



Third Quarter 2020 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 rebranding, savings from cost reductions, expected changes in the merchandise mix and its impact, expectations arising from our partnership with Shaquille O’Neal, plans for LaVenta, expected advantages to pursue restructuring and operational changes, guidance, industry prospects, or future results of operations or financial position are forward-looking. The Company often use words such as anticipates, believes, estimates, expects, intends, seeks, 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, including COVID-19; 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 the Company’s programming and the associated fees or estimated cost savings from contract renegotiations; the Company’s ability to establish and maintain acceptable commercial terms with third-party vendors and other third parties with whom the Company has contractual relationships, and to successfully manage key vendor and shipping relationships and develop key partnerships and proprietary and exclusive brands; the ability to manage operating expenses successfully and the Company’s working capital levels; the ability to remain compliant with the Company’s credit facilities covenants; customer acceptance of the Company’s branding strategy and its repositioning as a video commerce company; the ability to respond to changes in consumer shopping patterns and preferences, and changes in technology and consumer viewing patterns; changes to the Company’s management and information systems infrastructure; challenges to the Company’s 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 the Company’s 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 its programming; disruptions in the Company’s distribution of its network broadcast to customers; the Company’s ability to protect its intellectual property rights; our ability to obtain and retain key executives and employees; the Company’s ability to attract new customers and retain existing customers; changes in shipping costs; expenses related to the actions of activist or hostile shareholders; the Company’s 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 the Company’s most recently filed Form 10-K and any additional risk factors identified in its periodic reports since the date of such Form 10-K. More detailed information about those factors is set forth in the Company’s filings with the Securities and Exchange Commission, including its annual report on Form 10-K, quarterly reports on Form 10-Q, and current reports on Form 8-K. Investors are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date of this announcement. the Company’s is under no obligation (and expressly disclaim any such obligation) to update or alter its 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; restructuring costs; non-cash impairment charges and write downs; transaction, settlement, and integration costs, net; rebranding costs; and non-cash share-based compensation expense. The Company has included the “Adjusted EBITDA” measure in its EBITDA reconciliation in order to adequately assess the operating performance of its television and online businesses and in order to maintain comparability to its analyst’s coverage and financial guidance, when given. Management believes that the Adjusted EBITDA measure allows investors to make a meaningful comparison between its 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. EBITDA and Adjusted EBITDA are both non-GAAP measures and 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 titled 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.

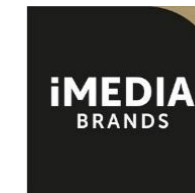
Summary P&L



(In thousands, except per share data)

	<u>F18 FY</u>	<u>F19 Q1</u>	<u>F19 Q2</u>	<u>F19 Q3</u>	<u>F19 Q4</u>	<u>F19 FY</u>	<u>F20 Q1</u>	<u>F20 Q2</u>	<u>F20 Q3</u>
	<u>2/2/2019</u>	<u>5/4/2019</u>	<u>8/3/2019</u>	<u>11/2/2019</u>	<u>2/1/2020</u>	<u>2/1/2020</u>	<u>5/2/2020</u>	<u>8/1/2020</u>	<u>10/31/2020</u>
Net Sales	\$ 596,637	\$ 131,521	\$ 131,503	\$ 115,159	\$ 123,639	\$ 501,822	\$ 95,834	\$ 124,515	\$ 109,025
Cost of Sales	389,790	94,228	83,777	73,573	86,607	338,185	60,277	78,223	68,211
Gross Profit	206,847	37,293	47,726	41,586	37,032	163,637	35,557	46,292	40,814
Gross Profit %	34.7%	28.4%	36.3%	36.1%	30.0%	32.6%	37.1%	37.2%	37.4%
Operating Expenses:									
Distribution and selling	191,917	46,864	43,521	38,332	41,870	170,587	33,735	31,875	31,490
General and administrative	25,883	6,869	5,532	5,415	7,795	25,611	5,367	5,104	4,687
Depreciation and amortization	6,243	1,679	2,502	2,053	1,823	8,057	1,881	6,842	7,977
Executive & Mgmt transition costs	2,093	2,031	310	87	313	2,741	-	-	-
Restructuring costs	-	-	5,165	1,516	2,485	9,166	209	-	55
Gain on sale of television station	(665)	-	-	-	-	-	-	-	-
Total operating expense	225,471	57,443	57,030	47,403	54,286	216,162	41,192	43,821	44,209
Operating income/(loss)	(18,624)	(20,150)	(9,304)	(5,817)	(17,254)	(52,525)	(5,635)	2,471	(3,395)
Other income (expense):									
Interest income/(expense)	(3,468)	(825)	(858)	(910)	(1,167)	(3,760)	(1,178)	(1,402)	(1,338)
Total other income/(expense)	(3,468)	(825)	(858)	(910)	(1,167)	(3,760)	(1,178)	(1,402)	(1,338)
Income tax benefit (provision)	(65)	(15)	(15)	(14)	33	(11)	(15)	(15)	(15)
Total Net Income/(Loss)	\$ (22,157)	\$ (20,990)	\$ (10,177)	\$ (6,741)	\$ (18,388)	\$ (56,296)	\$ (6,828)	\$ 1,054	\$ (4,748)
EBITDA, as adjusted	\$ (2,419)	\$ (8,474)	\$ 211	\$ (986)	\$ (9,142)	\$ (18,391)	\$ (1,647)	\$ 10,734	\$ 6,428
Weighted average number of common shares outstanding (000's)	6,607	6,732	7,550	7,577	7,990	7,462	8,291	9,532	12,178
Net income/(loss) per common share	\$ (3.35)	\$ (3.12)	\$ (1.35)	\$ (0.89)	\$ (2.30)	\$ (7.54)	\$ (0.82)	\$ 0.11	\$ (0.39)

Summary Balance Sheet



(In thousands)

	F18 02/02/19	F19 02/01/20	F20 Q1 05/02/20	F20 Q2 08/01/20	F20 Q3 10/31/20
Current assets:					
Cash & restricted cash equivalents	\$ 20,935	\$ 10,287	\$ 16,205	\$ 18,703	\$ 18,962
Accounts receivable, net	81,763	63,594	54,817	58,137	53,539
Inventories	65,272	78,863	63,954	61,627	71,666
Current portion of television distribution rights, net	-	-	16,178	18,221	15,420
Prepaid expenses and other	9,053	8,196	7,274	7,013	7,364
Total current assets	<u>177,023</u>	<u>160,940</u>	<u>158,428</u>	<u>163,701</u>	<u>166,951</u>
Property and equipment, net	51,118	47,616	46,186	44,882	43,560
Television distribution rights, net	-	-	5,803	7,263	3,875
Other assets	1,846	4,187	4,321	3,931	4,413
	<u>\$ 229,987</u>	<u>\$ 212,743</u>	<u>\$ 214,738</u>	<u>\$ 219,777</u>	<u>\$ 218,799</u>
Current liabilities:					
Accounts payable	\$ 56,157	\$ 83,659	\$ 79,607	\$ 79,812	\$ 81,168
Accrued liabilities and other	39,897	43,809	55,905	61,240	53,142
Total current liabilities	<u>96,054</u>	<u>127,468</u>	<u>135,512</u>	<u>141,052</u>	<u>134,310</u>
Other long term liabilities	50	335	9,646	9,273	5,619
Long term debt	<u>68,932</u>	<u>66,246</u>	<u>55,676</u>	<u>52,006</u>	<u>49,836</u>
Total liabilities	165,036	194,049	200,834	202,331	189,765
Common stock, preferred stock and warrants	68	82	90	101	130
Additional paid-in capital	442,808	452,833	454,863	457,340	473,647
Accumulated deficit	<u>(377,925)</u>	<u>(434,221)</u>	<u>(441,049)</u>	<u>(439,995)</u>	<u>(444,743)</u>
Total shareholders' equity	64,951	18,694	13,904	17,446	29,034
	<u>\$ 229,987</u>	<u>\$ 212,743</u>	<u>\$ 214,738</u>	<u>\$ 219,777</u>	<u>\$ 218,799</u>

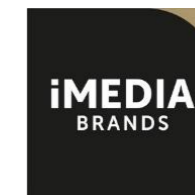
Adjusted EBITDA Reconciliation



(In thousands)

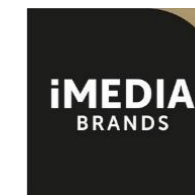
	F18 FY	Q1	Q2	F19 Q3	Q4	FY	Q1	F20 Q2	Q3
Net income (loss)	\$ (22,157)	\$ (20,990)	\$ (10,177)	\$ (6,741)	\$ (18,388)	\$ (56,296)	\$ (6,828)	\$ 1,054	\$ (4,748)
Adjustments:									
Depreciation and amortization	10,164	2,629	3,511	3,052	2,822	12,014	2,905	7,840	8,952
Interest income	(34)	(5)	(6)	(4)	(2)	(17)	(1)	-	(1)
Interest expense	3,502	830	864	914	1,169	3,777	1,179	1,402	1,339
Income taxes	65	15	15	14	(33)	11	15	15	15
EBITDA (as defined)	(8,460)	(17,521)	(5,793)	(2,765)	(14,432)	(40,511)	(2,730)	10,311	5,557
A reconciliation of EBITDA to Adjusted EBITDA is as follows:									
EBITDA (as defined)	(8,460)	(17,521)	(5,793)	(2,765)	(14,432)	(40,511)	(2,730)	10,311	5,557
Less:									
Executive and management transition costs	2,093	2,031	310	87	313	2,741	-	-	-
Inventory impairment write down	-	6,050	-	-	-	6,050	-	-	-
Restructuring costs	-	-	5,165	1,516	2,485	9,166	209	-	55
Rebranding costs	-	-	238	554	473	1,265	-	-	-
Gain on sale of television station	(665)	-	-	-	-	-	-	-	-
Transaction, settlement and integration costs, net	1,549	-	-	(804)	1,498	694	259	315	312
Non-cash share-based compensation expense	3,064	966	291	426	521	2,204	615	108	504
Adjusted EBITDA	\$ (2,419)	\$ (8,474)	\$ 211	\$ (986)	\$ (9,142)	\$ (18,391)	\$ (1,647)	\$ 10,734	\$ 6,428

Cash Flow



(In thousands)	<u>Year Ending</u> <u>February 2,</u> <u>2019</u>	<u>Year Ending</u> <u>February 1,</u> <u>2020</u>	<u>Year-to-date</u> <u>October 31,</u> <u>2020</u>
OPERATING ACTIVITIES:			
Net loss	\$ (22,157)	\$ (56,296)	\$ (10,522)
Adjustments to reconcile net loss to net cash provided by (used for) operating activities-			
Depreciation and amortization	10,164	12,014	19,697
Share-based payment compensation	3,064	2,204	1,227
Inventory impairment write down	-	6,050	-
Gain on sale of television station	(665)	-	-
Amortization of deferred financing costs	215	201	148
Payments for TV distribution rights	-	-	(5,292)
Changes in operating assets and liabilities:			
Accounts receivable, net	14,796	18,285	10,055
Inventories, net	3,539	(18,816)	7,197
Deferred revenue	(35)	58	90
Prepaid expenses and other	905	776	1,472
Accounts payable and accrued liabilities	(2,614)	29,367	(14,964)
Net cash provided by (used for) operating activities	<u>7,212</u>	<u>(6,157)</u>	<u>9,108</u>
INVESTING ACTIVITIES:			
Property and equipment additions	(8,768)	(7,146)	(3,680)
Cash paid for business acquisitions	-	(638)	-
Proceeds from the sale of assets	665	-	-
Net cash provided by (used for) investing activities	<u>(8,103)</u>	<u>(7,784)</u>	<u>(3,680)</u>
FINANCING ACTIVITIES:			
Proceeds from issuance of revolving loans	239,300	188,100	14,400
Proceeds from issuance of term loans	5,821	-	-
Proceeds from issuance of common stock and warrants	-	6,000	20,043
Proceeds from exercise of stock options	181	-	-
Payments on revolving loan	(245,300)	(188,100)	(28,800)
Payments on term loans	(2,325)	(2,488)	(2,036)
Payments for common stock issuance costs	-	(109)	(39)
Payments for business acquisition	-	-	(238)
Payments for deferred financing costs	(96)	-	-
Payments for restricted stock issuance	(133)	(39)	(8)
Payments for finance leases	(12)	(71)	(75)
Net cash provided by (used for) financing activities	<u>(2,564)</u>	<u>3,293</u>	<u>3,247</u>
Net increase/(decrease) in cash	(3,455)	(10,648)	8,675
BEGINNING CASH AND RESTRICTED CASH EQUIVALENTS	<u>24,390</u>	<u>20,935</u>	<u>10,287</u>
ENDING CASH AND RESTRICTED CASH EQUIVALENTS	<u><u>20,935</u></u>	<u><u>10,287</u></u>	<u><u>18,962</u></u>

Key Operating Metrics



	<u>F18 FY</u>	<u>F19 Q1</u>	<u>F19 Q2</u>	<u>F19 Q3</u>	<u>F19 Q4</u>	<u>F19 FY</u>	<u>F20 Q1</u>	<u>F20 Q2</u>	<u>F20 Q3</u>
Net Shipped Units (000s)	9,235	1,899	1,750	1,578	1,645	6,872	1,348	1,763	1,664
Average Selling Price	\$ 58	\$ 63	\$ 68	\$ 66	\$ 67	\$ 65	\$ 64	\$ 63	\$ 58
Return Rate %	19.0%	20.2%	19.8%	19.0%	18.4%	19.4%	17.8%	11.9%	14.4%
ShopHQ Digital Sales %	53.1%	52.5%	52.7%	51.5%	53.7%	52.5%	53.1%	50.1%	49.1%
Transaction Costs per Unit	\$ 2.70	\$ 3.12	\$ 3.08	\$ 3.36	\$ 3.44	\$ 3.24	\$ 3.19	\$ 2.66	\$ 2.93
Total Variable Costs % of Net Sales	9.3%	9.8%	9.5%	9.8%	8.9%	9.5%	9.6%	7.9%	8.5%
ShopHQ Mobile % of Digital Sales	54.0%	58.7%	58.5%	57.7%	54.2%	57.3%	55.6%	55.5%	55.5%
Interactive Voice Response %	21%	20%	19%	19%	17%	19%	17%	21%	21%
Total Customers (000s)*	1,205	496	484	426	470	1,041	389	488	442
Average Purchase Frequency - Items	8.5	4.2	4.0	4.1	3.9	7.4	3.8	4.1	4.3
<u>% of ShopHQ Net Merchandise Sales by Category</u>									
Jewelry & Watches	38%	43%	48%	45%	41%	44%	46%	36%	40%
Home & Consumer Electronics	25%	20%	19%	23%	32%	23%	16%	11%	16%
Beauty & Wellness	19%	18%	19%	18%	15%	18%	24%	43%	34%
Fashion & Accessories	<u>18%</u>	<u>19%</u>	<u>14%</u>	<u>14%</u>	<u>12%</u>	<u>15%</u>	<u>14%</u>	<u>10%</u>	<u>10%</u>
	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.

iMEDIA BRANDS

