



January 13, 2016

PFSweb Reports Successful Holiday Season and Increases 2015 Guidance

ALLEN, TX -- (Marketwired) -- 01/13/16 -- PFSweb, Inc. (NASDAQ: PFSW), a global commerce service provider, reports it has successfully supported its clients through the 2015 holiday season with strong financial and operational performance.

"With the conclusion of our all-important holiday season, on an overall basis our clients were once again pleased with their online holiday volumes as well as our ongoing support," said Mike Willoughby, CEO of PFSweb. "In general, we believe many of our direct-to-consumer clients experienced year-over-year growth in their gross merchandise revenue during the holiday season in-line or above eCommerce analyst expectations. 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 year."

As a result of the projected strong financial performance during the fourth quarter, PFSweb now expects 2015 service fee equivalent revenue to range between \$183 million and \$187 million, a 32% to 35% increase from 2014 and an increase from the previous 2015 guidance range of \$180 million to \$186 million. The company also now expects 2015 adjusted EBITDA to range between \$19.3 million and \$20.7 million, representing a 41% to 51% increase over 2014 and an increase from the previous 2015 guidance range of \$18.5 million to \$20.5 million. PFSweb will report its final 2015 results in March 2016.

For 2016, PFSweb expects continued strong growth in service fee equivalent revenue and adjusted EBITDA as the company realizes a full year of benefit from its recent acquisitions, as well as incremental revenue from new and expanded client relationships. The company is reaffirming its previously issued 2016 guidance, targeting 2016 service fee equivalent revenue to range between \$220 million and \$230 million, and adjusted EBITDA to range between \$23 million and \$25 million. The adjusted EBITDA target includes incremental sales and marketing expenditures as well as other infrastructure costs to support the company's future growth strategies.

About PFSweb, Inc.

PFSweb (NASDAQ: PFSW) is a global commerce service provider of solutions including digital strategy consulting, 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, ASICS, Roots Canada Ltd., PANDORA, Diageo, BCBGMXAZRIA, ROKA Sports, 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, Ohio, North Carolina, 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 contains certain non-GAAP measures, including earnings before interest, income taxes, depreciation and amortization (EBITDA), adjusted EBITDA and service fee equivalent 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, restructuring and other charges and amortization of acquisition-related intangible assets.

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

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 EBITDA and adjusted EBITDA eliminate the effect of stock-based compensation, acquisition related, restructuring and other charges and amortization of acquisition-related intangible assets, financing, 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.

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, 2014 and subsequent Quarterly Reports on Form 10-Q for the first three fiscal quarters of 2015 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 Annual and Quarterly Reports 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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