

PFS Reports Record Order Fulfillment Volume for Third Year in a Row

January 13, 2023

Record Annual Order Fulfillment Driven by Existing and New Client Activity Throughout the Year

Record Order Fulfillment During the Thanksgiving Week and Cyber Week Periods, as Promotions and Consumer Buying More Concentrated on These Two Weeks

Record Sales Bookings from Existing and New Clients

IRVING, Texas, Jan. 13, 2023 (GLOBE NEWSWIRE) -- PFS (NASDAQ: PFSW), a premier eCommerce order fulfillment provider, is reporting record fulfillment volumes for 2022 and the Thanksgiving Week and Cyber Week periods. PFS fulfilled over 30 million orders in 2022.

2022 Operational and Sales Highlights

- Set third consecutive year of record order fulfillment volume.
- Fulfilled over \$3.2 billion in gross merchandise value on behalf of our clients in 2022.
- Shipped nearly 132 million units in 2022, an increase of 21% compared to 2021.
- Shipped nearly 45 million units in Q4 2022, an increase of 10% compared to 2021.
- Set a new quarterly record for orders fulfilled in Q4 – surpassing Q4 2020 as PFS' highest volume quarter in company history.
- Set record Thanksgiving Week order fulfillment volumes, an increase of 16% compared to the previous record in 2020.
- Set record Cyber Week order fulfillment volumes, an increase of 12% compared to the previous record in 2020.
- Eclipsed previous single-day record of orders fulfilled four times during Cyber Week.
- Supported multiple clients who achieved record revenue days during Cyber Week.
- Achieved a record year in new sales bookings, recording 31 bookings worth an estimated \$44.9M in annual contract value (ACV).
- Surpassed 100 brands in client portfolio.

"PFS executed well for its clients in 2022, and I am incredibly proud of our performance," said Zach Thomann, COO and President of PFS. "We broke several company records along the way, which culminated in setting a third straight record year of orders shipped from our fulfillment centers."

"Several of our clients had record revenue days as a result of high consumer demand during holiday promotions and our team's high-quality execution," continued Thomann. "Deploying a multi-node fulfillment operation for several large clients helped us maximize our available labor pool and achieve these record daily volumes. I am grateful for the effort our team put forth leading up to and during the holiday peak period to achieve these record numbers."

Promotions and Consumer Buying More Focused on Thanksgiving Week and Cyber Week

This year, brands chose a more traditional holiday promotional cycle around Black Friday and Cyber Monday with less promotional activity after Cyber Week through the end of the year. This client promotional behavior resulted in consumer buyer behavior returning to similar patterns experienced in 2018 and 2019. This shift led to significant fulfillment volume spikes during Thanksgiving Week 2022, where PFS fulfilled approximately 16% more orders compared to its previous record set during Thanksgiving Week 2020, and also Cyber Week 2022, where PFS fulfilled approximately 12% more orders compared to its previous record set during Cyber Week 2020.

Similar to 2018 and 2019, PFS experienced a more significant decrease in fulfillment volumes as client promotional activities slowed following Cyber Week as compared to 2020 and 2021, which is expected to negatively impact year-over-year comparisons. PFS still expects to deliver strong annual revenue performance, within the prior guidance range, with revenue anticipated to be toward the bottom end of the targeted 5% to 10% SFE revenue growth.

Record Sales Bookings and Multi-Node Fulfillment Expansion

PFS also reported 31 new sales bookings estimated to be worth \$44.9M in combined ACV in FY 2022, which set a new company record and resulted in 20 new client implementations throughout the year. The company's ability to launch these new clients in conjunction with opening its second Las Vegas-based fulfillment center was key to success.

Thomann concluded: "As we discussed throughout 2022, the momentum we created early in the year with new sales bookings from both new and existing clients resulted in a record sales bookings year. Combining these client wins with certain existing client overperformance drove the above record order fulfillment volumes and solidified our multi-node strategy as a sustainable growth model. Eighteen PFS brands now ship from multiple PFS fulfillment centers—up from 15 at the end of 2021—and we have plans to continue expanding our fulfillment center footprint in 2023. Our previously announced second Dallas-area fulfillment center is scheduled to open in Q2, and we are also exploring new fulfillment space in the United Kingdom. As we progress into 2023, we will continue to deliver quality services and a differentiated eCommerce fulfillment platform for our esteemed clients to distinguish PFS in the market and sets us up for continued targeted SFE revenue growth in 2023 of at least 5% to 10%."

PFS leadership will be in attendance at booth #6715 at [NRF 2023, Retail's Big Show](#) taking place at the Jacob K. Javits Convention Center in New York City on January 15-17.

Read more on [PFS' 2022 operational performance here](#).

About PFS

PFS, the business unit of PFSweb, Inc. (NASDAQ: PFSW) is a premier eCommerce order fulfillment provider. We facilitate each operational step of an eCommerce order in support of DTC and B2B retail brands and specialize in health & beauty, fashion & apparel, jewelry, and consumer packaged goods. Our scalable solutions support customized pick/pack/ship services that deliver on brand ethos with each order. A proven order management platform, as well as high-touch customer care, reinforce our operation. With 20+ years as an industry leader, PFS is the BPO of choice for brand-centric companies and household brand names, such as L'Oréal USA, Champion, Pandora, Shiseido Americas, Kendra Scott, the United States Mint, and many more. The company is headquartered in Irving, TX with additional locations around the globe. For more information, visit www.pfscommerce.com or ir.pfsweb.com for investor information.

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Source: Priority Fulfillment Services, Inc.