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Q2 2023 Earnings Call



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 all statements other than statements of historical fact, including forecasts of trends, market conditions, 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, macroeconomic changes, including higher inflation, higher interest rates, and difficulties we may have with our fulfillment partners, supply chain, access to products, shipping costs, competition, attraction/retention of employees, search engine optimization results, and/or payment processors. Other risks and uncertainties include, among others, negative economic consequences due to global conflict, problems with our infrastructure, including cyber-attacks or data breaches affecting us, adverse tax, regulatory or legal developments, any further restrictions on the use of "cookies" or other tracking technologies, any negative business impacts associated with our evolving business practices including use of our newly acquired Bed Bath & Beyond brand and other intellectual property related to the brand, our exit from non-home categories, and whether our partnership with Pelion Venture Partners will be able to 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, 2022, which was filed with the SEC on February 24, 2023, our Form 10-Q for the quarter ended March 31, 2023, which was filed with the SEC on May 2, 2023, and in our subsequent filings with the SEC. The Form 10-K 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.

Agenda

1. CEO Remarks
2. Q2 2023 Financial Results
3. Bed Bath & Beyond Brand Integration
4. Summary and Q&A

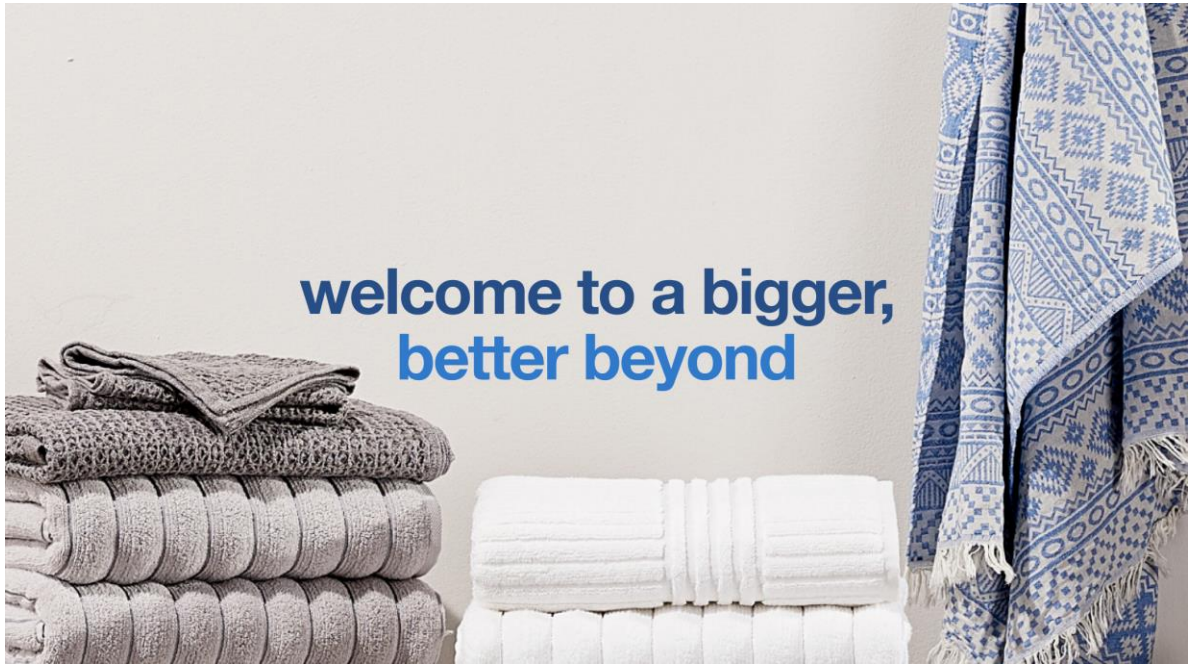
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CEO Remarks



Corporate Update

- Medici Ventures Day Recap
- Overstock Connect
- Acquired Bed Bath & Beyond Brand IP



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Q2 2023 Financial Results



Q2 2023 Financial Results

Revenue
$422.2 Million
-20% vs. Q2’22

Gross Margin
22.4%
-58 bps vs. Q2'22

G&A and Tech % of Revenue
11.7%
+192 bps vs. Q2'22
Expenses -4% / -$2M vs. Q2'22

Adjusted EBITDA Margin[1]
2.0%
-198 bps vs. Q2'22

Diluted EPS
-$1.63

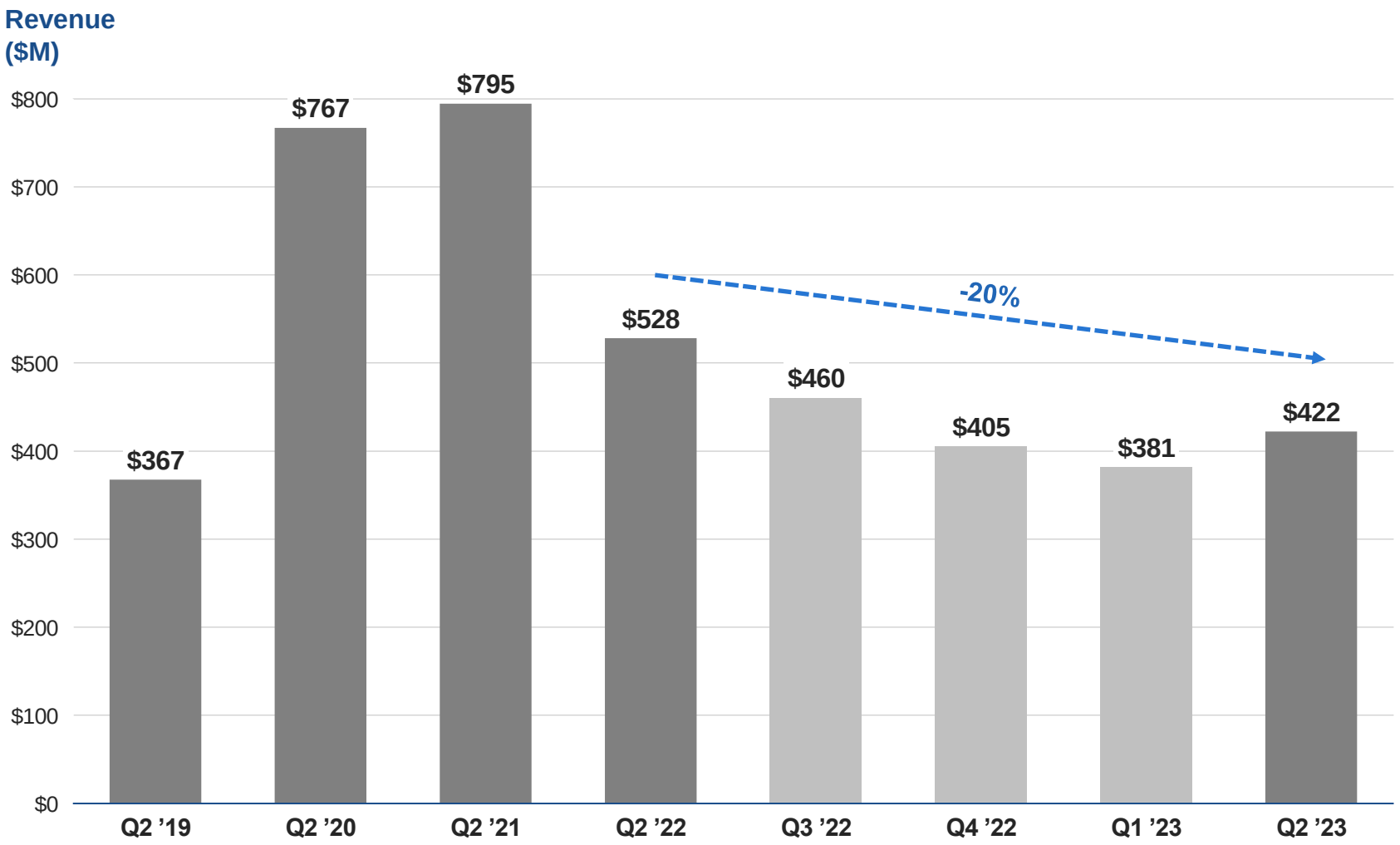
Adjusted Diluted EPS[2]
-$0.02
-$0.21 vs. Q2'22

Ending Cash
$342.9 Million
-8% / -$31.8M vs. Q1’23

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Note: All figures represent results from continuing operations.
1 Adjusted EBITDA Margin is a non-GAAP financial measure. See reconciliation in appendix.
2 Includes adjustment related to estimated tax impact from equity method activity. See reconciliation in appendix.

Revenue



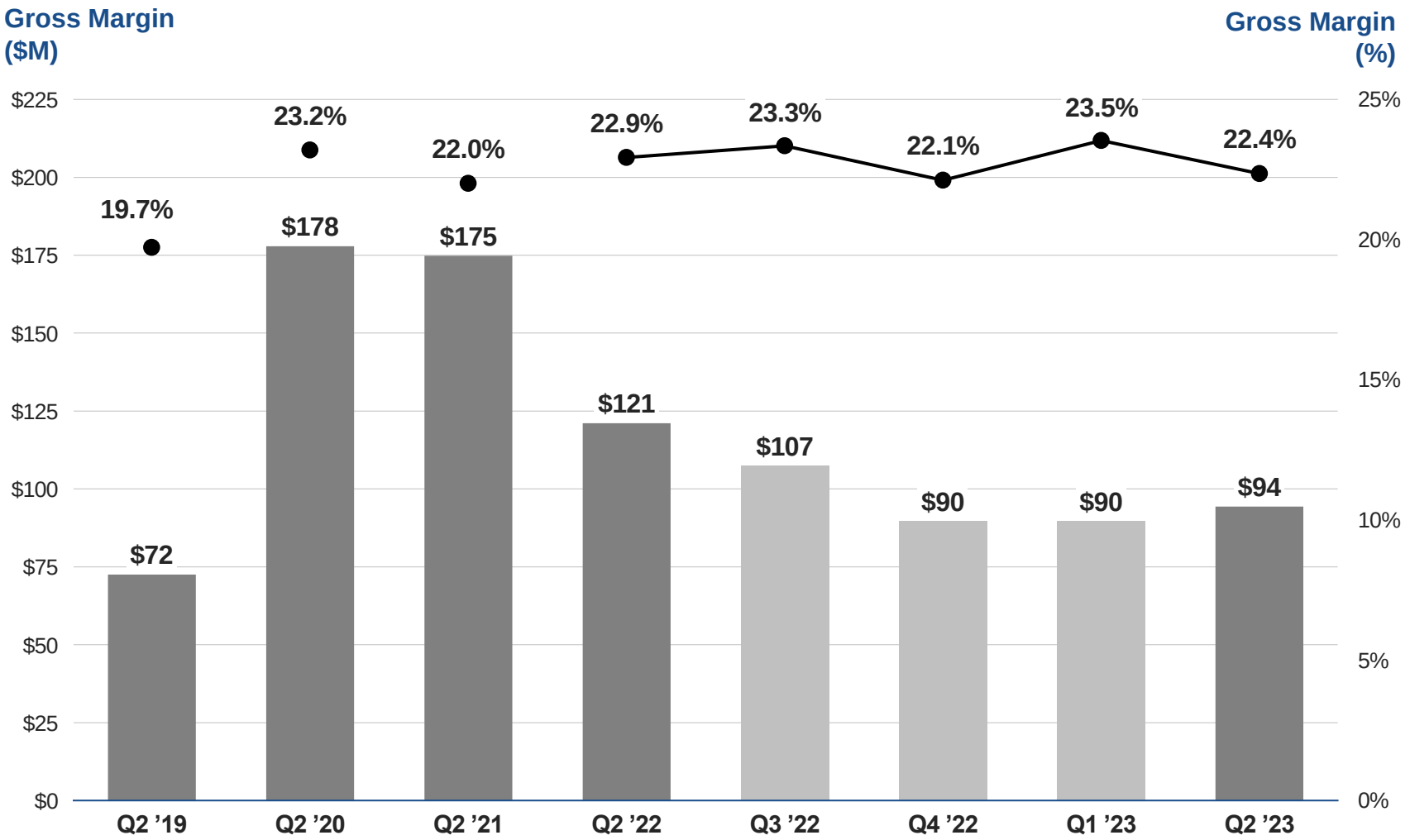
Q2'23 Dynamics

- Revenue of $422.2M
  - -20% / -$106M vs. Q2'22
  - -19% home-only vs. Q2'22
- Revenue influenced by:
  - Macro / consumer sentiment
  - Lower AOV
  - Non-home category exit

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Note: All figures represent results from continuing operations.

Gross Margin



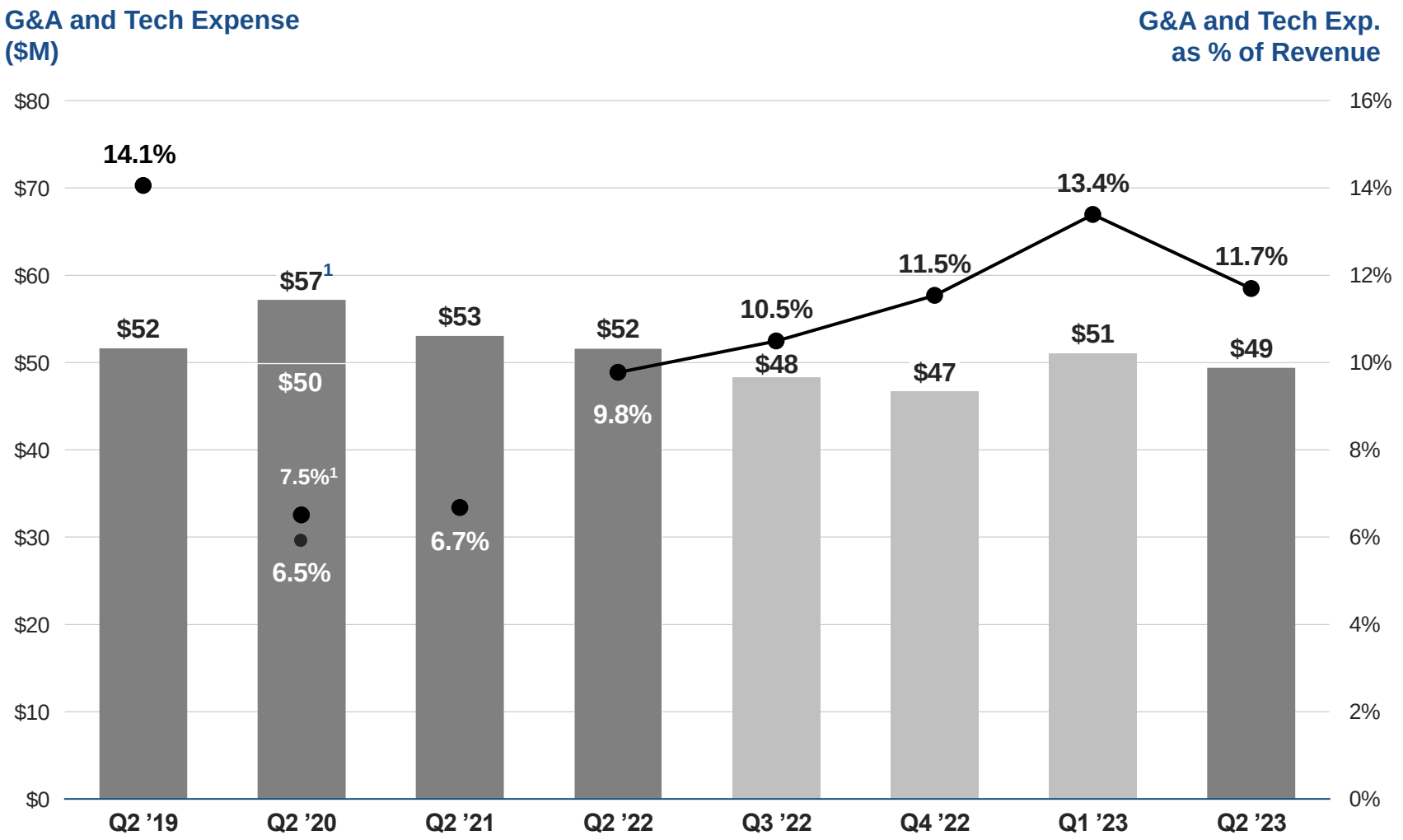
Q2'23 Dynamics

- Gross margin of 22.4%
  - -58 bps vs. Q2'22
- Gross margin influenced by:
  - Higher discounting
  - Partially offset by merchandising actions and operational efficiencies

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Note: All figures represent results from continuing operations.

G&A and Tech Expense



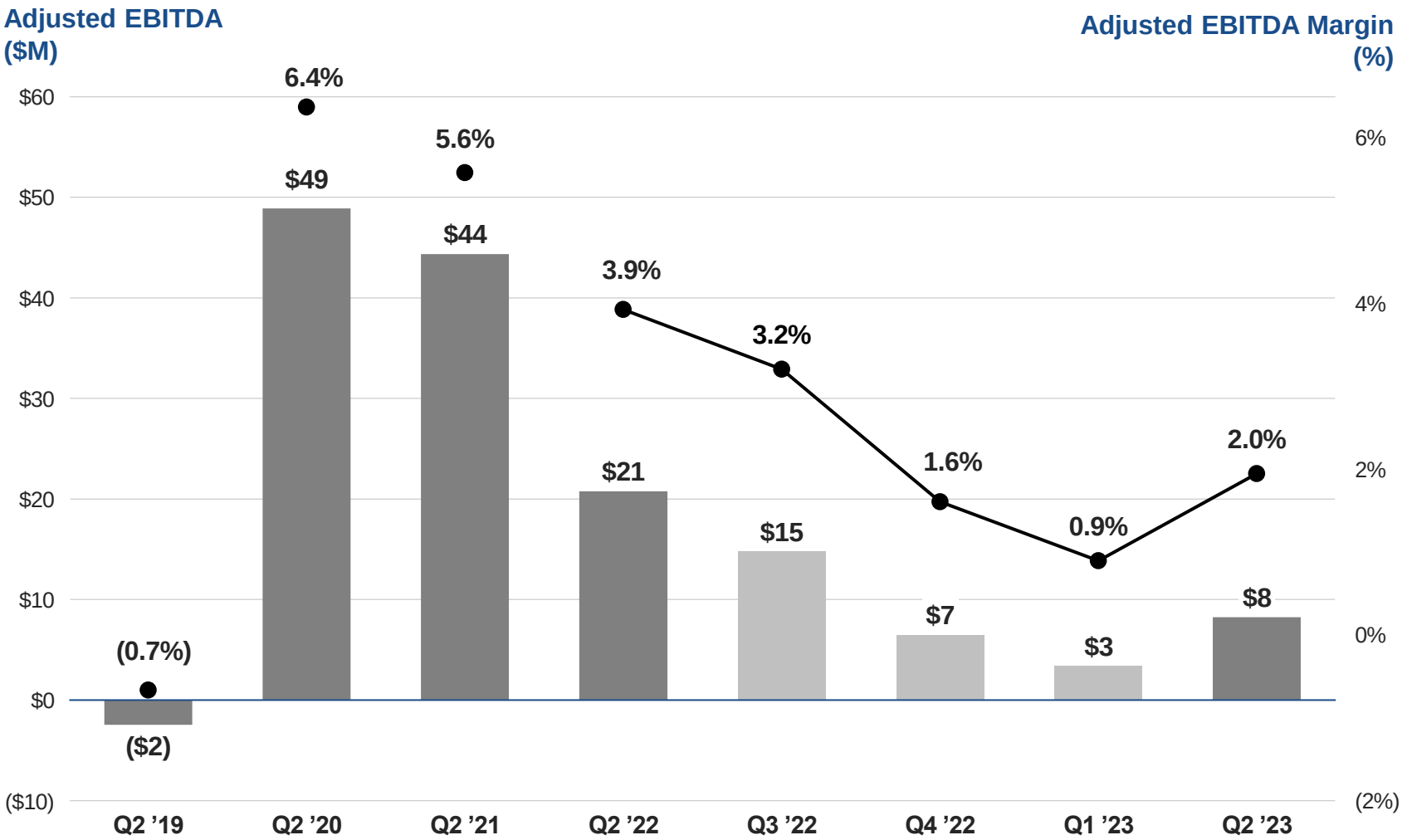
Q2'23 Dynamics

- G&A and Tech Expense of $49M
  - -4% vs. Q2'22
- G&A and Tech Expense % of revenue of 11.7%
  - 192 bps de-leverage vs. Q2'22

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Note: All figures represent results from continuing operations.
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



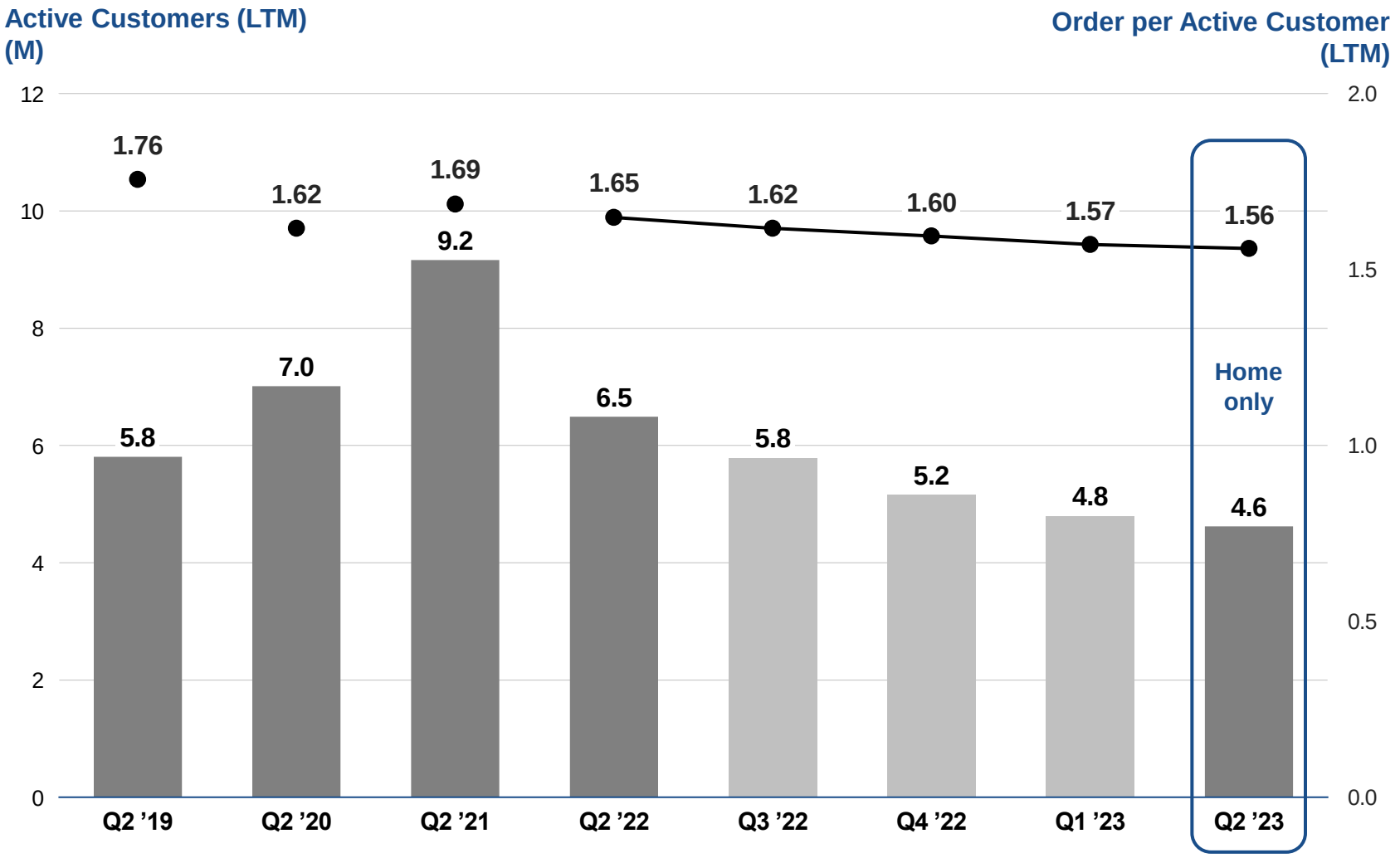
Q2'23 Dynamics

- Adj. EBITDA of $8M
  - -$13M vs. Q2'22
- Adj. EBITDA margin of 2.0%
  - -198 bps vs. Q2'22

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Note: All figures represent results from continuing operations.

Active Customers and Order Frequency



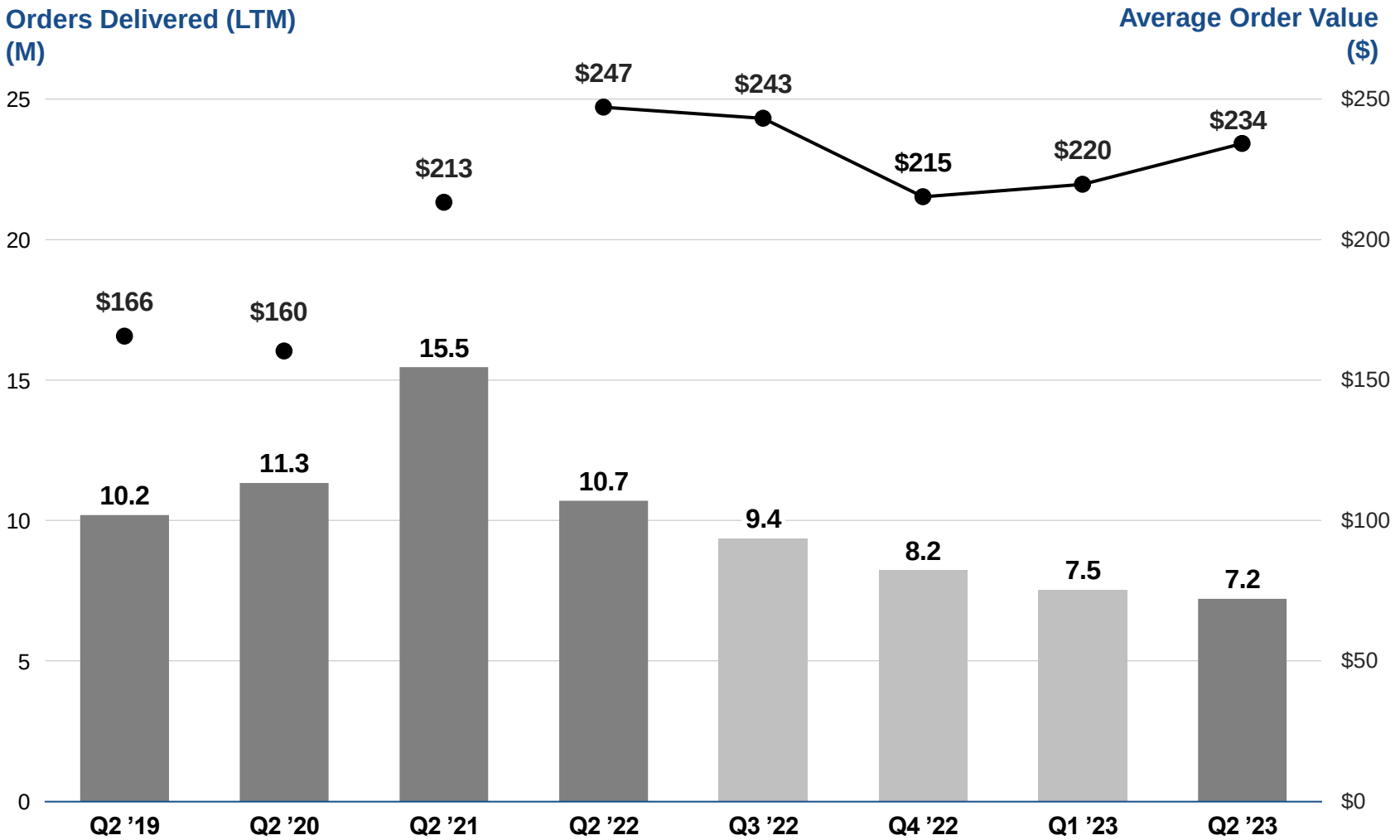
Q2'23 Dynamics

- Active customers of 4.6M
  - -29% / -1.9M vs. Q2'22
  - -23% Home-only vs. Q2'22
  - Macro / consumer sentiment
  - Non-home category exit
- Order frequency of 1.56
  - -5% vs. Q2'22

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Note: Orders per active customer represents the number of orders delivered over a twelve-month period divided by the number of active customers for that same period.

Orders and Average Order Value



Q2'23 Dynamics

- Orders delivered (LTM) of 7.2M
  - -33% / -3.5M vs. Q2'22
- Average order value of $234
  - -5% vs. Q2'22

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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.

Q2 2023 Balance Sheet Highlights

Cash
$343 Million
-8% / -$32M vs. Q1’23

Long-term Debt
$34 Million
+0% / $0.0M vs. Q1’23
No significant debt maturity until March 2030

Net Cash Position[1]
$309 Million
-9% / -$32M vs. Q1’23

YTD 2023 Strategic Use of Cash

$21.5 Million
Q2 2023 Acquisition of Bed Bath & Beyond Brand and Other Intellectual Property

$10 Million
Q1 2023 GrainChain funding round

1 Cash less long-term debt.

Bed Bath & Beyond Brand Integration



Bed Bath & Beyond Brand Integration Timeline – On Track

Phase 1
July

- Launch in Canada
- Prepare for launch in the US
- On-board key partners and new assortment
- Rebrand Club O loyalty program as Welcome Rewards

Phase 2
Aug & Sep

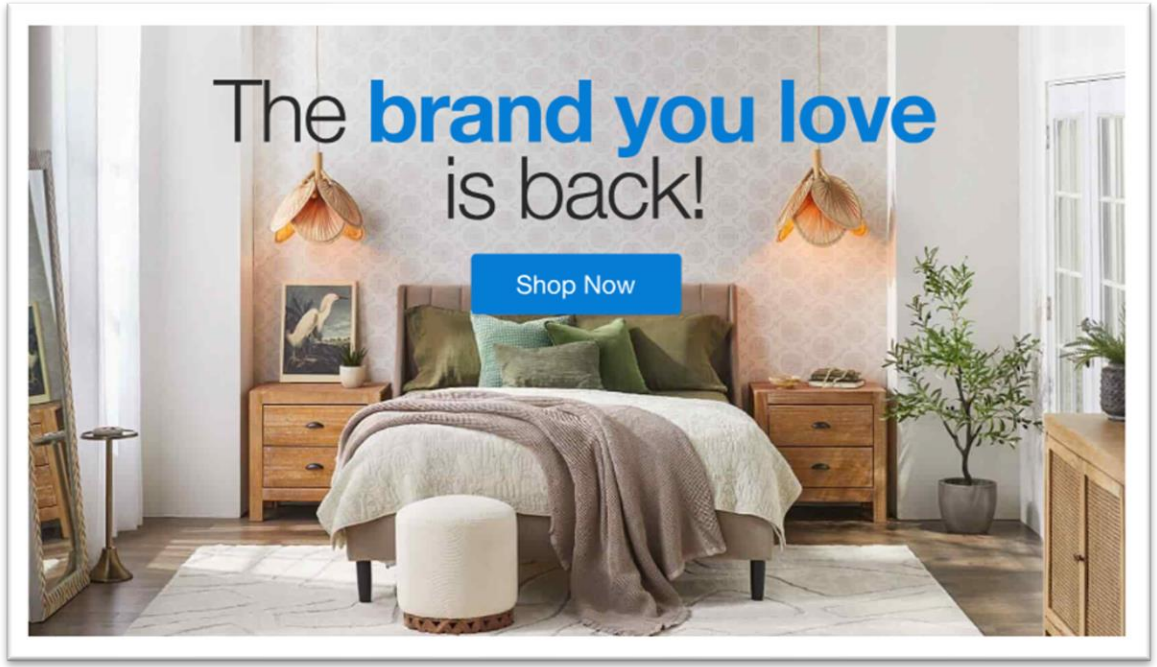
- Launch in the US
- Market new brand identity
- Continue to on-board key partners and new assortment
- Execute Labor Day weekend

Phase 3
Q4 2023 & Beyond

- Continue to build-out key assortment
- Transition to one-brand
- Evaluate opportunities for future growth

Canada – Early Performance Encouraging

- Early performance metrics[1]
  - Increased visits led by direct traffic
  - Higher email click-through rate
  - Higher rate of new customer acquisition
  - Top growth categories – bedding, bath, kitchen
  - Lower average order values
- Awareness gap of Bed Bath & Beyond brand vs. Overstock – larger in Canada than in the U.S.



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1 Average weekly metrics since 6/29/23 through 7/26/23 bedbathandbeyond.ca launch compared to average weekly metrics prior to launch

US Launch – On Track

Merchandising/ Supply Chain

- 80% overlap across brands that drove majority of BB&B revenue
- Added 600k SKUs with drop-ship fulfillment
- Partner conversion success rate increased by 60%
- Partner contracting timeframe reduced by 50%

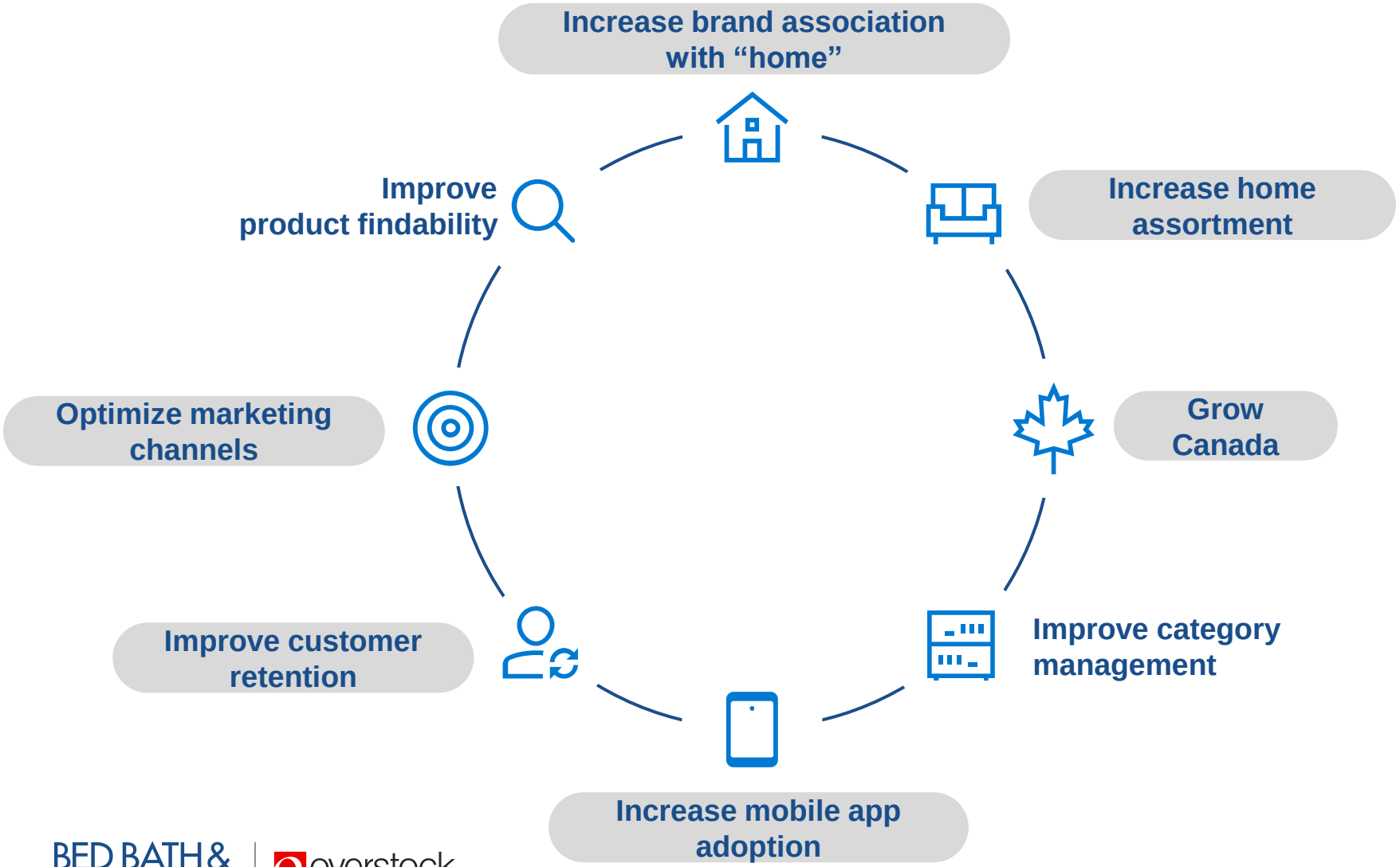
Marketing

- Bed Bath & Beyond and Overstock co-branding
- Customer acquisition efforts
  - Loyal BB&B customers (Welcome Rewards/ Welcome Rewards+)
  - Mobile-app downloads
  - Vast broadcast email database

Customer Experience/ Technology

- Replicating smooth Canada launch
- Ensuring website will handle increased traffic
- Improving website/app search and navigation

Growth Flywheel



Opportunity to Gain Market Share

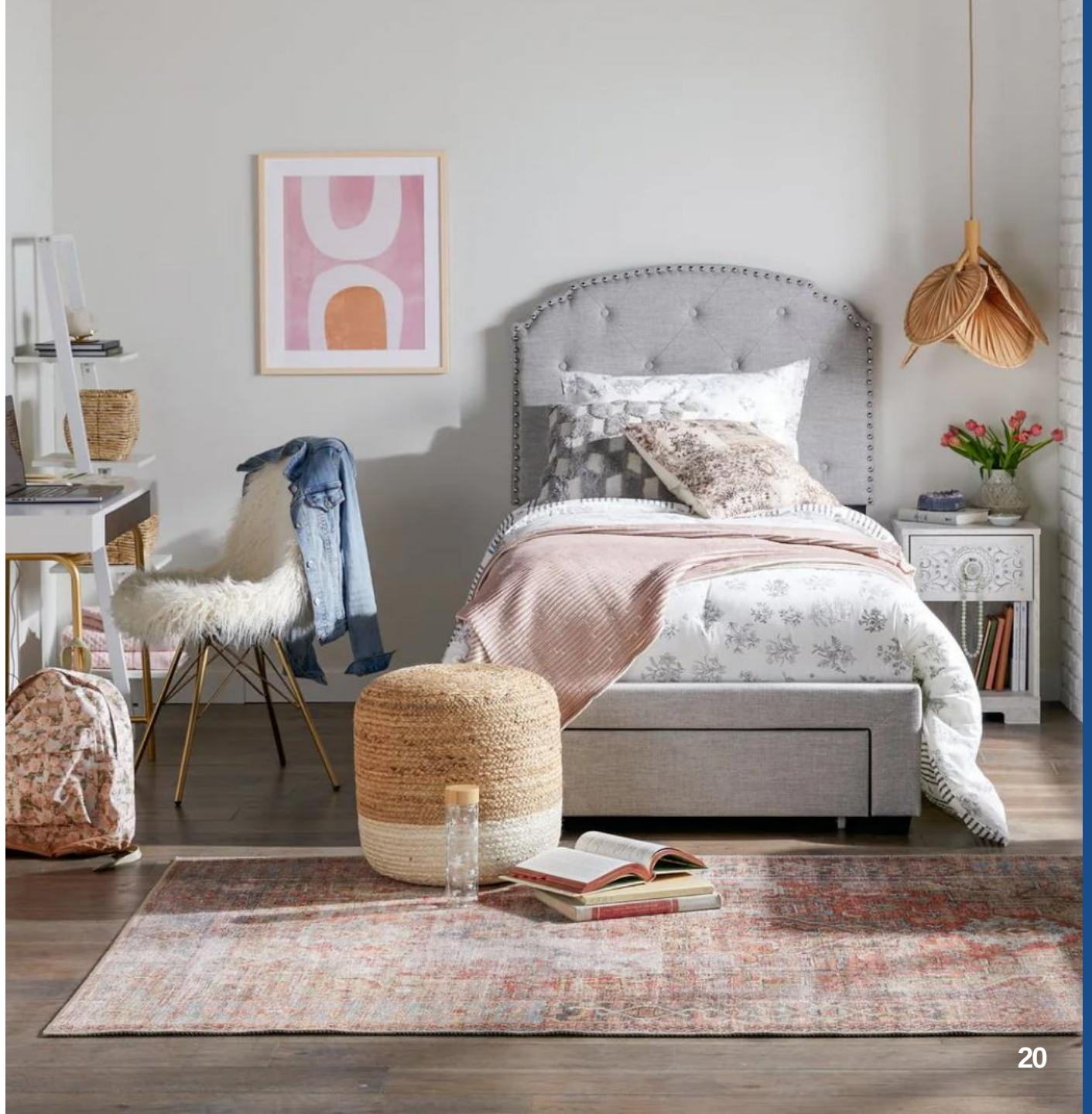
Furniture & Home Furnishings Total Addressable Market

>$440 Billion[1]

1 Insider Intelligence/eMarketer June 2023 estimate of total 2023 U.S. Furniture & Home Furnishings market size

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Summary and Q&A



Questions?

To ask questions:

- Access registration link on IR website
- Send an email to ir@overstock.com

Thank you.



Appendix

Adjusted EBITDA Reconciliation

	Three months ended								
	Jun-2021	Sep-2021	Dec-2021	Mar-2022	Jun-2022	Sep-2022	Dec-2022	Mar-2023	Jun-2023
Net income (loss)	**$ 82,405**	**$ 30,426**	**$ 32,942**	**$ 10,123**	**$ 7,147**	**$ (36,995)**	**$ (15,511)**	**$ (10,307)**	**$ (73,493)**
Depreciation and amortization	4,803	4,383	4,232	4,307	4,043	4,130	4,226	5,985	4,516
Stock-based compensation	2,802	2,542	3,484	4,639	4,695	4,056	4,928	5,795	6,270
Interest (income) expense, net	130	139	132	125	(115)	(976)	(1,999)	(2,559)	(3,059)
Other (income) expense, net	(298)	79	(12,507)	114	1,981	46,283	15,447	7,389	80,673
Provision (benefit) for income taxes	(45,726)	(1,795)	(1,447)	2,092	2,529	(2,653)	(584)	(2,887)	(8,370)
Special items (see table below)	243	305	511	53	475	923	-	-	1,697
Adjusted EBITDA	**$ 44,359**	**$ 36,079**	**$ 27,347**	**$ 21,453**	**$ 20,755**	**$ 14,768**	**$ 6,507**	**$ 3,416**	**$ 8,234**
Special items:									
Brand integration and related costs	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,086
Restructuring costs	-	253	502	-	-	878	-	-	611
Special legal charges and other	243	52	9	53	475	45	-	-	-
Total Special items	**$ 243**	**$ 305**	**$ 511**	**$ 53**	**$ 475**	**$ 923**	**$ -**	**$ -**	**$ 1,697**

Note: All figures represent results from continuing operations, in thousands.

Adjusted EBITDA is a non-GAAP financial measure used in addition to and in conjunction with results presented in accordance with GAAP and should not be relied upon to the exclusion of GAAP financial measures. Review our financial statements and publicly-filed reports in their entirety and do not rely on any single financial measure.

Adjusted Diluted EPS Reconciliation

in thousands, except per share data	Three months ended June 30, 2023		
	Diluted EPS	**Less: equity method income/(loss)[1]**	**Adjusted Diluted EPS**
Numerator:			
Net loss attributable to common stockholders	$ (73,493)	$ (72,703)	$ (790)
Denominator:			
Weighted average shares of common stock outstanding-diluted	**45,200**	**45,200**	**45,200**
Net loss per share of common stock:			
Diluted	**$ (1.63)**	**$ (1.61)**	**$ (0.02)**

Note: All figures represent results from continuing operations, in thousands, except per share data.
1 Inclusive of estimated tax impact.