



 overstock.com[®]

Q3 2016
Financial Results

Safe Harbor

The information presented herein may contain forward-looking statements. Such forward-looking statements include all statements other than statements of historical fact, including forecasts of trends. These forward-looking statements are inherently difficult to predict. Actual results could differ materially for a variety of reasons, including the amount and timing of our capital expenditures, the mix of products we sell, the results of legal proceedings and claims and the amounts we spend relating to them, the extent to which we owe income taxes, competition, fluctuations in operating results, any inability to raise capital if needed on acceptable terms, our efforts to expand both domestically and internationally, risks of inventory management and seasonality. Other risks and uncertainties include, among others, risks related to new products and services we may offer, and difficulties with our infrastructure, our fulfillment partners or our payment processors, including cyber-attacks or data breaches affecting us or any of them. More information about factors that could potentially affect our financial results is included in our Form 10-Q for the quarter ended June 30, 2016 which was filed with the Securities and Exchange Commission on August 4, 2016. These and our other subsequent filings with the Securities and Exchange Commission identify important factors that could cause our actual results to differ materially from those contained in our projections, estimates and other forward-looking statements.

Q3 2016 Results - OSTK Total

Revenue

\$441.6 Million

(13% increase vs. Q3 2015)

Gross Profit Dollars

\$79.7 Million

(10% increase vs. Q3 2015)

Gross Margin

18.1%

(vs. 18.5% in Q3 2015)

Contribution Dollars*

\$49.2 Million

(12% increase vs. Q3 2015)

Contribution Margin*

11.1%

(vs. 11.2% in Q3 2015)

Tech and G&A Expense***

\$50.1 Million

(9% increase vs. Q3 2015)

Pre-Tax Income (Loss)***

(\$3.9 Million)

(\$0.9M) – Retail

(\$3.0M) – Medici

(vs. (\$2.6) million in Q3 2015)

Net Income (Loss)**

(\$3.1 Million)

(vs. (\$2.1) million in Q3 2015)

TTM Operating Cash Flow

\$75.5 Million

(vs. \$44.9 million in Q3 2015)

* Non-GAAP

** Net Income (loss) refers to Net income (loss) attributable to stockholders of Overstock.com, Inc.

*** Q3 2016 results include pre-tax charges of \$3.9M related to impairment of an international minority investment we hold and bad debt expense for accounts receivable owed to us from this entity.

Q3 2016 Results - Retail Only (Direct and Partner)

Revenue

\$437.6 Million

(12% increase vs. Q3 2015)

Gross Profit Dollars

\$78.4 Million

(8% increase vs. Q3 2015)

Gross Margin

17.9%

(vs. 18.5% in Q3 2015)

Contribution Dollars*

\$47.9 Million

(9% increase vs. Q3 2015)

Contribution Margin*

11.0%

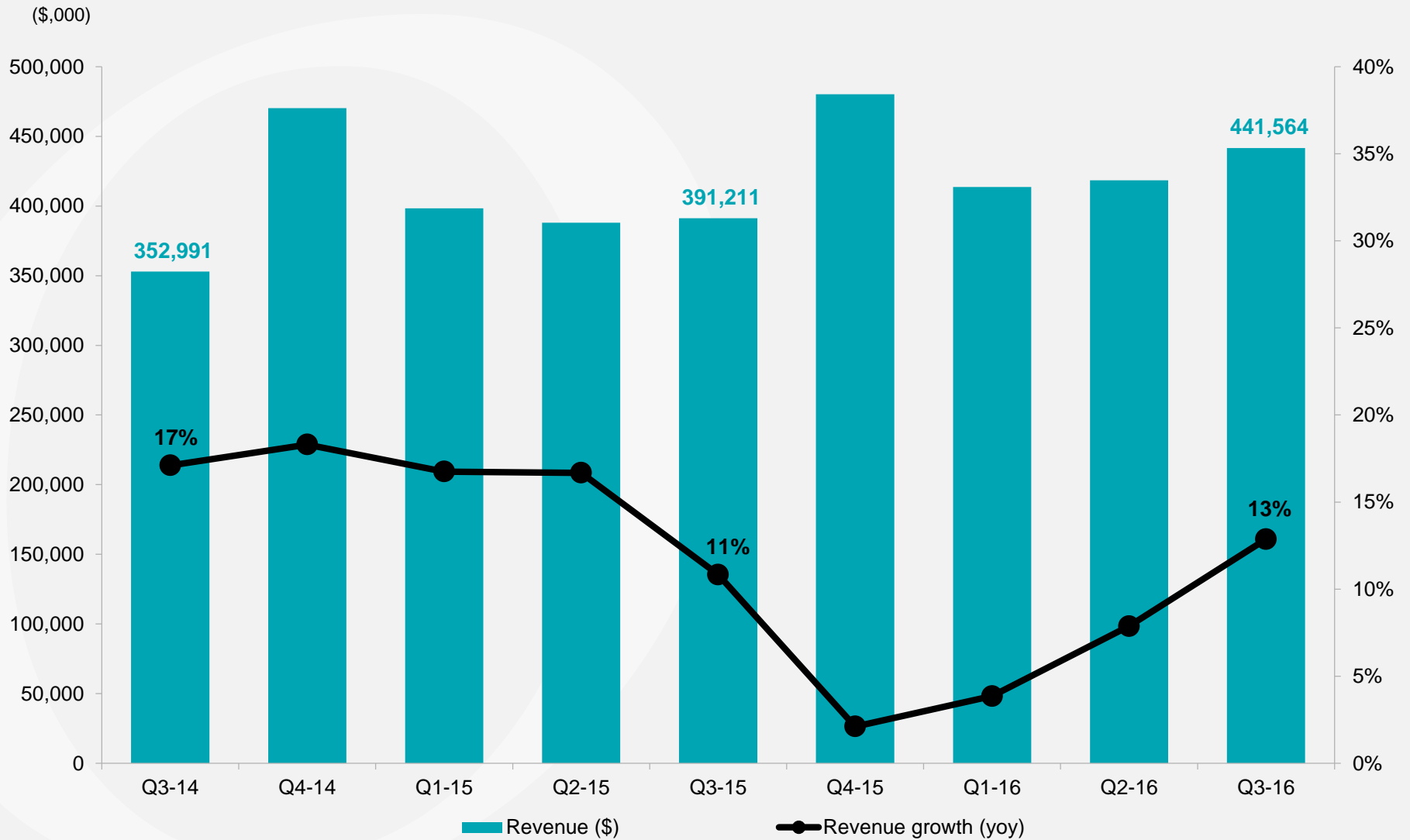
(vs. 11.3% in Q3 2015)

Pre-Tax Loss of **(\$0.9M)**
including \$3.9M of
impairment related charges

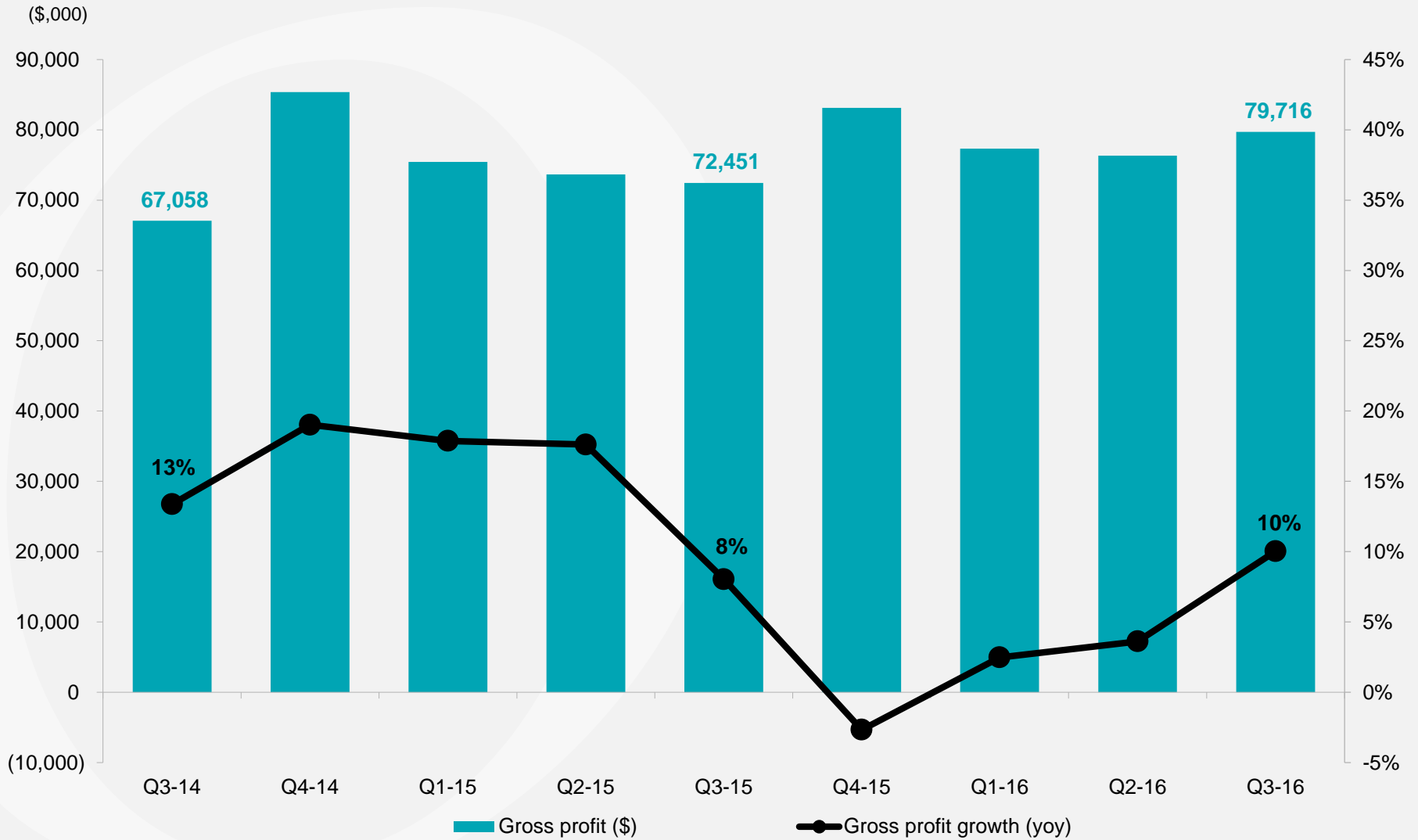
(vs. pre-tax income of \$0.8M in Q3 2015)

* Non-GAAP

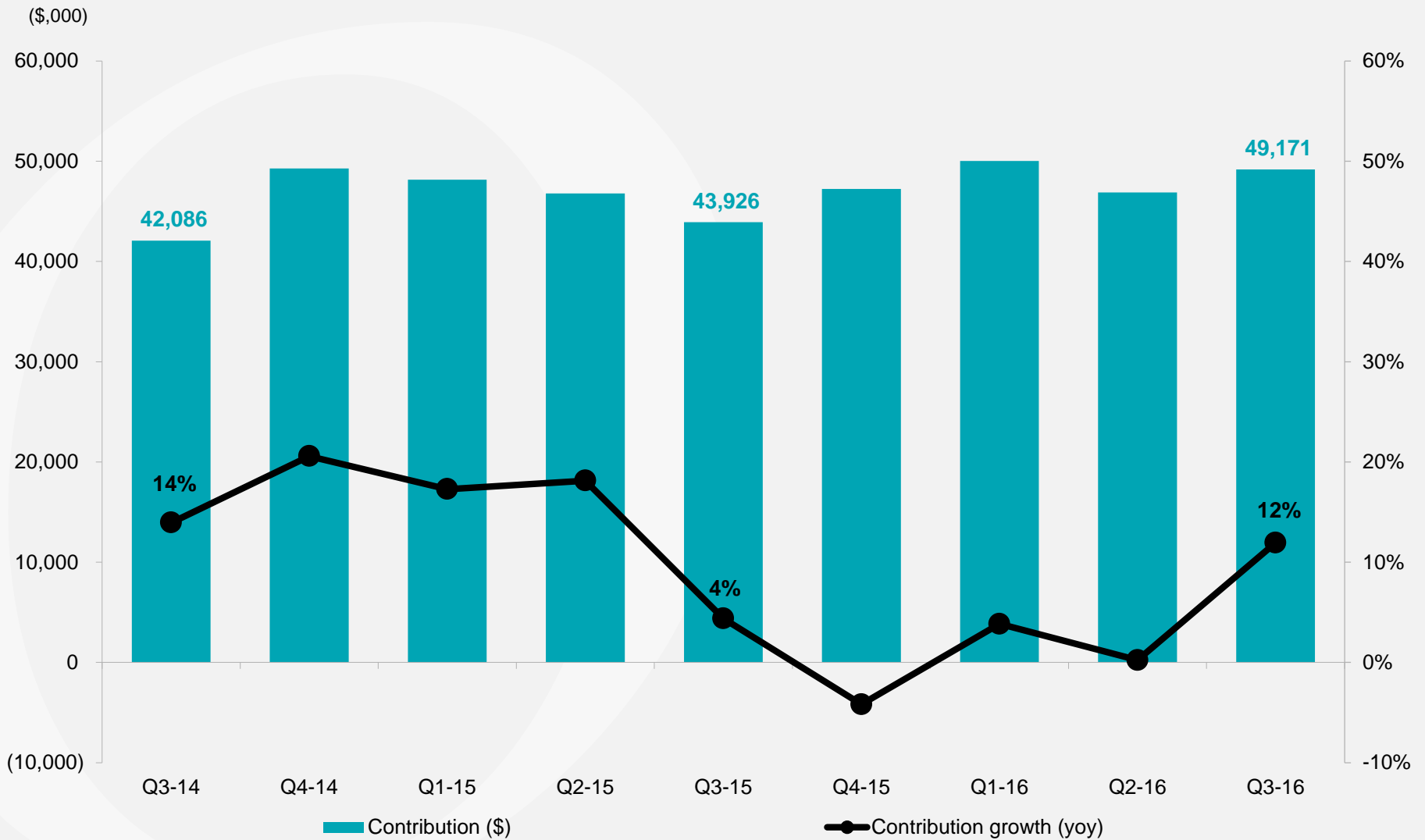
Quarterly Revenue and Growth



Quarterly Gross Profit and Growth

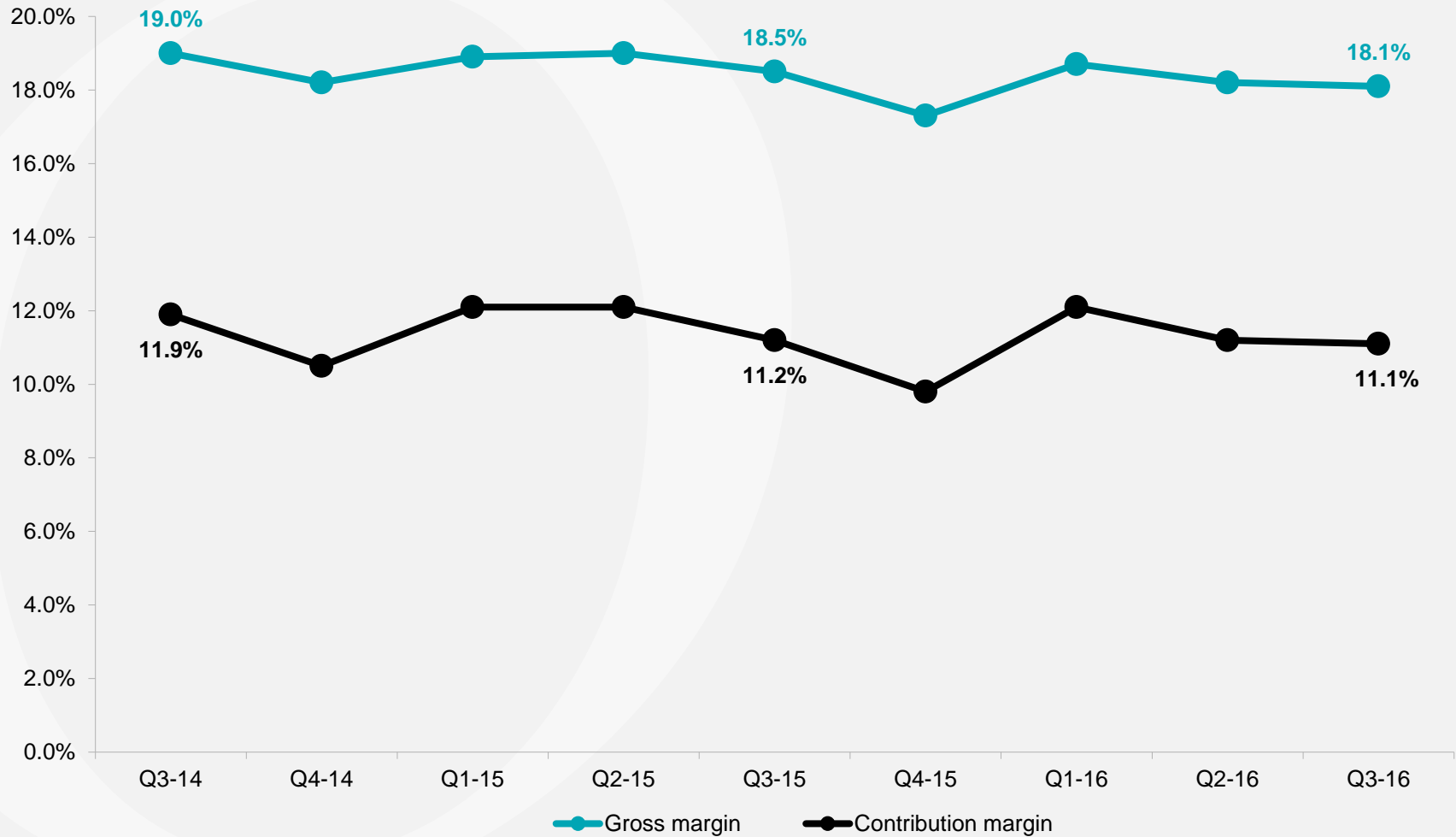


Quarterly Contribution and Growth*



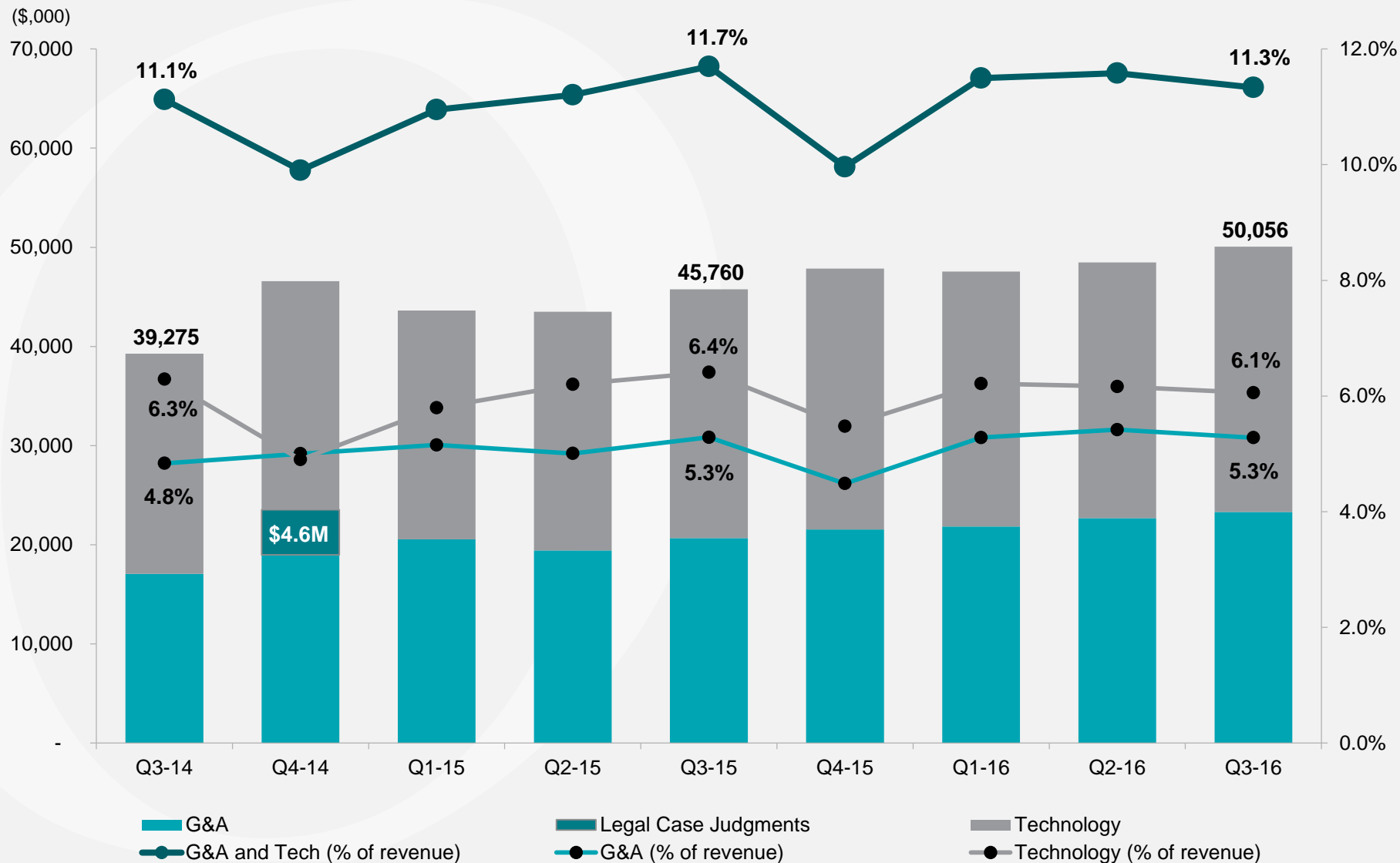
* Non-GAAP: Contribution dollars = Gross profit less Sales & Marketing expense plus Club O Rewards and Gift Card breakage.

Quarterly Gross Margin and Contribution Margin*

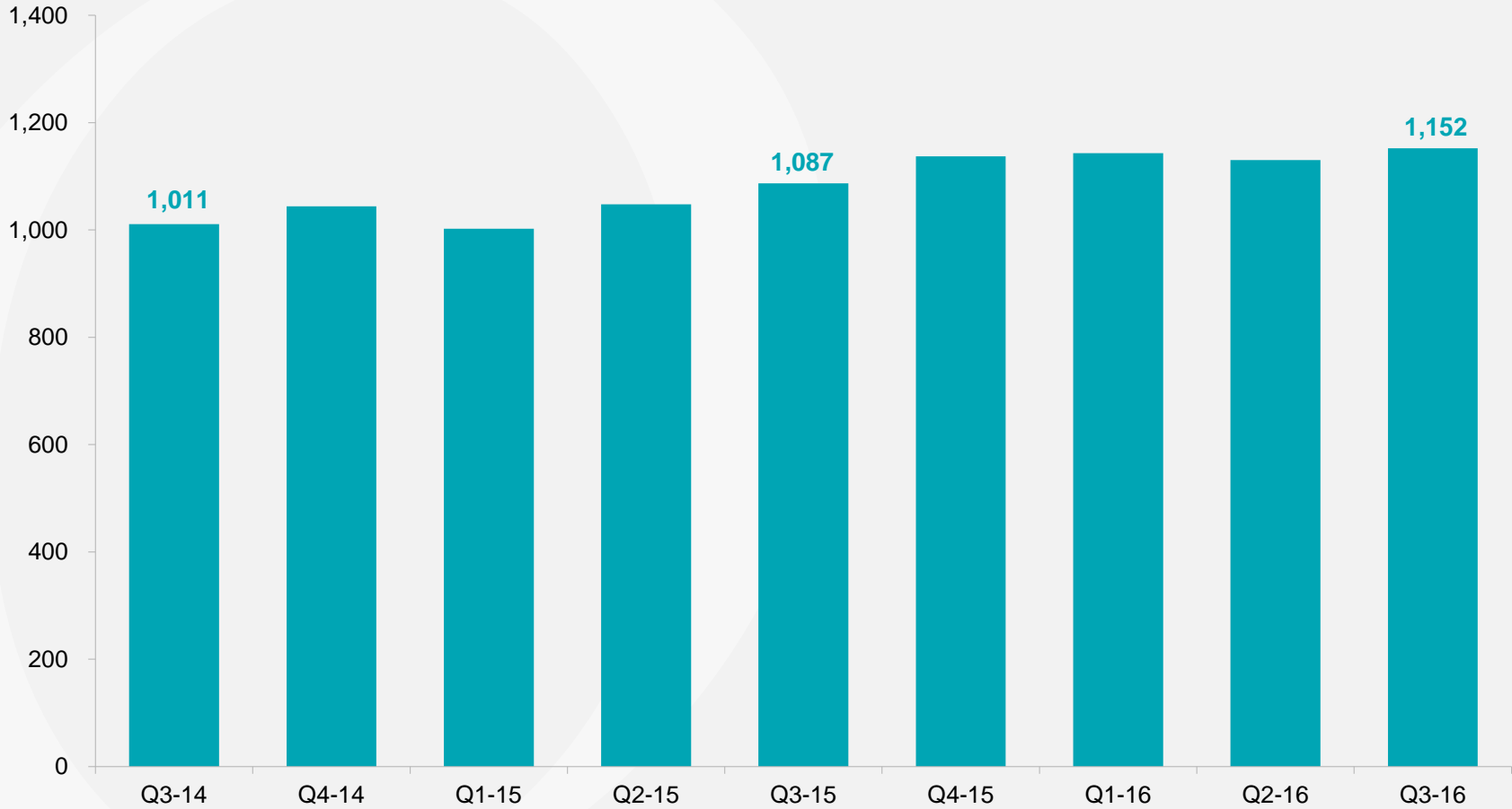


* Non-GAAP: Contribution margin = Gross profit less Sales & Marketing expense plus Club O Rewards and Gift Card breakage as a percentage of revenue.

Technology and G&A Expenses \$s and % of Revenue

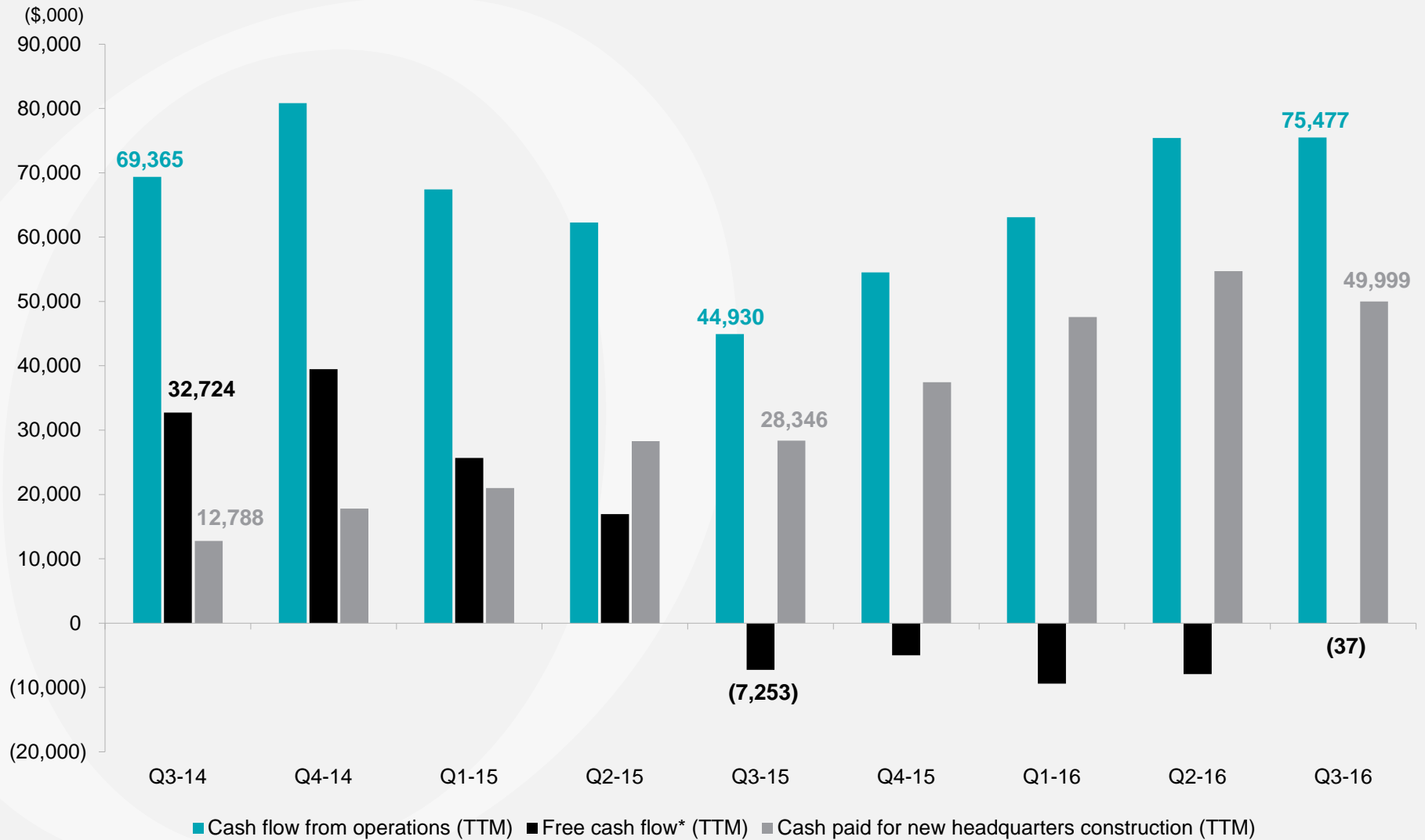


Corporate Employees



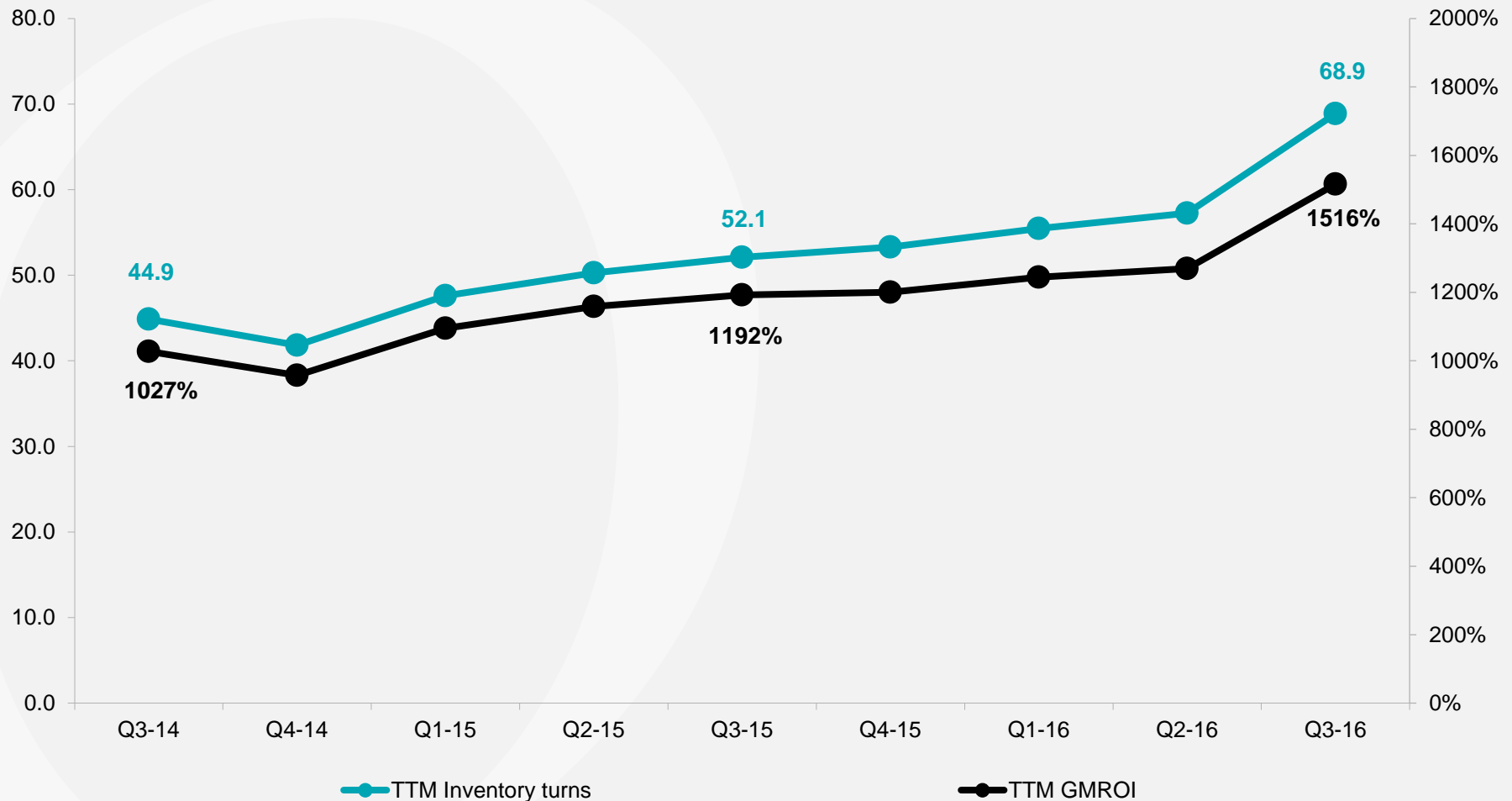
* Corporate employees excludes customer service and warehouse staff.

Operating and Free Cash Flow* (TTM)



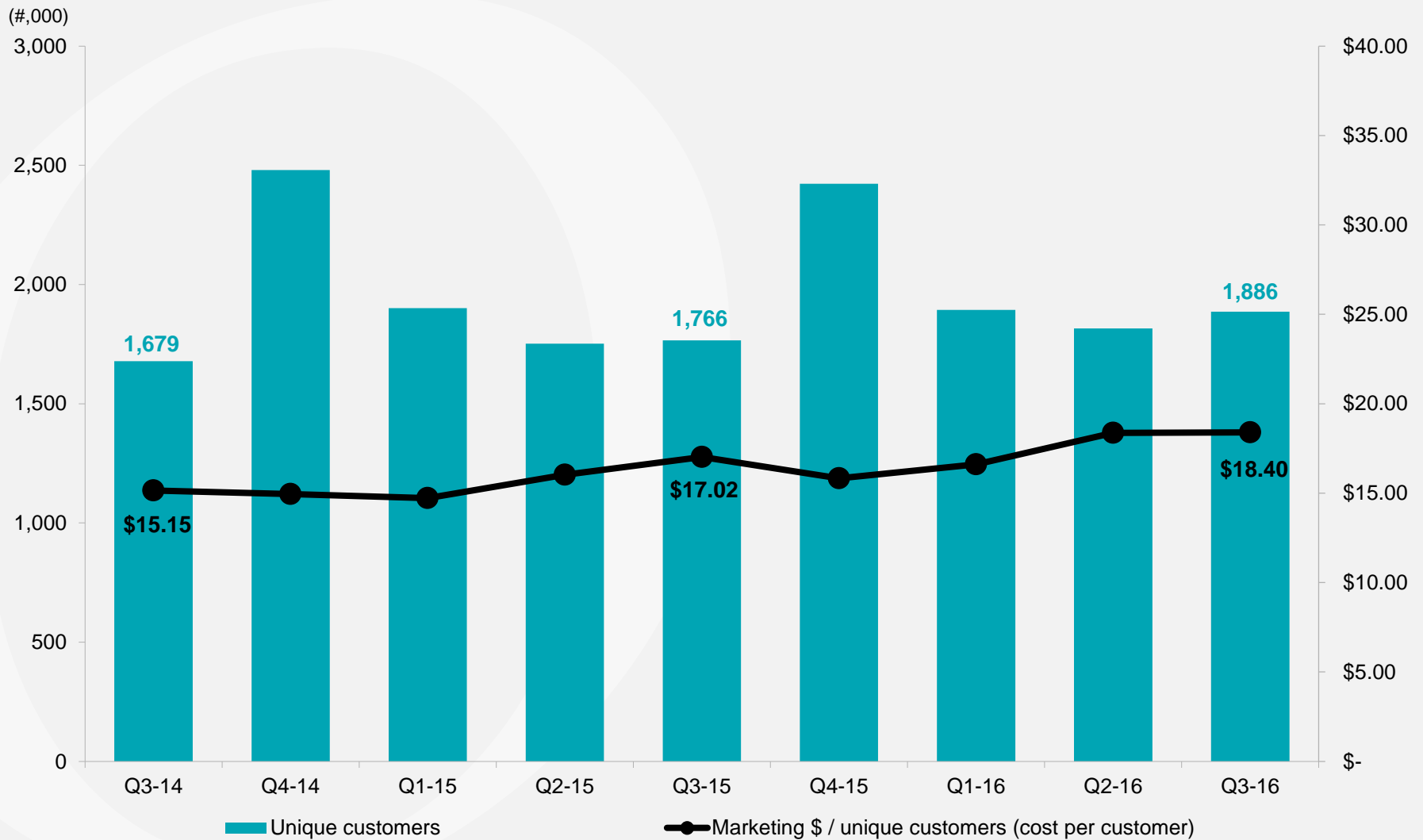
* Non-GAAP: Free Cash Flow = Cash Flow from Operations less Expenditures for Fixed Assets.

GAAP TTM Inventory Turns and GMROI

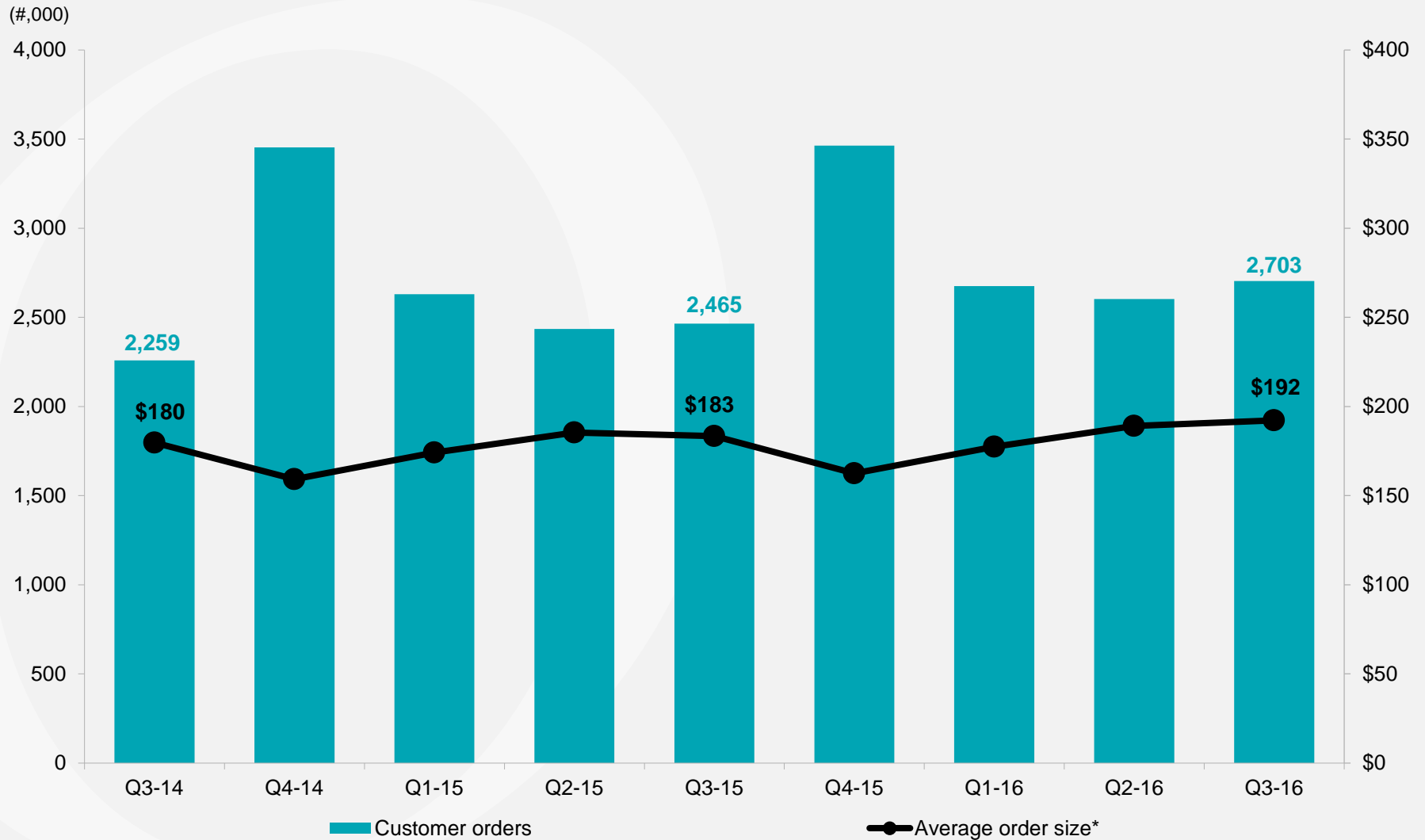


TTM Inventory Turns = TTM COGS / Average Inventory
 TTM GMROI = TTM Gross Margin % * TTM Revenue / Average Inventory

Unique Customers and Cost Per Customer

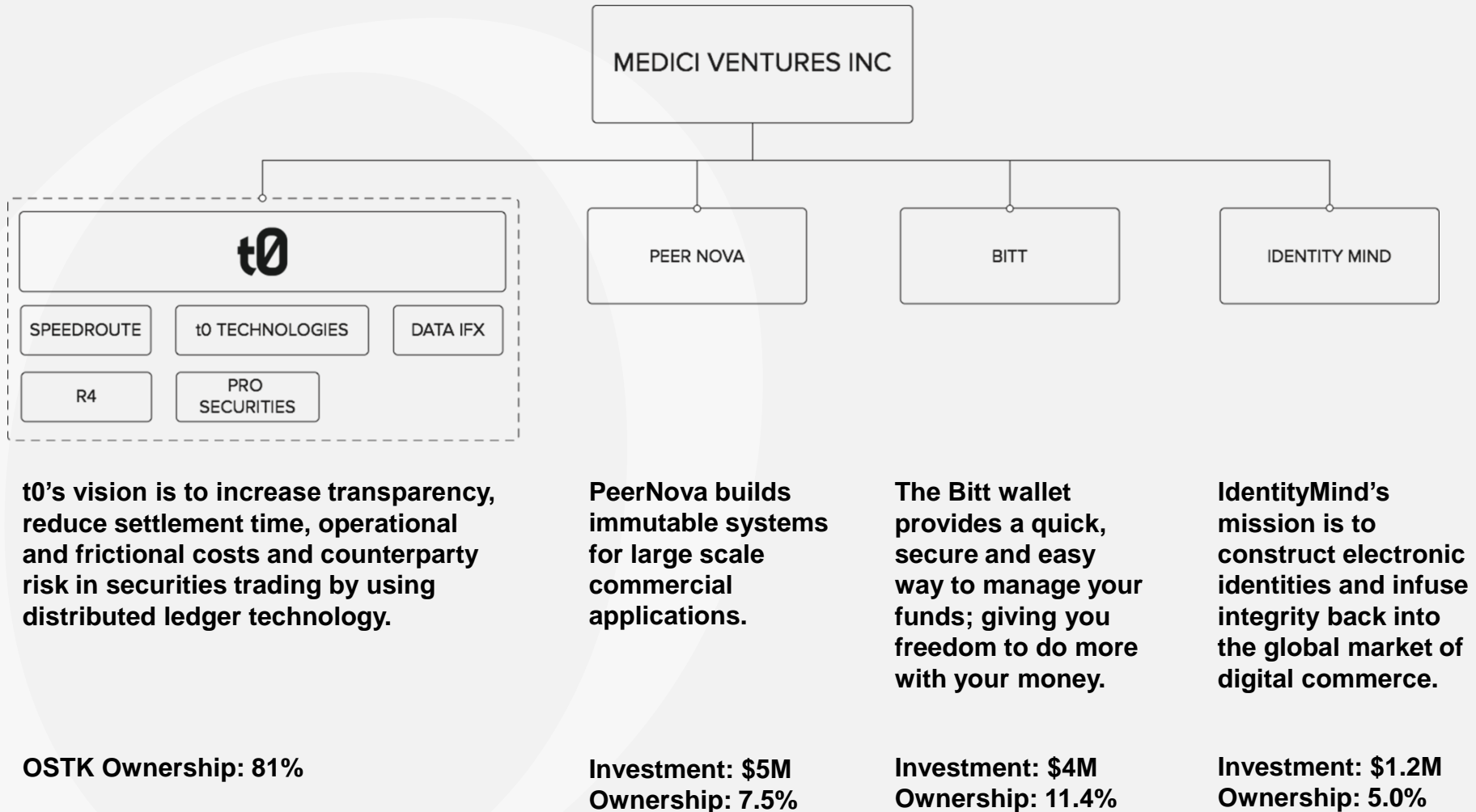


Customer Orders and Average Order Size*



* Average Order Size is measured at the time of order, before promotional discounts and shipping revenue.

Medici - Emerging Structure



Medici - The March Toward History

- October 2014 – Announcement of Medici
- June 2015 – Cryptobond I
- August 2015 – Cryptobond II
- October 2015 – Announcement of Acquisition of t0.com
- December 2015 – S-3 Declared Effective
- March 2016 – Computershare as Transfer Agent
- April 2016 – Georgeson as Information Agent
- September 2016 – Keystone as Broker-Dealer
- October 2016 – ETC as Custodian
- Now – First Ever Public Blockchain Equity Offering
 - November 10 – Record Date
 - November 15 – Subscription Period Begins
 - December 6 – Subscription Period Ends

Email all questions to:
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