



First Quarter 2019 Supplemental Financial Data

Safe Harbor Statement



This document may contain certain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Any statements contained herein that are not statements of historical fact, including statements regarding guidance, industry prospects, our strategic alternatives process and any potential outcome from that process or future results of operations or financial position are forward-looking. We often use words such as anticipates, believes, estimates, expects, intends, predicts, hopes, should, plans, will and similar expressions to identify 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): variability in consumer preferences, shopping behaviors, 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 and sales promotions; 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 and shipping 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; our ability to respond to changes in consumer shopping patterns and preferences, and changes in technology and consumer viewing patterns; 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 events (including disasters, weather events or events attracting significant television coverage) that either cause an interruption of television coverage or that divert viewership from our programming; disruptions in our distribution of our network broadcast to our customers; our ability to protect our intellectual property rights; our ability to obtain and retain key executives and employees; our ability to attract new customers and retain existing customers; changes in shipping costs; expenses related to the actions of activist or hostile shareholders; our ability to offer new or innovative products and customer acceptance of the same; changes in customer viewing habits of television programming; and the risks identified under Item 1A(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); non-cash impairment charges and write downs; executive and management transition costs; loss on debt extinguishment; distribution facility consolidation and technology upgrade costs; gain on sale of television station; contract termination costs; activist shareholder response costs; business development and expansion 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.

Summary P&L



(In thousands, except per share data)

	<u>F17 FY*</u> <u>2/3/2018</u>	<u>F18 Q1</u> <u>5/5/2018</u>	<u>F18 Q2</u> <u>8/4/2018</u>	<u>F18 Q3</u> <u>11/3/2018</u>	<u>F18 Q4</u> <u>2/2/2019</u>	<u>F18 FY</u> <u>2/2/2019</u>	<u>F19 Q1</u> <u>5/4/2019</u>
Net Sales	\$ 648,220	\$ 156,505	\$ 150,799	\$ 131,714	\$ 157,619	\$ 596,637	\$ 131,521
Cost of Sales	413,108	100,250	93,929	84,559	111,052	389,790	94,228
Gross Profit	235,112	56,255	56,870	47,155	46,567	206,847	37,293
Gross Profit %	36.3%	35.9%	37.7%	35.8%	29.5%	34.7%	28.4%
Operating Expenses:							
Distribution and selling	199,484	48,887	47,958	47,328	47,744	191,917	46,864
General and administrative	24,442	6,719	6,521	6,214	6,429	25,883	6,869
Depreciation and amortization	6,370	1,572	1,522	1,587	1,562	6,243	1,679
Executive & Mgmt transition costs	2,145	1,024	-	408	661	2,093	2,031
Gain on sale of television station	(551)	-	-	-	(665)	(665)	-
Total operating expense	231,890	58,202	56,001	55,537	55,731	225,471	57,443
Operating income/(loss)	3,222	(1,947)	869	(8,382)	(9,164)	(18,624)	(20,150)
Other income (expense):							
Interest income/(expense)	(5,067)	(1,019)	(889)	(755)	(805)	(3,468)	(825)
Loss on Debt extinguishment	(1,457)	-	-	-	-	-	-
Total other income/(expense)	(6,524)	(1,019)	(889)	(755)	(805)	(3,468)	(825)
Income tax benefit (provision)	3,445	(20)	(20)	(20)	(5)	(65)	(15)
Total Net Income/(Loss)	\$ 143	\$ (2,986)	\$ (40)	\$ (9,157)	\$ (9,974)	\$ (22,157)	\$ (20,990)
EBITDA, as adjusted	\$ 18,011	\$ 3,270	\$ 3,922	\$ (4,225)	\$ (5,386)	\$ (2,419)	\$ (8,474)
Weighted average number of common shares outstanding (000's)	63,968	65,361	66,009	66,352	66,571	66,073	67,318
Net income/(loss) per common share	\$ 0.00	\$ (0.05)	\$ (0.00)	\$ (0.14)	\$ (0.15)	\$ (0.34)	\$ (0.31)

*Includes a 53rd week in fiscal year

Summary Balance Sheet



(In thousands)

	F17	F18	F19 Q1
	02/03/18	02/02/18	05/04/19
Current assets:			
Cash & restricted cash equivalents	\$ 24,390	\$ 20,935	\$ 29,189
Accounts receivable, net	96,559	81,763	72,181
Inventories	68,811	65,272	57,168
Prepaid expenses and other	5,344	9,053	8,112
Total current assets	<u>195,104</u>	<u>177,023</u>	<u>166,650</u>
Property and equipment, net	52,048	51,118	49,950
FCC broadcasting license	-	-	-
Other assets	2,106	1,846	3,179
	<u>\$ 249,258</u>	<u>\$ 229,987</u>	<u>\$ 219,779</u>
Current liabilities:			
Accounts payable	\$ 55,614	\$ 56,157	\$ 59,875
Current portion of operating lease liability	-	-	824
Accrued liabilities and other	38,007	39,897	39,730
Total current liabilities	<u>93,621</u>	<u>96,054</u>	<u>100,429</u>
Other long term liabilities	68	50	39
Operating lease liabilities	-	-	337
Long term debt	<u>71,573</u>	<u>68,932</u>	<u>68,037</u>
Total liabilities	165,262	165,036	168,842
Common stock, preferred stock and warrants	653	679	762
Additional paid-in capital	439,111	442,197	449,090
Accumulated deficit	<u>(355,768)</u>	<u>(377,925)</u>	<u>(398,915)</u>
Total shareholders' equity	<u>83,996</u>	<u>64,951</u>	<u>50,937</u>
	<u>\$ 249,258</u>	<u>\$ 229,987</u>	<u>\$ 219,779</u>

Adjusted EBITDA Reconciliation



(In thousands)

	F17 FY*	Q1	Q2	F18 Q3	Q4	FY	F19 Q1
Net income (loss)	\$ 143	\$ (2,986)	\$ (40)	\$ (9,157)	\$ (9,974)	\$ (22,157)	\$ (20,990)
Adjustments:							
Depreciation and amortization	10,307	2,620	2,515	2,532	2,497	10,164	2,629
Interest income	(17)	(7)	(9)	(12)	(6)	(34)	(5)
Interest expense	5,084	1,026	898	767	811	3,502	830
Income taxes	(3,445)	20	20	20	5	65	15
EBITDA (as defined)	12,072	673	3,384	(5,850)	(6,667)	(8,460)	(17,521)
A reconciliation of EBITDA to Adjusted EBITDA is as follows:							
EBITDA (as defined)	12,072	673	3,384	(5,850)	(6,667)	(8,460)	(17,521)
Less:							
Executive and management transition costs	2,145	1,024	-	408	661	2,093	2,031
Inventory Impairment	-	-	-	-	-	-	6,050
Loss on debt extinguishment	1,457	-	-	-	-	-	-
Gain on sale of television station	(551)	-	-	-	(665)	(665)	-
Contract termination costs	-	753	-	-	-	753	-
Business development and expansion costs	-	-	-	395	401	796	-
Non-cash share-based compensation expense	2,888	820	538	822	884	3,064	966
Adjusted EBITDA	\$ 18,011	\$ 3,270	\$ 3,922	\$ (4,225)	\$ (5,386)	\$ (2,419)	\$ (8,474)

*Includes a 53rd week in fiscal year

Cash Flow



(In thousands)	<u>Year Ending</u> <u>February 3,</u> <u>2018*</u>	<u>Year Ending</u> <u>February 2,</u> <u>2019</u>	<u>Year-to-date</u> <u>May 4,</u> <u>2019</u>
OPERATING ACTIVITIES:			
Net income/(loss)	\$ 143	\$ (22,157)	\$ (20,990)
Adjustments to reconcile net loss to net cash provided by (used for) operating activities-			
Depreciation and amortization	10,307	10,164	2,629
Share-based payment compensation	2,888	3,064	966
Gain from disposal of assets	(551)	(665)	-
Inventory impairment	-	-	6,050
Amortization of deferred revenue	(60)	(35)	(8)
Amortization of deferred financing costs	366	215	55
Loss on Debt extinguishment	1,457	-	-
Deferred Income Taxes	(3,522)	-	-
Changes in operating assets and liabilities:			
Accounts receivable, net	2,503	14,796	9,582
Inventories, net	1,381	3,539	2,054
Prepaid expenses and other	166	905	874
Accounts payable and accrued liabilities	(11,800)	(2,614)	3,533
Net cash provided by (used for) operating activities	<u>3,278</u>	<u>7,212</u>	<u>4,745</u>
INVESTING ACTIVITIES:			
Property and equipment additions, net of proceeds from sale of assets	(10,499)	(8,768)	(1,802)
Proceeds from the sale of assets	12,738	665	-
Net cash provided by (used for) investing activities	<u>2,239</u>	<u>(8,103)</u>	<u>(1,802)</u>
FINANCING ACTIVITIES:			
Proceeds from issuance of revolving loans	96,800	239,300	58,300
Proceeds from issuance of term loans	6,000	5,821	-
Proceeds from issuance of common stock and warrants	4,628	-	6,000
Proceeds from exercise of stock options	79	181	-
Payments on revolving loan	(96,800)	(245,300)	(58,300)
Payments on term loans	(18,780)	(2,325)	(678)
Payments for repurchases of common stock	(5,055)	-	-
Payments for common stock issuance costs	(452)	-	-
Payments for debt extinguishment costs	(334)	-	-
Payments for deferred financing costs	(265)	(96)	-
Payments for restricted stock issuance	(45)	(133)	(8)
Payments for finance leases	-	(12)	(3)
Net cash provided by (used for) financing activities	<u>(14,224)</u>	<u>(2,564)</u>	<u>5,311</u>
Net increase (decrease) in cash	(8,707)	(3,455)	8,254
BEGINNING CASH AND RESTRICTED CASH EQUIVALENTS	<u>33,097</u>	<u>24,390</u>	<u>20,935</u>
ENDING CASH AND RESTRICTED CASH EQUIVALENTS	<u><u>24,390</u></u>	<u><u>20,935</u></u>	<u><u>29,189</u></u>

*Includes a 53rd week in fiscal year

Key Operating Metrics



	<u>F17 FY**</u>	<u>F18 Q1</u>	<u>F18 Q2</u>	<u>F18 Q3</u>	<u>F18 Q4</u>	<u>F18 FY</u>	<u>F19 Q1</u>
Net Shipped Units (000s)	10,397	2,472	2,462	1,893	2,408	9,235	1,899
Average Selling Price	\$ 56	\$ 57	\$ 55	\$ 63	\$ 60	\$ 58	\$ 63
Return Rate %	19.0%	18.9%	18.7%	19.9%	18.4%	19.0%	20.2%
Digital Sales %	51.9%	53.0%	52.6%	51.9%	54.9%	53.1%	52.8%
Transaction Costs per Unit	\$ 2.58	\$ 2.56	\$ 2.58	\$ 3.19	\$ 2.59	\$ 2.70	\$ 3.12
Total Variable Costs % of Net Sales	9.3%	9.3%	8.9%	10.3%	8.9%	9.3%	9.8%
Mobile % of Digital Sales	49.9%	49.4%	55.7%	55.4%	55.7%	54.0%	58.7%
Interactive Voice Response %	23%	22%	22%	20%	20%	21%	20%
Total Customers (000s)*	1,295	559	556	497	604	1,205	496
Average Purchase Frequency - Items	8.9	4.9	4.9	4.2	4.4	8.5	4.2
<u>% of Net Merchandise Sales by Category</u>							
Jewelry & Watches	39%	40%	40%	41%	36%	39%	43%
Home & Consumer Electronics	26%	22%	21%	23%	33%	25%	20%
Beauty & Wellness	17%	19%	21%	18%	17%	19%	18%
Fashion & Accessories	<u>18%</u>	<u>19%</u>	<u>18%</u>	<u>18%</u>	<u>14%</u>	<u>17%</u>	<u>19%</u>
	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.

**Includes a 53rd week in fiscal year



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