



Q2 2024 Earnings Call

July 30, 2024



Forward-Looking Statements

The information presented herein may contain forward-looking statements within the meaning of the federal securities laws. Such forward-looking statements include without limitation all statements other than statements of historical fact, including forecasts of our growth, path to profitability, plan to reduced fixed expenses, refinement of systems, technology, and data analytics, financial results or performance for the year or any other time period, macroeconomic and market conditions, potential value of our brands and monetization of their intellectual property and systems, our intention to generate capital returns through strategic and financially accretive partnerships and joint ventures, the timing of any of the foregoing, and other factors that will impact our results of operations. You should not place undue reliance on any forward-looking statements, which speak only as of the date they were made. We undertake no obligation to update any forward-looking statements as a result of any new information, future developments, or otherwise. Forward-looking statements are inherently difficult to predict. Accordingly, actual results could differ materially for a variety of reasons, including but not limited to, difficulties we may have with our fulfillment partners, supply chain, access to products, shipping costs, insurance, competition, macroeconomic changes, attraction/retention of employees, search engine optimization results, and/or payment processors. Other risks and uncertainties include, among others, changes to our organizational structure, management, or compensation structure, impacts from changing our company name, impacts from our use of the Overstock, Bed Bath & Beyond or Zulily brands, our ability to generate positive cash flow, impacts from our evolving business practices and expanded product and service offerings, changes to mix of supplier sourced versus directly sourced products, any problems with our infrastructure, including relocation or third-party maintenance of our computer and communications hardware currently at our corporate headquarters, cyber-attacks or data breaches affecting us, adverse tax, regulatory or legal developments, any restrictions on tracking technologies, any failure to effectively utilize technological advancements or protect our intellectual property, negative consequences of global conflict, politics, and whether our partnership with Pelion Venture Partners will achieve its objectives. More information about factors that could potentially affect our financial results are included in our Form 10-K for the year ended December 31, 2023, filed with the SEC on February 23, 2024, in our Form 10-Q for the quarter ended March 31, 2024, filed with the SEC on May 8, 2024, and in our subsequent filings with the SEC. The Forms 10-K, 10-Q, and our subsequent filings with the SEC identify important factors that could cause our actual results to differ materially from those contained in or contemplated by our projections, estimates, and other forward-looking statements.

Financial Update

Q2 2024 Financial Results

Revenue
\$398.1 Million
-5.7% vs. Q2'23

Gross Margin
20.1%
-530 bps vs. Q2'23

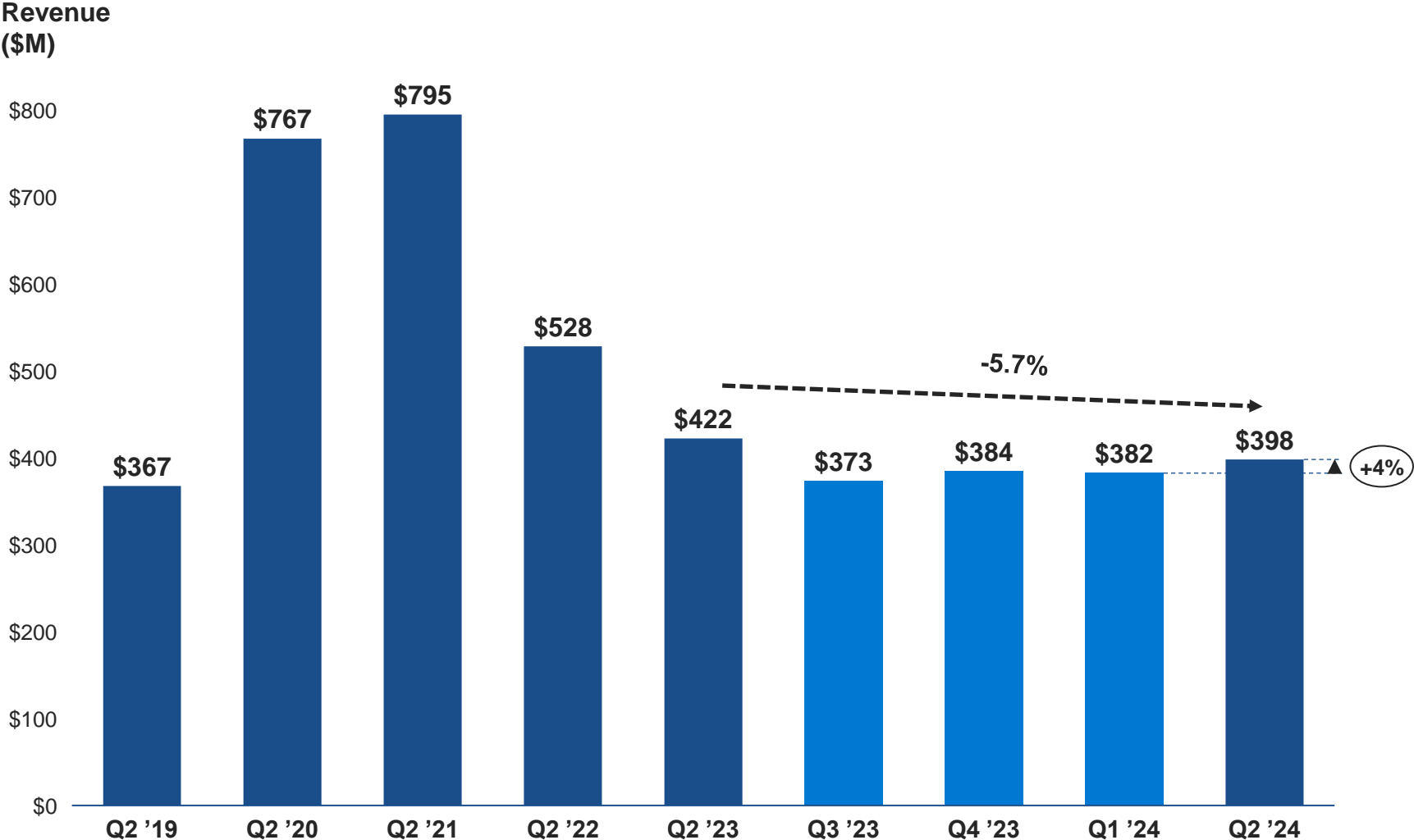
G&A and Tech Expense
\$45.9 Million
-7.1% vs. Q2'23

Adjusted EBITDA¹
-\$36.4 Million
-\$44.6M vs. Q2'23

Diluted EPS
-\$0.93
Adjusted Diluted EPS²
-\$0.76
-\$0.74 vs. Q2'23

Ending Cash
\$186.2 Million
-27% / -\$70.1M vs. Q1'24

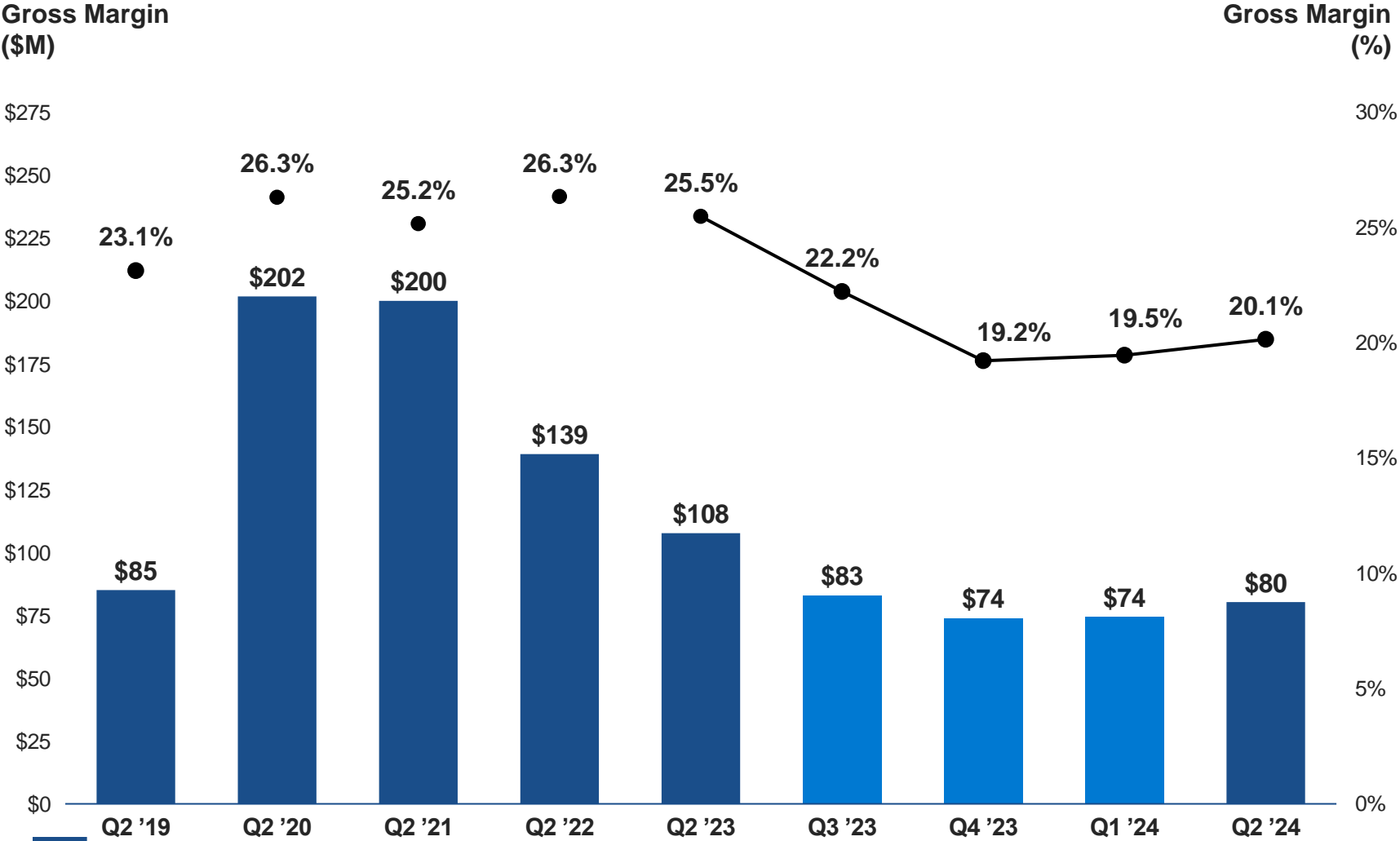
Revenue



Q2'24 Dynamics

- Revenue of \$398M
 - -5.7% / -\$24M vs. Q2'23
- Revenue influenced by:
 - AOV -12.8% vs. Q2'23

Gross Margin



Q2'24 Dynamics

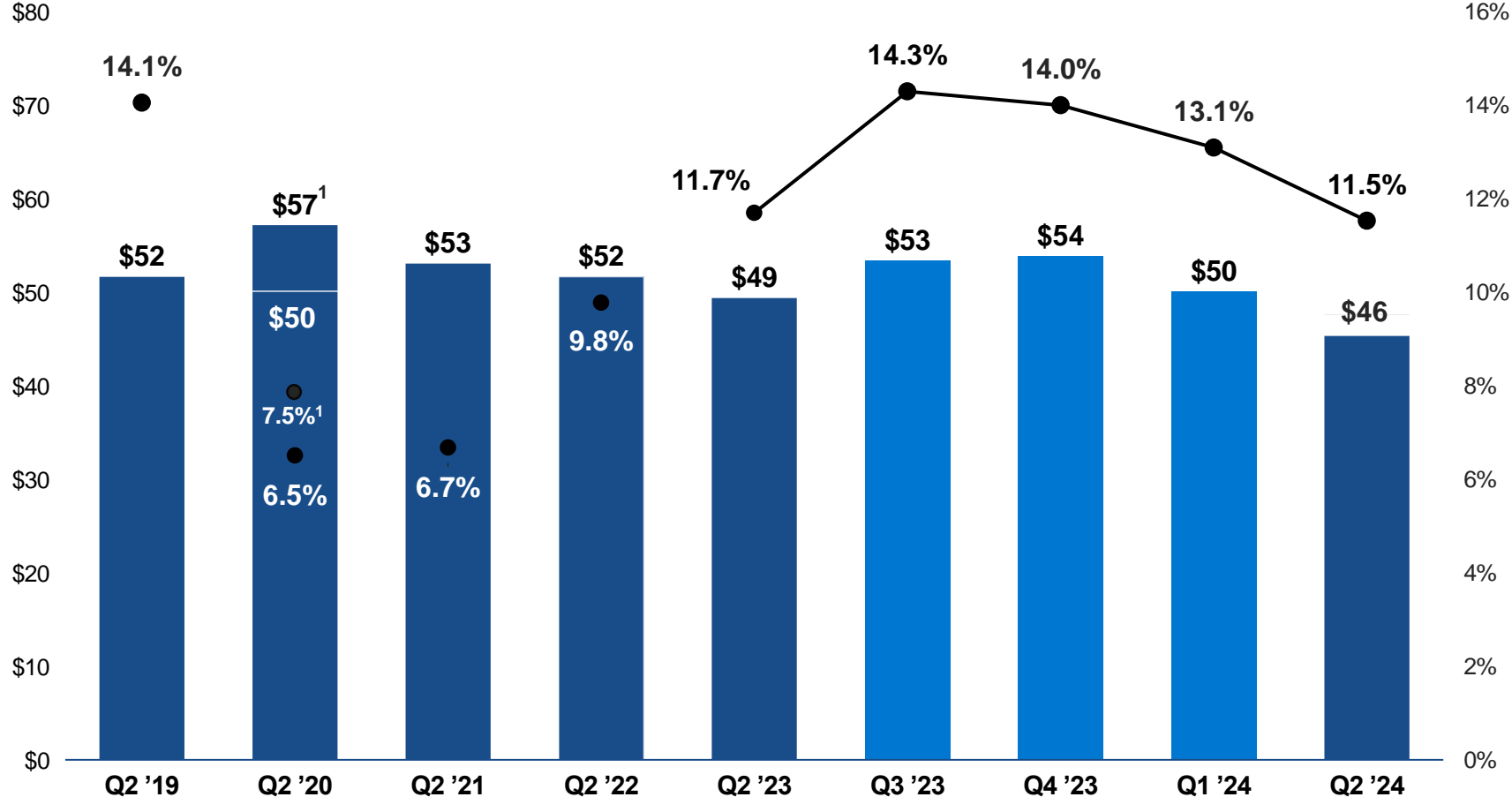
- Gross margin of 20.1%
 - -530 bps vs. Q2'23
- Gross margin influenced by:
 - Higher discounting
 - Higher carrier costs



Note: All figures reflect the change in presentation in the income statement for merchant fees and customer service costs in a separate line in operating expenses labeled "Customer service and merchant fees," whereas previously these expenses were included in cost of goods sold, which impacted gross margin.

G&A and Tech Expense

G&A and Tech Expense (\$M)



Q2'24 Dynamics

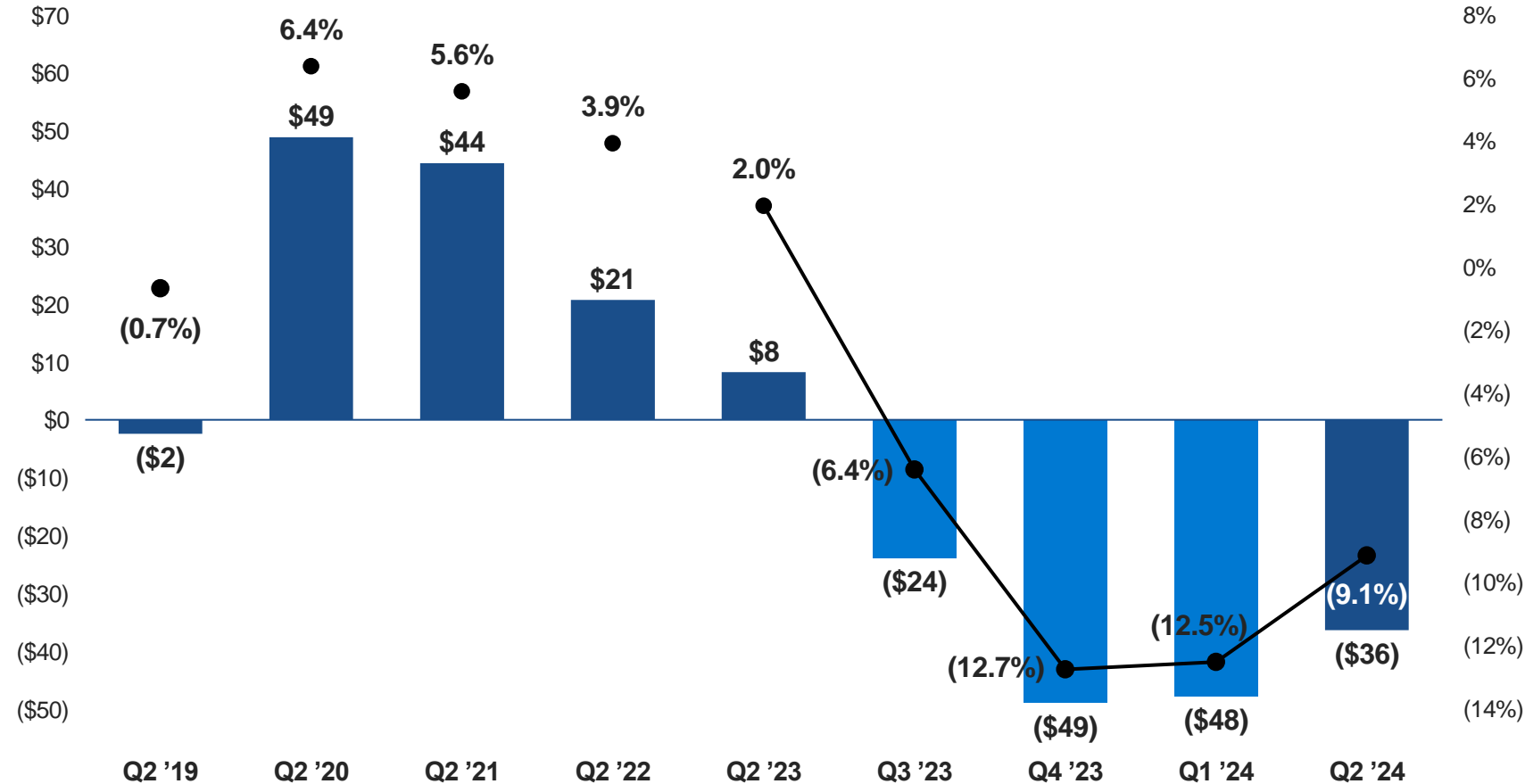
- G&A and Tech Expense of \$46M
 - -7.1% vs. Q2'23
- G&A and Tech Expense % of revenue of 11.5%
 - -20 bps vs. Q2'23



¹ In Q2'20 we recorded \$7.3M in special items that benefited G&A expense. Reported G&A and tech expense in Q2'20 was \$49.9M or 6.5% of revenue.

Adjusted EBITDA

Adjusted EBITDA (\$M)

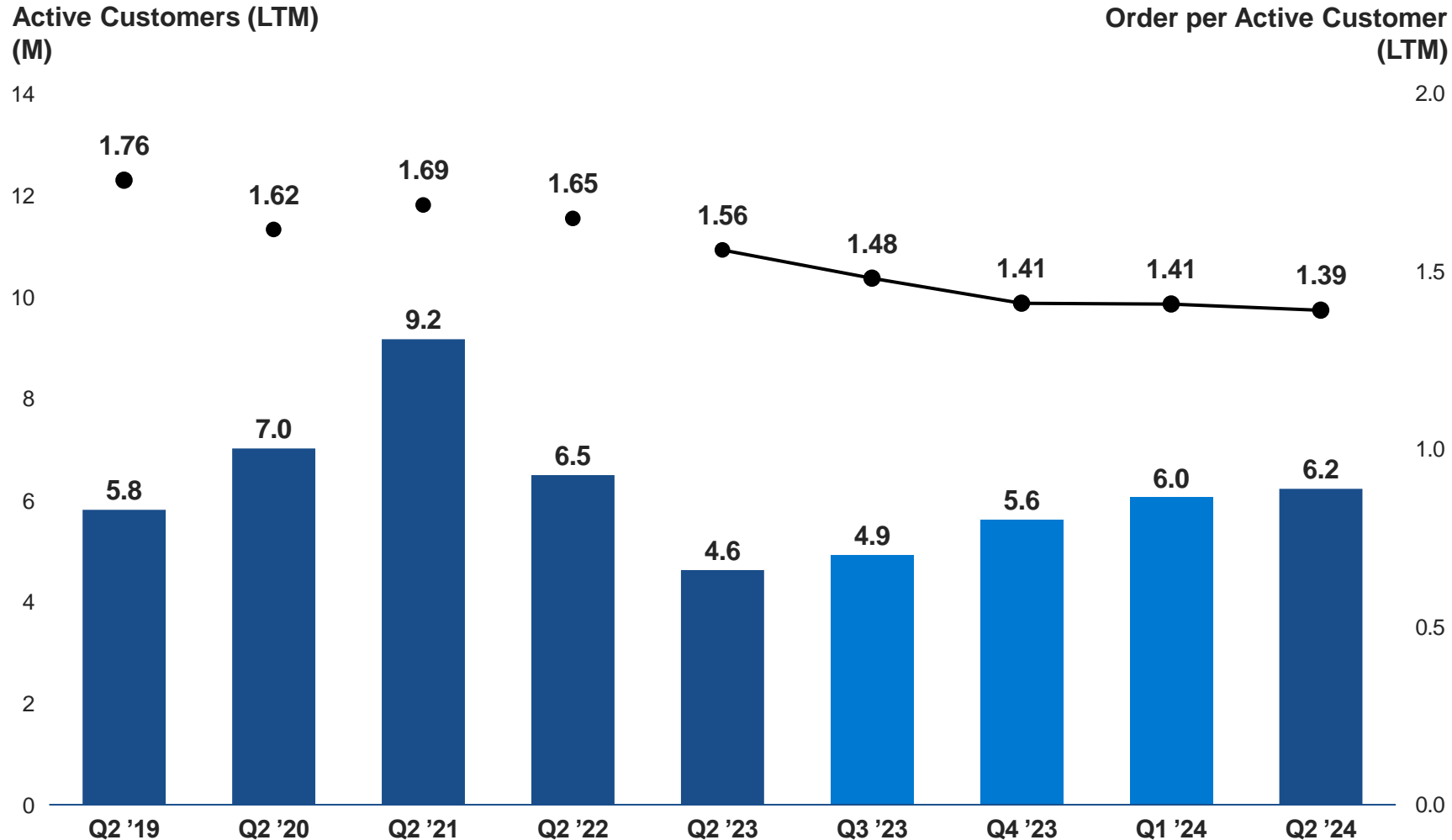


Adjusted EBITDA Margin (%)

Q2'24 Dynamics

- Adj. EBITDA of -\$36M
 - \$45M vs. Q2'23
- Adj. EBITDA margin of -9.1%
 - 1,110 bps vs. Q2'23

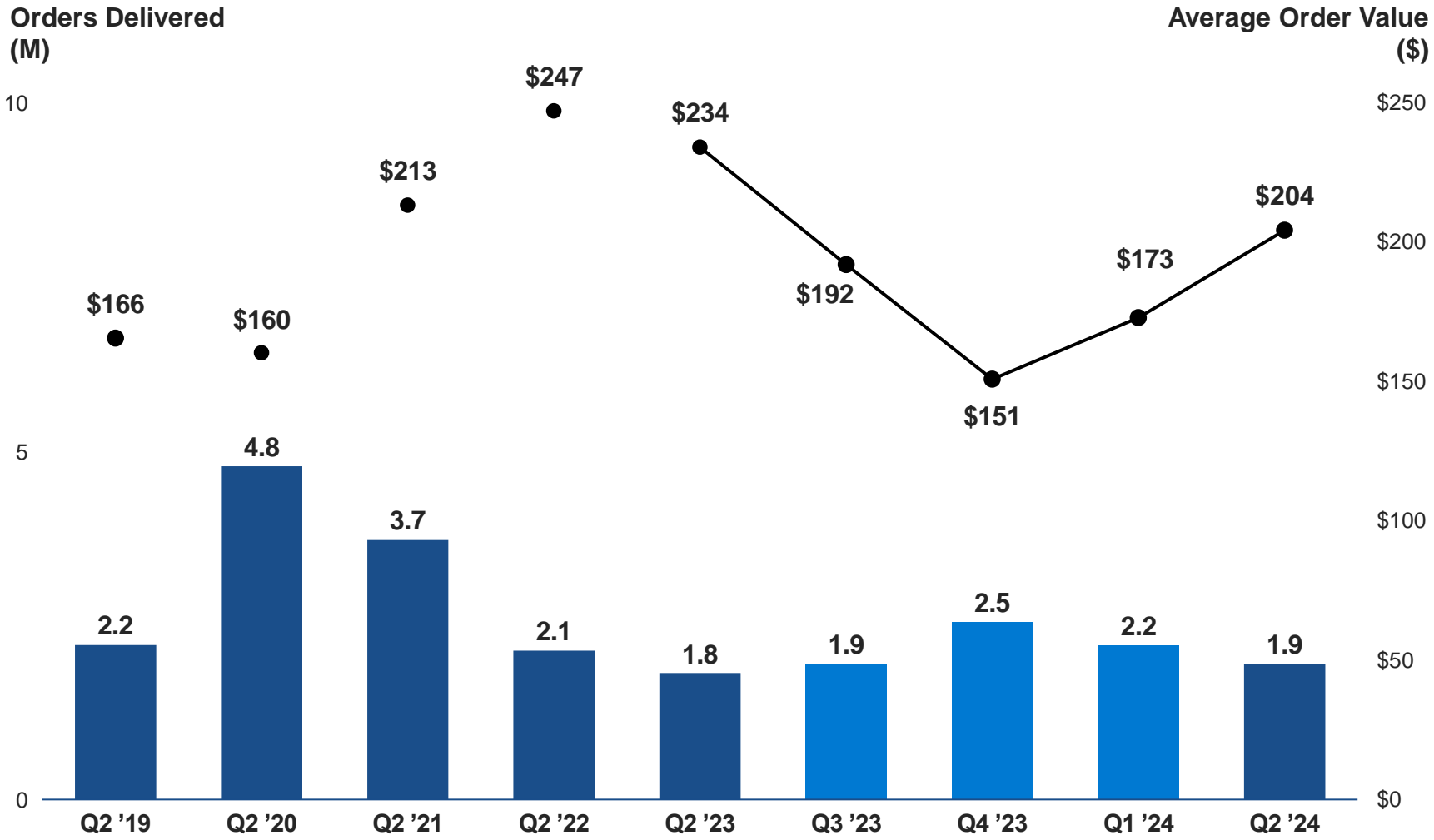
Active Customers and Order Frequency



Q2'24 Dynamics

- Active customers (LTM) of 6.2M
 - +34.6% / +1.6M vs. Q2'23
- Order frequency of 1.39
 - 10.9% vs. Q2'23

Orders and Average Order Value



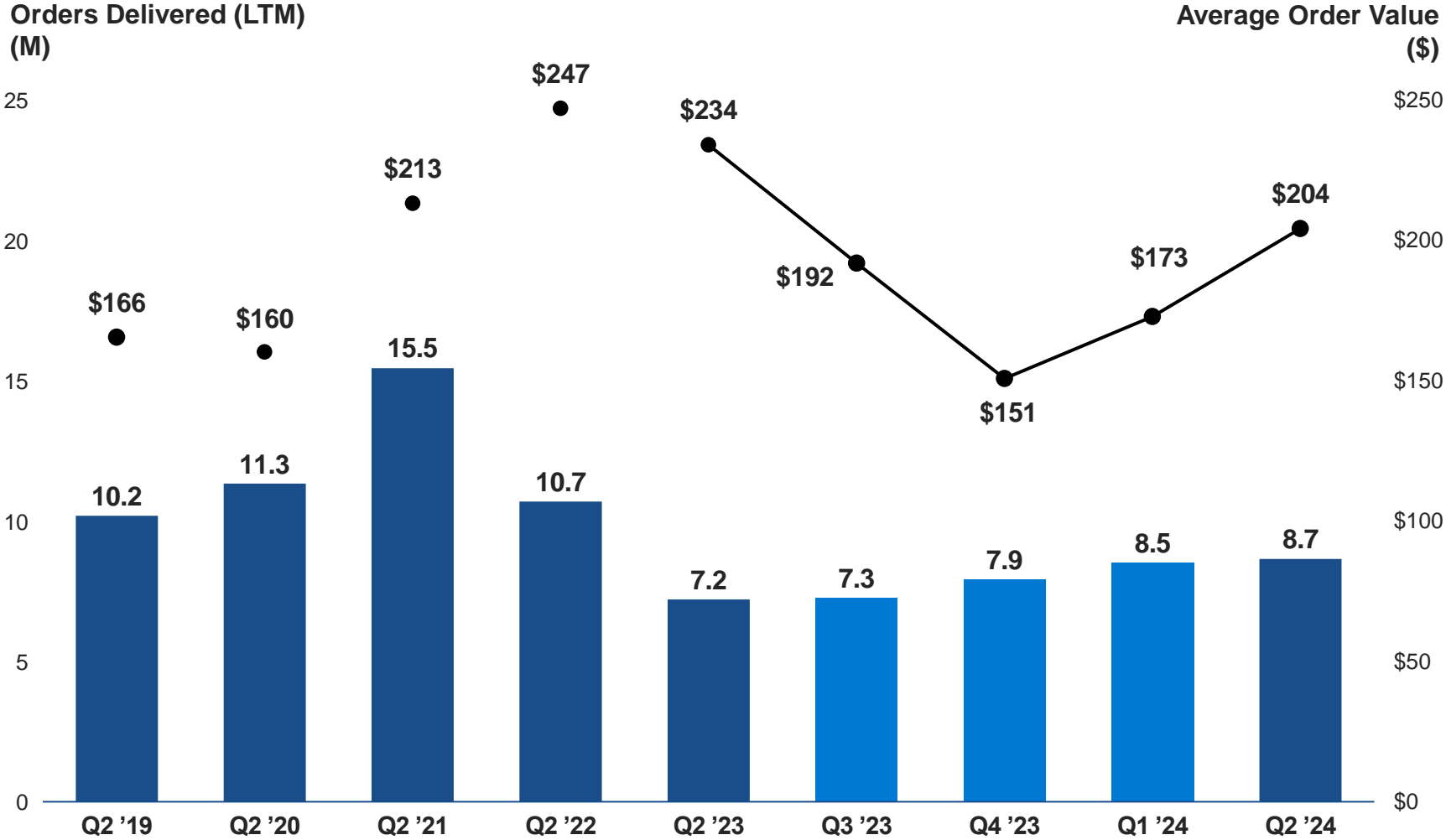
Q2'24 Dynamics

- Orders delivered of 1.9M
 - +8.1% / + 0.1M vs. Q2'23
- Average order value of \$204
 - -12.8% vs. Q2'23



Note: Orders delivered represents the total number of orders delivered on a quarterly basis.
 Note: Average order value represents net revenue divided by orders delivered, measured on a quarterly basis.

LTM Orders and Average Order Value



Q2'24 Dynamics

- Orders delivered (LTM) of 8.7M
 - +20.0% / +1.4M vs. Q2'23
- Average order value of \$204
 - 12.8% vs. Q2'23



Note: LTM orders delivered represents the total number of orders delivered during the prior twelve-month period.
 Note: Average order value represents net revenue divided by orders delivered, measured on a quarterly basis.

APPENDIX

Adjusted EBITDA Reconciliation

<i>in thousands, except per share data</i>	Three months ended								
	Jun-2019	Jun-2020	Jun-2021	Jun-2022	Jun-2023	Sep-2023	Dec-2023	Mar-2024	Jun-2024
Net income (loss)	\$ (13,230)	\$ 47,839	\$ 82,405	\$ 7,147	\$ (73,493)	\$ (63,049)	\$ (160,993)	\$ (73,928)	\$ (42,578)
Depreciation and amortization	6,127	5,409	4,803	4,043	4,516	4,320	4,626	3,960	4,395
Stock-based compensation	4,560	1,952	2,802	4,695	6,270	5,798	5,155	4,776	5,259
Interest (income) expense, net	(458)	364	130	(115)	(3,059)	(3,201)	(3,188)	(2,717)	(2,309)
Other (income) expense, net	419	(246)	(298)	1,981	80,673	38,731	33,231	18,791	(2,231)
Provision (benefit) for income taxes	136	840	(45,726)	2,529	(8,370)	(13,411)	66,388	329	117
Special items (see table below)	—	(7,272)	243	475	1,697	6,881	5,769	946	971
Adjusted EBITDA	\$ (2,446)	\$ 48,886	\$ 44,359	\$ 20,755	\$ 8,234	\$ (23,931)	\$ (49,012)	\$ (47,843)	\$ (36,376)
<i>Special items:</i>									
Brand integration and related costs	\$ —	\$ —	\$ —	\$ —	\$ 1,086	\$ 5,248	\$ 786	\$ 11	\$ 192
Special legal charges and other	—	(7,272)	243	475	—	—	—	—	—
Restructuring costs	—	—	—	—	611	1,633	4,983	935	779
Total Special items	\$ —	\$ (7,272)	\$ 243	\$ 475	\$ 1,697	\$ 6,881	\$ 5,769	\$ 946	\$ 971

Adjusted Diluted EPS Reconciliation

	Three months ended June 30, 2024		
	Diluted EPS	Less: equity method income/(loss) ¹	Adjusted Diluted EPS
<i>in thousands, except per share data</i>			
Numerator:			
Net loss attributable to common stockholders	\$ (42,578)	\$ (7,753)	\$ (34,825)
Denominator:			
Weighted average shares of common stock outstanding-diluted	45,742	45,742	45,742
Net loss per share of common stock:			
Diluted	(0.93)	(0.17)	(0.76)



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