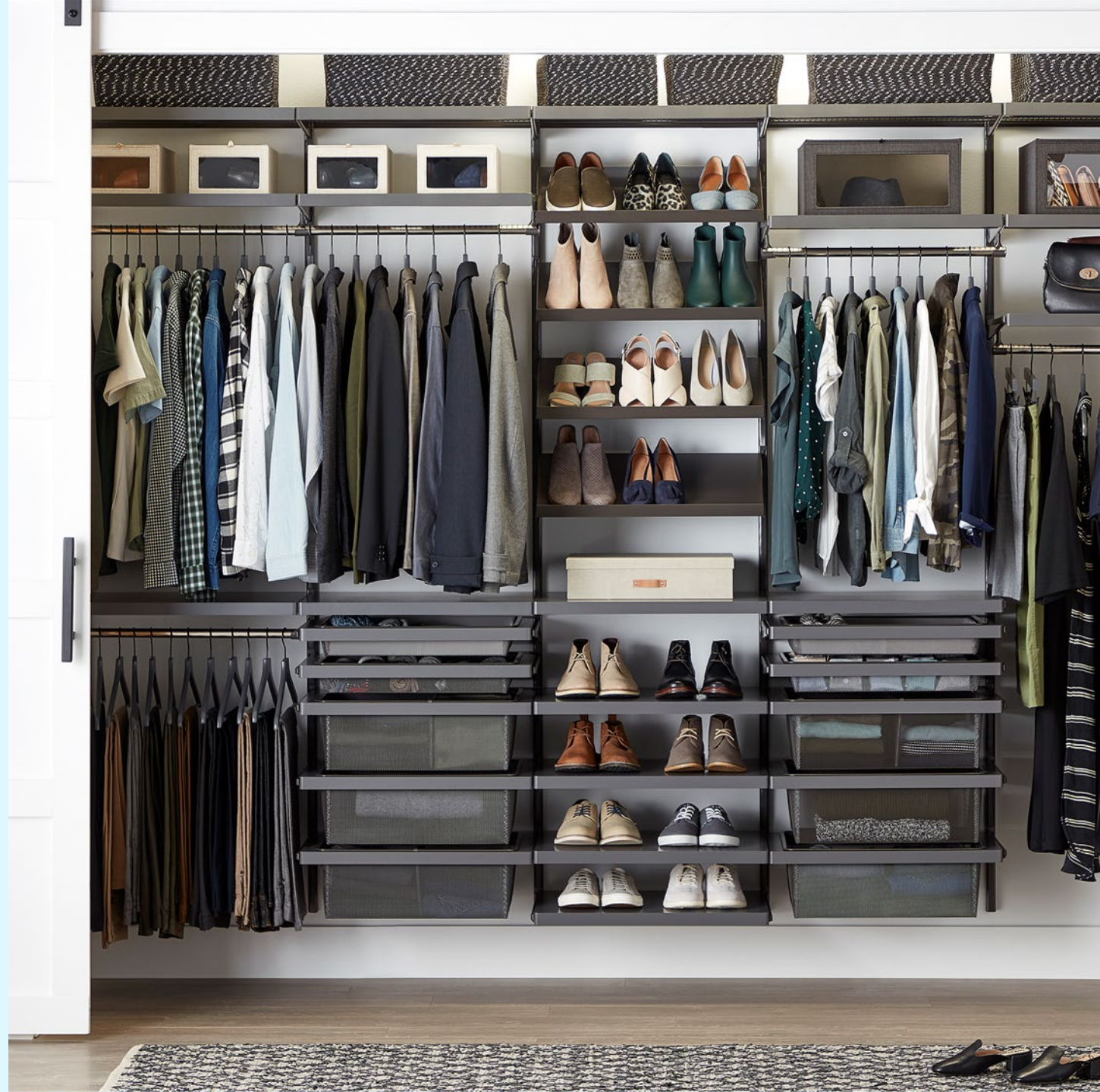




ICR Conference

NYSE: TCS

January 11, 2022



Forward Looking Statements

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements contained in this presentation that do not relate to matters of historical fact should be considered forward-looking statements, including statements regarding our future opportunities; our goals, strategies, priorities and initiatives, including targets for new store openings; anticipated service offerings; market opportunities; sales trends and momentum; and our anticipated financial performance, including projected sales growth. These forward-looking statements are based on management's current expectations. These statements are neither promises nor guarantees, but involve known and unknown risks, uncertainties and other important factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements, including, but not limited to, the following: the COVID-19 pandemic and the associated impact on our business, results of operations and financial condition; our ability to continue to lease space on favorable terms; costs and risks relating to new store openings; quarterly and seasonal fluctuations in our operating results; cost increases that are beyond our control; our inability to protect our brand; our failure or inability to protect our intellectual property rights; overall decline in the health of the economy, consumer spending, and the housing market; our inability to source and market new products to meet consumer preferences; failure to successfully anticipate consumer preferences and demand; competition from other stores and internet-based competition; vendors may sell similar or identical products to our competitors; our and our vendors' vulnerability to natural disasters and other unexpected events; disruptions at our Elfa manufacturing facilities; deterioration or change in vendor relationships or events that adversely affect our vendors or their ability to obtain financing for their operations, including COVID-19; product recalls and/or product liability, as well as changes in product safety and other consumer protection laws; risks relating to operating two distribution centers; our dependence on foreign imports for our merchandise; our reliance upon independent third party transportation providers; our inability to effectively manage our online sales; effects of a security breach or cyber-attack of our website or information technology systems, including relating to our use of third-party web service providers; damage to, or interruptions in, our information systems as a result of external factors, working from home arrangements, staffing shortages and difficulties in updating our existing software or developing or implementing new software; our indebtedness may restrict our current and future operations, and we may not be able to refinance our debt on favorable terms, or at all; fluctuations in currency exchange rates; our inability to maintain sufficient levels of cash flow to meet growth expectations; our fixed lease obligations; disruptions in the global financial markets leading to difficulty in borrowing sufficient amounts of capital to finance the carrying costs of inventory to pay for capital expenditures and operating costs; changes to global markets and inability to predict future interest expenses; our reliance on key executive management; our inability to find, train and retain key personnel; labor relations difficulties; increases in health care costs and labor costs; violations of the U.S. Foreign Corrupt Practices Act and similar worldwide anti-bribery and anti-kickback laws; impairment charges and effects of changes in estimates or projections used to assess the fair value of our assets; effects of tax reform and other tax fluctuations; and significant fluctuations in the price of our common stock; substantial future sales of our common stock, or the perception that such sales may occur, which could depress the price of our common stock; risks related to being a public company; our performance meeting guidance provided to the public; anti-takeover provisions in our governing documents, which could delay or prevent a change in control; and our failure to establish and maintain effective internal controls.

These and other important factors discussed under the caption "Risk Factors" in our Annual Report on Form 10-K filed with the Securities and Exchange Commission, (the "SEC") on June 3, 2021 and our other reports filed with the SEC could cause actual results to differ materially from those indicated by the forward-looking statements made in this presentation. Any such forward-looking statements represent management's estimates as of the date of this presentation. While we may elect to update such forward-looking statements at some point in the future, we disclaim any obligation to do so, even if subsequent events cause our views to change. These forward-looking statements should not be relied upon as representing our views as of any date subsequent to the date of this presentation.

Agenda

- Company Overview
- The Total Addressable Market
- Building Blocks for Growth



WHAT WE STAND FOR

The Container Store believes in putting its **customers first** which is supported by an incredible and diverse selection of products and solutions and by trusted and knowledgeable specialists.



94

STORE LOCATIONS
IN 33 STATES and D.C.



10M+

POP! REWARDS MEMBERS

76% POP! MEMBER
SALES CONTRIBUTION



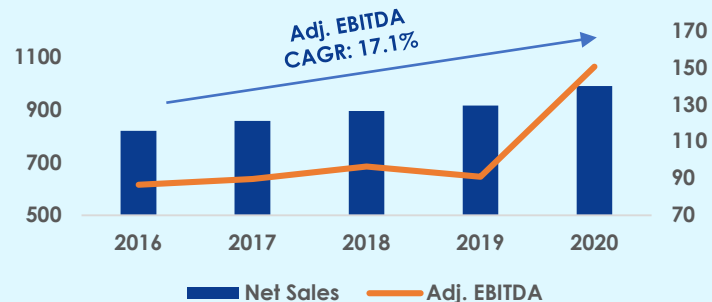
5,100

EMPLOYEES

1,800 TCS full-time
2,850 TCS part-time
450 Elfa

\$990.1M

FY 2020 NET SALES



*Elfa, the Company's wholly-owned subsidiary, designs and manufactures elfa branded products – exclusive to The Container Store in the U.S. The elfa product lines represent 69% of custom closets sales, which includes closet lifestyle department product sales, and 34% of consolidated sales.

A woman with blonde hair is sitting on the floor, smiling and looking down at a young child. The child is wearing a white shirt with a colorful design and rainbow-striped socks. They are in a pantry or kitchen area with white shelves. The shelves are filled with various food items, including jars of cereal, boxes of cereal (one labeled 'SKIPPY'), and other packaged goods. The background is slightly blurred, focusing on the woman and child. The text 'The Container Store exists to transform lives through the power of organization.' is overlaid in white, bold, sans-serif font.

The Container Store exists
to transform lives through
the power of organization.

The Benefits Of An Organized Life

1

Boosts Clarity & Focus

Decluttering items around you can boost mental clarity and focus according to the *Mayo Clinic*. A cluttered environment can make it harder for you to process information and make you more prone to frustration.

2

Reduces Stress & Anxiety

Disorganization is stressful for the brain. Those who are physically active daily according to the *Anxiety and Depression Association of America* can reduce their stress and anxiety. An organization project or daily putting your things away can be part of that physical activity.

3

Increases Sense of Wellbeing

A study by researchers at the *University of California Los Angeles* discovered that how one describes their home is linked to daily mood patterns and cortisol. Stressful home scores had flatter slopes of cortisol whereas restorative homes had steeper cortisol slopes and more satisfaction.

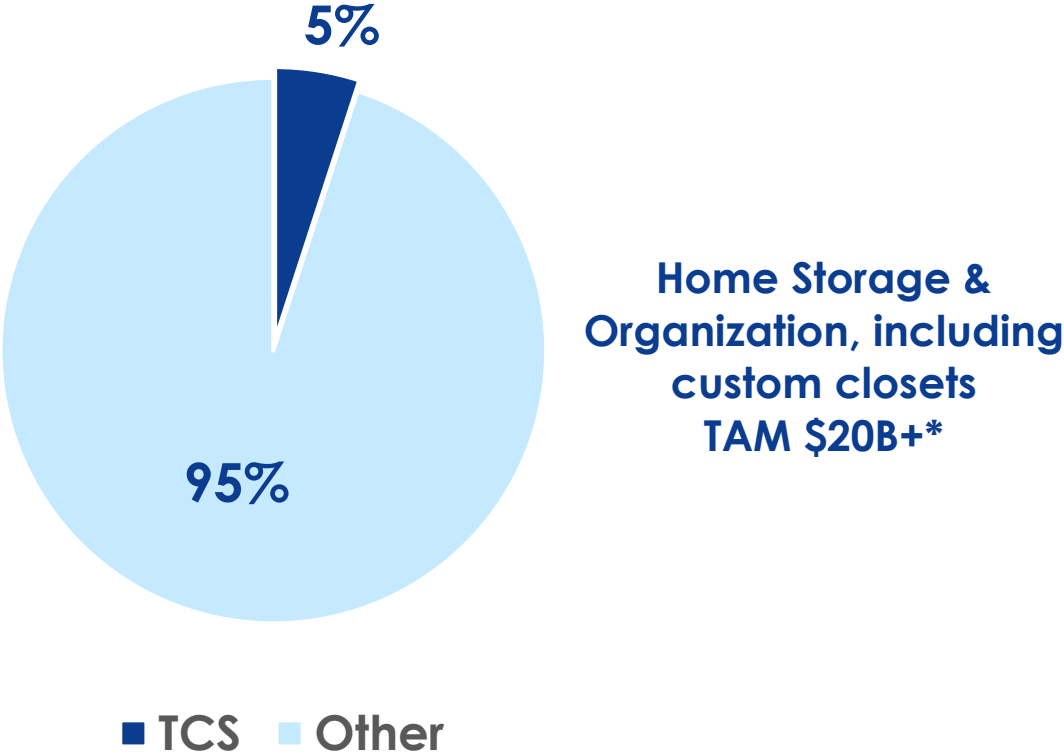
4

Improves Relationships

A disorganized life can add tension and conflict to relationships as reported by *Psychology Today*. An organized space can lead to an organized life and improved relationships.

Attractive Industry With Market Share Opportunity

Despite The Container Store's leadership position and differentiator as one of the only specialty retailers focused on storage and organization solutions, and custom closets, The Container Store has just ~5% of the \$20B+ home storage and organization total addressable market (TAM) and less than 10% of a \$6B* custom closets market.



*Source: BCG Analysis

Strategic Acquisition Of Closet Works

- Custom Closets is an important part of our **differentiated ecosystem** of products and in-home services
- Closet Works offers **premium wood-based solutions** for every room of the home, including garage
- Quality equipment and turn-key manufacturing facilities
- **Expected profit margin upside**
- End-to-end process ownership including quality control



Pantry 360 Organizer by
Closet Work



Welcome To The Organization

Our Focus

**Strategic
Growth to \$2B**

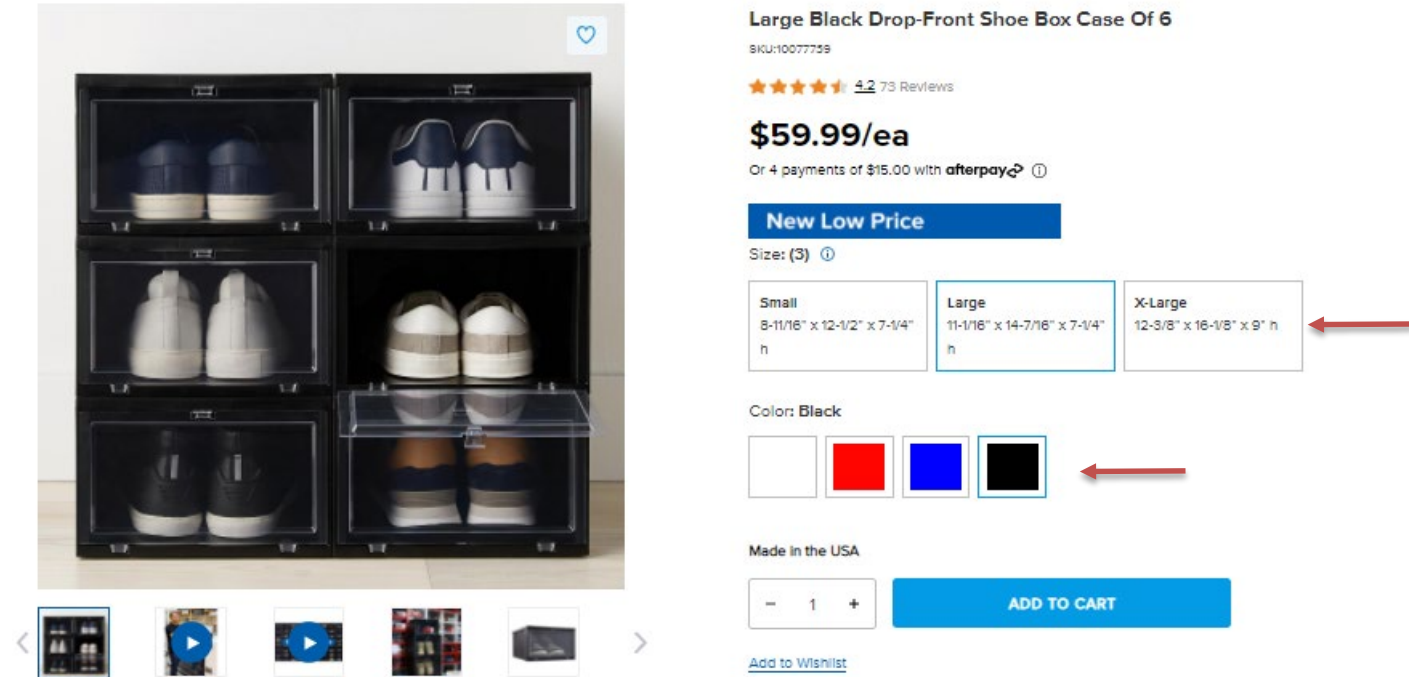


An Enhanced Store Experience

- **Continue to increase store productivity** by enhancing the in-store experience
- Empowered stores to create and sell gift baskets during the holiday season
- Introduced demo carts, which engage customers with our products and specialists
- Compelling in-store and online graphics featuring **real customers and transformations**
- Our **services are unmatched**, storage and organization products, custom closets, and in-home services



- **Improved site speed** and navigation
- A new rating and review tool
- Product badging for sustainable solutions
- Multivariant product pages showcase additional size or colors options
- **Mobile app. coming this spring!**



Store Growth

- Opening at least **100 new stores** in the coming years
- More accessibility in existing key markets
- Focus will be on a smaller store footprint with high expected productivity
- Product selection will be curated, with **custom closets at the heart of the store**



Double Down on Custom Closets

- Our ambition is to more than double our custom closets business
- We see significant growth opportunity in **premium spaces over \$2,000**
- Existing strength in popular and affordable component-based systems through our wholly owned subsidiary Elfa
- Expanding wood-based space options through **strategic integration of Closet Works**



Office by Closet Works

Thank You



Appendix



Q2 Fiscal 2021 Results

\$276.0M

Consolidated Sales

11.2% increase vs. Q2 FY20
16.7% increase vs. Q2 FY19

\$0.54

Earnings Per
Diluted Share

\$0.13 increase vs. Q2 FY20
\$0.46 increase vs. Q2 FY19

\$0.54

Adjusted Earnings Per
Diluted Share*

\$0.11 increase vs. Q2 FY20
\$0.46 increase vs. Q2 FY19

59.3%

Gross Margin

50 bps increase vs. Q2 FY20
140 bps increase vs. Q2 FY19

14.4%

Operating Margin

80 bps increase vs. Q2 FY20
1,000 bps increase vs. Q2 FY19

\$47.7M

Adjusted EBITDA*

\$3.7M increase vs. Q2 FY20
\$25.3M increase vs. Q2 FY19

Q2 Fiscal 2021 Results

- Drove Consolidated Net Sales of \$276 million, an increase of 11% compared to last year, and an increase of over 16% compared to the second quarter of fiscal 2019
 - Delivered our highest second quarter sales results, and our most profitable second quarter on record
 - Continued strength across our assortment led by the impressive growth of our custom closets business at 22% compared to last year and to fiscal 2019
- Consolidated Gross Margin increased 50 bps to 59.3% primarily due to decreased shipping costs as a result of the channel shift away from online and into brick and mortar, combined with less promotional activity and a favorable mix of products and services, partially offset by increased freight and commodity costs
- Consolidated SG&A as a percent of net sales increased approximately 50 basis points year-over-year primarily reflecting our planned restoration of expenses that were temporarily pulled back during the pandemic, including merit increases and 401k contributions
- Consolidated Adjusted EBITDA¹ increased from \$44.1mm to \$47.7mm
- Adjusted EPS² increased by \$0.11 to \$0.54 in Q2 FY 2021
- Current leverage ratio is less than 1.0x
- Focused on driving profitable topline sales coupled with reducing our debt levels

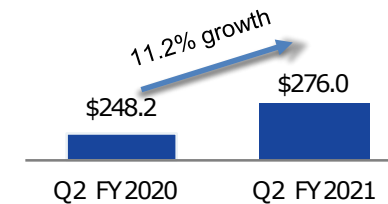
¹ Non-GAAP reconciliation for Adjusted EBITDA figures are shown on slides 24

² Non-GAAP reconciliation for quarterly adj. EPS figures are shown on slide 22

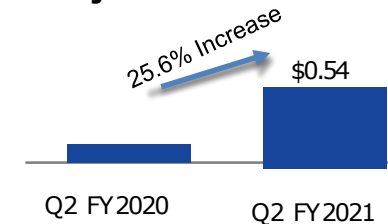
³ Non-GAAP reconciliation for Net Debt figures and Net Debt to Adjusted EBITDA ratios are shown on slide 28

Select Financial Data

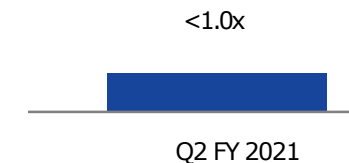
Sales



Adjusted EPS²

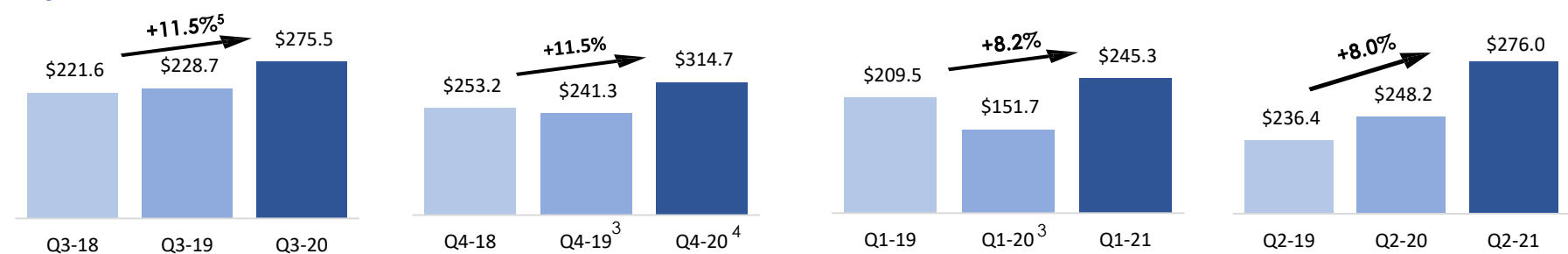


Net Debt/Adj. EBITDA^{1,3}

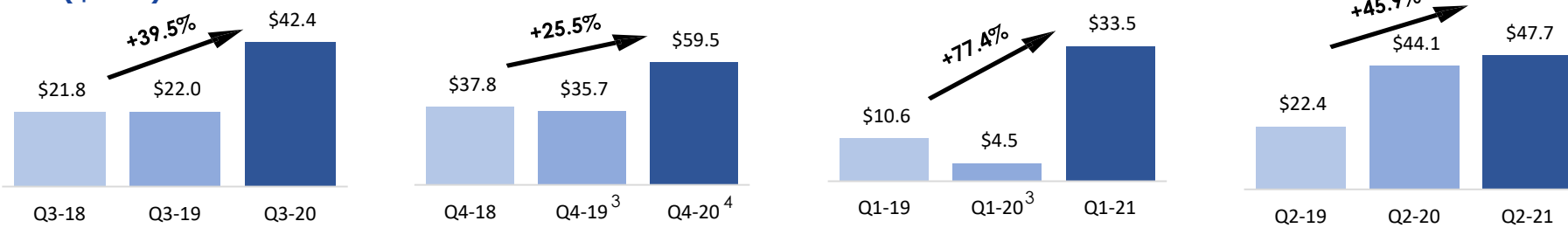


Consistent Improvements in Year over Year Performance

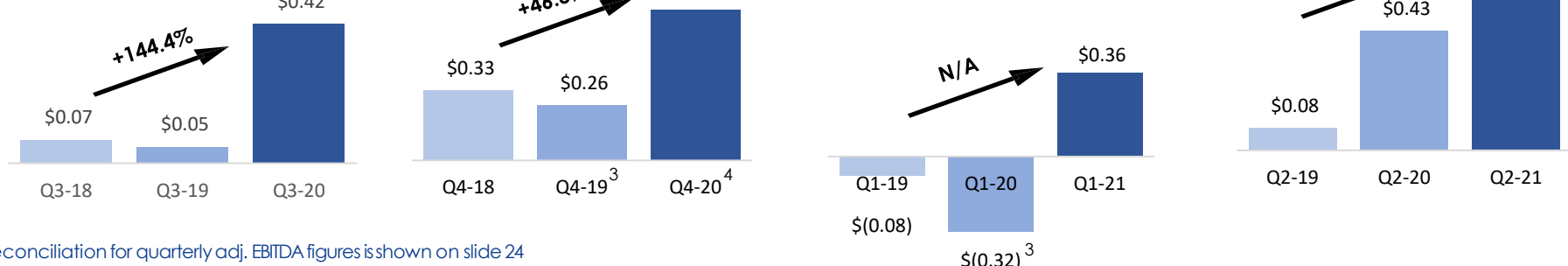
Sales (\$mm)



Adj. EBITDA (\$mm)¹



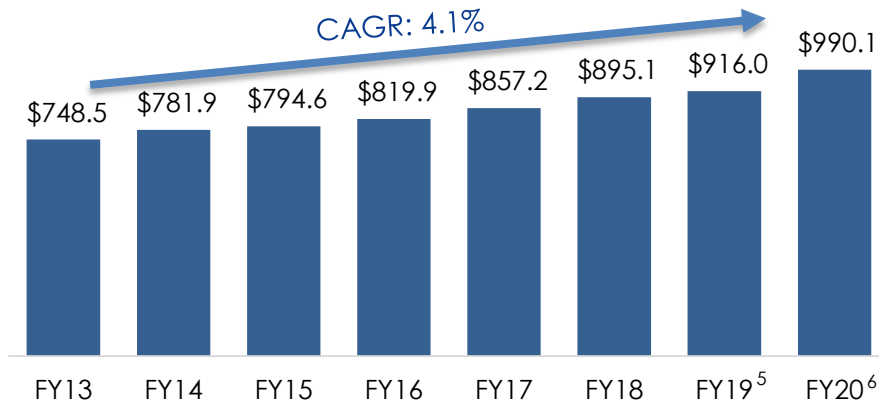
Adj. EPS (\$/share)²



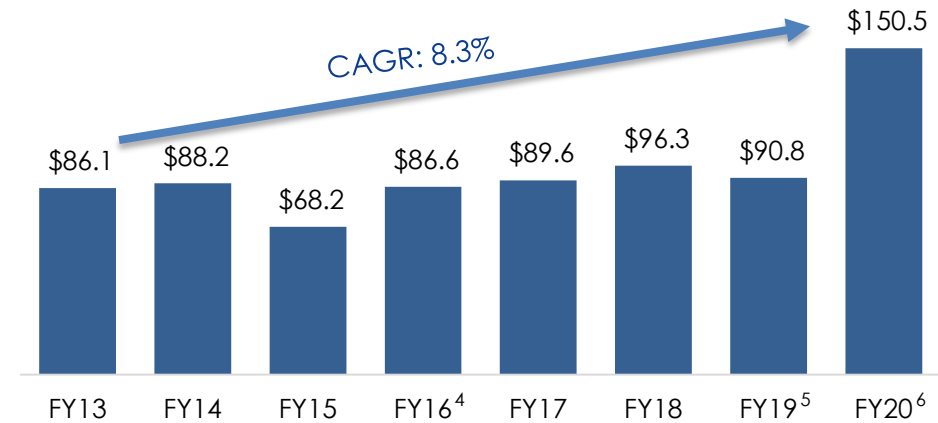
¹Non-GAAP reconciliation for quarterly adj. EBITDA figures is shown on slide 24
²Non-GAAP reconciliation for quarterly adj. EPS figures is shown on slide 22
³Q4 2019 and Q1 2020 results inclusive of negative impact from COVID-19
⁴Q4 2020 results inclusive of a 53rd week
⁵All growth rates reflect CAGR over the respective two-year period

Historical Financial Overview

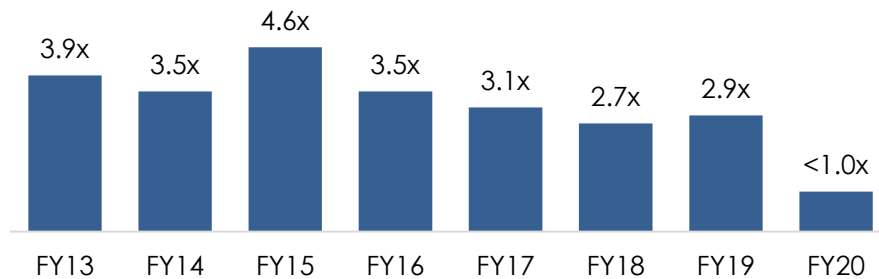
Consolidated Net Sales (\$mm)¹



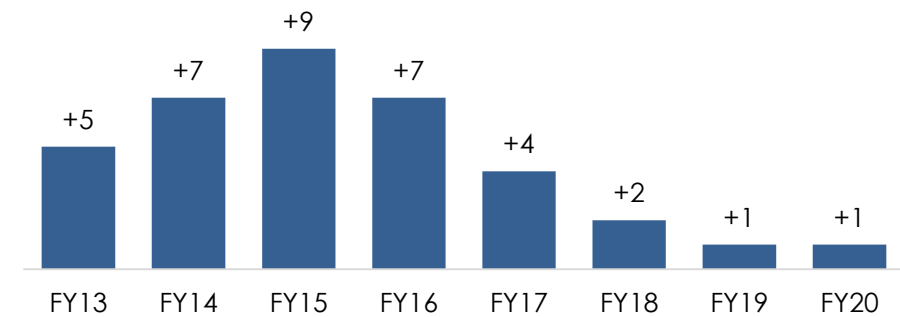
Consolidated Adj. EBITDA^{1, 2} (\$mm)



Consolidated Net Debt/Adj. EBITDA^{1, 2, 3}



Store Count Growth¹



¹ FY 2013–FY 2015 not recast for fiscal year change

² Non-GAAP reconciliation for FY 2013–FY 2020 is shown on slide 26

³ Non-GAAP reconciliation for Net Debt figures and Net Debt to Adjusted EBITDA ratios are shown on slide 28

⁴ FY 2016 includes a net benefit of \$3.9 million related to the reversal of deferred compensation as a result of amended and restated employment agreements entered into with key executives during the first quarter of FY 2016.

⁵ FY 2019 results inclusive of negative impact from COVID-19

⁶ FY 2020 results inclusive of 53rd week

Quarterly Adjusted EPS Reconciliation

Below is a reconciliation of the GAAP financial measures of net income and net income per common share - diluted to the non-GAAP financial measures of adjusted net income and adjusted net income per common share - diluted:

	Q2 FY21	Q2 FY20	Q2 FY19	Q1 FY21	Q1 FY20	Q1 FY19	Q4 FY20	Q4 FY19	Q4 FY18	Q3 FY20	Q3 FY19	Q3 FY18
Numerator:												
Net income (loss)	\$ 27,195	\$20,200	\$3,646	\$ 17,672	(\$16,670)	(\$4,099)	\$ 35,084	\$12,528	\$15,882	\$ 19,669	\$2,412	\$9,321
Management transition costs (a)	-	-	-	473	-	-	-	-	-	1,200	-	-
Loss (gain) on disposal of real estate (b)	-	-	-	-	-	-	-	-	13	-	-	(387)
Elfa France closure (c)	-	-	403	-	-	-	-	-	-	-	(1)	-
Loss on extinguishment of debt (d)	-	-	-	-	-	-	-	-	-	893	-	-
Employee retention credit (e)	-	-	-	-	-	-	-	-	-	(1,028)	-	-
COVID-19 costs (f)	-	273	-	192	1,223	-	403	-	-	367	-	-
Severance (g)	-	294	-	-	809	-	23	-	-	(15)	-	-
Taxes (h)	2	163	(112)	(186)	(885)	-	168	-	258	(381)	-	(5,391)
Adjusted net income (loss)	27,197	20,930	3,937	18,151	(15,523)	(4,099)	35,678	12,528	\$16,153	20,705	2,411	3,543
Denominator:												
Weighted average common shares – diluted	50,217,614	48,782,505	48,417,474	50,448,216	48,389,205	48,231,148	50,537,033	48,397,919	48,382,433	49,513,225	48,370,418	48,381,455
Net income (loss) per common share – diluted	\$ 0.54	\$ 0.41	\$ 0.08	\$ 0.35	\$ 0.34	\$ (0.08)	\$ 0.69	\$ 0.26	\$ 0.33	\$ 0.40	\$ 0.05	\$ 0.19
Adjusted net income (loss) per common share – diluted	\$ 0.54	\$ 0.43	\$ 0.08	\$ 0.36	\$ 0.32	\$ (0.08)	\$ 0.71	\$ 0.26	\$ 0.33	\$ 0.42	\$ 0.05	\$ 0.07

NOTE: Please see respective footnotes on Slide 23.

Quarterly Adjusted EPS Reconciliation Footnotes

- a) Costs related to the transition of key executives including severance and signing bonus recorded as selling, general and administrative expenses, which we do not consider in our evaluation of ongoing performance.
- b) Charges related to the closure of an Elfa manufacturing facility in Lahti, Finland in December 2017, recorded in other expenses, which we do not consider in our evaluation of our ongoing performance.
- c) Charges related to the closure of Elfa France operations in the second quarter of fiscal 2019, which we do not consider in our evaluation of ongoing performance.
- d) Loss recorded as a result of the amendments made to the Senior Secured Term Loan Facility in December 2020, which we do not consider in our evaluation of our ongoing operations.
- e) Employee retention credit related to the CARES Act recorded in the third quarter of fiscal 2020 as selling, general and administrative expense, which we do not consider in our evaluation of ongoing performance.
- f) Includes incremental costs attributable to the COVID-19 pandemic, substantially all of which consist of hazard pay for distribution center employees in the first quarter of fiscal 2020 and sanitization costs in the first quarter of fiscal 2021 and in fiscal 2020, which we do not consider in our evaluation of ongoing performance.
- g) Includes costs incurred in the first and second quarters of fiscal 2020 associated with the reduction in workforce as a result of the COVID-19 pandemic and the related temporary store closures in fiscal 2020, which we do not consider in our evaluation of ongoing performance.
- h) Tax impact of adjustments to net income (loss) which are considered to be unusual or infrequent tax items, all of which we do not consider in our evaluation of ongoing performance.

Quarterly Adjusted EBITDA Reconciliation

Below is a reconciliation of the GAAP financial measure of net income (loss) to the non-GAAP financial measures of EBITDA and Adjusted EBITDA:

	Q3			Q4			Q1			Q2		
	FY20	FY19	FY18	FY20	FY19	FY18	FY21	FY20	FY19	FY21	FY20	FY19
Net income (loss)	\$ 19,669	\$ 2,412	\$ 9,321	\$ 35,084	\$ 12,528	\$ 15,882	\$ 17,672	\$ (16,670)	\$ (4,099)	\$ 27,195	\$ 20,200	\$ 3,646
Depreciation and amortization	8,498	9,689	8,887	8,461	10,501	8,953	8,201	8,949	9,706	8,544	8,823	8,742
Interest expense, net	4,099	5,134	6,008	3,728	5,296	5,982	3,185	4,950	5,709	3,186	4,491	5,402
Provision (benefit) for income taxes	8,181	1,886	(3,926)	12,204	5,287	6,270	5,660	(6,898)	(1,795)	9,393	9,073	1,337
EBITDA	40,447	19,121	20,290	59,477	33,612	37,087	34,718	(9,669)	9,521	48,318	42,587	19,127
Pre-opening costs (a)	95	2,482	691	915	2,249	185	594	9	477	72	7	2,331
Non-cash lease expense (b)	(1,762)	(355)	101	(4,164)	(637)	(210)	(3,355)	11,138	(64)	(1,722)	(1,065)	(415)
Stock-based compensation (c)	2,177	799	632	2,837	535	859	869	832	811	1,086	1,977	965
Management transition costs (d)	1,200	-	-	-	-	-	473	-	-	-	-	-
Loss on extinguishment of debt (e)	893	-	-	-	-	-	-	-	-	-	-	-
Foreign exchange losses (gains) (f)	73	(37)	22	(2)	(69)	(9)	11	121	(75)	(6)	8	14
Elfa France closure (g)	-	(1)	-	-	-	-	-	-	-	-	-	403
Employee retention credit (h)	(1,028)	-	-	-	-	-	-	-	-	-	-	-
COVID-19 costs (i)	367	-	-	403	-	-	192	1,223	-	-	273	-
Severance and other costs (j)	(17)	(2)	80	66	5	(119)	-	809	(27)	-	296	1
Adjusted EBITDA	\$ 42,445	\$ 22,007	\$ 21,816	\$ 59,532	\$ 35,695	\$ 37,793	\$ 33,502	\$ 4,463	\$ 10,643	\$ 47,748	\$ 44,083	\$ 22,426

NOTE: Please see respective footnotes on Slide 25.

Quarterly Adjusted EBITDA Reconciliation Footnotes

- a) Non-capital expenditures associated with opening new stores, relocating stores and costs associated with opening the second distribution center, including marketing expenses, travel and relocation costs, and training costs. We adjust for these costs to facilitate comparisons of our performance from period to period.
- b) Reflects the extent to which our annual GAAP operating lease expense has been above or below our cash operating lease payments. The amount varies depending on the average age of our lease portfolio (weighted for size), as our GAAP operating lease expense on younger leases typically exceeds our cash operating lease payments, while our GAAP operating lease expense on older leases is typically less than our cash operating lease payments. Non-cash lease expense increased in the first quarter of fiscal 2020 due to renegotiated terms with landlords due to COVID-19 that resulted in deferral of \$11,900 of certain cash lease payments and the modification of certain lease terms for a substantial portion of our leased properties. In the second quarter of fiscal 2019, lease expenses associated with the opening of the second distribution center were excluded from Non-cash lease expense and included in Pre-opening costs.
- c) Non-cash charges related to stock-based compensation programs, which vary from period to period depending on volume and vesting timing of awards. We adjust for these charges to facilitate comparisons from period to period.
- d) Costs related to the transition of key executives including signing bonus, relocation and severance expenses recorded as selling, general and administrative expenses, which we do not consider in our evaluation of ongoing performance.
- e) Loss recorded as a result of amendments made to the Senior Secured Term Loan Facility in December 2020 which we do not consider in our evaluation of our ongoing operations.
- f) Realized foreign exchange transactional gains/losses our management does not consider in our evaluation of our ongoing operations.
- g) Charges related to the closure of Elfa France operations in the second quarter of fiscal 2019, which we do not consider in our evaluation of our ongoing performance.
- h) Employee retention credit related to the CARES Act recorded in the third quarter of fiscal 2020 as selling, general and administrative expense, which we do not consider in our evaluation of ongoing performance.
- i) Includes incremental costs attributable to the COVID-19 pandemic, which consist of sanitization costs in the first quarter of fiscal 2021 and fiscal 2020, and hazard pay for distribution center employees in the first quarter of fiscal 2020, all of which are recorded as selling, general and administrative expenses, which we do not consider in our evaluation of ongoing performance.
- j) Severance and other credits/costs include amounts our management does not consider in our evaluation of our ongoing operations. The fiscal 2020 amounts include costs incurred in the first and second quarters of fiscal 2020 associated with the reduction in workforce as a result of the COVID-19 pandemic and the related temporary store closures in fiscal 2020.

Annual Adjusted EBITDA Reconciliation

Below is a reconciliation of the GAAP financial measure of net income to the non-GAAP financial measures of EBITDA and Adjusted EBITDA:

	FY20	FY19	FY18	FY17	FY16	FY15	FY14	FY13
Net income	\$ 58,283	\$ 14,487	\$ 21,680	\$ 19,428	\$ 14,953	\$ 5,142	\$ 22,673	\$ 8,166
Depreciation and amortization	34,731	38,638	36,305	37,922	37,124	34,230	31,011	30,353
Interest expense, net	17,268	21,541	27,275	25,013	16,687	16,810	17,105	21,185
Provision (benefit) for income taxes	22,560	6,715	281	(12,723)	9,402	2,909	7,193	447
EBITDA	132,842	81,381	85,541	69,640	78,166	59,091	77,982	60,151
Management fees (a)	-	-	-	-	-	-	-	667
Pre-opening costs (b)	1,026	8,237	2,103	5,293	6,852	9,033	8,283	6,672
IPO costs (c)	-	-	-	-	-	-	-	1,259
Non-cash lease expense (d)	4,147	(2,169)	(1,327)	(1,915)	(1,365)	(1,844)	(374)	260
Restructuring charges (e)	-	-	-	-	-	-	-	532
Stock-based compensation (f)	7,823	3,110	2,846	2,026	1,989	1,556	1,289	15,137
Management transition costs (g)	1,200	-	-	-	-	-	-	-
Loss on extinguishment of debt (h)	893	-	2,082	2,369	-	-	-	1,229
Foreign exchange losses (gains) (i)	200	(167)	60	(596)	(342)	241	(171)	(224)
Optimization Plan implementation charges (j)	-	-	4,864	11,479	-	-	-	-
Elfa France closure (k)	-	402	-	-	-	-	-	-
Elfa manufacturing facility closure (l)	-	-	-	803	-	-	-	-
Employee retention credit (m)	(1,028)	-	-	-	-	-	-	-
COVID-19 costs (n)	2,266	-	-	-	-	-	-	-
Severance and other costs (o)	1,154	(23)	178	504	1,259	82	1,221	418
Adjusted EBITDA	\$ 150,523	\$ 90,771	\$ 96,347	\$ 89,603	\$ 86,559	\$ 68,159	\$ 88,230	\$ 86,101

NOTE: Please see respective footnotes on Slide 27.

Annual Adjusted EBITDA Reconciliation Footnotes

- a) Fees paid to LGP in accordance with our management services agreement, which was terminated on November 6, 2013 in association with our IPO.
- b) Non-capital expenditures associated with opening new stores and relocating stores, and net costs associated with opening the second distribution center, including marketing expenses, travel and relocation costs, and training costs. We adjust for these costs to facilitate comparisons of our performance from period to period."
- c) Charges incurred in connection with our IPO, which we do not expect to recur and do not consider in our evaluation of ongoing performance.
- d) Reflects the extent to which our annual GAAP operating lease expense has been above or below our cash operating lease payments. The amount varies depending on the average age of our lease portfolio (weighted for size), as our GAAP operating lease expense on younger leases typically exceeds our cash operating lease payments, while our GAAP operating lease expense on older leases is typically less than our cash operating lease payments. Non-cash lease expense increased in fiscal 2020 due to renegotiated terms with landlords due to COVID-19 that resulted in deferral of \$11,900 of certain cash lease payments. In fiscal 2019, lease expenses associated with the opening of the second distribution center were excluded from Non-cash lease expense and included in Pre-opening costs.
- e) Includes charges incurred to restructure business operations at Elfa, including the sale of a subsidiary in Germany and the closedown of a manufacturing facility in Norway in fiscal 2012, as well as the relocation of certain head office functions in sales and marketing from the Västervik, Sweden, manufacturing location to the group headquarters in Malmö, Sweden in fiscal 2012, which we do not consider in our evaluation of our ongoing performance.
- f) Non-cash charges related to stock-based compensation programs, which vary from period to period depending on volume and vesting timing of awards. We adjust for these charges to facilitate comparisons from period to period.
- g) Costs related to the transition of key executives including signing bonus and relocation expenses recorded as selling, general and administrative expenses, which we do not consider in our evaluation of ongoing performance.
- h) Loss recorded as a result of amendments made to the Senior Secured Term Loan Facility in April 2013, November 2013, August 2017, September 2018 and December 2020, which we do not consider in our evaluation of our ongoing operations.
- i) Realized foreign exchange transactional gains/losses our management does not consider in our evaluation of our ongoing operations.
- j) Charges incurred to implement our Optimization Plan, which include certain consulting costs recorded in selling, general and administrative expenses, cash severance payments associated with the elimination of certain full-time positions at the TCS segment recorded in other expenses, and cash severance payments associated with organizational realignment at the Elfa segment recorded in other expenses, which we do not consider in our evaluation of ongoing performance.
- k) Charges related to the closure of Elfa France operations in the second quarter of fiscal 2019, which we do not consider in our evaluation of ongoing performance.
- l) Charges related to the closure of an Elfa manufacturing facility in Lahti, Finland in December 2017, recorded in other expenses, which we do not consider in our evaluation of our ongoing performance.
- m) Employee retention credit related to the CARES Act recorded in the third quarter of fiscal 2020 as selling, general and administrative expense, which we do not consider in our evaluation of ongoing performance.
- n) Includes incremental costs attributable to the COVID-19 pandemic, substantially all of which consist of hazard pay for distribution center employees in the first quarter of fiscal 2020 and sanitization costs in fiscal 2020, which we do not consider in our evaluation of ongoing performance.
- o) Severance and other credits/costs include amounts our management does not consider in our evaluation of our ongoing operations. The fiscal 2020 amounts include costs incurred in the first and second quarters of fiscal 2020 associated with the reduction in workforce as a result of the COVID-19 pandemic and the related temporary store closures in fiscal 2020.

Annual Consolidated Net Debt

Below is the calculation of the Annual Net Total Debt and the associated Net Total Debt to Adjusted EBITDA ratio:

	FY20	FY19	FY18	FY17	FY16	FY15	FY14	FY13
Swedish Debt (a)	-	9,050	5,511	-	3,358	5,621	9,297	20,702
Revolver - U.S. (b)	-	78,000	12,000	-	-	-	-	-
Term Loan - U.S. (c)	165,649	246,162	249,481	284,503	313,212	321,512	324,500	328,533
TCS Install Note Payable - U.S.	-	-	-	-	-	-	-	1,625
Capital Leases & Other	335	274	494	662	901	744	721	424
Total Debt	165,984	333,486	267,487	285,165	317,471	327,878	334,518	351,284
Cash	17,687	67,755	7,364	8,399	10,736	13,609	24,994	18,046
Net Total Debt	148,297	265,731	260,122	276,766	306,734	314,268	309,524	333,238
Adjusted EBITDA	150,523	90,771	96,347	89,603	86,559	68,159	88,230	86,101
Net Total Debt / Adjusted EBITDA	<1.0x	2.9x	2.7x	3.1x	3.5x	4.6x	3.5x	3.9x

NOTE: Please see respective footnotes on Slide 29.

Annual Consolidated Net Debt Footnotes

- a) Includes a term loan and revolver. Interest expense is STIBOR + 170 bps for the term and Nordea's base rate + 140 bps for the revolver. Maturity date was August 29, 2019, and was subsequently amended to April 1, 2024.
- b) Amended in Oct. 2015 to, among other items, increase aggregate principal amount from \$75 million to \$100 million, decrease the interest rate from a range of LIBOR + 125 bps to 175 bps to LIBOR + 125 bps, and extend maturity date to Oct. 2020 (or Jan. 2019 subject to the status of the Term loan). Amended in August 2017 to extend maturity date to August 2022 (or May 2021 subject to the status of the Term loan). Amended in November 2020 to extend the maturity date to the earlier of (a) November 25, 2025 and (b) October 31, 2025 if any of the term loan obligations remain outstanding.
- c) The \$362.25 million term loan issued on April 8, 2012. Interest expense was LIBOR + 425 bps, subject to a LIBOR floor of 125 bps. Maturity date was April 6, 2019. Repricing transaction on 11/27/13. Interest expense was LIBOR + 325 bps, subject to a LIBOR floor of 100 bps. Maturity date was April 6, 2019. Amended in August 2017 to, among other items, decrease aggregate principal amount from \$362.25 million to \$300 million, increase the interest rate from LIBOR + 325 bps to LIBOR + 700 bps, and extend maturity date to August 2021. Amended in September 2018 to, among other items, extend the maturity date to September 2023 and decrease the applicable interest rate margin to 5.00% for LIBOR loans and 4.00% for base rate loans. In addition, the Company repaid \$20 million on the outstanding loans which reduced the aggregate principal amount to \$272.5 million. Amended in November 2020 to, among other items, extend the maturity date to January 31, 2026, and pay down approximately \$47.2 million of outstanding loans, which reduced the aggregate principal amount to \$200 million. The applicable interest rate margin for LIBOR loans is 4.75% and 3.75% for base rate loans.