

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

**FORM 8-K**

**CURRENT REPORT  
PURSUANT TO SECTION 13 OR 15(D) OF  
THE SECURITIES EXCHANGE ACT OF 1934**

**DATE OF REPORT (DATE OF EARLIEST EVENT REPORTED): August 16, 2023**

**PFSweb, Inc.**

(Exact name of registrant as specified in its charter)

Delaware  
(STATE OR OTHER JURISDICTION  
OF INCORPORATION)

000-28275  
(COMMISSION FILE NUMBER)

75-2837058  
(IRS EMPLOYER  
IDENTIFICATION NO.)

9250 ROYAL LANE, SUITE 100  
IRVING, TX 75063  
(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES)

(972) 881-2900  
(REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE)

Not Applicable  
(FORMER NAME OR ADDRESS, IF CHANGED SINCE LAST REPORT)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communication pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, \$0.001 par value	PFSW	Nasdaq Capital Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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## INFORMATION TO BE INCLUDED IN THE REPORT

### ITEM 7.01 Regulation FD Disclosure

On August 16, 2023, representatives of the Company began making presentations to investors and analysts containing the information attached to this Current Report on Form 8-K as Exhibit 99.1 (the "Investor Presentation") and incorporated herein by reference. The Investor Presentation also will be posted to the "Investors" portion of the Company's website at <https://ir.pfsweb.com/>.

By filing this Current Report on Form 8-K and furnishing the information contained herein, the Company makes no admission as to the materiality of any information in this report that is required to be disclosed solely by reason of Regulation FD.

The information contained in the Investor Presentation is summary information that is intended to be considered in the context of the Company's Securities and Exchange Commission ("SEC") filings and other public announcements that the Company may make, by press release or otherwise, from time to time. The Company undertakes no duty or obligation to publicly update or revise the information contained in this report, although it may do so from time to time as its management believes is warranted. Any such updating may be made through the filing of other reports or documents with the SEC, through press releases or through other public disclosure.

The information in Item 7.01 of this Current Report on Form 8-K and the exhibit attached hereto as Exhibit 99.1 shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

### ITEM 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
99.1	<a href="#">Investor Presentation: August 2023</a>
104	Cover Page Interactive Data file, formatted in Inline XBRL

*Cautionary Note Regarding Forward-Looking Statements.* This Current Report on Form 8-K and the Investor Presentation contain forward-looking statements which involve certain risks and uncertainties that could cause actual results to differ materially from those expressed or implied by these statements.

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**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**PFSweb, Inc.**

Dated: August 16, 2023

By: /s/ Thomas J. Madden  
Thomas J. Madden  
Executive Vice President,  
Chief Financial Officer



# PFSW

## THE PREMIER ECOMMERCE ORDER FULFILLMENT PLATFORM

Investor Presentation: August 2023



## Important Cautions Regarding Forward Looking Statements

The matters discussed in this presentation, particularly information regarding future revenue, earnings, business plans and goals, consist of forward-looking information within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 and are subject to the safe harbor created by these sections and involve risks and uncertainties, which could cause actual results to differ materially from the forward-looking information. Such statements are not guarantees of future performance and involve risks, uncertainties and assumptions that are difficult to predict. These statements are based on assumptions and estimates that management believes are reasonable based on currently available information; however, management's assumptions and the Company's future performance are both subject to a wide range of business risks and uncertainties, and there is no assurance that these goals and projections can or will be met. Any number of factors could cause actual results to differ materially. The Company undertakes no obligation to publicly update or revise any forward-looking statements. The Company's Annual Report on Form 10-K for the year ended December 31, 2022, and our quarterly reports on Form 10-Q identify 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 periodic reports of the Company and the Risk Factors described therein.

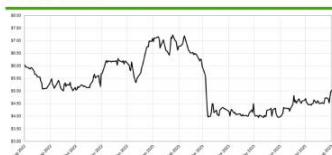
This presentation contains certain non-GAAP measures, including non-GAAP net income (loss) from continuing operations, earnings before interest, income taxes, depreciation and amortization (EBITDA) from continuing operations, adjusted EBITDA from continuing operations and service fee equivalent revenue. Non-GAAP net income (loss) from continuing operations represents net income (loss) from continuing operations calculated in accordance with U.S. GAAP as adjusted for the impact of non-cash stock-based compensation expense, restructuring and other costs. EBITDA from continuing operations represents earnings (or losses) from continuing operations before interest, loss on extinguishment of debt, income taxes, depreciation, and amortization. Adjusted EBITDA from continuing operations further eliminates the effect of stock-based compensation, as well as restructuring and other costs. Service fee equivalent revenue represents service fee revenue excluding LiveArea related activity, plus the gross profit earned on product revenue and does not alter existing revenue recognition. Non-GAAP net income (loss) from continuing operations, EBITDA from continuing operations, adjusted EBITDA from continuing operations 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, restructuring and other costs, and EBITDA from continuing operations and adjusted EBITDA from continuing operations 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 (SFE) 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. The Company 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 presentation have been reconciled to the nearest non-GAAP measures later in this presentation.

# PFSW KEY STATS<sup>1</sup>

## Trading Data @ (8/11/2023)<sup>2</sup>

<b>\$5.03</b> Stock Price	<b>\$3.80/\$6.45</b> 52 week low/high
<b>112,314</b> Avg. daily Vol. (3 mo.)	<b>22.7M</b> Shares outstanding
<b>65%</b> Public float, est.	<b>90%</b> Institutional/strategic owner holdings
<b>\$75.4M</b> Enterprise Value	<b>\$114.4M</b> Market Cap

## Stock Trend



1. Source: Capital IQ  
 2. Post special dividend of \$4.50 per share paid December 2022  
 3. Company guidance issued and effective August 8, 2023  
 4. Service fee equivalent (SFE) revenue (2019-2022), Adjusted EBITDA and Non-GAAP net income are non-GAAP financial measures. See Appendix for a reconciliation to the most comparable GAAP financial measure

## Revenue Forecast<sup>3</sup>



## Key Events

- PFSweb sold LiveArea, its professional services business unit, to Merkle in August 2021 for ~\$250M, resulting in ~\$150M in cash after transaction related costs, income taxes and payment of previous debt
- Issued special dividend of \$4.50/share in Dec 2022 – returning approximately \$110M of capital from LiveArea to our shareholders

## Key Business Update

- Pivoted strategic focus to operations business unit, PFS, to provide a premier eCommerce order fulfillment platform
- Strong market demand driven by PFS' strong execution for valued clients, focus on brand-centric solutions, and multi-node fulfillment expansion have driven record new client engagements
- Targeting 2023 PFS annual service fee revenue growth of 8-13% with estimated AEBITDA percentage of service fee revenue to be 6% to 8%

## WHY PFS WINS

### PFS delivers premium customer experience for brands at scale.

#### Deep Expertise with Brand-centric Services at Scale

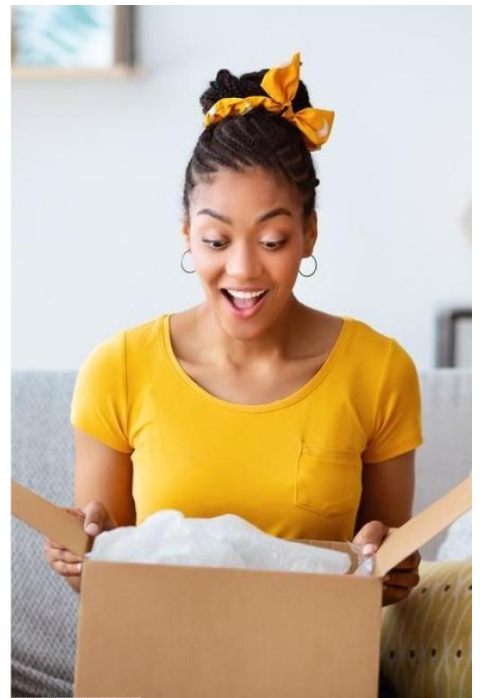
- 25+ years of experience designing and implementing bespoke post-click customer experiences for enterprise and brands looking to grow
- \$3.2B+ in GMV shipped in 2022

#### Complete Global Order Fulfillment Platform

- Brand customized order fulfillment 3PL operations from PFS-hosted facilities
- Complementary support functions to reinforce the entire eCommerce back-end operation

#### Trusted by iconic brands, branded manufacturers and specialty retailers with on-brand DTC and B2B eCommerce fulfillment operations

- Proven track record and deep expertise in key growth verticals including health & beauty, jewelry and collectables, activewear and prestige CPG categories
- Enabling superior unboxing experiences to align with brand ethos



# ECOMMERCE FULFILLMENT SERVICES PLATFORM OFFERING

With its differentiated portfolio of eCommerce operations solutions, PFS is an established leader in scalable, brand-centric order fulfillment. At the core is 3PL services tailored to the high-touch and scalable requirements of the DTC eCommerce market.

## 3PL Fulfillment



DTC & B2B Channels • Distributed Multi-Node Approach • Branded Pack Out • Inventory Management • Returns and Reverse Logistics • Scalable Global Platform

The offering is strengthened with complementary support functions to reinforce the entire eCommerce back-end operation.

Value Added Services	Transportation MGMT	Order Orchestration	Customer Care	Payment & Fraud
<ul style="list-style-type: none"> <li>• Gift Wrap &amp; Branded Packaging</li> <li>• Assembly, Kitting, &amp; Bundling</li> <li>• Product Personalization</li> </ul>	<ul style="list-style-type: none"> <li>• Volume-Based Negotiated &amp; White Labeled Rates</li> <li>• Regional Carrier Relationships</li> <li>• Brokerage Services</li> </ul>	<ul style="list-style-type: none"> <li>• Order Management</li> <li>• Tax, Address Verification &amp; Reporting</li> <li>• Merchant of Record Services</li> </ul>	<ul style="list-style-type: none"> <li>• Phone, Email, Chat &amp; Chatbot</li> <li>• Dedicated &amp; Shared Staffing</li> <li>• Work-from Home Agent Model</li> </ul>	<ul style="list-style-type: none"> <li>• DTC Payment Processing</li> <li>• B2B AR/Invoice Management</li> <li>• Fraud Management Services</li> </ul>



# DISTINGUISHED CLIENT PORTFOLIO OF 100+ BRANDS



# GLOBAL FOOTPRINT

- Global DC Footprint**  
11 Distribution Centers - 2.4M ft<sup>2</sup>
  - Dallas, TX - 2 DCs
  - Las Vegas, NV - 2 DCs
  - Memphis, TN - 3 DCs
  - Toronto, ON - 1 DC
  - Liège, BE - 1 DC
  - Southampton, UK - 2 DCs

- 2024 Planned Expansion**
  - Northeast USA - 1 DC
  - Dallas, TX - 1 DC

**Recent Developments**

- Opened second fulfillment center in Southampton, England in Q2 2023
- Opened second fulfillment site in Dallas in Q3 2023 that includes on-site contact center and corporate space
- Exploring fulfillment center in Northeastern USA with targeted opening in Q1 2024
- Exploring third fulfillment center in Dallas, TX area to support sales pipeline activity with targeted opening in H1 2024

## 2022 OPERATIONAL PERFORMANCE SUMMARY

**PFS benefits from market tailwinds related to the global pandemic and executing for its valued clients by expanding its footprint.**

- Shipped over \$3.2B in GMV on behalf of 80 fulfillment clients in 2022, comparing to the scale of major retail marketplace eCommerce sites
- Executed extremely well for clients throughout 2022 and continue to retain high client referenceability
- Investments made to strengthen and expand PFS' global footprint in Dallas and Las Vegas to build a strong foundation for multi-node growth
- Continued expansion in the U.S. and Europe allows PFS to improve client speed to market, reduce freight costs, and leverage a multi-node strategy for labor savings at peak
- Eclipsed 30.8M orders shipped in 2022, representing a third straight record order fulfillment year

1. Source: eCommerce DB.com  
 2. Gross Merchandise Value fulfilled by PFS on behalf of clients in FY 2022

### Scale Compared to Major Online Retailers

	\$7.2B Online Revenue <sup>1</sup>
	\$3.2B GMV Shipped <sup>2</sup>
SEPHORA	\$2.7B Online Revenue <sup>1</sup>
	\$1.9B Online Revenue <sup>1</sup>

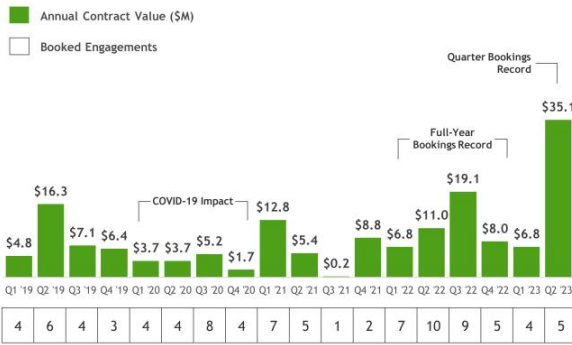
### 3<sup>rd</sup> Straight Record Order Fulfillment Year



# BUSINESS DEVELOPMENT UPDATE<sup>1</sup>

Viewing historical trends of new business development bookings gives insight into future growth, recurring revenue forecast, and timing of the sales cycle. This insight helps determine fulfillment center expansion timing and marketing/sales tactics as the year progresses.

In CY 2022 PFS set a company record for new bookings in a single year, followed by a new quarterly record in Q2 2023 aided by the growth of our transportation management services.



## 2023 Bookings

9

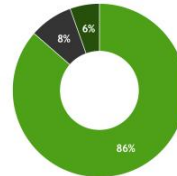
SIGNED NEW BOOKINGS

\$41.9M

SIGNED ESTIMATED ANNUAL CONTRACT VALUE

## 2023 Bookings Annual Contract Value

Breakdown by Vertical



- Health & Beauty
- Apparel & Accessories
- Jewelry

1. Updated as of June 30, 2023

## TRANSPORTATION MANAGEMENT SERVICES

Service offering brings opportunity to provide valuable solutions to clients and increase the stickiness of engagements.

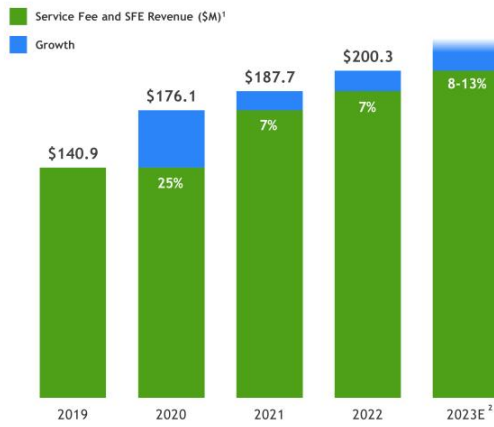
- Flexible parcel optimization engine, a technology built into our warehouse management system, allows flexible carrier selection based on our clients' unique requirements
  - Reduces aggregate transportation costs
  - De-risks carrier dependency
  - Enables environmental sustainability initiatives
- Significant pipeline opportunities to couple with new order fulfillment booking, or as service fee revenue add-on to an existing client contract
- Gross margin profile typically lower than the fulfillment range, but AEBITDA margin is expected to trend higher than our overall AEBITDA margin because it does not require the same level of SG&A overhead costs inherent in fulfillment operations
- Phased growth approach to 1) deepen carrier network relationships 2) enhance data reporting and processes and 3) add new services to entrench PFS as a carrier agnostic transportation provider



# FINANCIAL STEWARDSHIP

# HISTORICAL AND PROJECTED SFE REVENUE PERFORMANCE

## Strong Organic Revenue Growth



### Strengthening Growth Rate in the Business

- 2022 and 2023 growth rate fueled by both existing client growth and record new sales bookings
- 2023 growth supported by accelerating growth of transportation management services

<sup>1</sup> Service Fee Equivalent Revenue (2019-2022) is a non-GAAP financial measure. See Appendix for a reconciliation to the most comparable GAAP financial measure.  
<sup>2</sup> Company guidance issued and effective August 8, 2023.

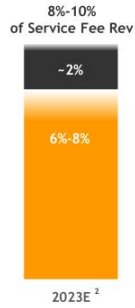
# 2023 OUTLOOK

(\$ Millions)

## Service Fee and SFE Revenue<sup>1</sup>



## AEBITDA



PFS expects substantial improvement in consolidated AEBITDA as compared to CY2022 as a result of improving gross margins and cost restructuring to better align to the current company size and focus.

### Service Fee and SFE Revenue<sup>1</sup>

Targeting growth of 8% to 13% range driven by strong, sustained fulfillment demand strength and transportation management services

### AEBITDA

Estimated AEBITDA profitability for the business operating in a public company environment with certain corporate public company related costs

### Estimated Public Company Costs

Estimated costs associated with operating as a publicly traded company

<sup>1</sup> Service Fee Equivalent Revenue (SFER) is a non-GAAP financial measure. See Appendix for a reconciliation to the most comparable GAAP financial measure.  
<sup>2</sup> Company guidance issued and effective August 8, 2023



# BALANCE SHEET

(\$ Millions)

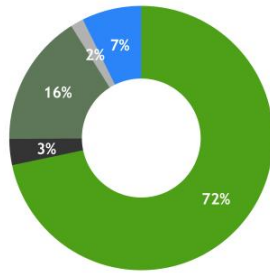
Select Balance Sheet Items	Dec 31, 2021	Jun 30, 2022	Dec 31, 2022	Jun 30, 2023
Cash and restricted cash	152.5	148.2	30.0	39.0
Accounts receivable	78.0	49.6	82.6	44.9
Inventories	3.1	-	-	-
Property & equipment, net	19.3	19.4	20.9	20.5
Other receivables and other current assets	14.4	14.8	17.2	8.7
Goodwill	22.2	21.4	21.3	21.8
Operating lease right-of-use assets	35.4	31.1	30.9	35.0
Other	1.6	1.7	1.8	1.7
<b>Total assets</b>	<b>326.5</b>	<b>286.2</b>	<b>204.7</b>	<b>171.6</b>
Accounts payable	36.5	27.3	38.5	18.3
Accrued expenses & Income taxes payable	31.6	21.6	37.0	22.7
Operating lease liabilities	40.5	35.3	33.8	37.4
Deferred revenue	5.2	3.5	4.8	3.4
Other long term liabilities	2.6	2.7	4.3	4.4
Finance lease liabilities	0.3	0.1	0.1	0.1
<b>Total liabilities</b>	<b>116.7</b>	<b>90.5</b>	<b>118.5</b>	<b>86.3</b>
<b>Total shareholders' equity</b>	<b>209.8</b>	<b>195.7</b>	<b>86.2</b>	<b>85.3</b>

## Highlights

- \$39.0M unrestricted cash balance remaining as of June 30, 2023 after special dividend
- Special dividend of \$110M declared Q4 2022 - including \$3.8M of dividend equivalent payable at June 30, 2023 applicable to previously granted equity awards
- December 31, 2021 and 2022 results reflect increased working capital requirements during holiday peak period
- Entered into a new \$25M revolving credit facility in June 2023 quarter

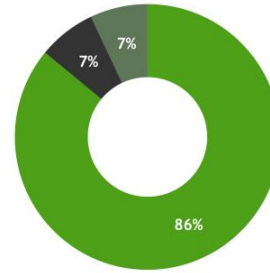
# REVENUE BY SERVICE AND GEOGRAPHY<sup>1</sup>

Service Percentage of Revenue



- 3PL & Omnichannel Fulfillment
- Order Orchestration
- Customer Care
- Payment & Fraud
- Other

Revenue by Geography



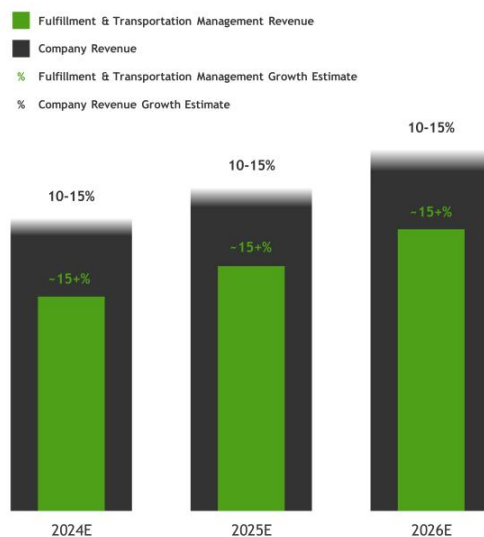
- North America
- Europe
- United Kingdom

1. Calculated in revenue for CY 2022

## ESTIMATED DOUBLE-DIGIT FUTURE GROWTH FROM CORE BUSINESS

PFS' fulfillment related service fee revenue anticipated to continue to grow at double-digit growth rates

- Fulfillment revenue also includes value-added services and transportation management
- Multi-node fulfillment network expected to fuel growth as additional centers go live with new clients
- Revenues from non-fulfillment activities, such as contact center, are projected to decrease as a percentage of total revenue as fulfillment revenues continue to scale



INNOVATION CREATING  
EFFICIENCY

# INNOVATION INVESTMENTS

PFS' approach to automation is to deploy technology solutions that are pragmatic and increase efficiency. They must be:

- **Proven:** Demonstrated performance in similar distribution environments
- **Agile:** Allow for growth and changing operational realities
- **Highly Available and Supported:** Ability for PFS to troubleshoot any critical issues on-site
- **Scalable:** Systems work across a wide variety of client operations to create synergies
- **User Friendly:** Must work alongside or enhance a human's productivity without being 100% reliable on the technology

PFS' 3-5 year automation roadmap consists of three levels:



## 1. Existing Automation

Expanding existing automation not fully deployed across all solutions.

- Light-driven pick carts and walls
- Paperless pick carts



## 2. Best-in-Class

Mechanization that complements and enhances human tasks.

- Automation for inventory cycle counts
- Autonomous mobile robots



## 3. Cutting Edge

Experimenting with fully automated and smart distribution centers.

- E.g. Geek systems & HAI

# SUSTAINABILITY STRATEGY

PFS' goal is to move towards a sustainable future by taking on the sustainable objectives of its clients and offering environmental-friendly alternatives to its fulfillment operations.

## Environmental

Completed materiality assessment with a consulting firm in Q2 2023 that resulted in a published GRI report and disclosed Scope 1 & 2 emissions with EcoVadis and CDP. This includes a formal Sustainability Plan, Environmental Policy, and Human Rights Policy as well as programs to collect necessary data for future mandatory reporting requirements. Several programs are in place to support clients' initiatives by deploying technology to reduce waste.

- **Paperless Picking:** Eliminates paper during the product picking process
- **Regional Carriers:** Offering parcel and regional carriers for greener transit options
- **Sourcing Materials:** Recycled/recyclable packaging, water activated tape, etc.
- **Right-size packaging:** Sourcing correct box sizes and implementing best practices in pack out to reduce wasted space

## Human

Providing opportunities for employees to contribute and grow.

- **Ideal Work Environments:** Remote and hybrid options for corporate and contact center staff and a positive teamwork culture in the fulfillment centers
- **Recognize & Retain Talent:** Employee award programs, promoting from within and opportunities to move laterally within the company
- **Cooperation & Collaboration:** Cross-functional and leadership support of employee programs and willingness to support our fulfillment operations and contact centers during critical holiday season



[View Report on PFS' Website Here](#)

# COMPELLING OPPORTUNITIES FOR GROWTH

	1 GEO EXPANSION	2 VERTICAL EXPANSION	3 TRANSPORTATION	4 SCALE UP FULFILLMENT ENABLEMENT PRODUCTS <sup>1</sup>
<b>STRATEGY</b>	<ul style="list-style-type: none"> <li>Continue expansion of distribution center presence in North America and EMEA</li> </ul>	<ul style="list-style-type: none"> <li>Leverage current success to expand both penetration in core verticals and expansion into complementary verticals to increase total addressable market</li> </ul>	<ul style="list-style-type: none"> <li>Continue expansion of managed transportation services with regional carriers and courier services</li> <li>Add incremental sortation equipment and line haul capabilities for existing clients and sell excess capacity locally to generate new revenue streams</li> </ul>	<ul style="list-style-type: none"> <li>Augment traditional warehouse-based fulfillment with omnichannel/ dark store technology enablement tools</li> <li>Enhance flexibility and efficiency of current service offerings</li> <li>Includes RetailConnect and CloudPick</li> </ul>
<b>FINANCIAL IMPACT</b>	Continued acceleration of fulfillment service line	Continued acceleration of fulfillment service line	Scales top line significantly, while further entrenching PFS services	Requires sales investment

<sup>1</sup>. Roadmap item - currently not active

# IDENTIFYING IDEAL CLIENTS



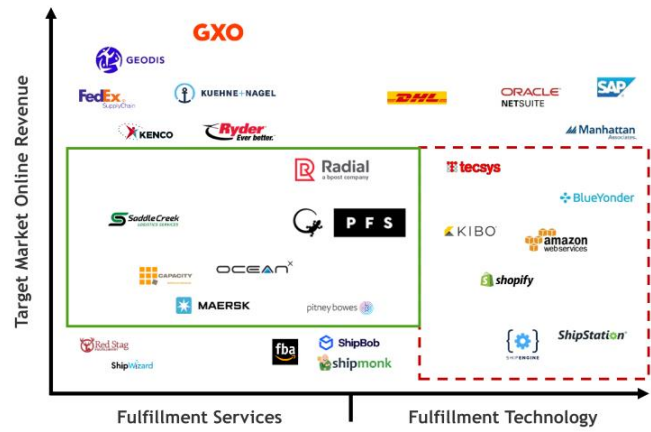
# COMPELLING MARKET POSITION

PFS is positioned in the middle of the eCommerce fulfillment market.<sup>1</sup>

- PFS differentiates from large contract logistics providers by providing flexible, brand-forward services
- PFS differentiates from SMB fulfillment providers by providing solution customization at scale

PFS has the opportunity to expand deeper into the fulfillment technology industry with additional investment into its proprietary fulfillment enablement products.

- PFS Market Position
- ▭ PFS FULF Tech Products Opportunity



1. Based on PFS competitive analysis

# COMPETITIVE LANDSCAPE

PFS' world-class order fulfillment services match up favorably against some of the largest enterprise 3PL providers in the industry and against emerging growth players.<sup>1</sup>

	3PL Fulfillment							Support Services		
	eCom DTC	Retail B2B	Value-Added Services	SMB	Transportation MGMT	International	Omnichannel Products	Order Orchestration	Customer Care	Payment & Fraud
PFS	●	●	●		◐	●	●	●	●	●
Radial	●	●	●	◐	●	◐	●	●	●	●
GXO	●	●	●		●	●				
Ryder <i>Ever better.</i>	●	●	●	◐	●	◐				
Saddle Creek <i>WORKING TOGETHER</i>	●	●	◐		●					
Capacore	●	●	●		●	◐				
OceanX	●	●	◐		●	◐				
Kenco	●	●	◐		●					
Geodis	●	●		◐	●	●				
Maersk	●	●			●					
ShipBob  Shipmonk	◐	◐		●	●	◐				

1. Based on PFS competitive analysis

# PREMIER AND LUXURY BRANDS REFLECTING RESILIENCY IN THE MARKET

PFS' core verticals have remained resilient to headwinds that have challenged big box retailers.

- Luxury goods industry is forecasted to be more resilient to recession in 2023, with the U.S. and Europe remaining strong, and continuing to grow until 2030<sup>1</sup>
- Recent Gartner research revealed that over half of consumers will remain loyal to their favorite brands despite inflation and that brand quality significantly fuels the customer loyalty
- Offering a premium brand experience has never been more crucial

**21%**

GROWTH IN GLOBAL LUXURY GOODS MARKET SECTOR IN 2022<sup>1</sup>



**50%+**

CONSUMERS WILL REMAIN LOYAL TO THEIR FAVORITE BRANDS DESPITE INFLATION<sup>2</sup>



1. Women's Wear Daily - Global Luxury Goods Market Seen Growing 21% in 2022 to 1.4 Trillion Euros, Bain & Company Study with Alltagamma  
2. Gartner Research



## INVESTMENT HIGHLIGHTS

The rapid shift to digital provided PFS with an opportunity to demonstrate agility and scalability evidenced by numerous accomplishments the last three years. A third consecutive record year of order fulfillment volume is proof PFS is uniquely positioned as a leader in global eCommerce operations with a strong value proposition and can deliver branded commerce operations at scale.

eCommerce growth stabilized after pandemic-induced record-setting growth. However, the industry remains strong in PFS' target verticals amid economic headwinds which fuels opportunity to expand the market's fulfillment operations.

- U.S. eCommerce sales reached \$1 trillion for the first time in 2022 - 7.7% increase year over year<sup>1</sup>
- Retail eCommerce sales worldwide estimated to grow by 8.9% in 2023<sup>2</sup>
- Luxury goods industry remains strong and predicted to grow due to younger generation spending<sup>3</sup>
- Gartner Research says that order fulfillment "has moved from being a tactical activity to a strategic business differentiator," and this differentiation should drive efficiency.<sup>4</sup>

In 2023, PFS is focused on the future and the continued demand for our brand-centric multi-node fulfillment service offering. The Company remains committed to:

1. Expanding multi-node fulfillment strategy to better serve clients' customers
2. Converting strong sales pipeline for continued growth
3. Growing transportation management revenue
4. Driving fulfillment-as-a-service product offering to allow a more dynamic and flexible fulfillment network
5. Targeting 2023 service fee revenue growth at 8% to 13% and adjusted EBITDA percentage of service fee revenue to be within the range of 6% to 8%<sup>5</sup>
6. Driving sustained value for shareholders following restructuring in 2022 that aligns the company's structure to its mission

1. Digital Commerce 360, U.S. Department of Commerce retail data; February 2023  
 2. Source: eMarketer; February 2023  
 3. Source: CBBC - Bain & Company Research  
 4. Source: Gartner Research, Develop a Customer Fulfillment Team to Meet Digitally Capable Customers' Needs; October 2022.  
 5. Company guidance issued and effective on August 8, 2023

THANK YOU

## STRATEGIC ALTERNATIVES PROCESS

PFSweb is evaluating options for shareholder value creation.

Raymond James Financial, a leading diversified financial services company, continues to represent PFS as they evaluate the best next step for the company and its shareholders. The company is targeting to complete this strategic review process in 2023.

**Focused on maximizing value for shareholders while achieving the best outcome for employees and clients, which could include:**

1. Taking the company private
2. Merging with another company where there is little to no business model overlap
3. Finding a great new home for the business with a larger parent company
4. Remaining a public company

- **PFS Growth** - Ensuring PFS is positioned for continued growth
- **Value Creation** - Delivering maximized shareholder value
- **PFS People** - Finding the best fit for PFS' valued employees

## LIVEAREA TRANSACTION

Merkle, a leading technology-enabled, data-driven customer experience management (CXM) company within Dentsu Group's international business, acquired the LiveArea business unit.

The LiveArea business segment was a full-service global customer experience and commerce agency for DTC and B2B brands. LiveArea primarily offered consultancy services for branded digital platforms, integration, marketing and applications.

- Announced July 6, 2021 — completed on August 26, 2021
- PFSweb sold LiveArea to Merkle, a Dentsu International company (Tokyo: 4324), for total gross consideration of \$250M, resulting in cash proceeds<sup>1</sup> of approximately \$150M after payment of debt, income taxes and transaction costs
- LiveArea joined an established global technology-enabled, data-driven CXM company, adding its \$85M in TTM revenue as of March 31, 2021
- PFSweb accounted for the LiveArea divestiture as a discontinued operation beginning on its Q2 2021 earnings report

<b>\$250M</b>	<b>\$150M</b>	<b>\$85M</b>
TOTAL CONSIDERATION	NET PROCEEDS <sup>1</sup>	LIVEAREA REVENUE TTM <sup>2</sup>

1. After consideration of estimated taxes and transaction related expenses.  
2. As of March 31, 2021

# SENIOR LEADERSHIP TEAM

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CEO

## Mike Willoughby

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- Promoted to CEO in March 2013
- 20+ years with the company, 30+ years of business development and digital marketing experience



CFO

## Tom Madden

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- Appointed CFO in 1997
- 30 years with the company, 35+ years of finance and accounting experience



President and COO

## Zach Thomann

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- Appointed as PFS GM in 2018, promoted to EVP in 2019, President in 2021, and COO in 2022
- 19 years with PFS in client services, operations and technology experience
- Will transition to Chief Executive Officer in 2023



## BUSINESS SENIOR MANAGEMENT TEAM



SVP, Business Operations

### Jamie Saucedo

- Operated in executive role since 2018, promoted to SVP Business Operations in 2021
- 15 years with PFS, holding various leadership roles in contact center operations, financial services, and client services



SVP, Chief Information Officer

### Mark Fuentes

- Promoted to CIO in 2014
- 19 years with PFS, 30+ years of technology and operations experience



SVP, Chief Accounting Officer

### Laura Bracken

- Hired in 2023
- 25+ years of finance and accounting experience
- Held previous executive positions at Aero Design Labs and At Home Group



SVP, Fulfillment Operations

### Jon Gardner

- Promoted to SVP Fulfillment Operations in 2021
- Hired in 2020 as VP of Fulfillment
- Previously held multiple executive leadership roles for Kuehne & Nagel North America

# BOARD OF DIRECTORS

<b>Monica Luechtefeld</b> Board Chair	<ul style="list-style-type: none"><li>• BOD member since 2014</li><li>• Recognized leader in eCommerce and previously held various executive roles at Office Depot</li></ul>
<b>Mike Willoughby</b> Chief Executive Officer & Executive Director of Board of Directors	<ul style="list-style-type: none"><li>• Promoted to CEO in March 2013</li><li>• 20+ years of business development and digital marketing experience</li></ul>
<b>David Beatson</b> Independent Director	<ul style="list-style-type: none"><li>• BOD member since 2000</li><li>• Chief Executive Officer of Ascent Advisors, LLC a logistics and supply chain consulting firm</li></ul>
<b>Benjamin Rosenzweig</b> Independent Director	<ul style="list-style-type: none"><li>• BOD member since 2013</li><li>• Partner at Privet Fund Management LLC</li></ul>
<b>Robert Frankfurt</b> Independent Director	<ul style="list-style-type: none"><li>• BOD member since 2019</li><li>• President and Founder of Myca Partners (“Myca”), and previously senior portfolio manager at Steel Partners and Sandell Asset Management</li></ul>
<b>Mercedes De Luca</b> Independent Director	<ul style="list-style-type: none"><li>• BOD member since 2019</li><li>• CIO of Pebble Beach Company, and 20+ years experience in the eCommerce, consumer Internet and software industries.</li></ul>

# HISTORICAL SERVICE FEE EQUIVALENT REVENUE OVERVIEW



## Service Fee Revenue

- Service Fee Revenue represents PFS' primary business activity across more than 100+ brands
  - No inventory ownership required
  - Generates service fees based on recurring transaction-based activity and projects
- FY2022 activity
  - Over \$3.2B in client merchandise fulfilled
  - This generated \$200.0M GAAP Service Fee Revenue or \$200.3M Service Fee Equivalent Revenue

## Product Revenue

- PFS' Product Revenue activity relates to one specific client
  - The client agreement required PFS to take title of their inventory and U.S. GAAP required PFS to record the full value of their merchandise sold as Product Revenue
  - Gross profit of Product Revenue was therefore the best estimate of service fees
  - Agreement with this client ended mid 2022

	2019 <sup>(1)</sup>			2020					2021		
	Full Year	Full Year	Full Year	Mar	June	Sept	Dec	YTD	Mar	June	YTD
<b>Total PFSW revenue</b>	294.0	272.9	277.3	66.5	64.6	65.5	98.5	295.1	69.3	67.9	137.2
Pass-through revenue	(53.0)	(62.0)	(64.2)	(17.8)	(19.2)	(21.8)	(32.9)	(91.7)	(21.7)	(19.7)	(41.4)
Cost of Product Revenue	(25.2)	(21.7)	(16.6)	(2.9)	(0.2)	-	-	(3.1)	-	-	-
Service fee revenue related to LiveArea activity <sup>(2)</sup>	(74.9)	(13.1)	(8.8)	-	-	-	-	-	-	-	-
<b>PFS Service Fee Equivalent Revenue</b>	<b>140.9</b>	<b>176.1</b>	<b>187.7</b>	<b>45.8</b>	<b>45.2</b>	<b>43.7</b>	<b>65.6</b>	<b>200.3</b>	<b>47.6</b>	<b>48.2</b>	<b>95.8</b>

(1) Service fee equivalent revenues for 2019 based on amounts as filed in our Form 10-K for the year ended December 31, 2019, and have not been affected for discontinued operations presentation related to the divestiture of our LiveArea business in 2021.

(2) In completing the discontinued operations presentation, certain LiveArea revenues, costs of revenues and gross profit related to client contracts that were not fully transferred to contracts directly operating under the LiveArea operating entities as of the August 2021 transaction date were maintained by PFS as part of the continuing operations presentation. Subsequent to the LiveArea transaction date, revenues billed and costs incurred under these certain contracts where we have subcontracted services to LiveArea are recorded as pass-through revenue and pass-through costs, for as long as such contracts continue to be maintained directly through PFS.

# RECONCILIATION TABLES

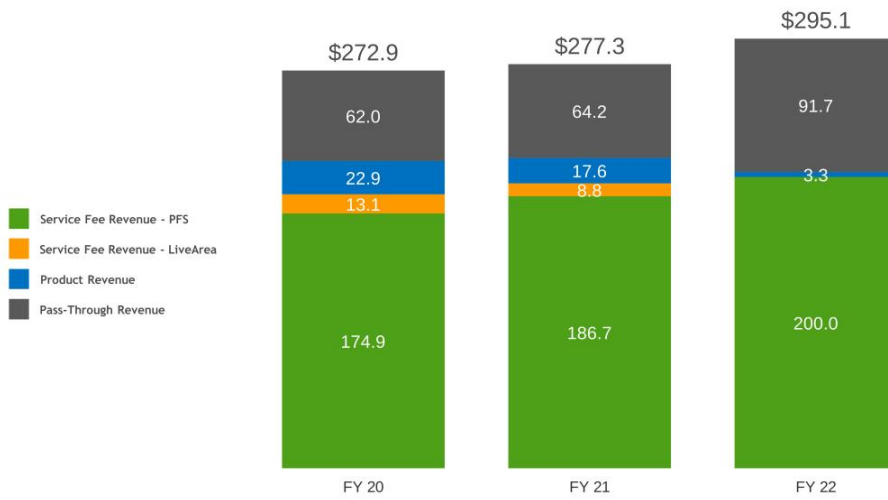
(\$ Millions)

## Continuing Operations - Reconciliation of Net Income (Loss) to EBITDA, Adjusted EBITDA & Non-GAAP Net Income (Loss)

	2020		2021		2022			2023		
	Full Year	Full Year	Mar	June	Sept	Dec	YTD	Mar	June	YTD
<b>Net income (loss) from continuing operations</b>	(6.2)	(13.6)	(7.5)	(4.5)	(6.1)	(2.1)	(20.2)	(1.5)	(0.1)	(1.6)
Income tax expense (benefit)	1.4	1.5	0.3	0.2	0.2	0.9	1.6	0.6	-	0.6
Loss on extinguishment of debt	-	0.4	-	-	-	-	-	-	-	-
Interest expense (income)	1.5	0.9	-	(0.2)	(0.6)	(0.7)	(1.4)	(0.1)	(0.3)	(0.3)
Depreciation and amortization	7.6	7.6	2.0	1.7	1.9	2.0	7.5	2.1	2.1	4.1
<b>EBITDA</b>	4.3	(3.2)	(5.2)	(2.7)	(4.6)	0.0	(12.5)	1.1	1.7	2.8
Gross margin on LiveArea activity	(5.1)	(3.6)	-	-	-	-	-	-	-	-
Stock-based compensation	7.0	4.8	0.7	0.6	1.6	3.0	5.9	1.0	1.2	2.2
Acquisition-related, restructuring & other costs	1.4	5.0	4.1	1.8	3.2	2.5	11.5	0.8	0.5	1.3
<b>Adjusted EBITDA</b>	7.6	3.0	(0.4)	(0.4)	0.2	5.5	5.0	3.0	3.3	6.3
<b>Net income (loss) from continuing operations</b>	(6.2)	(13.6)	(7.5)	(4.5)	(6.1)	(2.1)	(20.2)	(1.5)	(0.1)	(1.6)
Stock-based compensation	7.0	4.8	0.7	0.6	1.6	3.0	5.9	1.0	1.2	2.2
Acquisition-related, restructuring & other costs	1.4	5.0	4.1	1.8	3.2	2.5	11.5	0.8	0.5	1.3
<b>Non-GAAP Net Income (Loss)</b>	2.2	(3.8)	(2.7)	(2.1)	(1.3)	3.4	(2.7)	0.3	1.6	1.9

# TOTAL REVENUE BREAKDOWN - CONSOLIDATED

(\$ Millions)



Goal of aligning cost structure more closely with its current size and focus post completion of the LiveArea divestiture, while driving ~\$9M in ongoing cost savings.

- **Rightsizing due to LiveArea divestiture**  
Personnel reductions in 2021 & 2022 and a reduction of ongoing SG&A expenses, including the impact of the completion of the TSA with Merkle
- **Allen HQ Lease Termination**  
Early termination of the Company's Allen, TX corporate headquarters
- **Executive Team Restructuring**  
Restructuring of the executive team and current CEO compensation to better reflect the cost of PFS' continuing operations
- **Additional Cost Savings Initiatives**  
Reductions in ongoing professional services costs, and optimizing the Company's corporate support activities

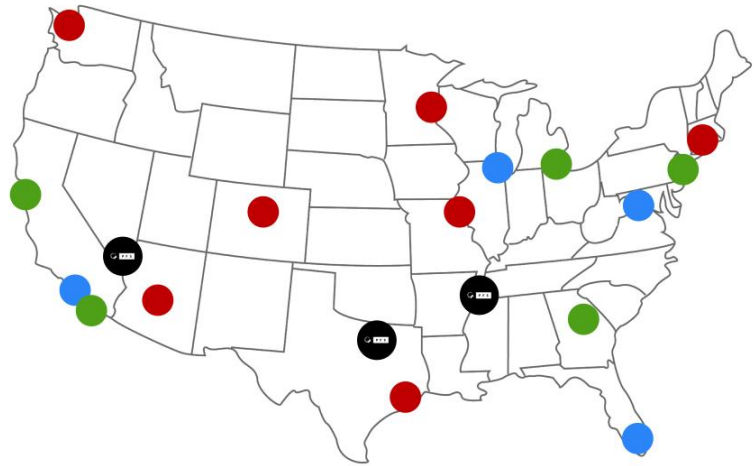
## 2021-2022 Restructuring Breakdown

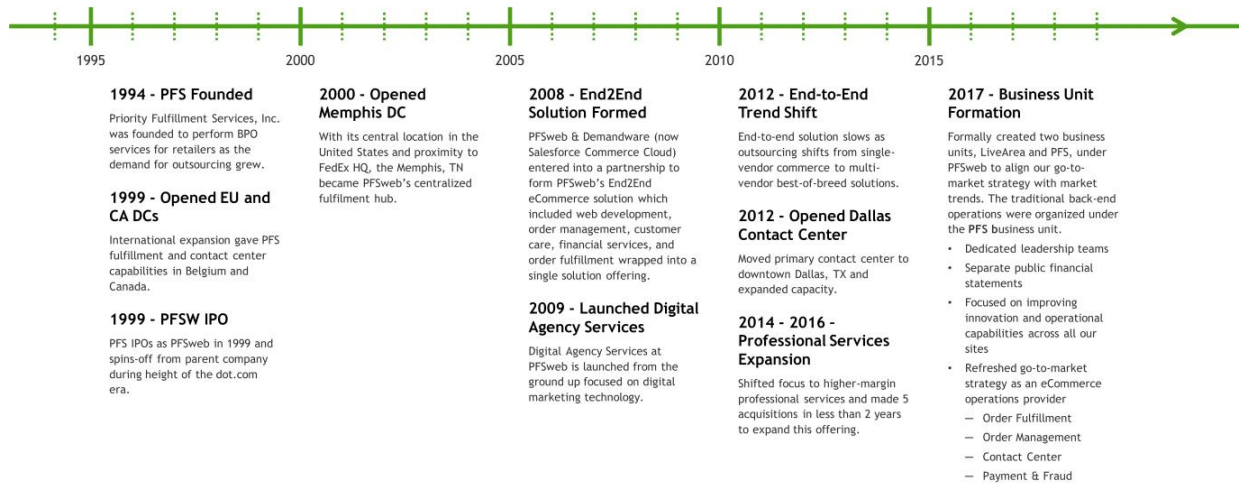


# DISTRIBUTED FULFILLMENT APPROACH

Delivering on customer expectations requires a distributed fulfillment approach with enterprise fulfillment facilities managing the majority of orders, and asset-light fulfillment solutions within both the store environment and key metropolitan areas. PFS provides a platform and agility to enable each point of fulfillment and is continuing to scale that infrastructure.

	<b>Enterprise Fulfillment</b> Purpose-built permanent fulfillment center
	<b>Metro Fulfillment</b> Temporary fulfillment locations enabled by technology
	<b>Dark Store Fulfillment</b> Operate store as a fulfillment center
	<b>Omnichannel Fulfillment</b> Traditional omnichannel tech and hardware deployed







# TRACK RECORD OF INNOVATION

- OMS/WMS Technology Innovation
- Product Development
- Multi-Node Fulfillment Expansion



Born in 1994 from a wholesale distributor of computer consumables, PFSweb IPO'd in 1999 and has a long history providing premium outsourced order fulfillment services dating back to the dot com boom era. Today, PFS is dedicated to executing for its clients by creating an ideal multi-node infrastructure and continuing its long track record of innovation.

