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Q3 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, the impact of our national marketing campaign, 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 of global conflict, problems with our infrastructure, including cyber-attacks or data breaches affecting us, adverse tax, regulatory or legal developments, any restrictions on the use of "cookies" or other tracking technologies, any negative business impacts associated with our evolving business practices including our use of the Bed Bath & Beyond brand and other intellectual property related to the brand, our corporate name change and stock listing transfer, our exit from non-home categories, any negative business impacts associated with shareholder activism, 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, our Form 10-Q for the quarter ended June 30, 2023, which was filed with the SEC on July 31, 2023, and in our subsequent filings with the SEC. The Form 10-K, Form-10-Qs, 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. Business Update
3. Q3 2023 Financial Results
4. Summary and Q&A

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CEO Remarks

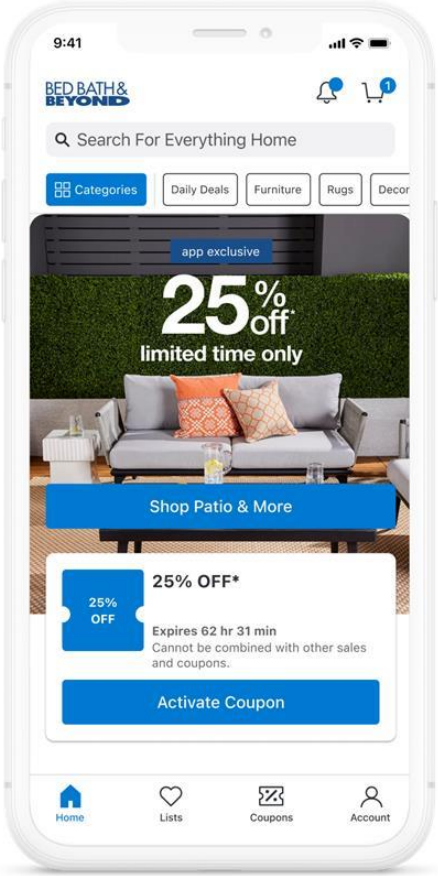


Our Future as Beyond



Actions Taken

- Strategically launched single ecommerce website
- Leveraged mobile app for customer acquisition
- Rebranded loyalty program and offered free memberships
- Warmed up and sent emails to total contactable list



welcome rewards®

Results Achieved

August and September 2023

- Acquired customers
- Year-over-year order growth
- 3x increase in Canada business









Medici Ventures Portfolio Companies

Identity



- Vital Chain
- FinClusive
- MINDS
- NETKI

Land Titling



- MEDICI LAND GOVERNANCE

Banking & Currency



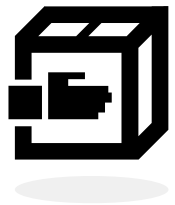
- bitt
- spera
- ripio
- PEERNOVA

Capital Markets



- tZERO
- CHAINSTONE LABS

Supply Chain



- GRAIN CHAIN
- INVENIAM

Voting



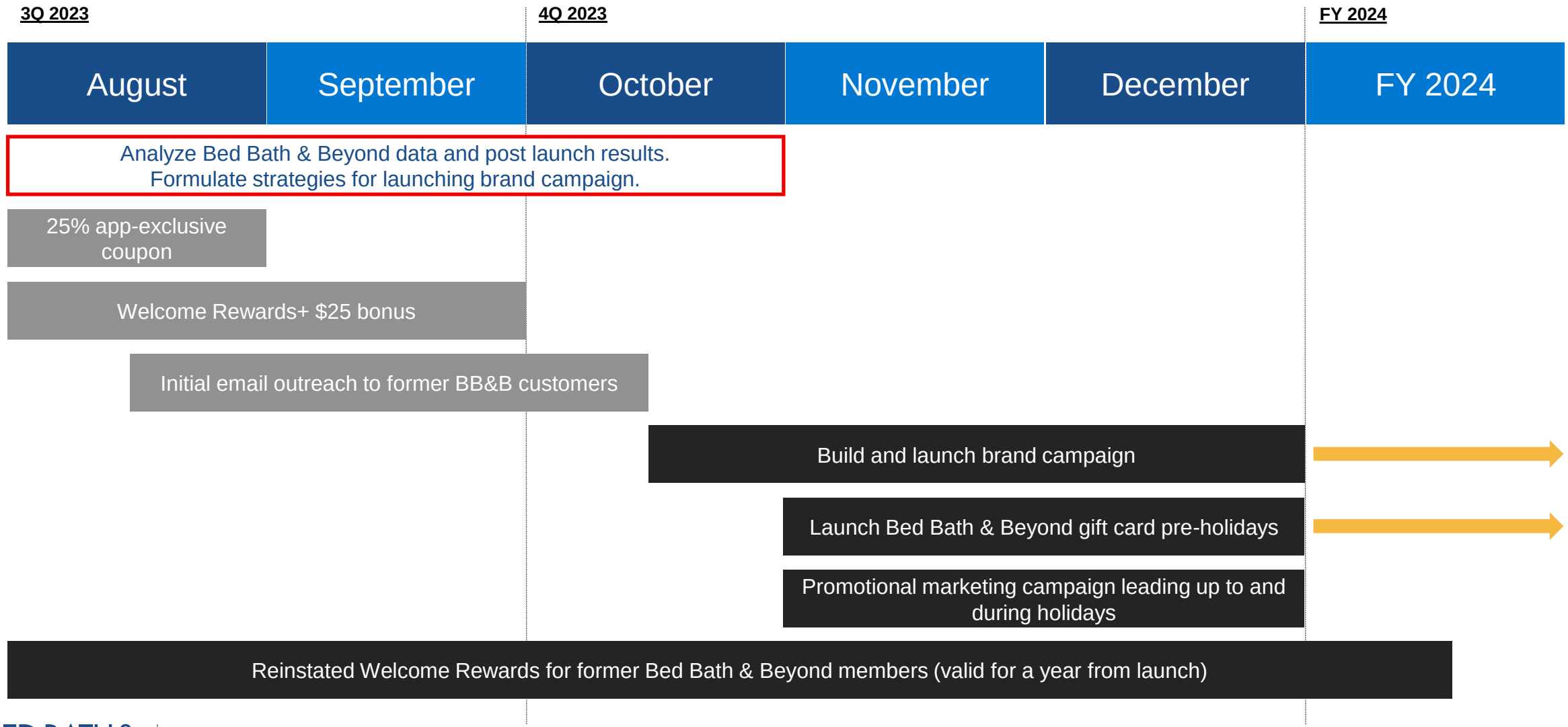
- Voatz
- Votem
- SettleMint

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Business Update



Strategic Brand Building Timeline



Legend: Successfully completed | Ongoing/ planned actions

Defining Customer Cohorts

Active and/ or Re-activated Customer

New Customer

Legacy Overstock	Legacy Bed Bath & Beyond	TAM New
▪ Overstock customer emails ▪ Overlapping with Bed Bath & Beyond email database	▪ Bed Bath & Beyond customer emails ▪ No overlap with Overstock email database	▪ Net new customer email since launch ▪ No overlap with Overstock or Bed Bath & Beyond database

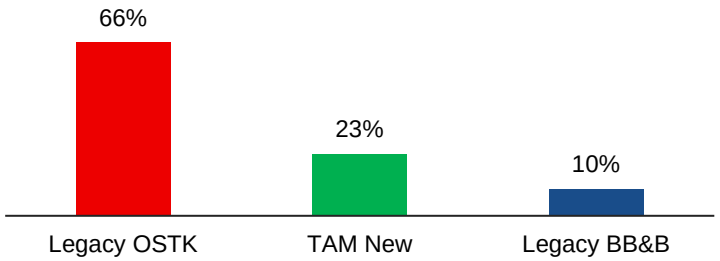
Furniture & Home Furnishings Total Addressable Market

>$440 Billion[1]

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

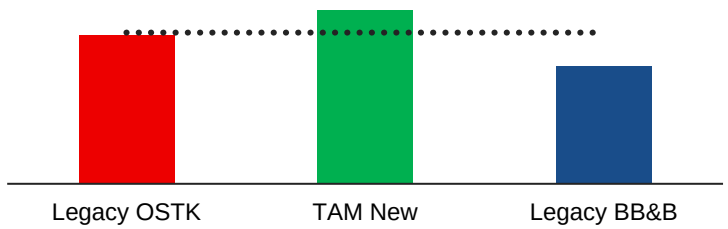
Customer Cohort Performance Post Launch

Order share (% of total orders)
Aug 1 – Sept 30, 2023



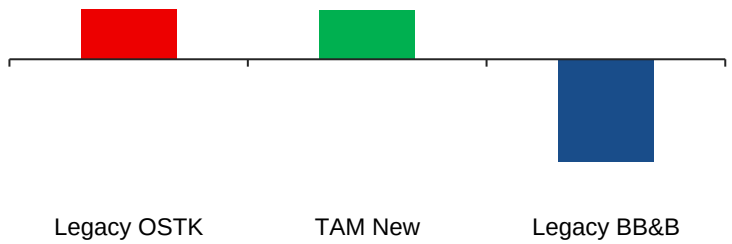
Top 4 categories (Over 10% of order mix)		
Décor	Décor	Bed
Bed	Furniture ex. Patio	Décor
Furniture ex. Patio	Bed	Kitchen
Rugs	Rugs	Furniture ex. Patio

Average unit retail
Aug 1 – Sept 30, 2023



Category AUR[1] variance		
Furniture ex. Patio		
1.0x	1.0x	0.9x
Bed and Bath[3]		
1.0x	1.1x	0.9x
Kitchen		
1.0x	1.3x	0.8x

Contribution margin%[2]
Aug 1 – Sept 30, 2023



- Customer acquisition strategies influencing profitability
- Heritage OSTK customers still the most profitable group
- ~90% of business accretive to contribution margin

1 AUR: Average unit retail before discount/promotions
2 Contribution margin = Gross profit less advertising and marketing expenses
3 Average of Bed and Bath categories

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Q3 2023 Financial Results



Q3 2023 Financial Results

Revenue
$373.3 Million
-19% vs. Q3’22

Gross Margin
18.7%
-461 bps vs. Q3'22

G&A and Tech % of Revenue
14.3%
+380 bps vs. Q3'22

Adjusted EBITDA Margin[1]
-6.4%
-962 bps vs. Q3'22

Diluted EPS
-$1.39

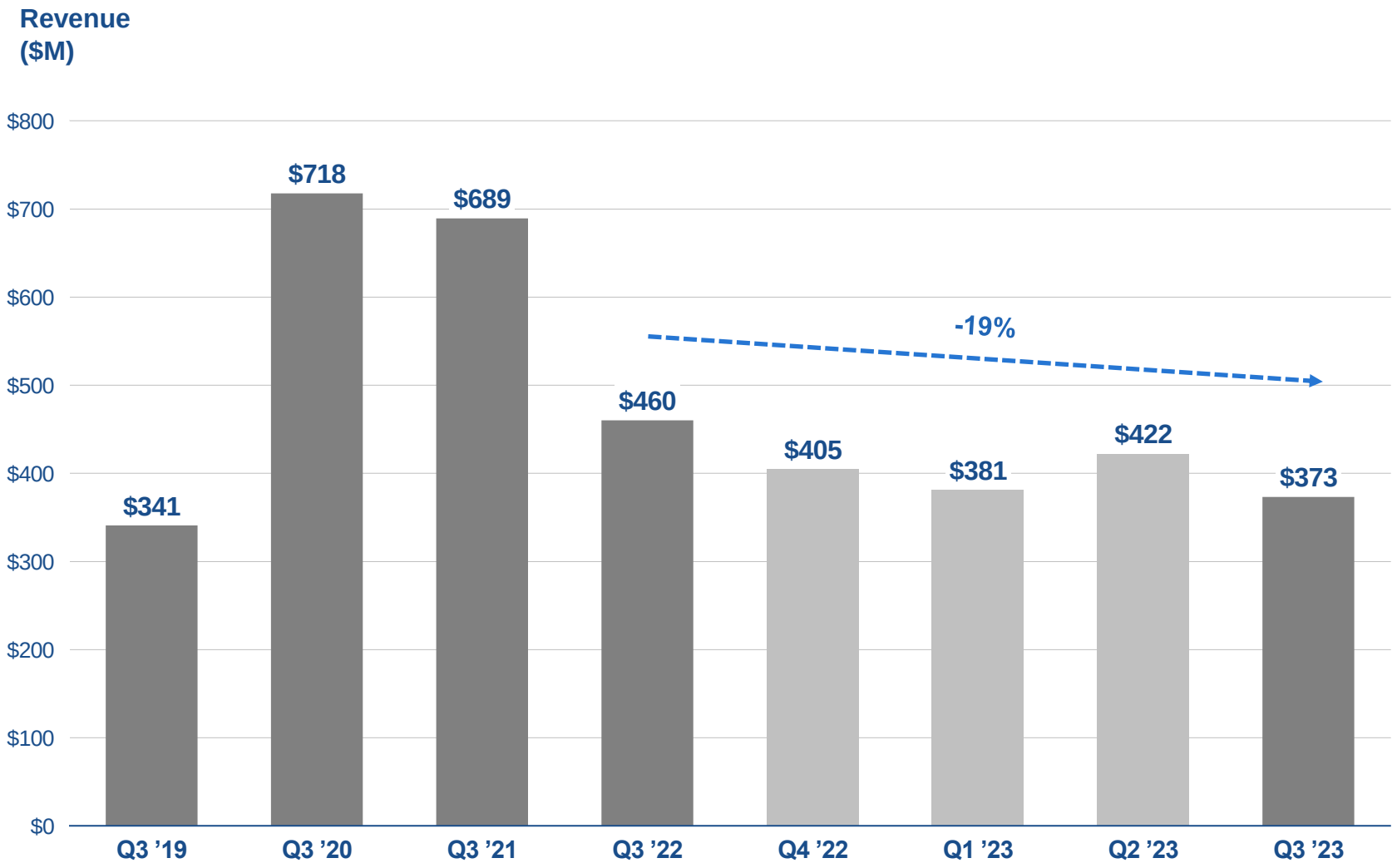
Adjusted Diluted EPS[2]
-$0.61
-$0.74 vs. Q3'22

Ending Cash
$325.4 Million
-5% / -$17.5M vs. Q2’23
$291.2 Million Net Cash Position[3]

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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.
3 Cash less long-term debt

Revenue

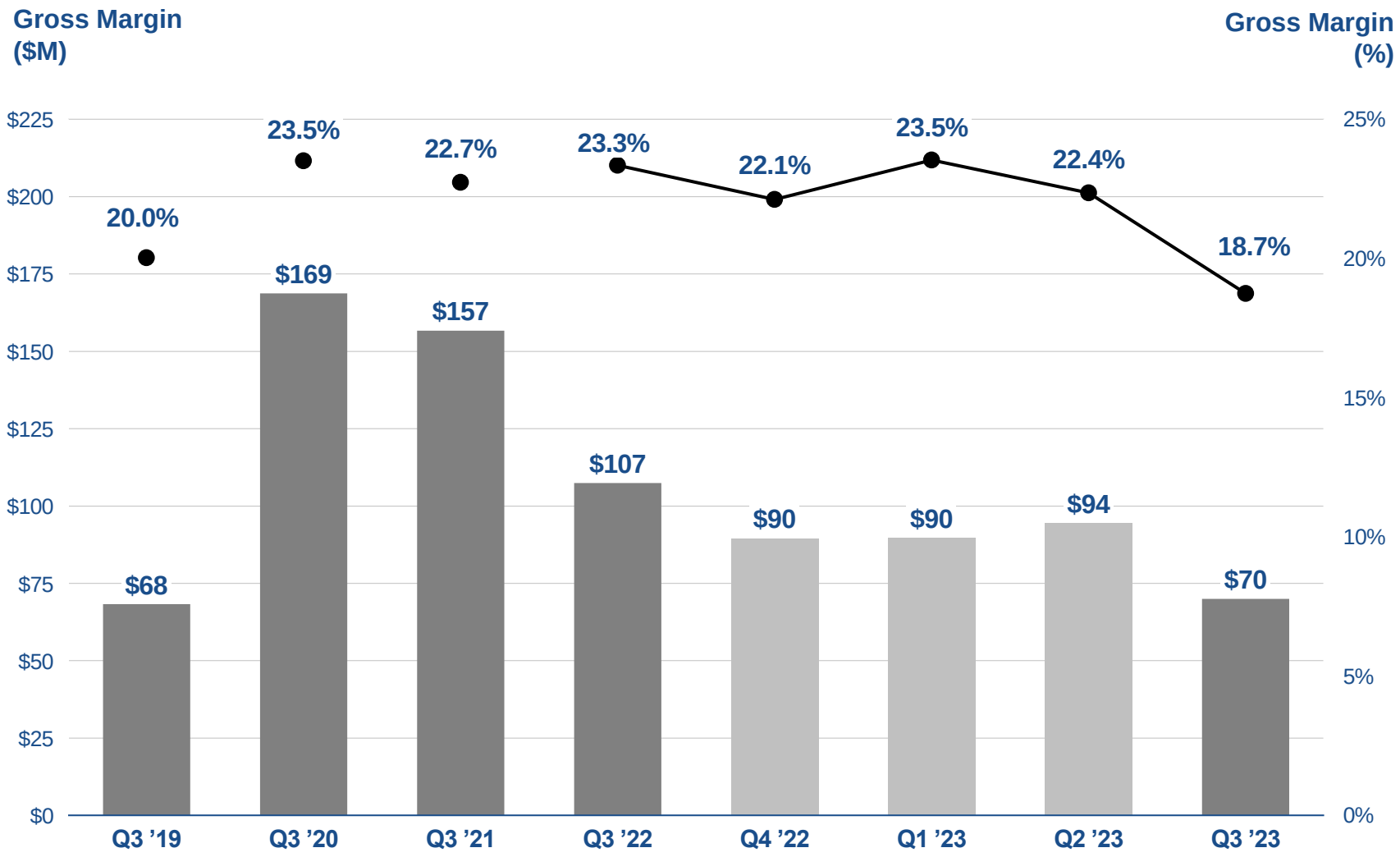


Q3'23 Dynamics

- Revenue of $373.3M
  - -19% / -$87M vs. Q3'22
- Revenue influenced by:
  - AOV -21% vs. Q3'22
  - Bed Bath & Beyond acquisition
  - Macro & consumer sentiment

Note: All figures represent results from continuing operations.

Gross Margin

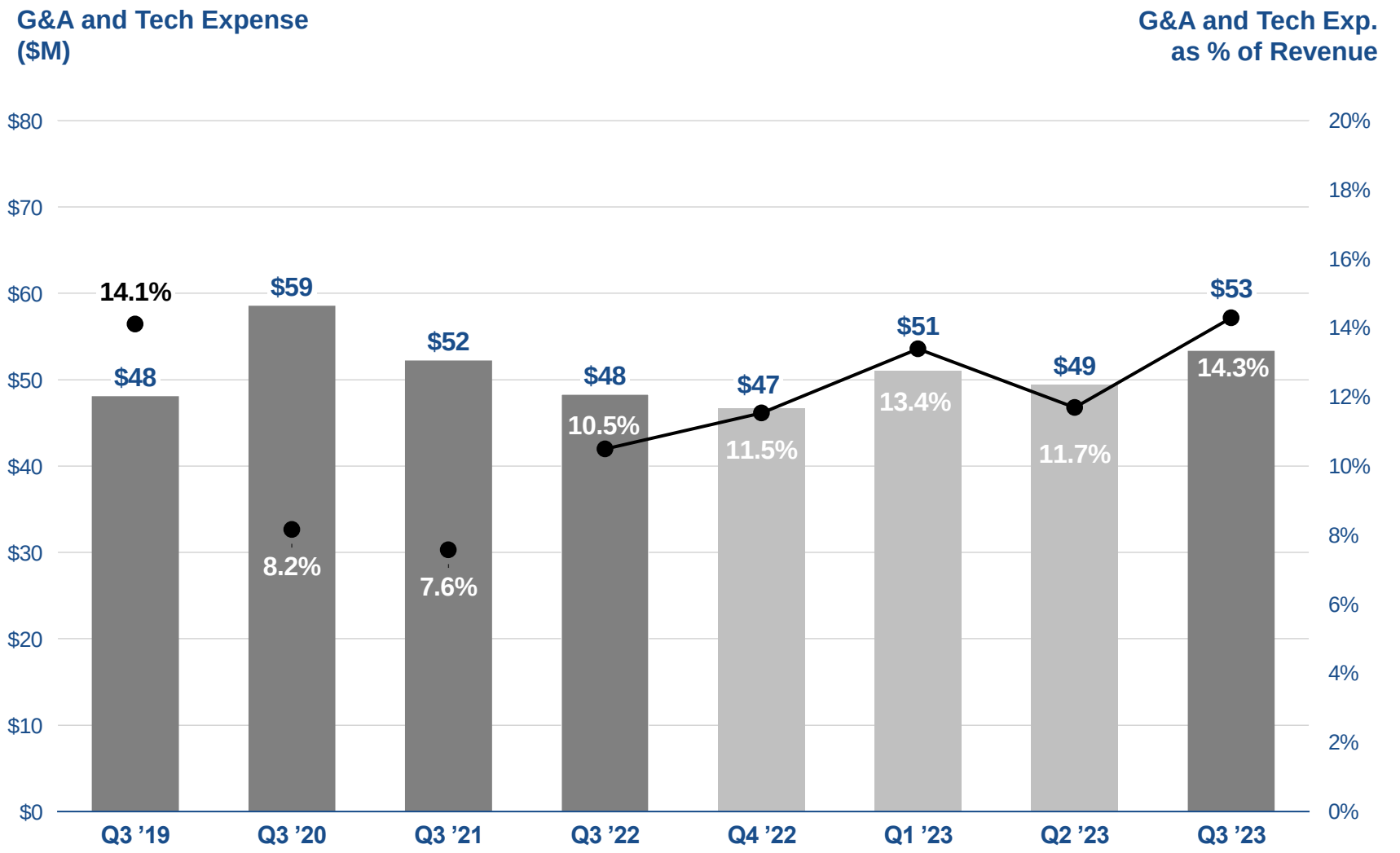


Q3'23 Dynamics

- Gross margin of 18.7%
  - -461 bps vs. Q3'22
- Gross margin influenced by:
  - Higher discounting

Note: All figures represent results from continuing operations.

G&A and Tech Expense

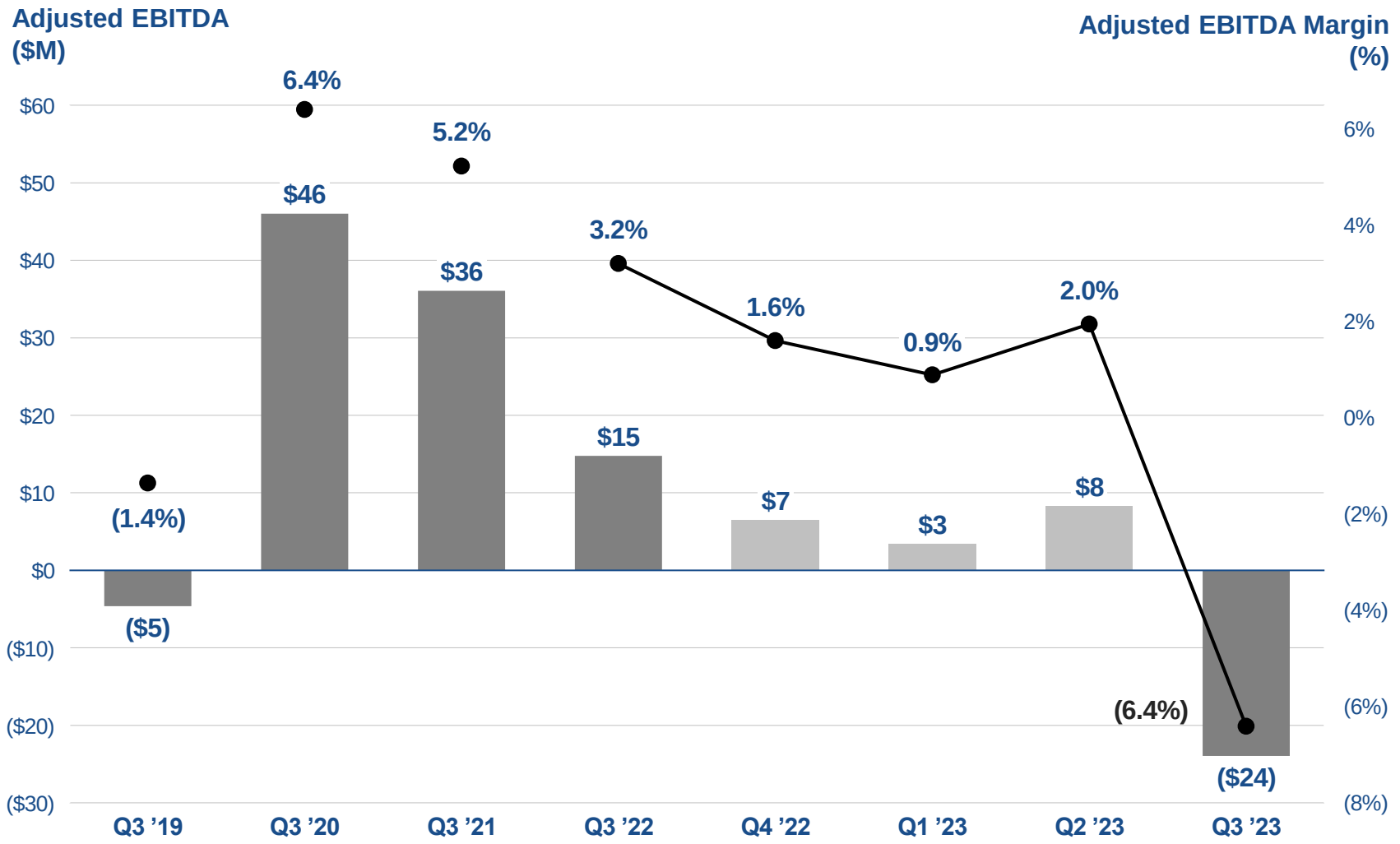


Q3'23 Dynamics

- G&A and Tech Expense of $53M
  - +10.5% vs. Q3'22
- G&A and Tech Expense % of revenue of 14.3%
  - +380bps vs. Q3'22

Note: All figures represent results from continuing operations.

Adjusted EBITDA

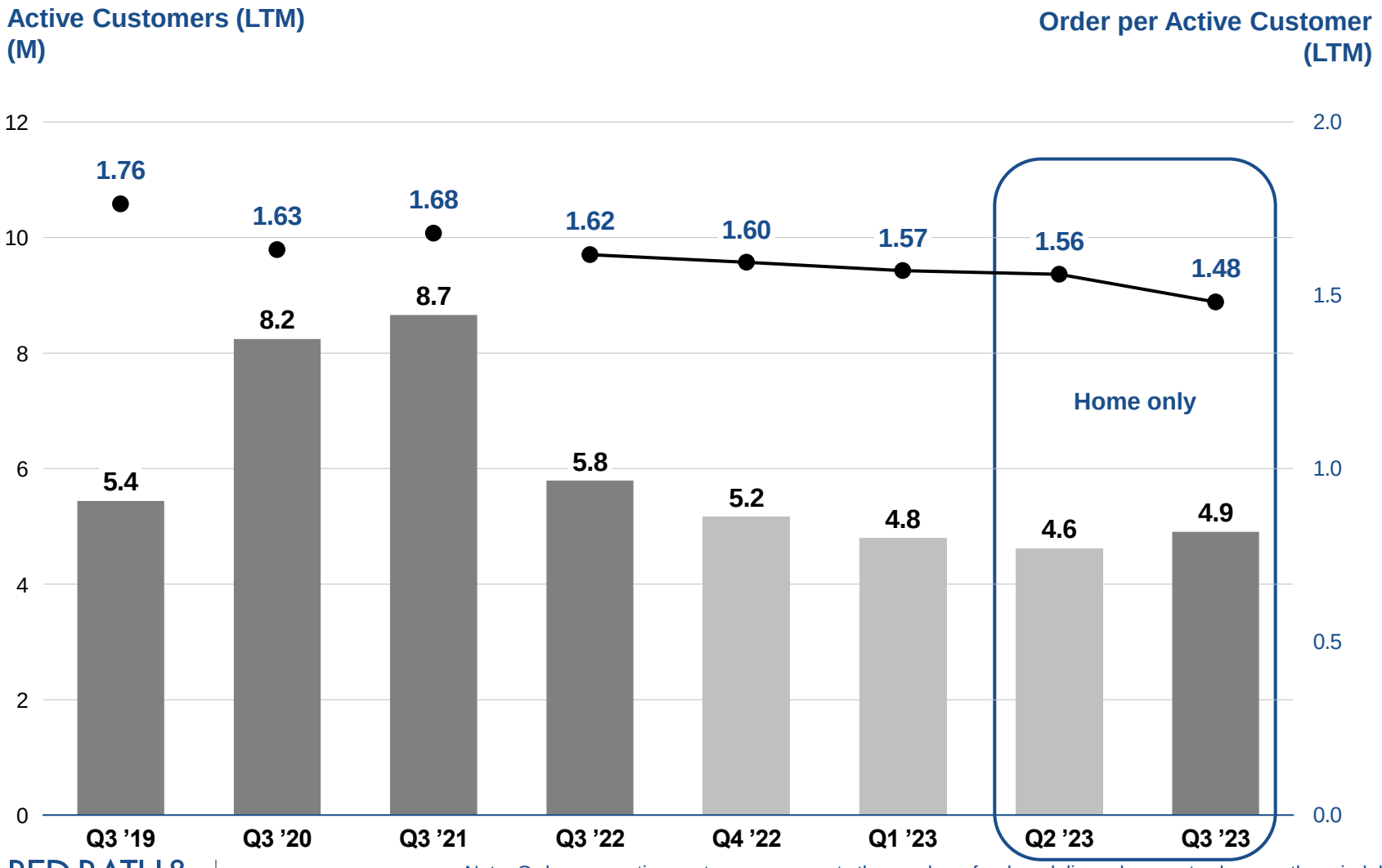


Q3'23 Dynamics

- Adj. EBITDA of -$24M
  - -$39M vs. Q3'22
- Adj. EBITDA margin of -6.4%
  - -962 bps vs. Q3'22
  - ~50% driven by Gross Margin

Note: All figures represent results from continuing operations.

Active Customers and Order Frequency



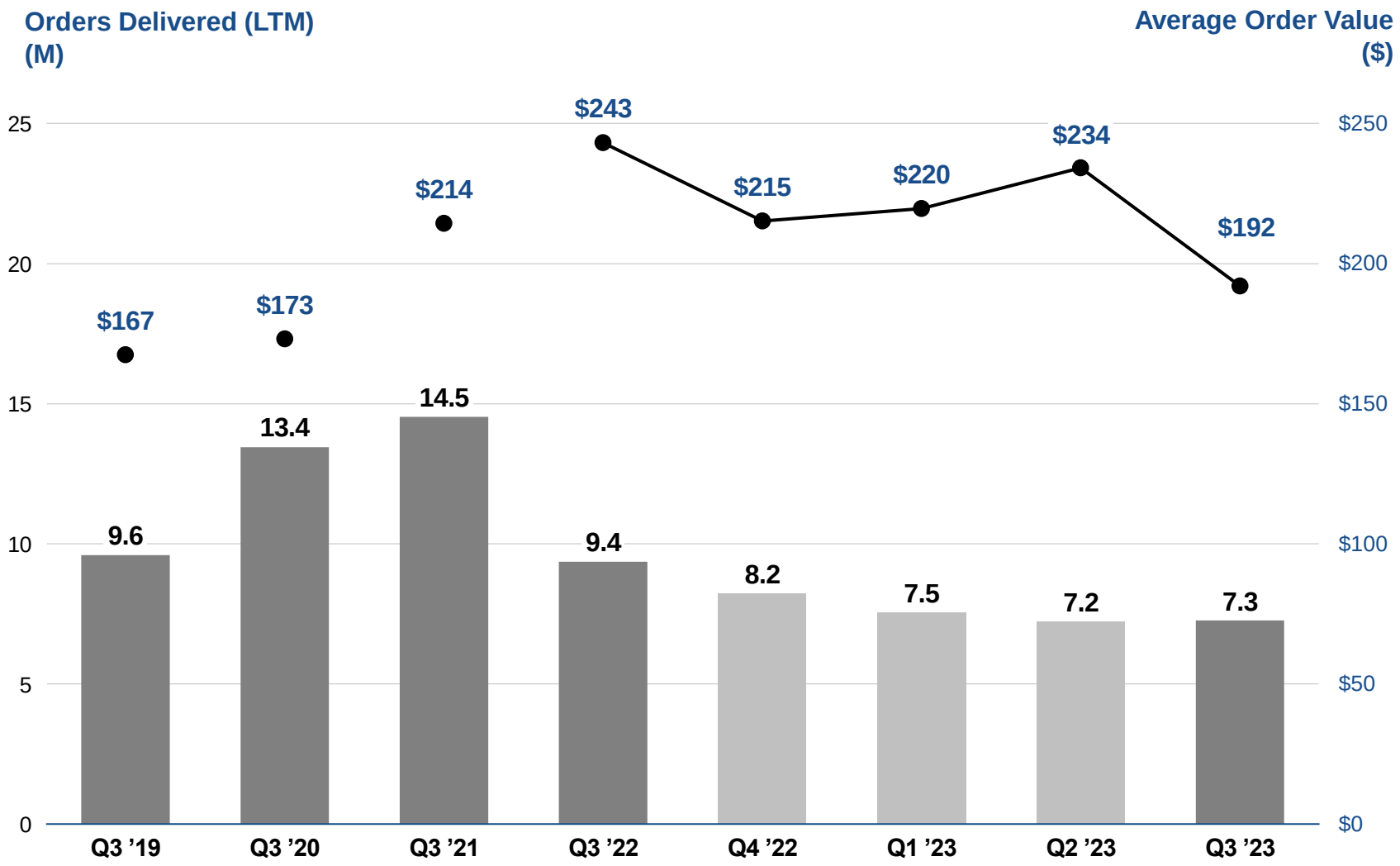
Q3'23 Dynamics

- Active customers of 4.9M
  - -15% / -0.9M vs. Q3'22
  - Bed Bath & Beyond acquisition
  - Macro / consumer sentiment
- Order frequency of 1.48
  - -9% vs. Q3'22
  - Bed Bath & Beyond acquisition

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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



Q3'23 Dynamics

- Orders delivered (LTM) of 7.3M
  - -22% / -2.1M vs. Q3'22
- Average order value of $192
  - -21% vs. Q3'22
  - Bed Bath & Beyond acquisition

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.

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							
	Sep-2019	Sep-2020	Sep-2021	Sep-2022	Dec-2022	Mar-2023	Jun-2023	Sep-2023
Net income (loss)	**$ (13,448)**	**$ 37,904**	**$ 30,426**	**$ (36,995)**	**$ (15,511)**	**$ (10,307)**	**$ (73,493)**	**$ (63,049)**
Depreciation and amortization	6,212	5,310	4,383	4,130	4,226	5,985	4,516	4,320
Stock-based compensation	3,821	1,568	2,542	4,056	4,928	5,795	6,270	5,798
Interest (income) expense, net	(321)	264	139	(976)	(1,999)	(2,559)	(3,059)	(3,201)
Other (income) expense, net	183	(59)	79	46,283	15,447	7,389	80,673	38,731
Provision (benefit) for income taxes	160	753	(1,795)	(2,653)	(584)	(2,887)	(8,370)	(13,411)
Special items (see table below)	(1,221)	288	305	923	-	-	1,697	6,881
Adjusted EBITDA	**$ (4,614)**	**$ 46,028**	**$ 36,079**	**$ 14,768**	**$ 6,507**	**$ 3,416**	**$ 8,234**	**$ (23,931)**
Special items:								
Brand integration and related costs	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,086	$ 5,248
Restructuring costs	-	288	253	878	-	-	611	1,633
Special legal charges and other	(1,221)	-	52	45	-	-	-	-
Total Special items	**$ (1,221)**	**$ 288**	**$ 305**	**$ 923**	**$ -**	**$ -**	**$ 1,697**	**$ 6,881**

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 September 30, 2023		
	Diluted EPS	**Less: equity method income/(loss)[1]**	**Adjusted Diluted EPS**
Numerator:			
Net loss attributable to common stockholders	$ (63,049)	$ (35,563)	$ (27,486)
Denominator:			
Weighted average shares of common stock outstanding-diluted	**45,225**	**45,225**	**45,225**
Net loss per share of common stock:			
Diluted	**$ (1.39)**	**$ (0.78)**	**$ (0.61)**

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