Fiscal 2024 Second Quarter

December 6, 2023
Forward Looking Statements

This presentation contains statements that may be characterized as forward-looking statements under the Private Securities Litigation Reform Act of 1995. Those statements represent the current beliefs of management with respect to future events, financial performance and industry conditions. Those statements also involve a number of risk factors and uncertainties that could cause actual results to differ materially from those contained in this presentation, including those set forth in the Company’s annual, quarterly and other reports filed with the Securities and Exchange Commission.
Second Quarter and Recent Highlights

- Executing on strategic initiatives to drive profitable growth and cash flow
- Delivered Consolidated revenue growth of 0.3% to $610.4 Million
  - Retail sales increased 0.1% to $599.3 despite operating in 128 fewer stores
  - Retail gross comparable store sales increased 3.6%
- Increased Consolidated Adjusted EBITDA by 28.3%
  - Reduced Selling & Administrative expense by $13.0 million in the second quarter and $25.9 million year-to-date
- Growth of First Day Complete (FDC) continues
  - FDC revenue grew 52% to $136 million
  - 157 campus stores utilizing FDC for the Fall term, representing enrollment of ~800,000 students*
  - FDC presents a significant long-term growth opportunity
- Maintained fiscal 2024 non-GAAP Adjusted EBITDA guidance of ~$40 million

*As reported by National Center for Education Statistics (NCES); includes undergraduate and graduate students
Q2 S&A of $86.0 million decreased $13.0 million or 13.1%
Retail S&A decreased by $12.9 million due to a $11.9 million reduction in store payroll expense and operating costs, a $4.1 million decrease in corporate payroll expense and other costs, partially offset by a $3.1 million increase in incentive plan compensation expense due to the reversal of the incentive accrual in the prior year

Q2 gross comparable sales increased 3.6% or $22.9 million
• Course material increased 5.8%; General merchandise decreased 1.7%

First Day Complete sales increased 52% to $136 million

Q2 sales increased 0.3% or $1.7 million to $610.4 million
Retail Q2 sales increased 0.1% or $0.7 million to $599.3
• Retail sales up $0.7 million despite 128 fewer stores- Physical stores down 76 to 717; Virtual stores down 52 to 554

Retail gross comparable sales increased 3.6% or $22.9 million
• Course material increased 5.8%; General merchandise decreased 1.7%

First Day Complete sales increased 52% to $136 million

Q2 gross profit of $136.2 million decreased $1.9 million or 1.4%
Q2 gross margin (%) decreased 40 bps to 22.3% from 22.7%
• Retail gross margin down 70 bps due to higher course material markdowns, including markdowns related to closed stores, the shift to lower margin digital course materials, and lower general merchandise sales, primarily from closed stores. Partially offset by lower contract costs as a result of the shift to digital and First Day models and the growth of higher-margin First Day Complete revenue

Q2 S&A of $86.0 million decreased $13.0 million or 13.1%
S&A a % of revenue decreased 220 bps to 14.1% from 16.3%
• Retail S&A decreased by $12.9 million due to a $11.9 million reduction in store payroll expense and operating costs, a $4.1 million decrease in corporate payroll expense and other costs, partially offset by a $3.1 million increase in incentive plan compensation expense due to the reversal of the incentive accrual in the prior year

Operating Expenses

Adjusted EBITDA of $50.3 million increased $11.1 million or 28.3%
Adjusted EBITDA margin increased 180 bps to 8.2% v 6.4%
• Retail EBITDA of $48.3 million increased $8.9 million or 22.7%
• Wholesale EBITDA of $2.6 million increased by $0.1 million or 63.6%

EBITDA

Adjusted EBITDA of $23.4 million increased $18.6 million or 380.6%
Adjusted EBITDA margin increased 210 bps to 2.7% v 0.6%
• Retail EBITDA of $29.5 million increased $15.0 million or 104.2%
• Wholesale EBITDA of $5.0 million increased by $0.6 million or 14.9%

Balance Sheet

Net debt down $14 million to $219 million
Strong Q2 collections
Q2 capital expenditures of $4.0 million are down $5.3 million
Q2 free cash flow of $61.1 million increased 50.0%

Q2 and YTD Fiscal 2024 Financial Summary
Significantly Increased Retail Profitability

$ in millions

<table>
<thead>
<tr>
<th></th>
<th>Q2 22</th>
<th>Q2 23</th>
<th>Q2 24</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail Revenue</td>
<td>$609.0</td>
<td>$598.6</td>
<td>$599.3</td>
</tr>
</tbody>
</table>

Revenue Growth: Q2 22 5.6%, Q2 23 (1.7%), Q2 24 0.1%
Store Count: 1,445, 1,399, 1,271

Retail Adjusted EBITDA

<table>
<thead>
<tr>
<th></th>
<th>Q2 22</th>
<th>Q2 23</th>
<th>Q2 24</th>
</tr>
</thead>
<tbody>
<tr>
<td>$39.4</td>
<td>$39.4</td>
<td>$48.3</td>
<td></td>
</tr>
</tbody>
</table>

EBITDA Growth: Q2 22 115.3%, Q2 23 (0.1%), Q2 24 22.7%

Key Takeaways

- Retail revenue increased 0.1% or $0.7 million year-over-year despite operating in 128 fewer stores
- Total Retail Gross Comparable Store Sales increased 3.6% driven by 5.8% increase in course material sales
- Retail gross margin declined to 20.9% from 21.6%
  - Course material gross margin declined due to lower margin rates for course materials due to higher markdowns, including markdowns related to closed stores, the shift to lower-margin digital course materials, and lower general merchandise sales, primarily from closed stores
  - Gross margin declines partially offset by lower contract costs as a result of the shift to digital course materials and First Day models and the growth of higher-margin First Day Complete revenue
- Retail S&A as a % of revenue decreased 210 basis points to 12.9% from 15.0% due to disciplined cost management
- 22.7% Retail EBITDA growth due to higher revenue and lower S&A
Second Quarter Course Material Growth Driven By FDC Strength

Course Materials Product Sales\(^{(1)}\)

<table>
<thead>
<tr>
<th></th>
<th>Q2 22</th>
<th>Q2 23</th>
<th>Q2 24</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>$483.4</td>
<td>$457.7</td>
<td>$476.1</td>
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</table>

Revenue Growth 97% 55% 52%

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Course Materials Comparable Store Sales

<table>
<thead>
<tr>
<th></th>
<th>Q2 22</th>
<th>Q2 23</th>
<th>Q2 24</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td></td>
<td></td>
<td>5.8%</td>
</tr>
</tbody>
</table>

-0.1% -4.6%

First Day Complete Sales

<table>
<thead>
<tr>
<th></th>
<th>Q2 22</th>
<th>Q2 23</th>
<th>Q2 24</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>$46</td>
<td>$90</td>
<td>$136</td>
</tr>
</tbody>
</table>

Revenue Growth 97% 55% 52%

Key Takeaways

- Total course materials revenue up 4.0% due strength of First Day models growth
- Course material Comparable Store Sales increased 5.8%
- First Day Complete revenue increased 52%
- First Day by Course revenue grew 18%
- 157 campus stores using BNED’s First Day Complete in the Fall of 2023 term, representing enrollment of nearly 800,000 students*, a 46% increase over the Fall of 2022
- FDC growth due to year-over-year store count growth and comp FDC store growth of 6.5%

\*As reported by National Center for Education Statistics (NCES); includes undergraduate and graduate students
\(^{(1)}\) Includes course material product sales and course material rental income

(1) Includes course material product sales and course material rental income
General Merchandise Is A Long-Term Growth Opportunity

Key Takeaways

- Second quarter General Merchandise revenue down versus the prior year due to:
  - 128 fewer schools than the previous year
  - Declines in trade books and café and convenience items due to delayed inventory receipts

- Gross Comparable Store sales down 1.7%
  - Trade books and café & convenience down double digit %, offset by slight increase in Emblematic sales

(1) For Retail Gross Comparable Store Sales, sales for logo general merchandise fulfilled by Lids, Fanatics and digital agency sales are included on a gross basis in Retail Gross Comparable Store Sales compared to a net basis as commission revenue in our condensed consolidated financial statements.
Second quarter 2024 year-over-year store count was 128 stores lower (76 fewer physical stores) as we focus on winding down under-performing, less profitable stores, and satellite locations.

Continued execution of the FDC strategy will lead to fewer, more profitable stores for a period of time.

Working capital strategy focused on optimizing cash generation to be used to reduce debt levels.
Maintained Guidance for FY24 Non-GAAP Adjusted EBITDA From Continuing Operations

$ in millions

Key Drivers
- Strong FDC growth to continue
- Continued efficiencies and cost reduction in S&A, store payroll, closing unprofitable/underperforming stores

<table>
<thead>
<tr>
<th></th>
<th>FY 21</th>
<th>FY 22</th>
<th>FY 23</th>
<th>FY 24</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ in millions</td>
<td>-$70</td>
<td>-$10</td>
<td>-$8</td>
<td>~$40</td>
</tr>
</tbody>
</table>
Appendix
BNED’s Core Value Proposition

BNED plays a critical role in higher education, serving as a key partner to institutions, students, alumni, fans, faculty & staff, publishers and vendors. The Company is positioning itself to enhance the value it provides to all constituents.

VALUE TO INSTITUTIONS / ADMINISTRATORS

▪ Aggregates all required and recommended physical and digital course materials for an institution
▪ Offers a variety of customized a la carte, inclusive and equitable access course material distribution models
▪ Enables institutions to focus on delivering high quality, affordable education and avoid the complexity of delivering content (e.g. negotiating with publishers, student and faculty customer service, logistics, etc.)
▪ Benefits from BNED’s best-in-class omni-channel retail operating capabilities (e.g. course materials, eCommerce, merchandising, digital marketing)
▪ Provides revenue stream back to schools from the commission generated from campus store and eCommerce sales

VALUE TO FACULTY

▪ Provides insights into costs for students when selecting materials, creating transparency and driving affordability
▪ As an aggregator of course materials, BNED supports academic freedom by providing a myriad of course offerings
▪ Eases the adoption process by reducing administrative burden
▪ Creates time for faculty to focus more on curriculum, teaching and student support

VALUE TO STRATEGIC PARTNERS

BNED provides a strategic platform for sales and profitability growth for its key partners

▪ Publishers: Provides data insights to publishers derived from the content demand at the university, department, class and student level in BNED’s footprint; FDC also increases publisher sell-through rates and is rapidly becoming their most valuable channel
▪ General Merchandise & eCommerce: Significant value to Fanatics and Lids derived through access to BNED’s market leading on-campus footprint, eCommerce sites and customer base
▪ Content Providers (VitalSource): Provides valuable insights on content adoption and efficacy; partnership also provides expanded reach through BNED’s rapidly growing inclusive and equitable access programs

VALUE TO STUDENTS

▪ One-stop-shop for all course materials at the beginning of each academic term, with a variety of formats (physical & digital) and options (purchase or rent)
▪ Inclusive (First Day) and equitable access (First Day Complete) models drive enhanced student outcomes and academic success as all materials are conveniently ready prior to the first day of class at reduced prices
▪ Emblematic clothing and gifts drive school pride and student engagement
▪ Well-merchandised assortment of supplies, technology, food / convenience items, and daily essentials in the heart of campus
Adjusted EBITDA (non-GAAP) Reconciliation

### Consolidated Adjusted EBITDA (non-GAAP) - Continuing Operations

<table>
<thead>
<tr>
<th>Dollars in thousands</th>
<th>13 weeks ended</th>
<th>26 weeks ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>October 28,</td>
<td>October 29,</td>
</tr>
<tr>
<td>Net income (loss) from continuing operations (^{(a)})</td>
<td>$24,854</td>
<td>$24,168</td>
</tr>
<tr>
<td>Add:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortization expense</td>
<td>10,175</td>
<td>10,256</td>
</tr>
<tr>
<td>Interest expense, net (^{(b)})</td>
<td>10,664</td>
<td>4,886</td>
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<tr>
<td>Income tax expense (benefit)</td>
<td>314</td>
<td>(383)</td>
</tr>
<tr>
<td>Content amortization (non-cash)</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Restructuring and other charges (^{(c)})</td>
<td>4,274</td>
<td>260</td>
</tr>
<tr>
<td>Adjusted EBITDA (Non-GAAP) - Continuing Operations</td>
<td>$50,281</td>
<td>$39,187</td>
</tr>
<tr>
<td>Adjusted EBITDA (Non-GAAP) - Discontinued Operations</td>
<td>$ (643)</td>
<td>$180</td>
</tr>
<tr>
<td>Adjusted EBITDA (Non-GAAP) - Total</td>
<td>$49,638</td>
<td>$39,367</td>
</tr>
</tbody>
</table>

\(^{(a)}\) During the fourth quarter of fiscal 2023, assets related to our Digital Student Solutions ("DSS") Segment met the criteria for classification as Assets Held for Sale and Discontinued Operations. Net Loss from Continuing Operations excludes the results of operations related to the DSS Segment for all years reported above.

\(^{(b)}\) Interest expense is reflected in Corporate Services as it is primarily related to our Credit Agreement and Term Loan Agreement which fund our operating and financing needs across the organization. Income taxes are reflected in Corporate Services as we record our income tax provision on a consolidated basis.

\(^{(c)}\) See Management Discussion and Analysis and Results of Operations discussion in the company’s 10-Q filing for the period ended October 28, 2023, for additional information.
## Adjusted EBITDA (non-GAAP) Reconciliation By Segment

### Adjusted EBITDA - by Segment

<table>
<thead>
<tr>
<th>Dollars in thousands</th>
<th>Retail</th>
<th>Wholesale</th>
<th>Corporate Services(b)</th>
<th>Eliminations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net income (loss) from continuing operations (a)</strong></td>
<td>$39,407</td>
<td>$1,344</td>
<td>$(20,520)</td>
<td>$4,623</td>
<td>$24,854</td>
</tr>
<tr>
<td><strong>Add:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortization expense</td>
<td>8,911</td>
<td>1,254</td>
<td>10</td>
<td>—</td>
<td>10,175</td>
</tr>
<tr>
<td>Interest expense, net</td>
<td>—</td>
<td>—</td>
<td>10,664</td>
<td>—</td>
<td>10,664</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>—</td>
<td>—</td>
<td>314</td>
<td>—</td>
<td>314</td>
</tr>
<tr>
<td>Restructuring and other charges (c)</td>
<td>29</td>
<td>—</td>
<td>4,245</td>
<td>—</td>
<td>4,274</td>
</tr>
<tr>
<td><strong>Adjusted EBITDA (non-GAAP)</strong></td>
<td>$48,347</td>
<td>$2,598</td>
<td>$(5,287)</td>
<td>$4,623</td>
<td>$50,281</td>
</tr>
</tbody>
</table>

### Notes:

(a) Does not include any inter-segment profits or losses.
(b) Service costs are allocated to all segments on a pro rata basis.
(c) Includes charges related to the company’s goodwill impairment reviews.

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