

Consumer Internet

BYON – NYSE May 8, 2024

Closing Price 5/7/24 **\$16.52**

Rating: Buy

12-Month Target Price: (Prior: \$50.00) \$36.00

52-Week Range: \$13.71 - \$39.27

Market Cap (M): \$755.5

Shares O/S (M): 45.7

Float: 98.7%

Avg. Daily Volume (000): 1,665.9

Debt (M): \$34.0

Dividend: \$0.00

Risk Profile: Medium

Fiscal Year End: December

Net Revenue (\$M)

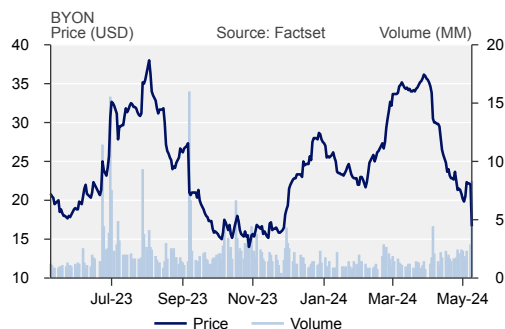
	2023A	2024E	2025E
1Q	381.1	382.3A	401.5
2Q	422.2	382.3	401.2
3Q	373.3	393.8	413.3
4Q	384.5	405.5	425.6
CY	1,561.1	1,563.9	1,641.6
Prior	—	1,800.0	2,069.5

Adjusted EBITDA (\$M)

	2023A	2024E	2025E
1Q	3.4	(47.8)A	(7.5)
2Q	8.2	(40.0)	(2.5)
3Q	(23.9)	(30.0)	2.5
4Q	(49.0)	(15.0)	5.0
CY	(61.3)	(132.8)	(2.5)
Prior	—	(65.0)	23.0

GAAP EPS

	2023A	2024E	2025E
1Q	(0.23)	(1.58)A	(0.53)
2Q	(1.63)	(0.85)	(0.20)
3Q	(1.39)	(0.66)	(0.10)
4Q	(3.55)	(0.40)	(0.05)
CY	(6.81)	(3.49)	(0.88)
Prior	—	(1.75)	(0.23)



Beyond, Inc.

Buy

Slow Start to '24; We Lower Estimates, but Remain a Believer in 'The Profit' – Maintain Buy, but Lower PT to \$36

Summary

- BYON reported 1Q24 results on 5/6 post-close with net revenue inline with guidance, but slightly below consensus and EPS and adjusted EBITDA losses wider than consensus.
- 2024 revenue guidance for \$2B was not reiterated, although it was considered aspirational as consensus was at ~\$1.8B. In addition, recently-appointed Executive Chairman, Marcus Lemonis (The Profit) indicated an increased focus on investments to launch brands and acquire customers. Furthermore, 2Q revenue was guided to be Flat sequentially, well below expectations.
- Based on 1Q24 results, management commentary and our expectations, we significantly lower our 2Q24, 2024 and 2025 estimates.
- While demand for home products is subdued due to inflation and higher interest rates, we remain confident that new management can re-invigorate its portfolio of well-known brands, e.g. Bed Bath & Beyond, Overstock, Zulily.
- Despite the slow start – note that on 5/2, several additions to the management team were named – we maintain our Buy rating but lower our PT to \$36, from \$50.

Details

1Q24 review. On 5/7, Beyond reported 2Q24 results with net revenue of \$382M, up 0.3% y/y, inline with guidance for revenue growth and our estimate, but below consensus of \$389M. Gross margin of 19.5% was down 723bps y/y on an apples-to-apples basis (note that management changed accounting methodology), due to higher discounting (400bps) and outbound shipping costs, although up 20bps from 4Q23. Adjusted EBITDA loss of (\$48M) missed consensus of (\$39M) and our estimate of (\$40M). GAAP EPS loss of (\$1.58) missed consensus loss of (\$0.87) and our estimate of (\$0.88); (no guidance was provided for adjusted EBITDA or GAAP EPS.)

Guidance: \$2B 2024 revenue target not reiterated / 2Q revenue well below expectations. Management's 2024 goal of \$2B in net revenues was clearly considered aspirational as consensus expectations were \$1.8B~, up 15% y/y. On the earnings call, management indicated to achieve that target, heavy discounting would be required, which it does not intend to do. In addition, management indicated 2Q revenue to be roughly flat with 1Q (\$382M), well-below consensus of \$465M and our prior estimate of \$435M, but for EBITDA to improve sequentially.

Lowering estimates. Based on 1Q24 results, management's commentary, and our expectations, we lower our 2Q24 revenue estimate to \$382.3M, down 9.5% y/y, from \$434.9M, and widen our adjusted EBITDA loss estimate to (\$40.0M), from (\$25.0M). For full year 2024, we lower our 2024 revenue estimate to \$1,564M, up 0.2% y/y from \$1,800M, and widen our adjusted EBITDA forecast to a loss (\$133M), from (\$65.0M). We attribute wider losses to management's investment spending, including for the relaunches of the Overstock and Zulily brands. Our 2024 and 2025 gross margin estimates are 20.3% and 21.0%, respectively vs. the 4-year peak (adjusted for accounting change) of 26.9% in 1Q21.

Solid balance sheet. At quarter-end, there was \$256.3M in cash and \$34.2M of debt. Based on our outlook, we believe the company can fund operations without the need to raise capital. However, we now project adjusted EBITDA to turn positive in 3Q25 compared to our prior forecast of 4Q24.

Lowering price target to \$36, from \$50 – maintain Buy. We value the company's e-commerce business at \$33 per share (reduced from \$47), based on applying a 0.75x EV/sales multiple (prior 0.9x) to our 2025 sales projection of \$1,642M (reduced from \$2,070M). Our valuation target is now a 25% discount to the median 2025 EV/sales multiple of comparable home-related companies of 1.0x. We value its portfolio of private companies at ~\$3 per share (unchanged) based on the carrying value on the balance sheet of \$139M, down q/q from \$156M.

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Still a believer in The Profit. While far from the quarter we anticipated when we launched coverage of BYON in mid-April, we remain confident in the ability of Marcus Lemonis (The Profit) – appointed Executive Chairman in February 2024 – to turn losses into profits, over time. This confidence is bolstered by the early May announcement of additions to the management team, including a CIO, and several C-level executives to support its Bed Bath & Beyond, Overstock, and Zulily brands. At the margin level, we consider a 22.0% gross margin and 3.5% adjusted EBITDA margin conservative forecasts of what success could look like, as reflected in our updated model.

Medici Ventures. Among its Medici Ventures portfolio of 16 companies leveraging blockchain technology, we continue to see the most potential in tZERO – for capital markets, GrainChain – in agriculture, for example, to make it easier for farmers in Latin America to secure funding to plant their crops, and bitt – central bank digital currencies (CBDC). On the call, management noted it is fond of tZERO and GrainChain, among the holdings. We value the portfolio of private companies at ~\$3 per share (unchanged) based on the carrying value on the balance sheet of \$139M, down q/q from \$156M.

Company description: *Beyond, Inc. is an e-commerce company focused on the home category. It acquired the intellectual property of Bed Bath & Beyond in 2023 and Zulily in 2024. It also operates the Overstock brand. Its Medici Ventures portfolio includes investments in 16 companies leveraging blockchain technology.*

Figure 1. Beyond 1Q24 Operating Results

(\$M)	1Q24	1Q23	YOY Growth	Margin	Change BPs
Net Revenue - Actual	382.3	381.1	0.3%		
Maxim Group	381.6	381.1	0.1%		
Guidance	>381.1				
Consensus	389.3		2.1%		
Adjusted EBITDA - Actual	(47.8)			(12.5%)	(1,341)
Maxim Group	(40.0)			(12.5%)	(1,341)
Guidance	NA				
Consensus	(39.0)			(10.0%)	(1,091)
GAAP EPS - Actual	(\$1.58)	(\$0.23)	NA		
Maxim Group	(\$0.88)	(\$0.23)	NA		
Guidance	NA				
Consensus	(\$0.87)		NA		

Source: Company reports, LSEG, and Maxim Group LLC

Income Statement (\$M)											
Period	1Q23	2Q23	3Q23	4Q23	FY23	1Q24	2Q24E	3Q24E	4Q24E	FY24E	FY25E
Sales	381.140	422.211	373.313	384.458	1,561.122	382.281	382.281	393.792	405.510	1,563.865	1,641.619
(YOY Growth)	(28.9%)	(20.1%)	(18.9%)	(5.0%)	(19.1%)	0.3%	(9.5%)	5.5%	5.5%	0.2%	5.0%
(QOQ Growth)	(5.9%)	10.8%	(11.6%)	3.0%		(0.6%)	0.0%	3.0%	3.0%	285.7%	285.7%
(% of Annual Sales)	24.4%	27.0%	23.9%	24.6%		24.4%	24.4%	25.2%	25.9%		
Sales - Consensus						481.147	523.270	497.717	1,864.728	2,305.342	
COGS GAAP	291.427	327.839	303.353	324.497	1,247.116	307.922	305.852	312.906	320.368	1,247.049	1,296.952
GP GAAP	89.713	94.372	69.960	59.961	314.006	74.359	76.429	80.886	85.142	316.816	344.667
GP GAAP Mgn	23.5%	22.4%	18.7%	15.6%	20.1%	19.5%	20.0%	20.5%	21.0%	20.3%	21.0%
Change (BPs)	18	(58)	(461)	(652)	(286)	(409)	(236)	180	540	14	74
S&Mktg GAAP	47.048	49.242	57.541	70.716	224.547	67.906	64.081	57.300	51.190	240.477	147.421
S&Mktg (% of Sales)	12.3%	11.7%	15.4%	18.4%	14.4%	17.8%	16.8%	14.6%	12.6%	15.4%	9.0%
Change (BPs)	143	69	379	716	322	542	510	(86)	(577)	99	(640)
Tech GAAP	30.546	27.706	29.240	29.662	117.154	29.581	27.379	27.694	22.942	107.596	101.188
Tech (% of Sales)	8.0%	6.6%	7.8%	7.7%	7.5%	7.7%	7.2%	7.0%	5.7%	6.9%	6.2%
Change (BPs)	186	78	140	80	122	(28)	60	(80)	(206)	(62)	(72)
CSMF GAAP	0.000	0.000	0.000	0.000	0.000	13.943	13.762	14.177	14.598	56.480	59.288
CSMF (% of Sales)	0.0%	0.0%	0.0%	0.0%	0.0%	3.6%	3.6%	3.6%	3.6%	3.6%	3.6%
Change (BPs)						365	360	360	360	361	0
G&A GAAP	20.483	21.673	24.109	24.145	90.410	20.454	22.128	21.963	21.333	85.877	79.629
G&A (% of Sales)	5.4%	5.1%	6.5%	6.3%	5.8%	5.4%	5.8%	5.6%	5.3%	5.5%	4.9%
Change (BPs)	141	114	240	166	166	(2)	66	(88)	(102)	(30)	(64)
Total SBC	5.795	6.270	5.798	5.155	23.018	4.776	6.270	5.798	5.155	21.999	21.999
Op Ex GAAP	98.077	98.621	110.890	124.523	432.111	131.884	127.351	121.133	110.062	490.430	387.527
Op Inc GAAP	(8.364)	(4.249)	(40.930)	(64.562)	(118.105)	(57.525)	(50.922)	(40.247)	(24.920)	(173.614)	(42.860)
Op Inc GAAP Mgn	(2.2%)	(1.0%)	(11.0%)	(16.8%)	(7.6%)	(15.0%)	(13.3%)	(10.2%)	(6.1%)	(11.1%)	(2.6%)
Change (BPs)	(452)	(319)	(1,219)	(1,614)	(897)	(1,285)	(1,231)	74	1,065	(354)	849
D&A	5.985	4.516	4.320	4.626	19.447	3.960	4.651	4.450	4.765	17.826	18.361
Adj. EBITDA	3.416	8.234	(23.931)	(49.012)	(61.293)	(47.843)	(40.000)	(30.000)	(15.000)	(132.843)	(2.500)
Adj. EBITDA Margin	0.9%	2.0%	(6.4%)	(12.7%)	(3.9%)	(12.5%)	(10.5%)	(7.6%)	(3.7%)	(8.5%)	(0.2%)
Change (BPs)	(311)	(198)	(962)	(1,436)	(722)	(1,341)	(1,241)	(121)	905	(457)	834
Adj. EBITDA - Consensus						(2.866)	6.565	0.526		(59.993)	41.693
EBITDA	(2.379)	0.267	(36.610)	(59.936)	(98.658)	(53.565)	(46.270)	(35.798)	(20.155)	(155.788)	(24.499)
Int Inc (Exp)	2.559	3.059	3.201	3.188	12.007	2.717	3.059	3.201	3.188	12.165	12.165
Other Inc (Exp)	(7.389)	(80.673)	(38.731)	(33.231)	(160.024)	(17.100)	(1.250)	(1.250)	(1.250)	(20.850)	(20.850)
Pre Tax GAAP	(13.194)	(81.863)	(76.460)	(94.605)	(266.122)	(71.908)	(49.113)	(38.296)	(22.982)	(182.299)	(51.545)
Taxes GAAP	(2.887)	(8.370)	(13.411)	66.388	41.720	0.329	(10.314)	(8.042)	(4.826)	(22.853)	(10.824)
Eff Tax Rate GAAP	21.9%	10.2%	17.5%	(70.2%)	(15.7%)	(0.5%)	21.0%	21.0%	21.0%	12.5%	21.0%
NI GAAP	(10.307)	(73.493)	(63.049)	(160.993)	(307.842)	(72.237)	(38.799)	(30.254)	(18.156)	(159.446)	(40.721)
Min Int & Other	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
NI for Share - GAAP	(10.307)	(73.493)	(63.049)	(160.993)	(307.842)	(72.237)	(38.799)	(30.254)	(18.156)	(159.446)	(40.721)
EPS - GAAP	(\$0.23)	(\$1.63)	(\$1.39)	(\$3.55)	(\$6.81)	(\$1.58)	(\$0.85)	(\$0.66)	(\$0.40)	(\$3.49)	(\$0.88)
EPS - GAAP - Consensus						(\$0.22)	(\$0.02)	(\$0.20)		(\$1.67)	\$0.03
Shares Out GAAP	45,067	45,200	45,225	45,360	45,214	45,587	45,652	45,677	45,814	45,682	46,139

Source: Company reports, LSEG, and Maxim Group LLC

Balance Sheet (\$M)											
Period	1Q23	2Q23	3Q23	4Q23	FY23	1Q24	2Q24E	3Q24E	4Q24E	FY24E	FY25E
Cash	374.711	342.891	325.435	302.605	302.605	256.323	168.304	149.829	179.527	179.527	166.876
Restricted Cash	0.217	0.185	0.038	0.144	0.144	0.171	0.171	0.171	0.171	0.171	0.171
Marketable Securities	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Accounts Receivable	22.071	19.122	19.580	19.420	19.420	23.087	17.314	20.654	20.483	20.483	21.499
Inventory	6.238	6.313	11.519	13.040	13.040	12.903	5.716	12.151	13.754	13.754	14.436
Prepaid Exp. & Other	18.012	20.369	19.157	14.864	14.864	12.961	18.443	20.208	15.678	15.678	16.455
Current Assets	421.249	388.880	375.729	350.073	350.073	305.445	209.947	203.013	229.613	229.613	219.436
Restricted Cash	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
PPE	107.064	109.949	109.661	27.577	27.577	27.340	29.684	29.865	27.817	27.817	27.754
Operating Lease ROU	6.364	4.985	4.347	3.468	3.468	2.762	4.514	4.585	3.658	3.658	3.839
Goodwill	6.160	6.160	6.160	6.160	6.160	6.160	6.160	6.160	6.160	6.160	6.160
Intangible Assets	0.000	25.583	25.501	25.254	25.254	31.081	31.081	31.081	31.081	31.081	31.081
Deferred Taxes	44.888	52.941	66.449	0.152	0.152	0.000	47.934	70.094	0.160	0.160	0.168
Equity Securities	289.124	208.476	169.326	155.873	155.873	139.111	139.111	139.111	139.111	139.111	139.111
Other	12.540	13.578	13.611	67.261	67.261	67.050	12.294	14.358	70.944	70.944	74.461
Total Assets	887.389	810.552	770.784	635.818	635.818	578.949	480.725	498.267	508.544	508.544	502.010
Debt	0.000	0.000	0.000	0.232	0.232	0.000	0.000	0.000	0.000	0.000	0.000
Accounts Payable	83.621	86.016	85.272	106.070	106.070	116.265	77.881	89.950	111.878	111.878	117.424
Accrued Expenses	68.593	62.603	72.475	73.682	73.682	72.528	56.682	76.451	77.717	77.717	81.569
Deferred Revenue	47.123	43.379	47.450	49.597	49.597	54.675	39.277	50.053	52.313	52.313	54.906
Operating Leases	3.872	3.108	3.056	2.814	2.814	2.407	2.814	3.224	2.968	2.968	3.115
Other	2.910	2.029	1.138	0.000	0.000	0.000	1.837	1.200	0.000	0.000	0.000
Current Liabilities	206.119	197.135	209.391	232.395	232.395	245.875	178.491	220.878	244.876	244.876	257.014
Debt	34.207	34.219	34.232	34.244	34.244	34.207	34.207	34.207	34.207	34.207	34.207
Operating Leases	2.982	2.319	1.622	0.940	0.940	0.582	2.100	1.711	0.991	0.991	1.041
Other	3.576	3.713	9.355	9.107	9.107	8.847	8.847	8.847	8.847	8.847	8.847
Non-Controlling Int	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Shareholder Equity	640.505	573.166	516.184	359.132	359.132	289.438	256.909	232.453	219.452	219.452	200.730
Total Liab. & SE	887.389	810.552	770.784	635.818	635.818	578.949	480.554	498.096	508.373	508.373	501.839
Net Cash	340.721	308.857	291.241	268.273	268.273	222.287	134.268	115.793	145.491	145.491	132.840
Net Cash (Per Share)	\$7.56	\$6.83	\$6.44	\$5.91	\$5.93	\$4.88	\$2.94	\$2.54	\$3.18	\$3.18	\$2.88

Source: Company reports, LSEG, and Maxim Group LLC

Cash Flow Stmt (\$M)											
Period	1Q23	2Q23	3Q23	4Q23	FY23	1Q24	2Q24E	3Q24E	4Q24E	FY24E	FY25E
NI GAAP	(10.307)	(73.493)	(63.049)	(160.993)	(307.842)	(72.237)	(38.799)	(30.254)	(18.156)	(159.446)	(40.721)
D&A	5.985	4.516	4.320	4.626	19.447	3.960	4.651	4.450	4.765	17.826	18.361
Amort Other	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Adj	(0.102)	(0.084)	(0.346)	19.353	18.821	(0.145)	0.000	0.000	0.000	(0.145)	0.000
SBC	5.795	6.270	5.798	5.155	23.018	4.776	6.270	5.798	5.155	21.999	21.999
Equity Method Sec	7.181	80.639	39.146	13.438	140.404	16.762	0.000	0.000	0.000	16.762	0.000
Non-cash Lease Exp	1.266	1.288	1.304	0.879	4.737	0.831	(1.752)	(0.072)	0.928	(0.065)	(0.181)
Deferred Inc Taxes	(3.449)	(8.053)	(13.508)	66.359	41.349	0.069	(47.934)	(22.160)	69.934	(0.091)	(0.008)
Accounts Rec	(4.378)	2.949	(0.458)	0.160	(1.727)	(3.667)	5.773	(3.341)	0.171	(1.063)	(1.015)
Inventories	0.288	(0.075)	(5.206)	(1.521)	(6.514)	0.137	7.187	(6.435)	(1.603)	(0.714)	(0.682)
Prepaid Exp & Other	1.109	(2.016)	1.397	1.399	1.889	2.296	(5.482)	(1.765)	4.530	(0.421)	(0.777)
Other Assets	(0.369)	(1.168)	0.342	0.438	(0.757)	0.135	54.756	(2.064)	(56.586)	(3.759)	(3.517)
Accounts Payable	10.220	1.772	(0.243)	20.806	32.555	10.059	(38.384)	12.069	21.928	5.672	5.546
Accrued Expenses	5.377	(8.746)	12.540	1.271	10.442	(1.412)	(15.846)	19.768	1.266	3.777	3.852
Oper Lease Liab	(1.352)	(1.427)	(1.391)	(0.924)	(5.094)	(0.894)	1.925	0.021	(0.975)	0.077	0.196
Deferred Revenue	2.643	(3.744)	4.071	2.147	5.117	5.078	(15.398)	10.777	2.260	2.716	2.593
Other LT Liab	0.100	0.137	5.642	(0.310)	5.569	(0.358)	1.837	(0.637)	(1.200)	(0.358)	0.000
Operating CF	20.007	(1.235)	(9.641)	(27.717)	(18.586)	(34.610)	(81.194)	(13.845)	32.415	(97.234)	5.646
Cap Ex	(5.256)	(6.792)	(4.495)	(2.638)	(19.181)	(3.422)	(6.996)	(4.630)	(2.717)	(17.765)	(18.298)
Free Cash Flow	14.751	(8.027)	(14.136)	(30.355)	(37.767)	(38.032)	(88.190)	(18.475)	29.698	(114.999)	(12.651)
FCF/Share	\$0.33	(\$0.18)	(\$0.31)	(\$0.67)	(\$0.84)	(\$0.83)	(\$1.93)	(\$0.40)	\$0.65	(\$2.52)	(\$0.27)
Acquisitions	0.000	(22.832)	(2.950)	(0.034)	(25.816)	(5.714)	0.000	0.000	0.000	(5.714)	0.000
Debt Securities	(10.000)	0.000	0.000	0.000	(10.000)	0.000	0.000	0.000	0.000	0.000	0.000
Equities	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other	0.425	0.020	0.121	9.801	10.367	0.010	0.000	0.000	0.000	0.010	0.000
Investing CF	(14.831)	(29.604)	(7.324)	7.129	(44.630)	(9.126)	(6.996)	(4.630)	(2.717)	(23.469)	(18.298)
Stock Issuance	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Warrants	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Stock Repurchases	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
SBC Taxes	(1.934)	(0.120)	(0.527)	(1.218)	(3.799)	(3.172)	0.000	0.000	0.000	(3.172)	0.000
Pref Dividends	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Lease Payments	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Debt	0.000	0.000	0.000	(3.606)	(3.606)	0.000	0.000	0.000	0.000	0.000	0.000
Other	0.229	(0.893)	(0.111)	2.688	1.913	0.653	0.000	0.000	0.000	0.653	0.000
Financing CF	(1.705)	(1.013)	(0.638)	(2.136)	(5.492)	(2.519)	0.000	0.000	0.000	(2.519)	0.000
Change in Cash	3.471	(31.852)	(17.603)	(22.724)	(68.708)	(46.255)	(88.190)	(18.475)	29.698	(123.222)	(12.651)
Cash - Beginning	371.457	374.928	343.076	325.473	371.457	302.749	256.494	168.304	149.829	302.749	179.527
Cash - End	374.928	343.076	325.473	302.749	302.749	256.494	168.304	149.829	179.527	179.527	166.876
FCF/Sales	3.9%	(1.9%)	(3.8%)	(7.9%)	(2.4%)	(9.9%)	(23.1%)	(4.7%)	7.3%	(7.4%)	(0.8%)

Source: Company reports, LSEG, and Maxim Group LLC

DISCLOSURES

Beyond, Inc. Rating History as of 05/07/2024

powered by: BlueMatrix



Maxim Group LLC Ratings Distribution		As of: 05/07/24	
		% of Coverage Universe with Rating	% of Rating for which Firm Provided Banking Services in the Last 12 months
Buy	Fundamental metrics and/or identifiable catalysts exist such that we expect the stock to outperform its relevant index over the next 12 months.	84%	50%
Hold	Fundamental metrics are currently at, or approaching, industry averages. Therefore, we expect this stock to neither outperform nor underperform its relevant index over the next 12 months.	16%	59%
Sell	Fundamental metrics and/or identifiable catalysts exist such that we expect the stock to underperform its relevant index over the next 12 months.	0%	0%

**See valuation section for company specific relevant indices*

I, **Tom Forte, CFA**, attest that the views expressed in this research report accurately reflect my personal views about the subject security and issuer. Furthermore, no part of my compensation was, is, or will be directly or indirectly related to the specific recommendation or views expressed in this research report.

The research analyst(s) primarily responsible for the preparation of this research report have received compensation based upon various factors, including the firm's total revenues, a portion of which is generated by investment banking activities.

Maxim Group makes a market in Beyond, Inc.

Maxim Group expects to receive or intends to seek compensation for investment banking services from Beyond, Inc. in the next 3 months.

BYON: We use the Russell 2000 as the relevant index for Beyond, Inc.

Valuation Methods

BYON: Our price target is based on forward EV/sales and carrying value on its portfolio of private companies.

Price Target and Investment Risks

BYON: Aside from general market conditions and other economic matters, three risks to our rating and price target for Beyond, Inc. are: 1) Prolonged weakness in home products, 2) The ability to differentiate in a crowded marketplace, 3) Significant EBITDA losses which will likely increase in 2024, 4) Deep discounting required to drive sales.

RISK RATINGS

Risk ratings take into account both fundamental criteria and price volatility.

Speculative – Fundamental Criteria: This is a risk rating assigned to early-stage companies with minimal to no revenues, lack of earnings, balance sheet concerns, and/or a short operating history. Accordingly, fundamental risk is expected to be significantly above the industry. Price Volatility: Because of the inherent fundamental criteria of the companies falling within this risk category, the price volatility is expected to be significant with the possibility that the investment could eventually be worthless. Speculative stocks may not be suitable for a significant class of individual investors.

High – Fundamental Criteria: This is a risk rating assigned to companies having below-average revenue and earnings visibility, negative cash flow, and low market cap or public float. Accordingly, fundamental risk is expected to be above the industry. Price Volatility: The price volatility of companies falling within this category is expected to be above the industry. High-risk stocks may not be suitable for a significant class of individual investors.

Medium – Fundamental Criteria: This is a risk rating assigned to companies that may have average revenue and earnings visibility, positive cash flow, and is fairly liquid. Accordingly, both price volatility and fundamental risk are expected to approximate the industry average.

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