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Fourth 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. Any statements contained herein that are not statements of historical fact, including statements regarding guidance, industry prospects, 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 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; 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 disaster or 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 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 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); executive and management transition costs; loss on debt extinguishment; distribution facility consolidation and technology upgrade costs; gain on sale of television station; activist shareholder response 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.

Data in this presentation may be unaudited.

Our 3 Year Turnaround Plan

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Year 1 2016: Stabilize business and build culture. 2016 Milestones achieved were:

- ✓ Balanced the merchandising mix to improve gross margin rate by 190 basis points
- ✓ Improved adjusted EBITDA by 76% from prior year
- ✓ Hired five new senior executives to further enhance our agility, decision making and culture

Year 2 2017: Position business for growth phase. 2017 Milestones achieved were:

- ✓ Delivered first year of positive net income since 2007
- ✓ Paid off our $17 million high interest term loan that was needed at the beginning of Fiscal 2016
- ✓ Converted our broadcast signal from SD to HD under budget and ahead of schedule
- ✓ Expanded our content distribution footprint by adding new HD channels in over 10 million homes
- ✓ Introduced 65 new brands to further expand our merchandise assortment
- ✓ Significantly improved our operational efficiencies in both fulfillment and customer solutions
- ✓ Significantly improved our digital and mobile technology to create a more seamless experience between all devices

Year 3 2018: Begin growth phase by increasing revenue and building market share.

2017 Historic Financial Performance

"Company delivers strong profitability with highest Q4 Net Income in history and highest Q4 Adjusted EBITDA since 2010"

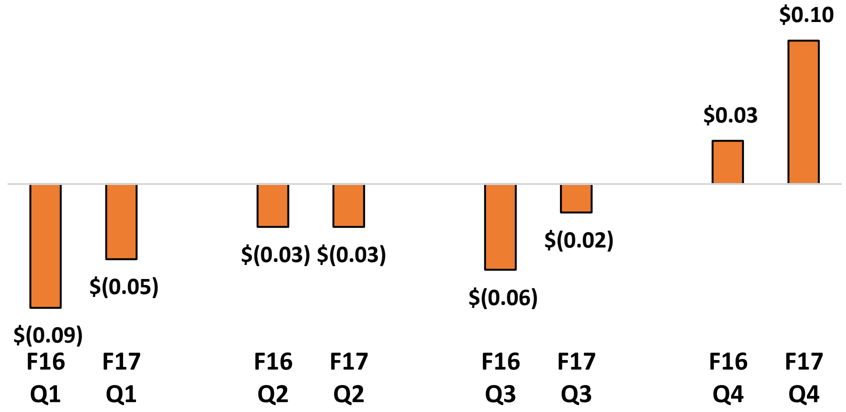
233%

Improvement in Q4 EPS Compared to LY

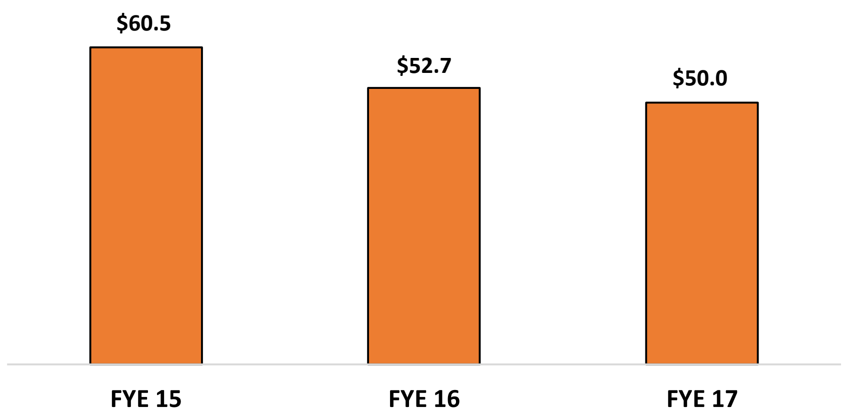
17%

Decrease in Net Debt Since Beginning of FY 2016

EPS (GAAP)



Net Debt[1] (in millions)



(1) Net debt is defined as long-term and current portion of long term credit facilities less cash

2017 Historic Digital Performance

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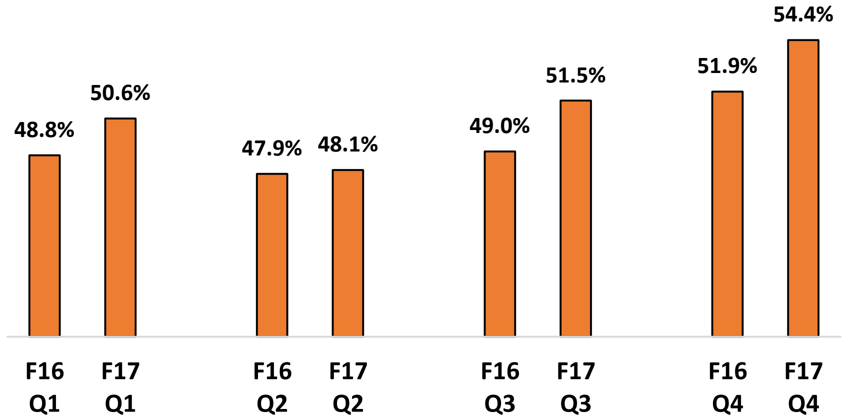
54%

Q4 Digital Sales %

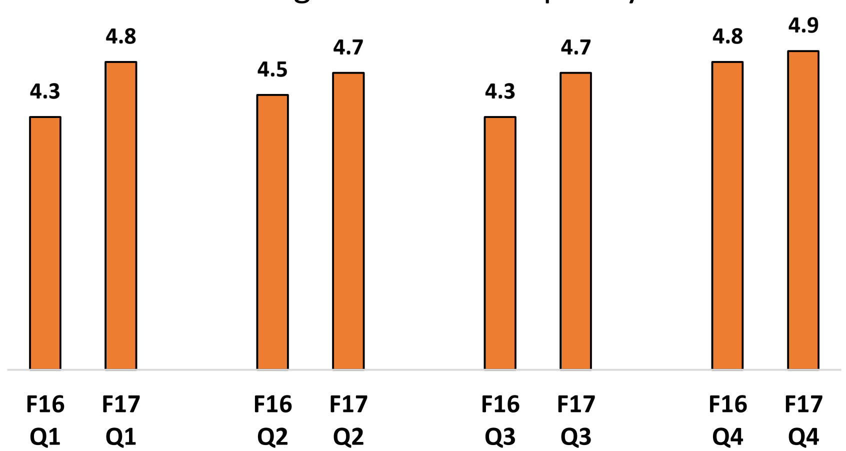
9%

FY 2017 Increase in Purchase Frequency

Digital Net Sales % of Total Net Sales



Average Purchase Frequency



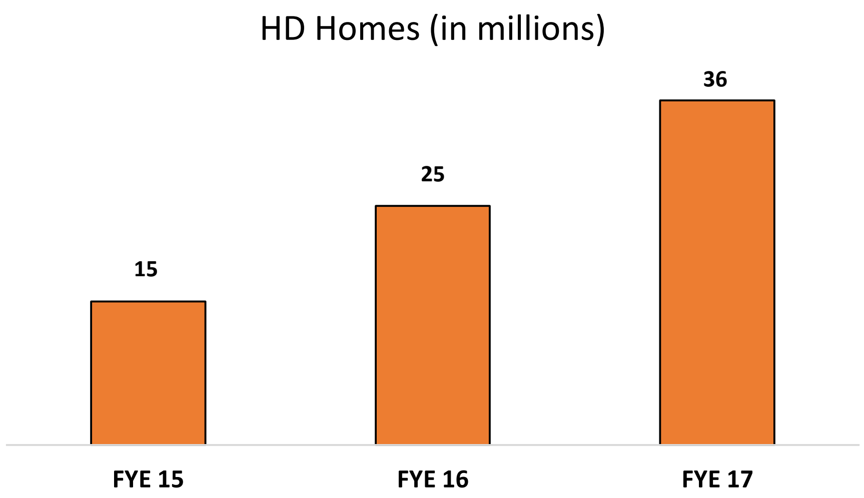
2017 Historic HD Channel Launches

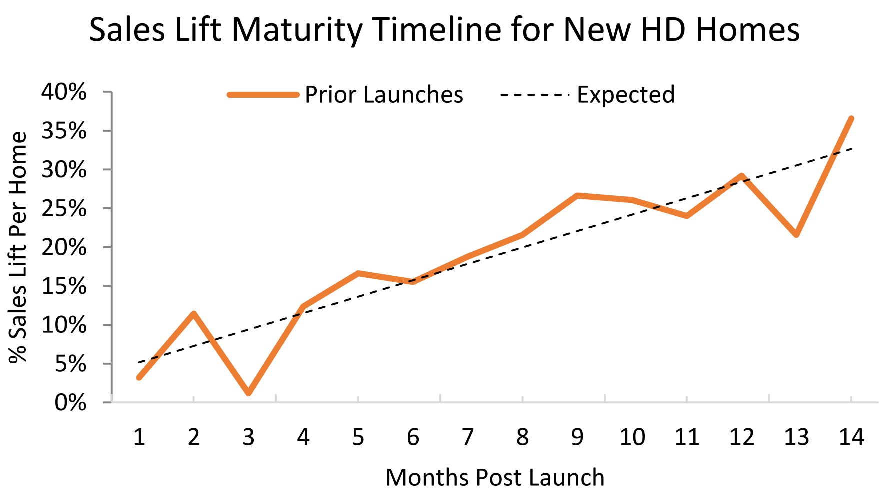
10+

Million HD Channels Launched in F17 Q4

30%

Expected Sales lift from New HD Channels





2018 Guidance

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Year 3 2018: Begin growth phase by increasing revenue and building market share.

Our 2018 financial plan expectations (Fiscal 2018 has 52 weeks compared to 53 weeks in Fiscal 2017):

- Normalized sales growth on a 52-week over 52-week basis in the 2% to 5% range, which equates to 0% to 3% on a reported basis.
- Adjusted EBITDA to be in the \$19 to \$21 million range, which would be growth of 5% to 17% year-over-year.[1]

(1) In accordance with SEC Guidance for Item 10(e)(1)(i)(A) of Regulation S-K, we have not provided a reconciliation of our expected Adjusted EBITDA range to expected net income range in this press release due to the uncertainty and inherent difficulty predicting the occurrence, the financial impact and the periods in which certain GAAP to non-GAAP adjustments may be recognized. These adjustments may include the impact of such items as loss on debt extinguishment, gain on sale of assets, executive and management transition costs, restructuring charges, the effect of other certain one-time items, and the income tax effect of such items. We are unable to quantify these types of adjustments that would be required to be included in the GAAP measure without unreasonable efforts. In addition, we believe such a reconciliation would imply a degree of precision on inherently unpredictable events in our outlook that could be confusing to investors.

Appendices

Summary P&L

(In thousands, except per share data)	F13 FY	F14 FY	F15 FY	F16 Q1	F16 Q2	F16 Q3	F16 Q4	F16 FY	F17 Q1	F17 Q2	F17 Q3	F17 Q4*	F17 FY*
	2/1/2014	1/31/2015	1/30/2016	4/30/2016	7/30/2016	10/29/2016	1/28/2017	1/28/2017	4/29/2017	7/29/2017	10/28/2017	2/3/2018	2/3/2018
Net Sales	$ 640,489	$ 674,618	$ 693,312	$ 166,920	$ 157,139	$ 151,636	$ 190,518	$ 666,213	$ 156,343	$ 148,949	$ 150,212	$ 192,716	$ 648,220
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	127,664	413,108
Gross Profit	230,024	245,048	238,480	61,448	59,828	55,431	64,820	241,527	56,286	56,480	57,294	65,052	235,112
Gross Profit %	35.9%	36.3%	34.4%	36.8%	38.1%	36.6%	34.0%	36.3%	36.0%	37.9%	38.1%	33.8%	36.3%
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	53,566	199,484
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	5,656	24,442
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	1,579	6,370
Executive & Mgmt transition costs	-	5,520	3,549	3,601	242	568	-	4,411	506	572	893	174	2,145
Activist Shareholder Response Cost	2,133	3,518	-	-	-	-	-	-	-	-	-	-	-
Distribution facility consolidation and technology upgrade costs	-	-	1,347	80	300	150	147	677	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	(551)	(551)
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	60,424	231,890
Operating income/(loss)	77	1,003	(8,738)	(3,534)	(174)	(2,079)	3,769	(2,018)	(581)	(471)	(354)	4,628	3,222
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)	(1,111)	(5,067)
Loss on Debt extinguishment	-	-	-	-	-	-	-	-	(913)	-	(221)	(323)	(1,457)
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)	(1,434)	(6,524)
Income tax benefit (provision)	(1,173)	(819)	(834)	(205)	(205)	(205)	(186)	(801)	(209)	(209)	624	3,239	3,445
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)	$ 6,433	$ 143
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	$ 7,679	$ 18,011
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	65,672	63,968
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)	$ 0.10	$ 0.00

*Includes a 14th week in Q4 and 53rd week in fiscal year

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	F17 Q4 02/03/18
Current assets:								
Cash & restricted cash and investments	$ 31,277	$ 21,928	$ 12,347	$ 33,097	$ 26,388	$ 22,509	$ 23,784	$ 24,390
Accounts receivable, net	107,386	112,275	114,949	99,062	85,538	82,814	84,245	96,559
Inventories	51,162	61,456	65,840	70,192	75,649	63,748	77,068	68,811
Prepaid expenses and other	6,032	5,284	5,913	5,510	5,784	5,564	5,253	5,344
Total current assets	195,857	200,943	199,049	207,861	193,359	174,635	190,350	195,104
Property and equipment, net	24,952	42,759	52,629	52,715	53,672	53,135	53,135	52,048
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	2,106
	$ 233,705	$ 257,691	$ 265,497	$ 274,780	$ 261,337	$ 242,001	$ 255,173	$ 249,258
Current liabilities:								
Accounts payable	$ 77,296	$ 81,457	$ 77,779	$ 65,796	$ 58,211	$ 47,082	$ 63,527	$ 55,614
Accrued liabilities and other	38,620	38,504	37,570	41,185	46,469	40,406	36,724	38,007
Total current liabilities	115,916	119,961	115,349	106,981	104,680	87,488	100,251	93,621
Capital lease liability	88	36	-	-	-	-	-	-
Other long term liabilities	335	249	164	428	407	286	327	68
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	71,573
Total liabilities	155,497	173,163	188,518	193,077	187,260	164,998	178,464	165,262
Common stock, preferred stock and warrants	1,031	564	571	652	610	652	653	653
Additional paid-in capital	410,681	418,846	423,574	436,962	432,574	437,449	438,257	439,111
Accumulated deficit	(333,504)	(334,882)	(347,166)	(355,911)	(359,107)	(361,098)	(362,201)	(355,768)
Total shareholders' equity	78,208	84,528	76,979	81,703	74,077	77,003	76,709	83,996
	$ 233,705	$ 257,691	$ 265,497	$ 274,780	$ 261,337	$ 242,001	$ 255,173	$ 249,258

Adjusted EBITDA Reconciliation

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(In thousands)

	F13	F14	F15	F16	F17				
	FY	FY	FY	FY	Q1	Q2	Q3	Q4*	FY*
Net income (loss)	**$ (2,515)**	**$ (1,378)**	**$ (12,284)**	**$ (8,745)**	**$ (3,196)**	**$ (1,991)**	**$ (1,103)**	**$ 6,433**	**$ 143**
Adjustments:									
Depreciation and amortization	12,585	8,872	10,327	11,209	2,604	2,655	2,451	2,597	10,307
Interest income	(18)	(10)	(8)	(11)	(2)	(2)	(6)	(7)	(17)
Interest expense	1,437	1,572	2,720	5,937	1,495	1,313	1,158	1,118	5,084
Income taxes	1,173	819	834	801	209	209	(624)	(3,239)	(3,445)
EBITDA (as defined)	12,662	9,875	1,589	9,191	1,110	2,184	1,876	6,902	12,072
A reconciliation of EBITDA to Adjusted EBITDA is as follows:									
EBITDA (as defined)	12,662	9,875	1,589	9,191	1,110	2,184	1,876	6,902	12,072
Less:									
Executive and management transition costs	-	5,520	3,549	4,411	506	572	893	174	2,145
Distribution facility consolidation and technology upgrade costs	-	-	1,347	677	-	-	-	-	-
Activist Shareholder Response Costs	2,133	3,518	-	-	-	-	-	-	-
Shareholder Rights Plan costs	-	-	446	-	-	-	-	-	-
Loss on debt extinguishment	-	-	-	-	913	-	221	323	1,457
Gain on sale of television station	-	-	-	-	-	-	-	(551)	(551)
Non-cash share-based compensation expense	3,217	3,860	2,275	1,946	521	746	790	831	2,888
Adjusted EBITDA	**$ 18,012**	**$ 22,773**	**$ 9,206**	**$ 16,225**	**$ 3,050**	**$ 3,502**	**$ 3,780**	**$ 7,679**	**$ 18,011**

*Includes a 14th week in Q4 and 53rd week in fiscal year

Cash Flow

(In thousands)	Year Ending February 1 2014	Year Ending January 31, 2015	Year Ending January 30, 2016	Year Ending January 28, 2017	Year Ending February 3, 2018*
OPERATING ACTIVITIES:					
Net loss	$ (2,515)	$ (1,378)	$ (12,284)	$ (8,745)	$ 143
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	10,307
Share-based payment compensation	3,217	3,860	2,275	1,946	2,888
Gain from disposal of assets	-	-	-	-	(551)
Amortization of deferred revenue	(85)	(86)	(85)	(86)	(60)
Amortization of debt discount & deferred financing costs	178	231	271	558	366
Loss on Debt extinguishment	-	-	-	-	1,457
Deferred Income Taxes	1,158	788	788	788	(3,522)
Changes in operating assets and liabilities:					
Accounts receivable, net	(9,026)	(4,889)	(2,674)	15,978	2,503
Inventories, net	(14,007)	(10,294)	(4,384)	(3,181)	1,381
Prepaid expenses and other	649	815	(565)	423	166
Accounts payable and accrued liabilities	21,799	766	(3,080)	(11,606)	(11,800)
Net cash provided by (used for) operating activities	13,953	(1,315)	(9,411)	7,284	3,278
INVESTING ACTIVITIES:					
Property and equipment additions, net or proceeds from sale of	(8,247)	(25,119)	(22,014)	(10,261)	(10,499)
Cash paid for acquisition	-	-	-	(508)	-
Purchase of NBC trademark license	(2,830)	-	-	-	-
Purchase of EVINE trademark	-	(59)	-	-	-
Proceeds from the sale of assets	-	-	-	-	12,738
Change in restricted cash	-	-	1,650	-	-
Net cash used for investing activities	(11,077)	(25,178)	(20,364)	(10,769)	2,239
FINANCING ACTIVITIES:					
Proceeds from issuance of revolving loans	-	2,700	19,200	-	96,800
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	-	79
Payments on revolving loan	-	-	-	-	(96,800)
Payments on term loans	-	(145)	(2,076)	(2,852)	(18,780)
Payments for repurchases of common stock	-	-	-	-	(5,055)
Payments for common stock issuance costs	-	-	-	(786)	(452)
Payments for debt extinguishment costs	-	-	-	-	(334)
Payments for deferred financing costs	(390)	(307)	(537)	(1,512)	(265)
Payments for restricted stock issuance costs	-	-	-	(46)	(45)
Payments on capital lease	(13)	(50)	(52)	(39)	-
Net cash provided by (used for) financing activities	(176)	17,144	21,844	24,235	(14,224)
Net increase (decrease) in cash	2,700	(9,349)	(7,931)	20,750	(8,707)
BEGINNING CASH	26,477	29,177	19,828	11,897	32,647
ENDING CASH	29,177	19,828	11,897	32,647	23,940

*Includes a 53rd week in fiscal year

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Key Operating Metrics

	F13 FY	F14 FY	F15 FY	F16 Q1	F16 Q2	F16 Q3	F16 Q4	F16 FY	F17 Q1	F17 Q2	F17 Q3	F17 Q4**	F17 FY**
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	3,052	10,397
Average Selling Price	$ 81	$ 67	$ 64	$ 62	$ 57	$ 60	$ 54	$ 57	$ 54	$ 55	$ 58	$ 57	$ 56
Return Rate %	22.3%	21.5%	19.8%	19.2%	19.8%	20.5%	18.4%	19.4%	18.8%	19.1%	19.1%	19.0%	19.0%
Digital Sales %	45.2%	44.6%	46.9%	48.8%	47.9%	49.0%	51.9%	49.5%	50.6%	48.1%	51.5%	54.4%	51.9%
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	$ 2.44	$ 2.58
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%	8.7%	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%	50.8%	49.9%
Interactive Voice Response %	25%	29%	27%	26%	25%	24%	21%	24%	24%	23%	23%	20%	23%
Total Customers (000s)*	1,357	1,446	1,436	619	611	588	741	1,429	602	573	553	687	1,295
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	4.9	8.9
% of Net Merchandise Sales by Category													
Jewelry & Watches	43%	42%	39%	43%	41%	42%	38%	41%	41%	40%	39%	37%	39%
Home & Consumer Electronics	35%	30%	31%	24%	21%	25%	31%	25%	22%	23%	26%	33%	27%
Beauty	11%	12%	14%	15%	16%	14%	17%	16%	15%	16%	15%	17%	16%
Fashion & Accessories	11%	16%	16%	18%	22%	19%	14%	18%	22%	21%	20%	13%	18%
	100%	100%	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.

**Includes a 14th week in Q4 and 53rd week in fiscal year