

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): June 12, 2025

THE LOVESAC COMPANY
(Exact name of registrant as specified in its charter)

Delaware	001-38555	32-0514958
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)
421 Atlantic Street Stamford, Connecticut 06901 (Address of Principal Executive Offices, and Zip Code)		
(888) 636-1223 Registrant's Telephone Number, Including Area Code		
Not Applicable (Former name or former address, if changed since last report)		

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, par value \$0.00001 per share	LOVE	The NASDAQ Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 2.02 Results of Operations and Financial Condition

On June 12, 2025, The Lovesac Company, a Delaware corporation (the “Company”), issued a press release (the “Press Release”) announcing the Company’s financial results for the first quarter of fiscal year 2026, which ended May 4, 2025. A copy of the Press Release is attached to this current report on Form 8-K as Exhibit 99.1.

The information in this Item 2.02, including Exhibit 99.1, is being furnished and shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that Section, and shall not be incorporated by reference into any registration statement or other document filed under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in that filing.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

Exhibit No.	Description
99.1	Press Release, dated June 12, 2025
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: June 12, 2025

THE LOVESAC COMPANY

By: /s/ Keith Siegner
Name: Keith Siegner
Title: Executive Vice President and
Chief Financial Officer

THE LOVESAC COMPANY REPORTS FIRST QUARTER FISCAL 2026 FINANCIAL RESULTS

Q1 FY26 Net Sales Increased 4.3% to \$138.4 Million vs. Q1 FY25

STAMFORD, Conn., June 12, 2025 (GLOBE NEWSWIRE) -- The Lovesac Company (Nasdaq: LOVE) (“Lovesac” or the “Company”), the Designed for Life home and technology brand best known for its Sactionals, The World's Most Adaptable Couch, today announced financial results for the first quarter of fiscal 2026, which ended May 4, 2025.

Shawn Nelson, Chief Executive Officer, stated, “Our first quarter performance was inline with our expectations to capitalize on secular initiatives to drive growth. Notably, we delivered topline growth and leveraged operating expenses as we have begun to reap the benefits of previous investments in core capabilities to bolster our infinity flywheel and accelerate our pace of product innovation. Our first quarter also reflected another period of market share gains despite persistent category headwinds and an evolving macroeconomic backdrop, thereby reinforcing our unique competitive advantages driven by our Designed for Life product platforms and efficient customer acquisition engines. As we enter the second quarter, we are thrilled to have launched our third Designed For Life Platform, EverCouch. This expansion into the armchair, loveseat and sofa category effectively doubles our total addressable market. While we remain cautious given the dynamic environment, we have high conviction in our long-term growth trajectory as we execute against our strategic roadmap and unlock the tremendous growth potential ahead.”

Key Measures for the First Quarter of Fiscal 2026 Ending May 4, 2025:

(Dollars in millions, except per share amounts. Dollar and percentage changes may not recalculate due to rounding.)

	Thirteen weeks ended		
	May 4, 2025	May 5, 2024	% Inc (Dec)
Net sales			
Showrooms	\$96.5	\$81.6	18.2%
Internet	\$33.3	\$36.6	(8.9%)
Other	\$8.6	\$14.4	(40.5%)
Total net sales	\$138.4	\$132.6	4.3%
Gross profit	\$74.4	\$72.0	3.2%
Gross margin	53.7 %	54.3 %	(60) bps
Total operating expenses	\$89.3	\$89.9	(0.6%)
SG&A	\$67.1	\$68.4	(1.9%)
SG&A as a % of Net Sales	48.5 %	51.6 %	(310) bps
Advertising and marketing	\$18.6	\$18.0	3.3%
Advertising & marketing as a % of Net Sales	13.4 %	13.6 %	(20) bps
Net loss	\$(10.8)	\$(13.0)	16.4%
Basic net loss per common share	\$(0.73)	\$(0.83)	12.0%
Diluted net loss per common share	\$(0.73)	\$(0.83)	12.0%
Adjusted EBITDA ¹	\$(8.4)	\$(10.3)	17.7%
Net cash used in operating activities	\$(41.4)	\$(7.0)	(489.9%)

¹ Adjusted EBITDA is a non-GAAP measure. See “Non-GAAP Information” and “Reconciliation of Non-GAAP Financial Measures” included in this press release.

Percent increase (decrease) except showroom count		
	Thirteen weeks ended	
	May 4, 2025	May 5, 2024
Omni-channel Comparable Net Sales ⁽¹⁾	2.8 %	(14.8)%
Internet Sales	(8.9)%	(9.0)%
Ending Showroom Count	267	246

¹ Omni-channel Comparable Net Sales includes sales at all retail locations and online, open greater than 12 months (including remodels and relocations) and excludes closed stores.

Highlights for the Quarter Ended May 4, 2025:

- Net sales increased \$5.8 million, or 4.3%, in the first quarter of fiscal 2026 compared to the prior year period primarily driven by an increase of 2.8% in omni-channel comparable net sales and the net addition of 21 new showrooms. During the first quarter of fiscal 2026, we opened 11 additional showrooms and closed 1 showroom.
- Gross profit increased \$2.4 million, or 3.2% in the first quarter of fiscal 2026 compared to the prior year period. Gross margin decreased 60 basis points to 53.7% of net sales in the first quarter of fiscal 2026 from 54.3% of net sales in the prior year period primarily driven by a decrease of 230 basis points in product margin driven by higher promotional discounting, partially offset by decreases of 130 basis points in inbound transportation costs and 40 basis points in outbound transportation and warehousing costs.
- SG&A expense decreased \$1.3 million, or 1.9%, in the first quarter of fiscal 2026 compared to the prior year period due to decreases in professional fees, insurance matters, credit card fees, computer expense, and other overhead costs, partially offset by increases in payroll, equity-based compensation, and rent.
- Advertising and marketing expense increased \$0.6 million, or 3.3% in the first quarter of fiscal 2026 compared to the prior year period, primarily driven by costs associated with the launch of a new product marketing campaign.
- Operating loss was \$15.0 million in the first quarter of fiscal 2026 compared to \$17.9 million in the prior year period. Operating margin was (10.8)% of net sales in the first quarter of fiscal 2026 compared to (13.5)% of net sales in the prior year period.
- Net loss was \$10.8 million in the first quarter of fiscal 2026 or \$(0.73) net loss per common share compared to \$13.0 million or \$(0.83) net loss per common share in the prior year period. During the first quarter of fiscal 2026, the Company recorded an income tax benefit of \$3.8 million, compared to \$4.2 million in the prior year period. The change in benefit is primarily driven by a lower net loss before taxes.

Other Financial Highlights as of May 4, 2025:

- The cash and cash equivalents balance as of May 4, 2025 was \$26.9 million as compared to \$72.4 million as of May 5, 2024. There was no balance on the Company's line of credit as of May 4, 2025 and May 5, 2024. The Company's availability under the line of credit was \$36.0 million and \$33.7 million as of May 4, 2025 and May 5, 2024, respectively.
- Total merchandise inventory was \$124.9 million as of May 4, 2025 as compared to \$94.7 million as of May 5, 2024 primarily related to a planned stock inventory increase of \$25.9 million coupled with an increase in freight capitalization of \$5.1 million.

Outlook:

The Company provides guidance of select information related to the Company's financial and operating performance, and such measures may differ from year to year. The projections are as of this date and the Company assumes no obligation to update or supplement this information.

The Company currently expects the following for the full year of fiscal 2026:

- Net sales in the range of \$700 million to \$750 million.
- Adjusted EBITDA¹ in the range of \$48 million to \$60 million.
- Net income in the range of \$13 million to \$22 million.
- Diluted income per common share in the range of \$0.80 to \$1.36 on approximately 16.3 million estimated diluted weighted average shares outstanding.

The Company currently expects the following for the second quarter of fiscal 2026:

- Net sales in the range of \$157 million to \$166 million.
- Adjusted EBITDA¹ loss in the range of \$2 million to \$7 million.
- Net loss in the range of \$8 million to \$12 million.
- Basic loss per common share in the range of \$0.58 to \$0.83 on approximately 14.6 million estimated weighted average shares outstanding.

¹ Adjusted EBITDA is a non-GAAP measure. See "Non-GAAP Information" and "Reconciliation of Non-GAAP Financial Measures" included in this press release.

Conference Call Information:

A conference call to discuss the financial results for the first quarter ended May 4, 2025 is scheduled for today, June 12, 2025, at 8:30 a.m. Eastern Time. Investors and analysts interested in participating in the call are invited to dial (877) 407-3982 (international callers please dial (201) 493-6780) approximately 10 minutes prior to the start of the call. A live audio webcast of the conference call will be available online at investor.lovesac.com.

A recorded replay of the conference call will be available within two hours of the conclusion of the call and can be accessed online at investor.lovesac.com for 90 days.

About The Lovesac Company:

Based in Stamford, Connecticut, The Lovesac Company (NASDAQ: LOVE) is a technology driven company that designs, manufactures and sells unique, high quality furniture derived through its proprietary Designed for Life approach which results in products that are built to last a lifetime and designed to evolve as customers' lives do. The current product offering is comprised of modular couches called Sactionals, the Sactionals Reclining seat, premium foam beanbag chairs called Sacs, the PillowsacTM Accent Chair, an immersive surround sound home theater system called StealthTech, and an innovative sofa seating solution called EverCouchTM. As a recipient of Repreve's 7th Annual Champions of Sustainability Award, responsible production and innovation are at the center of the brand's design philosophy with products protected by a robust portfolio of utility patents. Products are marketed and sold primarily online directly at www.lovesac.com, supported by a physical retail presence in the form of Lovesac branded showrooms, as well as through shop-in-shops and pop-up-shops with third party retailers. LOVESAC, DESIGNED FOR LIFE, SACTIONALS, SAC, STEALTHTECH,

and THE WORLD'S MOST ADAPTABLE COUCH are trademarks of The Lovesac Company and are Registered in the U.S. Patent and Trademark Office.

Non-GAAP Information:

Adjusted EBITDA is defined as a non-GAAP financial measure by the Securities and Exchange Commission (the “SEC”) that is a supplemental measure of financial performance not required by, or presented in accordance with, GAAP. We define “Adjusted EBITDA” as earnings before interest, taxes, depreciation and amortization, adjusted for the impact of certain non-cash and other items that we do not consider in our evaluation of ongoing operating performance. These items include management fees, equity-based compensation expense, write-offs of property and equipment, deferred rent, financing expenses and certain other charges and gains that we do not believe reflect our underlying business performance. We have reconciled this non-GAAP financial measure with the most directly comparable GAAP financial measure within the schedules attached hereto. Statements regarding our expectations as to fiscal 2026 Adjusted EBITDA do not include certain charges and costs. These items include equity-based compensation expense and certain other charges and gains that we do not believe reflect our underlying business performance. We are not able to provide a reconciliation of our non-GAAP financial guidance to the corresponding GAAP measures without unreasonable effort because of the uncertainty and variability of the nature and amount of these future charges and costs. This is due to the inherent difficulty of forecasting the timing of certain events that have not yet occurred and are out of the Company’s control.

We believe that these non-GAAP financial measures not only provide its management with comparable financial data for internal financial analysis but also provide meaningful supplemental information to investors. Specifically, these non-GAAP financial measures allow investors to better understand the performance of our business, facilitate a more meaningful comparison of our actual results on a period-over-period basis and provide for a more complete understanding of factors and trends affecting our business. We have provided this information as a means to evaluate the results of our ongoing operations alongside GAAP measures such as gross profit, operating income (loss) and net income (loss). Other companies in our industry may calculate these items differently than we do. These non-GAAP measures should not be considered as a substitute for the most directly comparable financial measures prepared in accordance with GAAP, such as net income (loss) or net income (loss) per share as a measure of financial performance, cash flows from operating activities as a measure of liquidity, or any other performance measure derived in accordance with GAAP. Non-GAAP financial measures have limitations as analytical tools, and investors should not consider them in isolation or as a substitute for analysis of the Company’s results as reported under GAAP.

Cautionary Statement Concerning Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and other legal authority. Forward-looking statements can be identified by words such as “may,” “continue(s),” “believe,” “anticipate,” “could,” “should,” “intend,” “plan,” “will,” “aim(s),” “can,” “would,” “expect(s),” “expectation(s),” “estimate(s),” “project(s),” “projections,” “forecast(s),” “positioned,” “approximately,” “potential,” “goal,” “pro forma,” “strategy,” “outlook” or the negative of these words or other similar terms or expressions that concern our expectations, strategy, plans, or intentions. All statements, other than statements of historical facts, included in this press release under the heading “Outlook” and all statements regarding strategy, future operations and launch of new products, the pace and success of new products, future financial position or projections, future revenue, projected expenses, sustainability goals, prospects, plans and objectives of management are forward-looking statements. These statements are based on management’s current expectations, beliefs and assumptions concerning the future of our business, anticipated events and trends, the economy and other future conditions. We may not actually achieve the plans, carry out the intentions or meet the expectations disclosed in the forward-looking statements and you should not rely on these forward-looking statements. Actual results and performance could differ materially from those projected in the forward-looking statements as a result of many factors. Among the key factors that could cause actual results to differ materially from those expressed or implied in the forward-looking statements include: business disruptions or other consequences of economic instability, recession, political instability, civil unrest, armed hostilities, natural and man-made disasters, pandemics or other public health crises, or other catastrophic events; the impact of changes or declines in consumer spending and increases in interest rates and inflation on our business, sales, results of operations and financial condition; cybersecurity and vulnerability to electronic break-ins and other similar disruptions; active pending or threatened litigation; our ability to manage and sustain our growth and profitability effectively, including in our ecommerce business, forecast our operating results, and manage inventory levels; our cash flows, changes in the market price of our common stock, global economic and market conditions and other considerations that could impact the specific timing, price and size of repurchases under our stock repurchase program or our ability to fund any stock repurchases; our ability to improve our products and develop and launch new products; our ability to successfully open and operate new showrooms; our ability to advance, implement or achieve the goals set forth in our ESG Report; our ability to realize the expected benefits of investments in our supply chain and infrastructure; disruption in our supply chain and dependence on foreign manufacturing and imports for our products; execution of our share repurchase program and its expected benefits for enhancing long-term shareholder value; our ability to acquire new customers and engage existing customers; reputational risk associated with increased use of social media; our ability to attract, develop and retain highly skilled associates and employees; system interruption or failures in our technology infrastructure needed to service our customers, process transactions and fulfill orders; any inability to implement and maintain effective internal control over financial reporting; unauthorized disclosure of sensitive or confidential information through breach of our computer system; the ability of third-party providers to continue uninterrupted service; the impact of changes in diplomatic and trade relations, as well as tariffs and the countermeasures and tariff mitigation initiatives; the regulatory environment in which we operate; our ability to maintain, grow and enforce our brand and intellectual property rights and avoid infringement or violation of the intellectual property rights of others; and our ability to compete and succeed in a highly competitive and evolving industry, as well as those risks and uncertainties disclosed under the sections entitled “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in our most recent Form 10-K and in our Form 10-Qs filed with the Securities and Exchange Commission, and similar disclosures in subsequent reports filed with the SEC, which are available on our investor relations website at investor.lovesac.com and on the SEC website at www.sec.gov. Any forward-looking statement made by us in this press release speaks only as of the date on which we make it. We disclaim any intent or obligation to update these forward-looking statements to reflect events or circumstances that exist after the date on which they were made.

Investor Relations Contact:

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THE LOVESAC COMPANY
CONDENSED BALANCE SHEETS
(unaudited)

(amounts in thousands, except share and per share amounts)	May 4, 2025	February 2, 2025
Assets		
Current Assets		
Cash and cash equivalents	\$ 26,900	\$ 83,734
Trade accounts receivable, net	13,022	16,781
Merchandise inventories, net	124,926	124,333
Prepaid expenses	12,977	14,807
Other current assets	3,628	6,942
Total Current Assets	181,453	246,597
Property and equipment, net	85,267	77,990
Operating lease right-of-use assets	164,272	157,750
Goodwill	144	144
Intangible assets, net	1,719	1,586
Deferred tax asset	18,914	15,277
Other assets	31,971	32,906
Total Assets	<u>\$ 483,740</u>	<u>\$ 532,250</u>
Liabilities and Stockholders' Equity		
Current Liabilities		
Accounts payable	\$ 25,019	\$ 51,814
Accrued expenses	42,453	51,986
Payroll payable	7,137	9,501
Customer deposits	11,639	11,250
Current operating lease liabilities	22,599	22,662
Sales taxes payable	4,218	7,897
Total Current Liabilities	113,065	155,110
Operating lease liabilities, long-term	169,037	160,361
Income tax payable, long-term	424	424
Line of credit	—	—
Total Liabilities	282,526	315,895
Commitments and Contingencies		
Stockholders' Equity		
Preferred Stock \$0.00001 par value, 10,000,000 shares authorized, no shares issued or outstanding as of May 4, 2025 and February 2, 2025.	—	—
Common Stock \$0.00001 par value, 40,000,000 shares authorized, 14,549,250 shares issued and outstanding as of May 4, 2025 and 14,786,934 shares issued and outstanding as of February 2, 2025.	—	—
Additional paid-in capital	192,267	190,510
Accumulated earnings	8,947	25,845
Stockholders' Equity	201,214	216,355
Total Liabilities and Stockholders' Equity	<u>\$ 483,740</u>	<u>\$ 532,250</u>

THE LOVESAC COMPANY
CONDENSED STATEMENTS OF OPERATIONS
(unaudited)

	Thirteen weeks ended	
	May 4, 2025	May 5, 2024
(amounts in thousands, except per share data and share amounts)		
Net sales	\$ 138,373	\$ 132,643
Cost of merchandise sold	64,003	60,598
Gross profit	74,370	72,045
Operating expenses:		
Selling, general and administrative expenses	67,117	68,403
Advertising and marketing	18,594	17,996
Depreciation and amortization	3,613	3,502
Total operating expenses	89,324	89,901
Operating loss	(14,954)	(17,856)
Interest and other income, net	325	744
Net loss before taxes	(14,629)	(17,112)
Income tax benefit	3,789	4,152
Net loss	<u>\$ (10,840)</u>	<u>\$ (12,960)</u>
Net loss per common share:		
Basic	<u>\$ (0.73)</u>	<u>\$ (0.83)</u>
Diluted	<u>\$ (0.73)</u>	<u>\$ (0.83)</u>
Weighted average shares outstanding:		
Basic	<u>14,792,080</u>	<u>15,537,823</u>
Diluted	<u>14,792,080</u>	<u>15,537,823</u>

THE LOVESAC COMPANY
CONDENSED STATEMENT OF CASH FLOWS
(unaudited)

(amounts in thousands)	Thirteen weeks ended	
	May 4, 2025	May 5, 2024
Cash Flows from Operating Activities		
Net loss	\$ (10,840)	\$ (12,960)
Adjustments to reconcile net loss to cash used in operating activities:		
Depreciation and amortization of property and equipment	3,545	3,391
Amortization of other intangible assets	68	111
Amortization of deferred financing fees	19	36
Net loss on disposal of property and equipment	21	43
Equity based compensation	2,501	1,152
Non-cash lease expense	6,684	6,104
Deferred income taxes	(3,637)	(4,185)
Change in operating assets and liabilities:		
Trade accounts receivable	3,759	6,287
Merchandise inventories	(593)	3,727
Prepaid expenses and other current assets	5,137	(1,067)
Other assets	935	(1,685)
Accounts payable	(27,228)	(2,856)
Accrued expenses and other payables	(15,720)	(5,075)
Operating lease liabilities	(6,417)	(3,874)
Customer deposits	389	3,837
Net cash used in operating activities	(41,377)	(7,014)
Cash Flows from Investing Activities		
Purchase of property and equipment	(8,577)	(7,296)
Payments for patents and trademarks	(124)	(8)
Net cash used in investing activities	(8,701)	(7,304)
Cash Flows from Financing Activities		
Taxes paid for net share settlement of equity awards	(744)	(356)
Repurchases of common stock	(6,000)	—
Payment of deferred financing costs	(12)	—
Net cash used in financing activities	(6,756)	(356)
Net change in cash and cash equivalents	(56,834)	(14,674)
Cash and cash equivalents - Beginning	83,734	87,036
Cash and cash equivalents - Ending	\$ 26,900	\$ 72,362
Supplemental Cash Flow Data:		
Cash paid for taxes	\$ —	\$ 10
Cash paid for interest	\$ 40	\$ 30
Non-cash investing and financing activities:		
Asset acquisitions not yet paid for at period end	\$ 519	\$ 2,142
Leasehold improvements acquired through lease incentive	\$ 1,824	\$ —
Excise tax on share repurchases, accrued but not paid	\$ 58	\$ —

THE LOVESAC COMPANY
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES
(unaudited)

(amounts in thousands)	Thirteen weeks ended	
	May 4, 2025	May 5, 2024
Net loss	\$ (10,840)	\$ (12,960)
Interest income, net	(327)	(744)
Income tax benefit	(3,789)	(4,152)
Depreciation and amortization	3,613	3,502
EBITDA	(11,343)	(14,354)
Equity-based compensation (a)	2,622	1,203
Loss on disposal of assets (b)	21	43
Other non-recurring expenses (c)	253	2,850
Adjusted EBITDA	<u>\$ (8,447)</u>	<u>\$ (10,258)</u>

(a) Represents expenses, such as compensation expense and employer taxes related to RSU equity vesting and exercises associated with stock options and restricted stock units granted to our associates and board of directors. Employer taxes are included as part of selling, general and administrative expenses on the Statements of Operations.

(b) Represents loss on disposal of property and equipment.

(c) Other non-recurring expenses in the thirteen weeks ended May 4, 2025 represents professional fees related to the restatement of previously issued financial statements, severance, and expenses associated with other legal matters, partially offset by benefits related to insurance proceeds. Other non-recurring expenses in the thirteen weeks ended May 5, 2024 represents professional fees related to the restatement of previously issued financial statements and severance, partially offset by benefits related to insurance proceeds and other legal matters.