
	(in millions)		
Senior Secured Debt with Subsidiary Guarantee			
\$390 million Term Loan due August 2028 ("Term Loan Facility")	\$ 384	\$ 385	\$ 387
Asset-based Revolving Credit Facility due August 2026 ("ABL Facility")	145	145	295
Total Senior Secured Debt with Subsidiary Guarantee	529	530	682
Senior Debt with Subsidiary Guarantee			
\$600 million, 4.625% Fixed Interest Rate Notes due July 2029 ("2029 Notes")	594	594	593
Total Senior Debt with Subsidiary Guarantee	594	594	593
Total	1,123	1,124	1,275
Current Debt	(4)	(4)	(4)
Total Long-term Debt, Net of Current Portion	\$ 1,119	\$ 1,120	\$ 1,271

Cash paid for interest was \$12 million and \$13 million for the first quarter of 2024 and 2023, respectively.

Credit Facilities

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 first quarter of 2024 and 2023.

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 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 May 4, 2024, the interest rate on the loans under the Term Loan Facility was 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.

We borrowed and made repayments of \$90 million and \$15 million under the ABL Facility during the first quarter of 2024 and 2023, respectively. As of May 4, 2024, there were borrowings of \$145 million outstanding under the ABL Facility and the interest rate on the borrowings was 7.17%. We had \$19 million of outstanding letters of credit as of May 4, 2024 that further reduced our availability under the ABL Facility. As of May 4, 2024, our remaining availability under the ABL Facility was \$482 million.

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 May 4, 2024, we were in compliance with all covenants under our long-term debt and borrowing facilities.

Credit Ratings

The following table provides our credit ratings as of 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	Negative	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. There have been no material changes in our contractual obligations since February 3, 2024, as discussed in "Contingent Liabilities and Contractual Obligations" in our 2023 Annual Report on Form 10-K filed with the SEC on 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 first quarter of 2024 that had a material impact on our results of operations, financial position or cash flows.

Income Taxes

In 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 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 2023 Annual Report on Form 10-K filed with the SEC on 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 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 May 4, 2024 consists of the 2029 Notes, which have a fixed interest rate, the \$390 million in outstanding borrowing under the Term Loan Facility, which has a variable interest rate based on Term SOFR, and the \$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 May 4, 2024, February 3, 2024 and April 29, 2023:

	May 4, 2024	February 3, 2024	April 29, 2023
	(in millions)		
Principal Value	\$ 990	\$ 991	\$ 994
Fair Value, Estimated (a)	867	897	873

- (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 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 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 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. There were no changes in our internal control over financial reporting that occurred during the first quarter of 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 2023 Annual Report on Form 10-K filed with the SEC on March 22, 2024. There have been no material changes to the risk factors from those described in the 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 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 first quarter of 2024:

Period	Total Number of Shares Purchased (a)	Average Price Paid per Share (b)	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares (or Approximate Dollar Value) that May Yet be Purchased Under the 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 March 2024 Share Repurchase Program, which was publicly announced on March 6, 2024, authorizes the purchase of up to \$250 million of our common stock, subject to market conditions and other factors. The March 2024 Share Repurchase Program will continue until 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: 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.

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.

(iv) If the Executive 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 the 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

(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.

(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]

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 McAFEE

/s/ Melinda McAfee

DATE

6/29/2021

VS SERVICE COMPANY, LLC

By: /s/ Martin Waters

DATE

6/29/2021

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: June 7, 2024

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

Date: June 7, 2024

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 June 7, 2024 for the period ended 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

Date: June 7, 2024