Fiscal 2020
Q4 Results

December-January-February

(November 29th – February 27th)
forward looking statements

This presentation contains forward-looking statements within the meaning of Section 21 E of the Securities Exchange Act of 1934 including, but not limited to, the Company’s progress and anticipated progress towards its long-term objectives, as well as more generally the status of its future liquidity and financial condition and its outlook for the Company’s fiscal 2021 first quarter and for its 2021 fiscal year. Many of these forward-looking statements can be identified by use of words such as may, will, expect, anticipate, approximate, estimate, assume, continue, model, project, plan, goal, preliminary, and similar words and phrases, although the absence of those words does not necessarily mean that statements are not forward-looking. The Company’s actual results and future financial condition may differ materially from those expressed in any such forward-looking statements as a result of many factors. Such factors include, without limitation: general economic conditions including the housing market, a challenging overall macroeconomic environment and related changes in the retailing environment; risks associated with the COVID-19 pandemic and the governmental responses to it, including its impacts across the Company’s businesses on demand and operations, as well as on the operations of the Company’s suppliers and other business partners, and the effectiveness of the Company’s actions taken in response to these risks; consumer preferences, spending habits and adoption of new technologies; demographics and other macroeconomic factors that may impact the level of spending for the types of merchandise sold by the Company; civil disturbances and terrorist acts; unusual weather patterns and natural disasters; competition from existing and potential competitors across all channels; pricing pressures; liquidity; the ability to achieve anticipated cost savings, and to not exceed anticipated costs, associated with organizational changes and investments, including the Company’s strategic restructuring program and store network optimization strategies; the ability to attract and retain qualified employees in all areas of the organization; the cost of labor, merchandise and other costs and expenses; potential supply chain disruption due to trade restrictions, and other factors such as natural disasters, pandemics, including the COVID-19 pandemic, political instability, labor disturbances, product recalls, financial or operational instability of suppliers or carriers, and other items; the ability to find suitable locations at acceptable occupancy costs and other terms to support the Company’s plans for new stores; the ability to establish and profitably maintain the appropriate mix of digital and physical presence in the markets it serves; the ability to assess and implement technologies in support of the Company’s development of its omnichannel capabilities; the ability to effectively and timely adjust the Company’s plans in the face of the rapidly changing retail and economic environment, including in response to the COVID-19 pandemic; uncertainty in financial markets; volatility in the price of the Company’s common stock and its effect, and the effect of other factors, including the COVID-19 pandemic, on the Company’s capital allocation strategy; risks associated with the ability to achieve a successful outcome for the Company’s business concepts and to otherwise achieve its business strategies; the impact of intangible asset and other impairments; disruptions to the Company’s information technology systems, including but not limited to security breaches of systems protecting consumer and employee information or other types of cybercrimes or cybersecurity attacks; reputational risk arising from challenges to the Company’s or a third party product or service supplier’s compliance with various laws, regulations or standards, including those related to labor, health, safety, privacy or the environment; reputational risk arising from third-party merchandise or service vendor performance in direct home delivery or assembly of product for customers; changes to statutory, regulatory and legal requirements, including without limitation proposed changes affecting international trade; changes to, or new, tax laws or interpretation of existing tax laws; new, or developments in existing, litigation, claims or assessments; changes to, or new, accounting standards; and foreign currency exchange rate fluctuations. Except as required by law, the Company does not undertake any obligation to update its forward-looking statements.
presentation

1) FY2020 Recap, Q4 Highlights & FY2021 Outlook
2) Q4 Business & Financial Results
3) Commercial Update
4) Operations Update
5) Appendix
FY2020 recap
Q4 highlights &
FY2021 outlook
fiscal 2020: a year of fast-paced transformation enhances strategic position for sustained success

Unlocked our Digital-First, Omni-Always Potential
- >$3bn of digital sales
- 10.6mn new digital customers; +95% vs FY19
- >1bn visits; 30% increase in conversion vs FY19
- >3.3mn app downloads
- 4.5mn customers placed a BOPIS order; BOPIS represented 14% of digital sales
- 34% of customers placed 2+ digital orders

Established a World Class Team
- Strengthened executive team with new leaders in Merchandising, Marketing, Digital, Stores, Operations, Finance, Legal and Human Resources
- New industry-leading partners: Google Cloud, Deloitte, Oracle, Shipt and Instacart

Strengthened our Financial Performance
- 3 consecutive quarters of comp sales growth
- Pivoted to sustained gross margin expansion
- >$600mn in proceeds generated from portfolio rationalization; sold 5 non-core banners
- ~$1bn gross debt reduction
- $422mn, or 20% inventory reduction
- $2.1bn total liquidity position
- $375mn of capital returned to shareholders through accelerated share repurchases

Cared for our Associates, Customers & Communities
- Launched Comprehensive Store Safety Plan to protect our 38,000 associates and 37mn customers
- Delivered $10mn Bringing Home Everywhere donation program to support communities in need
Q4: third consecutive quarter of comparable sales & profit growth; strong operating and financial performance

**Consistently Executing on Transformation Strategy**
- 3rd Consecutive Quarter of Comp Sales Growth
  - +4% Total Enterprise
  - +6% Bed Bath & Beyond (BBB) banner
- Digital comp sales drive quarterly performance
  - +86% Total Enterprise; +99% BBB banner
  - 3.1mn new digital customers; +96% vs FY 19 Q4
  - 2mn customers placed a BOPIS order; BOPIS represented 17% of digital sales
- 32.8% Adjusted Gross Margin, +20bps vs FY19 Q4, offsetting impact of industrywide freight challenges and digital growth
- 6.4% Adjusted EBITDA Margin, +160bps vs FY19 Q4, reflecting a healthier and more profitable core business

**Strengthening Financial Resilience**
- $76mn in Operating Cash Flow from working capital improvements. Free Cash Flow of $62mn
- Strong cash and liquidity balances
  - $1.4bn Cash & Investments
  - $2.1bn Total Liquidity
- $422mn reduction in Inventory, 20% lower vs FY19 Q4, driven, in part, by banner divestitures and store fleet optimization
- ~$1bn reduction in Gross Debt, including reduction in operating and finance lease liabilities and reduction in debt mostly from bond tender offers

**Unlocking Shareholder Value**
- 5th non-core banner divestiture completed (Cost Plus World Market)
- $375mn in capital return to shareholders
  - 2 accelerated share repurchase programs (ASR-1 $225mn complete, ASR-2 $150mn to be completed week of 4/19/21)
  - ~16mn total shares repurchased at an estimated average price of $23 per share, representing ~13% of shares outstanding

Note: Adj. EBITDA, and adj. gross margin are non-GAAP financial measures. For a reconciliation to comparable GAAP measures, see Appendix of this presentation.

(1) Bed Bath & Beyond is among the Company’s four core banners.
(2) Free Cash Flow is a non-GAAP financial measure. Free Cash Flow of $62mn includes cash flow provided from operations of $76mn less cash flow used in investing of $14mn, inclusive of $66mn of CAPEX.
(3) Total Liquidity includes cash & investments and the Company’s asset-based revolving credit facility.
(4) Gross Debt includes bonds, borrowings under the Company’s asset-based revolving credit facility, and operating and finance lease liabilities.
**FISCAL 2021 OUTLOOK**

**fiscal 2021: robust foundation to successfully execute 3-year growth plan; reaffirming sales & adjusted ebitda outlook; increasing shareholder returns**

**Reaffirming Full-Year Outlook**

<table>
<thead>
<tr>
<th>Sales Comp Sales</th>
<th>FISCAL 2021</th>
<th>REAFFIRM</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$8.0bn-$8.2bn</td>
<td>✓</td>
</tr>
<tr>
<td></td>
<td>“Recapture and Sustain”</td>
<td>✓</td>
</tr>
</tbody>
</table>

| Adj. Gross Margin | approx. 35% | ✓ |

| Adj. SG&A (% of sales) | approx. 31% | ✓ |

| Adj. EBITDA | $500mn-$525mn | ✓ |

**Unlocking Shareholder Value**

3 YR Share Repurchase Authorization

- Increased to $1bn

**PROVIDING Q1 VISIBILITY**

- FY21 Q1 sales will be non-comparable due to COVID-related store closures in FY 20 Q1.
- Excluding impact from divested businesses in both periods, sales of Core Go-Forward banners¹ expected to be much higher by approximately +65 - 70% vs FY 20 Q1.
- Reported Net Sales expected to increase by over 40% vs FY20 Q1 when vast majority of stores were closed due to COVID-19, in spite of non-core banner divestitures.
- Expect adj. Gross Margin to be in the 34% range.
- Expect adj. EBITDA to be between $80 - $90mn.

Note: Adj. EBITDA, and adj. gross margin are non-GAAP financial measures. For a reconciliation to comparable GAAP measures, see Appendix of this presentation.

¹ Core Go-Forward banners include Bed Bath & Beyond, buybuy BABY, Harmon Face Values and Decorist. See Appendix of this presentation for more details on Core Go-Forward banner sales by quarter.
Fiscal 2021 Key Strategic Initiatives

• Launch at least 8 Owned Brands
• Introduce new digital services
• Upgrade and remodel Bed Bath & Beyond banner stores
• Modernize technology platforms and reinvent supply chain operations
• Further strengthen buybuy BABY and Harmon Face Values banners

building a modern, durable business model
Q4 business & financial results
executing on strategy, delivering consistent sales and EBITDA growth

Third Consecutive Quarter of Comp Sales Growth

- Total Enterprise Comp
  - +4% vs LY

- BBB Banner Comp
  - +6% vs LY

- Total Enterprise Digital Comp
  - +86% vs LY

- BBB Banner Digital Comp
  - +99% vs LY

Consistent Gross Margin & EBITDA Margin Growth

- Adj. Gross Margin
  - FY19 Q4: 32.6%
  - FY20 Q4: 32.8%
  - +20bps vs LY

- Adj. EBITDA Margin
  - FY19 Q4: 4.8%
  - FY20 Q4: 6.4%
  - +160bps vs LY

Note: Adj. EBITDA, and adj. gross margin are non-GAAP financial measures. For a reconciliation to comparable GAAP measures, see Appendix of this presentation.
strong cash flow generation, balance sheet improvement and capital return to shareholders

Positive Cash Flow Generation

- Free Cash Flow\(^1\) of $62mn
- Cash & Investments of $1.4bn

Balance Sheet Strengthened / Return of Capital to Shareholders

- Inventory Reduction of 20% vs LY
- Strong Liquidity\(^2\) of $2.1bn
- FY 2020
  - $375mn in share repurchase
    - ~16mn shares
    - ~13% of S/O
    - $23 avg. price/share\(^3\)

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(1) Free Cash Flow is a non-GAAP financial measure. Free Cash Flow of $62mn includes cash flow provided from operations of $76mn less cash flow used in investing of $14mn, inclusive of $66mn of CAPEX.
(2) Total Liquidity includes cash & investments and availability from asset-backed lending credit facility.
(3) Estimated.
transformation and execution unlocking strong shareholder value

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<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>✓ 4% total enterprise Comp Sales growth; 6% Bed Bath &amp; Beyond banner growth; 3rd consecutive quarter of Comp Sales growth</td>
<td>✓ <strong>20 bps</strong> increase in Adj. Gross Margin vs LY, led by optimized markdowns / product promo and product mix, partially offset by channel mix and substantial industry-wide freight rate increases</td>
<td>✓ <strong>$62mn</strong> in free cash flow, primarily from earnings and working capital improvements</td>
<td>✓ <strong>$0.2bn</strong> strong Net Cash surplus position: $1.4bn in Cash and Equivalents less $1.2bn in bonds</td>
<td>✓ <strong>5th non-core banner divestiture complete</strong> (Cost Plus World Market); proceeds from all FY20 divestitures &gt;$600mn</td>
</tr>
<tr>
<td>✓ 86% total enterprise Digital Comp Sales growth; 99% digital growth in Bed Bath &amp; Beyond banner; digital drives quarterly performance</td>
<td>✓ <strong>$190mn</strong>, 20% reduction in SG&amp;A expenses from cost savings efforts</td>
<td>✓ <strong>$422mn (20%)</strong> lower Inventory vs Q4 LY, driven in part by banner divestitures and store fleet optimization</td>
<td>✓ <strong>$2.1bn</strong> in Total Liquidity</td>
<td>✓ <strong>144</strong> Bed Bath &amp; Beyond banner store closures in FY20 as part of store network optimization plans to close ~200 stores by the end of FY21; will result in significant reshape of sales base and store footprint</td>
</tr>
<tr>
<td>✓ 41% of total Digital Sales fulfilled by stores, including 17% from BOPIS; new omni-always capabilities gaining traction</td>
<td>✓ <strong>13%</strong> increase in Adj. EBITDA Margin vs LY to <strong>$168mn</strong>, led by SG&amp;A cost leverage / expense reductions</td>
<td></td>
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</table>

Note: Adj. EBITDA, and adj. gross margin are non-GAAP financial measures. For a reconciliation to comparable GAAP measures, see Appendix of this presentation.

(1) Bed Bath & Beyond is among the Company’s four core banners. 
(2) Free Cash Flow of $62mn includes cash flow provided from operations of $76mn less cash flow used in investing of $14mn, inclusive of $66mn of CAPEX. 
(3) Total Liquidity includes cash & investments and the Company’s asset-based revolving credit facility. 
(4) Announced completion of CPWM sale on 1/19/21.
Q4 key performance metrics

- **Comparable Sales increase 4%** in total enterprise; +6% in Bed Bath & Beyond (BBB) banner

- **Digital drives Q4 performance**, with strong total enterprise growth +86%; +99% in BBB

- **Net sales change of -16%** as expected, due to significant portfolio transformation, including:
  - Non-core banner divestiture unfavorable impact of approx. -12%
  - Excluding divestiture impacts, Net Sales of Core banners declined -3%, primarily due to -8% unfavorable impact from store closure activity related to the Company’s network optimization program

- **Adj. Gross Margin of 32.8%**, driven primarily by:
  - Optimization of promotion & markdowns
  - Favorable product mix
  - Leverage of distribution and fulfillment costs
  - Partially offset by higher digital channel mix, including substantial industry-wide freight rate increases

- **SG&A expenses decreased $190mn**, driven primarily by reductions from the non-core banner divestitures, lower occupancy expense on a smaller base of stores and lower marketing expense.

- **Adj. EBITDA increased 13%, to $168mn**, primarily due to SG&A cost leverage/expense reductions

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**Note:** Adj. EBITDA, and adj. gross margin are non-GAAP financial measures. For a reconciliation to comparable GAAP measures, see Appendix of this presentation.

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(1) Bed Bath & Beyond is among the Company’s four core banners which also include buybuy BABY, Harmon Face Values and Decorist.
Q4 comp sales growth trends

• 3rd consecutive quarter of comparable sales growth led by strong digital comp sales in both Total Enterprise and Bed Bath & Beyond (BBB) banner\(^1\) offsetting sales decline in stores

• BBB comp sales were positive each month of the quarter, with high-single-digit growth in January and February combined, despite industrywide impacts from severe weather during February

• Sales strength continued in Q4, in spite of COVID-related headwinds reflected broadly across retail landscape in lower store foot traffic trends and shipping capacity constraints

• Positive sales momentum has continued into early FY21 Q1

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\(^1\) Bed Bath & Beyond is among the Company's four core banners which also include buybuy BABY, Harmon Face Values and Decorist.
as expected, net sales impacted by divestitures and planned store closures

- Total Enterprise Comparable sales growth +4%
- As expected, Total Enterprise Net Sales declined -16% reflecting:
  - **Approx. -12%** unfavorable impact from non-core banner divestitures
  - **Excluding impact from divestitures**, Core banner\(^1\) Net Sales declined approx. -3%,
  - **Approx. -8%** unfavorable impact on Core banner Net Sales from planned store closure activity

FY 20 Q4 – net sales to comparable sales bridge

Note: numbers may not add due to rounding

(1) Core banners include Bed Bath & Beyond, buybuy BABY, Harmon Face Values and Decorist.
• Adj. Gross Margin of 32.8% vs 32.6% LY, driven primarily by:
  - Optimization of promotion & markdowns
  - Favorable product mix
  - Leverage of distribution and fulfillment costs
  - Partially offset by higher digital channel mix, including substantial industry-wide freight rate increases
positive free cash flow and strong cash position

Solid Free Cash Flow in Q4:
- $76mn of Cash Flow provided by Operations from working capital improvement
- $14mn of Cash Flow used in Investing, driven by proceeds from the sale of Cost Plus World Market (non-core asset); inclusive of $66mn of CAPEX
- $62mn of positive Free Cash Flow

Maintained strong cash position:
- $1.4bn cash & cash equivalents balance, including $150mn initiation of ASR-2 in January 2021

FY20 Q4 – positive cash flow generation

<table>
<thead>
<tr>
<th>($mns)</th>
<th>FY2020 Q4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash Flow from Operating Activities</td>
<td>$76</td>
</tr>
<tr>
<td>Cash Flow from Investing Activities</td>
<td>($14)</td>
</tr>
<tr>
<td>Free Cash Flow Generation</td>
<td>$62</td>
</tr>
<tr>
<td>Cash Flow from Financing Activities</td>
<td>($150)</td>
</tr>
</tbody>
</table>

FY20 Q3 vs FY20 Q4 – total cash balance

Cash and cash equivalents

post FY20 Q3 Total Cash & Investments

Cash Flow from Operations

Cash Flow used in Investing

Cash Flow from Financing

Post FY20 Q4 Total Cash & Investments

(1) Cash Flow from Investing includes $52mn related to sale of Cost Plus World Market (non-core asset); inclusive of $66mn of CAPEX.

(2) Free Cash Flow is a non-GAAP financial measure. Free Cash Flow of $62mn includes cash flow provided from operations of $76mn less cash flow used in investing of $14mn, inclusive of $66mn of CAPEX.
maintained positive net cash position and strong liquidity

- Positive net cash position of $0.2bn, with $1.4bn cash & cash equivalents balance, less $1.2bn in bond debt
- Strong total liquidity position of $2.1bn
- Prior actions to reduce gross debt balance:
  - Reduction in operating and finance lease liabilities (~$0.5bn) in Q3 from non-core banner divestitures and store closures
  - Reduction in debt (~$0.5bn) in Q2 from bond tender offers, revolver/ABL borrowings

FY20 Q4 – positive net cash position

(1) Gross Debt includes bonds, borrowings under the Company’s asset-based revolving credit facility and operating and finance lease liabilities
(2) Total Liquidity includes cash & investments and the Company’s asset-based revolving credit facility.
unlocking shareholder value through data-driven and balanced capital allocation

Capital Allocation Principles
✓ Investing for growth and transformation
✓ Ensuring financial resilience
✓ Returning cash to shareholders

FY 2020 Share Repurchase Activity
➢ $375mn in Accelerated Share Repurchase Programs
  • ~16mn shares repurchased, representing 13% of shares outstanding and estimated average price of $23/share

Future Share Repurchase Activity
➢ Increasing 3-year authorization to $1bn from $825mn
➢ Increasing share repurchases planned for FY 2021 to $325mn from $300mn
commercial update
investments in digital fuel strong performance

Fourth Quarter Digital Highlights
- +86% Total Enterprise digital comp sales growth in FY20 Q4; 4th consecutive quarter of >75% growth
- 3.1mn new digital customers, +96% FY19 Q4
- 310mn visits to our digital channels (up >50%), including 162mn unique visitors; +30% increase in conversion rate FY19 Q4
- 22% of customers placed 1+ online order vs ~17% in FY19 Q4
- >21mn launches of Bed Bath & Beyond mobile app; revenue from mobile more than doubled versus FY19 Q4
- 2mn customers placed a BOPIS order; BOPIS represented 17% of digital sales; >80% of BOPIS orders were ready within 2 hours; high NPS score of 81
- >220,000 Same Day Delivery orders (service was launched in Q3); 78% of orders from Bed Bath & Beyond.com

Full-Year Digital Highlights
- Digital sales surpass $3B
- 10.6mn new digital customers, +95%
- >1bn visits to our digital channels
- >3mn downloads of our mobile apps
- 34% of customers placed 2+ online orders; conversion rate +30%
- 4.5mn customers placed a BOPIS order; BOPIS represented 14% of digital sales
investments in store enhance customer experience - refreshes

- Store refreshes across the Bed Bath & Beyond chain create a welcoming and inspirational environment and include:
  - Resetting merchandise assortment by room, instead of category, to make it easier to shop and find products
  - More open aisle space and better site lines
  - New store signage to clearly communicate value and price;
Bed Bath & Beyond banner\(^1\) delivers solid comp sales growth

- **Solid comp sales growth of +6%**, led by strong digital growth +99% and higher sales in Top 5 destination categories

- **+12% comp sales growth in Top 5 destination categories** (combined), representing ~2/3 of Bed Bath & Beyond banner sales

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**Top 5 Destination Categories**

<table>
<thead>
<tr>
<th></th>
<th>Comp Sales Growth</th>
<th>% of Net Sales</th>
</tr>
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<tbody>
<tr>
<td>Home Organization</td>
<td>17%</td>
<td>6%</td>
</tr>
<tr>
<td>Kitchen Food Prep</td>
<td>16%</td>
<td>23%</td>
</tr>
<tr>
<td>Indoor Décor</td>
<td>16%</td>
<td>9%</td>
</tr>
<tr>
<td>Bedding</td>
<td>11%</td>
<td>17%</td>
</tr>
<tr>
<td>Bath*</td>
<td>-1%</td>
<td>7%</td>
</tr>
<tr>
<td><strong>Total Comp Sales Growth (combined)</strong></td>
<td><strong>12%</strong></td>
<td><strong>63%</strong></td>
</tr>
<tr>
<td><strong>Total Bed Bath &amp; Beyond Banner</strong></td>
<td><strong>6%</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

*Bath category impacted in FY20 Q4 by a planned assortment transition in preparation for the launch of Owned Brands, which resulted in higher category markdowns and temporary out-of-stocks.

(1) Bed Bath & Beyond is among the Company’s four core banners which also include buybuy BABY, Harmon Face Values and Decorist.
**owned brands: biggest assortment change in a generation**

- Plans to introduce at least 8 new Owned Brands in FY21, with 6 launches in first six months, including 3 in FY21 Q1

- Assortment will include 1000's of new products across key destination categories including bed, bath, kitchen & dining, storage & organization, and home décor – available only at Bed Bath & Beyond

- Owned Brands are expected to drive growth and build authority while creating differentiation and preference with customers and in the marketplace

- Sales penetration expected to grow from ~10% to ~30% our Bed Bath & Beyond assortment within the first 3 years, and gross margin improvement to be driven by strategically designing to cost, sourcing at scale and providing great everyday value

- A robust omnichannel marketing and customer engagement plan that has already reached millions of customers online and in store, including social media, print, email, registry and text notifications
everyday bedding and bath essentials, from the experts in cozy
spa-inspired bath essentials designed for your home

customer segment
- the juggler (40-55)
- the creative (18-40)

key categories
- towels & rugs
- shower curtains & liners
- bath furniture
- bath storage & org
hard-working home essentials at a great value

key categories

bedding

bath

kitchen

dining

organization
buybuy BABY returns to positive comp growth, led by digital

- >$1bn in net sales in FY20
- +52% growth in digital in FY20 Q4; returning to positive comp sales growth
- 0.6mn new online customers in FY20 Q4; 2.5mn new online customers in FY20, +45%
- 51mn visits to digital channels, >+40%, including 24mn unique visitors; conversion rate +8%
- 19% of US customers placed more than 2 digital orders vs. 15% in FY19 Q4
- 150,000 downloads of mobile app in FY20 Q4; >60% of BABY digital sales were from mobile channel
- >200,000 customers placed a BOPIS order in FY20 Q4, driving penetration to 14% of digital sales
buybuy BABY growth strategy includes 6 major pivots

We build trust with parents by supporting them with what they need next, so families can celebrate every milestone—big and small—together

**DESIRE**
drive brand love (desire) and create loyalty beyond reason

**DECIDE**
drive trial and win at the point of decision

**DELIGHT**
delight customers with our brand & product experience to drive loyalty
operations update
investments in stores enhance customer experience - remolds

• Proof of concept store remodels completed in Houston market during February 2021

• Plans to remodel approx. **130 to 150** stores (across US/Canada) in FY 2021, including 26 stores during Q1

• ~**$250mn** in expected CAPEX investments over the next 3 years to remodel approximately **450** Bed Bath & Beyond stores
## Technology Transformation

### Current

- **Applications**
  - Legacy architectures
  - App proliferation
  - Legacy apps constrain innovation and increase risk
  - Disparate applications and data silos

- **Data & Analytics**
  - Siloed in systems
  - Poor quality of data
  - Lack of visibility to data where/when required
  - Lack of timeliness

- **Infrastructure**
  - Unreliable, aged, legacy tech
  - Capital intensive
  - Fixed capacity
  - Long lead times

- **Technology Operating Model**
  - Request driven & manually intensive
  - Siloed IT functions
  - Operational challenges and focused on SLAs
  - Skills confined to old technology

**Value Delivered**

- Increased digital capabilities
- Flexibility, agility and scalability to meet business needs
- Speed to market
- More efficient technology operations
- Shift spend towards innovation
- Improved return on technology investment

### Transformed

- **Applications**
  - Cloud native app dev
  - Modernized app portfolio
  - Enabling business strategy, innovation and speed to market
  - Harmonized and integrated applications

- **Data & Analytics**
  - Data integrated on cloud platform
  - Readily available for analytics insights and decision making
  - Timely decision making
  - Enablement of strategic programs

- **Infrastructure**
  - Cloud based
  - Consumption driven spend
  - Scalable capacity
  - Rapid provisioning

- **Technology Operating Model**
  - Self-service/automated
  - Teaming & collaboration
  - Focused on agility & business impact
  - Access to new technology & skill growth

- **Data & Analytics**
  - Cloud based
  - Consumption driven spend
  - Scalable capacity
  - Rapid provisioning

- **Technology Operating Model**
  - Self-service/automated
  - Teaming & collaboration
  - Focused on agility & business impact
  - Access to new technology & skill growth
Q4 total enterprise summary
Q4 performance – consistent execution of strategy

Total Enterprise Comp Sales Growth
+4% VS LY

Digital Comp Sales Growth
+86% VS LY

Adj. EBITDA Margin
6.4% VS 4.8% LY

Positive Free Cash Flow
$62mn

Note: Adj. EBITDA, and adj. gross margin are non-GAAP financial measures. For a reconciliation to comparable GAAP measures, see Appendix of this presentation.

(1) Free Cash Flow is a non-GAAP financial measure. Free Cash Flow of $62mn includes cash flow provided from operations of $76mn less cash flow used in investing of $14mn, inclusive of $66mn of CAPEX.
making it easy for customers to feel at home

1. Authority in Home, Baby, Beauty & Wellness markets

2. Digital-first, omni-always strategy building foundation for long-term sustainable growth

3. Positive comparable sales momentum fueled by digital and healthier core business, post divestitures and rationalized store footprint

4. Initiatives in place to drive customer loyalty with margin accretive and differentiated Owned Brands, and elevated omnichannel shopping experience

5. Strong balance sheet with positive cash flow generation and gross debt reductions

6. New management team with extensive retail transformation expertise
The following table shows a quarterly summary of the Company’s fiscal 2019 and 2020 net sales on both a Reported GAAP basis and on a Core Go-Forward basis, which excludes sales from divested banners.

The Company is providing this additional transparency to help analysts and investors gain further perspective on the Company’s recent portfolio transformation and the quarterly comparisons of the Core Go-Forward banner, which include Bed Bath & Beyond, buybuy BABY, Harmon Face Values and Decorist.

<table>
<thead>
<tr>
<th>(in millions)</th>
<th>FY19</th>
<th>FY20</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Q1</td>
<td>Q2</td>
</tr>
<tr>
<td><strong>NET SALES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reported</td>
<td>$2,573</td>
<td>$2,719</td>
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<tr>
<td>Core Go-Forward</td>
<td>2,080</td>
<td>2,263</td>
</tr>
</tbody>
</table>

Note: numbers may not add due to rounding
### Fiscal 2020 Q4 Net Income Bridge – Non-GAAP Reconciliation*

<table>
<thead>
<tr>
<th></th>
<th>Reported</th>
<th>Loss on Sale of Businesses</th>
<th>Loss on Sale-Leaseback, Including Transaction Fees</th>
<th>Restructuring and Transformation Expenses</th>
<th>Impairment Charges</th>
<th>Total Income Tax Impact</th>
<th>Total Impact</th>
<th>Adjusted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Profit</td>
<td>$825,488</td>
<td>$-</td>
<td>$-</td>
<td>$33,198</td>
<td>$-</td>
<td>$33,198</td>
<td>$858,686</td>
<td></td>
</tr>
<tr>
<td>Gross Margin</td>
<td>31.5%</td>
<td>-</td>
<td>-</td>
<td>1.3%</td>
<td>-</td>
<td>1.3%</td>
<td>32.8%</td>
<td></td>
</tr>
<tr>
<td>Restructuring and transformation initiative expenses</td>
<td>54,554</td>
<td>-</td>
<td>-</td>
<td>(54,554)</td>
<td>-</td>
<td>(54,554)</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>(Loss) earnings before (benefit) provision for income taxes</td>
<td>(42,218)</td>
<td>22,705</td>
<td>-</td>
<td>87,752</td>
<td>8,883</td>
<td>119,340</td>
<td>77,122</td>
<td></td>
</tr>
<tr>
<td>Tax (benefit) provision</td>
<td>(51,277)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>81,297</td>
<td>30,020</td>
<td></td>
</tr>
<tr>
<td>Effective tax rate</td>
<td>121.5%</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(82.6)%</td>
<td>38.9%</td>
<td></td>
</tr>
<tr>
<td>Net income (loss)</td>
<td>$9,059</td>
<td>$22,705</td>
<td>$-</td>
<td>$87,752</td>
<td>$8,883</td>
<td>$(81,297)</td>
<td>$38,043</td>
<td>$47,102</td>
</tr>
<tr>
<td>Net earnings per share - Diluted</td>
<td>$0.08</td>
<td></td>
<td>$-</td>
<td>$-</td>
<td></td>
<td>$-</td>
<td>$0.40</td>
<td></td>
</tr>
<tr>
<td>Weighted average shares outstanding - Basic</td>
<td>115,055</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>115,055</td>
<td></td>
</tr>
<tr>
<td>Weighted average shares outstanding - Diluted</td>
<td>117,286</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>117,286</td>
<td></td>
</tr>
</tbody>
</table>

(1) If a company is in a net loss position, then for earnings per share purposes, diluted weighted average shares outstanding are equivalent to basic weighted average shares outstanding.

* The Company is presenting certain non-GAAP financial measures for its fiscal 2020 fourth quarter. In order for investors to be able to more easily compare the Company’s performance across periods, the Company has included comparable reconciliation for the 2019 periods in the reconciliation table above and that follow.
fiscal 2020 Q4 reconciliation of net income (loss) to EBITDA and adjusted EBITDA*

<table>
<thead>
<tr>
<th></th>
<th>Reported</th>
<th>Loss on Sale of Businesses</th>
<th>Loss on sale-leaseback, including transaction fees</th>
<th>Restructuring and Transformation Expenses</th>
<th>Impairment charges</th>
<th>Total income tax impact</th>
<th>Total Impact</th>
<th>Adjusted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income (loss)</td>
<td>$ 9,059</td>
<td>$ 22,705</td>
<td>$ 87,752</td>
<td>$ 8,883</td>
<td>$ (81,297)</td>
<td>$ 38,043</td>
<td>$ 47,102</td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>78,328</td>
<td></td>
<td>(6,141)</td>
<td></td>
<td></td>
<td>(6,141)</td>
<td>72,187</td>
<td></td>
</tr>
<tr>
<td>Interest expense</td>
<td>18,566</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>18,566</td>
<td></td>
</tr>
<tr>
<td>Tax (benefit) provision</td>
<td>(51,277)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>81,297</td>
<td>30,020</td>
<td></td>
</tr>
<tr>
<td>EBITDA</td>
<td>$ 54,676</td>
<td>$ 22,705</td>
<td>$ 81,611</td>
<td>$ 8,883</td>
<td></td>
<td>$ 113,199</td>
<td>$ 167,875</td>
<td></td>
</tr>
</tbody>
</table>

EBITDA as % of net sales 6.4 %

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### Fiscal 2019 Q4 Net Income Bridge – Non-GAAP Reconciliation*

**Three Months Ended February 29, 2020**

<table>
<thead>
<tr>
<th></th>
<th>Reported</th>
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<th>Total income tax impact</th>
<th>Total Impact</th>
<th>Adjusted</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gross Profit</strong></td>
<td>$1,013,656</td>
<td>$—</td>
<td>$—</td>
<td>$—</td>
<td>$—</td>
<td>$—</td>
<td>$—</td>
<td>$1,013,656</td>
</tr>
<tr>
<td><strong>Gross margin</strong></td>
<td>32.6 %</td>
<td>—%</td>
<td>—%</td>
<td>—%</td>
<td>—%</td>
<td>—%</td>
<td>—%</td>
<td>32.6 %</td>
</tr>
<tr>
<td><strong>(Loss) earnings before (benefit) provision for income taxes</strong></td>
<td>(96,576)</td>
<td>—</td>
<td>32,840</td>
<td>41,308</td>
<td>67,821</td>
<td>—</td>
<td>141,969</td>
<td>45,393</td>
</tr>
<tr>
<td><strong>Tax (benefit) provision</strong></td>
<td>(31,162)</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>29,666</td>
<td>29,666</td>
<td>(1,496)</td>
</tr>
<tr>
<td><strong>Effective tax rate</strong></td>
<td>32.3 %</td>
<td>—%</td>
<td>—%</td>
<td>—%</td>
<td>—%</td>
<td>—%</td>
<td>—%</td>
<td>(3.3)%</td>
</tr>
<tr>
<td><strong>Net (loss) income</strong></td>
<td>(65,414)</td>
<td>$—</td>
<td>$32,840</td>
<td>$41,308</td>
<td>$67,821</td>
<td>($29,666)</td>
<td>$112,303</td>
<td>$46,889</td>
</tr>
</tbody>
</table>

*Net (loss) earnings per share - Diluted*  
(0.53)  

*Weighted average shares outstanding - Basic*  
123,347  

*Weighted average shares outstanding - Diluted*  
123,347  

(1) If a company is in a net loss position, then for earnings per share purposes, diluted weighted average shares outstanding are equivalent to basic weighted average shares outstanding.

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### fiscal 2019 Q4 reconciliation of net income (loss) to EBITDA and adjusted EBITDA*

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<th>Adjusted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net (loss) income</td>
<td>$(65,414)</td>
<td>$</td>
<td>$32,840</td>
<td>$41,308</td>
<td>$67,821</td>
<td>$(29,666)</td>
<td>$112,303</td>
<td>$46,889</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>87,390</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>87,390</td>
</tr>
<tr>
<td>Interest expense</td>
<td>15,370</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>15,370</td>
</tr>
<tr>
<td>Tax (benefit) provision</td>
<td>(31,162)</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>(1,496)</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>$6,184</td>
<td>$</td>
<td>$32,840</td>
<td>$41,308</td>
<td>$67,821</td>
<td>$</td>
<td>$141,969</td>
<td>$148,153</td>
</tr>
</tbody>
</table>

*EBITDA as % of net sales* 4.8 %

---

* The Company is presenting certain non-GAAP financial measures for its fiscal 2020 fourth quarter. In order for investors to be able to more easily compare the Company’s performance across periods, the Company has included comparable reconciliation for the 2019 periods in the reconciliation table above and that follow.