

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**FORM 10-Q**

(Mark One)

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended: **March 31, 2026**

or

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number: **0-19254**

**LIFETIME BRANDS, INC.**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction of  
incorporation or organization)

**11-2682486**  
(I.R.S. Employer  
Identification No.)

**1000 Stewart Avenue, Garden City, New York 11530**  
(Address of principal executive offices) (Zip Code)

**(516) 683-6000**  
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
<b>Common Stock, \$.01 par value</b>	<b>LCUT</b>	<b>The Nasdaq Global Select Market</b>

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input checked="" type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

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.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

The number of shares of the registrant's common stock outstanding as of April 30, 2026 was 22,855,008.

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**LIFETIME BRANDS, INC.**  
**FORM 10-Q**  
**FOR THE QUARTER ENDED MARCH 31, 2026**  
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## PART I. FINANCIAL INFORMATION

## Item 1. Financial Statements

**LIFETIME BRANDS, INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(in thousands, except share data)

	March 31, 2026 (unaudited)	December 31, 2025
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 13,864	\$ 4,267
Accounts receivable, less allowances of \$11,042 at March 31, 2026 and \$11,970 at December 31, 2025	114,949	161,861
Inventory	190,299	194,046
Prepaid expenses and other current assets	11,704	12,147
Income taxes receivable	3,384	1,572
<b>TOTAL CURRENT ASSETS</b>	<b>334,200</b>	<b>373,893</b>
PROPERTY AND EQUIPMENT, net	18,260	15,441
OPERATING LEASE RIGHT-OF-USE ASSETS	45,008	48,506
INTANGIBLE ASSETS, net	128,557	132,922
OTHER ASSETS	1,836	1,793
<b>TOTAL ASSETS</b>	<b>\$ 527,861</b>	<b>\$ 572,555</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
Current maturity of term loan	\$ 5,057	\$ 5,022
Accounts payable	26,710	45,844
Accrued expenses	67,104	64,294
Current portion of operating lease liabilities	15,237	16,143
<b>TOTAL CURRENT LIABILITIES</b>	<b>114,108</b>	<b>131,303</b>
OTHER LONG-TERM LIABILITIES	13,552	14,261
INCOME TAXES PAYABLE, LONG-TERM	686	686
OPERATING LEASE LIABILITIES	39,239	42,442
DEFERRED INCOME TAXES	1,519	1,554
REVOLVING CREDIT FACILITY	36,611	54,105
TERM LOAN	124,650	125,927
<b>STOCKHOLDERS' EQUITY</b>		
Preferred stock, \$1.00 par value, shares authorized: 100 shares of Series A and 2,000,000 shares of Series B; none issued and outstanding	—	—
Common stock, \$0.01 par value, shares authorized: 50,000,000 at March 31, 2026 and December 31, 2025; shares issued and outstanding: 22,855,008 at March 31, 2026 and 22,654,207 at December 31, 2025	229	227
Paid-in capital	284,305	283,449
Accumulated deficit	(69,132)	(63,354)
Accumulated other comprehensive loss	(17,906)	(18,045)
<b>TOTAL STOCKHOLDERS' EQUITY</b>	<b>197,496</b>	<b>202,277</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$ 527,861</b>	<b>\$ 572,555</b>

See accompanying notes to unaudited condensed consolidated financial statements.

**LIFETIME BRANDS, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
(in thousands, except per share data)  
(unaudited)

	Three Months Ended March 31,	
	2026	2025
Net sales	\$ 143,508	\$ 140,085
Cost of sales	89,339	89,448
Gross margin	54,169	50,637
Distribution expenses	17,583	18,070
Selling, general and administrative expenses	36,786	31,468
Restructuring expenses	2,030	—
(Loss) income from operations	(2,230)	1,099
Interest expense	(4,512)	(4,915)
Mark to market gain (loss) on interest rate derivatives	294	(527)
Loss before income taxes	(6,448)	(4,343)
Income tax benefit	1,676	142
<b>NET LOSS</b>	<b>\$ (4,772)</b>	<b>\$ (4,201)</b>
<b>BASIC LOSS PER COMMON SHARE</b>	<b>\$ (0.22)</b>	<b>\$ (0.19)</b>
<b>DILUTED LOSS PER COMMON SHARE</b>	<b>\$ (0.22)</b>	<b>\$ (0.19)</b>

See accompanying notes to unaudited condensed consolidated financial statements.

**LIFETIME BRANDS, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS**  
(in thousands)  
(unaudited)

	Three Months Ended March 31,	
	2026	2025
Net loss	\$ (4,772)	\$ (4,201)
Other comprehensive income, net of taxes:		
Net change in translation adjustment	65	417
Net change in cash flow hedges	68	(129)
Effect of retirement benefit obligations	6	4
Other comprehensive income, net of taxes	139	292
Comprehensive loss	<u>\$ (4,633)</u>	<u>\$ (3,909)</u>

See accompanying notes to unaudited condensed consolidated financial statements.

**LIFETIME BRANDS, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY**  
(in thousands)  
(unaudited)

	Common stock		Paid-in capital	Accumulated deficit	Accumulated other comprehensive loss	Total
	Shares	Amount				
<b>BALANCE AT DECEMBER 31, 2025</b>	22,654	\$ 227	\$ 283,449	\$ (63,354)	\$ (18,045)	\$ 202,277
Net loss	—	—	—	(4,772)	—	(4,772)
Other comprehensive income, net of taxes	—	—	—	—	139	139
Net issuance of restricted shares granted to employees	259	3	(3)	—	—	—
Stock compensation expense	—	—	1,041	—	—	1,041
Shares effectively repurchased for required employee withholding taxes	(58)	(1)	(182)	—	—	(183)
Dividends <sup>(1)</sup>	—	—	—	(1,006)	—	(1,006)
<b>BALANCE AT MARCH 31, 2026</b>	<u>22,855</u>	<u>\$ 229</u>	<u>\$ 284,305</u>	<u>\$ (69,132)</u>	<u>\$ (17,906)</u>	<u>\$ 197,496</u>

	Common stock		Paid-in capital	Accumulated deficit	Accumulated other comprehensive loss	Total
	Shares	Amount				
<b>BALANCE AT DECEMBER 31, 2024</b>	22,156	\$ 222	\$ 280,566	\$ (32,550)	\$ (18,315)	\$ 229,923
Net loss	—	—	—	(4,201)	—	(4,201)
Other comprehensive income, net of taxes	—	—	—	—	292	292
Net issuance of restricted shares granted to employees	338	3	(3)	—	—	—
Stock compensation expense	—	—	1,063	—	—	1,063
Shares effectively repurchased for required employee withholding taxes	(80)	(1)	(415)	—	—	(416)
Dividends <sup>(1)</sup>	—	—	—	(985)	—	(985)
<b>BALANCE AT MARCH 31, 2025</b>	<u>22,414</u>	<u>\$ 224</u>	<u>\$ 281,211</u>	<u>\$ (37,736)</u>	<u>\$ (18,023)</u>	<u>\$ 225,676</u>

<sup>(1)</sup> Cash dividends declared per share of common stock were \$0.0425 and \$0.0425 in the three months ended March 31, 2026 and 2025, respectively.

See accompanying notes to unaudited condensed consolidated financial statements.

**LIFETIME BRANDS, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(in thousands)  
(unaudited)

	<b>Three Months Ended March 31,</b>	
	<b>2026</b>	<b>2025</b>
<b>OPERATING ACTIVITIES</b>		
Net loss	\$ (4,772)	\$ (4,201)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	5,282	5,698
Amortization of financing costs	669	704
Mark to market (gain) loss on interest rate derivatives	(294)	527
Operating leases, net	(593)	(556)
Provision for doubtful accounts	8	704
Stock compensation expense	1,043	1,062
Changes in operating assets and liabilities		
Accounts receivable	46,774	50,832
Inventory	3,282	(6,324)
Prepaid expenses, other current assets and other assets	324	(3,345)
Accounts payable, accrued expenses and other liabilities	(16,160)	(28,038)
Income taxes receivable	(1,812)	—
Income taxes payable	8	(352)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>33,759</b>	<b>16,711</b>
<b>INVESTING ACTIVITIES</b>		
Purchases of property and equipment	(3,843)	(1,573)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(3,843)</b>	<b>(1,573)</b>
<b>FINANCING ACTIVITIES</b>		
Proceeds from revolving credit facility	48,669	88,894
Repayments of revolving credit facility	(65,875)	(93,363)
Repayments of term loan	(1,875)	(1,875)
Payments for finance lease obligations	(12)	(11)
Payments of tax withholding for stock based compensation	(183)	(416)
Cash dividends paid	(1,015)	(996)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(20,291)</b>	<b>(7,767)</b>
Effect of foreign exchange on cash	(28)	75
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>9,597</b>	<b>7,446</b>
Cash and cash equivalents at beginning of period	4,267	2,929
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>\$ 13,864</b>	<b>\$ 10,375</b>

See accompanying notes to unaudited condensed consolidated financial statements.

**LIFETIME BRANDS, INC.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**March 31, 2026**  
(unaudited)

**NOTE 1 — BASIS OF PRESENTATION AND SUMMARY OF ACCOUNTING POLICIES**

**Organization and business**

Lifetime Brands, Inc. (“the Company”) designs, sources and sells branded kitchenware, tableware and other home solution products used in the home and markets its products under a number of widely-recognized brand names and trademarks, which are either owned or licensed by the Company or through retailers’ private labels and their licensed brands. The Company’s products, which are targeted primarily to consumers purchasing moderately priced kitchenware, tableware and housewares, are sold through nearly every major level of trade. The Company generally markets several lines within each of its product categories under more than one brand. The Company sells its products directly to retailers (who may resell the Company’s products through their websites) and, to a lesser extent, to distributors. The Company also sells a selection of its products directly to consumers through its own websites.

**Basis of presentation**

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles (“U.S. GAAP”) for interim financial information and with the instructions to Quarterly Reports on Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by U.S. GAAP for complete financial statements. In the opinion of management, all adjustments, which consist of normal recurring accruals and non-recurring adjustments, considered necessary for a fair presentation have been included.

These condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and footnotes thereto included in the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2025.

Operating results for the three months ended March 31, 2026 are not necessarily indicative of the results that may be expected for the year ending December 31, 2026.

The Company’s business and working capital needs are seasonal, with a majority of sales occurring in the third and fourth quarters. In 2025 and 2024, net sales for the third and fourth quarters accounted for 58% of total annual net sales, for both periods. In anticipation of the pre-holiday shipping season, inventory levels increase primarily in the June through October time period.

The Company’s current estimates contemplate current and expected future conditions, as applicable; however it is reasonably possible that actual conditions could differ from expectations, which could materially affect the Company’s results of operations and financial position.

**Revenue recognition**

The Company sells products wholesale, to retailers and distributors, and retail, directly to consumers. Wholesale sales and retail sales are primarily recognized at the point in time when the customer obtains control of the products, in an amount that reflects the consideration the Company expects to be entitled to in exchange for those products.

The Company offers various sales incentives and promotional programs to its customers in the normal course of business. These incentives and promotions typically include arrangements such as cooperative advertising, buydowns, volume rebates and discounts. These arrangements and an estimate for products expected to be returned are reflected as reductions of revenue at the time of sale. See NOTE 2 —REVENUE to the unaudited condensed consolidated financial statements included in this Quarterly Report on Form 10-Q for additional information.

**Cost of sales**

Cost of sales consist primarily of costs associated with the production and procurement of product, inbound freight costs, purchasing costs, handling costs, duties and tariffs, royalties, and other product procurement related charges.

**LIFETIME BRANDS, INC.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**March 31, 2026**  
(unaudited)

**Distribution expenses**

Distribution expenses consist primarily of warehousing expenses and freight-out expenses.

**Accounts receivable**

The Company periodically reviews the collectability of its accounts receivable and establishes allowances for estimated credit losses that could result from the inability of its customers to make required payments, taking into consideration customer credit history and financial condition, industry and market segment information, credit reports, and expectations of current and future economic conditions. A considerable amount of judgment is required to assess the ultimate realization of these receivables including assessing the initial and on-going creditworthiness of the Company's customers.

The Company also maintains an allowance for anticipated customer deductions. Contractual deductions for incentives and promotions granted to customers such as cooperative advertising, are recorded as a reduction to accounts receivable at the time of sale. These deductions are primarily fixed amounts; however, in certain cases, these deductions are not fixed and, therefore, the allowance is estimated based on currently available information and historical trends of deductions.

**Receivable purchase agreement**

The Company has an uncommitted Receivables Purchase Agreement with HSBC Bank USA, National Association ("HSBC") as Purchaser (the "Receivables Purchase Agreement"). The sale of accounts receivable, under the Receivables Purchase Agreement with HSBC, is excluded from the Company's unaudited condensed consolidated balance sheets at the time of sale and the related sale expense is included in selling, general and administrative expenses in the Company's unaudited condensed consolidated statements of operations. The Company did not sell receivables to HSBC during the three months ended March 31, 2026 and March 31, 2025.

At March 31, 2026, \$16.3 million of accounts receivable were available for sale to HSBC, net of applicable charges.

**Inventory**

Inventory consists principally of finished goods sourced from third-party suppliers. Inventory also includes finished goods, work in process and raw materials related to the Company's manufacture of sterling silver products. Inventory is priced using the lower of cost (first-in, first-out basis) or net realizable value. The Company estimates the selling price of its inventory on a product-by-product basis based on the current selling environment. If the estimated selling price is lower than the inventory's cost, the Company reduces the value of the inventory to its net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less reasonably predictable costs of completion, disposal and transportation.

The components of inventory were as follows (in thousands):

	March 31, 2026	December 31, 2025
Finished goods	\$ 182,130	\$ 185,157
Work in process	143	20
Raw materials	8,026	8,869
Total	<u>\$ 190,299</u>	<u>\$ 194,046</u>

**LIFETIME BRANDS, INC.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**March 31, 2026**  
(unaudited)

**Fair value of financial instruments**

The Company determined that the carrying amounts of cash and cash equivalents, accounts receivable and accounts payable are reasonable estimates of their fair values because of their short-term nature. The Company determined that the carrying amounts of borrowings outstanding under its ABL Agreement and Term Loan (each as defined in NOTE 5 — DEBT to the unaudited condensed consolidated financial statements included in this Quarterly Report on Form 10-Q) approximate fair value since such borrowings bear interest at variable market rates.

**Derivatives**

The Company accounts for derivative instruments in accordance with Accounting Standard Codification (“ASC”) Topic 815, *Derivatives and Hedging* (“ASC 815”). ASC 815 requires that all derivative instruments be recognized on the balance sheet at fair value as either an asset or liability. Changes in the fair value of derivatives that qualify as hedges and have been designated as part of a hedging relationship for accounting purposes are included in accumulated other comprehensive loss and are subsequently recognized in the Company’s unaudited condensed consolidated statements of operations in the same period that the hedged items are recognized in earnings. Changes in fair value of derivatives that do not qualify as hedging instruments for accounting purposes are recorded in the Company’s unaudited condensed consolidated statements of operations.

**Goodwill, intangible assets and long-lived assets**

The Company had no recorded goodwill as of March 31, 2026 and December 31, 2025.

Long-lived assets, including intangible assets deemed to have finite lives, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Impairment indicators include, among other conditions, cash flow deficits, historic or anticipated declines in revenue or operating profit or material adverse changes in the business climate that indicate that the carrying amount of an asset may be impaired. When impairment indicators are present, the recoverability of the asset is measured by comparing the carrying value of the asset to the estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of the asset is not recoverable, the impairment to be recognized is measured by the amount by which the carrying amount of each long-lived asset exceeds the fair value of the asset.

See NOTE 4 — INTANGIBLE ASSETS to the unaudited condensed consolidated financial statements included in this Quarterly Report on Form 10-Q for additional information.

**Leases**

The Company determines if an arrangement is a lease at the inception of a contract. Operating lease right-of-use (“ROU”) assets are included in operating lease right-of-use assets on the condensed consolidated balance sheets. The current and long-term components of operating lease liabilities are included in the current portion of operating lease liability and operating lease liabilities, respectively, on the condensed consolidated balance sheets. Finance leases are included in property and equipment, net, accrued expenses and other long-term liabilities. The Company’s finance leases are not material to the Company’s condensed consolidated balance sheets.

Operating lease ROU assets and operating lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term. As most of the Company’s leases do not provide an implicit rate, the Company uses an incremental borrowing rate based on the information available at the commencement date in determining the present value of future payments. The incremental borrowing rate represents the rate required to borrow funds over a similar term to purchase the leased asset and is based on an unsecured borrowing rate and risk-adjusted to approximate a collateralized rate at the commencement date of the lease.

The operating lease ROU asset may also include any lease payments made, adjusted for any prepaid or accrued rent payments, lease incentives, and initial direct costs incurred. Certain leases may include options to extend or terminate the lease. Periods to extend the lease are included in the lease term when the Company is reasonably certain that the extension option would be exercised, and the associated lease payments for such periods are reflected in the ROU asset and lease liability. Lease expense for minimum lease payments is recognized on a straight-line basis over the lease term.

**LIFETIME BRANDS, INC.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**March 31, 2026**  
(unaudited)

For certain equipment leases, the Company applies a portfolio approach to effectively account for its ROU assets and lease liabilities. Leases with an initial term of twelve months or less are not recorded on the balance sheet.

The Company has elected the practical expedient to account for each separate lease component of a contract and its associated non-lease components as a single lease component, thus causing all fixed payments to be capitalized.

### Restructuring Expenses

Restructuring costs are recognized at fair value when the related liability is incurred. For severance and other employee-related costs, a liability is generally incurred on the date the restructuring plan is communicated to affected employees. In certain situations, severance or other employee-related benefits require employees to render service over a specified period in order to be eligible to receive the benefit, and that service period extends beyond a minimum retention period. In these circumstances, the fair value of the termination benefits is recognized ratably over the required service period, beginning on the communication date.

The Company recorded restructuring expenses for the three months ended March 31, 2026 related to the following activities:

	<b>Three Months Ended March 31,</b>
	<b>2026</b>
	(in thousands)
<b>U.S. segment</b>	
Distribution facility relocation	\$ 1,201
Sterling flatware manufacturing operations	653
Total U.S. segment	1,854
<b>International segment</b>	
Project Concord	176
Total restructuring expenses	\$ 2,030

#### *Distribution Facility Relocation*

In January 2025, the Company announced the relocation of the Company's East Coast distribution operations currently located in Robbinsville, NJ (the "Robbinsville Facility") to Hagerstown, Maryland (the "Hagerstown Facility"). As a result of the relocation the Company will exit the Robbinsville Facility. During the three months ended March 31, 2026, the Company incurred \$1.2 million related to employee severance expenses. The Company expects to complete the exit of the Robbinsville Facility by the third quarter of 2026 and expects additional exit costs of approximately \$1.8 million related to employee severance and \$3.0 million for other related costs in the second and third quarter of 2026.

#### *Sterling Flatware Manufacturing Operations*

In March 2026, the Company approved a plan to close its manufacturing operations of its sterling flatware products. During the three months ended March 31, 2026, the Company incurred \$0.1 million of employee severance expenses and \$0.6 million of other costs which consisted of an inventory provision on remaining raw materials inventory. The Company expects to complete the closure of this operation by the end of the second quarter of 2026 and expects additional costs to be less than \$0.1 million related to employee severance.

#### *Project Concord*

The Company's International segment incurred severance expenses associated with the reorganization of the International segment's workforce. The reorganization is related to Project Concord and primarily affects the structure of the International segment's merchandising and sales workforce. During the three months ended March 31, 2026, the Company incurred \$0.2 million of employee severance expenses. The Company expects that restructuring activities related to this project to be

**LIFETIME BRANDS, INC.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**March 31, 2026**  
(unaudited)

completed by the end of the second quarter of 2026 and expects to incur additional costs of \$0.2 million related to employee severance.

As of March 31, 2026, accrued restructuring liability was \$1.5 million, which included \$1.2 million related to distribution facility relocation expenses, \$0.1 million related to sterling silver manufacturing operations expenses, and \$0.2 million related to Project concord. The accrued restructuring is expected to be paid by the end of 2026.

#### **New accounting pronouncements**

Updates not listed below were assessed and either determined not to be applicable or are expected to have a minimal effect on the Company's financial position, results of operations, and disclosures.

In November 2024, the FASB issued ASU 2024-03, Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses. The guidance requires additional disclosure in the notes to the financial statements for specified information about certain costs and expenses. The new guidance is effective for public business entities for annual periods beginning after December 15, 2026, and interim periods beginning after December 15, 2027. Early adoption is permitted. The amendments in this ASU may be applied either (1) prospectively to financial statements issued for reporting periods after the effective date of this ASU or (2) retrospectively to all prior periods presented in the financial statements. Management is currently evaluating the impact of this standard on its consolidated financial statements and related disclosures.

#### **NOTE 2 —REVENUE**

The Company sells products wholesale, to retailers and distributors, and retail, directly to consumers. Wholesale sales and retail sales are recognized at the point in time the customer obtains control of the products in an amount that reflects the consideration the Company expects to be entitled to in exchange for those products. To indicate the transfer of control, the Company must have a present right to payment, legal title must have passed to the customer, the customer must have the significant risks and rewards of ownership, and where acceptance is not a formality, the customer must have accepted the product or service. The Company's principal terms of sale are Free On Board ("FOB") Shipping Point, or equivalent, and, as such, the Company primarily transfers control and records revenue for product sales upon shipment. Sales arrangements with delivery terms that are not FOB Shipping Point are not recognized upon shipment and the transfer of control for revenue recognition is evaluated based on the associated shipping terms and customer obligations. Shipping and handling fees that are billed to customers in sales transactions are included in net sales and amounted to \$0.7 million for the three months ended March 31, 2026 and \$0.7 million for the three months ended March 31, 2025. Net sales exclude taxes that are collected from customers and remitted to the taxing authorities.

The Company offers various sales incentives and promotional programs to its wholesale customers from time to time in the normal course of business. These incentives and promotions typically include arrangements such as cooperative advertising, buydowns, volume rebates and discounts. These sales incentives and promotions represent variable consideration and are reflected as reductions in net sales in the Company's unaudited condensed consolidated statements of operations. While many of the sales incentives and promotions are contractually agreed upon with the Company's customers, certain of the sales incentives and promotions are non-contractual and require the Company to estimate the amount of variable consideration based on historical experience and other known factors or as the most likely amount in a range of possible outcomes. On a quarterly basis, variable consideration is assessed on a portfolio approach in estimating the extent to which the components of variable consideration are constrained. Payment terms vary by customer, but generally range from 30 to 90 days or at the point of sale for the Company's retail direct sales.

The Company incurs certain direct incremental costs to obtain contracts with customers, such as sales-related commissions, where the recognition period for the related revenue is less than one year. These costs are expensed as incurred and recorded within selling, general and administrative expenses in the unaudited condensed consolidated statements of operations. Incidental items that are immaterial in the context of the contract are expensed as incurred.



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The aggregate future lease payments for operating leases as of March 31, 2026 were as follows (in thousands):

	<b>Operating</b>
2026 (excluding the three months ended March 31, 2026)	\$ 14,447
2027	15,116
2028	13,094
2029	6,796
2030	4,966
2031	3,083
Thereafter	6,026
Total lease payments	63,528
Less: Interest	(9,052)
Present value of lease payments	\$ 54,476

Average lease terms and discount rates were as follows:

	<b>March 31, 2026</b>
<b>Operating leases:</b>	
Weighted-average remaining lease term (years)	4.5
Weighted-average discount rate	6.7 %

On January 23, 2025, the Company entered into a lease agreement for a new distribution center in Hagerstown, Maryland (“Hagerstown Facility”). The lease term commenced on April 30, 2026, following the satisfaction of all commencement conditions. The term of the lease is 180 months following the commencement date. Base rent for the first year of the lease is \$7.3 million, escalating by 3% annually. A portion of the base rent will be abated for the first 36 months of the lease term at the applicable annual base rent for a total base rent abatement of \$7.2 million. The lease agreement also includes a total tenant improvement allowance of approximately \$5.1 million.

**NOTE 4 — INTANGIBLE ASSETS**

Intangible assets consisted of the following as of March 31, 2026 and December 31, 2025 (in thousands):

	<b>March 31, 2026</b>			<b>December 31, 2025</b>		
	<b>Gross</b>	<b>Accumulated Amortization</b>	<b>Net</b>	<b>Gross</b>	<b>Accumulated Amortization</b>	<b>Net</b>
<b>Goodwill<sup>(1)</sup></b>	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
<b>Finite-lived intangible assets:</b>						
Licenses	15,847	(13,135)	2,712	15,847	(13,021)	2,826
Trade names	104,576	(37,007)	67,569	104,617	(35,376)	69,241
Customer relationships	143,158	(85,807)	57,351	143,159	(83,347)	59,812
Other	5,887	(4,962)	925	5,894	(4,851)	1,043
<b>Total</b>	<b>\$ 269,468</b>	<b>\$ (140,911)</b>	<b>\$ 128,557</b>	<b>\$ 269,517</b>	<b>\$ (136,595)</b>	<b>\$ 132,922</b>

<sup>(1)</sup> The net value at March 31, 2026 and December 31, 2025 reflect a reduction of \$113.0 million impairment charges within U.S. segment and \$11.9 million impairment charges within International segment.

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**NOTE 5 — DEBT**

On August 26, 2022, the Company entered into Amendment No. 2 (the “Amendment”) to the Company’s credit agreement, dated as of March 2, 2018 (as amended, the “ABL Agreement”) among the Company, as a Borrower, certain subsidiaries of the Company, as Borrowers and/or Loan Parties, JPMorgan Chase Bank, N.A., as Administrative Agent and a Lender. The ABL Agreement provides for a senior secured asset-based revolving credit facility in the maximum aggregate principal amount of \$200.0 million, which facility will mature on August 26, 2027. The ABL Agreement is subject to an earlier springing maturity date of May 28, 2027, 90 days prior to the Term Loan maturity date of August 26, 2027, if the Company’s Term Loan has not been repaid or refinanced by such date.

On November 14, 2023, the Company entered into Amendment No. 2 to amend the Loan Agreement, dated as of March 2, 2018, among the Company, as Borrower, the other loan parties from time to time party thereto, the lenders from time to time party thereto, and JPMorgan Chase Bank, N.A., as Administrative Agent (as amended, the “Term Loan” and together with the ABL Agreement, the “Debt Agreements”). The Term Loan has a principal amount of \$150.0 million, and matures on August 26, 2027.

The Term Loan requires the Company to make quarterly payments of principal each equal to 1.25% of the aggregate principal amount of the Term Loan, which commenced on March 31, 2024, with the remaining balance payable on the maturity date. The Term Loan requires the Company to make an annual prepayment of principal, beginning with the fiscal year ending December 31, 2024, based upon a percentage of the Company’s excess cash flow, (“Excess Cash Flow”), if any. The percentage applied to the Company’s Excess Cash Flow is based on the Company’s Total Net Leverage Ratio (as defined in the Debt Agreements). When an Excess Cash Flow payment is required, each lender has the option to decline a portion or all of the prepayment amount payable to it. Under the Term Loan, when the Company makes an Excess Cash Flow prepayment, the payment is first applied to satisfy the next eight (8) scheduled future quarterly required payments of the Term Loan in order of maturity and then to the remaining scheduled installments on a pro rata basis.

The maximum borrowing amount under the ABL Agreement may be increased up to \$250.0 million if certain conditions are met. One or more tranches of additional term loans (the “Incremental Term Facilities”) may be added under the Term Loan if certain conditions are met. The Incremental Term Facilities may not exceed the sum of (i) \$50.0 million plus (ii) an unlimited amount so long as, in the case of (ii) only, the Company’s secured net leverage ratio, as defined in and computed on a pro forma basis pursuant to the Term Loan, after giving effect to such increase, is no greater than 3.25 to 1.00, subject to certain limitations and for the period defined pursuant to the Term Loan but not to mature earlier than the maturity date of the then existing term loans.

As of March 31, 2026 and December 31, 2025, the total availability under the ABL Agreement were as follows (in thousands):

	<b>March 31, 2026</b>	<b>December 31, 2025</b>
Maximum aggregate principal allowed	\$ 149,735	\$ 185,588
Outstanding borrowings under the ABL Agreement	(36,611)	(54,105)
Standby letters of credit	(13,764)	(11,564)
Total availability under the ABL Agreement	<u>\$ 99,360</u>	<u>\$ 119,919</u>

Availability under the ABL Agreement is limited to the lesser of the \$200.0 million commitment thereunder and the borrowing base and therefore depends on the valuation of certain current assets comprising the borrowing base. The borrowing capacity under the ABL Agreement will depend, in part, on eligible levels of accounts receivable and inventory that fluctuate regularly. Due to the seasonality of the Company’s business, the Company may have greater borrowing availability during the third and fourth quarters of each year. Consequently, the \$200.0 million commitment thereunder may not represent actual borrowing capacity. The Company’s borrowing capacity may be further limited by the Term Loan financial covenant of 5.00 to 1.00 maximum Total Net Leverage Ratio. As of March 31, 2026, the availability under the ABL Agreement, as limited by the Term Loan financial covenant, was \$80.0 million.

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The current and non-current portions of the Company's Term Loan included in the condensed consolidated balance sheets were as follows (in thousands):

	March 31, 2026	December 31, 2025
Current portion of Term Loan:		
Term Loan payment	\$ 7,500	\$ 7,500
Estimated unamortized debt issuance costs	(2,443)	(2,478)
<b>Total Current portion of Term Loan</b>	<b>\$ 5,057</b>	<b>\$ 5,022</b>
Non-current portion of Term Loan:		
Term Loan, net of current portion	\$ 125,625	\$ 127,500
Estimated unamortized debt issuance costs	(975)	(1,573)
<b>Total Non-current portion of Term Loan</b>	<b>\$ 124,650</b>	<b>\$ 125,927</b>

As of March 31, 2026 the Company estimates that no excess cash flow payment will be due for 2026. For the year ended December 31, 2025, there was no excess cash flow payment due for 2025.

The Company's payment obligations under its Debt Agreements are unconditionally guaranteed by its existing and future U.S. subsidiaries with certain minor exceptions. Certain payment obligations under the ABL Agreement are also direct obligations of its foreign subsidiary borrowers designated as such under the ABL Agreement and, subject to limitations on such guaranty, are guaranteed by the foreign subsidiary borrowers, as well as by the Company. The obligations of the foreign subsidiary borrowers under the ABL Agreement are secured by security interests in substantially all of the assets of, and stock in, such foreign subsidiary borrowers, subject to certain limitations. The obligations of the Company under the Debt Agreements and any hedging arrangements and cash management services and the guarantees by its domestic subsidiaries in respect of those obligations are secured by security interests in substantially all of the assets and stock (but in the case of foreign subsidiaries, limited to 65% of the capital stock in first-tier foreign subsidiaries and not including the stock of subsidiaries of such first-tier foreign subsidiaries) owned by the Company and the U.S. subsidiary guarantors, subject to certain exceptions. Such security interests consist of (1) a first-priority lien, subject to certain permitted liens, with respect to certain assets of the Company and certain of its subsidiaries (the "ABL Collateral") pledged as collateral in favor of lenders under the ABL Agreement and a second-priority lien in the ABL Collateral in favor of the lenders under the Term Loan and (2) a first-priority lien, subject to certain permitted liens, with respect to certain assets of the Company and certain of its subsidiaries (the "Term Loan Collateral") pledged as collateral in favor of lenders under the Term Loan and a second-priority lien in the Term Loan Collateral in favor of the lenders under the ABL Agreement.

Borrowings under the revolving credit facility bear interest, at the Company's option, at one of the following rates: (i) an alternate base rate, defined, for any day, as the greater of the prime rate, a federal funds and overnight bank funding based rate plus 0.5% or one-month Adjusted Term Secured Overnight Financing Rate ("SOFR") plus 1.0% as of a specified date in advance of the determination, but in each case not less than 1.0%, plus a margin of 0.25% to 0.50%, or (ii) Adjusted Term SOFR, which is the Term SOFR Rate for the selected 1, 3 or 6 month interest period plus 0.10% (or Euro Interbank Offered Rate "EURIBOR" for borrowings denominated in Euro; or Sterling Overnight Index Average "SONIA" for borrowings denominated in Pounds Sterling), but in each case not less than zero, plus a margin of 1.25% to 1.50%. The respective margins are based upon average quarterly availability, as defined in and computed pursuant to the ABL Agreement. In addition, the Company pays a commitment fee of 0.20% to 0.25% per annum based on the average daily unused portion of the aggregate commitment under the ABL Agreement. The interest rate on outstanding borrowings under the ABL Agreement at March 31, 2026 was between 3.33% and 7.13%. The Company paid a commitment fee of 0.25% on the unused portion of the ABL Agreement during the three months ended March 31, 2026.

The Term Loan bears interest, at the Company's option, at one of the following rates: (i) alternate base rate, defined, for any day, as the greater of (x) the prime rate, (y) a federal funds and overnight bank funding based rate plus 0.5% or (z) one-month Adjusted Term SOFR, but not less than 1.0%, plus 1.0%, plus a margin of 4.5% or (ii) Adjusted Term SOFR (Term SOFR plus the Term SOFR Adjustment) for the applicable interest period, but not less than 1.0%, plus a margin of 5.5%. The interest rate on outstanding borrowings under the Term Loan at March 31, 2026 was 9.29%.

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The Debt Agreements provide for customary restrictions and events of default. Restrictions include limitations on additional indebtedness, liens, acquisitions, investments and payment of dividends, among other things. Under the Term Loan, the Total Net Leverage Ratio is not permitted to be greater than 5.00 to 1.00 determined as of the end of each fiscal quarters. Further, the ABL Agreement provides that during any period (a) commencing on the last day of the most recently ended four consecutive fiscal quarters on or prior to the date availability under the ABL Agreement is less than the greater of \$20.0 million and 10% of the aggregate commitment under the ABL Agreement at any time and (b) ending on the day after such availability has exceeded the greater of \$20.0 million and 10% of the aggregate commitment under the ABL Agreement for 45 consecutive days, the Company is required to maintain a minimum fixed charge coverage ratio of 1.10 to 1.00 as of the last day of any period of four consecutive fiscal quarters.

The Company was in compliance with the covenants of the Debt Agreements at March 31, 2026.

The Company expects that it will continue to borrow, subject to availability, and repay funds under the ABL Agreement based on working capital and other corporate needs.

#### **NOTE 6 — DERIVATIVES**

The Company's risk management strategy includes the use of derivative financial instruments to manage its exposure to interest rate movements and to reduce the volatility of earnings and cash flows associated with changes in foreign currency exchange rates primarily to offset the earnings impact related to inventory purchases. The Company does not enter into derivative transactions for trading purposes. The Company classifies cash flows from its derivative transactions as cash flows from operating activities in the consolidated statements of cash flows.

The Company's derivatives expose it to credit risks from possible non-performance by counterparties. The Company has limited its credit risk by entering into derivative transactions exclusively with investment-grade rated financial institutions and monitors the creditworthiness of these financial institutions on an ongoing basis. The Company utilizes standard counterparty master netting agreements that net certain foreign currency and interest rate swap transactions in the event of the insolvency of one of the parties to the transaction. These master netting arrangements permit the Company to net amounts due from the Company to counterparty with amounts due to the Company from the same counterparty. Although all of the Company's recognized derivative assets and liabilities are subject to enforceable master netting arrangements, the Company has elected to present these assets and liabilities on a gross basis.

The Company does not anticipate non-performance by any of its counterparties.

##### *Interest Rate Swap Agreements*

To manage its exposures to interest rate movements, the Company primarily uses interest rate swaps as part of its interest rate risk management strategy. These interest rate swaps involve the receipt of variable amounts from a counterparty in exchange for the Company making fixed-rate payments over the life of the agreements without exchange of the underlying notional amount.

In March 2024 and October 2024, the Company entered into interest rate swap agreements, each with an aggregate notional value of \$25.0 million and expiring in August 2027. These non-designated interest rate swaps serve as cash flow hedges of the Company's exposure to the variability of the payment of interest on a portion of its Term Loan borrowings. The Company's total outstanding notional value of interest rate swaps was \$50.0 million at March 31, 2026.

##### *Foreign Exchange Contracts*

To reduce the impact of changes in foreign currency exchange rates on its results, from time to time the Company is a party to certain foreign exchange contracts, primarily to offset the earnings impact related to fluctuations in foreign currency exchange rates associated with inventory purchases. The Company designates these contracts for accounting purposes as cash flow hedges. The Company purchases foreign currency forward contracts with terms of less than 18 months. The aggregate gross notional value of foreign exchange contracts at March 31, 2026 was zero.

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Derivatives not designated as hedging instruments	Balance Sheet Location	March 31, 2026	December 31, 2025
Interest rate swaps	Other assets	\$ 79	\$ —
	Other long-term liabilities	212	428

The fair values of the interest rate swaps have been obtained from the counterparties to the agreements and were based on Level 2 observable inputs using proprietary models and estimates about relevant future market conditions. The fair values of the foreign exchange contracts were based on Level 2 observable inputs using quoted market prices for similar assets in an active market.

The amounts of gains and losses, realized and unrealized, related to the Company's derivative financial instruments designated as hedging instruments are recognized in other comprehensive income, net of taxes, as follows (in thousands):

Derivatives designated as hedging instruments	Three Months Ended March 31,	
	2026	2025
Foreign exchange contracts	\$ 68	\$ (129)

Realized gains and losses on foreign exchange contracts that are reported in other comprehensive income are reclassified into cost of sales as the underlying inventory purchased is sold.

During the three months ended March 31, 2026 and 2025, the Company reclassified approximately \$0.1 million of cash flow hedges in accumulated other comprehensive losses to earnings, related to foreign exchange contracts recognized in cost of sales. At March 31, 2026, the estimated amount of existing net losses expected to be reclassified into earnings within the next 12 months was less than \$0.1 million.

Interest and mark to market gain (loss) related to the Company's derivative financial instruments not designated as hedging instruments that were recognized in earnings are as follows (in thousands):

Derivatives not designated as hedging instruments	Location of gain (loss)	Three Months Ended March 31,	
		2026	2025
Interest rate swaps	Mark to market gain (loss) on interest rate derivatives	\$ 294	\$ (527)
	Interest expense	(16)	168
		<u>\$ 278</u>	<u>\$ (359)</u>

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**NOTE 7 — STOCK COMPENSATION**

As of March 31, 2026, there were 543,284 shares available for the grant of awards under the Company’s Amended and Restated 2000 Long Term Incentive Plan (“Plan”), assuming maximum performance of performance-based awards.

*Option Awards*

A summary of the Company’s stock option activity and related information for the three months ended March 31, 2026 is as follows:

	Options	Weighted- average exercise price	Weighted- average remaining contractual life (years)	Aggregate intrinsic value (in thousands)
<b>Options outstanding, January 1, 2026</b>	827,000	\$ 11.07		
Grants	—	—		
<b>Options outstanding, March 31, 2026<sup>(1)</sup></b>	<u>827,000</u>	11.07	3.8	<u>\$ 27</u>
<b>Options exercisable, March 31, 2026</b>	<u>733,625</u>	\$ 11.51	3.2	<u>\$ 7</u>
<b>Total unrecognized stock option expense remaining (in thousands)</b>	<u>\$ 226</u>			
<b>Weighted-average years expected to be recognized over</b>		1.5		

<sup>(1)</sup> Includes a non-plan stock option award of 15,000 stock options granted in 2024.

The aggregate intrinsic value in the table above represents the total pre-tax intrinsic value that would have been received by the option holders had all option holders exercised their exercisable, in-the-money stock options on March 31, 2026. The intrinsic value is calculated for each in-the-money stock option as the difference between the closing price of the Company’s common stock on March 31, 2026 and the exercise price.

*Restricted Stock*

A summary of the Company’s restricted stock activity and related information for the three months ended March 31, 2026 is as follows:

	Restricted Shares	Weighted- average grant date fair value
<b>Non-vested restricted shares, January 1, 2026</b>	885,925	\$ 6.06
Grants	259,731	3.07
Vested	(236,984)	7.81
<b>Non-vested restricted shares, March 31, 2026</b>	<u>908,672</u>	\$ 4.75
<b>Total unrecognized compensation expense remaining (in thousands)</b>	<u>\$ 3,490</u>	
<b>Weighted-average years expected to be recognized over</b>		1.8

The total fair value of restricted stock that vested during the three months ended March 31, 2026 was \$0.7 million.

*Performance shares*

Each performance award represents the right to receive up to 150% of the target number of shares of common stock. The number of shares of common stock earned will be determined at the end of the performance period, based on the attainment of specified performance goals at the time of grant, as determined by the Compensation Committee of the Company’s board of directors (the “Board of Directors”). The shares are subject to the terms and conditions of the Company’s Plan.

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A summary of the Company's performance-based award activity and related information for the three months ended March 31, 2026 is as follows:

	Performance-based stock awards <sup>(1)</sup>	Weighted-average grant date fair value
<b>Non-vested performance-based awards, January 1, 2026</b>	730,797	\$ 6.70
Grants	259,731	3.07
Forfeitures <sup>(2)</sup>	(186,181)	5.92
<b>Non-vested performance-based awards, March 31, 2026</b>	804,347	\$ 5.70
<b>Total unrecognized compensation expense remaining (in thousands)</b>	\$ 2,189	
<b>Weighted-average years expected to be recognized over</b>		1.9

<sup>(1)</sup> Represents the target number of shares to be issued for each performance-based award.

<sup>(2)</sup> Includes the forfeiture of performance-based awards granted in 2023 as the performance metric was not attained.

The Company recorded stock compensation expense as follows (in thousands):

Stock Compensation Expense Components	Three Months Ended March 31,	
	2026	2025
Equity based stock option expense	\$ 43	\$ 70
Restricted and performance-based stock awards expense	998	993
<b>Stock compensation expense for equity based awards</b>	1,041	1,063
Liability based stock option expense	2	(1)
<b>Total Stock Compensation Expense</b>	\$ 1,043	\$ 1,062

**NOTE 8 —LOSS PER COMMON SHARE**

Basic loss per common share has been computed by dividing net loss by the weighted-average number of shares of the Company's common stock outstanding during the relevant period. Diluted loss per common share adjusts net loss and basic loss per common share for the effect of all potentially dilutive shares of the Company's common stock. Anti-dilutive securities are not included in the computation of diluted earnings per share under the treasury stock method.

The calculations of basic and diluted loss per common share for the three months ended March 31, 2026 and 2025 are as follows:

	Three Months Ended March 31,	
	2026	2025
	(in thousands, except per share amounts)	
<b>Net loss – Basic and Diluted</b>	\$ (4,772)	\$ (4,201)
<b>Weighted-average shares outstanding – Basic</b>	21,818	21,592
<b>Effect of dilutive securities:</b>		
Stock options and other stock awards	—	—
<b>Weighted-average shares outstanding – Diluted</b>	21,818	21,592
<b>Basic loss per common share</b>	\$ (0.22)	\$ (0.19)
<b>Diluted loss per common share</b>	\$ (0.22)	\$ (0.19)
<b>Antidilutive Securities<sup>(1)</sup></b>	1,714	1,417

<sup>(1)</sup> Stock options and other stock awards that have been excluded from the denominator as their inclusion would have been anti-dilutive.

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**NOTE 9— INCOME TAXES**

Income tax benefit of \$1.7 million and \$0.1 million for the three months ended March 31, 2026 and 2025, respectively, represent taxes on both U.S. and foreign earnings at a combined effective income tax rate of 26.0% and 3.3%, respectively. The effective tax rate for the three months ended March 31, 2026 differs from the federal statutory income tax rate of 21.0% primarily due to state and local tax expense, the impact of non-deductible expenses, and foreign losses for which no tax benefit is recognized as such amounts are fully offset with a valuation allowance, partially offset by a benefit for federal credits. The effective tax rate for the three months ended March 31, 2025 differs from the federal statutory income tax rate of 21.0% primarily due to foreign losses for which no tax benefit is recognized as such amounts are fully offset with a valuation allowance.

The Company has identified the following jurisdictions as “major” tax jurisdictions: U.S. Federal, California, New Jersey, New York and the United Kingdom.

The Company evaluates its tax positions on a quarterly basis and revises its estimates accordingly. There were no material changes to the Company’s uncertain tax positions, interest, or penalties during the three-month periods ended March 31, 2026 and March 31, 2025.

The One Big Beautiful Bill Act (“OBBBA”) was enacted on July 4, 2025 with various provisions impacting the Company, none of which are material to the 2026 financial statements.

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**NOTE 10 – BUSINESS SEGMENTS****Segment information**

The Company operates in two reportable segments: U.S. and International. The U.S. segment is the Company’s domestic business that designs, markets and distributes its products to retailers and distributors, as well as directly to consumers through third parties and its own internet websites primarily in the U.S.. The International segment is the Company’s international business that sells and distributes products to consumers primarily in the U.K., the European Union and the Asia Pacific region.

The Company’s chief operating decision maker (“CODM”) is the Company’s Chief Executive Officer. The Company has segmented its operations to reflect the manner in which the CODM reviews and evaluates the results of its operations. The CODM allocates operating and capital resources and evaluates the performance of the Company’s segments based on segment net sales, segment gross margin, and segment (loss) income from operations. Such measures give recognition to specifically identifiable operating costs. Significant segment expenses that are included in segment operating income consist of cost of sales, distribution expenses (which include freight-out expenses and warehouse expenses) and selling, general and administrative expenses.

Certain general and administrative expenses are not allocated to the Company’s segments as these represent corporate level activities and are reflected below as unallocated corporate expenses. These costs primarily include senior executive salaries and benefits, stock compensation, director fees and accounting, legal fees and consulting fees.

	<b>Three Months Ended March 31,</b>	
	<b>2026</b>	<b>2025</b>
	(in thousands)	
<b>Segment Performance Measures:</b>		
<b>Net sales:</b>		
U.S.	\$ 130,707	\$ 128,510
International	12,801	11,575
Total net sales	<u>\$ 143,508</u>	<u>\$ 140,085</u>
<b>Gross Margin:</b>		
U.S.	\$ 49,449	\$ 46,564
International	4,720	4,073
Total gross margin	<u>\$ 54,169</u>	<u>\$ 50,637</u>
<b>(Loss) income from operations</b>		
U.S.	\$ 5,178	\$ 1,898
International	(2,497)	(2,952)
Unallocated corporate (expenses) income <sup>(1)</sup>	(4,911)	2,153
(Loss) income from operations	<u>\$ (2,230)</u>	<u>\$ 1,099</u>

<sup>(1)</sup> Unallocated corporate income for the three months ended March 31, 2025 included a net legal settlement gain of \$6.4 million. Details see NOTE 11 — CONTINGENCIES

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	<b>Three Months Ended March 31,</b>	
	<b>2026</b>	<b>2025</b>
(in thousands)		
<b>Supplemental information for significant segment expenses:</b>		
<b>Cost of sales:</b>		
U.S.	\$ 81,258	\$ 81,946
International	8,081	7,502
Total cost of sales	<u>\$ 89,339</u>	<u>\$ 89,448</u>
<b>Freight-out expenses:</b>		
U.S.	\$ 3,555	\$ 3,279
International	709	545
Total freight-out expenses	<u>\$ 4,264</u>	<u>\$ 3,824</u>
<b>Warehouse expenses:</b>		
U.S.	\$ 10,653	\$ 11,512
International	2,666	2,734
Total warehouse expenses	<u>\$ 13,319</u>	<u>\$ 14,246</u>
<b>Selling, general and administrative expenses:</b>		
U.S.	\$ 28,209	\$ 29,875
International	3,666	3,746
Unallocated corporate expenses (income)	4,911	(2,153)
Total selling, general and administrative expenses	<u>\$ 36,786</u>	<u>\$ 31,468</u>
<b>Restructuring expenses:</b>		
U.S.	\$ 1,854	\$ —
International	176	—
Total other expenses	<u>\$ 2,030</u>	<u>\$ —</u>

	<b>Three Months Ended March 31,</b>	
	<b>2026</b>	<b>2025</b>
(in thousands)		
<b>Depreciation and amortization:</b>		
U.S.	\$ 4,944	\$ 5,379
International	338	319
Total depreciation and amortization	<u>\$ 5,282</u>	<u>\$ 5,698</u>
<b>Capital expenditures:</b>		
U.S.	\$ 3,544	\$ 1,567
International	299	6
Total capital expenditures	<u>\$ 3,843</u>	<u>\$ 1,573</u>

**LIFETIME BRANDS, INC.**  
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(unaudited)

	<b>March 31, 2026</b>	<b>December 31, 2025</b>
	(in thousands)	
<b>Assets</b>		
U.S.	\$ 436,435	\$ 482,467
International	74,178	84,249
Unallocated corporate	17,248	5,839
Total Assets	<u>\$ 527,861</u>	<u>\$ 572,555</u>

**LIFETIME BRANDS, INC.**  
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**NOTE 11 — CONTINGENCIES***Wallace EPA Matter*

Wallace Silversmiths de Puerto Rico, Ltd. (“WSPR”), a wholly-owned subsidiary of the Company, operates a manufacturing facility in San Germán, Puerto Rico that is leased from the Puerto Rico Industrial Development Company (“PRIDCO”). In March 2008, the U.S. Environmental Protection Agency (the “EPA”) announced that the San Germán Ground Water Contamination site in Puerto Rico (the “Site”) had been added to the Superfund National Priorities List due to organic compounds present in the local drinking water supply.

In May 2008, WSPR received from the EPA a Notice of Potential Liability and Request for Information pursuant to 42 U.S.C. Sections 9607(a) and 9604(e) of the Comprehensive Environmental Response, Compensation, and Liability Act (“CERCLA”). In July 2011, WSPR received a letter from the EPA requesting access to the property that it leases from PRIDCO to conduct an environmental investigation, and the Company granted such access. In February 2013, the EPA requested access to conduct a further environmental investigation at the property. PRIDCO agreed to such access and the Company consented. The EPA conducted a further investigation during 2013 and, in April 2015, notified the Company and PRIDCO that the results from vapor intrusion sampling may warrant the implementation of measures to mitigate potential exposure to sub-slab soil gas. The Company reviewed the information provided by the EPA and requested that PRIDCO, as the property owner, find and implement a solution acceptable to the EPA. In order to protect the health of its employees and continue its business operations, WSPR has implemented corrective action measures to respond to vapor intrusion, such as sealing the floors of the building and conducting periodic air monitoring to address potential exposure.

On August 13, 2015, the EPA released its remedial investigation and feasibility study (“RI/FS”) for the Site. On December 11, 2015, the EPA issued the Record of Decision (“ROD”) for an initial operable unit (“OU-1”), electing to implement its preferred remedy which consists of soil vapor extraction and dual-phase extraction/in-situ treatment. This selected remedy includes soil vapor extraction (“SVE”) to address soil (vadose zone) source areas at the Site, impermeable cover as necessary for the implementation of SVE, dual phase extraction in the shallow saprolite zone, and in-situ treatment as needed to address residual sources. The EPA’s total net present worth estimated cost for its selected remedy is \$7.3 million. In February 2017, the EPA indicated that it planned to expand its field investigation for the RI/FS to a second operable unit (“OU-2”) to determine the nature and extent of the groundwater damage at and from the Site and to determine the nature of the remedial action needed to address the damage. The EPA requested access to the property occupied by WSPR to install monitoring wells and to undertake groundwater sampling as part of this expanded investigation. WSPR consented to the EPA’s access request, provided that the EPA received PRIDCO’s consent as the property owner. The EPA has also issued notices of potential liability to a number of other entities affiliated with the Site, which used the organic compounds of concern.

In December 2018, the Company, WSPR, and other identified potentially responsible parties affiliated with the Site entered into tolling agreements with the U.S. government to extend the statute of limitations for potential claims for the recovery of response costs for the initial operable unit under Section 107 of CERCLA. The tolling agreements have been extended multiple times and currently expire in November 2025. In October 2025, the U.S. government requested that the parties extend the tolling agreement until November 10, 2026. WSPR agreed to the extension. The tolling agreements do not constitute in any way an admission or acknowledgment of any fact, conclusion of law, or liability by the parties to the agreements.

The EPA released its proposed plan for OU-2 in July 2019, and on September 30, 2019, the EPA issued the ROD for OU-2. The EPA elected to implement its preferred remedy consisting of in-situ treatment of groundwater and a monitored natural attenuation program including monitoring of the plume fringe at the Site. The EPA’s estimated total net present worth cost for its selected remedy for OU-2 is \$17.3 million, and the EPA is currently leading remediation of OU-2.

In August 2021, WSPR received a Notice of Liability for the Site from the Department of Justice on behalf of the EPA, and in September 2021, WSPR responded with a good faith offer to conduct additional testing and remedial design work for OU-1. WSPR actively participated in negotiations among the U.S. Government (the Department of Justice and the EPA) and other potentially responsible parties with respect to the remedial work at OU-1, which negotiations culminated in the finalization of a Consent Decree for Remedial Design and Remedial Action at Operable Unit One of the San German Groundwater Contamination Site (“Decree”). On July 26, 2023, the U.S. Government filed a complaint in United States District Court for the District of Puerto Rico for the purpose of seeking judicial approval of the Decree. As required by applicable regulations, the U.S. Government simultaneously lodged the Decree for public comment. No comments were received during the public

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comment period. On September 6, 2023, at the conclusion of the public comment period, the U.S. Government filed a Motion to Enter the Decree, and the court entered the Decree on December 14, 2023, thereby effectuating the Decree. On January 10, 2024, the EPA issued a notice to proceed with the OU-1 remedial work. The Company thereafter commenced remedial work on OU-1 in accordance with the Decree. WSPR submitted the final draft Remedial Design Work Plan, Supplemental Pre-Design Investigation Work Plan, and Pilot Study Work Plan to the EPA on May 30, 2025, and awaits the EPA's approval on those documents to move forward with the remediation.

The Company reserved \$5.6 million to cover probable and estimable liabilities with respect to the above remedial design and remedial action for OU-1. However, it is not possible at this time for the Company to estimate its share of its ultimate liability for the Site. In the event of one or more adverse determinations related to this matter, it is possible that the ultimate liability resulting from this matter and the impact on the Company's results of operations could be material. As of March 31, 2026, the remaining probable and reasonably estimable liability related to the above remedial design and remedial action for OU-1 is \$5.3 million.

#### *Legal Settlement Gain*

In 2015, Taylor Precision Products, Inc. ("Taylor" and/or the "Plaintiff"), which was acquired by the Company on March 2, 2018, commenced a legal action related to a 2013 acquisition, alleging that the seller failed to sufficiently disclose certain adverse information as part of the acquisition. In February 2025, the Company received a net settlement of \$6.4 million, which consisted of a \$7.0 million settlement less \$0.6 million in legal fees related to this case. The Company recognized the gain in selling, general and administrative expenses in the condensed consolidated statement of operations for the quarter ended March 31, 2025.

#### *Other*

The Company is, from time to time, involved in other legal proceedings. The Company believes that other such litigation is routine in nature and incidental to the conduct of the Company's business and that none of this litigation, individually or collectively, would have a material adverse effect on the Company's consolidated financial position, results of operations or cash flows.

**LIFETIME BRANDS, INC.**  
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**NOTE 12 — OTHER****Cash dividends**

Dividends declared in the three months ended March 31, 2026 were as follows:

<b>Dividend per share</b>	<b>Date declared</b>	<b>Date of record</b>	<b>Payment date</b>
\$0.0425	3/9/2026	5/1/2026	5/15/2026

During the three months ended March 31, 2026, the Company paid dividends of \$1.0 million. This included payments made on February 13, 2026 of \$0.9 million to stockholders of record on January 30, 2026 and payments of \$0.1 million for dividends payable upon the vesting of restricted shares.

In the three months ended March 31, 2026, the Company reduced retained earnings for the accrual of \$1.0 million relating to the dividend payable on May 15, 2026.

**Stock repurchase program**

On March 14, 2022, the Company announced that its Board of Directors authorized the repurchase of up to \$20.0 million of the Company's common stock, replacing the Company's previously-authorized \$10.0 million share repurchase program. The repurchase authorization permits the Company to effect repurchases from time to time through open market purchases and privately negotiated transactions. No shares were repurchased during the three months ended March 31, 2026. As of March 31, 2026, the remaining dollar amount available for repurchases under the Board of Directors' authorized plan was \$11.1 million.

**Supplemental cash flow information**

	<b>Three Months Ended</b>	
	<b>March 31,</b>	
	<b>2026</b>	<b>2025</b>
	(in thousands)	
<b>Supplemental disclosure of cash flow information:</b>		
Cash paid for interest	\$ 4,049	\$ 4,286
Cash paid for taxes, net of refunds	128	211

**LIFETIME BRANDS, INC.**  
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**Components of accumulated other comprehensive loss, net**

	<b>Three Months Ended March 31,</b>	
	<b>2026</b>	<b>2025</b>
	(in thousands)	
<i>Accumulated translation adjustment:</i>		
Balance at beginning of period	\$ (17,698)	\$ (18,384)
Translation adjustment during period	65	417
Balance at end of period	<u>\$ (17,633)</u>	<u>\$ (17,967)</u>
<i>Accumulated deferred gains on cash flow hedges:</i>		
Balance at beginning of period	\$ (44)	\$ 247
Change in unrealized gains (losses)	—	(192)
Amounts reclassified from accumulated other comprehensive loss:		
Settlement of cash flow hedge <sup>(1)</sup>	68	63
Net change in cash flow hedges, net of taxes of \$0, \$0,	68	(129)
Balance at end of period	<u>\$ 24</u>	<u>\$ 118</u>
<i>Accumulated effect of retirement benefit obligations:</i>		
Balance at beginning of period	\$ (303)	\$ (178)
Amounts reclassified from accumulated other comprehensive loss: <sup>(2)</sup>		
Amortization of actuarial loss, net of taxes of \$(2), \$(1)	6	4
Balance at end of period	<u>\$ (297)</u>	<u>\$ (174)</u>
Total accumulated other comprehensive loss at end of period	<u>\$ (17,906)</u>	<u>\$ (18,023)</u>

<sup>(1)</sup> Amounts reclassified are recorded in cost of sales on the unaudited condensed consolidated statement of operations.

<sup>(2)</sup> Amounts are recorded in selling, general and administrative expense on the unaudited condensed consolidated statements of operations.

## Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

This Quarterly Report on Form 10-Q of Lifetime Brands, Inc. (the “Company” and, unless the context otherwise requires, references to the “Company” shall include its consolidated subsidiaries), contains “forward-looking statements” as defined by the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical facts contained in this Quarterly Report on Form 10-Q are forward-looking statements. These forward-looking statements include information concerning the Company’s plans, objectives, goals, strategies, future events, future revenues, performance, capital expenditures, financing needs and other information that is not historical information. Many of these statements appear, in particular, in *Management’s Discussion and Analysis of Financial Condition and Results of Operations*. When used in this Quarterly Report on Form 10-Q, the words “estimates,” “expects,” “intends,” “predicts,” “plans,” “believes,” “may,” “should,” “would,” and variations of such words or similar expressions are intended to identify forward-looking statements. All forward-looking statements, including, without limitation, those based on the Company’s examination of historical operating trends, are based upon the Company’s current expectations and various assumptions. The Company believes there is a reasonable basis for its expectations and assumptions, but there can be no assurance that the Company will realize its expectations or that the Company’s assumptions will prove correct.

There are a number of risks and uncertainties that could cause the Company’s actual results to differ materially from the forward-looking statements contained in this Quarterly Report on Form 10-Q. Important factors that could cause the Company’s actual results to differ materially from those expressed as forward-looking statements include, without limitation, those set forth in the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2025 (the “2025 Annual Report on Form 10-K”) in Part I, Item 1A under the heading *Risk Factors*, and in the Company’s subsequent filings with the U.S. Securities and Exchange Commission (the “SEC”). Such risks, uncertainties and other important factors include, among others, risks related to:

- Macroeconomic conditions, including labor disputes, depreciation of the U.S. dollar, volatility in the capital markets, inflationary impacts and disruptions to the global supply chain;
- Increase in supply chain costs, including raw materials, sourcing, transportation and energy;
- The impact of tariffs and trade policies, particularly with respect to China;
- Indebtedness, compliance with credit agreements, and access to credit markets;
- Access to the capital markets and credit markets;
- The seasonality of the Company’s cash flows;
- The Company’s ability to complete acquisitions or successfully integrate acquisitions;
- Intense market competition, changing customer practices or preferences and inventory rationalization among retailers;
- Dependence on third-party manufacturers;
- Technology, cybersecurity and data privacy risks;
- Geopolitical conditions, including political instability in the U.S. and abroad, unrest, sanctions, war and armed conflicts, increasing regional and global tensions, and associated disruptions and volatility in energy and oil markets;
- Legislative and regulatory risk;
- Product liability claims; and
- Reputational risks.

There may be other factors that may cause the Company’s actual results to differ materially from the forward-looking statements. Except as may be required by law, the Company undertakes no obligation to publicly update or revise forward-looking statements which may be made to reflect events or circumstances after the date made or to reflect the occurrence of unanticipated events.

The Company is required to file its Annual Reports on Forms 10-K, Quarterly Reports on Forms 10-Q, Current Reports on Form 8-K, and other reports and documents as required from time to time with the SEC. The Company also maintains a website at <http://www.lifetimebrands.com>. Information contained on this website is not a part of or incorporated by reference into this Quarterly Report on Form 10-Q. The Company makes available on its website the Company’s Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and any amendments to these reports as soon as reasonably practicable after these reports are filed with or furnished to the SEC. Users can access these reports free of charge on the

Company's website. The SEC also maintains a website that contains reports, proxy and information statements, and other information regarding the Company's electronic filings with the SEC at <http://www.sec.gov>.

The Company intends to use its website as a means of disclosing material non-public information and for complying with its disclosure obligations under Regulation FD. Such disclosures will be included on the Company's website in the 'Investor Relations' section. Accordingly, investors should monitor such portion of the Company's website, in addition to following the Company's press releases, SEC filings and public conference calls and webcasts.

## **ABOUT THE COMPANY**

The Company designs, sources and sells branded kitchenware, tableware and other products used in the home. The Company's product categories include two categories of products used to prepare, serve, and consume foods: Kitchenware (kitchen tools, cutlery, kitchen scales, thermometers, cutting boards, shears, cookware, pantryware, spice racks, and bakeware) and Tableware (dinnerware, stemware, flatware, and giftware); and one category, Home Solutions, which comprises other products used in the home (thermal beverageware, bath scales, weather and outdoor household products, food storage, neoprene travel products and home décor).

The Company markets several product lines within each of its product categories and under most of the Company's brands, primarily targeting moderate price points through virtually every major level of trade. The Company believes it possesses certain competitive advantages based on its brands, its emphasis on innovation and new product development, and its sourcing capabilities. The Company owns or licenses a number of leading brands in its industry, including Farberware®, KitchenAid®, Mikasa®, Taylor®, Pfaltzgraff®, Built NY®, S'well®, Fred® & Friends, KitchenCraft®, Rabbit®, Kamenstein®, and Dolly®. Historically, the Company's sales growth has come from expanding product offerings within its product categories, by developing existing brands, acquiring new brands (including complementary brands in markets outside the United States), and establishing new product categories. Key factors in the Company's growth strategy have been the selective use and management of the Company's brands and the Company's ability to provide a stream of new products and designs. A significant element of this strategy is the Company's in-house design and development teams that create new products, packaging and merchandising concepts.

## **RECENT DEVELOPMENTS**

### *Tariff and Supply Chain Considerations*

#### *Tariffs*

The Company sources almost all of its product from third-party manufacturers outside the U.S., primarily in China. This geographic concentration in suppliers exposes the Company to risks associated with doing business globally, including risks relating to changes in U.S. tariff and trade policies. New or increased tariffs, quotas, embargoes, or other trade barriers could adversely impact our supply chain and cost structure. In 2025, the Company implemented several actions to mitigate the impact of the tariffs imposed by the U.S. administration. For example, the Company negotiated price increases to its U.S. customers which went into effect in the third quarter of 2025. The Company's tariff mitigation strategy was intended to maintain the Company's gross margin dollars and therefore, may result in a decline in gross margin percentage.

On February 20, 2026, the U.S. Supreme Court held that the U.S. administration's imposition of tariffs pursuant to the International Emergency Economic Powers Act ("IEEPA") was unlawful, striking down the 10% global baseline tariff, as well as the higher tariffs imposed on certain U.S. trading partners. The U.S. Supreme Court's ruling did not affect all of the recently imposed tariffs, including those imposed following trade remedy investigations by the Department of Commerce or the U.S. Trade Representative. Nor did it prohibit the imposition of future tariffs through alternative trade authorities available to the U.S. administration. On February 20, 2026, shortly after the announced U.S. Supreme Court decision, the U.S. administration announced that it would be imposing a new 10% global tariff for a period of 150 days pursuant to a balance-of-payments provision in Section 122 of the Trade Act of 1974, to become effective February 24, 2026. The U.S. administration further announced that it would begin additional trade remedy investigations into unidentified trading partners pursuant to Section 301 of the Trade Act of 1974 and with respect to certain unidentified product sectors pursuant to Section 232 of the Trade Expansion Act of 1962. The U.S. Government has stated publicly that companies will need to litigate to obtain refunds, which could take years. While guidance and processes relating to refunds continue to develop, it remains challenging to predict if, and when, any refunds will, in fact, be obtained and whether refunds would be paid in cash or credits against future duties or tariffs. As of April 20, 2026, the CBP has launched Phase One of the Consolidated Administration and Processing of Entries ("CAPE") program to process refunds.

The Company is actively engaging with its custom brokers and outside legal counsel to assess and pursue potential refund claims related to the the IEEPA tariffs paid. The Company estimates that the total tariff payments made related to the IEEPA tariffs totaled \$41.7 million. While the Company plans to pursue the recovery of the IEEPA tariffs paid, these amounts represent a gain contingency and have not been recognized in the consolidated financial statements as of March 31, 2026.

Net sales for the first quarter of 2026 U.S. sales were favorably impacted by higher selling prices, however volume was impacted in certain channels due to softening consumer discretionary demand. For the first quarter of 2026, U.S. gross margin percentage improved by 170 basis points compared to the first quarter of 2025. This improvement was in part driven by favorable product mix, which offset the combined impact of tariffs and our mitigation strategy. We expect continued margin pressure through 2026 as higher-cost inventory is sold through, reflecting the full impact of these tariffs.

The Company cannot predict what additional changes to trade policy will be made by the U.S. administration or Congress, including whether existing tariff policies will be maintained or modified, what products may be subject to such policies, or whether the entry into new bilateral or multilateral trade agreements will occur, nor can we predict the effects that any such changes would have on our business, capital expenditures, and results of operations. The Company is actively monitoring the rapidly evolving tariff and global trade policies that become effective, as well as potential retaliatory actions by other countries.

If tariffs rates were to increase further and the Company is unable to mitigate the impact of the increase in cost, it would result in lower gross margin from the sale of its products. The broader macroeconomic impacts related to the changes in tariff policies including potential mitigation efforts by retailers may negatively impact consumer spending and buying patterns of the Company's products. This could materially adversely affect the Company's results of operations and financial condition.

#### *Supply Chain*

Escalating geopolitical conflicts in the Middle East, including shipping disruptions in the Strait of Hormuz, have lead to increased volatility on global energy prices. Sustained increases in energy costs could materially increase the Company's product and transportation costs, including through higher input costs and increased fuel prices, which typically lead to fuel surcharges and higher freight rates from third-party logistics providers. This could increase the Company's distribution and inbound freight costs. The duration of the conflict and the potential for further escalation, including military actions, sanctions, or disruptions to key trade routes, could adversely affect the global macroeconomic environment, and in turn, negatively impact consumer spending and demand for the Company's products. The Company continues to monitor these developments, however the extent and duration of their impact remain uncertain. If energy prices remain elevated or if macroeconomic conditions deteriorate, the Company's results of operations and financial condition could be materially adversely affected.

#### *Hagerstown Facility*

In January 2025, the Company announced the relocation of the Company's east coast distribution operations currently located in Robbinsville, NJ (the "Robbinsville Facility") to Hagerstown, Maryland (the "Hagerstown Facility"). In connection with the relocation, the Company expects to incur exit costs of approximately \$6.0 million for employee severance, certain employee relocation costs, and remaining lease costs for the Robbinsville Facility. For the three months ended March 31, 2026, the Company has incurred \$1.2 million, primarily related to employee severance costs. The remaining costs are expected to be incurred in 2026.

The Hagerstown Facility will require capital expenditures for equipment and certain leasehold improvements that are estimated to be approximately \$9.6 million, of which \$3.9 million remains to be purchased as of March 31, 2026. The Company incurred capital expenditures related to this relocation of \$3.4 million during the three months ended March 31, 2026 and \$2.3 million during the year-ended December 31, 2025. Start-up costs are estimated to be approximately \$7.0 million, which includes recruitment, relocation of inventory, set up costs and lease expenses prior to the Hagerstown Facility being fully operational. These one-time costs are expected to be incurred in 2026. The Company expects that the Hagerstown Facility will be operational in the second quarter of 2026. Additionally, in connection with the relocation to the Hagerstown Facility, the Company will receive tax abatement and incentives over the term of the lease from the State of Maryland and Washington County, Maryland totaling approximately \$13.1 million. These incentives include real property tax abatement, employee state withholding tax credit, conditional grants and income tax credits.

#### *Project Concord*

In January 2025, the Company launched Project Concord, management's comprehensive plan to propel growth and streamline the cost structure of its International operations. The Company expects this plan to improve future results of its International segment through sales growth and the identified costs efficiencies. This project resulted in several reorganizations and restructuring of the international workforce which have primarily affected the structure of the International segment's merchandising and sale workforce. The following actions were taken under this plan:

- On July 8, 2025 the Company announced a reorganization of its international workforce in connection with Project Concord. The restructuring expenses related to severance associated with the reorganization of \$0.3 million was recorded in the third quarter of 2025.
- On March 26, 2026 the Company announced a second reorganization of its international workforce in connection with Project Concord. The restructuring expenses related to severance associated with the reorganization of \$0.2 million was recorded in the three months ended March 31, 2026.

As of March 31, 2026, the Company expects to record additional approximately \$0.2 million of restructuring charges in connection with Project Concord for severance and related costs.

## **BUSINESS SEGMENTS**

The Company operates in two reportable segments: U.S. and International. The U.S. segment is the Company's domestic business that designs, markets and distributes its products to retailers and distributors, as well as directly to consumers through third parties and its own internet websites primarily in the U.S. The International segment is the Company's international business that sells and distributes products to consumers primarily in the U.K., the European Union and the Asia Pacific region.

Additional information regarding the Company's reportable segments is included in NOTE 10 – BUSINESS SEGMENTS of the Notes to the condensed consolidated financial statements included in Item 1.

## **SEASONALITY**

The Company's business and working capital needs are seasonal, with a majority of sales occurring in the third and fourth quarters. In 2025 and 2024, net sales for the third and fourth quarters accounted for 58% of total annual net sales, for both periods. In anticipation of the pre-holiday shipping season, inventory levels increase primarily in the June through October time period.

Consistent with the seasonality of the Company's net sales and inventory levels, the Company also experiences seasonality in its inventory turnover and turnover days from one quarter to the next.

## **CRITICAL ACCOUNTING ESTIMATES**

There have been no material changes to the Company's critical accounting estimates discussed in the 2025 Annual Report on Form 10-K in Item 7 under the heading *Management's Discussion and Analysis of Financial Condition and Results of Operations – Critical Accounting Policies and Estimates*.

**RESULTS OF OPERATIONS**

The following table sets forth statements of operations data of the Company as a percentage of net sales for the periods indicated:

	Three Months Ended March 31,	
	2026	2025
Net sales	100.0 %	100.0 %
Cost of sales	62.3	63.9
Gross margin	37.7	36.1
Distribution expenses	12.3	12.9
Selling, general and administrative expenses	25.6	22.4
Restructuring expenses	1.4	—
(Loss) income from operations	(1.6)	0.8
Interest expense	(3.1)	(3.5)
Mark to market gain (loss) on interest rate derivatives	0.2	(0.4)
Loss before income taxes	(4.5)	(3.1)
Income tax benefit	1.2	0.1
Net loss	(3.3)%	(3.0)%

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**THREE MONTHS ENDED MARCH 31, 2026 COMPARED TO THE THREE MONTHS ENDED**  
**MARCH 31, 2025**

**Net Sales**

Consolidated net sales for the three months ended March 31, 2026 were \$143.5 million, representing an increase of \$3.4 million, or 2.4%, as compared to net sales of \$140.1 million for the corresponding period in 2025. In constant currency, a non-GAAP financial measure, which excludes the impact of foreign exchange fluctuations and was determined by applying 2026 average rates to 2025 local currency amounts, consolidated net sales increased by \$2.5 million, or 1.8%, as compared to consolidated net sales in the corresponding period in 2025.

Net sales for the U.S. segment for the three months ended March 31, 2026 were \$130.7 million, an increase of \$2.2 million, or 1.7%, as compared to net sales of \$128.5 million for the corresponding period in 2025. For the three months ended March 31, 2026, net sales were favorably impacted by higher selling prices, reflecting the implementation of price increases for the Company's U.S. customers that went into effect during the third quarter of 2025.

Net sales for the U.S. segment's Kitchenware product category were \$78.5 million for the three months ended March 31, 2026, a decrease of \$1.0 million, or 1.3%, as compared to \$79.5 million for the corresponding period in 2025. The decrease was driven by a decrease in sales for cutlery and boards and kitchen measurement products. These decreases were partially offset by an increase in sales for kitchen tools.

Net sales for the U.S. segment's Tableware product category were \$25.9 million for the three months ended March 31, 2026, a decrease of \$1.7 million, or 6.2%, as compared to \$27.6 million for the corresponding period in 2025. The decrease was primarily attributable to lower sales in the dollar channel for dinnerware.

Net sales for the U.S. segment's Home Solutions product category were \$26.3 million for the three months ended March 31, 2026, an increase of \$4.9 million, or 22.9%, as compared to \$21.4 million for the corresponding period in 2025. The increase was primarily attributable to higher sales for home décor products in the dollar channel and warehouse club programs.

Net sales for the International segment were \$12.8 million for the three months ended March 31, 2026, an increase of \$1.2 million, or 10.3%, as compared to net sales of \$11.6 million for the corresponding period in 2025. In constant currency, a non-GAAP financial measure, which excludes the impact of foreign exchange fluctuations, net sales increased by \$0.3 million, or 2.5%, as compared to consolidated net sales in the corresponding period in 2025. The increase in net sales was driven by higher sales in the Asia Pacific region.

**Gross margin**

Gross margin for the three months ended March 31, 2026 was \$54.2 million, or 37.7%, as compared to \$50.6 million, or 36.1%, for the corresponding period in 2025.

Gross margin for the U.S. segment was \$49.5 million, or 37.9%, for the three months ended March 31, 2026, as compared to \$46.5 million, or 36.2%, for the corresponding period in 2025. The improvement in the gross margin percentage was attributable to favorable product mix, higher selling prices, offset by higher tariffs.

Gross margin for the International segment was \$4.7 million, or 36.7%, for the three months ended March 31, 2026, as compared to \$4.1 million, or 35.3%, for the corresponding period in 2025. The increase in gross margin percentage was driven by customer and product mix.

**Distribution expenses**

Distribution expenses for the three months ended March 31, 2026 were \$17.6 million, as compared to \$18.1 million for the corresponding period in 2025. Distribution expenses as a percentage of net sales were 12.3% for the three months ended March 31, 2026, as compared to 12.9% for the three months ended March 31, 2025.

Distribution expenses as a percentage of net sales for the U.S. segment were 10.9% and 11.5% for the three months ended March 31, 2026 and 2025, respectively. Distribution expense during the three months ended March 31, 2026 included \$0.2 million for relocation and redesign costs related to the Company's warehouses. As a percentage of sales shipped from the Company's U.S. warehouses, excluding non-recurring expenses, distribution expenses were 10.9% and 11.9% for the three months ended March 31, 2026 and 2025, respectively. The decrease in expenses as a percentage of sales was attributable to

higher sales resulting in a favorable impact of fixed expenses, lower volume due to sales mix resulting in a decrease of employee expenses, and lower facility supply expenses. The decrease was partially offset by higher freight rates.

Distribution expenses as a percentage of net sales for the International segment were 26.4% for the three months ended March 31, 2026, compared to 28.3% for the corresponding period in 2025. As a percentage of sales shipped from the Company's international warehouses distribution expenses were 23.2% and 25.0% for the three months ended March 31, 2026 and 2025, respectively. The decrease in expenses as a percentage of sales was attributable to higher sales resulting in a favorable impact of fixed expenses and a decrease in variable warehouse expenses at third-party operated distribution facilities.

#### **Selling, general and administrative expenses**

Selling, general and administrative expenses for the three months ended March 31, 2026 were \$36.8 million, an increase of \$5.3 million, or 16.8%, as compared to \$31.5 million for the corresponding period in 2025.

Selling, general and administrative expenses for the U.S. segment were \$28.2 million for the three months ended March 31, 2026, as compared to \$30.0 million for the corresponding period in 2025. As a percentage of net sales, selling, general and administrative expenses were 21.6% and 23.3% for the three months ended March 31, 2026 and 2025, respectively. The decrease in selling, general and administrative expenses was attributable to lower employee expenses, a decrease in the provision for doubtful accounts in the current period, and lower advertising expenses. This was partially offset by an increase in insurance expenses. The decrease in selling, general and administrative expenses as a percentage of net sales, was also attributable to the impact of fixed costs on higher sales volume.

Selling, general and administrative expenses for the International segment were \$3.7 million for both the three months ended March 31, 2026 and 2025. As a percentage of net sales, selling, general and administrative expenses were 28.9% and 31.9% for the three months ended March 31, 2026 and 2025, respectively. Selling, general and administrative expenses remained flat year-over-year, as decreases in employee expenses and commission expenses were fully offset by unfavorable foreign currency exchange impacts. The decrease in selling, general and administrative expenses as a percentage of net sales, was attributable to the impact of fixed costs on higher sales volume.

Unallocated corporate expense for the three months ended March 31, 2026 was \$4.9 million, as compared to unallocated corporate income of \$2.2 million for the corresponding period in 2025. The decrease compared to the prior period was due to the recognition of a net legal settlement gain of \$6.4 million in the prior period, partially offset by an increase in professional fees and legal expenses in the current period.

#### **Restructuring expense**

Restructuring expenses for the three months ended March 31, 2026 were \$2.0 million, which consist of employee severance expenses related to the east coast distribution facility relocation of \$1.2 million, sterling flatware manufacturing operations restructuring expense of \$0.7 million, and Project Concord severance expense of \$0.1 million. See NOTE 1 — BASIS OF PRESENTATION AND SUMMARY OF ACCOUNTING POLICIES to the unaudited condensed consolidated financial statements included in this Quarterly Report on Form 10-Q for additional information.

#### **Interest expense**

Interest expense was \$4.5 million and \$4.9 million for the three months ended March 31, 2026 and 2025, respectively. The decrease in expense was a result of lower average outstanding borrowings in the current period, partially offset by higher interest rates on outstanding borrowings.

#### **Mark to market gain (loss) on interest rate derivatives**

Mark to market gain on interest rate derivatives was \$0.3 million for the three months ended March 31, 2026, as compared to mark to market loss of \$0.5 million for the three months ended March 31, 2025. The gain (loss) recognized for the three months ended March 31, 2026 and 2025, respectively, was attributable to the change in the fair value due to the change in the projected interest rate environment. The mark to market amount represents the change in fair value on the Company's interest rate derivatives that have not been designated as hedging instruments. These derivatives were entered into for purposes of locking-in a fixed interest rate on a portion of the Company's variable interest rate debt. As of March 31, 2026, the intent of the Company is to hold these derivative contracts until their maturity.

## **Income taxes**

Income tax benefit of \$1.7 million and \$0.1 million for the three months ended March 31, 2026 and 2025, respectively, represent taxes on both U.S. and foreign earnings at a combined effective income tax rate of 26.0% and 3.3%, respectively. The effective tax rate for the three months ended March 31, 2026 differs from the federal statutory income tax rate of 21.0% primarily due to state and local tax expense, the impact of non-deductible expenses, and foreign losses for which no tax benefit is recognized as such amounts are fully offset with a valuation allowance, partially offset by a benefit for federal credits. The effective tax rate for the three months ended March 31, 2025 differs from the federal statutory income tax rate of 21.0% primarily due to foreign losses for which no tax benefit is recognized as such amounts are fully offset with a valuation allowance.

## **LIQUIDITY AND CAPITAL RESOURCES**

The Company's principal sources of cash to fund liquidity needs are: (i) cash provided by operating activities and (ii) borrowings available under its revolving credit facility under the ABL Agreement, as defined below. The Company's primary uses of funds consist of working capital requirements, capital expenditures, acquisitions and investments, payments of dividends, and payments of principal and interest on its debt.

At March 31, 2026, the Company had cash and cash equivalents of \$13.9 million, compared to \$4.3 million at December 31, 2025. Working capital was \$220.1 million at March 31, 2026, compared to \$242.6 million at December 31, 2025. Liquidity as of March 31, 2026 was \$110.2 million, consisting of \$13.9 million of cash and cash equivalents, \$80.0 million of availability under the ABL Agreement, limited by the Term Loan financial covenant, and \$16.3 million of available funding under the Receivables Purchase Agreement.

Inventory, a large component of the Company's working capital, is expected to fluctuate from period to period, with inventory levels higher primarily in the June through October time period. The Company also expects inventory turnover to fluctuate from period to period based on product and customer mix. Certain product categories have lower inventory turnover rates as a result of minimum order quantities from the Company's vendors or customer replenishment needs. Certain other product categories experience higher inventory turns due to lower minimum order quantities or trending sale demands. For the three months ended March 31, 2026, inventory turnover was 1.9 times, or 194 days, as compared to 1.8 times, or 208 days, for the three months ended March 31, 2025. Inventory turns have remained relatively consistent.

The Company believes that availability under the revolving credit facility under its ABL Agreement, cash on hand and cash flows from operations are sufficient to fund the Company's operations for the next twelve months. However, if circumstances were to adversely change, the Company may seek alternative sources of liquidity including debt and/or equity financing. However, there can be no assurance that any such alternative sources would be available or sufficient.

The Company closely monitors the creditworthiness of its customers. Based upon its evaluation of changes in customers' creditworthiness, the Company may modify credit limits and/or terms of sale. However, notwithstanding the Company's efforts to monitor its customers' financial condition, the Company could be materially adversely affected by future changes in these conditions.

## **Indebtedness**

On August 26, 2022, the Company entered into Amendment No. 2 (the "Amendment") to the Company's credit agreement, dated as of March 2, 2018 (as amended, the "ABL Agreement") among the Company, as a Borrower, certain subsidiaries of the Company, as Borrowers and/or Loan Parties, JPMorgan Chase Bank, N.A., as Administrative Agent and a Lender. The ABL Agreement provides for a senior secured asset-based revolving credit facility in the maximum aggregate principal amount of \$200.0 million, which facility will mature on August 26, 2027. The ABL Agreement is subject to an earlier springing maturity date of May 28, 2027, 90 days prior to the Term Loan maturity date of August 26, 2027, if the Company's Term Loan has not been repaid or refinanced by such date.

On November 14, 2023, the Company entered into Amendment No. 2 to amend the Loan Agreement, dated as of March 2, 2018, among the Company, as Borrower, the other loan parties from time to time party thereto, the lenders from time to time party thereto, and JPMorgan Chase Bank, N.A., as Administrative Agent (as amended, the "Term Loan" and together with the ABL Agreement, the "Debt Agreements"). The Term Loan has a principal amount of \$150.0 million, and matures on August 26, 2027.

The Term Loan requires the Company to make quarterly payments of principal each equal to 1.25% of the aggregate principal amount of the Term Loan, which commenced on March 31, 2024, with the remaining balance payable on the maturity date. The

Term Loan requires the Company to make an annual prepayment of principal, beginning with the fiscal year ending December 31, 2024, based upon a percentage of the Company's excess cash flow, ("Excess Cash Flow"), if any. The percentage applied to the Company's Excess Cash Flow is based on the Company's Total Net Leverage Ratio (as defined in the Debt Agreements). When an Excess Cash Flow payment is required, each lender has the option to decline a portion or all of the prepayment amount payable to it. Under the Term Loan, when the Company makes an Excess Cash Flow prepayment, the payment is first applied to satisfy the next eight (8) scheduled future quarterly required payments of the Term Loan in order of maturity and then to the remaining scheduled installments on a pro rata basis.

The maximum borrowing amount under the ABL Agreement may be increased up to \$250.0 million if certain conditions are met. One or more tranches of additional term loans (the "Incremental Term Facilities") may be added under the Term Loan if certain conditions are met. The Incremental Term Facilities may not exceed the sum of (i) \$50.0 million plus (ii) an unlimited amount so long as, in the case of (ii) only, the Company's secured net leverage ratio, as defined in and computed on a pro forma basis pursuant to the Term Loan, after giving effect to such increase, is no greater than 3.25 to 1.00, subject to certain limitations and for the period defined pursuant to the Term Loan but not to mature earlier than the maturity date of the then existing term loans.

As of March 31, 2026 and December 31, 2025, the total availability under the ABL Agreement were as follows (in thousands):

	March 31, 2026	December 31, 2025
Maximum aggregate principal allowed	\$ 149,735	\$ 185,588
Outstanding borrowings under the ABL Agreement	(36,611)	(54,105)
Standby letters of credit	(13,764)	(11,564)
Total availability under the ABL Agreement	<u>\$ 99,360</u>	<u>\$ 119,919</u>

Availability under the ABL Agreement is limited to the lesser of the \$200.0 million commitment thereunder and the borrowing base and therefore depends on the valuation of certain current assets comprising the borrowing base. The borrowing capacity under the ABL Agreement will depend, in part, on eligible levels of accounts receivable and inventory that fluctuate regularly. Due to the seasonality of the Company's business, the Company may have greater borrowing availability during the third and fourth quarters of each year. Consequently, the \$200.0 million commitment thereunder may not represent actual borrowing capacity. The Company's borrowing capacity may be further limited by the Term Loan financial covenant of 5.00 to 1.00 maximum Total Net Leverage Ratio. As of March 31, 2026, the availability under the ABL Agreement, as limited by the Term Loan financial covenant, was \$80.0 million.

The current and non-current portions of the Company's Term Loan included in the condensed consolidated balance sheets were as follows (in thousands):

	March 31, 2026	December 31, 2025
<b>Current portion of Term Loan:</b>		
Term Loan payment	\$ 7,500	\$ 7,500
Estimated unamortized debt issuance costs	(2,443)	(2,478)
<b>Total Current portion of Term Loan</b>	<u>\$ 5,057</u>	<u>\$ 5,022</u>
<b>Non-current portion of Term Loan:</b>		
Term Loan, net of current portion	\$ 125,625	\$ 127,500
Estimated unamortized debt issuance costs	(975)	(1,573)
<b>Total Non-current portion of Term Loan</b>	<u>\$ 124,650</u>	<u>\$ 125,927</u>

As of March 31, 2026 the Company estimates that no excess cash flow payment will be due for 2026. For the year ended December 31, 2025, there was no excess cash flow payment due for 2025.

The Company's payment obligations under its Debt Agreements are unconditionally guaranteed by its existing and future U.S. subsidiaries with certain minor exceptions. Certain payment obligations under the ABL Agreement are also direct obligations of its foreign subsidiary borrowers designated as such under the ABL Agreement and, subject to limitations on such guaranty, are guaranteed by the foreign subsidiary borrowers, as well as by the Company. The obligations of the foreign subsidiary borrowers under the ABL Agreement are secured by security interests in substantially all of the assets of, and stock in, such foreign subsidiary borrowers, subject to certain limitations. The obligations of the Company under the Debt Agreements and any

hedging arrangements and cash management services and the guarantees by its domestic subsidiaries in respect of those obligations are secured by security interests in substantially all of the assets and stock (but in the case of foreign subsidiaries, limited to 65% of the capital stock in first-tier foreign subsidiaries and not including the stock of subsidiaries of such first-tier foreign subsidiaries) owned by the Company and the U.S. subsidiary guarantors, subject to certain exceptions. Such security interests consist of (1) a first-priority lien, subject to certain permitted liens, with respect to certain assets of the Company and certain of its subsidiaries (the “ABL Collateral”) pledged as collateral in favor of lenders under the ABL Agreement and a second-priority lien in the ABL Collateral in favor of the lenders under the Term Loan and (2) a first-priority lien, subject to certain permitted liens, with respect to certain assets of the Company and certain of its subsidiaries (the “Term Loan Collateral”) pledged as collateral in favor of lenders under the Term Loan and a second-priority lien in the Term Loan Collateral in favor of the lenders under the ABL Agreement.

Borrowings under the revolving credit facility bear interest, at the Company’s option, at one of the following rates: (i) an alternate base rate, defined, for any day, as the greater of the prime rate, a federal funds and overnight bank funding based rate plus 0.5% or one-month Adjusted Term Secured Overnight Financing Rate (“SOFR”) plus 1.0% as of a specified date in advance of the determination, but in each case not less than 1.0%, plus a margin of 0.25% to 0.50%, or (ii) Adjusted Term SOFR, which is the Term SOFR Rate for the selected 1, 3 or 6 month interest period plus 0.10% (or Euro Interbank Offered Rate “EURIBOR” for borrowings denominated in Euro; or Sterling Overnight Index Average “SONIA” for borrowings denominated in Pounds Sterling), but in each case not less than zero, plus a margin of 1.25% to 1.50%. The respective margins are based upon average quarterly availability, as defined in and computed pursuant to the ABL Agreement. In addition, the Company pays a commitment fee of 0.20% to 0.25% per annum based on the average daily unused portion of the aggregate commitment under the ABL Agreement. The interest rate on outstanding borrowings under the ABL Agreement at March 31, 2026 was between 3.33% and 7.13%. The Company paid a commitment fee of 0.25% on the unused portion of the ABL Agreement during the three months ended March 31, 2026.

The Term Loan bears interest, at the Company’s option, at one of the following rates: (i) alternate base rate, defined, for any day, as the greater of (x) the prime rate, (y) a federal funds and overnight bank funding based rate plus 0.5% or (z) one-month Adjusted Term SOFR, but not less than 1.0%, plus 1.0%, plus a margin of 4.5% or (ii) Adjusted Term SOFR (Term SOFR plus the Term SOFR Adjustment) for the applicable interest period, but not less than 1.0%, plus a margin of 5.5%. The interest rate on outstanding borrowings under the Term Loan at March 31, 2026 was 9.29%.

The Debt Agreements provide for customary restrictions and events of default. Restrictions include limitations on additional indebtedness, liens, acquisitions, investments and payment of dividends, among other things. Under the Term Loan, the Total Net Leverage Ratio is not permitted to be greater than 5.00 to 1.00 determined as of the end of each fiscal quarters. Further, the ABL Agreement provides that during any period (a) commencing on the last day of the most recently ended four consecutive fiscal quarters on or prior to the date availability under the ABL Agreement is less than the greater of \$20.0 million and 10% of the aggregate commitment under the ABL Agreement at any time and (b) ending on the day after such availability has exceeded the greater of \$20.0 million and 10% of the aggregate commitment under the ABL Agreement for 45 consecutive days, the Company is required to maintain a minimum fixed charge coverage ratio of 1.10 to 1.00 as of the last day of any period of four consecutive fiscal quarters.

The Company was in compliance with the covenants of the Debt Agreements at March 31, 2026.

The Company expects that it will continue to borrow, subject to availability, and repay funds under the ABL Agreement based on working capital and other corporate needs.

#### *Covenant Calculations*

Adjusted EBITDA (a non-GAAP financial measure), which is defined in the Company’s Debt Agreements, is used in the calculation of the Fixed Charge Coverage Ratio, Secured Net Leverage Ratio, Total Leverage Ratio and Total Net Leverage Ratio, which are required to be provided to the Company’s lenders pursuant to its Debt Agreements.

The Company’s adjusted EBITDA (including pro forma adjustments), for the trailing twelve months ended March 31, 2026 was \$52.7 million.

Capital expenditures for the three months ended March 31, 2026 were \$3.8 million.

#### *Non-GAAP financial measure*

Adjusted EBITDA is a non-GAAP financial measure within the meaning of Regulation G and Item 10(e) of Regulation S-K, each promulgated by the SEC. This measure is provided because management of the Company uses this financial measure in

evaluating the Company's on-going financial results and trends, and management believes that exclusion of certain items allows for more accurate period-to-period comparison of the Company's operating performance by investors and analysts. Management also uses this non-GAAP information as an indicator of business performance. Adjusted EBITDA, as discussed above, is also one of the measures used to calculate financial covenants required to be provided to the Company's lenders pursuant to its Debt Agreements.

Investors should consider this non-GAAP financial measure in addition to, and not as a substitute for, the Company's financial performance measures prepared in accordance with U.S. GAAP. Further, the Company's non-GAAP information may be different from the non-GAAP information provided by other companies including other companies within the home retail industry.

The following is a reconciliation of the net (loss) income, as reported, to Adjusted EBITDA, for each of the last four quarters and the 12 months ended March 31, 2026:

	Quarter Ended				Twelve Months Ended March 31, 2026
	June 30, 2025	September 30, 2025	December 31, 2025	March 31, 2026	
	(in thousands)				
Net (loss) income as reported	\$ (39,699)	\$ (1,189)	\$ 18,152	\$ (4,772)	\$ (27,508)
Income tax (benefit) provision	(2,782)	2,861	(3,220)	(1,676)	(4,817)
Interest expense	5,054	5,013	5,048	4,512	19,627
Depreciation and amortization	5,437	5,398	5,315	5,282	21,432
Gain on disposition of fixed assets	—	(94)	—	—	(94)
Mark to market loss (gain) on interest rate derivatives	220	8	(1)	(294)	(67)
Goodwill impairment	33,237	—	—	—	33,237
Stock compensation expense	1,044	994	201	1,043	3,282
Severance expense	270	—	241	—	511
Acquisition-related diligence expenses	123	49	1,799	1,104	3,075
Restructuring expenses	—	304	24	2,030	2,358
Warehouse relocation and redesign expenses <sup>(1)</sup>	139	76	48	159	422
Pro forma adjustments <sup>(2)</sup>					1,250
Adjusted EBITDA <sup>(3)</sup>	<u>\$ 3,043</u>	<u>\$ 13,420</u>	<u>\$ 27,607</u>	<u>\$ 7,388</u>	<u>\$ 52,708</u>

<sup>(1)</sup> For the twelve months ended March 31, 2026, warehouse relocation and redesign expenses were related to the U.S. segment.

<sup>(2)</sup> Pro forma adjustments represent operating expense reductions projected by the Company as a result of actions taken through March 31, 2026 or expected to be taken within 18 months of March 31, 2026, net of the benefits realized during the twelve months ended March 31, 2026. These actions include cost savings initiatives for the U.S. segment related to reductions in employee expenses and cost savings for the International segment related to Project Concord.

<sup>(3)</sup> Adjusted EBITDA is a non-GAAP financial measure that is defined in the Company's debt agreements. Adjusted EBITDA is defined as net (loss) income, adjusted to exclude income tax (benefit) provision, interest expense, depreciation and amortization, gain on disposition of fixed assets, mark to market loss (gain) on interest rate derivatives, goodwill impairment, stock compensation expense, and other items detailed in the table above that are consistent with exclusions permitted by the Company's debt agreements.

#### *Accounts Receivable Purchase Agreement*

To improve its liquidity during seasonally high working capital periods, the Company has an uncommitted Receivables Purchase Agreement with HSBC Bank USA, National Association ("HSBC") as Purchaser (the "Receivables Purchase Agreement"). Under the Receivables Purchase Agreement, the Company may offer to sell certain eligible accounts receivable (the "Receivables") to HSBC, which may accept such offer, and purchase the offered Receivables. Under the Receivables Purchase Agreement, following each purchase of Receivables, the outstanding aggregate purchased Receivables shall not exceed \$30.0 million. HSBC will assume the credit risk of the Receivables purchased, and the Company will continue to be responsible for all non-credit risk matters. The Company will service the Receivables, and as such servicer, collect and otherwise enforce the Receivables on behalf of HSBC. The term of the agreement is for 364 days and shall automatically be extended for annual successive terms unless terminated. Either party may terminate the agreement at any time upon sixty days' prior written notice to the other party.

The Company did not sell receivables to HSBC during the three months ended March 31, 2026 and March 31, 2025. At March 31, 2026, \$16.3 million of accounts receivable were available for sale to HSBC, net of applicable charges.

## **Derivatives**

The Company's risk management strategy includes the use of derivative financial instruments to manage its exposure to interest rate movements and to reduce the volatility of earnings and cash flows associated with changes in foreign currency exchange rates primarily to offset the earnings impact related to inventory purchases. The Company does not enter into derivative transactions for trading purposes. The Company classifies cash flows from its derivative transactions as cash flows from operating activities in the consolidated statements of cash flows.

The Company's derivatives expose it to credit risks from possible non-performance by counterparties. The Company has limited its credit risk by entering into derivative transactions exclusively with investment-grade rated financial institutions and monitors the creditworthiness of these financial institutions on an ongoing basis. The Company utilizes standard counterparty master netting agreements that net certain foreign currency and interest rate swap transactions in the event of the insolvency of one of the parties to the transaction. These master netting arrangements permit the Company to net amounts due from the Company to counterparty with amounts due to the Company from the same counterparty. Although all of the Company's recognized derivative assets and liabilities are subject to enforceable master netting arrangements, the Company has elected to present these assets and liabilities on a gross basis.

The Company does not anticipate non-performance by any of its counterparties.

### *Interest Rate Swaps*

To manage its exposures to interest rate movements, the Company primarily uses interest rate swaps as part of its interest rate risk management strategy. These interest rate swaps involve the receipt of variable amounts from a counterparty in exchange for the Company making fixed-rate payments over the life of the agreements without exchange of the underlying notional amount.

In March 2024 and October 2024, the Company entered into interest rate swap agreements, each with an aggregate notional value of \$25.0 million and expiring in August 2027. These non-designated interest rate swaps serve as cash flow hedges of the Company's exposure to the variability of the payment of interest on a portion of its Term Loan borrowings. The Company's total outstanding notional value of interest rate swaps was \$50.0 million at March 31, 2026.

### *Foreign Exchange Contracts*

To reduce the impact of changes in foreign currency exchange rates on its results, from time to time the Company is a party to certain foreign exchange contracts, primarily to offset the earnings impact related to fluctuations in foreign currency exchange rates associated with inventory purchases. The Company designates these contracts for accounting purposes as cash flow hedges. The Company purchases foreign currency forward contracts with terms of less than 18 months. The aggregate gross notional value of foreign exchange contracts at March 31, 2026 was zero.

## **Operating activities**

Net cash provided by operating activities was \$33.8 million for the three months ended March 31, 2026, as compared to net cash provided by operating activities of \$16.7 million for the three months ended March 31, 2025. The increase from 2026 compared to 2025 was attributable to lower investment in inventory, timing of collections related to the Company's accounts receivables, and timing of payments for accounts payable and accrued expenses, partially offset by lower operating results in the current period.

## **Investing activities**

Net cash used in investing activities was \$3.8 million and \$1.6 million for the three months ended March 31, 2026 and 2025, respectively. The increase in investment activities was driven by purchases of equipment for the Hagerstown Facility.

## **Financing activities**

Net cash used in financing activities was \$20.3 million for the three months ended March 31, 2026, as compared to net cash used in financing activities of \$7.8 million for the three months ended March 31, 2025. The change was attributable to higher net repayments of revolving credit facility in the 2026 period.

**Stock repurchase program**

On March 14, 2022, the Company announced that its Board of Directors authorized the repurchase of up to \$20.0 million of the Company's common stock, replacing the Company's previously-authorized \$10.0 million share repurchase program. The repurchase authorization permits the Company to effect repurchases from time to time through open market purchases and privately negotiated transactions. No shares were repurchased during the three months ended March 31, 2026. As of March 31, 2026, the remaining dollar amount available for repurchases under the Board of Directors' authorized plan was \$11.1 million.

**Item 3. Quantitative and Qualitative Disclosures About Market Risk**

There were no material changes in market risk for changes in foreign currency exchange rates and interest rates from the information provided in Item 7A – Quantitative and Qualitative Disclosures About Market Risk in the 2025 Annual Report on Form 10-K.

**Item 4. Controls and Procedures**

**(a) Evaluation of Disclosure Controls and Procedures**

The Chief Executive Officer and the Chief Financial Officer of the Company (its principal executive officer and principal financial officer, respectively) have concluded, based on their evaluation as of March 31, 2026, that the Company’s disclosure controls and procedures are effective to ensure that information required to be disclosed by the Company in the reports filed by it under the Securities and Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission’s rules and forms, and include controls and procedures designed to ensure that information required to be disclosed by the Company in such reports is accumulated and communicated to the Company’s management, including the Chief Executive Officer and Chief Financial Officer of the Company, as appropriate to allow timely decisions regarding required disclosure.

**(b) Changes in Internal Controls**

There were no changes in the Company’s internal controls over financial reporting that occurred during the Company’s most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company’s internal controls over financial reporting.

**PART II - OTHER INFORMATION**

**Item 1. Legal Proceedings**

For a description of the Company’s legal proceedings, please see NOTE 11 — CONTINGENCIES, to the Company’s condensed consolidated financial statements included in this Quarterly Report on Form 10-Q.

**Item 1A. Risk Factors**

In addition to the other information set forth in this Quarterly Report on Form 10-Q, readers should carefully consider the factors discussed in Part I, Item 1A—Risk Factors in the 2025 Annual Report on Form 10-K, and in the Company’s other filings with the SEC, which could materially affect the Company’s business, financial condition, cash flows or future results. There have been no material changes from the risk factors previously disclosed in Part I, Item 1A—Risk Factors in the 2025

**Item 2. Unregistered Sales of Equity Securities and Use of Proceeds**

Issuer Purchases of Equity Securities

Period	Total number of shares purchased <sup>(1)</sup>	Average price paid per share	Total number of shares purchased as part of publicly announced plans or programs <sup>(2)</sup>	Maximum approximate dollar value of shares that may yet be purchased under the plans or programs subsequent to end of period <sup>(2)</sup>
March 1 - March 31, 2026	58,930	\$ 3.11	—	\$ 11,140,752

<sup>(1)</sup> The repurchased shares were acquired other than as part of a publicly announced plan or program. The Company repurchased these securities in connection with its Amended and Restated 2000 Long Term Incentive Plan, which allows participants to use shares to satisfy the exercise price of options exercised, certain tax liabilities arising from the exercise of options, and certain tax liabilities arising from the vesting of restricted stock. The foregoing number does not include unvested shares forfeited back to the Company pursuant to the terms of its stock compensation plans.

<sup>(2)</sup> On March 14, 2022, the Company announced that its Board of Directors’ authorized the repurchase of up to \$20.0 million of the Company’s common stock, replacing the Company’s previously-authorized \$10 million share repurchase program. The repurchase authorization permits the Company to effect the repurchases from time to time through open market purchases and privately negotiated transactions. No repurchases under the program occurred during the three months ended March 31, 2026.

**Item 5. Other Information**

*Rule 10b5-1 Trading Plans*

None of the Company's directors or officers adopted, modified, or terminated a Rule 10b5-1 trading arrangement or a non-Rule 10b5-1 trading arrangement during the Company's fiscal quarter ended March 31, 2026.

**Item 6. Exhibits**

See the Exhibit Index below, which is incorporated by reference herein.

**Exhibit Index**

**Exhibit No.**

31.1*	<a href="#">Certification by Robert B. Kay, Chief Executive Officer and Director, pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities and Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</a>
31.2*	<a href="#">Certification by Laurence Winoker, Executive Vice President, Treasurer and Chief Financial Officer, pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities and Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</a>
32.1**	<a href="#">Certification by Robert B. Kay, Chief Executive Officer and Director, and Laurence Winoker, Executive Vice President, Treasurer and Chief Financial Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</a>
101.INS*	Inline XBRL Instance Document (the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document)
101.SCH*	Inline XBRL Taxonomy Extension Schema Document
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB*	Inline XBRL Taxonomy Extension Labels Linkbase Document
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	The cover page from this Quarterly Report on Form 10-Q, formatted in Inline XBRL and contained in Exhibit 101

\* Filed herewith

\*\* Furnished herewith

**SIGNATURES**

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

Lifetime Brands, Inc.

/s/ Robert B. Kay

May 7, 2026

Robert B. Kay  
Chief Executive Officer and Director  
(Principal Executive Officer)

/s/ Laurence Winoker

May 7, 2026

Laurence Winoker  
Executive Vice President, Treasurer and Chief  
Financial Officer  
(Principal Financial and Accounting Officer)

## CERTIFICATION

I, Robert B. Kay, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Lifetime Brands, Inc. (“the registrant”);
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;
4. The registrant’s other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)4) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
  - b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter that has materially affected or is reasonably likely to materially affect the registrant’s internal control over financial reporting; and
1. The registrant’s other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):
  - a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
  - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

/s/ Robert B. Kay

Robert B. Kay  
Chief Executive Officer and Director

Date: May 7, 2026

## CERTIFICATION

I, Laurence Winoker, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Lifetime Brands, Inc. (“the registrant”);
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;
4. The registrant’s other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)4) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
  - b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter that has materially affected or is reasonably likely to materially affect the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):
  - a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
  - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

/s/ Laurence Winoker

Laurence Winoker  
Executive Vice President,  
Treasurer and Chief Financial Officer

Date: May 7, 2026

Certification by Robert B. Kay, Chief Executive Officer and Director, and Laurence Winoker, Executive Vice President, Treasurer and Chief Financial Officer, Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

I, Robert B. Kay, Chief Executive Officer and Director, and I, Laurence Winoker, Executive Vice President, Treasurer and Chief Financial Officer, of Lifetime Brands, Inc., a Delaware corporation (the "Company"), each hereby certify that:

- (1) The Company's periodic report on Form 10-Q for the period ended March 31, 2026 (the "Form 10-Q") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Robert B. Kay  
Robert B. Kay  
Chief Executive Officer and Director

/s/ Laurence Winoker  
Laurence Winoker  
Executive Vice President, Treasurer and Chief Financial Officer

Date: May 7, 2026

Date: May 7, 2026

A signed original of this certification required by 18 U.S.C. Section 1350 has been provided to Lifetime Brands, Inc. and will be retained by Lifetime Brands, Inc. and furnished to the SEC or its staff upon request.