



Lbrands

VICTORIA'S SECRET / BATH & BODY WORKS
PINK / LA SENZA / HENRI BENDEL

Third Quarter Earnings Presentation
November 19, 2018



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

We caution that any forward-looking statements (as such term is defined in the Private Securities Litigation Reform Act of 1995) contained in this presentation or made by our company or our management involve risks and uncertainties and are subject to change based on various factors, many of which are beyond our control. Accordingly, our future performance and financial results may differ materially from those expressed or implied in any such forward-looking statements. Words such as “estimate,” “project,” “plan,” “believe,” “expect,” “anticipate,” “intend,” “planned,” “potential” and any similar expressions may identify forward-looking statements. Risks associated with the following factors, among others, in some cases have affected and in the future could affect our financial performance and actual results and could cause actual results to differ materially from those expressed or implied in any forward-looking statements included in this presentation or otherwise made by our company or our management:

- general economic conditions, consumer confidence, consumer spending patterns and market disruptions including severe weather conditions, natural disasters, health hazards, terrorist activities, financial crises, political crises or other major events, or the prospect of these events;
- the seasonality of our business;
- the dependence on mall traffic and the availability of suitable store locations on appropriate terms;
- our ability to grow through new store openings and existing store remodels and expansions;
- our ability to successfully expand internationally and related risks;
- our independent franchise, license and wholesale partners;
- our direct channel businesses;
- our ability to protect our reputation and our brand images;
- our ability to attract customers with marketing, advertising and promotional programs;
- our ability to protect our trade names, trademarks and patents;
- the highly competitive nature of the retail industry and the segments in which we operate;
- consumer acceptance of our products and our ability to manage the life cycle of our brands, keep up with fashion trends, develop new merchandise and launch new product lines successfully;
- our ability to source, distribute and sell goods and materials on a global basis, including risks related to:
 - political instability, significant health hazards, environmental hazards or natural disasters;
 - duties, taxes and other charges;
 - legal and regulatory matters;
 - volatility in currency exchange rates;
 - local business practices and political issues;



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

Continued

- potential delays or disruptions in shipping and transportation and related pricing impacts;
- disruption due to labor disputes; and
- changing expectations regarding product safety due to new legislation;
- our geographic concentration of vendor and distribution facilities in central Ohio;
- fluctuations in foreign currency exchange rates;
- stock price volatility;
- our ability to pay dividends and related effects;
- our ability to maintain our credit rating;
- our ability to service or refinance our debt;
- our ability to retain key personnel;
- our ability to attract, develop and retain qualified associates and manage labor-related costs;
- the ability of our vendors to deliver products in a timely manner, meet quality standards and comply with applicable laws and regulations;
- fluctuations in product input costs;
- our ability to adequately protect our assets from loss and theft;
- fluctuations in energy costs;
- increases in the costs of mailing, paper and printing;
- claims arising from our self-insurance;
- our ability to implement and maintain information technology systems and to protect associated data;
- our ability to maintain the security of customer, associate, third-party or company information;
- our ability to comply with regulatory requirements;
- legal and compliance matters; and
- tax, trade and other regulatory matters.

We are not under any obligation and do not intend to make publicly available any update or other revisions to any of the forward-looking statements contained in this presentation to reflect circumstances existing after the date of this presentation or to reflect the occurrence of future events even if experience or future events make it clear that any expected results expressed or implied by those forward-looking statements will not be realized. Additional information regarding these and other factors can be found in Item 1A. Risk Factors in our 2017 Annual Report on Form 10-K.



L BRANDS, INC. AND SUBSIDIARIES
ADJUSTED CONSOLIDATED STATEMENTS OF INCOME
THIRTEEN WEEKS ENDED NOVEMBER 3, 2018 AND OCTOBER 28, 2017

(Unaudited)

(In millions except per share amounts)

	<u>2018</u>	<u>2017</u>	<u>Increase (Decrease)</u>	<u>% Increase (Decrease)</u>
Net Sales	\$ 2,774.9	\$ 2,617.8	\$ 157.1	6%
Comparable Store Sales	0%	-3%		
Comparable Sales	4%	-1%		
Gross Profit	1,022.9	988.4	34.5	3%
% of Sales	36.9%	37.8%	(90 bps)	
General, Administrative and Store Operating Expenses	867.3	756.7	110.6	15%
% of Sales	31.3%	28.9%	240 bps	
Operating Income	<u>155.6</u>	<u>231.7</u>	(76.1)	-33%
% of Sales	5.6%	8.8%	(320 bps)	
Interest Expense and Other	<u>95.5</u>	<u>97.0</u>	(1.5)	-2%
Income Before Income Taxes	60.1	134.7	(74.6)	-55%
Provision for Income Taxes	15.1	48.7	(33.6)	-69%
% of Pre-Tax Income	25.1%	36.1%		
Net Income	<u>\$ 45.0</u>	<u>\$ 86.0</u>	\$ (41.0)	-48%
% of Sales	1.6%	3.3%	(170 bps)	
Net Income Per Diluted Share	<u>\$ 0.16</u>	<u>\$ 0.30</u>	\$ (0.14)	-47%
Weighted Average Shares Outstanding	<u>277.1</u>	<u>285.4</u>		



L BRANDS, INC. AND SUBSIDIARIES
ADJUSTED CONSOLIDATED STATEMENTS OF INCOME
THIRTY-NINE WEEKS ENDED NOVEMBER 3, 2018 AND OCTOBER 28, 2017

(Unaudited)

(In millions except per share amounts)

	<u>2018</u>	<u>2017</u>	<u>Increase (Decrease)</u>	<u>% Increase (Decrease)</u>
Net Sales	\$ 8,384.6	\$ 7,809.3	\$ 575.3	7%
Comparable Store Sales	-1%	-6%		
Comparable Sales	3%	-6%		
Gross Profit	3,025.8	2,919.1	106.7	4%
% of Sales	36.1%	37.4%	(130 bps)	
General, Administrative and Store Operating Expenses	2,487.3	2,177.3	310.0	14%
% of Sales	29.7%	27.9%	180 bps	
Operating Income	<u>538.5</u>	<u>741.8</u>	(203.3)	-27%
% of Sales	6.4%	9.5%	(310 bps)	
Interest Expense and Other	<u>291.2</u>	<u>271.6</u>	19.6	7%
Income Before Income Taxes	247.3	470.2	(222.9)	-47%
Provision for Income Taxes	55.8	151.3	(95.5)	-63%
% of Pre-Tax Income	22.6%	32.2%		
Net Income	<u>\$ 191.5</u>	<u>\$ 318.9</u>	\$ (127.4)	-40%
% of Sales	2.3%	4.1%	(180 bps)	
Net Income Per Diluted Share	<u>\$ 0.69</u>	<u>\$ 1.11</u>	\$ (0.42)	-38%
Weighted Average Shares Outstanding	<u>279.1</u>	<u>287.9</u>		



L BRANDS, INC. AND SUBSIDIARIES
ADJUSTED OPERATING INCOME BY SEGMENT
THIRTEEN WEEKS ENDED NOVEMBER 3, 2018 AND OCTOBER 28, 2017
(Unaudited)
(In millions)

	<u>2018</u>	<u>2017</u>	<u>Increase (Decrease)</u>	<u>% Increase (Decrease)</u>
Victoria's Secret	\$ 14.2	\$ 134.1	\$ (119.9)	-89%
% of Sales	0.9%	8.7%	(780 bps)	
Bath & Body Works	177.8	137.5	40.3	29%
% of Sales	18.6%	16.9%	170 bps	
Victoria's Secret and Bath & Body Works International	(11.0)	(0.1)	(10.9)	nm
% of Sales	(8.2%)	(0.1%)	(810 bps)	
Other	(25.4)	(39.8)	14.4	36%
% of Sales	(16.3%)	(26.9%)	1060 bps	
Total L Brands	<u>\$ 155.6</u>	<u>\$ 231.7</u>	\$ (76.1)	-33%
% of Sales	5.6%	8.8%	(320 bps)	



L BRANDS, INC. AND SUBSIDIARIES
ADJUSTED OPERATING INCOME BY SEGMENT
THIRTY-NINE WEEKS ENDED NOVEMBER 3, 2018 AND OCTOBER 28, 2017
(Unaudited)
(In millions)

	<u>2018</u>	<u>2017</u>	<u>Increase (Decrease)</u>	<u>% Increase (Decrease)</u>
Victoria's Secret % of Sales	\$ 211.6 4.4%	\$ 475.9 10.1%	\$ (264.3) (570 bps)	-56%
Bath & Body Works % of Sales	470.3 17.5%	395.7 16.8%	74.6 70 bps	19%
Victoria's Secret and Bath & Body Works International % of Sales	(25.2) (6.1%)	1.0 0.3%	(26.2) (640 bps)	nm
Other % of Sales	(118.2) (26.5%)	(130.8) (32.3%)	12.6 580 bps	10%
Total L Brands % of Sales	<u>\$ 538.5</u> 6.4%	<u>\$ 741.8</u> 9.5%	\$ (203.3) (310 bps)	-27%



L BRANDS, INC. AND SUBSIDIARIES
CONSOLIDATED CONDENSED BALANCE SHEETS
(Unaudited)
(In thousands)

	November 3, 2018	October 28, 2017
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 348,370	\$ 734,913
Accounts Receivable, Net	320,858	285,460
Inventories	1,962,998	1,715,375
Other	300,897	193,700
Total Current Assets	2,933,123	2,929,448
Property and Equipment, Net	2,934,365	2,920,436
Goodwill	1,348,287	1,348,287
Trade Names	411,000	411,000
Deferred Income Taxes	20,459	23,368
Other Assets	182,547	183,075
TOTAL ASSETS	\$ 7,829,781	\$ 7,815,614
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)		
Current Liabilities		
Accounts Payable	\$ 1,060,360	\$ 1,036,589
Accrued Expenses and Other	1,017,986	896,471
Current Debt	56,310	79,867
Income Taxes	7,688	6,007
Total Current Liabilities	2,142,344	2,018,934
Deferred Income Taxes	233,728	366,501
Long-Term Debt	5,814,289	5,704,716
Other Long-Term Liabilities	950,958	844,546
Shareholders' Equity (Deficit)	(1,311,538)	(1,119,083)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)	\$ 7,829,781	\$ 7,815,614



L BRANDS 3RD QUARTER

3rd Quarter 2018 versus 2017

(\$ amounts in millions)

(Unaudited)

	<u>Victoria's Secret</u>	<u>Bath & Body Works</u>	<u>Total L Brands</u>
Comparable store sales	(6%)	10%	0%
Comparable sales	(2%)	13%	4%
Sales change	(1%)	17%	6%
Sales	\$1,529	\$956	\$2,775
Adjusted Gross profit (% of sales)	Down Significantly	Up	36.9%
Adjusted Operating income (% of sales)	0.9%	18.6%	5.6%
Adjusted Operating income	\$14	\$178	\$156
Adjusted Net income			\$45
Average shares outstanding			277
Adjusted Earnings per share			\$0.16



L BRANDS YEAR TO DATE

Year to Date 2018 versus 2017

(\$ amounts in millions)

(Unaudited)

	<u>Victoria's Secret</u>	<u>Bath & Body Works</u>	<u>Total L Brands</u>
Comparable store sales	(5%)	8%	(1%)
Comparable sales	(1%)	10%	3%
Sales change	3%	14%	7%
Sales	\$4,843	\$2,680	\$8,385
Adjusted Gross profit (% of sales)	Down Significantly	Up	36.1%
Adjusted Operating income (% of sales)	4.4%	17.5%	6.4%
Adjusted Operating income	\$212	\$470	\$539
Adjusted Net income			\$192
Average shares outstanding			279
Adjusted Earnings per share			\$0.69



L Brands, Inc. 2018 Outlook as of November 19, 2018

	<u>Fourth Quarter</u>	<u>Full Year 2018</u>
Comps	Up 1% to 4%	Up low-single digits
Gross Margin Rate	Down to down significantly from 42.3% LY	Down from 39.3% LY
SG&A Expense Rate	Up from 21.8% LY	Up from 25.6% LY
Net Non-Operating Expense	About \$90 - \$95 million	About \$380 million
Tax Rate (before discrete items)	About 27.0%	About 26.0%
Weighted Average Shares Outstanding	Approximately 278 million	Approximately 279 million
Earnings Per Share	\$1.90 to \$2.10	\$2.60 to \$2.80
Capital Expenditures	N/A	About \$625 million
Depreciation and Amortization	N/A	Approximately \$540 million
Free Cash Flow¹	N/A	About \$800 million

¹Defined as operating cash flow less capital expenditures.



L BRANDS
COMPANY - OWNED STORE COUNT AND SELLING SQ FT
2018 Forecast

	Beginning of Year	New Stores	Closures	Total Reconstructions and Change in SSF	End of Year	Increase / (Decrease)	
Victoria's Secret							
Store Count	984	2	(23)	30	963	(21)	(2%)
Selling Sq Ft 000's	6,719	17	(125)	31	6,642	(77)	(1%)
PINK							
Store Count	140	1	-	7	141	1	1%
Selling Sq Ft 000's	491	4	-	11	506	15	3%
Victoria's Secret - Canada							
Store Count	39	-	-	-	39	-	-
Selling Sq Ft 000's	379	-	-	-	379	-	-
PINK - Canada							
Store Count	7	-	(1)	-	6	(1)	(14%)
Selling Sq Ft 000's	28	-	(5)	-	23	(5)	(17%)
Subtotal VS							
Store Count	1,170	3	(24)	37	1,149	(21)	(2%)
Selling Sq Ft 000's	7,616	21	(130)	42	7,550	(67)	(1%)
Bath & Body Works 1							
Store Count	1,592	54	(31)	138	1,615	23	1%
Selling Sq Ft 000's	4,032	148	(62)	59	4,176	144	4%
Bath & Body Works - Canada							
Store Count	102	1	(1)	3	102	-	-
Selling Sq Ft 000's	255	3	(2)	2	258	3	1%
Subtotal BBW							
Store Count	1,694	55	(32)	141	1,717	23	1%
Selling Sq Ft 000's	4,286	151	(64)	61	4,434	147	3%
Victoria's Secret - UK / Ireland							
Store Count	19	2	-	-	21	2	11%
Selling Sq Ft 000's	193	21	-	-	214	21	11%
PINK - UK							
Store Count	5	-	-	-	5	-	-
Selling Sq Ft 000's	17	-	-	-	17	-	-
Victoria's Secret - Greater China							
Store Count	7	8	-	-	15	8	114%
Selling Sq Ft 000's	89	77	-	-	166	77	86%
VSBA - Greater China							
Store Count	29	13	(5)	-	37	8	28%
Selling Sq Ft 000's	29	11	(5)	-	35	6	22%
Subtotal VS & BBW International							
Store Count	60	23	(5)	-	78	18	30%
Selling Sq Ft 000's	328	109	(5)	-	432	104	32%
La Senza							
Store Count	5	7	-	-	12	7	140%
Selling Sq Ft 000's	13	16	-	-	29	16	126%
La Senza - Canada							
Store Count	119	-	(4)	1	115	(4)	(3%)
Selling Sq Ft 000's	335	-	(12)	(1)	322	(13)	(4%)
Subtotal La Senza							
Store Count	124	7	(4)	1	127	3	2%
Selling Sq Ft 000's	347	16	(12)	(1)	351	3	1%
Henri Bendel							
Store Count	27	-	(27)	-	-	(27)	(100%)
Selling Sq Ft 000's	78	-	(78)	-	-	(78)	(100%)
Total							
Store Count	3,075	88	(92)	179	3,071	(4)	0%
Selling Sq Ft 000's	12,656	297	(288)	102	12,766	110	1%

1 - Includes White Barn Candle



**L BRANDS, INC.
INTERNATIONAL STORE COUNT
2018 FORECAST**

	2017 Year End	2018 New Stores	2018 Closures	2018 Fcst Year End
<u>Wholly Owned Stores</u>				
Victoria's Secret Full Assortment - U.K.	18	2	0	20
PINK - U.K.	5	0	0	5
Victoria's Secret Full Assortment - Ireland	1	0	0	1
Victoria's Secret Full Assortment - Greater China	7	7 to 8	0	14 to 15
Victoria's Secret Beauty & Accessories - Greater China	29	11 to 14	4 to 5	35 to 39
Wholly Owned Total	60	20 to 24	4 to 5	75 to 80
<u>Partner Owned Stores</u>				
Victoria's Secret Full Assortment	32	15	0	47
PINK	5	4	0	9
Victoria's Secret Beauty & Accessories - Local Market	241	6 to 7	22 to 25	222 to 226
Bath & Body Works - Local Market	176	51 to 55	2 to 4	223 to 229
Victoria's Secret Beauty & Accessories - Travel Retail	156	26	16 to 19	163 to 166
Bath & Body Works - Travel Retail	9	4 to 6	2	11 to 13
Partner Owned Total	619	106 to 113	42 to 50	675 to 690
Total VS & BBW International	679	126 to 137	46 to 55	750 to 770
La Senza International	194	2	18	178

APPENDIX



L BRANDS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
THIRTEEN WEEKS ENDED NOVEMBER 3, 2018 AND OCTOBER 28, 2017
(Unaudited)
(In thousands except per share amounts)

	2018	2017
Net Sales	\$ 2,774,874	\$ 2,617,784
Costs of Goods Sold, Buying and Occupancy	<u>(1,846,622)</u>	<u>(1,629,437)</u>
Gross Profit	928,252	988,347
General, Administrative and Store Operating Expenses	<u>(873,857)</u>	<u>(756,684)</u>
Operating Income	54,395	231,663
Interest Expense	(95,685)	(98,640)
Other Income	<u>164</u>	<u>1,639</u>
Income / (Loss) Before Income Taxes	(41,126)	134,662
Provision for Income Taxes	<u>1,624</u>	<u>48,677</u>
Net Income / (Loss)	<u>\$ (42,750)</u>	<u>\$ 85,985</u>
Net Income / (Loss) Per Diluted Share	<u>\$ (0.16)</u>	<u>\$ 0.30</u>
Weighted Average Shares Outstanding	<u>275,103</u>	<u>285,437</u>



L BRANDS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
THIRTY-NINE WEEKS ENDED NOVEMBER 3, 2018 AND OCTOBER 28, 2017
(Unaudited)
(In thousands except per share amounts)

	2018	2017
Net Sales	\$ 8,384,569	\$ 7,809,327
Costs of Goods Sold, Buying and Occupancy	(5,453,442)	(4,890,239)
Gross Profit	2,931,127	2,919,088
General, Administrative and Store Operating Expenses	(2,493,787)	(2,177,339)
Operating Income	437,340	741,749
Interest Expense	(291,916)	(299,675)
Other Income	733	28,118
Income Before Income Taxes	146,157	470,192
Provision for Income Taxes	42,356	151,279
Net Income	<u>\$ 103,801</u>	<u>\$ 318,913</u>
Net Income Per Diluted Share	<u>\$ 0.37</u>	<u>\$ 1.11</u>
Weighted Average Shares Outstanding	<u>279,142</u>	<u>287,900</u>



L BRANDS, INC. AND SUBSIDIARIES
ADJUSTED FINANCIAL INFORMATION
THIRTEEN WEEKS ENDED NOVEMBER 3, 2018 AND OCTOBER 28, 2017
(Unaudited)
(In thousands except per share amounts)

	2018			2017		
	Reported	Adjustments	Adjusted	Reported	Adjustments	Adjusted
Net Sales	\$ 2,774,874	\$ -	\$ 2,774,874	\$ 2,617,784	\$ -	\$ 2,617,784
Costs of Goods Sold, Buying & Occupancy	(1,846,622)	94,640	(1,751,982)	(1,629,437)	-	(1,629,437)
Gross Profit	928,252	94,640	1,022,892	988,347	-	988,347
General, Administrative and Store Operating Expenses	(873,857)	6,548	(867,309)	(756,684)	-	(756,684)
Operating Income	54,395	101,188	155,583	231,663	-	231,663
Interest Expense	(95,685)	-	(95,685)	(98,640)	-	(98,640)
Other Income	164	-	164	1,639	-	1,639
Income / (Loss) Before Income Taxes	(41,126)	101,188	60,062	134,662	-	134,662
Provision for Income Taxes	1,624	13,463	15,087	48,677	-	48,677
Net Income / (Loss)	<u>\$ (42,750)</u>	<u>\$ 87,725</u>	<u>\$ 44,975</u>	<u>\$ 85,985</u>	<u>\$ -</u>	<u>\$ 85,985</u>
Net Income / (Loss) Per Diluted Share	<u>\$ (0.16)</u>		<u>\$ 0.16</u>	<u>\$ 0.30</u>		<u>\$ 0.30</u>
Weighted Average Shares Outstanding ¹	<u>275,103</u>		<u>277,116</u>	<u>285,437</u>		<u>285,437</u>

1 - Reported Weighted Average Shares Outstanding in the third quarter of 2018 reflects basic shares due to the Net Loss.

See Notes to Reconciliation of GAAP Financial Measures to Non-GAAP Financial Measures.



L BRANDS, INC. AND SUBSIDIARIES
ADJUSTED FINANCIAL INFORMATION
THIRTY-NINE WEEKS ENDED NOVEMBER 3, 2018 AND OCTOBER 28, 2017
(Unaudited)
(In thousands except per share amounts)

	2018			2017		
	Reported	Adjustments	Adjusted	Reported	Adjustments	Adjusted
Net Sales	\$ 8,384,569	\$ -	\$ 8,384,569	\$ 7,809,327	\$ -	\$ 7,809,327
Costs of Goods Sold, Buying & Occupancy	(5,453,442)	94,640	(5,358,802)	(4,890,239)	-	(4,890,239)
Gross Profit	2,931,127	94,640	3,025,767	2,919,088	-	2,919,088
General, Administrative and Store Operating Expenses	(2,493,787)	6,548	(2,487,239)	(2,177,339)	-	(2,177,339)
Operating Income	437,340	101,188	538,528	741,749	-	741,749
Interest Expense	(291,916)	-	(291,916)	(299,675)	-	(299,675)
Other Income	733	-	733	28,118	-	28,118
Income Before Income Taxes	146,157	101,188	247,345	470,192	-	470,192
Provision for Income Taxes	42,356	13,463	55,819	151,279	-	151,279
Net Income	<u>\$ 103,801</u>	<u>\$ 87,725</u>	<u>\$ 191,526</u>	<u>\$ 318,913</u>	<u>\$ -</u>	<u>\$ 318,913</u>
Net Income Per Diluted Share	<u>\$ 0.37</u>		<u>\$ 0.69</u>	<u>\$ 1.11</u>		<u>\$ 1.11</u>
Weighted Average Shares Outstanding	<u>279,142</u>		<u>279,142</u>	<u>287,900</u>		<u>287,900</u>

See Notes to Reconciliation of GAAP Financial Measures to Non-GAAP Financial Measures.



L BRANDS, INC. AND SUBSIDIARIES
NOTES TO RECONCILIATION OF GAAP FINANCIAL MEASURES
TO NON-GAAP FINANCIAL MEASURES
(Unaudited)

The "Adjusted Financial Information" provided in the attached reflects the following non-GAAP financial measures:

Fiscal 2018

In the third quarter of 2018, adjusted results exclude the following:

- An \$80.9 million charge (\$72.7 million net of tax of \$8.2 million), included in buying and occupancy expenses, related to the impairment of certain Victoria's Secret store assets.
- \$20.3 million (\$15.0 million net of tax of \$5.3 million) of Henri Bendel closure costs, included in buying and occupancy expenses (\$13.8 million) and general, administrative and store operating expenses (\$6.5 million).

In the first and second quarter of 2018, there were no adjustments to results.

Fiscal 2017

In the first, second and third quarters of 2017, there were no adjustments to results.

The Adjusted Financial Information should not be construed as an alternative to the reported results determined in accordance with generally accepted accounting principles. Further, the Company's definition of adjusted income information may differ from similarly titled measures used by other companies. Management believes that the presentation of adjusted financial information provides additional information to investors to facilitate the comparison of past and present operations. While it is not possible to predict future results, management believes the adjusted information is useful for the assessment of the ongoing operations of the Company because the adjusted items are not indicative of our ongoing operations due to their size and nature. Additionally, management uses adjusted financial information as key performance measures of results of operations for the purpose of evaluating performance internally. The Adjusted Financial Information should be read in conjunction with the Company's historical financial statements and notes thereto contained in the Company's quarterly reports on Form 10-Q and annual report on Form 10-K.



**L BRANDS, INC. AND SUBSIDIARIES
STORES AND SELLING SQUARE FOOTAGE
At November 3, 2018 and October 28, 2017**

	November 3, 2018		October 28, 2017	
	Stores	Selling Sq. Ft. (000's)	Stores	Selling Sq. Ft. (000's)
Victoria's Secret U.S.	978	6,716	993	6,746
PINK U.S.	140	500	139	488
Victoria's Secret Canada	39	379	39	379
PINK Canada	6	23	7	28
Bath & Body Works U.S.	1,622	4,177	1,602	4,045
Bath & Body Works Canada	103	258	102	255
Victoria's Secret U.K. / Ireland	20	206	16	165
PINK U.K.	5	17	4	14
Victoria's Secret Beauty and Accessories	30	29	29	30
Victoria's Secret China	14	158	2	38
Henri Bendel	23	71	28	79
La Senza Canada	118	330	121	339
La Senza U.S.	11	27	5	13
Total L Brands	3,109	12,891	3,087	12,619



L BRANDS, INC. AND SUBSIDIARIES

2018 Selected Data

(Unaudited)

(In thousands)

	<u>2018</u>	<u>2017</u>
Capital Expenditures		
First Quarter	\$ 159,678	\$ 164,564
Second Quarter	185,600	206,958
Spring Season	<u>345,278</u>	<u>371,522</u>
Third Quarter	215,286	227,800
Fourth Quarter	<u>107,353</u>	<u>107,353</u>
Year	\$ 560,564	\$ 706,675
Depreciation & Amortization		
First Quarter	\$ 136,874	\$ 129,655
Second Quarter	137,034	128,566
Spring Season	<u>273,908</u>	<u>258,221</u>
Third Quarter	137,787	132,497
Fourth Quarter	<u>133,963</u>	<u>133,963</u>
Year	\$ 411,695	\$ 524,681



**L BRANDS, INC.
QUARTERLY FINANCIAL INFORMATION
(UNAUDITED)**

The following table provides our quarterly financial information as determined in accordance with generally accepted accounting principles and also on an "Adjusted" basis. The "Adjusted" financial information should not be construed as an alternative to the reported results determined in accordance with generally accepted accounting principles. Further, our definition of "Adjusted" may differ from similarly titled measures used by other companies. We believe the "Adjusted" financial information is useful for assessing our ongoing operations. The "Adjusted" financial information should be used in conjunction with the reported financial information included herein and also our historical financial statements and notes thereto contained in our quarterly reports on Form 10-Q and annual report on Form 10-K. For detailed information related to the adjustments included in our "Adjusted" financial information, please refer to our quarterly earnings press releases available on our website www.LB.com.



PERIOD	2016	2017	2018
1. Net Sales - Consolidated			
1st Qtr	2,613,815	2,436,523	2,625,846
2nd Qtr	2,889,744	2,755,020	2,983,849
3rd Qtr	2,580,979	2,617,784	2,774,874
4th Qtr	4,489,483	4,823,105	
6 Mos	5,503,560	5,191,543	5,609,695
9 Mos	8,084,539	7,809,327	8,384,569
Year	12,574,022	12,632,431	
2. Net Sales - Victoria's Secret			
1st Qtr	1,740,865	1,533,049	1,589,427
2nd Qtr	1,867,379	1,646,288	1,724,803
3rd Qtr	1,584,063	1,538,940	1,528,799
4th Qtr	2,588,782	2,668,879	
6 Mos	3,608,244	3,179,337	3,314,229
9 Mos	5,192,307	4,718,277	4,843,028
Year	7,781,089	7,387,156	
3. Net Sales - Bath & Body Works			
1st Qtr	660,242	678,044	760,434
2nd Qtr	801,383	860,337	963,586
3rd Qtr	770,174	815,791	956,202
4th Qtr	1,619,907	1,793,716	
6 Mos	1,461,625	1,538,381	1,724,019
9 Mos	2,231,800	2,354,173	2,680,221
Year	3,851,706	4,147,888	



PERIOD	2016	2017	2018
4. Net Sales - Victoria's Secret and Bath & Body Works International			
1st Qtr	95,208	103,307	135,117
2nd Qtr	99,709	113,940	145,489
3rd Qtr	103,761	114,900	134,004
4th Qtr	124,055	170,285	
6 Mos	194,917	217,247	280,607
9 Mos	298,678	332,147	414,611
Year	422,732	502,432	
5. Net Sales - Other			
1st Qtr	117,500	122,122	140,868
2nd Qtr	121,273	134,454	149,972
3rd Qtr	122,981	148,153	155,868
4th Qtr	156,739	190,225	
6 Mos	238,773	256,577	290,840
9 Mos	361,755	404,730	446,708
Year	518,494	594,955	
6. Comparable Store Sales - Consolidated			
1st Qtr	2%	-9%	-2%
2nd Qtr	1%	-6%	-1%
3rd Qtr	0%	-3%	0%
4th Qtr	0%	-2%	
6 Mos	2%	-7%	-2%
9 Mos	1%	-6%	-1%
Year	1%	-4%	



PERIOD	2016	2017	2018
7. Comparable Sales - Consolidated			
1st Qtr	3%	-9%	3%
2nd Qtr	3%	-8%	3%
3rd Qtr	2%	-1%	4%
4th Qtr	0%	2%	
6 Mos	3%	-9%	3%
9 Mos	3%	-6%	3%
Year	2%	-3%	
8. Comparable Store Sales - Victoria's Secret			
1st Qtr	1%	-12%	-5%
2nd Qtr	1%	-11%	-5%
3rd Qtr	-2%	-5%	-6%
4th Qtr	-2%	-6%	
6 Mos	1%	-11%	-5%
9 Mos	0%	-9%	-5%
Year	-1%	-8%	
9. Comparable Sales - Victoria's Secret			
1st Qtr	2%	-14%	1%
2nd Qtr	2%	-14%	-1%
3rd Qtr	-1%	-4%	-2%
4th Qtr	-3%	-1%	
6 Mos	2%	-14%	0%
9 Mos	1%	-11%	-1%
Year	0%	-8%	



PERIOD	2016	2017	2018
10. Comparable Store Sales - Bath & Body Works			
1st Qtr	4%	-1%	5%
2nd Qtr	3%	4%	7%
3rd Qtr	5%	1%	10%
4th Qtr	2%	4%	
6 Mos	4%	2%	6%
9 Mos	4%	1%	8%
Year	3%	2%	
11. Comparable Sales - Bath & Body Works			
1st Qtr	6%	2%	8%
2nd Qtr	5%	6%	10%
3rd Qtr	7%	4%	13%
4th Qtr	5%	6%	
6 Mos	6%	4%	9%
9 Mos	6%	4%	10%
Year	6%	5%	
12. Costs of Goods Sold, Buying and Occupancy Costs			
1st Qtr	1,570,861	1,533,673	1,682,016
1st Qtr - Adjusted	1,559,758	N/A	N/A
2nd Qtr	1,776,840	1,727,129	1,924,804
3rd Qtr	1,555,693	1,629,437	1,846,622
3rd Qtr - Adjusted	N/A	N/A	1,751,982
4th Qtr	2,545,460	2,782,769	
6 Mos	3,347,701	3,260,802	3,606,820
6 Mos - Adjusted	3,336,598	N/A	N/A
9 Mos	4,903,394	4,890,239	5,453,442
9 Mos - Adjusted	4,892,291	N/A	5,358,802
Year	7,448,854	7,673,007	
Year - Adjusted	7,437,751	N/A	



PERIOD	2016	2017	2018
13. Gross Profit			
1st Qtr	1,042,954	902,850	943,830
1st Qtr - Adjusted	1,054,056	N/A	N/A
2nd Qtr	1,112,904	1,027,891	1,059,045
3rd Qtr	1,025,286	988,347	928,252
3rd Qtr - Adjusted	N/A	N/A	1,022,892
4th Qtr	1,944,023	2,040,336	
6 Mos	2,155,859	1,930,741	2,002,875
6 Mos - Adjusted	2,166,962	N/A	N/A
9 Mos	3,181,145	2,919,088	2,931,127
9 Mos - Adjusted	3,192,248	N/A	3,025,767
Year	5,125,168	4,959,424	
Year - Adjusted	5,136,271	N/A	
14. General Administrative & Store Operating Expenses			
1st Qtr	719,566	693,658	789,023
1st Qtr - Adjusted	696,124	N/A	N/A
2nd Qtr	704,688	726,996	830,908
3rd Qtr	741,706	756,684	873,857
3rd Qtr - Adjusted	N/A	N/A	867,309
4th Qtr	956,471	1,053,697	
6 Mos	1,424,255	1,420,655	1,619,931
6 Mos - Adjusted	1,400,813	N/A	N/A
9 Mos	2,165,961	2,177,339	2,493,787
9 Mos - Adjusted	2,142,519	N/A	2,487,239
Year	3,122,432	3,231,035	
Year - Adjusted	3,098,990	N/A	
15. Operating Income (Loss) - Consolidated			
1st Qtr	323,388	209,192	154,807
1st Qtr - Adjusted	357,933	N/A	N/A
2nd Qtr	408,216	300,895	228,137
3rd Qtr	283,580	231,663	54,395
3rd Qtr - Adjusted	N/A	N/A	155,583
4th Qtr	987,552	986,639	
6 Mos	731,604	510,086	382,944
6 Mos - Adjusted	766,149	N/A	N/A
9 Mos	1,015,184	741,749	437,340
9 Mos - Adjusted	1,049,729	N/A	538,528
Year	2,002,736	1,728,389	
Year - Adjusted	2,037,281	N/A	



PERIOD	2016	2017	2018
16. Operating Income (Loss) - Victoria's Secret			
1st Qtr	234,562	158,735	83,170
1st Qtr - Adjusted	268,259	N/A	N/A
2nd Qtr	280,645	183,051	114,250
3rd Qtr	163,884	134,093	(35,872)
3rd Qtr - Adjusted	N/A	N/A	14,248
4th Qtr	493,693	456,468	
6 Mos	515,207	341,786	197,420
6 Mos - Adjusted	548,904	N/A	N/A
9 Mos	679,090	475,879	161,549
9 Mos - Adjusted	712,787	N/A	211,669
Year	1,172,783	932,347	
Year - Adjusted	1,206,480	N/A	
17. Operating Income (Loss) - Bath & Body Works			
1st Qtr	111,684	101,829	123,660
2nd Qtr	148,333	156,354	168,766
3rd Qtr	145,404	137,520	177,845
4th Qtr	501,797	556,813	
6 Mos	260,017	258,182	292,426
9 Mos	405,421	395,702	470,271
Year	907,218	952,515	
18. Operating Income (Loss) - Victoria's Secret and Bath & Body Works International			
1st Qtr	13,065	(566)	(4,803)
2nd Qtr	7,609	1,657	(9,392)
3rd Qtr	8,884	(70)	(41,806)
3rd Qtr - Adjusted	N/A	N/A	(11,048)
4th Qtr	10,338	3,976	
6 Mos	20,674	1,091	(14,195)
9 Mos	29,557	1,021	(56,001)
9 Mos - Adjusted	N/A	N/A	(25,243)
Year	39,895	4,997	



PERIOD	2016	2017	2018
19. Operating Income (Loss) - Other			
1st Qtr	(35,923)	(50,806)	(47,220)
1st Qtr - Adjusted	(35,076)	N/A	N/A
2nd Qtr	(28,371)	(40,168)	(45,488)
3rd Qtr	(34,591)	(39,880)	(45,772)
3rd Qtr - Adjusted	N/A	N/A	(25,462)
4th Qtr	(18,276)	(30,618)	
6 Mos	(64,293)	(90,973)	(92,708)
6 Mos - Adjusted	(63,446)	N/A	N/A
9 Mos	(98,886)	(130,853)	(138,479)
9 Mos - Adjusted	(98,039)	N/A	(118,169)
Year	(117,162)	(161,470)	
Year - Adjusted	(116,315)	N/A	
20. Interest Expense			
1st Qtr	97,328	100,608	97,899
2nd Qtr	101,172	100,428	98,332
3rd Qtr	96,817	98,640	95,685
4th Qtr	98,346	106,313	
6 Mos	198,501	201,035	196,231
9 Mos	295,317	299,675	291,916
Year	393,663	405,988	
21. Other Income (Loss)			
1st Qtr	6,918	9,863	1,401
2nd Qtr	73,014	16,617	(830)
2nd Qtr - Adjusted	531	N/A	N/A
3rd Qtr	3,417	1,639	164
4th Qtr	3,417	(38,146)	
4th Qtr - Adjusted	N/A	6,839	
6 Mos	79,934	26,479	570
6 Mos - Adjusted	7,451	N/A	N/A
9 Mos	83,350	28,118	733
9 Mos - Adjusted	10,867	N/A	N/A
Year	86,767	(10,029)	
Year - Adjusted	14,284	34,956	



PERIOD	2016	2017	2018
22. Income (Loss) Before Income Taxes			
1st Qtr	232,978	118,447	58,309
1st Qtr - Adjusted	267,523	N/A	N/A
2nd Qtr	380,058	217,084	128,975
2nd Qtr - Adjusted	307,575	N/A	N/A
3rd Qtr	190,180	134,662	(41,126)
3rd Qtr - Adjusted	N/A	N/A	60,062
4th Qtr	892,623	842,180	
4th Qtr - Adjusted	N/A	887,165	
6 Mos	613,037	335,530	187,283
6 Mos - Adjusted	575,099	N/A	N/A
9 Mos	803,217	470,192	146,157
9 Mos - Adjusted	765,279	N/A	247,345
Year	1,695,840	1,312,372	
Year - Adjusted	1,657,902	1,357,357	
23. Provision (Benefit) for Income Taxes			
1st Qtr	80,672	24,393	10,792
1st Qtr - Adjusted	93,847	N/A	N/A
2nd Qtr	127,636	78,210	29,941
2nd Qtr - Adjusted	102,912	N/A	N/A
3rd Qtr	68,540	48,677	1,624
3rd Qtr - Adjusted	N/A	N/A	15,087
4th Qtr	260,878	178,108	
4th Qtr - Adjusted	302,628	286,554	
6 Mos	208,309	102,602	40,732
6 Mos - Adjusted	196,760	N/A	N/A
9 Mos	276,849	151,279	42,356
9 Mos - Adjusted	265,300	N/A	55,819
Year	537,726	329,386	
Year - Adjusted	567,927	437,832	



PERIOD	2016	2017	2018
24. Net Income (Loss)			
1st Qtr	152,306	94,054	47,517
1st Qtr - Adjusted	173,676	N/A	N/A
2nd Qtr	252,422	138,874	99,034
2nd Qtr - Adjusted	204,663	N/A	N/A
3rd Qtr	121,640	85,985	(42,750)
3rd Qtr - Adjusted	N/A	N/A	44,975
4th Qtr	631,745	664,072	
4th Qtr - Adjusted	589,995	600,611	
6 Mos	404,728	232,928	146,551
6 Mos - Adjusted	378,339	N/A	N/A
9 Mos	526,368	318,913	103,801
9 Mos - Adjusted	499,979	N/A	191,526
Year	1,158,114	982,986	
Year - Adjusted	1,089,975	919,525	
25. Net Income (Loss) Per Dilutive Share			
1st Qtr	\$0.52	\$0.33	\$0.17
1st Qtr - Adjusted	\$0.59	N/A	N/A
2nd Qtr	\$0.87	\$0.48	\$0.36
2nd Qtr - Adjusted	\$0.70	N/A	N/A
3rd Qtr	\$0.42	\$0.30	(\$0.16)
3rd Qtr - Adjusted	N/A	N/A	\$0.16
4th Qtr	\$2.18	\$2.33	
4th Qtr - Adjusted	\$2.03	\$2.11	
6 Mos	\$1.39	\$0.81	\$0.52
6 Mos - Adjusted	\$1.30	N/A	N/A
9 Mos	\$1.81	\$1.11	\$0.37
9 Mos - Adjusted	\$1.72	N/A	\$0.69
Year	\$3.98	\$3.42	
Year - Adjusted	\$3.74	\$3.20	



PERIOD	2016	2017	2018
26. Weighted Average Diluted Shares Outstanding			
1st Qtr	292,778	289,327	281,587
2nd Qtr	290,986	288,936	278,723
3rd Qtr	290,265	285,437	277,116
3rd Qtr - Basic	N/A	N/A	275,103
4th Qtr	290,231	284,546	
6 Mos	291,882	289,132	280,155
9 Mos	291,343	287,900	279,142
Year	291,065	287,062	
27. Dividends per Share			
1st Qtr	0.60	0.60	0.60
1st Qtr - Special dividend	2.00	N/A	N/A
2nd Qtr	0.60	0.60	0.60
3rd Qtr	0.60	0.60	0.60
4th Qtr	0.60	0.60	
6 Mos - including special dividend	3.20	1.20	1.20
6 Mos - excluding special dividend	1.20	1.20	1.20
9 Mos - including special dividend	3.80	1.80	1.80
9 Mos - excluding special dividend	1.80	1.80	1.80
Year - including special dividend	4.40	2.40	
Year - excluding special dividend	2.40	2.40	