

BED BATH & BEYOND INC. AND SUBSIDIARIES

Consolidated Balance Sheets
(in thousands, except per share data)

	February 29, 2020	March 2, 2019
Assets		
Current assets:		
Cash and cash equivalents	\$ 1,000,340	\$ 508,971
Short term investment securities	385,642	485,799
Merchandise inventories	2,093,869	2,618,922
Prepaid expenses and other current assets	248,342	296,280
Assets held-for-sale	98,092	—
Total current assets	3,826,285	3,909,972
Long term investment securities	20,380	20,010
Property and equipment, net	1,430,604	1,853,091
Operating lease assets	2,006,966	—
Goodwill	—	391,052
Other assets	506,280	396,416
Total assets	\$ 7,790,515	\$ 6,570,541
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	\$ 944,194	\$ 1,094,078
Accrued expenses and other current liabilities	675,776	623,734
Merchandise credit and gift card liabilities	340,407	339,322
Current operating lease liabilities	463,005	—
Liabilities related to assets held-for-sale	43,144	—
Current income taxes payable	—	20,498
Total current liabilities	2,466,526	2,077,632
Other liabilities	204,926	395,409
Operating lease liabilities	1,818,783	—
Income taxes payable	46,945	49,235
Long term debt	1,488,400	1,487,934
Total liabilities	6,025,580	4,010,210
Shareholders' equity:		
Preferred stock - \$0.01 par value; authorized - 1,000 shares; no shares issued or outstanding	—	—
Common stock - \$0.01 par value; authorized - 900,000 shares; issued 343,683 and 342,582, respectively; outstanding 126,528 and 132,233 shares, respectively	3,436	3,426
Additional paid-in capital	2,167,337	2,118,673
Retained earnings	10,374,826	11,112,887
Treasury stock, at cost	(10,715,755)	(10,616,045)
Accumulated other comprehensive loss	(64,909)	(58,610)
Total shareholders' equity	1,764,935	2,560,331
Total liabilities and shareholders' equity	\$ 7,790,515	\$ 6,570,541

See accompanying Notes to Consolidated Financial Statements.

BED BATH & BEYOND INC. AND SUBSIDIARIES

Consolidated Statements of Operations (in thousands, except per share data)

	Twelve Months Ended		
	February 29, 2020	March 2, 2019	March 3, 2018
Net sales	\$ 11,158,580	\$ 12,028,797	\$ 12,349,301
Cost of sales	7,616,920	7,924,817	7,906,286
Gross profit	3,541,660	4,103,980	4,443,015
Selling, general and administrative expenses	3,732,498	3,681,210	3,681,694
Goodwill and other impairments	509,226	509,905	—
Operating (loss) profit	(700,064)	(87,135)	761,321
Interest expense, net	64,789	69,474	65,661
(Loss) earnings before provision for income taxes	(764,853)	(156,609)	695,660
(Benefit) provision for income taxes	(151,037)	(19,385)	270,802
Net (loss) earnings	<u>\$ (613,816)</u>	<u>\$ (137,224)</u>	<u>\$ 424,858</u>
Net (loss) earnings per share - Basic	\$ (4.94)	\$ (1.02)	\$ 3.05
Net (loss) earnings per share - Diluted	\$ (4.94)	\$ (1.02)	\$ 3.04
Weighted average shares outstanding - Basic	124,352	134,292	139,238
Weighted average shares outstanding - Diluted	124,352	134,292	139,739
Dividends declared per share	\$ 0.68	\$ 0.64	\$ 0.60

See accompanying Notes to Consolidated Financial Statements.

BED BATH & BEYOND INC. AND SUBSIDIARIES
Consolidated Statements of Cash Flows
(in thousands)

	Twelve Months Ended		
	February 29, 2020	March 2, 2019	March 3, 2018
Cash Flows from Operating Activities:			
Net (loss) earnings	\$ (613,816)	\$ (137,224)	\$ 424,858
Adjustments to reconcile net (loss) earnings to net cash provided by operating activities:			
Depreciation and amortization	342,511	338,825	313,107
Loss on sale leaseback transaction	27,357	—	—
Gain on sale of building	—	(29,690)	—
Gain on debt extinguishment	—	(412)	—
Goodwill and other impairments	509,226	509,905	—
Stock-based compensation	45,676	58,514	70,510
Deferred income taxes	(145,543)	(104,089)	175,351
Other	(3,446)	(814)	(69)
Decrease (increase) in assets, net of effect of acquisitions:			
Merchandise inventories	506,334	106,928	176,672
Trading investment securities	21	86,277	(16,036)
Other current assets	(4,781)	269,186	(258,853)
Other assets	218	218	(4,754)
(Decrease) increase in liabilities, net of effect of acquisitions:			
Accounts payable	(124,206)	(90,657)	13,210
Accrued expenses and other current liabilities	61,864	(77,147)	80,375
Merchandise credit and gift card liabilities	1,154	16,016	25,510
Income taxes payable	(22,783)	8,360	(64,941)
Operating lease assets and liabilities, net	(2,899)	—	—
Other liabilities	14,054	(35,918)	(75,251)
Net cash provided by operating activities	590,941	918,278	859,689
Cash Flows from Investing Activities:			
Purchase of held-to-maturity investment securities	(443,500)	(734,424)	(292,500)
Redemption of held-to-maturity investment securities	545,000	538,925	—
Capital expenditures	(277,401)	(325,366)	(375,793)
Proceeds from sale-leaseback transaction	267,277	—	—
Proceeds from sale of a building	—	11,183	—
Payment for acquisitions, net of cash acquired	—	—	(6,119)
Net cash provided by (used in) investing activities	91,376	(509,682)	(674,412)
Cash Flows from Financing Activities:			
Payment of dividends	(85,482)	(86,287)	(80,877)
Repurchase of common stock, including fees	(99,710)	(148,073)	(252,433)
Payment of senior notes	—	(4,224)	—
Proceeds from exercise of stock options	2,346	—	10,313
Payment of other liabilities	—	—	(434)
Net cash used in financing activities	(182,846)	(238,584)	(323,431)
Effect of exchange rate changes on cash, cash equivalents, and restricted cash	(977)	(7,181)	(4,035)
Net increase (decrease) in cash, cash equivalents and restricted cash, including cash balances classified as assets held-for-sale	498,494	162,831	(142,189)
Less: Cash balances classified as assets held-for sale	(4,815)	—	—
Net increase (decrease) in cash, cash equivalents and restricted cash	493,679	162,831	(142,189)
Cash, cash equivalents and restricted cash:			
Beginning of period	529,971	367,140	509,329
End of period	\$ 1,023,650	\$ 529,971	\$ 367,140

See accompanying Notes to Consolidated Financial Statements.