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Third Quarter 2017 Earnings Presentation

Safe Harbor Statement



This document may contain certain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, including guidance regarding anticipated future operating results, the Company’s focus for the remainder of the fiscal year and the Company’s beliefs regarding the future of retailing. Such statements may be identified by words such as anticipate, believe, estimate, expect, intend, predict, hope, should, plan, will or similar expressions. Any statements contained herein that are not statements of historical fact may be deemed forward-looking statements. These statements are based on management’s current expectations and accordingly are subject to uncertainty and changes in circumstances. Actual results may vary materially from the expectations contained herein due to various important factors, including (but not limited to): consumer preferences, spending and debt levels; the general economic and credit environment; interest rates; seasonal variations in consumer purchasing activities; the ability to achieve the most effective product category mixes to maximize sales and margin objectives; competitive pressures on sales; pricing and gross sales margins; the level of cable and satellite distribution for our programming and the associated fees or estimated cost savings from contract renegotiations; our ability to establish and maintain acceptable commercial terms with third-party vendors and other third parties with whom we have contractual relationships, and to successfully manage key vendor relationships and develop key partnerships and proprietary and exclusive brands; our ability to manage our operating expenses successfully and our working capital levels; our ability to remain compliant with our credit facilities covenants; customer acceptance of our branding strategy and our repositioning as a video commerce company; the market demand for television station sales; changes to our management and information systems infrastructure; challenges to our data and information security; changes in governmental or regulatory requirements; including without limitation, regulations of the Federal Communications Commission and Federal Trade Commission, and adverse outcomes from regulatory proceedings; litigation or governmental proceedings affecting our operations; significant public events that are difficult to predict, or other significant television-covering events causing an interruption of television coverage or that directly compete with the viewership of our programming; disruptions in our distribution of our network broadcast to our customers; our ability to obtain and retain key executives and employees; our ability to attract new customers and retain existing customers; changes in shipping costs; our ability to offer new or innovative products and customer acceptance of the same; changes in customers viewing habits of television programming; and the risks identified under “Risk Factors” in our recently filed Form 10-K and any additional risk factors identified in our periodic reports since the date of such Form 10-K. More detailed information about those factors is set forth in our filings with the Securities and Exchange Commission, including our annual report on Form 10-K, quarterly reports on Form 10-Q, and current reports on Form 8-K. You are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date of this announcement. We are under no obligation (and expressly disclaim any such obligation) to update or alter our forward-looking statements whether as a result of new information, future events or otherwise.

Adjusted EBITDA

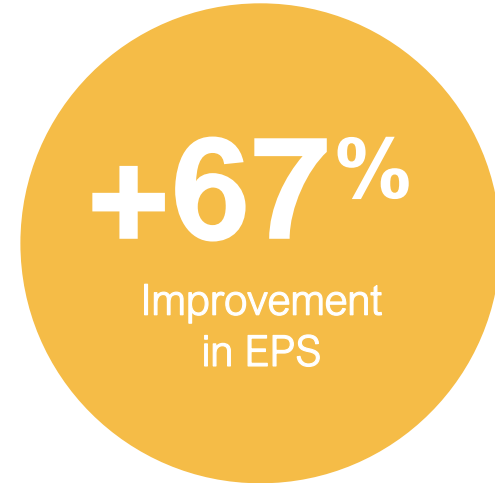
EBITDA represents net income (loss) for the respective periods excluding depreciation and amortization expense, interest income (expense) and income taxes. The Company defines Adjusted EBITDA as EBITDA excluding non-operating gains (losses); executive and management transition costs; loss on debt extinguishment; distribution facility consolidation and technology upgrade costs and non-cash share-based compensation expense. The Company has included the term “Adjusted EBITDA” in our EBITDA reconciliation in order to adequately assess the operating performance of our television and online businesses and in order to maintain comparability to our analyst’s coverage and financial guidance, when given. Management believes that the term Adjusted EBITDA allows investors to make a meaningful comparison between our business operating results over different periods of time with those of other similar companies. In addition, management uses Adjusted EBITDA as a metric to evaluate operating performance under the Company’s management and executive incentive compensation programs. Adjusted EBITDA should not be construed as an alternative to operating income (loss), net income (loss) or to cash flows from operating activities as determined in accordance with generally accepted accounting principles (“GAAP”) and should not be construed as a measure of liquidity. Adjusted EBITDA may not be comparable to similarly entitled measures reported by other companies. The Company has included a reconciliation of the comparable GAAP measure, net income (loss) to Adjusted EBITDA in this presentation.

What Went Well in Q3

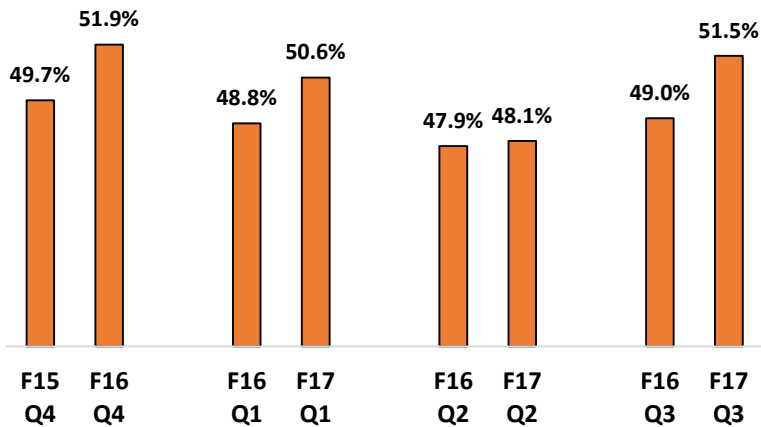


- Q3 net income improved 71% and YTD net income improved 42%
- Q3 adjusted EBITDA improved 49% and YTD adjusted EBTIDA improved 6%
- Q3 Gross Margin % improved by 150 basis points to 38.1%
- October sales growth in the mid-single digits
- Launched 10 million HD homes ahead of our original schedule.
- Completed conversion of our broadcast signal from SD to Full HD on schedule
- Improved purchase frequency by 9%
- Grew our digital sales by 4% and Mobile Sales by 16%
- Launched 21 new brands in the quarter

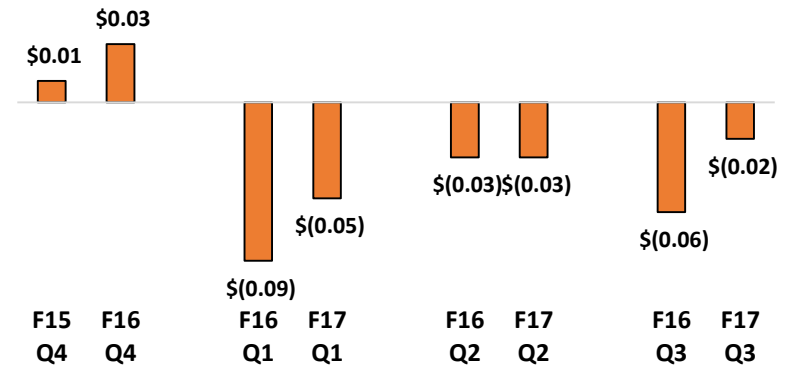
Q3 '17 Report Card



Digital Net Sales % of Total Net Sales



EPS (GAAP)





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Appendices



Summary P&L



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(In thousands, except per share data)

	<u>F13 FY</u>	<u>F14 FY</u>	<u>F15 FY</u>	<u>F16 Q1</u>	<u>F16 Q2</u>	<u>F16 Q3</u>	<u>F16 Q4</u>	<u>F16 FY</u>	<u>F17 Q1</u>	<u>F17 Q2</u>	<u>F17 Q3</u>
	<u>2/1/2014</u>	<u>1/31/2015</u>	<u>1/30/2016</u>	<u>4/30/2016</u>	<u>7/30/2016</u>	<u>10/29/2016</u>	<u>1/28/2017</u>	<u>1/28/2017</u>	<u>4/29/2017</u>	<u>7/29/2017</u>	<u>10/28/2017</u>
Net Sales	\$ 640,489	\$ 674,618	\$ 693,312	\$ 166,920	\$ 157,139	\$ 151,636	\$ 190,518	\$ 666,213	\$ 156,343	\$ 148,949	\$ 150,212
Cost of Sales	410,465	429,570	454,832	105,472	97,311	96,205	125,698	424,686	100,057	92,469	92,918
Gross Profit	230,024	245,048	238,480	61,448	59,828	55,431	64,820	241,527	56,286	56,480	57,294
Gross Profit %	35.9%	36.3%	34.4%	36.8%	38.1%	36.6%	34.0%	36.3%	36.0%	37.9%	38.1%
Operating Expenses:											
Distribution and selling	191,695	202,579	209,328	53,425	51,605	49,161	52,839	207,030	48,730	48,687	48,501
General and administrative	23,799	23,983	24,520	5,769	5,878	5,690	6,049	23,386	5,995	6,012	6,779
Depreciation and amortization	12,320	8,445	8,474	2,107	1,977	1,941	2,016	8,041	1,636	1,680	1,475
Executive & Mgmt transition costs	-	5,520	3,549	3,601	242	568	-	4,411	506	572	893
Activist Shareholder Response Cost	2,133	3,518	-	-	-	-	-	-	-	-	-
Distribution facility consolidation and technology upgrade costs	-	-	1,347	80	300	150	147	677	-	-	-
Total operating expense	229,947	244,045	247,218	64,982	60,002	57,510	61,051	243,545	56,867	56,951	57,648
Operating income/(loss)	77	1,003	(8,738)	(3,534)	(174)	(2,079)	3,769	(2,018)	(581)	(471)	(354)
Other income (expense):											
Interest income/(expense)	(1,419)	(1,562)	(2,712)	(1,203)	(1,604)	(1,583)	(1,536)	(5,926)	(1,493)	(1,311)	(1,152)
Loss on Debt extinguishment	-	-	-	-	-	-	-	-	(913)	-	(221)
Total other income/(expense)	(1,419)	(1,562)	(2,712)	(1,203)	(1,604)	(1,583)	(1,536)	(5,926)	(2,406)	(1,311)	(1,373)
Income tax provision	(1,173)	(819)	(834)	(205)	(205)	(205)	(186)	(801)	(209)	(209)	624
Total Net Income/(Loss)	\$ (2,515)	\$ (1,378)	\$ (12,284)	\$ (4,942)	\$ (1,983)	\$ (3,867)	\$ 2,047	\$ (8,745)	\$ (3,196)	\$ (1,991)	\$ (1,103)
EBITDA, as adjusted	\$ 18,012	\$ 22,773	\$ 9,206	\$ 3,424	\$ 3,836	\$ 2,529	\$ 6,436	\$ 16,225	\$ 3,050	\$ 3,502	\$ 3,780
Weighted average number of common shares outstanding (000's)	49,505	53,459	57,004	57,181	57,259	60,513	64,492	59,785	60,919	64,091	65,191
Net income/(loss) per common share	\$ (0.05)	\$ (0.03)	\$ (0.22)	\$ (0.09)	\$ (0.03)	\$ (0.06)	\$ 0.03	\$ (0.15)	\$ (0.05)	\$ (0.03)	\$ (0.02)

Summary Balance Sheet



(In thousands)

	F13 02/01/14	F14 01/31/15	F15 01/30/16	F16 01/28/17	F17 Q1 04/29/17	F17 Q2 07/29/17	F17 Q3 10/28/17
Current assets:							
Cash & restricted cash and investments	\$ 31,277	\$ 21,928	\$ 12,347	\$ 33,097	\$ 26,388	\$ 22,509	\$ 23,784
Accounts receivable, net	107,386	112,275	114,949	99,062	85,538	82,814	84,245
Inventories	51,162	61,456	65,840	70,192	75,649	63,748	77,068
Prepaid expenses and other	6,032	5,284	5,913	5,510	5,784	5,564	5,253
Total current assets	195,857	200,943	199,049	207,861	193,359	174,635	190,350
Property and equipment, net	24,952	42,759	52,629	52,715	53,672	53,135	53,135
FCC broadcasting license	12,000	12,000	12,000	12,000	12,000	12,000	9,500
Other assets	896	1,989	1,819	2,204	2,306	2,231	2,188
	<u>\$ 233,705</u>	<u>\$ 257,691</u>	<u>\$ 265,497</u>	<u>\$ 274,780</u>	<u>\$ 261,337</u>	<u>\$ 242,001</u>	<u>\$ 255,173</u>
Current liabilities:							
Accounts payable	\$ 77,296	\$ 81,457	\$ 77,779	\$ 65,796	\$ 58,211	\$ 47,082	\$ 63,527
Accrued liabilities and other	38,620	38,504	37,570	41,185	46,469	40,406	36,724
Total current liabilities	115,916	119,961	115,349	106,981	104,680	87,488	100,251
Capital lease liability	88	36	-	-	-	-	-
Other long term liabilities	335	249	164	428	407	286	327
Deferred tax liability	1,158	1,946	2,734	3,522	3,719	3,916	3,256
Long term debt	38,000	50,971	70,271	82,146	78,454	73,308	74,630
Total liabilities	155,497	173,163	188,518	193,077	187,260	164,998	178,464
Common stock, preferred stock and warrants	1,031	564	571	652	610	652	653
Additional paid-in capital	410,681	418,846	423,574	436,962	432,574	437,449	438,257
Accumulated deficit	(333,504)	(334,882)	(347,166)	(355,911)	(359,107)	(361,098)	(362,201)
Total shareholders' equity	78,208	84,528	76,979	81,703	74,077	77,003	76,709
	<u>\$ 233,705</u>	<u>\$ 257,691</u>	<u>\$ 265,497</u>	<u>\$ 274,780</u>	<u>\$ 261,337</u>	<u>\$ 242,001</u>	<u>\$ 255,173</u>

Adjusted EBITDA Reconciliation



(In thousands)

	F13	F14	F15	F16				FY	F17		
	FY	FY	FY	Q1	Q2	Q3	Q4		Q1	Q2	Q3
Net income (loss)	\$ (2,515)	\$ (1,378)	\$ (12,284)	\$ (4,942)	\$ (1,983)	\$ (3,867)	\$ 2,047	\$ (8,745)	\$ (3,196)	\$ (1,991)	\$ (1,103)
Adjustments:											
Depreciation and amortization	12,585	8,872	10,327	3,040	3,070	3,093	2,006	11,209	2,604	2,655	2,451
Interest income	(18)	(10)	(8)	(2)	(2)	(3)	(4)	(11)	(2)	(2)	(6)
Interest expense	1,437	1,572	2,720	1,205	1,606	1,586	1,540	5,937	1,495	1,313	1,158
Income taxes	1,173	819	834	205	205	205	186	801	209	209	(624)
EBITDA (as defined)	12,662	9,875	1,589	(494)	2,896	1,014	5,775	9,191	1,110	2,184	1,876
A reconciliation of EBITDA to Adjusted EBITDA is as follows:											
EBITDA (as defined)	12,662	9,875	1,589	(494)	2,896	1,014	5,775	9,191	1,110	2,184	1,876
Less:											
Executive and management transition costs	\$ -	\$ 5,520	\$ 3,549	\$ 3,601	\$ 242	\$ 568	\$ -	\$ 4,411	\$ 506	\$ 572	\$ 893
Distribution facility consolidation and technology upgrade costs	-	-	1,347	80	300	150	147	677	-	-	-
Activist Shareholder Response Costs	2,133	3,518	-	-	-	-	-	-	-	-	-
Shareholder Rights Plan costs	-	-	446	-	-	-	-	-	-	-	-
Loss on debt extinguishment	-	-	-	-	-	-	-	-	913	-	221
Non-cash share-based compensation expense	3,217	3,860	2,275	237	398	797	514	1,946	521	746	790
Adjusted EBITDA	\$ 18,012	\$ 22,773	\$ 9,206	\$ 3,424	\$ 3,836	\$ 2,529	\$ 6,436	\$ 16,225	\$ 3,050	\$ 3,502	\$ 3,780

Cash Flow



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(In thousands)	<u>Year Ending</u> <u>February 1</u> <u>2014</u>	<u>Year Ending</u> <u>January 31,</u> <u>2015</u>	<u>Year Ending</u> <u>January 30,</u> <u>2016</u>	<u>Year Ending</u> <u>January 28,</u> <u>2017</u>	<u>Year-to-Date</u> <u>October 28,</u> <u>2017</u>
OPERATING ACTIVITIES:					
Net loss	\$ (2,515)	\$ (1,378)	\$ (12,284)	\$ (8,745)	\$ (6,290)
Adjustments to reconcile net loss to net cash provided by (used for) operating activities-					
Depreciation and amortization	12,585	8,872	10,327	11,209	7,710
Share-based payment compensation	3,217	3,860	2,275	1,946	2,057
Amortization of deferred revenue	(85)	(86)	(85)	(86)	(51)
Amortization of debt discount & deferred financing costs	178	231	271	558	301
Loss on Debt extinguishment	-	-	-	-	1,134
Deferred Income Taxes	1,158	788	788	788	(266)
Changes in operating assets and liabilities:					
Accounts receivable, net	(9,026)	(4,889)	(2,674)	15,978	14,817
Inventories, net	(14,007)	(10,294)	(4,384)	(3,181)	(6,876)
Prepaid expenses and other	649	815	(565)	423	257
Accounts payable and accrued liabilities	21,799	766	(3,080)	(11,606)	(6,085)
Net cash provided by (used for) operating activities	<u>13,953</u>	<u>(1,315)</u>	<u>(9,411)</u>	<u>7,284</u>	<u>6,708</u>
INVESTING ACTIVITIES:					
Property and equipment additions, net or proceeds from sale of	(8,247)	(25,119)	(22,014)	(10,261)	(8,794)
Cash paid for acquisition	-	-	-	(508)	-
Purchase of NBC trademark license	(2,830)	-	-	-	-
Purchase of EVINE trademark	-	(59)	-	-	-
Proceeds from the sale of assets	-	-	-	-	2,500
Change in restricted cash	-	-	1,650	-	-
Net cash used for investing activities	<u>(11,077)</u>	<u>(25,178)</u>	<u>(20,364)</u>	<u>(10,769)</u>	<u>(6,294)</u>
FINANCING ACTIVITIES:					
Proceeds from issuance of revolving loans	-	2,700	19,200	-	51,100
Proceeds from issuance of term loans	-	12,152	2,849	17,000	6,000
Proceeds from issuance of common stock and warrants	-	-	-	12,470	4,628
Proceeds from exercise of stock options, net	227	2,794	2,460	-	53
Payments on revolving loan	-	-	-	-	(51,100)
Payments on term loans	-	(145)	(2,076)	(2,852)	(14,352)
Payments for repurchases of common stock	-	-	-	-	(5,055)
Payments for common stock issuance costs	-	-	-	(786)	(452)
Payments for deferred financing costs	(390)	(307)	(537)	(1,512)	(258)
Payments for debt extinguishment costs	-	-	-	-	(249)
Payments for restricted stock issuance costs	-	-	-	(46)	(42)
Payments on capital lease	(13)	(50)	(52)	(39)	-
Net cash provided by (used for) financing activities	<u>(176)</u>	<u>17,144</u>	<u>21,844</u>	<u>24,235</u>	<u>(9,727)</u>
Net increase (decrease) in cash	2,700	(9,349)	(7,931)	20,750	(9,313)
BEGINNING CASH	<u>26,477</u>	<u>29,177</u>	<u>19,828</u>	<u>11,897</u>	<u>32,647</u>
ENDING CASH	<u>29,177</u>	<u>19,828</u>	<u>11,897</u>	<u>32,647</u>	<u>23,334</u>

Key Operating Metrics



	<u>F13 FY</u>	<u>F14 FY</u>	<u>F15 FY</u>	<u>F16 Q1</u>	<u>F16 Q2</u>	<u>F16 Q3</u>	<u>F16 Q4</u>	<u>F16 FY</u>	<u>F17 Q1</u>	<u>F17 Q2</u>	<u>F17 Q3</u>
Net Shipped Units (000s)	7,152	9,055	9,853	2,417	2,461	2,253	3,132	10,263	2,580	2,423	2,342
Average Selling Price	\$ 81	\$ 67	\$ 64	\$ 62	\$ 57	\$ 60	\$ 54	\$ 57	\$ 54	\$ 55	\$ 58
Return Rate %	22.3%	21.5%	19.8%	19.2%	19.8%	20.5%	18.4%	19.4%	18.8%	19.1%	19.1%
Digital Sales %	45.2%	44.6%	46.9%	48.8%	47.9%	49.0%	51.9%	49.5%	50.6%	48.1%	51.5%
Transaction Costs per Unit	\$ 2.48	\$ 2.52	\$ 2.84	\$ 2.82	\$ 2.63	\$ 3.25	\$ 2.61	\$ 2.81	\$ 2.68	\$ 2.62	\$ 2.68
Total Variable Costs % of Net Sales	8.0%	8.7%	9.2%	10.0%	9.6%	10.6%	9.4%	9.9%	9.6%	9.8%	9.3%
Mobile % of Digital Sales	25.2%	33.5%	42.3%	45.6%	45.2%	45.9%	45.0%	45.4%	48.0%	49.4%	51.2%
Interactive Voice Response %	25%	29%	27%	26%	25%	24%	21%	24%	24%	23%	23%
Total Customers (000s)*	1,357	1,446	1,436	619	611	588	741	1,429	602	573	553
Average Purchase Frequency - Items	5.8	7.0	7.5	4.3	4.5	4.3	4.8	8.2	4.8	4.7	4.7
<u>% of Net Merchandise Sales by Category</u>											
Jewelry & Watches	43%	42%	39%	43%	41%	42%	38%	41%	41%	40%	39%
Home & Consumer Electronics	35%	30%	31%	24%	21%	25%	31%	25%	22%	23%	26%
Beauty	11%	12%	14%	15%	16%	14%	17%	16%	15%	16%	15%
Fashion & Accessories	<u>11%</u>	<u>16%</u>	<u>16%</u>	<u>18%</u>	<u>22%</u>	<u>19%</u>	<u>14%</u>	<u>18%</u>	<u>22%</u>	<u>21%</u>	<u>20%</u>
	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

*Customers can be active within one to four quarters per year and therefore quarterly active customer counts are not additive.