

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: June 30, 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
Common Stock, \$.01 par value	LCUT	The Nasdaq Global Select Market

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	☐	Accelerated filer	☒
Non-accelerated filer	☐	Smaller reporting company	☒
		Emerging growth company	☐

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

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 July 31, 2026 was 22,988,836.

LIFETIME BRANDS, INC.
FORM 10-Q
FOR THE QUARTER ENDED JUNE 30, 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)

	June 30, 2026 (unaudited)	December 31, 2025
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 5,451	\$ 4,267
Accounts receivable, less allowances of \$10,538 at June 30, 2026 and \$11,970 at December 31, 2025	120,879	161,861
Inventory	197,074	194,046
Prepaid expenses and other current assets	49,042	12,147
Income taxes receivable	—	1,572
TOTAL CURRENT ASSETS	372,446	373,893
PROPERTY AND EQUIPMENT, net	23,811	15,441
OPERATING LEASE RIGHT-OF-USE ASSETS	95,728	48,506
INTANGIBLE ASSETS, net	124,289	132,922
OTHER ASSETS	725	1,793
TOTAL ASSETS	\$ 616,999	\$ 572,555
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Current maturity of term loan	\$ —	\$ 5,022
Current maturity of revolving credit facility	37,906	—
Accounts payable	48,740	45,844
Accrued expenses	71,164	64,294
Income taxes payable	4,395	—
Current portion of operating lease liabilities	14,300	16,143
TOTAL CURRENT LIABILITIES	176,505	131,303
OTHER LONG-TERM LIABILITIES	13,669	14,261
INCOME TAXES PAYABLE, LONG-TERM	686	686
OPERATING LEASE LIABILITIES	96,805	42,442
DEFERRED INCOME TAXES	1,525	1,554
REVOLVING CREDIT FACILITY	—	54,105
TERM LOAN	110,332	125,927
STOCKHOLDERS' EQUITY		
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 June 30, 2026 and December 31, 2025; shares issued and outstanding: 22,988,836 at June 30, 2026 and 22,654,207 at December 31, 2025	230	227
Paid-in capital	285,571	283,449
Accumulated deficit	(50,533)	(63,354)
Accumulated other comprehensive loss	(17,791)	(18,045)
TOTAL STOCKHOLDERS' EQUITY	217,477	202,277
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 616,999	\$ 572,555

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 June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Net sales	\$ 141,569	\$ 131,862	\$ 285,077	\$ 271,947
Cost of sales	48,330	81,023	137,669	170,471
Gross margin	93,239	50,839	147,408	101,476
Distribution expenses	20,095	17,314	37,678	35,384
Selling, general and administrative expenses	39,539	37,495	76,325	68,963
Goodwill impairment	—	33,237	—	33,237
Restructuring expenses	1,980	—	4,010	—
Income (loss) from operations	31,625	(37,207)	29,395	(36,108)
Interest expense	(4,122)	(5,054)	(8,634)	(9,969)
Mark to market gain (loss) on interest rate derivatives	210	(220)	504	(747)
Income (loss) before income taxes	27,713	(42,481)	21,265	(46,824)
Income tax (provision) benefit	(8,104)	2,782	(6,428)	2,924
NET INCOME (LOSS)	\$ 19,609	\$ (39,699)	\$ 14,837	\$ (43,900)
BASIC INCOME (LOSS) PER COMMON SHARE	\$ 0.89	\$ (1.83)	\$ 0.68	\$ (2.03)
DILUTED INCOME (LOSS) PER COMMON SHARE	\$ 0.87	\$ (1.83)	\$ 0.66	\$ (2.03)

See accompanying notes to unaudited condensed consolidated financial statements.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Net income (loss)	\$ 19,609	\$ (39,699)	\$ 14,837	\$ (43,900)
Other comprehensive income (loss), net of taxes:				
Net change in translation adjustment	133	195	198	612
Net change in cash flow hedges	(24)	(461)	44	(590)
Effect of retirement benefit obligations	6	4	12	8
Other comprehensive income (loss), net of taxes	115	(262)	254	30
Comprehensive income (loss)	<u>\$ 19,724</u>	<u>\$ (39,961)</u>	<u>\$ 15,091</u>	<u>\$ (43,870)</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				
BALANCE AT DECEMBER 31, 2025	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 ⁽¹⁾	—	—	—	(1,006)	—	(1,006)
BALANCE AT MARCH 31, 2026	22,855	\$ 229	\$ 284,305	\$ (69,132)	\$ (17,906)	\$ 197,496
Net income	—	—	—	19,609	—	19,609
Other comprehensive income, net of taxes	—	—	—	—	115	115
Net issuance of restricted shares granted to employees and directors	85	1	(1)	—	—	—
Stock compensation expense	—	—	973	—	—	973
Net exercise of stock options	49	—	294	—	—	294
Dividends ⁽¹⁾	—	—	—	(1,010)	—	(1,010)
BALANCE AT JUNE 30, 2026	22,989	\$ 230	\$ 285,571	\$ (50,533)	\$ (17,791)	\$ 217,477

	Common stock		Paid-in capital	Accumulated deficit	Accumulated other comprehensive loss	Total
	Shares	Amount				
BALANCE AT DECEMBER 31, 2024	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 ⁽¹⁾	—	—	—	(985)	—	(985)
BALANCE AT MARCH 31, 2025	22,414	\$ 224	\$ 281,211	\$ (37,736)	\$ (18,023)	\$ 225,676
Net loss	—	—	—	(39,699)	—	(39,699)
Other comprehensive loss, net of taxes	—	—	—	—	(262)	(262)
Net issuance of restricted shares granted to employees and directors	243	3	(3)	—	—	—
Stock compensation expense	—	—	1,044	—	—	1,044
Dividends ⁽¹⁾	—	—	—	(991)	—	(991)
BALANCE AT JUNE 30, 2025	22,657	\$ 227	\$ 282,252	\$ (78,426)	\$ (18,285)	\$ 185,768

⁽¹⁾ Cash dividends declared per share of common stock were \$0.085 and \$0.085 in the six months ended June 30, 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)

	Six Months Ended June 30,	
	2026	2025
OPERATING ACTIVITIES		
Net income (loss)	\$ 14,837	\$ (43,900)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	10,644	11,135
Goodwill impairment	—	33,237
Non-cash restructuring charges	296	—
Amortization of financing costs	1,330	1,390
Mark to market (gain) loss on interest rate derivatives	(504)	747
Operating leases, net	(759)	(1,134)
Provision for doubtful accounts	45	1,408
Stock compensation expense	1,992	2,106
Changes in operating assets and liabilities		
Accounts receivable	40,793	67,239
Inventory	(3,471)	(12,318)
Prepaid expenses, other current assets and other assets	(34,880)	(629)
Accounts payable, accrued expenses and other liabilities	9,711	(27,319)
Income taxes receivable	1,572	(5,036)
Income taxes payable	4,402	(869)
NET CASH PROVIDED BY OPERATING ACTIVITIES	46,008	26,057
INVESTING ACTIVITIES		
Purchases of property and equipment	(5,176)	(2,746)
NET CASH USED IN INVESTING ACTIVITIES	(5,176)	(2,746)
FINANCING ACTIVITIES		
Proceeds from revolving credit facility	82,073	145,891
Repayments of revolving credit facility	(97,885)	(154,134)
Repayments of term loan	(21,875)	(3,750)
Payments for finance lease obligations	(24)	(21)
Payments of tax withholding for stock based compensation	(183)	(416)
Proceeds from the exercise of stock options	294	—
Cash dividends paid	(1,990)	(1,933)
NET CASH USED IN FINANCING ACTIVITIES	(39,590)	(14,363)
Effect of foreign exchange on cash	(58)	168
INCREASE IN CASH AND CASH EQUIVALENTS	1,184	9,116
Cash and cash equivalents at beginning of period	4,267	2,929
CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$ 5,451	\$ 12,045

See accompanying notes to unaudited condensed consolidated financial statements.

LIFETIME BRANDS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
June 30, 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 and six months ended June 30, 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.

Changes in laws and regulations

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. The U.S. Customs and Border Protection (“CBP”) has launched Phase One and Phase Two of the IEEPA refunds claims process. During the three months ended June 30, 2026, the Company concluded that \$40.1 million of tariff refunds were probable of being recovered and recognized the refund as a reduction to cost of goods sold of \$40.1 million in the condensed consolidated financial statements. Awarded interest related to tariff refunds is recognized in the period in which it is realized. As of June 30, 2026, the Company received \$3.5 million and recorded \$36.6 million of outstanding IEEPA tariff receivables within prepaid and other current assets in the condensed consolidated balance sheet. Subsequent to the balance sheet date, the Company received an additional \$32.9 million in tariff refunds.

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.

LIFETIME BRANDS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2026
(unaudited)

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.

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 and six months ended June 30, 2026 and June 30, 2025.

At June 30, 2026, \$16.8 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):

	June 30, 2026	December 31, 2025
Finished goods	\$ 189,084	\$ 185,157
Work in process	113	20
Raw materials	7,877	8,869
Total	<u>\$ 197,074</u>	<u>\$ 194,046</u>

LIFETIME BRANDS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
June 30, 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 June 30, 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
June 30, 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 and six months ended June 30, 2026 related to the following activities:

	Three Months Ended June 30,	Six Months Ended June 30,
	2026	2026
	(in thousands)	
U.S. segment		
Distribution facility relocation	\$ 1,179	\$ 2,380
Manufacturing operations	790	1,443
Total U.S. segment	1,969	3,823
International segment		
Project Concord	11	187
Total restructuring expenses	\$ 1,980	\$ 4,010

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 and six months ended June 30, 2026, the Company incurred \$1.2 million and \$2.4 million, respectively, related to employee severance expenses. The Company expects to complete the exit of the Robbinsville Facility by the fourth quarter of 2026 and expects additional exit costs of approximately \$0.6 million related to employee severance and \$2.7 million for other related costs.

Manufacturing Operations - Sterling Flatware & Mexico Operations

In March 2026, the Company approved a plan to close its manufacturing operations of its sterling flatware products. During the three months ended June 30, 2026, the Company incurred less than \$0.1 million of employee severance expenses. During the six months ended June 30, 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 has completed the actions under this closure.

In June 2026, the Company approved a plan to close its manufacturing operations in Mexico. During the three and six months ended June 30, 2026, the Company incurred \$0.3 million of employee severance expenses and \$0.4 million of other costs which consisted of an inventory provision on remaining raw materials inventory and write-off of fixed assets that will be disposed.

LIFETIME BRANDS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2026
(unaudited)

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 and six months ended June 30, 2026, the Company incurred less than \$0.1 million and \$0.2 million, respectively, of employee severance expenses. As of June 30, 2026, the Company expects that restructuring activities related to this project to be completed by the end of the fourth quarter of 2026 and expects to incur additional costs of \$0.3 million related to employee severance.

As of June 30, 2026, accrued restructuring liability was \$1.8 million, which was related to distribution facility relocation expenses. 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 \$0.6 million and \$1.3 million, respectively, for the three and six months ended June 30, 2026 and \$0.8 million and \$1.4 million, respectively, for the three and six months ended June 30, 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

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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.

The following tables present the Company's net sales disaggregated by segment, product category and geographic region for the three and six months ended June 30, 2026 and 2025 (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
U.S. segment				
Kitchenware	\$ 85,401	\$ 82,549	\$ 163,848	\$ 162,070
Tableware	23,584	21,323	49,512	48,900
Home Solutions	19,182	15,443	45,514	36,855
Total U.S. segment	128,167	119,315	258,874	247,825
International segment	13,402	12,547	26,203	24,122
Total net sales	\$ 141,569	\$ 131,862	\$ 285,077	\$ 271,947
United States	\$ 121,242	\$ 115,046	\$ 247,036	\$ 239,251
United Kingdom	7,191	7,233	14,988	14,187
Rest of World	13,136	9,583	23,053	18,509
Total net sales	\$ 141,569	\$ 131,862	\$ 285,077	\$ 271,947

NOTE 3 — LEASES

The Company has operating leases for corporate offices, distribution facilities, a manufacturing plant, and certain vehicles.

The components of lease expense for the three and six months ended June 30, 2026 and 2025 were as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Operating lease expenses ⁽¹⁾ :				
Fixed lease expense	\$ 5,660	\$ 4,318	\$ 9,965	\$ 8,576
Variable lease expense	1,910	1,812	3,544	3,565
Total	\$ 7,570	\$ 6,130	\$ 13,509	\$ 12,141

⁽¹⁾ Expenses are recorded within distribution expenses and selling, general and administrative expenses on the unaudited condensed consolidated statement of operations.

Supplemental cash flow information for lease related liabilities and assets for the six months ended June 30, 2026 and 2025 were as follows (in thousands):

	Six Months Ended June 30,	
	2026	2025
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows for operating leases	\$ 10,724	\$ 9,710

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	Six Months Ended June 30,	
	2026	2025
Right-of-use assets obtained in exchange for lease obligations:		
Operating leases	\$ 54,626	\$ 754

During the six months ended June 30, 2026, the right-of-use assets obtained include the right-of-use asset for the Hagerstown Facility lease, which commenced on April 30, 2026. The lease included a tenant improvement allowance of \$5.1 million.

The aggregate future lease payments for operating leases as of June 30, 2026 were as follows (in thousands):

	Operating
2026 (excluding the six months ended June 30, 2026)	\$ 11,944
2027	20,199
2028	18,323
2029	13,875
2030	13,105
2031	11,465
Thereafter	97,382
Total lease payments	186,293
Less: Interest	(75,188)
Present value of lease payments	\$ 111,105

Average lease terms and discount rates were as follows:

	June 30, 2026
Operating leases:	
Weighted-average remaining lease term (years)	10.1
Weighted-average discount rate	9.0 %

NOTE 4 — INTANGIBLE ASSETS

Intangible assets consisted of the following as of June 30, 2026 and December 31, 2025 (in thousands):

	June 30, 2026			December 31, 2025		
	Gross	Accumulated Amortization	Net	Gross	Accumulated Amortization	Net
Goodwill⁽¹⁾	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Finite-lived intangible assets:						
Licenses	15,847	(13,173)	2,674	15,847	(13,021)	2,826
Trade names	104,580	(38,666)	65,914	104,617	(35,376)	69,241
Customer relationships	143,158	(88,264)	54,894	143,159	(83,347)	59,812
Other	5,888	(5,081)	807	5,894	(4,851)	1,043
Total	\$ 269,473	\$ (145,184)	\$ 124,289	\$ 269,517	\$ (136,595)	\$ 132,922

⁽¹⁾ The net value at June 30, 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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Goodwill impairment test

In the second quarter of 2025, the Company observed a sustained decline in the market valuation of the Company's common stock. Additionally, the Company's near term forecasts for the U.S. reporting unit were revised downward due to changes in retailer and consumer buying patterns, which were impacted by the recent changes in the U.S. tariff policies. Based on these factors the Company concluded that impairment indicators for the U.S. reporting unit were present as of June 30, 2025.

The Company performed an interim impairment test of the goodwill in the U.S. reporting unit as of June 30, 2025 by comparing its fair value with its carrying value. The analysis was performed by using a discounted cash flow and market multiple method. Accordingly, this fair value measurement is classified as Level 3 since it is based primarily on unobservable inputs. Based upon the analysis performed, the Company's U.S. reporting unit goodwill was fully impaired and a \$33.2 million non-cash goodwill impairment charge was recognized. The goodwill impairment charge was the result of the decline in the Company's near term forecasts that were revised downward due to the changes in retailer and consumer buying patterns and an increase to the company-specific risk premium, which is an input to the cost of capital assumption, to address the potential risks in the long-term forecast.

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 had an initial 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.

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As of June 30, 2026 and December 31, 2025, the total availability under the ABL Agreement were as follows (in thousands):

	June 30, 2026	December 31, 2025
Maximum aggregate principal allowed	\$ 179,936	\$ 185,588
Outstanding borrowings under the ABL Agreement ⁽¹⁾	(37,906)	(54,105)
Standby letters of credit	(13,766)	(11,564)
Total availability under the ABL Agreement	<u>\$ 128,264</u>	<u>\$ 119,919</u>

(1) At June 30, 2026, the outstanding principal under the ABL Agreement is classified as current in the condensed consolidated balance sheet as the springing maturity of the ABL Agreement falls due in the next 12 months.

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 June 30, 2026, the availability under the ABL Agreement was \$128.3 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):

	June 30, 2026	December 31, 2025
Current portion of Term Loan:		
Term Loan payment	\$ —	\$ 7,500
Estimated unamortized debt issuance costs	—	(2,478)
Total Current portion of Term Loan	<u>\$ —</u>	<u>\$ 5,022</u>
Non-current portion of Term Loan:		
Term Loan, net of current portion	\$ 113,125	\$ 127,500
Estimated unamortized debt issuance costs	(2,793)	(1,573)
Total Non-current portion of Term Loan	<u>\$ 110,332</u>	<u>\$ 125,927</u>

During the three months ended June 30, 2026, the Company made a voluntary prepayment under the Term Loan of \$20.0 million. The prepayment was applied to reduce the outstanding principal and satisfied remaining quarterly payments due under the loan. Subsequent to June 30, 2026, the Company made a second voluntary prepayment of \$20.0 million.

As of June 30, 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

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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 June 30, 2026 was between 5.10% and 7.13%. The Company paid a commitment fee of 0.25% on the unused portion of the ABL Agreement during the six months ended June 30, 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 June 30, 2026 was 9.27%.

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 June 30, 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

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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 June 30, 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 June 30, 2026 was zero.

Derivatives not designated as hedging instruments	Balance Sheet Location	June 30, 2026	December 31, 2025
Interest rate swaps	Other assets	\$ 158	\$ —
	Other long-term liabilities	82	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 (loss), net of taxes, as follows (in thousands):

Derivatives designated as hedging instruments	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Foreign exchange contracts	\$ (24)	\$ (461)	\$ 44	\$ (590)

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

During the three and six months ended June 30, 2026, the Company reclassified less than \$0.1 million of cash flow hedges in accumulated other comprehensive losses to earnings, related to foreign exchange contracts recognized in cost of sales.

During the three and six months ended June 30, 2025, the Company reclassified \$0.02 million and \$0.1 million, respectively, of cash flow hedges in accumulated other comprehensive losses to earnings, related to foreign exchange contracts recognized in cost of sales.

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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):

		Three Months Ended June 30,		Six Months Ended June 30,	
		2026	2025	2026	2025
Derivatives not designated as hedging instruments	Location of gain (loss)				
Interest rate swaps	Mark to market gain (loss) on interest rate derivatives	\$ 210	\$ (220)	\$ 504	\$ (747)
	Interest expense	(21)	65	(37)	233
		<u>\$ 189</u>	<u>\$ (155)</u>	<u>\$ 467</u>	<u>\$ (514)</u>

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NOTE 7 — STOCK COMPENSATION

On June 18, 2026, the stockholders of the Company approved an amendment and restatement of the Company's Amended and Restated 2000 Long Term Incentive Plan (the "Plan"). The amendment and restatement of the Plan revised the terms and conditions of the Plan to, among other things, increase the shares available for grant under the Plan by 1,000,000 shares. As of June 30, 2026, there were 1,468,979 shares available for the grant of awards under the Plan, assuming maximum performance of performance-based awards.

Option Awards

A summary of the Company's stock option activity and related information for the six months ended June 30, 2026 is as follows:

	Options	Weighted- average exercise price	Weighted- average remaining contractual life (years)	Aggregate intrinsic value (in thousands)
Options outstanding, January 1, 2026	827,000	\$ 11.07		
Exercises	(49,375)	5.96		
Expirations	(8,500)	15.69		
Options outstanding, June 30, 2026⁽¹⁾	<u>769,125</u>	11.35	3.4	\$ 194
Options exercisable, June 30, 2026	<u>687,000</u>	\$ 11.86	2.8	\$ 50
Total unrecognized stock option expense remaining (in thousands)	\$ 184			
Weighted-average years expected to be recognized over	1.4			

⁽¹⁾ 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 June 30, 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 June 30, 2026 and the exercise price.

Restricted Stock

A summary of the Company's restricted stock activity and related information for the six months ended June 30, 2026 is as follows:

	Restricted Shares	Weighted- average grant date fair value
Non-vested restricted shares, January 1, 2026	885,925	\$ 6.06
Grants	346,811	4.42
Vested	(486,977)	5.74
Forfeitures	(2,627)	7.11
Non-vested restricted shares, June 30, 2026	<u>743,132</u>	\$ 5.50
Total unrecognized compensation expense remaining (in thousands)	\$ 3,628	
Weighted-average years expected to be recognized over	1.6	

The total fair value of restricted stock that vested during the six months ended June 30, 2026 was \$2.9 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

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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.

A summary of the Company's performance-based award activity and related information for the six months ended June 30, 2026 is as follows:

	Performance-based stock awards ⁽¹⁾	Weighted-average grant date fair value
Non-vested performance-based awards, January 1, 2026	730,797	\$ 6.70
Grants	259,731	3.07
Forfeitures ⁽²⁾	(187,280)	5.92
Non-vested performance-based awards, June 30, 2026	803,248	\$ 5.70
Total unrecognized compensation expense remaining (in thousands)	\$ 1,829	
Weighted-average years expected to be recognized over		1.7

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

⁽²⁾ 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 June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Equity based stock option expense	\$ 41	\$ 64	\$ 84	\$ 134
Restricted and performance-based stock awards expense	932	980	1,930	1,973
Stock compensation expense for equity based awards	973	1,044	2,014	2,107
Liability based stock option expense	(24)	—	(22)	(1)
Total Stock Compensation Expense	\$ 949	\$ 1,044	\$ 1,992	\$ 2,106

NOTE 8 —INCOME (LOSS) PER COMMON SHARE

Basic income (loss) per common share has been computed by dividing net income (loss) by the weighted-average number of shares of the Company's common stock outstanding during the relevant period. Diluted income (loss) per common share adjusts net income (loss) and basic income (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 income (loss) per common share for the three and six months ended June 30, 2026 and 2025 are as follows:

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	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
	(in thousands, except per share amounts)			
Net income (loss) – Basic and Diluted	\$ 19,609	\$ (39,699)	\$ 14,837	\$ (43,900)
Weighted-average shares outstanding – Basic	21,993	21,686	21,906	21,639
Effect of dilutive securities:				
Stock options and other stock awards	619	—	419	—
Weighted-average shares outstanding – Diluted	22,612	21,686	22,325	21,639
Basic income (loss) per common share	\$ 0.89	\$ (1.83)	\$ 0.68	\$ (2.03)
Diluted income (loss) per common share	\$ 0.87	\$ (1.83)	\$ 0.66	\$ (2.03)
Antidilutive Securities⁽¹⁾	826	1,583	1,054	1,500

⁽¹⁾ 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 provision of \$8.1 million and \$6.4 million for the three and six months ended June 30, 2026, respectively, represent taxes on both U.S. and foreign earnings at a combined effective income tax rate of 29.2% and 30.2%, respectively. The effective tax rate for the three months ended June 30, 2026 differs from the federal statutory income tax rate of 21.0% primarily due to the impact of non-deductible expenses. The effective tax rate for the six months ended June 30, 2026 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.

Income tax benefit of \$2.8 million and \$2.9 million for the three and six months ended June 30, 2025, respectively, represent taxes on both U.S. and foreign earnings at a combined effective income tax benefit rate of 6.5% and 6.2%, respectively. The effective tax rate for the three and six months ended June 30, 2025 differs from the federal statutory income tax rate of 21.0% primarily due to a partial valuation allowance on U.S. deferred tax assets that are not more likely than not to be realized as a result of the goodwill impairment in the second quarter.

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 June 30, 2026 and June 30, 2025.

The One Big Beautiful Bill Act (“OBBBBA”) 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 income (loss) 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.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
(in thousands)				
Segment Performance Measures:				
Net sales:				
U.S.	\$ 128,167	\$ 119,315	\$ 258,874	\$ 247,825
International	13,402	12,547	26,203	24,122
Total net sales	<u>\$ 141,569</u>	<u>\$ 131,862</u>	<u>\$ 285,077</u>	<u>\$ 271,947</u>
Gross Margin:				
U.S.	\$ 87,498	\$ 46,769	\$ 136,947	\$ 93,333
International	5,741	4,070	10,461	8,143
Total gross margin	<u>\$ 93,239</u>	<u>\$ 50,839</u>	<u>\$ 147,408</u>	<u>\$ 101,476</u>
Income (loss) from operations				
U.S.	\$ 37,935	\$ (29,620)	\$ 43,113	\$ (27,722)
International	(1,206)	(3,328)	(3,703)	(6,280)
Unallocated corporate expenses ⁽¹⁾	(5,104)	(4,259)	(10,015)	(2,106)
Income (loss) from operations	<u>\$ 31,625</u>	<u>\$ (37,207)</u>	<u>\$ 29,395</u>	<u>\$ (36,108)</u>

⁽¹⁾ Unallocated corporate expense for the six months ended June 30, 2025 included a net legal settlement gain of \$6.4 million. Details see NOTE 11 — CONTINGENCIES.

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	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
(in thousands)				
Supplemental information for significant segment expenses:				
Cost of sales:				
U.S.	\$ 40,669	\$ 72,546	\$ 121,927	\$ 154,492
International	7,661	8,477	15,742	15,979
Total cost of sales	<u>\$ 48,330</u>	<u>\$ 81,023</u>	<u>\$ 137,669</u>	<u>\$ 170,471</u>
Freight-out expenses:				
U.S.	\$ 2,998	\$ 3,122	\$ 6,553	\$ 6,401
International	757	717	1,466	1,262
Total freight-out expenses	<u>\$ 3,755</u>	<u>\$ 3,839</u>	<u>\$ 8,019</u>	<u>\$ 7,663</u>
Warehouse expenses:				
U.S.	\$ 13,435	\$ 10,448	\$ 24,088	\$ 21,960
International	2,905	3,027	5,571	5,761
Total warehouse expenses	<u>\$ 16,340</u>	<u>\$ 13,475</u>	<u>\$ 29,659</u>	<u>\$ 27,721</u>
Selling, general and administrative expenses:				
U.S.	\$ 31,161	\$ 29,582	\$ 59,370	\$ 59,457
International	3,274	3,654	6,940	7,400
Unallocated corporate expenses	5,104	4,259	10,015	2,106
Total selling, general and administrative expenses	<u>\$ 39,539</u>	<u>\$ 37,495</u>	<u>\$ 76,325</u>	<u>\$ 68,963</u>
Goodwill impairment:				
U.S.	<u>\$ —</u>	<u>\$ 33,237</u>	<u>\$ —</u>	<u>\$ 33,237</u>
Restructuring expenses:				
U.S.	\$ 1,969	\$ —	\$ 3,823	\$ —
International	11	—	187	—
Total other expenses	<u>\$ 1,980</u>	<u>\$ —</u>	<u>\$ 4,010</u>	<u>\$ —</u>

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
(in thousands)				
Depreciation and amortization:				
U.S.	\$ 5,030	\$ 5,103	\$ 9,974	\$ 10,482
International	332	334	670	653
Total depreciation and amortization	<u>\$ 5,362</u>	<u>\$ 5,437</u>	<u>\$ 10,644</u>	<u>\$ 11,135</u>
Capital expenditures:				
U.S.	\$ 1,333	\$ 1,121	\$ 4,877	\$ 2,688
International	—	52	299	58
Total capital expenditures	<u>\$ 1,333</u>	<u>\$ 1,173</u>	<u>\$ 5,176</u>	<u>\$ 2,746</u>

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	June 30, 2026	December 31, 2025
	(in thousands)	
Assets		
U.S.	\$ 537,972	\$ 482,467
International	73,576	84,249
Unallocated corporate	5,451	5,839
Total Assets	<u>\$ 616,999</u>	<u>\$ 572,555</u>

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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 volatile organic compounds (“VOCs”) 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 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 (“SVE”) and dual-phase extraction/in-situ treatment. This selected remedy includes 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 investigation 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 that historically used VOCs at the site.

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 expires on November 10, 2026. 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 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,

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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 June 30, 2026, the remaining probable and reasonably estimable liability related to the above remedial design and remedial action for OU-1 is \$5.2 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.

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NOTE 12 — OTHER
Cash dividends

Dividends declared in the six months ended June 30, 2026 were as follows:

Dividend per share	Date declared	Date of record	Payment date
\$0.0425	3/9/2026	5/1/2026	5/15/2026
\$0.0425	6/18/2026	7/31/2026	8/14/2026

During the six months ended June 30, 2026, the Company paid dividends of \$2.0 million. This included payments made on February 13, 2026 and May 15, 2026 of \$0.9 million and \$0.9 million to stockholders of record on January 30, 2026 and May 1, 2026, and payments of \$0.2 million for dividends payable upon the vesting of restricted shares.

In the three months ended June 30, 2026, the Company reduced retained earnings for the accrual of \$1.0 million relating to the dividend payable on August 14, 2026.

On August 4, 2026, the Board declared a quarterly dividend of \$0.0425 per share of common stock payable on November 13, 2026 to stockholders of record on October 30, 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 six months ended June 30, 2026. As of June 30, 2026, the remaining dollar amount available for repurchases under the Board of Directors' authorized plan was \$11.1 million.

Supplemental cash flow information

	Six Months Ended June 30,	
	2026	2025
	(in thousands)	
Supplemental disclosure of cash flow information:		
Cash paid for interest	\$ 7,747	\$ 8,922
Cash paid for taxes, net of refunds	455	2,980
Non-cash investing activities:		
Leasehold improvements funded by tenant improvement allowances	5,138	—

Prepaid expenses and other current assets

	June 30, 2026	December 31, 2025
	(unaudited)	
	(in thousands)	
Tariff receivables	\$ 36,567	\$ —
Other prepaid expenses and current assets	12,475	12,147
Total	\$ 49,042	\$ 12,147

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Components of accumulated other comprehensive loss, net

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
(in thousands)				
<i>Accumulated translation adjustment:</i>				
Balance at beginning of period	\$ (17,633)	\$ (17,967)	\$ (17,698)	\$ (18,384)
Translation adjustment during period	133	195	198	612
Balance at end of period	<u>\$ (17,500)</u>	<u>\$ (17,772)</u>	<u>\$ (17,500)</u>	<u>\$ (17,772)</u>
<i>Accumulated deferred gains (losses) on cash flow hedges:</i>				
Balance at beginning of period	\$ 24	\$ 118	\$ (44)	\$ 247
Change in unrealized gains (losses)	—	(483)	—	(675)
Amounts reclassified from accumulated other comprehensive loss:				
Settlement of cash flow hedge ⁽¹⁾	(24)	22	44	85
Net change in cash flow hedges, net of taxes of \$0, \$0, \$0, \$0	(24)	(461)	44	(590)
Balance at end of period	<u>\$ —</u>	<u>\$ (343)</u>	<u>\$ —</u>	<u>\$ (343)</u>
<i>Accumulated effect of retirement benefit obligations:</i>				
Balance at beginning of period	\$ (297)	\$ (174)	\$ (303)	\$ (178)
Amounts reclassified from accumulated other comprehensive loss: ⁽²⁾				
Amortization of actuarial loss, net of taxes of \$(2), \$(2), \$(4), \$(3)	6	4	12	8
Balance at end of period	<u>\$ (291)</u>	<u>\$ (170)</u>	<u>\$ (291)</u>	<u>\$ (170)</u>
Total accumulated other comprehensive loss at end of period	<u>\$ (17,791)</u>	<u>\$ (18,285)</u>	<u>\$ (17,791)</u>	<u>\$ (18,285)</u>

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

⁽²⁾ 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, including the risk of frequent changes, legal challenges, or reinstatement in modified form;
- 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 products 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 also initiated additional trade remedy investigations pursuant to Section 301 of the Trade Act of 1974, one affecting 60 trading partners with respect to the prohibition of forced labor and another affecting 16 trading partners with respect to excess manufacturing capacity. The administration further announced that it would be initiating additional investigations with respect to certain unidentified product sectors pursuant to Section 232 of the Trade Expansion Act of 1962. In April 2026, the CBP launched Phase One of the Consolidated Administration and Processing of Entries ("CAPE") program to process refunds and begin making refund payments to importers of record in May 2026. As of June 29, 2026, the CBP has launched Phase Two of the IEEPA refund claims process. The Company has submitted all refunds claims under Phase One and continues to actively engage with its custom brokers and outside legal counsel for refunds that fall under Phase 2. The total refund claims related to the IEEPA tariff totaled \$41.7 million.

During the three months ended June 30, 2026, the Company concluded that \$40.1 million of tariff refunds were probable of being recovered and recognized the refund as a reduction to cost of goods sold of \$40.1 million in the condensed consolidated financial statements. As of June 30, 2026, the Company received \$3.5 million and recorded \$36.6 million of outstanding IEEPA tariffs receivables within prepaid and other current assets in the condensed consolidated balance sheet. Subsequent to the balance sheet date, the Company received an additional \$32.9 million in tariff refunds.

Net sales for the second quarter of 2026 U.S. sales were favorably impacted by higher selling prices and improved sales volume driven by club warehouse programs. For the second quarter of 2026, U.S. gross margin improved due to the benefit of the tariff refund, higher selling prices, partially offset by product mix.

The temporary Section 122 tariffs expired on July 24, 2026, and are the subject of ongoing legal challenges after being initially invalidated at the Court of International Trade, adding further uncertainty to the tariff outlook. As the Section 122 tariffs were expiring, the U.S. administration announced completion of a Section 301 investigation into the prohibition and elimination of merchandise produced with forced labor, imposing additional tariffs of 10% or 12.5% on sixty trading partners, affecting the majority of U.S. imports. The tariffs became effective July 24, 2026, and litigation challenging those tariffs was filed later that same day.

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 it predict the effects that any such changes would have on the Company's 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 led 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"). The Company commenced operations at the Hagerstown Facility in the second quarter of 2026. The initial ramp-up resulted in unplanned expenses and shipping delays. Management has taken corrective actions and beginning in August, shipments are back to normal. While the Company believes the disruption has been completely ameliorated, if shipping delays re-occur or other transition challenges arise, the Company's results of operations and financial condition could be materially adversely affected.

The new Hagerstown Facility requires capital expenditures for equipment and certain leasehold improvements that are estimated to be approximately \$9.8 million, of which \$3.2 million remains to be purchased as of June 30, 2026. The Company incurred capital expenditures related to this relocation of \$4.3 million during the six months ended June 30, 2026 and \$2.3 million during the year ended December 31, 2025.

The Company has incurred the following expenses related to the closure of the Robbinsville Facility and the start-up of the Hagerstown Facility:

- \$1.2 million and \$2.4 million for the three and six months ended June 30, 2026, respectively, related to employee severance. This expense has been recorded within restructuring expense in the condensed consolidated statement of operations.
- \$2.2 million and \$2.4 million for the three and six months ended June 30, 2026, respectively, related to exit and start-up costs which include relocation of inventory, recruiting and training expenses, set up costs and lease expenses for the nonoperational portion of the old and new facilities. These expenses have been recorded within distribution expense in the condensed consolidated statement of operations.
- For the remainder of 2026, the Company expects to incur remaining costs of approximately \$0.6 million, in employee severance, \$2.7 million in exit costs and \$4.6 million in start-up costs.

Additionally, in connection with the relocation to the Hagerstown Facility, the Company has received tax abatement and incentives over the term of the lease from the State of Maryland and Washington County, Maryland totaling approximately \$13.1 million. This included a conditional grant of \$1.4 million toward project and equipment costs. The Company's total capital expenditures estimated above are net of this amount. The remaining incentives primarily relate to real property tax credits that will be applied against real estate taxes payable over the lease term.

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 cost 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 sales 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 were 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 were recorded in the six months ended June 30, 2026.

As of June 30, 2026, the Company expects that restructuring activities related to this project to be completed by the end of the fourth quarter of 2026 and expects to incur additional costs of \$0.3 million related to employee severance.

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 June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Net sales	100.0 %	100.0 %	100.0 %	100.0 %
Cost of sales	34.1	61.4	48.3	62.7
Gross margin	65.9	38.6	51.7	37.3
Distribution expenses	14.2	13.1	13.2	13.0
Selling, general and administrative expenses	28.0	28.5	26.8	25.4
Goodwill impairment	—	25.2	—	12.2
Restructuring expenses	1.4	—	1.4	—
Income (loss) from operations	22.3	(28.2)	10.3	(13.3)
Interest expense	(2.8)	(3.8)	(3.0)	(3.6)
Mark to market gain (loss) on interest rate derivatives	0.1	(0.2)	0.2	(0.3)
Income (loss) before income taxes	19.6	(32.2)	7.5	(17.2)
Income tax (provision) benefit	(5.7)	2.1	(2.3)	1.1
Net income (loss)	13.9 %	(30.1)%	5.2 %	(16.1)%

MANAGEMENT'S DISCUSSION AND ANALYSIS
THREE MONTHS ENDED JUNE 30, 2026 COMPARED TO THE THREE MONTHS ENDED
JUNE 30, 2025

Net Sales

Consolidated net sales for the three months ended June 30, 2026 were \$141.6 million, representing an increase of \$9.7 million, or 7.4%, as compared to net sales of \$131.9 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 \$9.5 million, or 7.2%, as compared to consolidated net sales in the corresponding period in 2025.

Net sales for the U.S. segment for the three months ended June 30, 2026 were \$128.2 million, an increase of \$8.9 million, or 7.5%, as compared to net sales of \$119.3 million for the corresponding period in 2025. For the three months ended June 30, 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 \$85.4 million for the three months ended June 30, 2026, an increase of \$2.9 million, or 3.5%, as compared to \$82.5 million for the corresponding period in 2025. The increase was driven by an increase in sales for kitchen tools and kitchen measurement products. These increases were partially offset by a decrease in sales for cutlery and boards and bakeware products.

Net sales for the U.S. segment's Tableware product category were \$23.6 million for the three months ended June 30, 2026, an increase of \$2.3 million, or 10.8%, as compared to \$21.3 million for the corresponding period in 2025. The increase was primarily attributable to higher sales in the warehouse club channel for dinnerware.

Net sales for the U.S. segment's Home Solutions product category were \$19.2 million for the three months ended June 30, 2026, an increase of \$3.7 million, or 23.9%, as compared to \$15.5 million for the corresponding period in 2025. The increase was primarily attributable to higher sales for home décor products in the warehouse club and dollar channel.

Net sales for the International segment were \$13.4 million for the three months ended June 30, 2026, an increase of \$0.8 million, or 6.3%, as compared to net sales of \$12.6 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 \$0.7 million, or 5.3%, as compared to consolidated net sales in the corresponding period in 2025. The increase was driven by higher selling prices in Asia-Pacific region, higher sales for retail customers in Australia and New Zealand, as well as higher sales in continental Europe. These increases were partially offset by lower sales in the U.K.

Gross margin

Gross margin for the three months ended June 30, 2026 was \$93.2 million, or 65.9%, as compared to \$50.8 million, or 38.6%, for the corresponding period in 2025.

Gross margin for the U.S. segment was \$87.5 million, or 68.3%, for the three months ended June 30, 2026, as compared to \$46.7 million, or 39.1%, for the corresponding period in 2025. The increase was driven by a benefit in the current period from tariff refunds of \$40.1 million related to prior periods, higher selling prices, partially offset by product mix.

Gross margin for the International segment was \$5.7 million, or 42.5%, for the three months ended June 30, 2026, as compared to \$4.1 million, or 32.5%, for the corresponding period in 2025. The increase in gross margin percentage was driven by customer mix and higher selling prices for products sold in the Asia-Pacific region.

Distribution expenses

Distribution expenses for the three months ended June 30, 2026 were \$20.1 million, as compared to \$17.3 million for the corresponding period in 2025. Distribution expenses as a percentage of net sales were 14.2% for the three months ended June 30, 2026, as compared to 13.1% for the three months ended June 30, 2025.

Distribution expenses as a percentage of net sales for the U.S. segment were 12.8% and 11.4% for the three months ended June 30, 2026 and 2025, respectively. Distribution expense during the three months ended June 30, 2026 and 2025 included \$2.2 million and \$0.1 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 11.9% and 11.0%

for the three months ended June 30, 2026 and 2025, respectively. The increase in expenses as a percentage of sales was attributable to an increase in employee expenses as a result of reduced labor management efficiencies, higher insurance expenses and facility supply expenses. The increase was partially offset by higher sales resulting in a favorable impact on fixed expenses, and lower freight-out expenses due to customer mix.

Distribution expenses as a percentage of net sales for the International segment were 27.3% for the three months ended June 30, 2026, compared to 29.8% for the corresponding period in 2025. As a percentage of sales shipped from the Company's international warehouses distribution expenses were 24.2% and 26.8% for the three months ended June 30, 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.

Selling, general and administrative expenses

Selling, general and administrative expenses for the three months ended June 30, 2026 were \$39.5 million, an increase of \$2.0 million, or 5.3%, as compared to \$37.5 million for the corresponding period in 2025.

Selling, general and administrative expenses for the U.S. segment were \$31.2 million for the three months ended June 30, 2026, as compared to \$29.5 million for the corresponding period in 2025. As a percentage of net sales, selling, general and administrative expenses were 24.3% and 24.7% for the three months ended June 30, 2026 and 2025, respectively. The increase in selling, general and administrative expenses was attributable to higher incentive compensation, partially offset by a decrease in the provision for doubtful accounts in the current period. 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 \$3.3 million for the three months ended June 30, 2026, as compared to \$3.7 million for the corresponding period in 2025. As a percentage of net sales, selling, general and administrative expenses were 24.6% and 29.4% for the three months ended June 30, 2026 and 2025, respectively. The decrease in selling, general and administrative expenses was attributable to lower employee expenses and sales commissions. 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 expenses for the three months ended June 30, 2026 was \$5.1 million, as compared to expenses of \$4.3 million for the corresponding period in 2025. The increase compared to the prior period was attributable to an increase in professional fees and legal expenses, and higher incentive compensation in the current period.

Restructuring expense

Restructuring expenses for the three months ended June 30, 2026 were \$2.0 million, which consist of employee severance expenses related to the east coast distribution facility relocation of \$1.2 million, and restructuring expenses with the closure of certain manufacturing operations of \$0.8 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.

Goodwill impairment

During the second quarter of 2025, the Company's qualitative assessment of goodwill indicated triggering events had occurred in its U.S. reporting unit. The Company performed an interim impairment test of the goodwill in the U.S. reporting unit, that resulted in a \$33.2 million non-cash goodwill impairment charge.

Interest expense

Interest expense was \$4.1 million and \$5.1 million for the three months ended June 30, 2026 and 2025, respectively. The decrease in expense was a result of lower average outstanding borrowings in the current period, and lower interest rates on outstanding borrowings.

Mark to market gain (loss) on interest rate derivatives

Mark to market gain on interest rate derivatives was \$0.2 million for the three months ended June 30, 2026, as compared to mark to market loss of \$0.2 million for the three months ended June 30, 2025. The gain (loss) recognized for the three months ended June 30, 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 June 30, 2026, the intent of the Company is to hold these derivative contracts until their maturity.

Income taxes

Income tax provision of \$8.1 million and income tax benefit of \$2.8 million for the three months ended June 30, 2026 and 2025, respectively, represent taxes on both U.S. and foreign earnings at a combined effective income tax rate of 29.2% and benefit rate of 6.5%, respectively. The effective tax rate for the three months ended June 30, 2026 differs from the federal statutory income tax rate of 21.0% primarily due to the impact of non-deductible expenses. The effective tax rate for the three months ended June 30, 2025 differs from the federal statutory income tax rate of 21.0% primarily due to a partial valuation allowance on U.S. deferred tax assets that are not more likely than not to be realized as a result of the goodwill impairment in the second quarter.

MANAGEMENT'S DISCUSSION AND ANALYSIS SIX MONTHS ENDED JUNE 30, 2026 COMPARED TO THE SIX MONTHS ENDED JUNE 30, 2025

Net Sales

Consolidated net sales for the six months ended June 30, 2026 were \$285.1 million, an increase of \$13.2 million, or 4.9%, as compared to net sales of \$271.9 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 \$12.0 million, or 4.4%, as compared to consolidated net sales in the corresponding period in 2025.

Net sales for the U.S. segment for the six months ended June 30, 2026 were \$258.9 million, an increase of \$11.1 million, or 4.5%, as compared to net sales of \$247.8 million for the corresponding period in 2025. For the six months ended June 30, 2026, net sales were favorably impacted by higher selling prices, reflecting the implementation of price increases for the Company's U.S. customers that became effective during the third quarter of 2025.

Net sales for the U.S. segment's Kitchenware product category were \$163.9 million for the six months ended June 30, 2026, an increase of \$1.9 million, or 1.2%, as compared to \$162.0 million for the corresponding period in 2025. The increase was driven by higher sales for kitchen tools and kitchen measurement products, partially offset by lower sales for cutlery and boards, bakeware products and specialty kitchenware products.

Net sales for the U.S. segment's Tableware product category were \$49.5 million for the six months ended June 30, 2026, an increase of \$0.6 million, or 1.2%, as compared to \$48.9 million for the corresponding period in 2025. The increase was driven by warehouse club programs for flatware and dinnerware, partially offset by lower sales for dinnerware in the dollar channel.

Net sales for the U.S. segment's Home Solutions product category were \$45.5 million for the six months ended June 30, 2026, an increase of \$8.6 million, or 23.3%, as compared to \$36.9 million for the corresponding period in 2025. The increase was primarily attributable to higher sales for home décor products in the warehouse club and dollar channel.

Net sales for the International segment were \$26.2 million for the six months ended June 30, 2026, an increase of \$2.1 million, or 8.7%, as compared to net sales of \$24.1 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 \$1.0 million, or 3.9%, as compared to consolidated net sales in the corresponding period in 2025. The increase was driven by higher selling prices in Asia-Pacific region, higher sales for retail customers in Australia and New Zealand, as well as higher sales in continental Europe. These increases were partially offset by lower sales in the U.K.

Gross margin

Gross margin for the six months ended June 30, 2026 was \$147.4 million, or 51.7%, as compared to \$101.5 million, or 37.3%, for the corresponding period in 2025.

Gross margin for the U.S. segment was \$136.9 million, or 52.9%, for the six months ended June 30, 2026, as compared to \$93.4 million, or 37.7%, for the corresponding period in 2025. The increase was driven by a benefit in the current period from tariff refunds of \$40.1 million related to prior periods, higher selling prices, partially offset by product mix.

Gross margin for the International segment was \$10.5 million, or 40.1%, for the six months ended June 30, 2026, as compared to \$8.1 million, or 33.6%, for the corresponding period in 2025. The increase in gross margin percentage was driven by customer mix and higher selling prices for products sold in the Asia-Pacific region.

Distribution expenses

Distribution expenses for the six months ended June 30, 2026 were \$37.7 million, as compared to \$35.4 million for the corresponding period in 2025. Distribution expenses as a percentage of net sales were 13.2% for the six months ended June 30, 2026, as compared to 13.0% for the six months ended June 30, 2025.

Distribution expenses as a percentage of net sales for the U.S. segment were 11.8% and 11.4% for the six months ended June 30, 2026 and 2025, respectively. Distribution expenses during the six months ended June 30, 2026 and 2025 included \$2.4 million and \$0.1 million, respectively, 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 11.4% and 11.5% for the six months ended June 30, 2026 and 2025, respectively. The decrease in expenses as a percentage of sales was attributable to lower volume due to sales mix resulting in a decrease of employee expenses, partially offset by higher insurance expenses.

Distribution expenses as a percentage of net sales for the International segment were 26.9% for the six months ended June 30, 2026, compared to 29.1% for the corresponding period in 2025. As a percentage of sales shipped from the Company's international warehouses, distribution expenses were 23.7% and 25.9% for the six months ended June 30, 2026 and 2025, respectively. The decrease in expenses as a percentage of sales was primarily attributed to lower warehouse expenses, higher sales resulting in a favorable impact of fixed expenses, partially offset by an increase in freight-out expenses due to volume increase and customer mix.

Selling, general and administrative expenses

Selling, general and administrative expenses for the six months ended June 30, 2026 were \$76.3 million, an increase of \$7.3 million, or 10.6%, as compared to \$69.0 million for the corresponding period in 2025.

Selling, general and administrative expenses for the U.S. segment were \$59.4 million for the six months ended June 30, 2026, as compared to \$59.5 million for the corresponding period in 2025. As a percentage of net sales, selling, general and administrative expenses were 22.9% and 24.0% for the six months ended June 30, 2026 and 2025, respectively. Selling, general and administrative expenses remained flat year-over-year, as decreases in employee expenses and provision for doubtful accounts in the current period were fully offset by higher incentive compensation. 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.

Selling, general and administrative expenses for the International segment were \$6.9 million for the six months ended June 30, 2026, as compared to \$7.4 million for the corresponding period in 2025. As a percentage of net sales, selling, general and administrative expenses were 26.3% and 30.7% for the six months ended June 30, 2026 and 2025, respectively. The decrease was primarily attributable to lower employee expenses, sales commissions and advertising expenses, partially offset by unfavorable foreign currency exchange impacts.

Unallocated corporate expenses for the six months ended June 30, 2026 were \$10.0 million, as compared to expenses of \$2.1 million for the corresponding period in 2025. The increase in expenses was driven by the recognition of a net legal settlement gain of \$6.4 million in the prior period, an increase in professional fees and legal expenses, and higher incentive compensation in the current period.

Goodwill impairment

During the second quarter of 2025, the Company's qualitative assessment of goodwill indicated triggering events had occurred in its U.S. reporting unit. The Company performed an interim impairment test of the goodwill in the U.S. reporting unit as of June 30, 2025, that resulted in a \$33.2 million non-cash goodwill impairment charge.

Restructuring expense

Restructuring expenses were \$4.0 million for the six months ended June 30, 2026, which consist of restructuring expenses related to the east coast distribution facility relocation of \$2.4 million, restructuring expenses with the closure of certain manufacturing operations of \$1.4 million, and Project Concord severance expense of \$0.2 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 \$8.6 million and \$10.0 million for the six months ended June 30, 2026 and 2025, respectively. The decrease in expense was a result of lower average outstanding borrowings in the current period.

Mark to market gain (loss) on interest rate derivatives

Mark to market gain on interest rate derivatives was \$0.5 million for the six months ended June 30, 2026, as compared to mark to market loss of \$0.7 million for the six months ended June 30, 2025. The decrease was attributable to the change in the fair value based on the increase in interest rates. 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 June 30, 2026, the intent of the Company is to hold these derivative contracts until their maturity.

Income taxes

Income tax provision of \$6.4 million and income tax benefit of \$2.9 million for the six months ended June 30, 2026 and 2025, respectively, represent taxes on both U.S. and foreign earnings at a combined effective income tax provision rate of 30.2% and benefit rate of 6.2%, respectively. The effective tax rate for the six months ended June 30, 2026 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 effective tax rate for the six months ended June 30, 2025 differs from the federal statutory income tax rate of 21.0% primarily due to a partial valuation allowance on U.S. deferred tax assets that are not more likely than not to be realized as a result of the goodwill impairment in the second quarter.

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 June 30, 2026, the Company had cash and cash equivalents of \$5.5 million, compared to \$4.3 million at December 31, 2025. Working capital was \$195.9 million at June 30, 2026, compared to \$242.6 million at December 31, 2025. Liquidity as of June 30, 2026 was \$150.6 million, consisting of \$5.5 million of cash and cash equivalents, \$128.3 million of availability under the ABL Agreement, and \$16.8 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 June 30, 2026, inventory turnover was 1.0 times, or 365 days, as compared to 1.5 times, or 241 days, for the three months ended June 30, 2025. Inventory turns improved primarily due to the recognition of tariff refunds related to prior periods.

The Company believes that availability under the revolving credit facility, 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 is in active negotiations with potential lenders to refinance its current revolving credit facility and Term Loan. The Company cannot provide assurance that it will successfully complete a refinancing on favorable terms, or at all.

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 had an initial 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 June 30, 2026 and December 31, 2025, the total availability under the ABL Agreement were as follows (in thousands):

	June 30, 2026	December 31, 2025
Maximum aggregate principal allowed	\$ 179,936	\$ 185,588
Outstanding borrowings under the ABL Agreement(1)	(37,906)	(54,105)
Standby letters of credit	(13,766)	(11,564)
Total availability under the ABL Agreement	\$ 128,264	\$ 119,919

(1) At June 30, 2026, the outstanding principal under the ABL Agreement is classified as current in the condensed consolidated balance sheet as the springing maturity of the ABL Agreement falls due in the next 12 months.

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 June 30, 2026, the availability under the ABL Agreement was \$128.3 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):

	June 30, 2026	December 31, 2025
Current portion of Term Loan:		
Term Loan payment	\$ —	\$ 7,500
Estimated unamortized debt issuance costs	—	(2,478)
Total Current portion of Term Loan	\$ —	\$ 5,022
Non-current portion of Term Loan:		
Term Loan, net of current portion	\$ 113,125	\$ 127,500
Estimated unamortized debt issuance costs	(2,793)	(1,573)
Total Non-current portion of Term Loan	\$ 110,332	\$ 125,927

During the three months ended June 30, 2026, the Company made a voluntary prepayment under the Term Loan of \$20.0 million. The prepayment was applied to reduce the outstanding principal and satisfied remaining quarterly payments due under the loan. Subsequent to June 30, 2026, the Company made a second voluntary prepayment of \$20.0 million.

As of June 30, 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 June 30, 2026 was between 5.10% and 7.13%. The Company paid a commitment fee of 0.25% on the unused portion of the ABL Agreement during the six months ended June 30, 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 June 30, 2026 was 9.27%.

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 June 30, 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 June 30, 2026 was \$92.0 million.

Capital expenditures for the six months ended June 30, 2026 were \$5.2 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 June 30, 2026:

	Quarter Ended				Twelve Months Ended June 30, 2026
	September 30, 2025	December 31, 2025	March 31, 2026	June 30, 2026	
	(in thousands)				
Net (loss) income as reported	\$ (1,189)	\$ 18,152	\$ (4,772)	\$ 19,609	\$ 31,800
Income tax provision (benefit)	2,861	(3,220)	(1,676)	8,104	6,069
Interest expense	5,013	5,048	4,512	4,122	18,695
Depreciation and amortization	5,398	5,315	5,282	5,362	21,357
Gain on disposition of fixed assets	(94)	—	—	—	(94)
Mark to market loss (gain) on interest rate derivatives	8	(1)	(294)	(210)	(497)
Stock compensation expense	994	201	1,043	949	3,187
Severance expense	—	241	—	—	241
Acquisition-related diligence expenses	49	1,799	1,104	972	3,924
Restructuring expenses	304	24	2,030	1,980	4,338
Warehouse relocation and redesign expenses ⁽¹⁾	76	48	159	2,242	2,525
Pro forma adjustments ⁽²⁾					500
Adjusted EBITDA ⁽³⁾	<u>\$ 13,420</u>	<u>\$ 27,607</u>	<u>\$ 7,388</u>	<u>\$ 43,130</u>	<u>\$ 92,045</u>

⁽¹⁾ For the twelve months ended June 30, 2026, warehouse relocation and redesign expenses were related to the U.S. segment.

⁽²⁾ Pro forma adjustments represent operating expense reductions projected by the Company as a result of actions taken through June 30, 2026 or expected to be taken within 18 months of June 30, 2026, net of the benefits realized during the twelve months ended June 30, 2026. These actions include cost savings for the International segment related to Project Concord.

⁽³⁾ 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 provision (benefit), interest expense, depreciation and amortization, gain on disposition of fixed assets, mark to market loss (gain) on interest rate derivatives, 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 and six months ended June 30, 2026 and June 30, 2025. At June 30, 2026, \$16.8 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 June 30, 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 June 30, 2026 was zero.

Operating activities

Net cash provided by operating activities was \$46.0 million for the six months ended June 30, 2026, as compared to net cash provided by operating activities of \$26.1 million for the six months ended June 30, 2025. The increase from 2026 compared to 2025 was attributable to higher operating results, the timing of payments for accounts payable and accrued expenses, and a lower investment in inventory. This was partially offset by the timing of accounts receivable collections and the changes in the Company's prepaid expenses and other current assets in the current period.

Investing activities

Net cash used in investing activities was \$5.2 million and \$2.7 million for the six months ended June 30, 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 \$39.6 million for the six months ended June 30, 2026, as compared to net cash used in financing activities of \$14.4 million for the six months ended June 30, 2025. The change was attributable to higher repayments of the term loan and higher net repayments of the 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 six months ended June 30, 2026. As of June 30, 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 June 30, 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 Annual Report on Form 10-K.

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 June 30, 2026.

Item 6. Exhibits

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

Exhibit Index	
Exhibit No.	
31.1*	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
31.2*	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
32.1**	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
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.

<u>/s/ Robert B. Kay</u> Robert B. Kay Chief Executive Officer and Director (Principal Executive Officer)	August 6, 2026
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<u>/s/ Laurence Winoker</u> Laurence Winoker Executive Vice President, Treasurer and Chief Financial Officer (Principal Financial and Accounting Officer)	August 6, 2026
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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: August 6, 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: August 6, 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 June 30, 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: August 6, 2026

Date: August 6, 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.