



January 6, 2015

PFSweb Expands India Operations and Reports Successful Holiday Season

ALLEN, TX -- (Marketwired) -- 01/06/15 -- PFSweb, Inc. (NASDAQ: PFSW), a global provider of end-to-end eCommerce solutions, will expand its operations in India to accommodate increased technology personnel and business services team members. The company has also successfully supported its clients through the 2014 holiday season with strong year-over-year volumes.

In addition to supporting the company's targeted growth, the India expansion will also include the relocation of PFSweb's Manila operations, with the Manila site closing in the first quarter of 2015.

"When we acquired REV Solutions, we gained a presence in India that included an exceptional team of senior management and technologists," said Michael Willoughby, CEO of PFSweb. "This expansion will leverage REV's well-established capabilities in India, enhancing our world class services for clients and increasing employee utilization with more effective cost management. It also represents another important step in the integration of the acquisitions made in 2014."

"With the conclusion of our all-important holiday season, on an overall basis our clients were pleased with their online holiday volumes as well as our ongoing support," continued Willoughby. "On average, our comparable direct-to-consumer clients experienced over 20% year-over-year growth in their gross merchandise revenue during the fourth quarter. This strong growth and our high level of client satisfaction demonstrate the value we provide in delivering a superior online shopping experience, especially during this critical time of the year."

PFSweb maintains its targeted service fee equivalent revenue range of \$131 million to \$137 million and adjusted EBITDA of \$12 million to \$14 million for 2014. The company expects to record incremental charges in the fourth quarter of 2014 and first quarter of 2015, totaling approximately \$1 million, related to the closure of its Manila operation and other restructuring activity. PFSweb will also incur additional charges applicable to acquisition costs related to its REV Solutions and LiveAreaLabs acquisitions in 2014.

The company maintains its targeted 2015 service fee equivalent revenue range of \$165 million to \$175 million, with adjusted EBITDA as a percentage of service fee equivalent revenue ranging between 10% and 11%. This adjusted EBITDA target includes the projected impact of incremental sales and marketing expenditures in 2015 to support the company's future growth projections.

About PFSweb Inc.

PFSweb (NASDAQ: PFSW) is a global provider of end-to-end eCommerce solutions including digital agency and marketing services, technology development services, business process outsourcing services and a complete omni-channel technology ecosystem. The company provides these solutions and services to major brand names and other companies seeking to optimize every customer experience and enhance their traditional and online business channels. PFSweb supports organizations across various industries, including Procter & Gamble, L'Oreal, LEGO, Columbia Sportswear, Ricoh, Roots Canada Ltd., Diageo, BCBGMAXAZRIA, T.J. Maxx, the United States Mint, and many more. PFSweb is headquartered in Allen, TX with additional locations in Tennessee, Mississippi, Minnesota, Washington, New York, Canada, Belgium, London, Munich, and India. For more information, please visit www.pfsweb.com or download the free PFSweb IR App on your [iPhone](#), [iPad](#) or [Android](#) device.

Non-GAAP Financial Measures

This news release may contain certain non-GAAP measures, including gross merchandise revenue, service fee equivalent revenue, earnings before interest, income taxes, depreciation and amortization (EBITDA) and Adjusted EBITDA.

Gross merchandise revenue represents the estimated value of all fulfillment activity that flows through PFSweb, including whether or not PFSweb is the seller of the merchandise or records the full amount of such sales on its financial statements, excluding service fee revenues that PFSweb might recognize for the underlying sales transactions.

Service fee equivalent revenue represents service fee revenue plus the gross profit earned on product revenue.

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

PFSweb 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.

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. PFSweb's Annual Report on Form 10-K for the year ended December 31, 2013 and Quarterly Reports filed on Form 10-Q 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. PFSweb 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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Source: PFSweb, Inc.

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