



 overstock.com[®]

Q4 and Fiscal Year 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 September 30, 2016 which was filed with the Securities and Exchange Commission on November 3, 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.

Q4 2016 Results - OSTK Total

Revenue

\$526.2 Million

(10% increase vs. Q4 2015)

Gross Profit Dollars

\$98.0 Million

(18% increase vs. Q4 2015)

Gross Margin

18.6%

(vs. 17.3% in Q4 2015)

Contribution Dollars*

\$54.2 Million

(15% increase vs. Q4 2015)

Contribution Margin*

10.3%

(vs. 9.8% in Q4 2015)

Tech and G&A Expense

\$50.0 Million

(4% increase vs. Q4 2015)

Pre-Tax Income (Loss)

\$3.9 Million

\$6.8M – Retail**
(\$3.0M) – Medici**

(vs. (\$2.0) million in Q4 2015)

\$0.3M – Retail**
(\$2.3M) – Medici**

Net Income***

\$3.1 Million

(vs. \$110,000 in Q4 2015)

TTM Operating Cash Flow

\$39.6 Million

(vs. \$54.5 million in Q4 2015)

* Non-GAAP

** Excluding intercompany transactions eliminated in consolidation

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

Q4 2016 Results - Retail Only (Direct and Partner)

Revenue

\$521.5 Million

(9% increase vs. Q4 2015)

Gross Profit Dollars

\$96.8 Million

(19% increase vs. Q4 2015)

Gross Margin

18.6%

(vs. 17.1% in Q4 2015)

Contribution Dollars*

\$53.1 Million

(16% increase vs. Q4 2015)

Contribution Margin*

10.2%

(vs. 9.6% in Q4 2015)

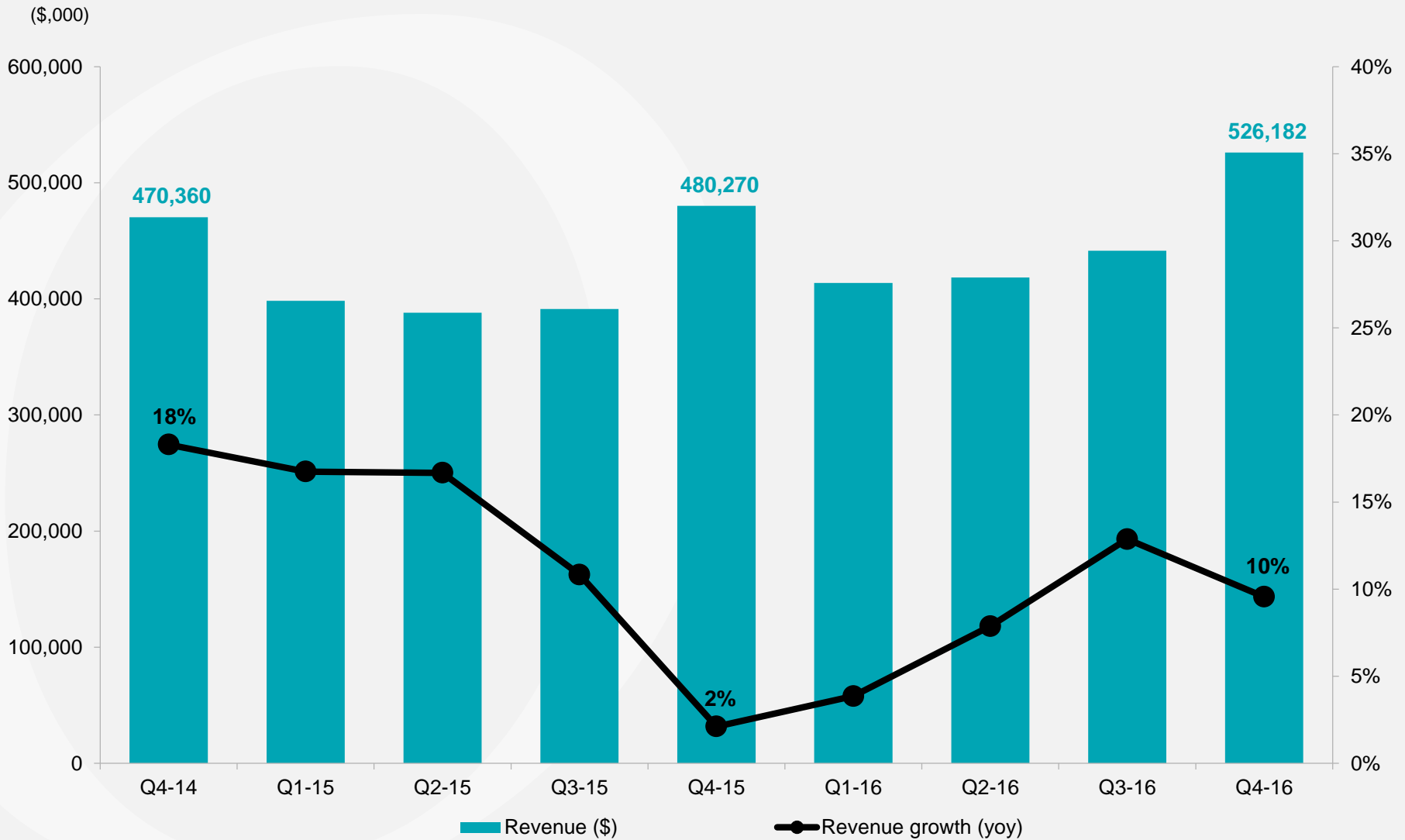
Pre-Tax Income

\$6.8M

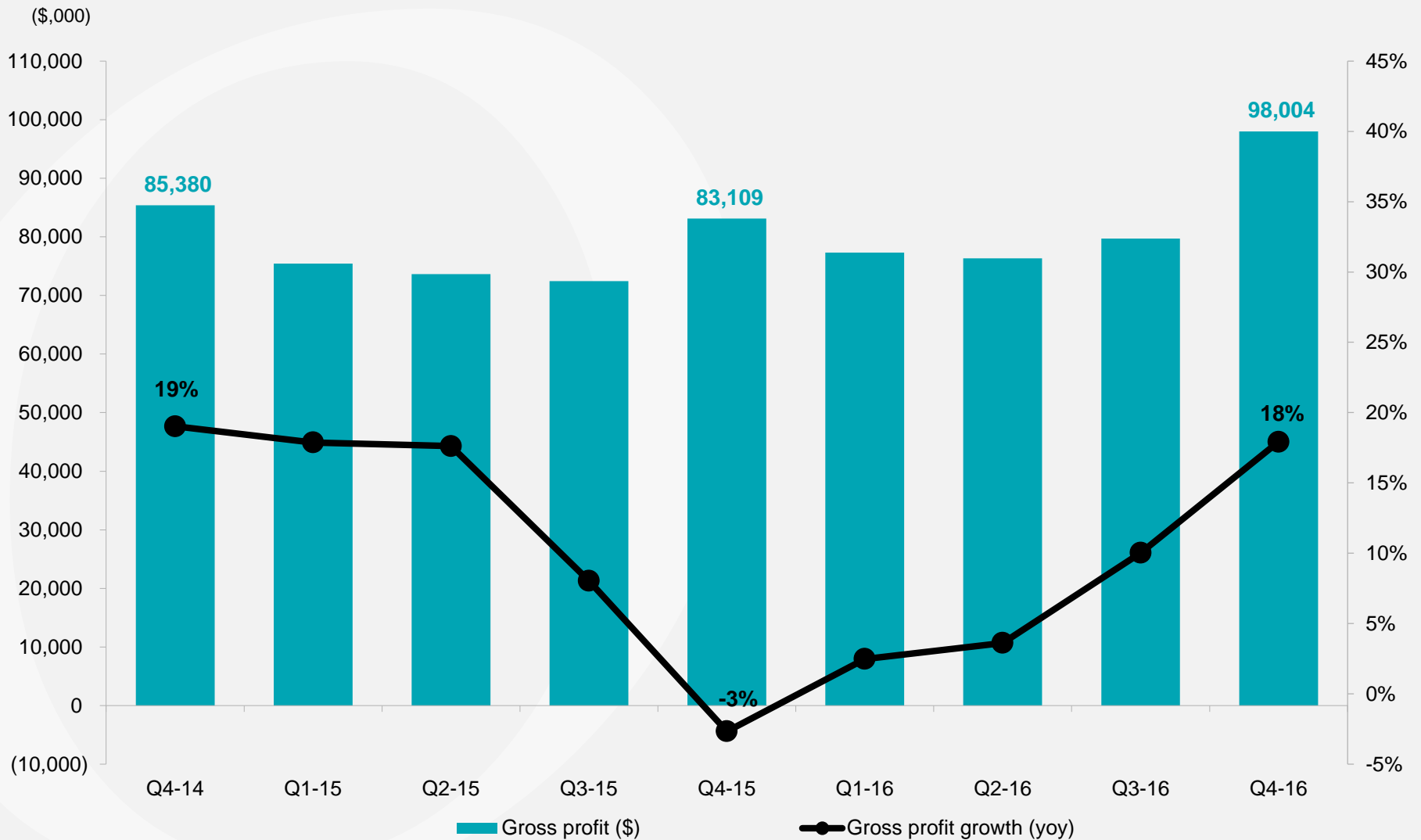
(vs. pre-tax income of \$0.3M in Q4 2015)

* Non-GAAP

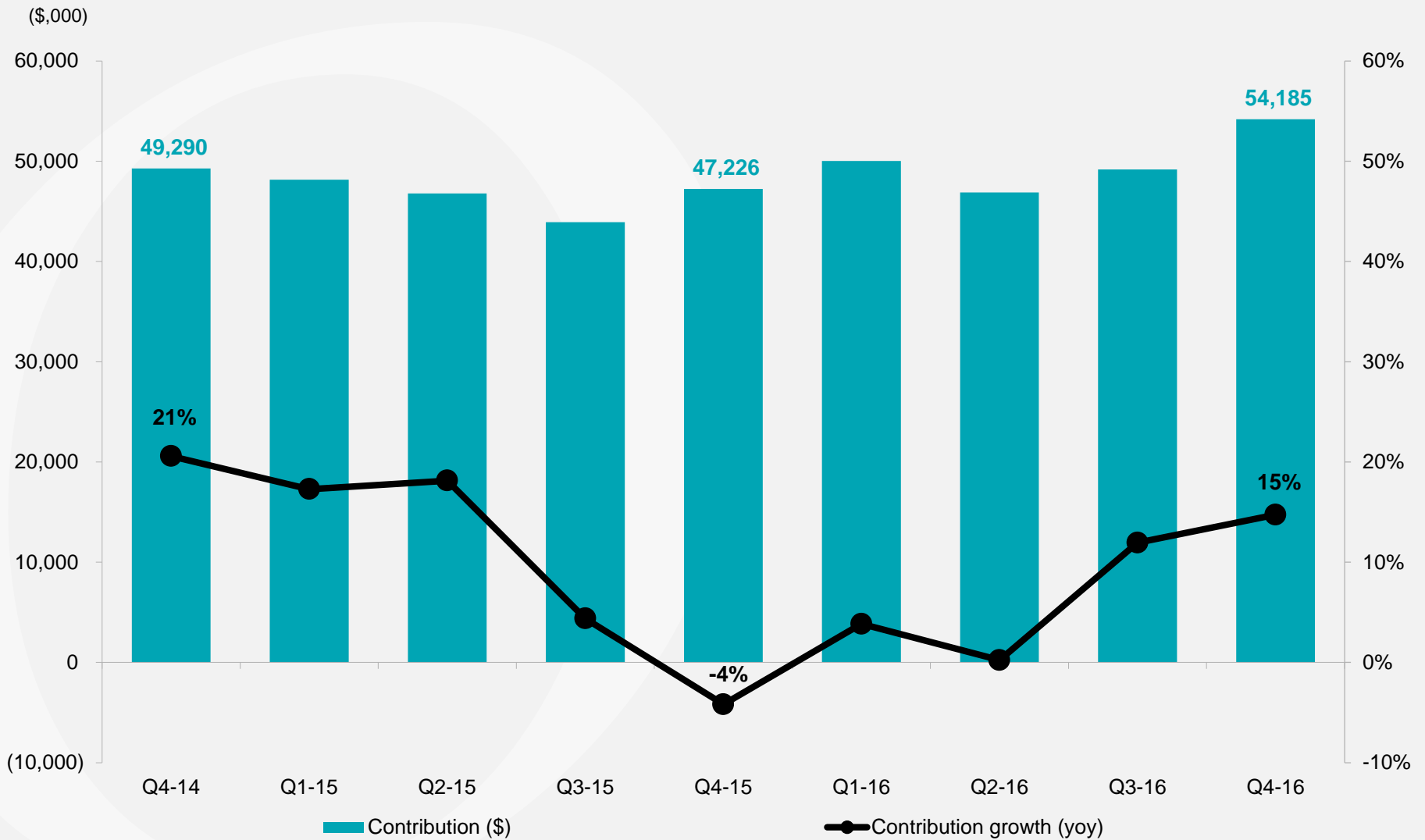
Quarterly Revenue and Growth



Quarterly Gross Profit and Growth

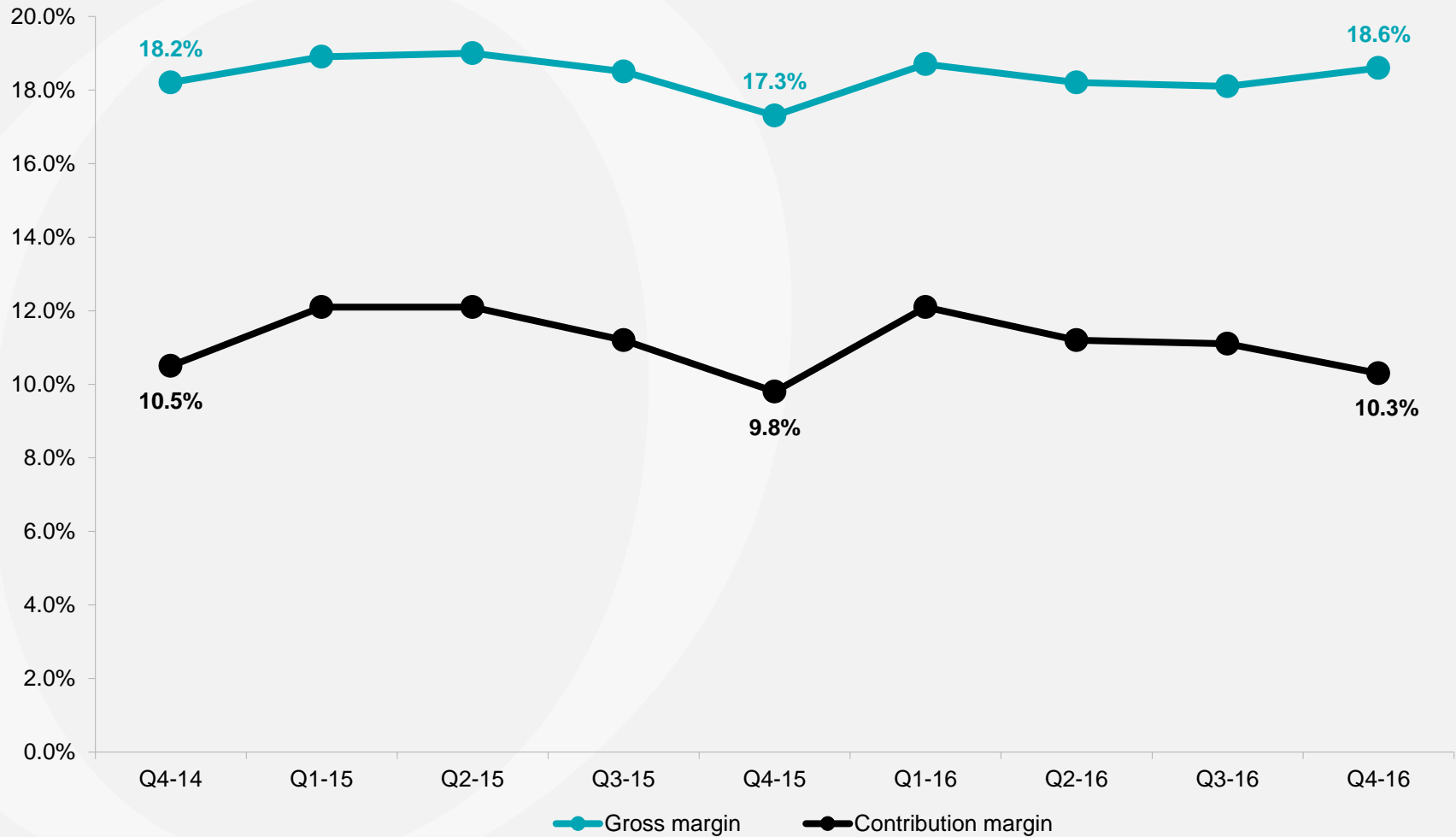


Quarterly Contribution and Growth*



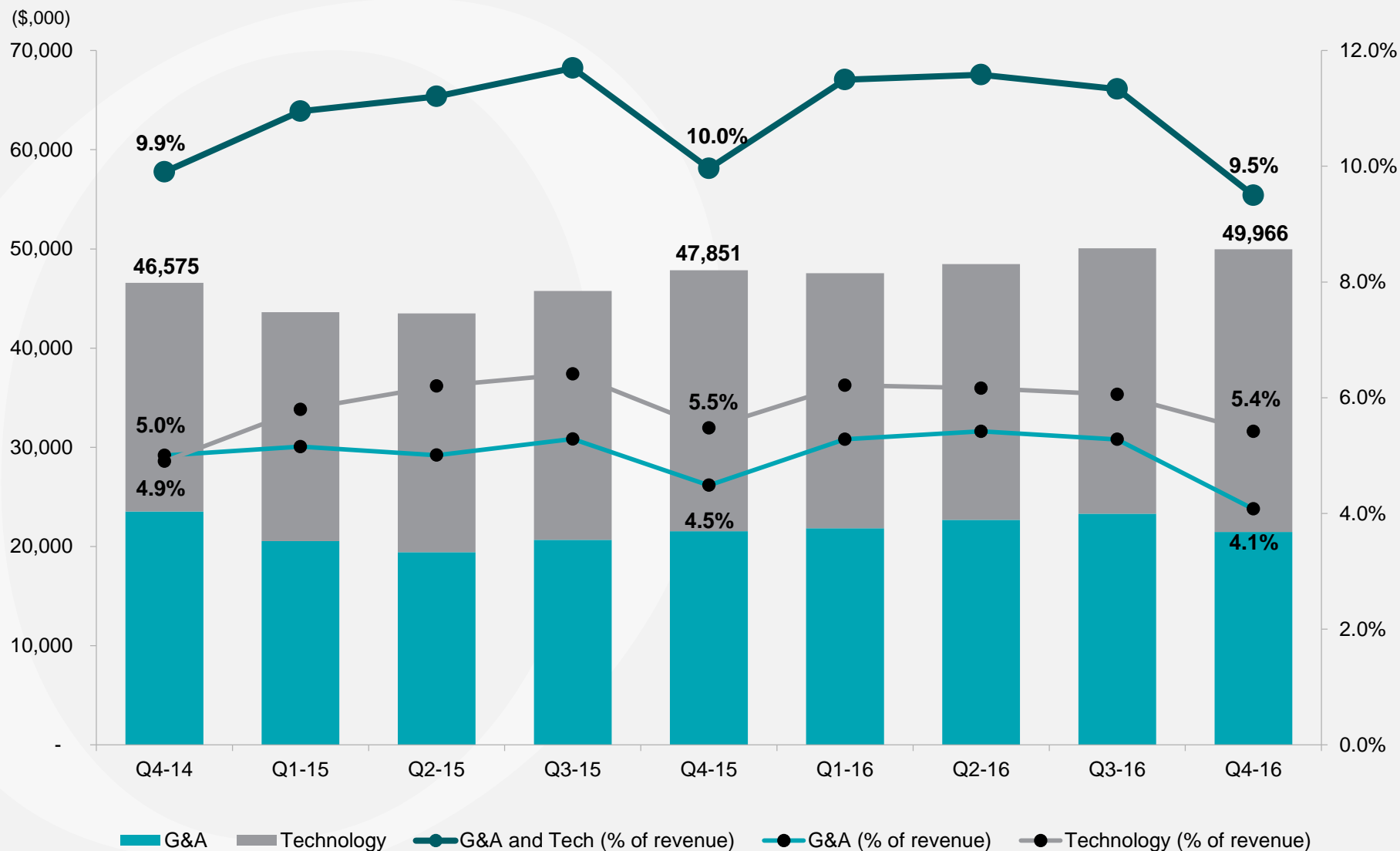
* Non-GAAP: Contribution dollars = Gross profit less Sales & Marketing expense plus Club O Rewards and Gift Card breakage.

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



2016 Annual Results - OSTK Total

Revenue

\$1.8 Billion

(9% increase vs. 2015)

Gross Profit Dollars

\$331.3 Million

(9% increase vs. 2015)

Gross Margin

18.4%

(vs. 18.4% in 2015)

Contribution Dollars*

\$200.3 Million

(8% increase vs. 2015)

Contribution Margin*

11.1%

(vs. 11.2% in 2015)

Tech and G&A Expense

\$196.1 Million

(8% increase vs. 2015)

Pre-Tax Income (Loss)

\$20.5 Million

\$32.3M – Retail**
(\$11.8M) – Medici**

(vs. \$3.1 million in 2015)
\$10.1M – Retail**
(\$7.0M) – Medici**

Net Income***

\$12.5 Million

(vs. \$2.4 million in 2015)

TTM Operating Cash Flow

\$39.6 Million

(vs. \$54.5 million in 2015)

* Non-GAAP

** Excluding intercompany transactions eliminated in consolidation

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

2016 Annual Results - Retail Only (Direct and Partner)

Revenue

\$1.8 Billion

(8% increase vs. 2015)

Gross Profit Dollars

\$326.4 Million

(8% increase vs. 2015)

Gross Margin

18.3%

(vs. 18.3% in 2015)

Contribution Dollars*

\$195.8 Million

(6% increase vs. 2015)

Contribution Margin*

11.0%

(vs. 11.1% in 2015)

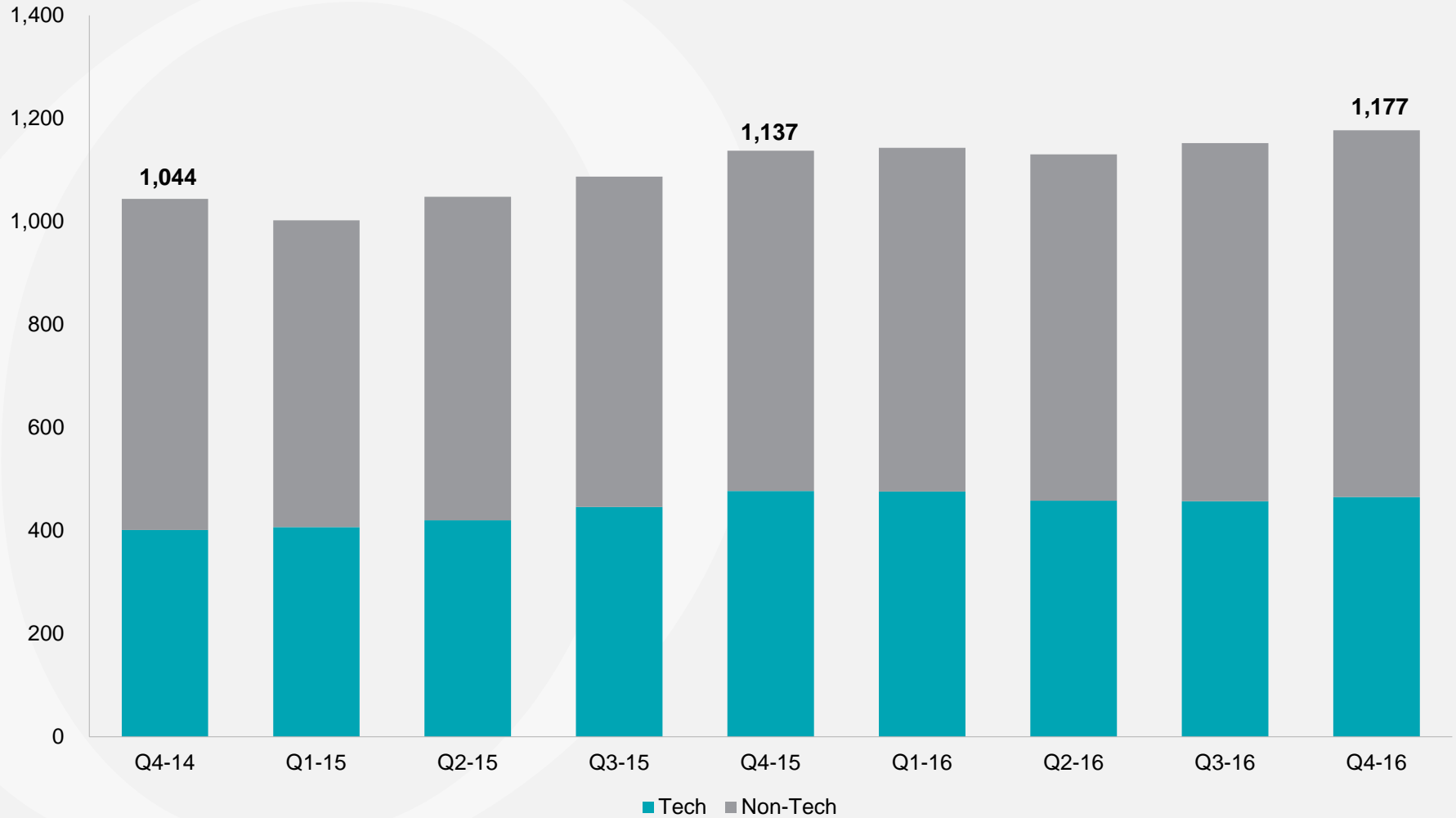
Pre-Tax Income

\$32.3M

(vs. pre-tax income of \$10.1M in 2015)

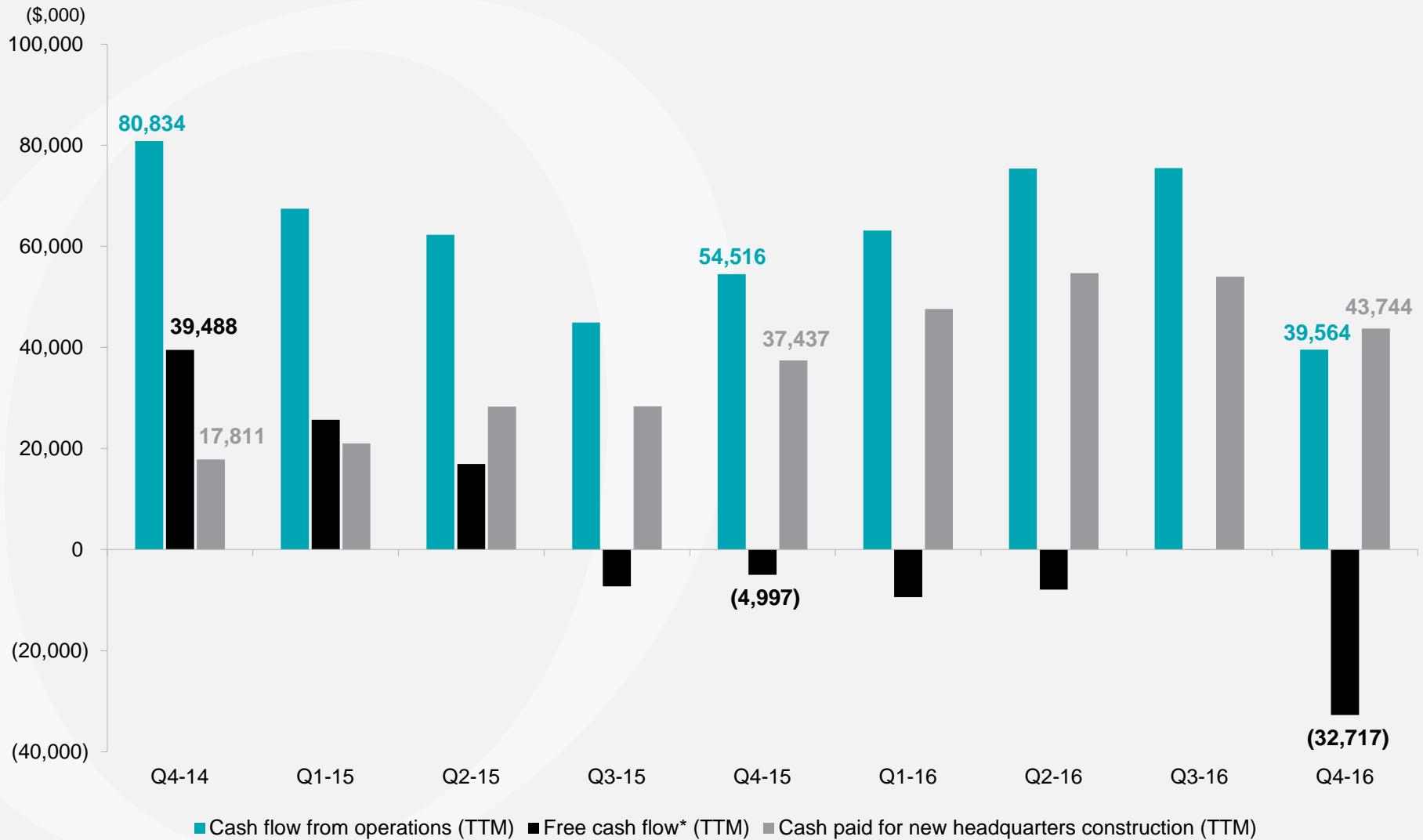
* Non-GAAP

Corporate Employees



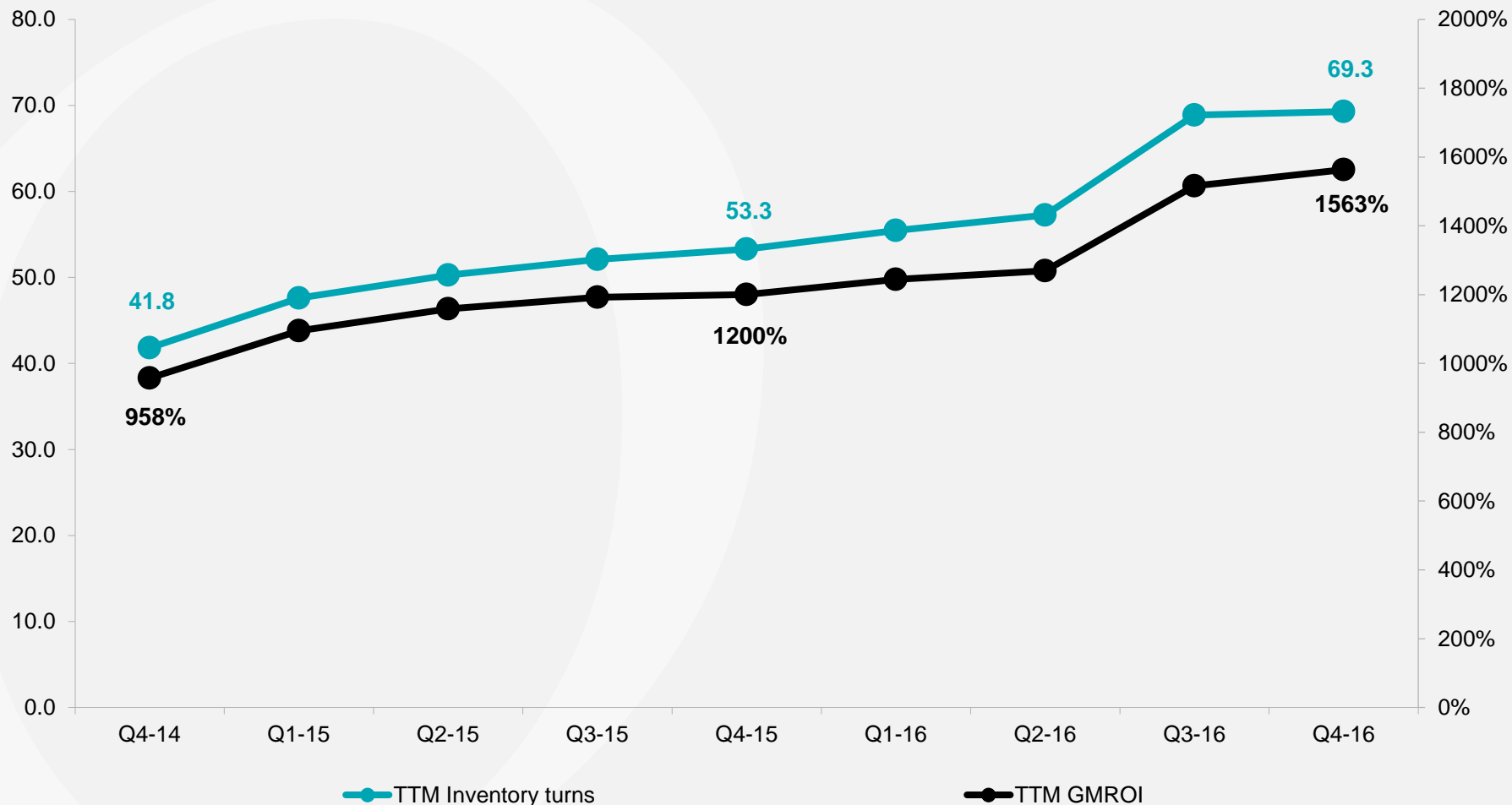
* Corporate employees excludes customer service and warehouse staff.

Operating and Free Cash Flow* (TTM)



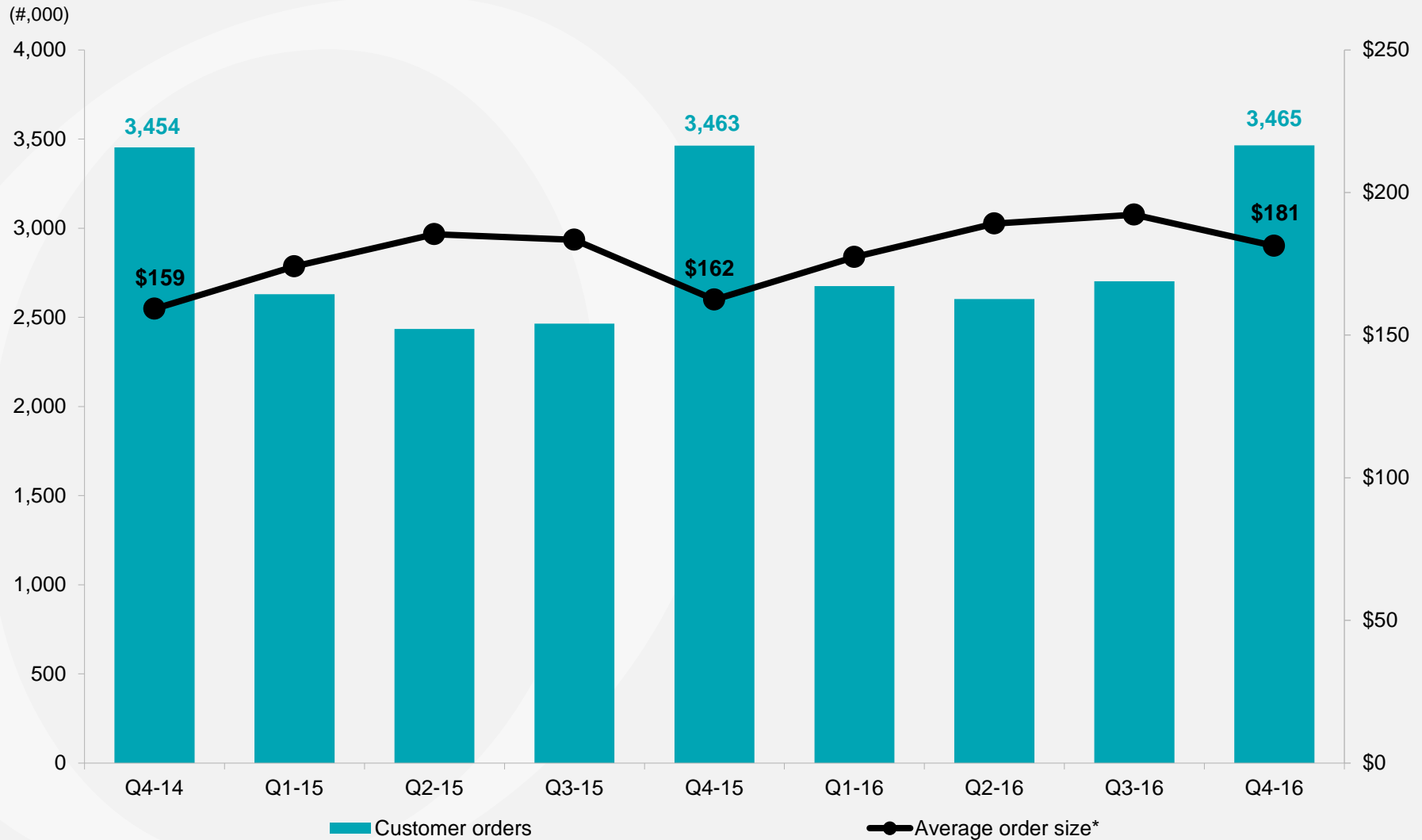
* Non-GAAP: Free Cash Flow = Cash Flow from Operations less Expenditures for Fixed Assets.

GAAP TTM Inventory Turns and GMROI



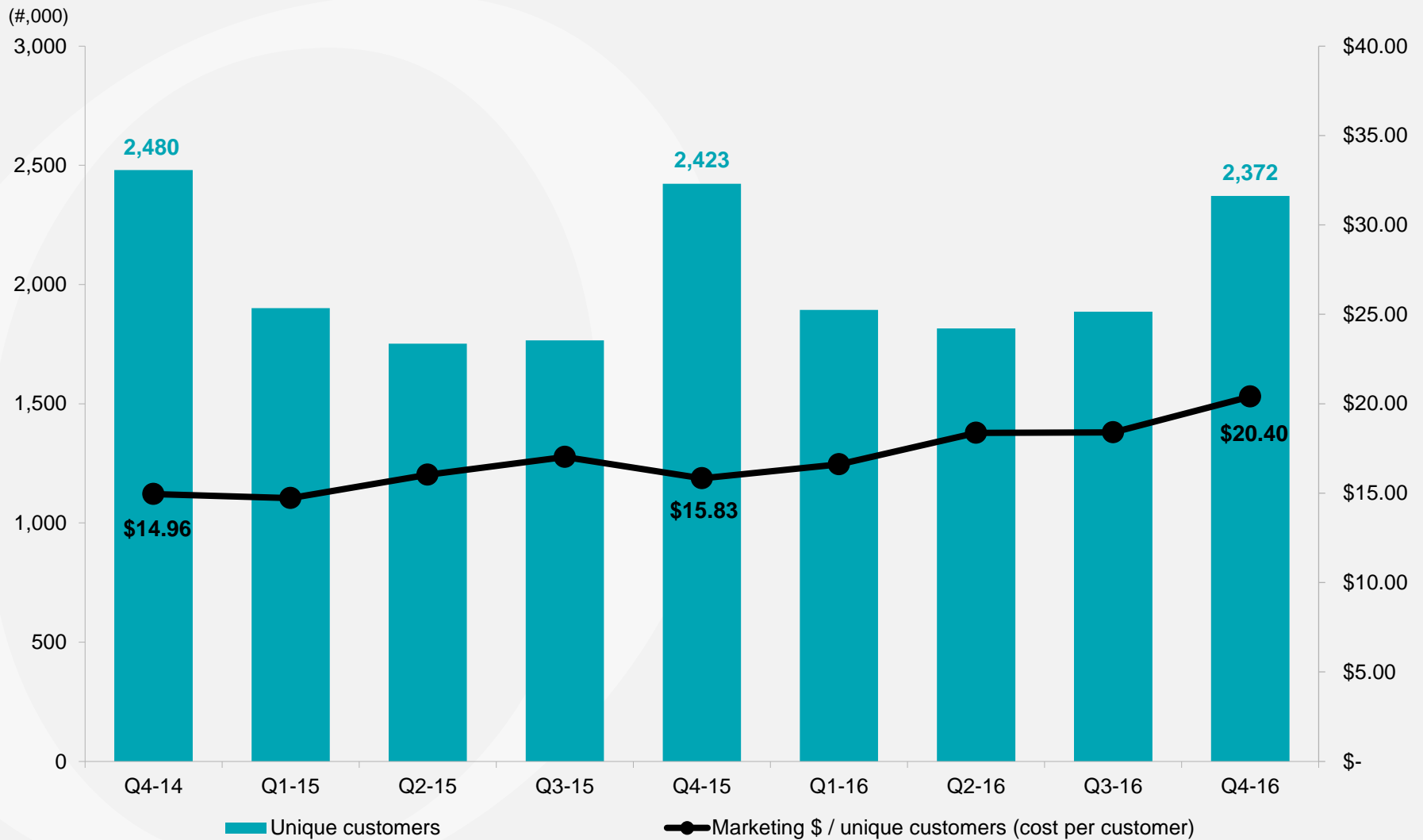
TTM Inventory Turns = TTM COGS / Average Inventory
 TTM GMROI = TTM Gross Margin % * TTM Revenue / Average Inventory

Customer Orders and Average Order Size*

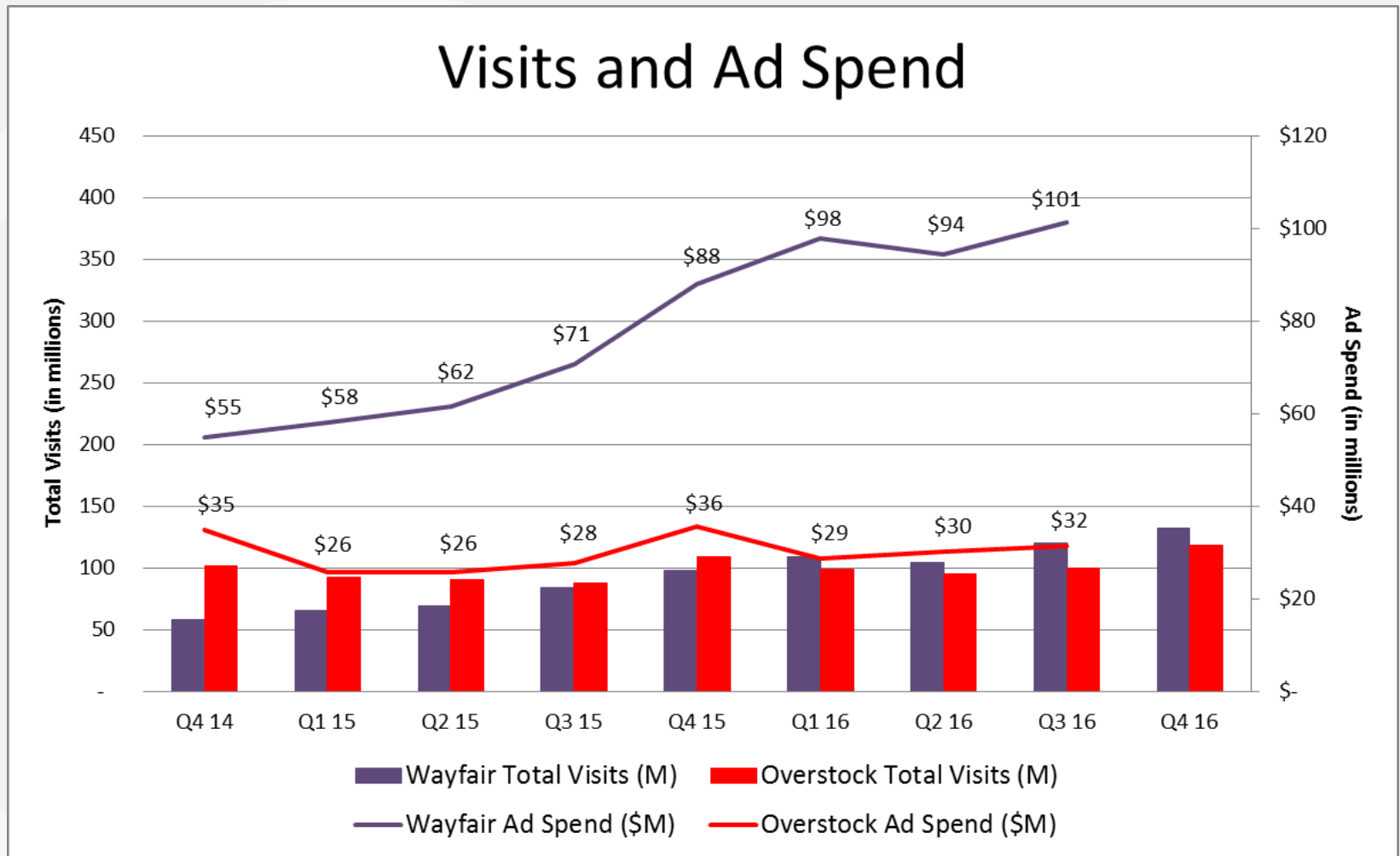


* Average Order Size is measured at the time of order, before promotional discounts and shipping revenue.

Unique Customers and Cost Per Customer



Wayfair Comparison – Visits and Ad Spend

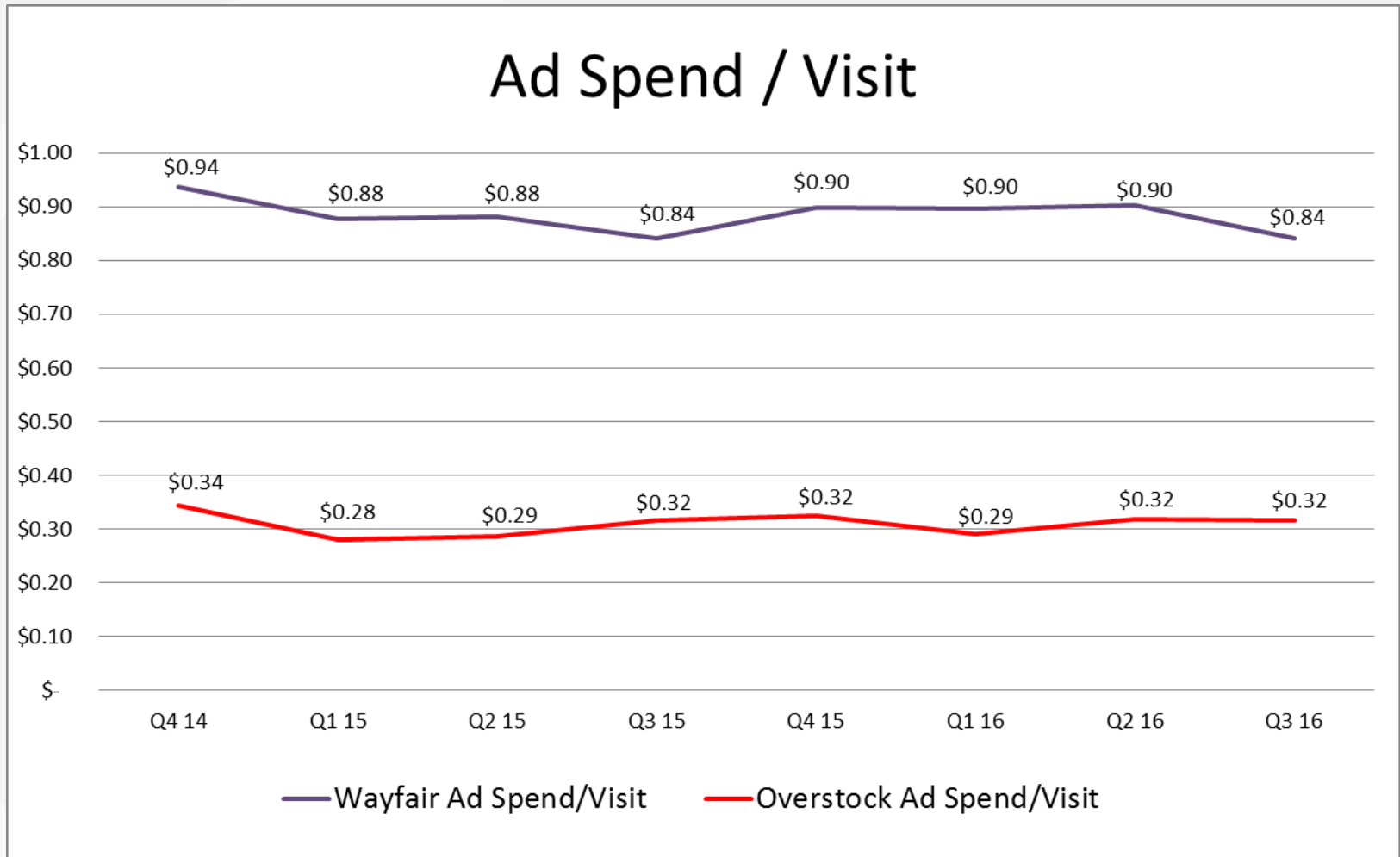


Note:

Ad Spend data source: Overstock and Wayfair 10-Qs;

Visit data source: Hitwise, a division of Connexity

Wayfair Comparison – Ad Spend / Visit

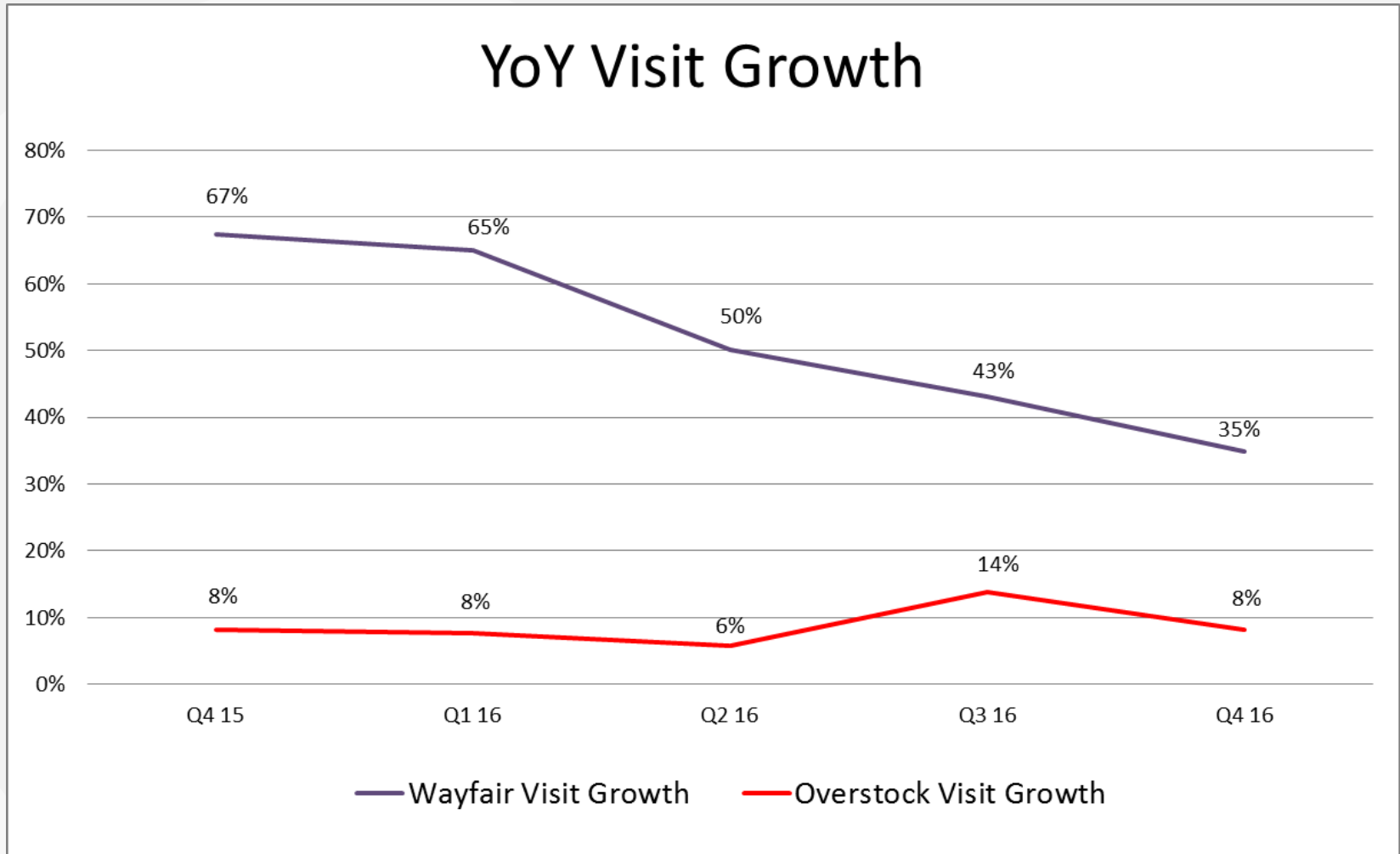


Note:

Ad Spend data source: Overstock and Wayfair 10-Qs;

Visit data source: Hitwise, a division of Connexity

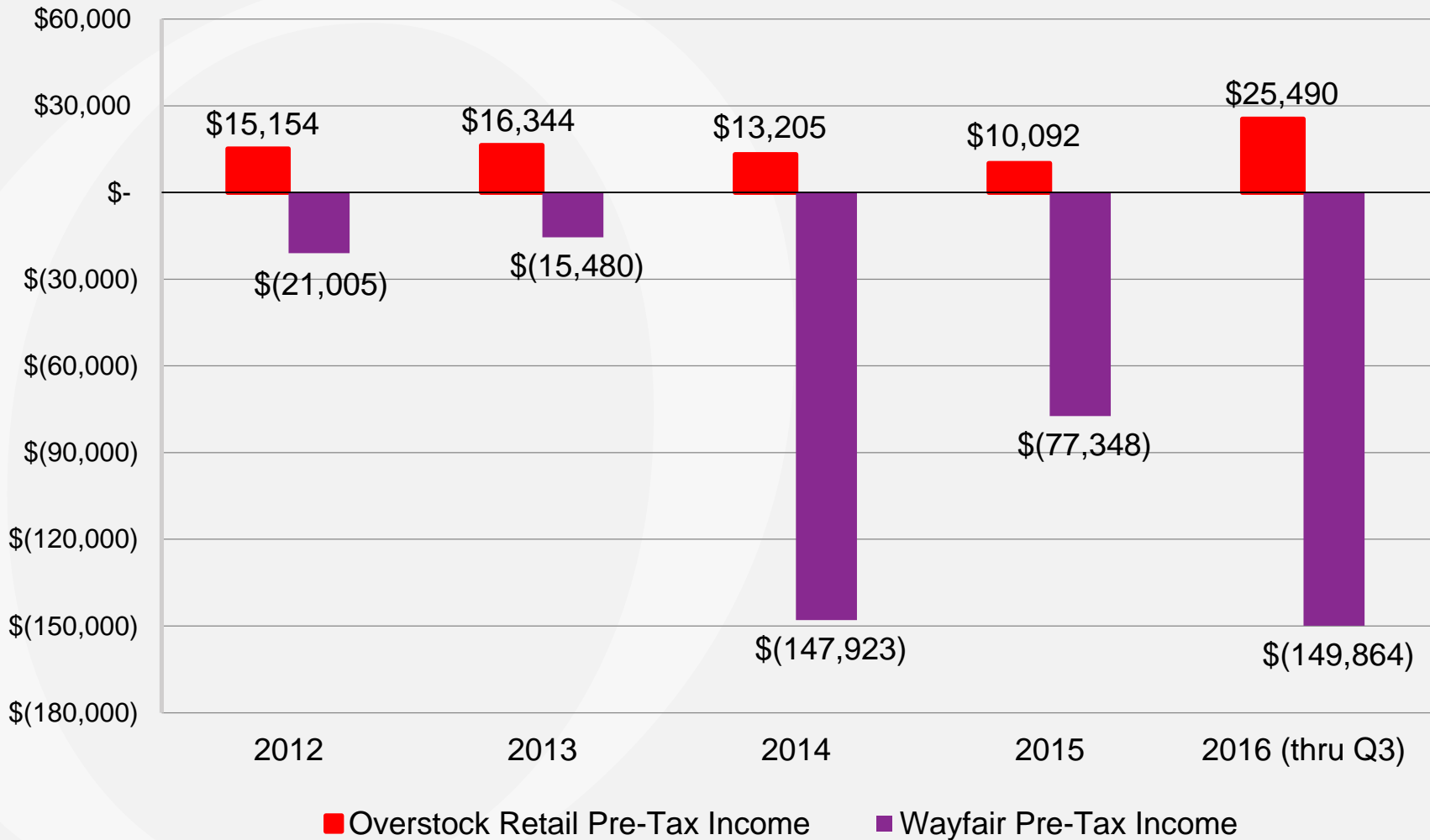
Wayfair Comparison – YoY Visit Growth



Note:

Visit data source: Hitwise, a division of Connexity

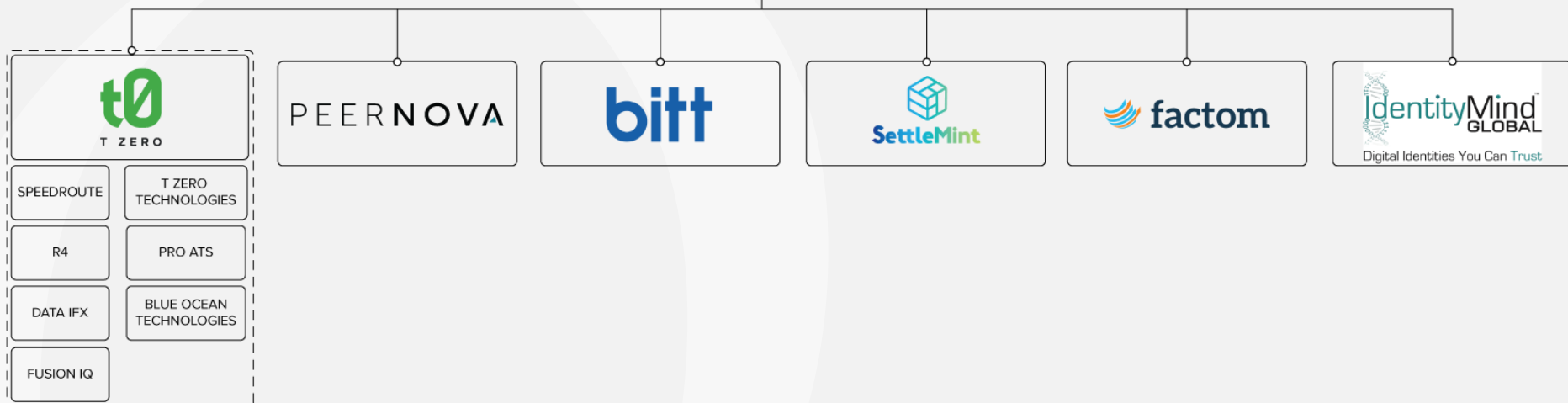
Wayfair Comparison – Pre-Tax Income (Loss)



Note:

Source: Overstock and Wayfair 10-Ks and 10-Qs

Medici Structure



t0's platform integrates cryptographically secure distributed ledgers with existing market processes to reduce settlement time and costs, increase transparency, efficiency, and availability for multiple asset classes.

PeerNova builds immutable systems for large scale commercial applications.

The Bitt wallet provides a quick, secure and easy way to manage your funds; giving you freedom to do more with your money.

SettleMint seeks to develop blockchain solutions for voting and land titling.

Factom seeks to develop blockchain solutions for mortgage compliance and land titling.

IdentityMind's mission is to construct electronic identities and infuse integrity back into the global market of digital commerce.

Acquisition (Aug 2015): \$30M
Other: \$10M
OSTK Ownership: 81%

Date: Jan 2015
Investment: \$5.6M
Ownership: 7.5%

Date: Apr 2016
Investment: \$4M
Ownership: 11.4%

Date: Jan 2017
Investment: €0.3M
Ownership: 30%

Date: Dec 2016
Investment: \$750K
Ownership: 2.5%

Date: Apr 2015
Investment: \$1.2M
Ownership: 5.0%

t0 - First Public Blockchain Equity Offering Completed

- October 2014 – Announcement of Medici
- June 2015 – Cryptobond I
- August 2015 – Cryptobond II
- August 2015 – Announcement of SpeedRoute Acquisitions
- December 2015 – S-3 Declared Effective
- March 2016 – Computershare as Transfer Agent for Digital Securities
- April 2016 – Georgeson as Information Agent
- September 2016 – Keystone as Broker-Dealer
- October 2016 – ETC as Custodian
- **December 2016 – First Ever Blockchain Equity Offering Completed!**

Email all questions to:
ir@overstock.com

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