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): December 11, 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 December 11, 2025, The Lovesac Company, a Delaware corporation (the "Company"), issued a press release (the "Press Release") announcing the Company's financial results for the third quarter of fiscal year 2026, which ended November 2, 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 December 11, 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: December 11, 2025

THE LOVESAC COMPANY

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

THE LOVESAC COMPANY REPORTS THIRD QUARTER FISCAL 2026 FINANCIAL RESULTS

Q3 FY26 Net Sales Increased 0.2% to $150.2 Million vs. Q3 FY25

STAMFORD, Conn., December 11, 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 third quarter of fiscal 2026, which ended November 2, 2025.

Shawn Nelson, Chief Executive Officer, stated, "Our focus on secular growth initiatives such as new products and the beginnings of a major evolution in our marketing, enabled slight year-over-year growth in net sales in the third quarter, reflecting market share gains as compared to our category. As we transitioned into our fiscal fourth quarter, we adjusted our marketing strategies and have seen solid growth quarter-to-date, inclusive of the Black Friday and Cyber Monday holiday events. Lovesac is inventing and investing steadily, even through these tough times for our category, while balancing cash flow generation and profitability. Our tall ambitions begin with reaching our goal of three million Lovesac households by 2030: Households that will have ever-more Designed For Life products across ever-more rooms of the house. We are totally focused and committed to this goal that we believe can produce meaningful growth over the next few years—regardless of what happens in the macro environment."

Key Measures for the Third Quarter of Fiscal 2026 Ending November 2, 2025:

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

	Thirteen weeks ended			Thirty-nine weeks ended		
	November 2, 2025	November 3, 2024	% Inc (Dec)	November 2, 2025	November 3, 2024	% Inc (Dec)
Net sales						
Showrooms	$102.7	$91.0	*12.8%*	$308.2	$271.4	*13.6%*
Internet	$37.3	$44.9	*(16.9%)*	$113.1	$125.8	*(10.1%)*
Other	$10.2	$14.0	*(27.3%)*	$27.7	$41.9	*(33.9%)*
Total net sales	$150.2	$149.9	*0.2%*	$449.1	$439.1	*2.3%*
Gross profit	$84.2	$87.6	*(3.9%)*	$249.2	$252.1	*(1.1%)*
Gross margin	*56.1%*	*58.5%*	*(240) bps*	*55.5%*	*57.4%*	*(190) bps*
Total operating expenses	$100.0	$95.4	*4.9%*	$288.8	$286.0	*1.0%*
SG&A	$75.0	$71.7	*4.5%*	$214.2	$213.8	*0.2%*
SG&A as a % of Net Sales	*49.9%*	*47.9%*	*200 bps*	*47.7%*	*48.7%*	*(100) bps*
Advertising and marketing	$21.1	$19.9	*5.7%*	$63.2	$61.3	*3.1%*
Advertising & marketing as a % of Net Sales	*14.0%*	*13.3%*	*70 bps*	*14.1%*	*13.9%*	*20 bps*
Net loss	$(10.6)	$(4.9)	*(114.0%)*	$(28.0)	$(23.8)	*(18.1%)*
Basic net loss per common share	$(0.72)	$(0.32)	*(125.0%)*	$(1.91)	$(1.53)	*(24.8%)*
Diluted net loss per common share	$(0.72)	$(0.32)	*(125.0%)*	$(1.91)	$(1.53)	*(24.8%)*
Adjusted EBITDA [1]	$(6.0)	$2.7	*(322.9%)*	$(13.6)	$(6.1)	*(123.1%)*
Net cash used in operating activities	$(4.9)	$(4.2)	*(15.8%)*	$(34.1)	$(5.0)	*(575.6%)*

[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		Thirty-nine weeks ended	
	November 2, 2025	November 3, 2024	November 2, 2025	November 3, 2024
Omni-channel Comparable Net Sales[(1)]	(1.2) %	(8.3) %	0.4 %	(9.1) %
Internet Sales	(16.9) %	12.1 %	(10.1) %	3.4 %
Ending Showroom Count	275	258	275	258

[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 showrooms.

Highlights for the Quarter Ended November 2, 2025:

- Net sales increased $0.3 million, or 0.2%, in the third quarter of fiscal 2026 compared to the prior year period primarily driven by the net addition of 17 new showrooms, partially offset by a decrease of 1.2% in omni-channel comparable net sales. During the third quarter of fiscal 2026, we opened 5 additional showrooms and did not close any showrooms.

- Gross profit decreased $3.4 million, or 3.9% in the third quarter of fiscal 2026 compared to the prior year period. Gross margin decreased 240 basis points to 56.1% of net sales in the third quarter of fiscal 2026 from 58.5% of net sales in the prior year period primarily driven by increases of 320 basis points in inbound transportation and tariff costs and 20 basis points in outbound transportation and warehousing costs, partially offset by an increase of 100 basis points in product margin driven by cost reduction initiatives from our vendors in response to changes in the tariff environment.

- SG&A expense increased $3.2 million, or 4.5%, in the third quarter of fiscal 2026 compared to the prior year period primarily due to increases in payroll, including an out-of-period expense pertaining to prior periods employee benefits, licenses and registrations, rent, and other overhead costs, partially offset by decreases in legal and professional fees, and equity-based compensation.

- Advertising and marketing expense increased $1.1 million, or 5.7% in the third 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 $15.8 million in the third quarter of fiscal 2026 compared to $7.7 million in the prior year period. Operating margin was (10.5)% of net sales in the third quarter of fiscal 2026 compared to (5.1)% of net sales in the prior year period.

- Net loss was $10.6 million in the third quarter of fiscal 2026 or $(0.72) net loss per common share compared to $4.9 million or $(0.32) net loss per common share in the prior year period. During the third quarter of fiscal 2026, the Company recorded an income tax benefit of $5.0 million, compared to $2.1 million in the prior year period. The change in benefit was primarily driven by a higher net loss before taxes.

Highlights for the Year-to-date Period Ended November 2, 2025:

- Net sales increased $9.9 million, or 2.3%, in the year-to-date period ended November 2, 2025 compared to the prior year period primarily driven by an increase of 0.4% in omni-channel comparable net sales and the net addition of 17 new showrooms compared to the prior year period.

- Gross profit decreased $2.8 million, or 1.1%, in the year-to-date period ended November 2, 2025 compared to the prior year period. Gross margin decreased 190 basis points to 55.5% of net sales in the year-to-date period ended November 2, 2025 from 57.4% of net sales in the prior year period primarily driven by increases of 110 basis points in inbound transportation and tariff costs and 10 basis points in outbound transportation and warehousing costs, and a decrease of 70 basis points in product margin driven by higher promotional discounting.

- SG&A expense increased $0.4 million, or 0.2%, in the year-to-date period ended November 2, 2025 compared to the prior year period primarily due to increases in payroll, including an out-of-period expense pertaining to prior periods employee benefits, rent, equity-based compensation, and impairment charges related to the Best Buy partnership discontinuation, partially offset by decreases in legal and professional fees, credit card fees, and other overhead costs.

- Advertising and marketing expense increased $1.9 million, or 3.1% in the year-to-date period ended November 2, 2025 compared to the prior year period primarily driven by costs associated with the launch of a new product marketing campaign.

- Operating loss was $39.6 million in the year-to-date period ended November 2, 2025 compared to $34.0 million in the prior year period. Operating margin was (8.8)% of net sales in the year-to-date period ended November 2, 2025 compared to (7.7)% of net sales in the prior year period.

- Net loss was $28.0 million in the year-to-date period ended November 2, 2025 or $(1.91) net loss per diluted share compared to $23.8 million or $(1.53) net loss per diluted share in the prior year period. During the year-to-date period ended November 2, 2025, the Company recorded an income tax benefit of $10.9 million, compared to $8.1 million for the prior year period. The change in benefit was primarily driven by a higher net loss before taxes.

<u>Other Financial Highlights as of November 2, 2025:</u>

- The cash and cash equivalents balance as of November 2, 2025 was $23.7 million as compared to $61.7 million as of November 3, 2024. There was no balance on the Company's line of credit as of November 2, 2025 and November 3, 2024. The Company's availability under the line of credit was $36.0 million as of November 2, 2025 and November 3, 2024.

- Total merchandise inventory was $129.7 million as of November 2, 2025 as compared to $113.4 million as of November 3, 2024 primarily related to an increase in freight capitalization of $10.7 million coupled with a planned stock inventory increase of $5.5 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 $685 million to $705 million.
- Adjusted EBITDA[1] in the range of $37 million to $43 million.
- Net income in the range of $2 million to $8 million.
- Diluted income per common share in the range of $0.15 to $0.49 on approximately 16.2 million estimated diluted weighted average shares outstanding.

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

- Net sales in the range of $236 million to $256 million.
- Adjusted EBITDA[1] in the range of $51 million to $56 million.
- Net income in the range of $30 million to $36 million.
- Diluted income per common share in the range of $1.88 to $2.22 on approximately 16.2 million estimated diluted 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 third quarter ended November 2, 2025 is scheduled for today, December 11, 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 PillowSac™ Chair, an immersive surround sound home theater system called StealthTech, and an innovative sofa seating solution called Snugg™. 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 and global conflicts, 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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(203) 682-8200
InvestorRelations@lovesac.com

Exhibit 99.1

THE LOVESAC COMPANY
CONDENSED BALANCE SHEETS
(unaudited)

(amounts in thousands, except share and per share amounts)	November 2, 2025	February 2, 2025
Assets		
Current Assets		
Cash and cash equivalents	$ 23,722	$ 83,734
Trade accounts receivable, net	16,960	16,781
Merchandise inventories, net	129,681	124,333
Prepaid expenses	13,098	14,807
Other current assets	2,525	6,942
Total Current Assets	185,986	246,597
Property and equipment, net	86,726	77,990
Operating lease right-of-use assets	163,081	157,750
Goodwill	144	144
Intangible assets, net	2,104	1,586
Deferred tax asset	26,368	15,277
Other assets	31,105	32,906
Total Assets	$ 495,514	$ 532,250
Liabilities and Stockholders' Equity		
Current Liabilities		
Accounts payable	$ 45,548	$ 51,814
Accrued expenses	41,402	51,986
Payroll payable	14,009	9,501
Customer deposits	8,727	11,250
Current operating lease liabilities	22,730	22,662
Sales taxes payable	4,582	7,897
Total Current Liabilities	136,998	155,110
Operating lease liabilities, long-term	168,785	160,361
Income tax payable, long-term	424	424
Line of credit	—	—
Total Liabilities	306,207	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 November 2, 2025 and February 2, 2025.	—	—
Common Stock $0.00001 par value, 40,000,000 shares authorized, 14,615,785 shares issued and outstanding as of November 2, 2025 and 14,786,934 shares issued and outstanding as of February 2, 2025.	—	—
Additional paid-in capital	197,549	190,510
Accumulated (deficit) earnings	(8,242)	25,845
Stockholders' Equity	189,307	216,355
Total Liabilities and Stockholders' Equity	$ 495,514	$ 532,250

THE LOVESAC COMPANY
CONDENSED STATEMENTS OF OPERATIONS
(unaudited)

	Thirteen weeks ended		Thirty-nine weeks ended	
(amounts in thousands, except per share data and share amounts)	November 2, 2025	November 3, 2024	November 2, 2025	November 3, 2024
Net sales	$ 150,166	$ 149,905	$ 449,069	$ 439,138
Cost of merchandise sold	65,929	62,266	199,854	187,085
Gross profit	84,237	87,639	249,215	252,053
Operating expenses:				
Selling, general and administrative expenses	74,964	71,749	214,195	213,826
Advertising and marketing	21,075	19,947	63,150	61,253
Depreciation and amortization	4,002	3,666	11,451	10,924
Total operating expenses	100,041	95,362	288,796	286,003
Operating loss	(15,804)	(7,723)	(39,581)	(33,950)
Interest and other income, net	206	701	631	2,139
Net loss before taxes	(15,598)	(7,022)	(38,950)	(31,811)
Income tax benefit	5,047	2,092	10,909	8,060
Net loss	$ (10,551)	$ (4,930)	$ (28,041)	$ (23,751)
Net loss per common share:				
Basic	$ (0.72)	$ (0.32)	$ (1.91)	$ (1.53)
Diluted	$ (0.72)	$ (0.32)	$ (1.91)	$ (1.53)
Weighted average shares outstanding:				
Basic	14,655,495	15,574,293	14,692,182	15,567,442
Diluted	14,655,495	15,574,293	14,692,182	15,567,442

Exhibit 99.1

THE LOVESAC COMPANY
CONDENSED STATEMENT OF CASH FLOWS
(unaudited)

(amounts in thousands)	Thirty-nine weeks ended November 2, 2025	Thirty-nine weeks ended November 3, 2024
Cash Flows from Operating Activities		
Net loss	$ (28,041)	$ (23,751)
Adjustments to reconcile net loss to cash used in operating activities:		
Depreciation and amortization of property and equipment	11,223	10,610
Amortization of other intangible assets	228	314
Amortization of deferred financing fees	55	112
Net loss on disposal of property and equipment	279	74
Impairment of long-lived assets	1,541	—
Equity based compensation	8,201	6,687
Non-cash lease expense	20,212	18,741
Deferred income taxes	(11,091)	(8,316)
Change in operating assets and liabilities:		
Trade accounts receivable	(179)	(2,652)
Merchandise inventories	(5,348)	(15,005)
Prepaid expenses and other current assets	6,083	(2,983)
Other assets	1,801	(5,389)
Accounts payable	(7,695)	19,332
Accrued expenses and other payables	(9,964)	2,688
Operating lease liabilities	(18,875)	(13,888)
Customer deposits	(2,523)	8,380
Net cash used in operating activities	(34,093)	(5,046)
Cash Flows from Investing Activities		
Purchase of property and equipment	(18,211)	(15,739)
Payments for patents and trademarks	(534)	(339)
Net cash used in investing activities	(18,745)	(16,078)
Cash Flows from Financing Activities		
Taxes paid for net share settlement of equity awards	(1,162)	(487)
Repurchases of common stock	(6,000)	(3,431)
Payment of deferred financing costs	(12)	(303)
Net cash used in financing activities	(7,174)	(4,221)
Net change in cash and cash equivalents	(60,012)	(25,345)
Cash and cash equivalents - Beginning	83,734	87,036
Cash and cash equivalents - Ending	$ 23,722	$ 61,691
Supplemental Cash Flow Data:		
Cash paid for taxes	$ 9,152	$ 8,383
Cash paid for interest	$ 91	$ 92
Non-cash investing and financing activities:		
Asset acquisitions not yet paid for at period end	$ 1,956	$ 1,344
Leasehold improvements acquired through lease incentive	$ 1,824	$ —
Excise tax on share repurchases, accrued but not paid	$ 46	$ 18

Exhibit 99.1

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

	Thirteen weeks ended		Thirty-nine weeks ended	
(amounts in thousands)	**November 2, 2025**	**November 3, 2024**	**November 2, 2025**	**November 3, 2024**
Net loss	$ (10,551)	$ (4,930)	$ (28,041)	$ (23,751)
Interest income, net	(205)	(701)	(632)	(2,139)
Income tax benefit	(5,047)	(2,092)	(10,909)	(8,060)
Depreciation and amortization	4,002	3,666	11,451	10,924
EBITDA	(11,801)	(4,057)	(28,131)	(23,026)
Equity-based compensation (a)	2,436	2,785	8,337	6,748
Loss on disposal of assets (b)	2	12	36	74
Other non-recurring expenses (c)	3,397	3,937	6,182	10,119
Adjusted EBITDA	$ (5,966)	$ 2,677	$ (13,576)	$ (6,085)

(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 November 2, 2025 represents severance, professional fees related to the restatement of previously issued financial statements, an out-of-period expense pertaining to prior periods employee benefits, and expenses associated with other legal matters, partially offset by benefits related to insurance proceeds. Other non-recurring expenses in the thirty-nine weeks ended November 2, 2025 also represents impairment charges and other costs related to the Best Buy partnership discontinuation. Other non-recurring expenses in the thirteen weeks ended November 3, 2024 represents professional fees related to the restatement of previously issued financial statements, infrequent and unusual production costs, and expenses associated with other legal matters. Other non-recurring expenses in the thirty-nine weeks ended November 3, 2024 also includes severance, partially offset by benefits related to insurance proceeds.