NEWS RELEASE

# Letter to Shareholders from Marcus Lemonis, Executive Chairman and CEO: Q1 2026 Shareholder Letter

2026-04-27

MURRAY, Utah--(BUSINESS WIRE)-- Bed Bath & Beyond, Inc. (NYSE: BBBY) ("Bed Bath & Beyond" or "BBBY") has issued the following letter from Marcus Lemonis, Executive Chairman and Chief Executive Officer of Bed Bath & Beyond:

Dear Shareholders,

Over the last 2 years, we have fundamentally rebuilt this business. This was not an effort to stabilize short-term performance. It was a deliberate reset of how we operate, with the goal of creating a model that can grow consistently on a lower and more durable cost structure.

This required difficult decisions. We simplified the organization, removed layers, consolidated operations, and materially reduced our cost base across headcount, legacy technology, and customer acquisition. Those decisions were not always immediately visible in the numbers, and in some cases they created short-term pressure. They were necessary because without resetting the foundation, there was no path to building a business that is both profitable and durable.

What we are beginning to see now is that foundation showing up in the results.

In the first quarter, we delivered revenue of $248 million, up 6.9 percent year over year, or 9.4 percent excluding Canada. This marks the first time in 19 quarters that the business has returned to year over year growth.

At the same time, we achieved this performance while operating with the lowest cost structure the business has had in over 12 years. This is not growth driven by incremental spending. It is growth building on top of a fundamentally reset operating model.

Those two factors together change the trajectory of the business.

We are seeing that shift across the organization. Customer acquisition is more efficient, owned channels are performing better, and engagement quality is improving. Returning customer behavior is strengthening, and average order value is increasing.

As the quality of the business improves, the financial performance is following. Adjusted EBITDA improved by approximately $5 million year over year, and our net loss improved by approximately $24 million. This is now the sixth consecutive quarter of adjusted EBITDA year-over-year improvement.

The business is still in the process of rebuilding, but the trajectory is clear and reflects a model that is beginning to scale.

Stabilization was never the end goal. It was the starting point.

Everything we are building is grounded in a simple idea. The home is not a single transaction. It is a lifecycle. On average, homeowners remain in their home for approximately 11 to 12 years. During that time, they move in, maintain the home, improve it, finance it, and eventually transition out of it. We are building a connected system designed to participate across that lifecycle in a more coordinated and efficient way.

We operate the business through 3 pillars aligned to that lifecycle.

### Our omnichannel platform creates the initial relationship with the customer.

### Our products and financial services platform allows us to participate more deeply in the economic activity tied to the home.

### Our home services platform brings us directly into the physical home through installation, customization, and renovation.

Individually, each of these pillars has value. Together, they allow us to serve the same customer repeatedly over time, with each interaction informed by the last. That is what transforms a transaction into a relationship.

As we build this system, we are adding capabilities that expand our role across the homeowner lifecycle.

During the quarter, we completed the acquisition of Kirkland’s and announced the pending acquisitions of The Container Store and F9 Brands, along with additional capabilities in installation, brokerage, mortgage, and title.

These are not standalone transactions. They are capabilities that fill specific roles within the system we are building.

We are not acquiring companies for the sake of scale. We are acquiring capabilities intended to perform differently inside a more efficient and connected platform.

Many of these businesses have strong underlying fundamentals but we believe have been constrained by duplication, overhead, and complexity. Our approach is consistent. We look to preserve what works, remove what does not, and integrate those capabilities into a unified system supported by shared infrastructure and a single data layer.

This is where our model diverges from traditional consolidation.

Cost reduction is part of the strategy, and we will continue to eliminate duplicative and inefficient operating expenses. But the larger opportunity is revenue.

By connecting these capabilities through technology and data, we are building a system that allows us to serve the same customer across multiple needs over time. This lowers our cost of acquisition while increasing the lifetime value of that customer.

Each of these businesses brings its own customer base. When those customer bases are connected within a single ecosystem, we create a structural advantage that allows us to grow more efficiently than standalone competitors.

This is not theoretical. It is structural. It is the model.

Across the organization, we are applying the same discipline operationally. We are simplifying assortments, improving SKU productivity, strengthening vendor partnerships, and evolving our store fleet with clearer roles and stronger economics.

We are consolidating supply chain, merchandising, customer service, technology, and administrative functions into a single operating platform, reducing structural cost and improving speed and visibility.

We are also strengthening our customer engagement layer, including our partnership with Bilt to accelerate a unified customer identity and loyalty platform across the portfolio.

This is not simply about reducing cost. It is about building an operating model that is designed to scale.

What you are seeing this quarter is the early proof of that model coming together.

We have stabilized the core business. We have demonstrated that we can grow revenue while removing cost. We are now focused on scaling a connected system designed to drive both efficiency and long term growth.

Over the next 9 months, as we continue to integrate these capabilities, we expect to remove more than $60 million of cost from the consolidated company while strengthening our ability to grow more efficiently.

We are no longer in the phase of proving that this business can be stabilized. We are now in the phase of demonstrating that it can scale.

As we approach our shareholder vote on May 14, 2026, we are asking for your support as we continue to execute this strategy.

For those of you who have been long-term holders of our company, we appreciate your trust. For those newer to the story, we believe there is meaningful opportunity ahead.

We have done the work to reset the business. We have demonstrated the model. We are now building something significantly larger from that foundation.

Thank you for your continued support.

Sincerely,

Marcus Lemonis
Executive Chairman and Chief Executive Officer
Bed Bath and Beyond, Inc.

## About Bed Bath & Beyond

Bed Bath & Beyond, Inc. (NYSE:BBBY) is building an integrated home ecosystem designed to make living in, financing, protecting, and caring for a home simpler, more accessible, and more affordable. Through a portfolio of trusted retail brands—including Bed Bath & Beyond, buybuy BABY, Overstock, and Kirkland's—the Company serves millions of customers through omnichannel experiences that act as the front door to the home. These brands generate meaningful engagement, transaction data, and long-term customer relationships across every stage of home ownership and family life. At the center of this ecosystem is Beyond, the Company's loyalty, data, and services layer, where commerce, financial services, insurance, and protection products converge. By leveraging an asset-light model and a growing home products and services business—including installation, maintenance, and ongoing care—Beyond reduces friction, lowers costs, and expands access for consumers while increasing lifetime value and engagement. The Company also invests in and operates differentiated blockchain and data infrastructure, including tZERO and GrainChain, which enhance transparency, efficiency, and liquidity across financial services, supply chains, and real-world assets. These capabilities support secure transactions, trusted data, and innovative ownership and financing models aligned with the future of the home. Together, Bed Bath & Beyond's retail brands, digital platforms, financial and protection services, and technology investments form a connected system designed to advocate for consumers while generating durable, recurring value for shareholders.

## Cautionary Note Regarding Forward-Looking Statements

This press release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Such forward-looking statements include all statements other than statements of historical fact, including but not limited to statements regarding: anticipated annualized cost savings; the planned acquisitions of The Container Store, Elfa, Closet Works, and F9 Brands; our expectations on removing costs from our consolidated company; the rebuilding of our business; and the Company’s strategies, forecasts, financial outlook, and plans, and the related expected benefits, shareholder value and synergies, and timing of any of the foregoing. Additional information regarding factors that could materially affect results and the accuracy of the forward-looking statements contained herein may be found in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2025, filed with the SEC on February 24, 2026, and in our subsequent filings with the SEC.

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