hhgregg, Inc.
Non-GAAP Financial Measures As Discussed in Investor Conference Call on January 26, 2017
(Unaudited)

During our Investor Conference Call on January 26, 2017 and on previous investor calls, we discussed net loss, as adjusted, net loss per diluted share, as adjusted, EBITDA and Adjusted EBITDA, which are considered non-GAAP financial measures. A description of each of these measures, and a reconciliation of the measure to the comparable GAAP item is set forth below.

HHGREGG, INC. AND SUBSIDIARIES
NON-GAAP RECONCILIATION OF NET LOSS, AS ADJUSTED AND
DILUTED NET LOSS PER SHARE, AS ADJUSTED,
(UNAUDITED)

	Three Months Ended December 31,		Nine Months Ended December 31,	
(Amounts in thousands, except share data)	**2016**	**2015**	**2016**	**2015**
Net loss as reported	$ (58,269)	$ (26,913)	$ (83,873)	$ (45,794)
Adjustments to net loss:				
Non-cash asset impairment charges	7,850	20,910	9,238	20,910
Severance and personnel costs (1)	433	331	2,025	311
Logistics optimization (2)	2,946	—	5,652	—
Other (3)	(304)	1,386	(262)	5,726
Net loss, as adjusted	$ (47,344)	$ (4,286)	$ (67,220)	$ (18,847)
Weighted average shares outstanding – Diluted	27,806,460	27,707,978	27,783,216	27,698,789
Net loss per diluted share as reported	$ (2.10)	$ (0.97)	$ (3.02)	$ (1.65)
Net loss per diluted share, as adjusted	$ (1.70)	$ (0.15)	$ (2.42)	$ (0.68)

(1) *Expenses incurred related to our organizational changes resulting from our transformation efforts.*

(2) *Includes consulting expenses, payroll expenses and retention bonuses for key employees assisting in the transition and pre-opening expenses for the new logistic facility.*

(3) *Current year consists of deferred debt issuance costs written off with the June 2016 amendment to our Facility, costs incurred for the closing of stores including deferred rent written off and costs paid to consultants to assist with the Company's transformation. See breakout below. Prior year amounts are for costs paid to consultants to assist with the Company's transformation efforts and income tax expense associated with the Internal Revenue Service's settlement of prior year tax matter.*

	Three Months Ended December 31,		*Nine Months Ended December 31, 2016*	
(Amounts in thousands)	***2016***	***2015***	***2016***	***2015***
Deferred Debt Issuance Costs Written Off	*$ —*	*$ —*	*$ 126*	*$ —*
Income Tax Expense	*—*	*1,252*	*—*	*1,252*
Store Closing Costs	*(304)*	*—*	*(609)*	*—*
Consulting Costs	*—*	*134*	*221*	*4,474*
	$ (304)	*$ 1,386*	*$ (262)*	*$ 5,726*

HHGREGG, INC. AND SUBSIDIARIES
NON-GAAP RECONCILIATION OF EBITDA AND
ADJUSTED EBITDA (UNAUDITED)

(Amounts in thousands)	Three Months Ended December 31, 2016	Three Months Ended December 31, 2015	Nine Months Ended December 31, 2016	Nine Months Ended December 31, 2015
Net loss as reported	$ (58,269)	$ (26,913)	$ (83,873)	$ (45,794)
Adjustments:				
Depreciation and amortization	7,013	8,355	21,059	25,115
Interest expense, net	1,104	725	2,803	1,957
Income tax expense	—	1,252	—	1,252
EBITDA	$ (50,152)	$ (16,581)	$ (60,011)	$ (17,470)
Non-cash asset impairment charges	7,850	20,910	9,238	20,910
Severance and personnel costs (1)	433	331	2,025	311
Logistics optimization (2)	2,946	—	5,652	—
Other (3)	(304)	134	(262)	4,474
Adjusted EBITDA	$ (39,227)	$ 4,794	$ (43,358)	$ 8,225

(1) *Expenses incurred related to our organizational changes resulting from our transformation efforts.*

(2) *Includes consulting expenses, payroll expenses and retention bonuses for key employees assisting in the transition and pre-opening expenses for the new logistic facility.*

(3) *Current year consists of deferred debt issuance costs written off with the June 2016 amendment to our Facility, costs incurred for the closing of stores including deferred rent written off and costs paid to consultants to assist with the Company's transformation. See breakout below. Prior year amounts are for costs paid to consultants to assist with the Company's transformation efforts.*

(Amounts in thousands)	*Three Months Ended December 31, 2016*	*Three Months Ended December 31, 2015*	*Nine Months Ended December 31, 2016 2016*	*Nine Months Ended December 31, 2016 2015*
Deferred Debt Issuance Costs Written Off	*$ —*	*$ —*	*$ 126*	*$ —*
Store Closing Costs	*(304)*	*—*	*(609)*	*—*
Consulting Costs	*—*	*134*	*221*	*4,474*
	$ (304)	*$ 134*	*$ (262)*	*$ 4,474*

The Company believes that the non-GAAP measures described below provide meaningful information to assist shareholders in understanding its financial results and assessing its prospects for future performance. Management believes adjusted net loss, adjusted net loss per diluted share, EBITDA, and Adjusted EBITDA are important indicators of its operations because they exclude items that may not be indicative of or are unrelated to its core operating results and provide a baseline for analyzing trends in our underlying businesses. Management makes adjustments for items such as non-cash asset impairments, consulting fees, severance costs, costs associated with its logistics optimization, store closure costs, as well as adjustments for other items that may arise during the period and have a meaningful impact on comparability.

The below information provides reconciliations from net loss, the most comparable financial measure calculated and presented in accordance with accounting principles generally accepted in U.S. (“GAAP”), to non-GAAP financial measures. The Company has provided non-GAAP financial measures, which are not calculated or presented in accordance with GAAP, as information supplemental and in addition to the financial measures presented in the accompanying earnings release that are calculated and presented in accordance with GAAP. Such non-GAAP financial measures should not be considered superior to, as a substitute for, or as an alternative to, and should be considered in conjunction with, the GAAP financial measures presented in the earnings release. The non-GAAP financial measures in the accompanying earnings release may differ from similar measures used by other companies.

EBITDA represents net loss before income tax expense, interest income, interest expense, depreciation and amortization. The Company has presented EBITDA because it considers it an important supplemental measure of its performance and believes it is frequently used by analysts, investors and other interested parties in the evaluation of companies in its industry. Management uses EBITDA as a measurement tool for evaluating its actual operating performance compared to budget and prior periods. EBITDA is not a measure of performance under US GAAP and should not be considered as a substitute for net loss prepared in accordance with GAAP. EBITDA has limitations as an analytical tool, and you should not consider these in isolation or as a substitute for analysis of the Company's results as reported under GAAP.

Some of the limitations of EBITDA measures are:

- EBITDA does not reflect the Company's cash expenditures, or future requirements, for capital expenditures or contractual commitments;
- EBITDA does not reflect interest expense or the cash requirements necessary to service interest payments on the Company's debt;
- EBITDA does not reflect tax expense or the cash requirements necessary to pay for tax obligations; and
- Although depreciation and amortization are non-cash charges, the asset being depreciated and amortized will often have to be replaced in the future, and EBITDA does not reflect any cash requirements for such replacements.

The Company compensates for these limitations by relying primarily on its GAAP results and using EBITDA only as a supplement.