

PFSweb Reports Fourth Quarter and Full Year 2018 Results

March 18, 2019

ALLEN, Texas, March 18, 2019 (GLOBE NEWSWIRE) -- PFSweb, Inc. (NASDAQ: PFSW), a global commerce services company, is reporting results for the fourth quarter and full year ended December 31, 2018.

Fourth Quarter 2018 Summary vs. Same Year-Ago Quarter

- Total revenues increased to \$93.0 million compared to \$92.7 million.
- Service fee equivalent (SFE) revenue (a non-GAAP measure defined below) increased to \$68.3 million compared to \$67.6 million.
- Service fee gross margin increased 10 basis points to 34.7%.
- Net income was \$3.3 million or \$0.17 per share, compared to \$3.6 million or \$0.19 per share.
- Adjusted EBITDA (a non-GAAP measure defined below) was \$9.1 million compared to \$9.4 million.

Full Year 2018 Summary vs. 2017

- Total revenues were \$326.2 million compared to \$326.8 million.
- Service fee equivalent (SFE) revenue (a non-GAAP measure defined below) was \$232.1 million compared to \$235.7 million.
- Service fee gross margin increased 270 basis points to 36.3%.
- Net income increased significantly to \$1.2 million or \$0.06 per share, compared to a loss of \$4.0 million or \$(0.21) per share.
- Adjusted EBITDA (a non-GAAP measure defined below) increased 6% to \$24.4 million compared to \$23.0 million.

Management Commentary

"In 2018, we were heavily focused on improving profitability through operational efficiencies and higher-margin engagements," said Mike Willoughby, CEO of PFSweb. "This was reflected in our 270 basis point improvement in service fee gross margin and 70 basis point improvement in adjusted EBITDA margin for the year. During the fourth quarter, we had another strong period of execution for our clients during the important holiday season, meeting and often exceeding their high service level expectations on an overall basis.

"Over the last two months, we have launched several new initiatives that we believe can be disruptive offerings in the world of eCommerce. In January, we introduced a new Fulfillment-as-a-Service (FaaS) solution called RetailConnect. This offering enables mall-based retailers to fulfill eCommerce orders without allocating additional space, staffing, hardware or software, thereby maximizing the omni-channel value of their physical stores.

"Our second new product launch, which is also within the FaaS category, is our CloudPickSM solution. This product is designed to create efficient order fulfillment picking operations for brands and retailers to fulfill Internet orders direct to consumers from within their existing distribution center and warehouse management systems (WMS).

"Overall, we expect these two new FaaS product introductions to be margin accretive to our PFS business unit, which builds upon our recent success of consistently driving higher-margin business through this channel, but now in an 'asset-light' model.

"For our LiveArea business unit, a key initiative for 2019 will be to ramp our newly established partnership with BigCommerce, a technology company with an industry-leading all-SaaS eCommerce platform. As announced in January, LiveArea has partnered with BigCommerce to deliver strategy, design, technology and digital marketing for clients on their platform. Companies of all sizes work with BigCommerce to launch and scale successful online businesses, and our ability to integrate and support this fast-growing platform will significantly increase our addressable market to include the thousands of small and medium-sized businesses (SMBs) that were previously outside of our scope of work.

"As we look to the future, we plan to build on our global commerce capabilities to grow revenue and profitability. We will continue to expand our addressable market through products and offerings that extend our enterprise-scale capabilities to the large SMB market, as well as through measured geographic expansion. We will also continue to bring innovative new technology products to market so that our clients can utilize the same proprietary world-class technologies we use in our own operations.

"Ultimately, our product initiatives are designed to enable us to grow revenue and profitability without the margin pressure of a significant increase in our workforce or facility footprint. And as with all of our products and services, we will continue to enable brands to deliver premier customer journeys that seamlessly integrate digital and physical storefronts, while differentiating our clients from the common marketplace and retail experience."

Fourth Quarter 2018 Financial Results

Total revenues in the fourth quarter of 2018 increased to \$93.0 million compared to \$92.7 million in the same period of 2017. Service fee revenue in the fourth quarter was \$68.0 million compared to \$67.1 million last year. Product revenue from the company's last remaining client under this legacy business model was \$7.3 million compared to \$9.8 million in the same period of 2017.

SFE revenue increased to \$68.3 million compared to \$67.6 million in the year-ago quarter. The improvement was driven by stronger client volumes in the company's PFS segment, partially offset by lower new client project activity in the LiveArea segment.

Service fee gross margin in the fourth quarter of 2018 increased 10 basis points to 34.7% compared to 34.6% in the same period of 2017. The increase was due to the company's continued focus on higher-margin engagements and service offerings, effective cost management and the transition of certain lower margin engagements over the last year.

Net income in the fourth quarter of 2018 was \$3.3 million or \$0.17 per share, compared to \$3.6 million or \$0.19 per share in the same period of 2017. Net income in the fourth quarter of 2018 included \$1.0 million of stock-based compensation expense, \$0.8 million of acquisition-related, restructuring and other costs, \$0.4 million in amortization of acquisition-related intangible assets, and \$0.1 million deferred tax expense related to goodwill amortization. This compares to \$1.1 million in amortization of acquisition-related intangible assets, \$0.8 million of stock-based compensation expense, \$0.4 million deferred tax credit related to goodwill amortization, and \$0.3 million of acquisition-related, restructuring and other costs in the same period of 2017.

Adjusted EBITDA was \$9.1 million compared to \$9.4 million in the year-ago quarter. As a percentage of SFE revenue, adjusted EBITDA was 13.3% compared to 13.9% in the year-ago quarter, with the decrease primarily due to increased sales, marketing and infrastructure related expenses to support the company's targeted growth.

Non-GAAP net income in the fourth quarter of 2018 increased 4% to \$5.6 million compared to \$5.4 million in the fourth quarter of 2017.

At December 31, 2018, net debt (defined as total debt less cash and cash equivalents) decreased by 6% to \$26.5 million compared to \$28.2 million at December 31, 2017. Cash and cash equivalents totaled \$15.4 million compared to \$19.1 million at December 31, 2017. Total debt at December 31, 2018 decreased to \$42.0 million compared to \$47.3 million at the end of last year.

Full Year 2018 Financial Results

Total revenues in 2018 were \$326.2 million compared to \$326.8 million in 2017. Service fee revenue in 2018 was \$230.5 million compared to \$233.6 million last year. Product revenue from the company's last remaining client under this legacy business model was \$34.4 million compared to \$40.7 million in 2017.

SFE revenue was \$232.1 million compared to \$235.7 million in 2017.

Service fee gross margin in 2018 increased 270 basis points to 36.3% compared to 33.6% in 2017.

Net income increased significantly in 2018 to \$1.2 million or \$0.06 per share, compared to a net loss of \$4.0 million or \$(0.21) per share in 2017. Net income in 2018 included \$4.0 million of stock-based compensation expense, \$2.5 million of acquisition-related, restructuring and other costs, \$1.6 million in amortization of acquisition-related intangible assets, and \$0.5 million deferred tax expense related to goodwill amortization. This compares to \$4.2 million of acquisition-related, restructuring and other costs, \$3.4 million in amortization of acquisition-related intangible assets, \$3.3 million of stock-based compensation expense, and \$0.1 million deferred tax expense related to goodwill amortization in 2017.

Adjusted EBITDA increased 6% to \$24.4 million compared to \$23.0 million in 2017. As a percentage of SFE revenue, adjusted EBITDA increased 70 basis points to 10.5% compared to 9.8% in 2017.

Non-GAAP net income in 2018 increased 38% to \$9.8 million compared to \$7.1 million in 2017.

Subsequent Event and 2019 Outlook

One of the company's clients, Charlotte Russe, serviced by the PFS Operations segment, declared bankruptcy on February 3, 2019 and subsequently announced on March 6, 2019 that it intended to cease operations and liquidate its remaining inventory. Total SFE revenue earned from this client in 2018 was \$10.4 million. PFS services for this client are expected to conclude by the end of March 2019. As a result of this unexpected termination, PFSweb 2019 SFE revenue and adjusted EBITDA will be negatively impacted, however the company intends to adjust costs and seek to offset the lost revenue through its sales and marketing efforts.

PFSweb expects 2019 SFE revenue to increase in the low-single digits on a percentage basis compared to 2018. The company also expects adjusted EBITDA to increase in the low to mid-single digits on a percentage basis from last year, reflecting continued expected operating leverage in the business.

Conference Call

PFSweb will conduct a conference call today at 5:00 p.m. Eastern time to discuss its results for the fourth quarter and full year ended December 31, 2018.

PFSweb CEO Mike Willoughby and CFO Tom Madden will host the conference call, followed by a question and answer period.

Date: Monday, March 18, 2019
Time: 5:00 p.m. Eastern time (2:00 p.m. Pacific time)
Toll-free dial-in number: 1-888-256-1007
International dial-in number: 1-323-994-2093
Conference ID: 6544746

Please call the conference telephone number 5-10 minutes prior to the start time. An operator will register your name and organization. If you have any difficulty connecting with the conference call, please contact Liolios at 1-949-574-3860.

The conference call will be broadcast live and available for replay [here](#) and via the investor relations section of the company's website at www.pfsweb.com.

A replay of the conference call will be available after 8:00 p.m. Eastern time on the same day through April 1, 2019.

Toll-free replay number: 1-844-512-2921
International replay number: 1-412-317-6671

About PFSweb, Inc.

PFSweb (NASDAQ:PFSW) is a global commerce services company that manages the online customer shopping experience on behalf of major branded manufacturers and retailers. Across two business units – **LiveArea** for strategy consulting, creative design, digital marketing, and web development services, and **PFS** for order fulfillment, contact center, payment processing/fraud management, and order management services – they provide solutions to a broad range of Fortune 500® companies and household brand names such as Procter & Gamble, L'Oréal USA, Ralph Lauren, PANDORA, ASICS, the United States Mint, and many more. PFSweb enables these brands to provide a more convenient and brand-centric online shopping experience through both traditional and online business channels. The company is headquartered in Allen, TX with additional locations around the globe. For more information, please visit www.pfsweb.com.

Non-GAAP Financial Measures

This news release contains certain non-GAAP measures, including non-GAAP net income (loss), earnings before interest, income taxes, depreciation and amortization (EBITDA), adjusted EBITDA and service fee equivalent revenue.

Non-GAAP net income (loss) represents net income (loss) calculated in accordance with U.S. GAAP as adjusted for the impact of non-cash stock-based compensation expense, acquisition-related, restructuring and other costs (including certain client related bankruptcy costs), amortization of acquisition-related intangible assets and deferred tax expense for goodwill amortization.

EBITDA represents earnings (or losses) before interest, income taxes, depreciation, and amortization. Adjusted EBITDA further eliminates the effect of stock-based compensation, as well as acquisition-related, restructuring, and other costs (including certain client related bankruptcy costs).

Service fee equivalent revenue represents service fee revenue plus the gross profit earned on product revenue and does not alter existing revenue recognition.

Non-GAAP net income (loss), EBITDA, adjusted EBITDA and service fee equivalent revenue are used by management, analysts, investors and other interested parties in evaluating our operating performance compared to that of other companies in our industry. The calculation of non-GAAP net income (loss) eliminates the effect of stock-based compensation, acquisition-related, restructuring and other costs (including certain client related bankruptcy costs), amortization of acquisition-related intangible assets, and deferred tax expense for goodwill amortization, and EBITDA and adjusted EBITDA further eliminate the effect of financing, remaining income taxes and the accounting effects of capital spending, which items may vary from different companies for reasons unrelated to overall operating performance. Service fee equivalent revenue allows client contracts with similar operational support models but different financial models to be combined as if all contracts were being operated on a service fee revenue basis.

PFS believes these non-GAAP measures provide useful information to both management and investors by focusing on certain operational metrics and excluding certain expenses in order to present its core operating performance and results. These measures should be considered in addition to results prepared in accordance with GAAP, but should not be considered a substitute for, or superior to, GAAP results. The non-GAAP measures included in this press release have been reconciled to the GAAP results in the attached tables.

Forward-Looking Statements

The matters discussed herein consist of forward-looking information under the Private Securities Litigation Reform Act of 1995 and is subject to and involves risks and uncertainties, which could cause actual results to differ materially from the forward-looking information. PFS' Annual Report on Form 10-K for the year ended December 31, 2018 identifies certain factors that could cause actual results to differ materially from those projected in any forward looking statements made and investors are advised to review the Annual Report of the company and the Risk Factors described therein. PFS undertakes no obligation to update publicly any forward-looking statement for any reason, even if new information becomes available or other events occur in the future. There may be additional risks that we do not currently view as material or that are not presently known.

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PFSweb, Inc. and Subsidiaries

Condensed Consolidated Balance Sheets
(In Thousands, Except Share Data)

December 31,
2018

December 31,
2017

ASSETS

CURRENT ASSETS:

| | | |
|---|-----------|-----------|
| Cash and cash equivalents | \$ 15,419 | \$ 19,078 |
| Restricted cash | 207 | 214 |
| Accounts receivable, net of allowance for doubtful accounts of \$585 and \$373 at December 31, 2018 and December 31, 2017, respectively | 72,415 | 72,062 |
| Inventories, net of reserves of \$298 and \$342 at December 31, 2018 and December 31, 2017, respectively | 6,090 | 5,326 |
| Other receivables | 4,014 | 5,366 |
| Prepaid expenses and other current assets | 6,943 | 6,633 |
| Total current assets | 105,088 | 108,679 |

| | | |
|-------------------------------|---------|---------|
| PROPERTY AND EQUIPMENT, net | 21,496 | 24,178 |
| IDENTIFIABLE INTANGIBLES, net | 1,803 | 3,371 |
| GOODWILL | 45,185 | 45,698 |
| OTHER ASSETS | 3,501 | 3,861 |
| Total assets | 177,073 | 185,787 |

LIABILITIES AND SHAREHOLDERS' EQUITY

CURRENT LIABILITIES:

| | | |
|---|-----------|-----------|
| Trade accounts payable | \$ 47,580 | \$ 45,070 |
| Accrued expenses | 24,623 | 29,074 |
| Current portion of long-term debt and capital lease obligations | 2,610 | 9,460 |
| Deferred revenues | 7,328 | 7,405 |
| Performance-based contingent payments | - | 3,967 |
| Total current liabilities | 82,141 | 94,976 |

| | | |
|--|---------|---------|
| LONG-TERM DEBT AND CAPITAL LEASE OBLIGATIONS, less current portion | 39,348 | 37,866 |
| DEFERRED REVENUES, less current portion | 1,927 | 4,034 |
| DEFERRED RENT | 4,625 | 5,464 |
| OTHER LIABILITIES | 2,449 | 2,150 |
| Total liabilities | 130,490 | 144,490 |

COMMITMENTS AND CONTINGENCIES

SHAREHOLDERS' EQUITY:

| | | |
|--|------------|------------|
| Preferred stock, \$1.00 par value; 1,000,000 shares authorized; none issued or outstanding | - | - |
| Common stock, \$0.001 par value; 35,000,000 shares authorized; 19,294,296 and 19,058,685 shares issued at December 31, 2018 and December 31, 2017, respectively; and 19,260,829 and 19,025,218 shares outstanding at December 31, 2018 and December 31, 2017, respectively | 19 | 19 |
| Additional paid-in capital | 155,455 | 150,614 |
| Accumulated deficit | (107,773) | (109,281) |
| Accumulated other comprehensive income | (993) | 70 |
| Treasury stock at cost, 33,467 shares | (125) | (125) |
| Total shareholders' equity | 46,583 | 41,297 |
| Total liabilities and shareholders' equity | \$ 177,073 | \$ 185,787 |

PFSweb, Inc. and Subsidiaries

Unaudited Condensed Consolidated Statements of Operations
(In Thousands, Except Per Share Data)

| | Three Months Ended December 31, | | Twelve Months Ended December 31, | |
|----------------------|------------------------------------|-----------|-------------------------------------|------------|
| | 2018 | 2017 | 2018 | 2017 |
| REVENUES: | | | | |
| Service fee revenue | \$ 67,965 | \$ 67,125 | \$ 230,484 | \$ 233,580 |
| Product revenue, net | 7,269 | 9,782 | 34,350 | 40,663 |

| | | | | |
|--|-----------|-----------|------------|------------|
| Pass-through revenue | 17,752 | 15,766 | 61,326 | 52,582 |
| Total revenues | \$ 92,986 | \$ 92,673 | \$ 326,160 | \$ 326,825 |
| COSTS OF REVENUES: | | | | |
| Cost of service fee revenue | \$ 44,348 | \$ 43,880 | 146,827 | 155,160 |
| Cost of product revenue | 6,891 | 9,283 | 32,710 | 38,504 |
| Cost of pass-through revenue | 17,752 | 15,766 | 61,326 | 52,582 |
| Total costs of revenues | \$ 68,991 | \$ 68,929 | \$ 240,863 | \$ 246,246 |
| Gross profit | 23,995 | 23,744 | 85,297 | 80,579 |
| SELLING, GENERAL AND ADMINISTRATIVE EXPENSES | 19,378 | 19,299 | 78,800 | 79,981 |
| Income from operations | 4,617 | 4,445 | 6,497 | 598 |
| INTEREST EXPENSE, NET | 697 | 613 | 2,499 | 2,738 |
| Income (loss) before income taxes | 3,920 | 3,832 | 3,998 | (2,140) |
| INCOME TAX EXPENSE | 630 | 246 | 2,770 | 1,824 |
| NET INCOME (LOSS) | \$ 3,290 | \$ 3,586 | \$ 1,228 | \$ (3,964) |
| NON-GAAP NET INCOME | \$ 5,573 | \$ 5,377 | \$ 9,769 | \$ 7,074 |
| NET INCOME (LOSS) PER SHARE: | | | | |
| Basic | \$ 0.17 | \$ 0.19 | \$ 0.06 | \$ (0.21) |
| Diluted | \$ 0.17 | \$ 0.19 | \$ 0.06 | \$ (0.21) |
| WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING: | | | | |
| Basic | 19,262 | 19,022 | 19,203 | 18,933 |
| Diluted | 19,811 | 19,284 | 19,826 | 18,933 |
| EBITDA | \$ 7,288 | \$ 8,250 | \$ 17,864 | \$ 15,497 |
| ADJUSTED EBITDA | \$ 9,083 | \$ 9,369 | \$ 24,366 | \$ 23,017 |

PFSweb, Inc. and Subsidiaries

Unaudited Reconciliation of Certain Non-GAAP Items to GAAP
(In Thousands)

| | Three Months Ended December 31, | | Twelve Months Ended December 31, | |
|--|------------------------------------|----------|-------------------------------------|------------|
| | 2018 | 2017 | 2018 | 2017 |
| NET INCOME (LOSS) | \$ 3,290 | \$ 3,586 | \$ 1,228 | \$ (3,964) |
| Income tax expense | 630 | 246 | 2,770 | 1,824 |
| Interest expense, net | 697 | 613 | 2,499 | 2,738 |
| Depreciation and amortization | 2,671 | 3,805 | 11,367 | 14,899 |
| EBITDA | \$ 7,288 | \$ 8,250 | \$ 17,864 | \$ 15,497 |
| Stock-based compensation | 959 | 789 | 4,032 | 3,333 |
| Acquisition-related, restructuring and other costs | 836 | 330 | 2,470 | 4,187 |
| ADJUSTED EBITDA | \$ 9,083 | \$ 9,369 | \$ 24,366 | \$ 23,017 |

| | Three Months Ended December 31, | | Twelve Months Ended December 31, | |
|---|------------------------------------|----------|-------------------------------------|------------|
| | 2018 | 2017 | 2018 | 2017 |
| NET INCOME (LOSS) | \$ 3,290 | \$ 3,586 | \$ 1,228 | \$ (3,964) |
| Stock-based compensation | 959 | 789 | 4,032 | 3,333 |
| Amortization of acquisition-related intangible assets | 358 | 1,085 | 1,556 | 3,391 |
| Acquisition-related, restructuring and other costs | 836 | 330 | 2,470 | 4,187 |
| Deferred tax expense - goodwill amortization | 130 | (413) | 483 | 127 |
| NON-GAAP NET INCOME | \$ 5,573 | \$ 5,377 | \$ 9,769 | \$ 7,074 |

| | Three Months Ended December 31, | Twelve Months Ended December 31, |
|--|------------------------------------|-------------------------------------|
|--|------------------------------------|-------------------------------------|

| | 2018 | 2017 | 2018 | 2017 |
|---------------------------------------|------------------|------------------|-------------------|-------------------|
| TOTAL REVENUES | \$ 92,986 | \$ 92,673 | \$ 326,160 | \$ 326,825 |
| Pass-through revenue | (17,752) | (15,766) | (61,326) | (52,582) |
| Cost of product revenue | (6,891) | (9,283) | (32,710) | (38,504) |
| SERVICE FEE EQUIVALENT REVENUE | \$ 68,343 | \$ 67,624 | \$ 232,124 | \$ 235,739 |

PFSweb, Inc. and Subsidiaries

Unaudited Consolidated Segment Information
and Reconciliation of Certain Non-GAAP Items to GAAP
(In Thousands)

Effective January 1, 2018, the company changed its organizational structure in an effort to create more effective and efficient operations and to improve client and service focus. As a result, the company is now presenting supplemental financial data below based on the reportable operating business segments of its PFS Operations and LiveArea Professional Services units, which are comprised of strategic businesses that are defined by the types of service offerings they provide. In addition, certain costs that are not fully directly allocable to a business unit are presented as Corporate selling, general, and administrative expenses.

The segment financial data for the three and twelve months ended December 31, 2018, reflects the financial performance for each of the segments based on the current financial presentation reviewed by the company's Chief Operating Decision Makers. The company is continuing to evaluate its segregation of costs among the business units, including an effort to further allocate certain Corporate costs into the two operating business units to enhance cost focus and responsibility.

The segment financial data for the three and twelve months ended December 31, 2017, reflects the company's current assessment for that period by business segment as if the PFS Operations and LiveArea Professional services segmentation had occurred as of the beginning of that period.

| | Three Months Ended | | Twelve Months Ended | |
|---------------------------------------|--------------------|------------------|---------------------|-------------------|
| | December 31, 2018 | 2017 | December 31, 2018 | 2017 |
| PFS Operations | | | | |
| Revenues: | | | | |
| Service fee revenue | \$ 47,849 | \$ 45,321 | \$ 148,072 | \$ 145,667 |
| Product revenue, net | 7,269 | 9,782 | 34,350 | 40,663 |
| Pass-through revenue | 17,238 | 14,999 | 59,314 | 50,478 |
| Total revenues | \$ 72,356 | \$ 70,102 | \$ 241,736 | \$ 236,808 |
| Costs of revenues: | | | | |
| Cost of service fee revenue | \$ 34,015 | \$ 32,363 | \$ 105,155 | \$ 110,617 |
| Cost of product revenue | 6,891 | 9,283 | 32,710 | 38,504 |
| Cost of pass-through revenue | 17,238 | 14,999 | 59,314 | 50,478 |
| Total costs of revenues | \$ 58,144 | \$ 56,645 | \$ 197,179 | \$ 199,599 |
| Gross profit | 14,212 | 13,457 | 44,557 | 37,209 |
| Direct operating expenses | 5,090 | 3,431 | 16,979 | 12,038 |
| Direct contribution | 9,122 | 10,026 | 27,578 | 25,171 |
| Depreciation and amortization | 1,570 | 1,666 | 6,329 | 7,011 |
| ADJUSTED EBITDA | \$ 10,692 | \$ 11,692 | \$ 33,907 | \$ 32,182 |
| | | | | |
| TOTAL REVENUES | \$ 72,356 | \$ 70,102 | \$ 241,736 | \$ 236,808 |
| Pass-thru revenue | (17,238) | (14,999) | (59,314) | (50,478) |
| Cost of product revenue | (6,891) | (9,283) | (32,710) | (38,504) |
| SERVICE FEE EQUIVALENT REVENUE | \$ 48,227 | \$ 45,820 | \$ 149,712 | \$ 147,826 |

PFSweb, Inc. and Subsidiaries

Unaudited Consolidated Segment Information
and Reconciliation of Certain Non-GAAP Items to GAAP
(In Thousands)

Three Months Ended Twelve Months Ended

| | December 31, | | December 31, | |
|--|--------------|-------------|--------------|--------------|
| | 2018 | 2017 | 2018 | 2017 |
| LiveArea Professional Services | | | | |
| Service fee revenue | \$ 20,115 | \$ 21,804 | \$ 82,413 | \$ 87,913 |
| Pass-through revenue | 514 | 767 | 2,011 | 2,104 |
| Total revenues | 20,629 | 22,571 | 84,424 | 90,017 |
| Cost of service fee revenue | 10,333 | 11,517 | 41,669 | 44,543 |
| Cost of pass-through revenue | 514 | 767 | 2,011 | 2,104 |
| Total cost of revenues | 10,847 | 12,284 | 43,680 | 46,647 |
| Gross profit | 9,782 | 10,287 | 40,744 | 43,370 |
| Direct operating expenses | 6,111 | 7,419 | 27,401 | 31,612 |
| Direct contribution | 3,671 | 2,868 | 13,343 | 11,758 |
| Depreciation and amortization | 511 | 1,288 | 2,276 | 4,284 |
| ADJUSTED EBITDA | \$ 4,182 | \$ 4,156 | \$ 15,619 | \$ 16,042 |
| Corporate | | | | |
| Selling, general and administrative expenses | \$ (8,177 |) \$ (8,449 |) \$ (34,424 |) \$ (36,331 |
| Depreciation and amortization | 591 | 851 | 2,762 | 3,604 |
| EBITDA | \$ (7,586 |) \$ (7,598 |) \$ (31,662 |) \$ (32,727 |
| Stock-based compensation | 959 | 789 | 4,032 | 3,333 |
| Acquisition-related, restructuring and other costs | 836 | 330 | 2,470 | 4,187 |
| ADJUSTED EBITDA | \$ (5,791 |) \$ (6,479 |) \$ (25,160 |) \$ (25,207 |



Source: PFSweb, Inc.