

June 16, 2025

Ms. Donna James  
Chairperson  
Victoria's Secret & Co.  
4 Limited Parkway East  
Reynoldsburg, OH 43068

Dear Ms. James:

Barington Capital Group, L.P. and its affiliates ("Barington" or "we") are shareholders of Victoria's Secret & Co. ("Victoria's Secret" or the "Company"). As of June 13, 2025, we beneficially own more than 1% of the Company's outstanding common stock.

As you know, Barington has a long history of engaging constructively with public companies to help enhance long-term shareholder value. Notably, we worked collaboratively with L Brands, Inc. ("L Brands") – the former parent company of Victoria's Secret – to help implement key initiatives that contributed to a significant increase in shareholder value. The share price of L Brands increased by 221.5% during our tenure as an advisor to its board of directors.<sup>1</sup> Given our deep knowledge of your business and industry, we believe we can be similarly helpful to Victoria's Secret as it navigates its current challenges.

Victoria's Secret is one of the most recognized and iconic brands in the world, with tremendous visibility, consumer awareness and brand equity. Given this, the Company should be creating significant long-term value for its shareholders. Unfortunately, in our view, the Company has failed to live up to its potential since its separation from L Brands.

### Performance Has Deteriorated Significantly

As shown in the table below, Victoria's Secret has meaningfully underperformed its peers and the market as a whole since becoming an independent company:

	Total shareholder return through 6/13/2025		
	Year to date	3-year	Since spin-off/ public listing (6/21/2021)
Victoria's Secret	-56.1%	-45.6%	-57.2%
Peer Companies <sup>2</sup>	-16.6%	28.7%	-9.8%
S&P 500 Index	1.6%	57.7%	41.5%

Since its spin-off and public listing in 2021, the Company has lost over \$2.4 billion in shareholder value. While the Company has surprisingly expressed satisfaction with its recent financial performance,<sup>3</sup> we are deeply concerned as we believe that ongoing declines in revenue, shrinking gross margins, and growing inventory<sup>4</sup> reflect deep-rooted operational and strategic shortcomings that are destroying shareholder value.

Among other things, we attribute the Company's disappointing performance to high senior management turnover, a lack of marketing and merchandising focus, and an apparent failure to articulate or execute a

compelling brand vision. Furthermore, we believe that the Company's attempt to simultaneously embrace disparate cultural narratives has resulted in a diluted brand identity, while its core business – Victoria's Secret's leading bra and intimate apparel franchise – has suffered from seeming inattention and mismanagement.

### **Leadership and Governance Must Be Strengthened**

We are concerned that the Company's leadership lacks the experience and strategic clarity necessary to drive a turnaround. The Company's Chief Executive Officer, Hillary Super, has limited chief executive and public company experience, only a brief tenure in intimate apparel, and does not appear to have gained the confidence of employees.<sup>5</sup> Her focus on re-launching secondary brands such as Pink and expanding into athleticwear, while failing to prioritize the Company's core business and international growth, indicates to us a troubling lack of strategic focus. Moreover, internal rhetoric referring to senior leadership as a "super squad"<sup>6</sup> appears arrogant and unjustified given the Company's declining performance.

The Board of Directors must also take accountability. Since the 2021 spin-off, the Board has presided over the destruction of \$2.4 billion in shareholder value<sup>7</sup> and has approved approximately \$1.8 billion in capital expenditures and acquisitions with little demonstrable return. In addition, recent system failures raise fundamental questions regarding the Board's oversight of risk management and internal controls.

We believe that Victoria's Secret requires a reconstituted Board comprised of directors with proven experience in brand revitalization, operational execution, international expansion, and shareholder value creation. Of the current nine directors, six have presided over the Company's decline since its public listing. The remaining two independent directors have limited experience successfully scaling large, global consumer businesses. In our view, the Company should consider replacing a majority – if not all – of the Board with independent directors who bring relevant backgrounds, fresh perspectives, and a strong track record of value creation.

### **The Shareholder Rights Plan is a Step in the Wrong Direction**

We were disappointed by the Company's recent adoption of a shareholder rights plan, or "poison pill". In our view, this measure is counterproductive and sends the wrong message to the marketplace. Among other things, a poison pill may deter potentially value-enhancing proposals. Equally troubling, it risks entrenching management and the Board at a time when meaningful change is warranted. Academic research and real-world experience demonstrate that companies with weak governance structures and strong anti-takeover provisions tend to trade at lower valuations.<sup>8</sup> We do not believe that this is the message Victoria's Secret should be sending to the market or its shareholders at this time.

### **A Path Forward**

Despite the Company's challenges, we believe that Victoria's Secret can regain its footing and succeed. To that end, we urge the Board to immediately pursue the following three priorities:

1. **Refocus on Core Brand Strengths** – Focus on core products categories, including bras. Reinvigorate the Company's identity through quality, innovation, and a clear, consistent brand narrative. This includes reestablishing merchandising discipline, launching bold, exciting, and imaginative marketing campaigns, and, where appropriate, reintroducing successful legacy elements, such as the iconic Angels campaign.

2. **Accelerate Growth in Digital and International Markets** – These areas have shown promise but appear to have lost momentum. We believe that reinvestment and strategic clarity here can unlock meaningful value.
3. **Streamline the Operating Model** – Eliminate underperforming and distracting initiatives to restore focus and enhance profitability.

Simultaneously, we believe the Company should refresh its Board of Directors, as well as rescind the recently adopted shareholder rights plan.

### **The Company Can and Must Do Better**

Victoria's Secret can and must do better. Despite the Company's many missteps and deteriorating performance in recent years, Victoria's Secret remains an iconic and leading brand in an attractive and growing market. The Company still maintains an 18.3% share of the North American market for women's underwear and nightwear<sup>9</sup> and the Victoria's Secret brand has endured across generations, with significant loyalty among younger consumers and an impressive online following.<sup>10</sup> Furthermore, we believe that the Company's brand and capabilities are highly valuable assets. For example, we estimate that the Company's iconic beauty business alone may be worth nearly as much as the current equity value of the Company.<sup>11</sup>

We are confident that the Company can get back on the right course if the Board is willing to acknowledge its missteps, pursue our three priorities to accelerate value creation, and terminate its shareholder rights plan. We also believe that the Company must revamp its board.

We are available to meet with you at your earliest convenience to discuss our recommendations and next steps. We look forward to discussing these important matters with you.

Sincerely yours,

A handwritten signature in black ink, appearing to read 'James Mitarotonda', with a long horizontal flourish extending to the right.

James Mitarotonda  
Chairman and Chief Executive Officer

## Endnotes:

<sup>1</sup> L Brands closing share price was \$24 on April 19, 2019, when L Brands entered into a consulting agreement with Barington, and \$79.92 on August 2, 2021, when L Brands formally separated Victoria's Secret from L Brands. Source: L Brands press release, April 19, 2019; source: S&P Capital IQ

<sup>2</sup> Constitutes the Company's peers as identified in its proxy statement, consisting of Big Lots, Inc. (BIG); Levi Strauss & Co. (LEVI); Ross Stores, Inc. (ROST); Ulta Beauty, Inc. (ULTA); V.F. Corporation (VFC); G-III Apparel Group, Ltd. (GIII); The Gap, Inc. (GPS); Bath & Body Works, Inc. (BBWI); PVH Corp. (PVH); Williams-Sonoma, Inc. (WSM); Urban Outfitters, Inc. (URBN); American Eagle Outfitters, Inc. (AEO); Abercrombie & Fitch Co. (ANF); Ralph Lauren Corporation (RL); Tapestry, Inc. (TPR); Hanesbrands Inc. (HBI); Under Armour, Inc. (UAA); Lululemon Athletica Inc. (LULU); Capri Holdings Limited (CPRI); and Burlington Stores, Inc. (BURL).

<sup>3</sup> During its July 11, 2025, earnings conference call, the Company's CEO and CFO mentioned 14 times that they are "pleased" and "proud"; source: S&P Capital IQ

<sup>4</sup> Sales in the first quarter 2025 declined 1% compared to the same quarter in 2024. Gross margin in the first quarter 2025 contracted to 35.1% compared to 36.9% in the same quarter in 2024. Inventory in the first quarter 2025 increased by \$56 million or 5.6% compared to the same quarter in 2024; source: Victoria's Secret press release, June 11, 2025

<sup>5</sup> Hillary Super receives a 63% approval rating on Glassdoor.com, compared to an average CEO rating of 73%; source: Glassdoor.com.

<sup>6</sup> Source: Q1 2025 earnings conference call, July 11, 2025

<sup>7</sup> The Company's market capitalization declined from \$3.8 billion on July 21, 2021, to \$1.5 billion on June 13, 2025. Source: S&P Capital IQ

<sup>8</sup> Research by Dimensional Fund Advisors underscores that weak boards and antitakeover devices cause lower firm value. There is also mounting evidence that governance practices that increase the oversight and accountability of management, like appointing strong boards and letting takeover markets operate freely, benefit firm value. Source: *The Economics of Corporate Governance*, by Mathieu Pellerin, PhD, Retirement Research Director and Vice President, Dimensional Fund Advisors

<sup>9</sup> Source: Euromonitor

<sup>10</sup> More than 20% of Gen Z consumers (1995-2021) and Millennials (1980-1994) identify as "loyal" to the brand; source: Statista.

<sup>11</sup> We estimate the value of Victoria's Secret beauty business at \$17-20 per share, based on wholesale revenue of approximately \$700 million, peer enterprise value to revenue multiples of 1.9-2.4x, and 79.8 million fully diluted shares outstanding.