

Victoria's Secret flies solo —and soars

Article

The news: After spinning off from parent company L Brands on August 3, **Victoria's Secret** looks to **rehabilitate** its image with Wall Street and consumers alike.

How we got here: For years, the brand has been accused of being **tone-deaf to cultural shifts**, in everything from its marketing to its product lines. Recently, the brand attempted to refresh its image in a number of ways:

- Improving **female representation** on its board of directors: Six of the seven members are female, including the chair

- Replacing its “Angels” supermodels with the “**VS Collective**,” a **diverse group** of brand ambassadors including soccer star Megan Rapinoe and actor Priyanka Chopra Jonas

The initial results seem promising:

- Victoria’s Secret saw **higher sales in its first fiscal quarter** this year than in the same period in 2019, despite having shuttered **241 stores** last year and reduced marketing expenditures.
- Its adjusted operating margins jumped from **1%** in 2019 to **15%** in the new entity’s first fiscal quarter of 2021. Its shares are up more than **50%** since it started trading last Tuesday at **\$45.99** a share, leaving the standalone company with a market capitalization of about **\$6 billion**.

Why it’s worth watching: Lingerie competitors like **American Eagle’s Aerie** and **ThirdLove** may have thought the industry titan was down for the count, but if anything, there are signs that Victoria’s Secret may be resurgent.