Fiscal 2020 Q1 Results
(March 1st – May 30th)
forward looking statements

This presentation contains forward-looking statements, including, but not limited to, the Company’s progress and anticipated progress towards its long-term objectives and the success of its plans in response to the novel coronavirus (COVID-19), as well as the status of its future liquidity and financial condition and potential impact and success of its strategic restructuring program. 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, 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 COVID-19 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; 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, such as 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 its 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. The Company does not undertake any obligation to update its forward-looking statements.
participants

Mark Tritton
President & CEO

Gustavo Arnal
CFO & Treasurer

John Hartmann
COO; President, buybuy BABY

Joe Hartsig
CMO; President, Harmon Stores Inc.
agenda

1) COVID-19 Response / Strategic Update
2) FY 2020 Q1 Results (March 1st – May 30th)
3) Operations Update
4) Commercial Update
5) Q&A
COVID-19 response
### COVID-19 RESPONSE

**Focus on ensuring liquidity and optimizing costs**

<table>
<thead>
<tr>
<th>Strengthen Liquidity</th>
<th>Adjust Capital Allocation</th>
<th>Control Operational Expenses</th>
<th>Manage Inventory Levels</th>
<th>Re-Prioritize CAPEX</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Executed $850mn three-year secured asset-based revolving credit facility which replaced existing $250mn unsecured credit facility</td>
<td>• Suspended prior plans to spend up to $600mn in fiscal 2020 for share repurchases, future dividends, and debt reduction</td>
<td>• Furloughed majority of store associates</td>
<td>• Proactively reduced / canceled orders in response to temporary store closures</td>
<td>• Postponed ~$150mn in planned CAPEX, including store remodels</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Renegotiated payment terms for goods, services and rent</td>
<td></td>
<td>• Prioritized ~$250mn in essential CAPEX to drive strategic growth plans, including investments in digital and BOPIS</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Managed inventory levels</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Reduced discretionary spend such as business travel, advertising, and expenses associated with the maintenance of stores</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Implemented benefits of the CARES Act</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Strengthen Liquidity

Adjust Capital Allocation

Control Operational Expenses

Manage Inventory Levels

Re-Prioritize CAPEX

Executed $850mn three-year secured asset-based revolving credit facility which replaced existing $250mn unsecured credit facility.

Suspended prior plans to spend up to $600mn in fiscal 2020 for share repurchases, future dividends, and debt reduction.

Furloughed majority of store associates.

Renegotiated payment terms for goods, services and rent.

Managed inventory levels.

Reduced discretionary spend such as business travel, advertising, and expenses associated with the maintenance of stores.

Implemented benefits of the CARES Act.

Proactively reduced / canceled orders in response to temporary store closures.

Postponed ~$150mn in planned CAPEX, including store remodels.

Prioritized ~$250mn in essential CAPEX to drive strategic growth plans, including investments in digital and BOPIS.
focus on safety and community outreach while stores were closed / as stores re-open

Protecting Associates and Customers

During Q1 (March 1 – May 30):
• Closed all retail banner stores on March 23rd across the US and Canada excluding most buybuy BABY and Harmon Face Values stores
• Majority of stores remained closed for the rest of FY20 Q1

Enhancing Omni-Fulfillment Capabilities

• Converted ~25% of Bed Bath & Beyond and buybuy BABY stores in the US/Canada into regional fulfillment centers to assign orders locally and deliver quickly
• Accelerated launch of BOPIS and Curbside Pickup fulfillment services
creating confidence around safety

our new store safety plan

what we’re doing now

what else to expect when we re-open

wipes & sanitizer

occupancy limits

store hours

curbside pickup

continuous 6’ social distancing

protective supplies

enhanced cleaning

associate health

What we’re doing now

As our associates work to fill curbside orders, we are committed to keeping our associates and customers safe. We follow the latest guidelines from the Centers for Disease Control (CDC) and state and local authorities including the following precautions:

What else to expect when we re-open

We are looking forward to welcoming customers back into our stores and are committed to providing a safe shopping experience, including these additional precautions:
phased approached to store re-openings (June / July)

Post Q1 (June 1- July 8):
- Nearly all stores open
- Favorable response to store re-openings; Digital demand remains strong

<table>
<thead>
<tr>
<th>% of Stores Open to the Public</th>
<th>Early June</th>
<th>Mid-June</th>
<th>Mid-July</th>
</tr>
</thead>
<tbody>
<tr>
<td>&gt;60%</td>
<td>&gt;80%</td>
<td>~100%</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Open to Curbside</th>
<th>Early June</th>
<th>Mid-June</th>
<th>Mid-July</th>
</tr>
</thead>
<tbody>
<tr>
<td>~93%</td>
<td>~95%</td>
<td>~100%</td>
<td></td>
</tr>
</tbody>
</table>
new management team with retail transformation and operational expertise

- Mark J. Tritton  
  President and 
  Chief Executive Officer

- Gustavo Arnal  
  Chief Financial Officer and Treasurer

- John Hartmann  
  Chief Operating Officer and President, buybuy BABY (BABY)

- Joe Hartig  
  Executive Vice President, Chief Merchandising Officer and President, Harmon Stores, Inc.

- Cindy Davis  
  Executive Vice President, Chief Brand Officer and President, Decorist

- Rafeh Masood  
  Executive Vice President, Chief Digital Officer

- Gregg Melnick  
  Executive Vice President, Chief Stores Officer

- Arline Hong  
  Executive Vice President, Chief Legal Officer and Corporate Secretary

- Rafeh Masood  
  Former EVP and Chief Merchandising Officer at Target Corporation
- 30+ years of experience in end-to-end retail industry experience
- Previous experience at Nordstrom, Inc., Timberland LLC and Hike, Inc.
- Currently serves on the board of Nordstrom, Inc.

- Former EVP and CFO at Avon, where Mr. Arnal helped lead a successful business turnaround
- A global leader with experience managing teams across the US, EMEA, APAC and LATAM
- Previously, CFO of International Divisions and Global Functions at Walgreens Boots Alliance; Senior positions at PBG, including CFO of India, Middle East and Africa, CFO Global Fabric and Home Care, and CFO Global Personal Beauty

- Former President and CEO of True Value Company, a leading hardware wholesaler
- Led True Value through a significant business transformation of its supply chain
- Previously, CEO of leading home improvement company Mitre 10 and COO at HD Supply; Senior positions at The Home Depot, Cardinal Health and the Federal Bureau of Investigation

- Former SVP & Chief Merchandising Officer at Walgreens Boots Alliance, managing the front of store Retail Products division
- Led Walgreens owned brand organization and e-commerce and digital merchandising strategies
- 30+ years of experience in consumer brand development and retail merchandising; Senior leadership positions at Walmart, Motorola and SC Johnson, currently serves on the board of Acosta

- Former EVP, Chief Digital Marketing Officer, L Brands
- Prior to L Brands, Ms. Davis held strategic leadership positions at other leading retail and leisure brands, including Disney ABC Television, Walmart, Inc., Sam’s Club, Tarle Brands, Starwood Hotels and Hilton Hotels
- 30+ years building strong brands and loyal, profitable customer relationships

- Former Chief Digital Officer of BJS’ Wholesale Club, driving digital strategy for e-commerce and omni-channel efforts
- Previous senior positions at Dick’s Sporting Goods and at Sears Holdings
- RIS magazine named Masood as one of the “Top 10 Movers and Shakers” in retail in 2017 and a “Pacesetter” in retail technology in 2012

- Former Chief Operations Officer, Digital and Chief Digital Officer at Bed Bath & Beyond
- Previously President Party City Holdings and President of Party City Retail Group
- Held senior positions at Dow Jones Inc.

- Former Chief Legal Officer and Corporate Secretary at FULLBEAUTY Brands, where she managed legal affairs for the $1 billion multi-channel retailer
- Previously led Amazon’s legal team responsible for the North America Softlines business
- Served as General Counsel at Quidsi (an Amazon subsidiary), Ideeli, Inc. and J Crew
mission, purpose & strategy

PURPOSE
make it easy to feel at home

MISSION
re-establish our authority and be the preferred omni-channel home destination driven by teams consistently delivering durable growth

PRINCIPLES:
- customer inspired
- omni always
- people powered
- performance driven

PILLARS:
product
- Refine & amplify an exciting, smart channel assortment through a Millennials-first strategy that re-establishes authority and preference through differentiation and innovation

price
- Invest in & clarify compelling value through lower prices, relevant own brands, and clear price communications to sharpen our specialty for discerning and value-conscious customers

promise
- Clarify & deepen our relationship with customers by connecting, engaging and motivating them to share our loyalty and lifetime value

place
- Accelerate & optimize connecting with, inspiring and energizing our customer by becoming a truly omni-channel retailer to serve their preferred shopping needs

people
- Create & sustain a talent engine and culture that attracts, retains and develops high performance teams who consistently serve & deliver operational excellence and business results

PROFICIENCIES:
- reconstruct & modernize our operating model and decision-making to drive and leverage efficiency, effectiveness and profitable growth

- stabilize & optimize performance and decision-making driven by data, analytics and machine learning, balancing magic and math

- invest in & construct platforms and partnerships that scale personal experiences, offers, content and connections

- operationalize category and mission roles, management across functions, channels and partners/providers to align investment, activity and attention

PRACTICES:
- stay curious & bold
- be transparent & collaborate
- embrace & drive change
- act with empathy & integrity
- champion diversity & community

OVERALL EBITDA MARGIN
TOTAL SHAREHOLDER RETURN
VOICE OF THE CUSTOMER
TOTAL INVESTMENT PORTFOLIO (STORES & DIGITAL)
key actions planned

• Reduce cost of goods and drive supply chain transformation to address current gross margin pressures related to the substantial shift of sales from store to digital channels

• Close ~200 mostly Bed Bath & Beyond stores over the next two years under Store Network Optimization Project

• Focus on other SG&A expense reductions

• Further investments in Digital Transformation to accelerate and support growth
Q1 2020 results
(March 1st – May 30th)
Q1 2020 RESULTS

Q1 highlights

• Fiscal Q1 spanned the most critical months to date of the COVID-19 pandemic – March, April and May

• Maintained strong liquidity and financial flexibility driven by proactive actions to control cash burn

• Strong balance sheet, ending quarter with ~$1.2bn in cash and investments; Post Q1: Secured new $850mn ABL Facility for additional liquidity if needed

• Net Sales impacted by store closures; ~90% of total stores remained closed during the majority of the quarter; Operated mainly as a digital business during Q1

• Gross margin impacted by channel and product mix related to substantial shift in sales to digital channels
Q1 liquidity

- Started FY20 Q1 with a healthy cash position (~$1.4bn as of year-end FY19)
- Drew down available $236mn from unsecured revolving credit facility (March)
- Actively controlled monthly cash burn (~$1.2bn as of quarter-end FY20 Q1)
- Post Q1, executed new $850mn secured asset-based revolving credit facility, strengthening liquidity if needed
Q1 2020 RESULTS

**Q1 key p&l metrics**

- Net sales impacted by temporary store closures during COVID-19 pandemic, decreased 49% vs. FY19 Q1
- Gross Margin impacted by channel and product mix related to substantial shift in sales to digital channels, decreased ~780 bps to 26.7%
- Adjusted SG&A expense decreased ~15% driven by cost reduction interventions and COVID-19 impacts
- Adjusted EBITDA loss of (~$291mn);
- Adjusted EPS loss of ($1.96) vs. $0.12 in FY19 Q1

<table>
<thead>
<tr>
<th>Three Months Ended</th>
<th>Q1 2020</th>
<th>Q1 2019</th>
<th>Diff</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Sales</td>
<td>$1,307</td>
<td>$2,573</td>
<td>-49%</td>
</tr>
<tr>
<td>Gross Margin</td>
<td>26.7%</td>
<td>34.5%</td>
<td>-780 bps</td>
</tr>
<tr>
<td>SG&amp;A Expense&lt;sup&gt;1&lt;/sup&gt;</td>
<td>$723</td>
<td>$846</td>
<td>-15%</td>
</tr>
<tr>
<td>EBITDA&lt;sup&gt;1&lt;/sup&gt;</td>
<td>($291)</td>
<td>$125</td>
<td>nm</td>
</tr>
<tr>
<td>EPS - Diluted&lt;sup&gt;1&lt;/sup&gt;</td>
<td>($1.96)</td>
<td>$0.12</td>
<td>nm</td>
</tr>
</tbody>
</table>

<sup>1</sup> Adjusted
Q1 net sales by channel

- Explosive growth in **Digital** sales, ~82%; Digital sales growth each month, supported by rollout of BOPIS and Curbside Pickup fulfillment services

- COVID-19 events and temporary store closures for majority of quarter led to (~77%) in **Store** sales
Gross Margin impacted by channel and product mix created by the COVID moment related to substantial shift in sales to digital channels, 26.7% vs 34.5% in FY19 Q1:

- Digital sales ~2/3 of total net sales
- Higher direct-to-customer shipping costs
- Higher sales of lower margin, COVID-essential product / Promotions

FY19 Q1 vs FY20 Q1 – gross margin bridge:

- 34.5% (FY19 Q1 Gross Margin)
- -450bps

Channel Mix:
- -330bps

Product Mix:
- -780bps

26.7% (FY20 Q1 Gross Margin)
• SG&A expense decreased $169 million or 19% vs FY19 Q1, driven by cost reduction interventions and COVID-19 impacts.

• Adjusted SG&A expense declined ~$123mn (~15%) to $723mn vs $846mn in FY 19 Q1
  - Initiated cost reduction interventions at end of FY 19 and early in FY 20 Q1 in response to COVID 19
operations update
OPERATIONS UPDATE

**enhanced omni-always shopping experience**

- Converted ~25% of Bed Bath & Beyond and buybuy BABY stores in the US/Canada into regional fulfillment centers to assign orders locally and deliver quickly
  - Nearly doubled digital fulfillment capacity
  - Enabled online orders to ship in 2 days or less (average)

- Accelerated launch of BOPIS and Curbside Pickup fulfillment services
  - Expanded to ~60% of total stores by end of Q1
  - Strong customer adoption; weekly growth in BOPIS orders
  - Further expansion of BOPIS and Curbside Pickup as stores re-open
optimize store network to accelerate growth

- Deep analysis of both individual store and market data
- Right-size real estate portfolio to reduce redundant stores and support digital-first platform
- Lean into store closures / leverage significant lease expirations coming due
- Plan to close ~200 mostly Bed Bath & Beyond stores over the next 2 yrs.
- Expect unfavorable impact to topline; upside opportunity on EBITDA
- Drive cost productivity and continuous improvement efforts

Optimal demand-driven omni-channel store network by market and banner
e2e redesign roadmap

Product / Assortment

End to End Supply Chain

Stores

Customers

Vendors

Product / Assortment
buybuy BABY an “essential” retailer during pandemic

- BABY teams excelled in creating a positive customer experience and providing the essential items customers need to care for their families
- Quickly shifted marketing approach to support the growing online demand
- Led the Company’s pilot and standup of BOPIS / Curbside Pickup services
- Strong online demand in categories such as: toddler food, safety equipment, playroom items, and sleepwear
commercial update
actions taken to address changing business conditions

• Partnered with vendors to increase and expedite products that met customers’ changing needs

• Re-routed product from stores to web warehouses, and converted stores into regional fulfillment centers in order to support web orders

• Adjusted marketing spend that was focused on driving store-only traffic

• Modified product purchase orders in order to reduce exposure and manage costs
capitalizing on digital demand

- Increased investments in search, paid social and affiliate marketing to reach new customers online
- Focused attention on website, modernizing the look, feel and voice to align more closely with new branding
- Built out more robust reporting to identify inventory challenges, and stood up working teams to pivot in real time
- Incorporated key learnings about customer behavior through detailed site metrics from partners like Pinterest to optimize merchandising and messaging
- Engaged new and current customers through digital marketing, and delivered on promise by accelerating the rollout of BOPIS and Curbside delivery
- Customers responded to categories that make it easy to feel at home, particularly in the areas of Kitchen, Bed, Baby, Home Cleaning and Outdoor
rebuilding merchandising authority with customers

<table>
<thead>
<tr>
<th><strong>rebuild authority in the home</strong></th>
<th>Start in Destination categories (Bed, Bath, Kitchen) with Category Experience Resets</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>owned brand</strong></td>
<td>Create an Owned Brand Portfolio that drives differentiation, consumer delight and value</td>
</tr>
<tr>
<td><strong>category profits</strong></td>
<td>Fund growth through assortment optimization reviews and supplier profitability actions across omni-channel portfolio</td>
</tr>
<tr>
<td><strong>inventory management</strong></td>
<td>Enhance in-stock levels and working capital savings by improved inventory balancing across our networks</td>
</tr>
</tbody>
</table>
simplifying value offer around specialty for less

- **strategic value roles**: Deliver on price/value equation
- **localized pricing**: Leverage sales pattern analytics to optimize for margin opportunities
- **dynamic pricing**: Keep select digital assortment competitively priced and on strategy
- **promotional optimization**: Develop end-to-end processes, analytics and tools to optimize investments and drive profitable sales-driving promotions
wrap up
Leading home furnishings retailer with significant scale and market share - make it easy to feel at home

Strong liquidity position including recent initiatives around FY 2020 cash preservation and new ABL Facility

Transformation underway with cost interventions and investments in capabilities to re-establish authority in Home space; Expect to generate future annualized savings of between $250 and $350mn, excluding related one-time costs

New management team with extensive retail transformation expertise

Strategic growth agenda that is customer inspired, omni always, designed to deliver future market share and margin growth
q&a
appendix
non-gaap reconciliation*

(in thousands, except for share data) (unaudited)

<table>
<thead>
<tr>
<th>Reconciliation of Adjusted Net (Loss) Earnings per Diluted Share</th>
<th>Three Months Ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>May 30, 2020</td>
</tr>
<tr>
<td>Reported net loss per diluted share</td>
<td>$ (2.44)</td>
</tr>
<tr>
<td>Goodwill and other impairments, severance costs and shareholder activity costs</td>
<td>0.48</td>
</tr>
<tr>
<td>Adjusted net (loss) earnings per diluted share</td>
<td>$ (1.96)</td>
</tr>
</tbody>
</table>

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

(in thousands, except for share data) (unaudited)

<table>
<thead>
<tr>
<th>Reconciliation of Adjusted Selling, General and Administrative Expenses</th>
<th>Three Months Ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>May 30, 2020</td>
</tr>
<tr>
<td>Reported selling, general and administrative expenses</td>
<td>$ 724,157</td>
</tr>
<tr>
<td>Adjustments:</td>
<td></td>
</tr>
<tr>
<td>Severance costs</td>
<td>(939)</td>
</tr>
<tr>
<td>Shareholder activity costs</td>
<td>—</td>
</tr>
<tr>
<td>Total adjustments</td>
<td>(939)</td>
</tr>
<tr>
<td>Adjusted selling, general and administrative expenses</td>
<td>$ 723,218</td>
</tr>
</tbody>
</table>

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<table>
<thead>
<tr>
<th></th>
<th>Three Months Ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>May 30, 2020</td>
</tr>
<tr>
<td>Reported selling, general and administrative expenses as a percentage of net sales</td>
<td>55.4 %</td>
</tr>
<tr>
<td>Adjustments:</td>
<td></td>
</tr>
<tr>
<td>Severance costs</td>
<td>(0.1)%</td>
</tr>
<tr>
<td>Shareholder activity costs</td>
<td>— %</td>
</tr>
<tr>
<td>Total adjustments</td>
<td>(0.1)%</td>
</tr>
<tr>
<td>Adjusted selling, general and administrative expenses as a percentage of net sales</td>
<td>55.3 %</td>
</tr>
</tbody>
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**non-gaap reconciliation***

(in thousands, except for share data) (unaudited)

<table>
<thead>
<tr>
<th>Reconciliation of Net Loss to EBITDA and Adjusted EBITDA</th>
<th>Three Months Ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>May 30, 2020</td>
</tr>
<tr>
<td>Reported net loss</td>
<td>$(302,291)</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>83,601</td>
</tr>
<tr>
<td>Interest expense, net</td>
<td>17,171</td>
</tr>
<tr>
<td>Benefit for income taxes</td>
<td>(175,809)</td>
</tr>
<tr>
<td>EBITDA</td>
<td>$(377,328)</td>
</tr>
</tbody>
</table>

**Pre-tax Adjustments:**

<table>
<thead>
<tr>
<th></th>
<th>May 30, 2020</th>
<th>June 1, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goodwill and other impairments (a)</td>
<td>85,261</td>
<td>401,267</td>
</tr>
<tr>
<td>Severance costs</td>
<td>939</td>
<td>38,662</td>
</tr>
<tr>
<td>Shareholder activity costs</td>
<td>—</td>
<td>8,000</td>
</tr>
<tr>
<td>Total pre-tax adjustments</td>
<td>86,200</td>
<td>447,929</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>$(291,128)</td>
<td>$ 124,629</td>
</tr>
</tbody>
</table>

(a) Goodwill and other impairments include: (1) goodwill, tradename and store asset and other impairments related to the North American Retail reporting unit; and (2) tradename impairments related to the Institutional Sales reporting unit.

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non-gaap reconciliation*

(in thousands, except for share data) (unaudited)

<table>
<thead>
<tr>
<th>Reconciliation of Adjusted Effective Income Tax Rate</th>
<th>Three Months Ended</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>May 30, 2020</td>
<td>June 1, 2019</td>
</tr>
<tr>
<td>Reported effective income tax rate</td>
<td>36.8 %</td>
<td>12.2 %</td>
</tr>
<tr>
<td>Impact on operating loss and benefit for income taxes of goodwill and other impairments, severance costs, and shareholder activity costs</td>
<td>1.2 %</td>
<td>26.4 %</td>
</tr>
<tr>
<td>Adjusted effective income tax rate</td>
<td>38.0 %</td>
<td>38.6 %</td>
</tr>
</tbody>
</table>

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<th>Reconciliation of Adjusted Net (Loss) Earnings</th>
<th>May 30, 2020</th>
<th>June 1, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reported net loss</td>
<td>$ (302,291)</td>
<td>$ (371,085)</td>
</tr>
<tr>
<td>Pre-tax Adjustments:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Goodwill and other impairments (a)</td>
<td>85,261</td>
<td>401,267</td>
</tr>
<tr>
<td>Severance costs</td>
<td>939</td>
<td>38,662</td>
</tr>
<tr>
<td>Shareholder activity costs</td>
<td>—</td>
<td>8,000</td>
</tr>
<tr>
<td>Total pre-tax adjustments</td>
<td>86,200</td>
<td>447,929</td>
</tr>
<tr>
<td>Tax impact of adjustments</td>
<td>(26,738)</td>
<td>(61,387)</td>
</tr>
<tr>
<td>Total adjustments, after tax</td>
<td>59,462</td>
<td>386,542</td>
</tr>
<tr>
<td>Adjusted net (loss) earnings</td>
<td>$ (242,829)</td>
<td>$ 15,457</td>
</tr>
</tbody>
</table>

(a) Goodwill and other impairments include: (1) goodwill, tradename and store asset and other impairments related to the North American Retail reporting unit; and (2) tradename impairments related to the Institutional Sales reporting unit.

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

These past few months have shown us a side of our homes we didn’t know existed. We’ve discovered new ways to live our lives while learning how to be together under one roof. Our home is everything. It’s our school, our office, our gym and our restaurants all at once. But it’s even more than all that. It’s our fortress, our sanctuary and our place of rest. It’s where we live with our loved ones, and the things we love. It’s our home.

Bed Bath & Beyond; Home is Everything.