

June 2020

**P F S W**

## **PFSW Global Commerce Solutions**

# 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. All forward-looking information contained herein is subject to the risk factors and uncertainties described in the Company's filings with the Securities and Exchange Commission, which risk factors and uncertainties are incorporated by reference as though fully set forth herein.

This presentation contains certain non-GAAP measures including **Service Fee Equivalent Revenue, Non-GAAP Net Income (Loss), EBITDA and Adjusted EBITDA**. 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) 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 (income) 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 (income) costs. Service Fee Equivalent Revenue, Non-GAAP Net Income (Loss), EBITDA, and Adjusted EBITDA are used by management, analysts, investors and other interested parties in evaluating our operating performance compared to that of other companies in our industry, as the calculation of Non-GAAP Net Income (Loss) eliminates the effect of non-cash 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. EBITDA eliminates the effect of financing, income taxes, and the accounting effects of capital spending, and the amortization of acquisition-related intangible benefits, and Adjusted EBITDA further eliminates non-cash stock-based compensation and acquisition-related, restructuring and other costs, 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. The non-GAAP measures are not intended to be considered in isolation of, as a substitute for or superior to our GAAP financial information. We have included reconciliations later in this presentation of the non-GAAP measures to the nearest GAAP measure.

# Key Stats<sup>1</sup>

NASDAQ: PFSW

## TRADING DATA @ (6/16/20)

Stock Price  
**\$7.50**

\$1.50/\$7.57  
52 WEEK LOW/HIGH

137,164  
AVG. DAILY VOL. (3 MO.)

19.5M  
SHARES OUTSTANDING

78%  
PUBLIC FLOAT, EST.

77%  
INSTITUTIONAL/STRATEGIC  
OWNER HOLDINGS

## VALUATION MEASURES @ (6/16/20)

Enterprise Value  
**\$171.8M**

\$146.0M  
MARKET CAP

0.8x  
EV/2019 SFE REVENUE<sup>2</sup>

10.6x  
EV/2019 ADJ. EBITDA<sup>2</sup>

## FINANCIAL HIGHLIGHTS (FY 2019)

Adjusted EBITDA<sup>2</sup>  
**\$16.2M**

\$294.0M  
TOTAL REVENUE

\$215.8M  
SERVICE FEE  
EQUIVALENT REVENUE<sup>2</sup>

\$3.9M  
NON-GAAP NET INCOME<sup>2</sup>

\$12.4M  
CASH & EQUIVALENTS<sup>3</sup>

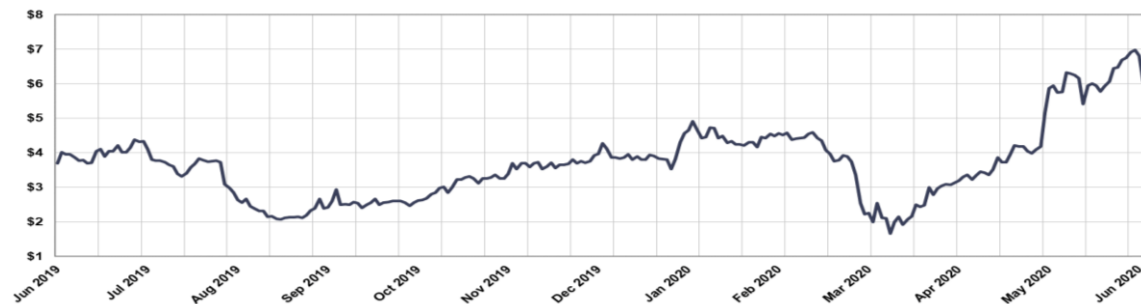
\$203.6M  
TOTAL ASSETS<sup>3</sup>

\$37.8M  
TOTAL DEBT<sup>3</sup>

\$156.8M  
TOTAL LIABILITIES<sup>3</sup>

\$46.8M  
TOTAL EQUITY<sup>3</sup>

## STOCK TREND

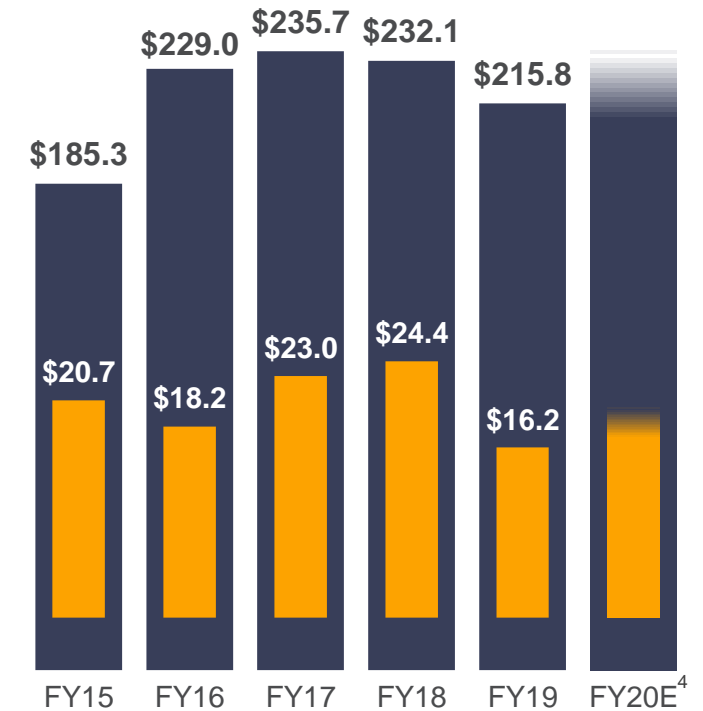


## TARGETING RETURN TO GROWTH IN 2020

■ Service Fee Equivalent Revenue<sup>2</sup>

■ Adj. EBITDA<sup>2</sup>

(\$ Millions)



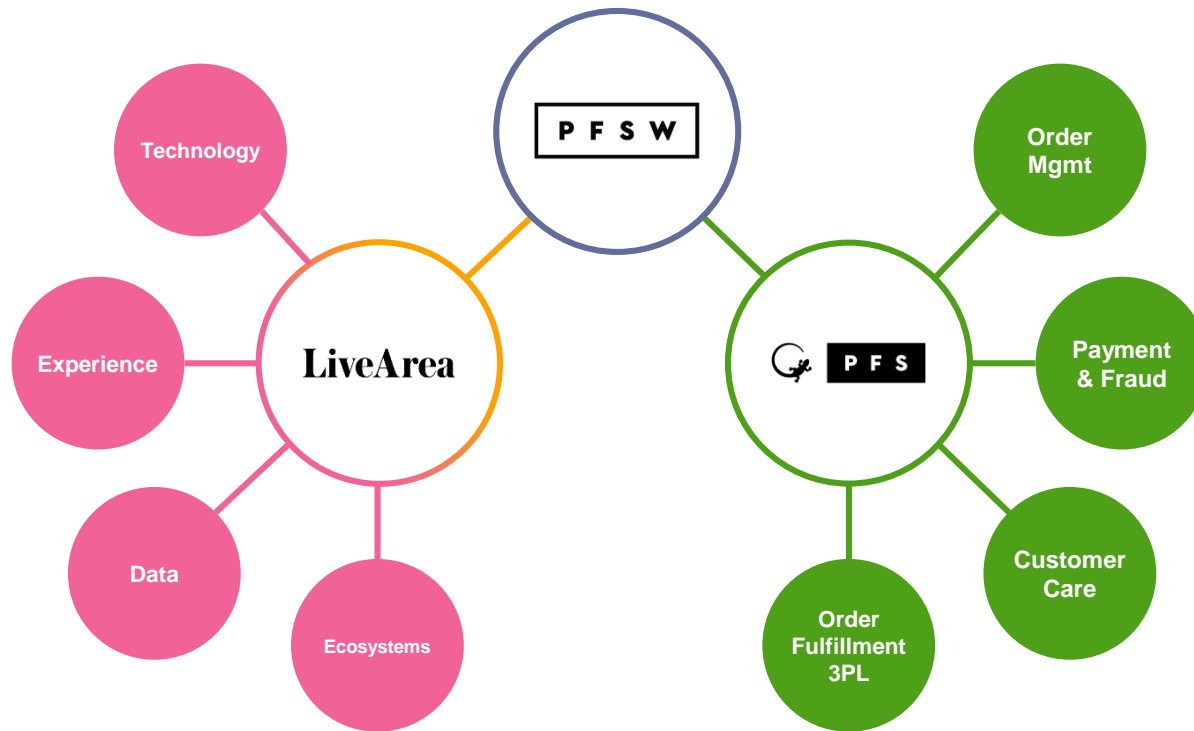
1. Source: Capital IQ

2. Service fee equivalent (SFE) revenue, Adjusted EBITDA and Non-GAAP net income are non-GAAP financial measures. See Appendix for a reconciliation to the most comparable GAAP financial measure

3. As of the fourth quarter ended December 31, 2019.

4. Company guidance issued and effective 5/7/20 only.

# Who We Are



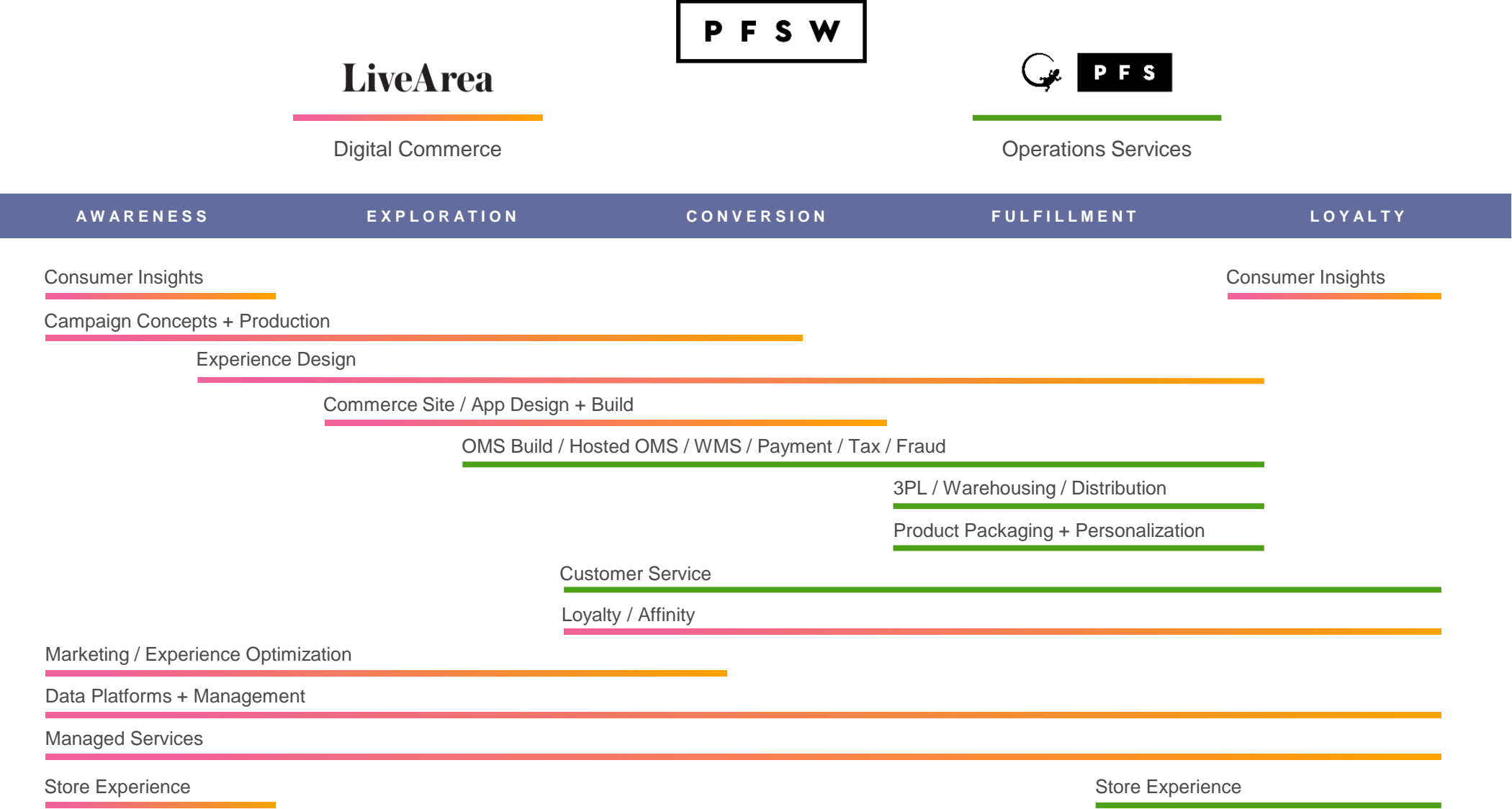
## PFSW is a Global Commerce Services Company.

We manage the entire online customer shopping experience for major branded manufacturers and retailers. We do this through two business units:

- The Professional Services unit, **LiveArea**, provides services related to the digital experience of shopping online.
- The Operations Services unit, **PFS**, provides services related to the physical experience of customer service, payment and receiving/returning product.
- Together, these two units provide the full range of eCommerce services that brands need to create a distinctive shopping experience.



# End Customer Journey



# Selected Client Portfolio

PANDORA

Champion



GIORGIO ARMANI  
fragrances & beauty



Tommy Bahama

asics

LANCÔME  
PARIS

LAURA MERCIER  
PARIS | NEW YORK

bareMinerals

URBAN DECAY



YVES SAINT LAURENT  
collection

KÉRASTASE  
PARIS



RALPH LAUREN



thrive<sup>™</sup>  
causemetics

Aaron's

MOLESKINE

Kiehl's  
SINCE 1851

clarisonic

MAGGIANO'S  
LITTLE ITALY



Elizabeth Arden  
NEW YORK

Party City

DULUTH  
TRADING CO.

GANDER  
OUTDOORS

GORE<sup>®</sup>  
WEAR

Lexmark

PENDLETON

P&G

clé de peau  
BEAUTÉ

CLARINS

SHISEIDO

scansource

Antonia Saint  
NEW YORK

crocs<sup>™</sup>



xerox

ANASTASIA  
BEVERLY HILLS

# Why We Win

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## Our competitive advantage lies in our ability to create exceptional branded digital and physical shopping experiences.

- Vertical expertise includes DTC and B2B brand manufacturers with a focus on health & beauty, fashion, jewelry and collectables, activewear, and premier CPG brands.
- Differentiated from retail marketplaces and general merchandise retailers – everything from website design services to personalized products and high-touch order fulfillment.
- Flexible approach to solutions that serve highly customized enterprise implementations, as well as plug and play integrations for SMBs.
- Global footprint that spans three continents and enables clients to cost effectively expand into new geographies.
- Innovative use of technology and software development to create products and productized service offerings which expand our market beyond traditional BPO and systems integration.

**Market experience, a complete end-to-end solution and an innovative, brand-centric approach separate us from our competition.**

# State of the Business

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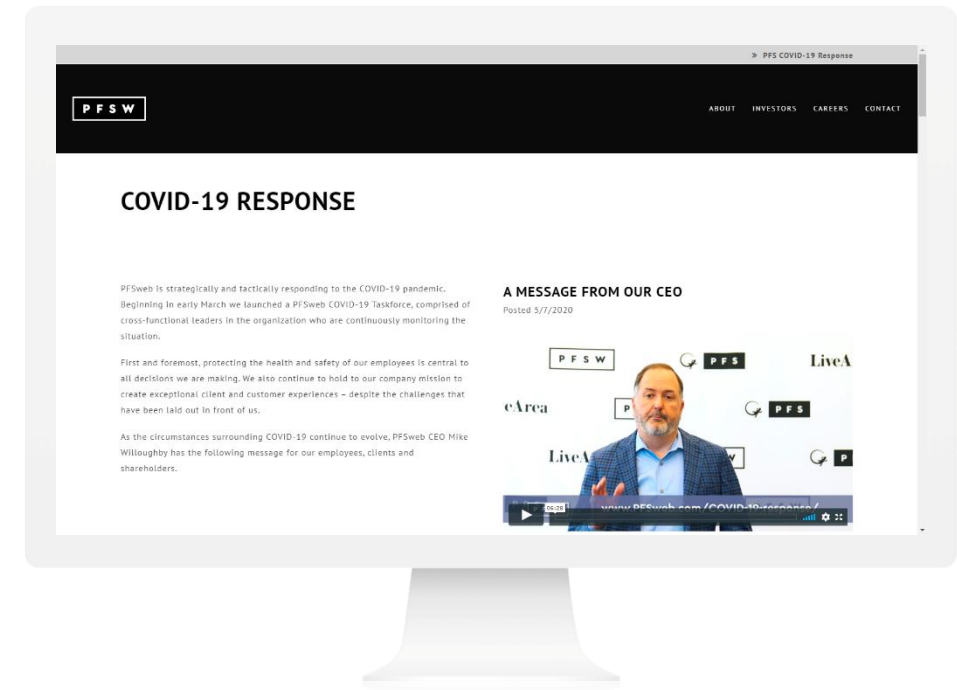
COVID Response & Business Unit Updates



# COVID: Strategic Response

**Declared as an essential support business in every operating region, our response includes strategic actions to keep employees safe, and maintain business continuity for our clients.**

- First and foremost, protecting the health and safety of our employees is our priority:
  - Formed COVID-19 Task Force in early March that meets daily.
  - Transitioned employees to WFH wherever possible – including all business support staff and our global contact center associates.
  - Distributed varieties of PPE to global fulfillment center employees.
  - Enhanced procedures in fulfillment centers including temperature checks and nightly disinfectant fogging.
- For many of our clients, the online channel has been their “life boat”, and we consider it our duty to help their commerce operations run as smoothly as possible.
- Despite the changing conditions and new working environments, our global operations are at full strength, and we are comfortable operating in this mode for the foreseeable future.



More information, including a detailed timeline of our actions, can be found at

**<https://www.pfsweb.com/covid-19-response/>**

# COVID: PFSW Outlook

The rapid acceleration of online shopping has created opportunities for both business units. Global general retail sector online sales were up more than 200% in April 2020, compared to the same period in 2019<sup>1</sup>, and consumer behavior will likely take some time to adjust back to brick & mortar.

## PFS

- Seeking ways to ensure business continuity of our clients' operations and solutions to different operational scenarios for the coming months.
- Order fulfillment volume is sustained at holiday-like levels continuing through May
- FaaS product opportunities offering solutions due to client store inventory issues
- Continue to sign and implement new clients, but experiencing sales pipeline complications to nature of selling a physical service during a pandemic.

## LiveArea

- Record bookings performance over past three quarters reflects the work and investments put into revamping go-to-market approach.
- Strong sales pipeline as brands reallocate budget towards their digital channel and expose areas of under investment.
- Anticipate an influx in readiness audits and digital transformation investments that will enable brands to be more responsive to changes in the future.
- Some clients may have project timeline delays. Should some delays occur, we anticipate our near-term bookings and revenue backlog to soften compared to what we would have anticipated a couple of months ago.

1. According to an analysis by ACI Worldwide

# PFS Update

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## Solid momentum coming out of 2019 due to the strongest year of new sales/bookings in PFS history.

- Investing in productized offerings, geographic expansion, and core fulfillment verticals to diversify revenue and enhance margin profile - targeting return to growth in 2020.
- 2019 bookings expected to contribute \$34.5M in average annual contract value - a business unit record. The pipeline continues to be solid although currently with smaller deals and slower progression.
- Renewed focus on our core, proven verticals of Health/Beauty, Jewelry/Collectables, CPG and Fashion/Apparel is reflected in our 2019 and 2020 bookings. Also, a focus on strong mid-market brands with high growth potential needing the ability to scale is proving successful.
- Momentum in Europe, particularly the UK, as the ramifications from Brexit have become more defined.
- Long term service fee growth objective of 5-10%.





# LiveArea Update

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**New executive appointments in mid-2019 led to strong Q3/Q4 bookings and continued momentum into 2020 with another bookings record in Q1.**

- Finished 2019 with two record sales bookings quarters of \$15.8M for Q3 and \$20.6M for Q4 for a total of \$61.8M in annual contract value for the sales year.
- Continued strong bookings in Q1 2020 with \$24.5M in annual contract value
- Proven industry veterans made an immediate impact to rebuild the sales pipeline, re-establish deeper/wider channel partnerships, and re-invent the marketing strategy.
- Focused on recruiting, hiring and retaining top quality talent, and improving how projects are scoped and delivered.
- Expect revenue and profitability improvements in 2020 from a strong sales pipeline and increased collaboration with PFS as a key differentiator.
- Long term service fee growth objective of 10-15%.



# Growth

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**Incremental Growth Opportunities**

# Fulfillment as a Service (FaaS)

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**FaaS enables pick-pack-ship services outside the traditional outsourcing model. By bundling our fulfillment technology, lightweight infrastructure, and operations management we create flexible, alternative fulfillment methods.**

## What problems does FaaS solve for the brand/retailer?

Brands and retailers gain flexibility in their supply chain and store operations. Examples include:

- Scale during specific seasonal or promotional peak periods.
- Support temporary pop-up shops with technology and services.
- Enable omni-channel services.
- Reduce shipping time and cost, and open up new shipping options.
- Improve operational efficiency while lowering the price to entry.

## Does the model differ from PFS' traditional services?

Sold as a subscription, PFS ships lightweight infrastructure directly to a client's store or distribution center, then provides licenses to cloud-based software to integrate with their own operations.

- Subscription pricing based on activity with monthly minimums.
- Product vs. Services model.
- Ongoing support provided for troubleshooting and replacement parts.

## What does PFSW gain by offering FaaS products?

We provide strategic value to our clients and solve complex operational challenges. This value translates back to PFS in the following areas:

- Increased percentage of higher gross margin activity.
- Enable add-on services to existing client accounts.
- Increased client retention by enabling post-outsourcing model services if a client moves in-house.
- Improved resource utilization on capitalized projects to fund future R&D.



# FaaS: RetailConnect



RetailConnect

**RetailConnect<sup>SM</sup> is PFS' answer to store-fulfillment problems.**

With PFS fulfillment technology deployed into stores, retailers optimize their omni-channel offerings to their customers with minimal disruption to their store operations.

- PFS fulfillment technology and infrastructure is deployed inside a retailer's store. It does not replace an existing omni-channel technology solution, but rather complements it to optimize the pick/pack/ship process inside the store.
- Retailers gain an organized process, fulfillment efficiency and accuracy for their ship from store and in store pick up (BOPIS) orders.
- Successful pilot with DFW artisan shop completed in Q4 2019. The client cut their processing time for these orders in half and has asked to extend the engagement beyond the holidays. They intend to implement RetailConnect in 3 additional stores in 2020.



# FaaS: CloudPick



## Increases fulfillment picking efficiency inside distribution centers.

CloudPick<sup>SM</sup> is a turn-key, cloud-based order fulfillment picking solution designed to be deployed into any distribution center. With Netherlands based Pcddata as the hardware partner, the carts are manufactured by PFS with our proprietary software for a simple Wi-Fi integration.

- The bundled pick carts and cloud-based picking software are sold as a subscription model with an ongoing support contract.
- Retailer Advantages:
  - Cart delivery in as fast as a few weeks, with very simple onsite setup.
  - Improve pick accuracy and productivity while reducing operating expenses.
- Product interest has been strong at recent industry tradeshow. We are currently identifying pilot clients for a 2020 launch.



# Financials

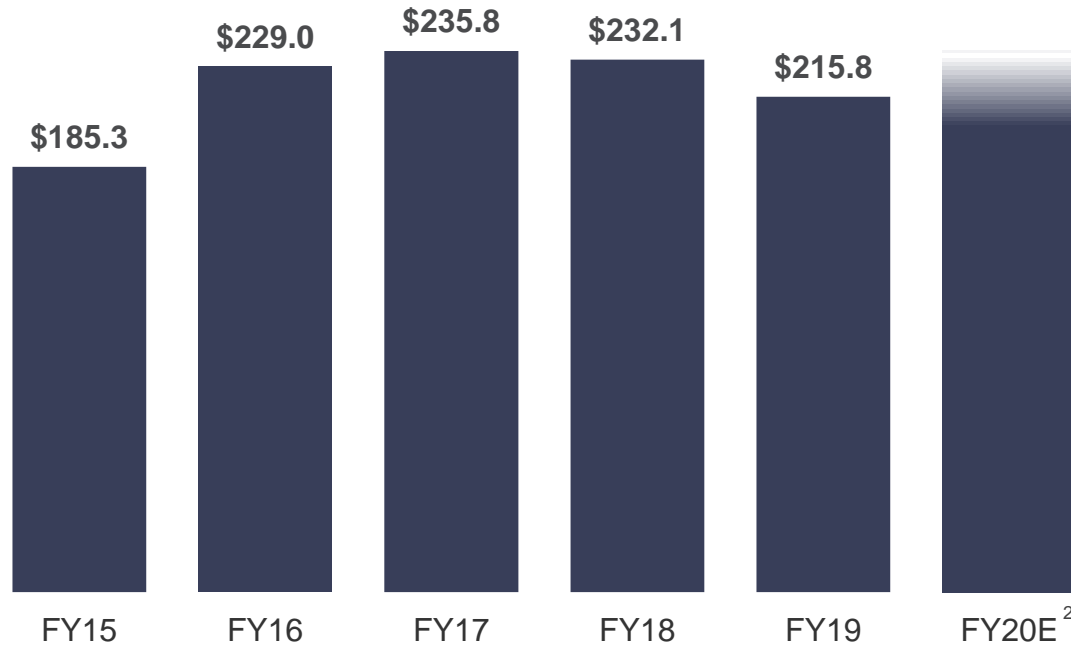
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Overview of PFSweb's Financial Picture

# SFE<sup>1</sup> Revenue Breakdown

(\$ Millions)

## Service Fee Equivalent Revenue<sup>1</sup>



Recurring FY19 Service Fee Equivalent Revenue ~65%

## Profitable Revenue Growth Driven by:

- New and expanded client relationships.
- Accelerated professional services growth including benefit from acquisitions in 2014 – 2016.
- Implementing new strategies to accelerate growth.
  - PFS: New products (RetailConnect & CloudPick), traction from sales & marketing investments
  - LiveArea: Leadership changes, go-to-market adjustments
- **Targeting mid-to-high single digit SFE Revenue growth in 2020<sup>2</sup>.**

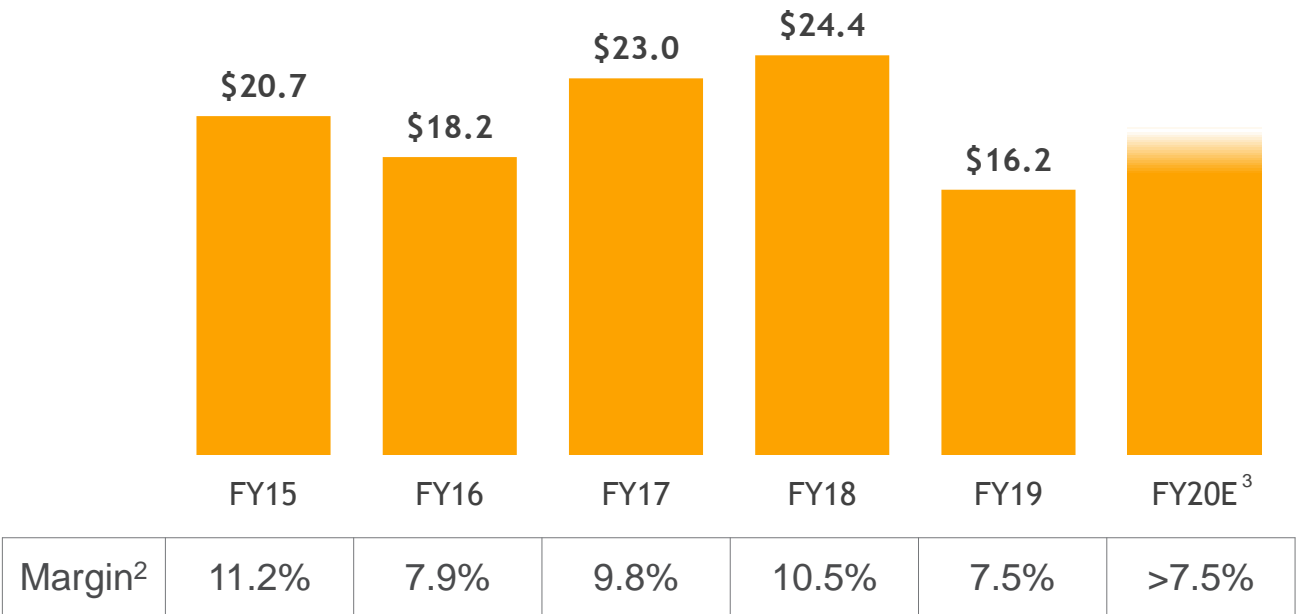
1. Service Fee Equivalent Revenue is a non-GAAP financial measure. See Appendix for a reconciliation to the most comparable GAAP financial measure.

2. Company guidance issued and effective on 5/7/2020 only.

# AEBITDA Breakdown

(\$ Millions)

Adjusted EBITDA<sup>1</sup>



Long-Term Margin Objective: 12-13%

## Adjusted EBITDA and margin expansion driven by:

- Emphasis on higher-margin service fee business and new products.
- Leveraging global infrastructure.
- Continuous cost control initiatives and operating efficiencies.
- Overcoming PFS client bankruptcies and LiveArea sales under-performance in 2019.
- **Targeting adjusted EBITDA margin expansion in 2020<sup>3</sup>.**

1. Service Fee Equivalent Revenue and Adjusted EBITDA are non-GAAP financial measures. See Appendix for a reconciliation to the most comparable GAAP financial measure.  
 2. AEBITDA Margin reflects percentage of Adjusted EBITDA to Service Fee Equivalent Revenue  
 3. Company guidance issued and effective on 5/7/2020 only

# Balance Sheet

(\$ Millions)

Select Balance Sheet Items	Dec 31, 2019	Mar 31, 2020
Cash	\$12.4	\$14.5
Accounts Receivable	72.3	63.9
Inventories	3.3	2.0
Property & Equipment, Net	18.4	17.1
Goodwill & Intangibles	46.5	45.9
Operating Lease Right-Of-Use Assets	36.4	34.6
Other	14.3	15.8
<b>Total Assets</b>	<b>\$203.6</b>	<b>\$193.8</b>
Accounts Payable	\$44.6	\$37.5
Accrued Expenses & Other	32.2	29.9
Operating Lease Liabilities	42.2	39.9
Debt	37.8	40.4
<b>Total Liabilities</b>	<b>\$156.8</b>	<b>\$147.7</b>
<b>Total Shareholders' Equity</b>	<b>\$46.8</b>	<b>\$46.1</b>

## March 2020 Highlights

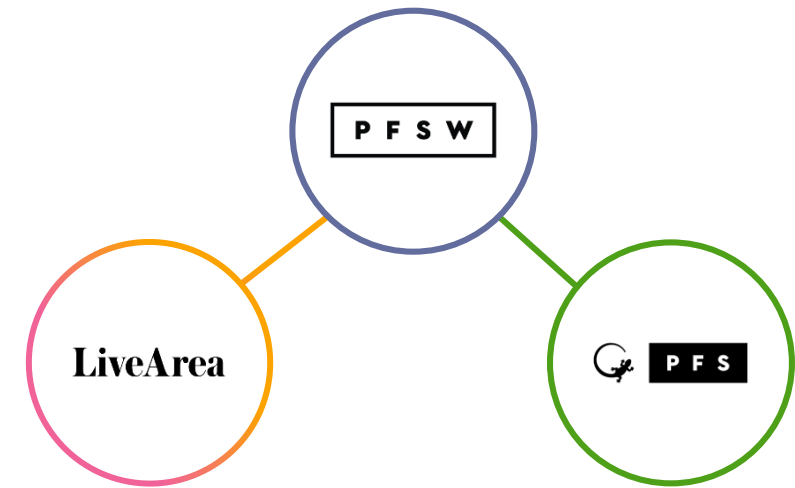
- \$14.5M cash
- \$40.4M debt
- Net debt position of \$25.9M
- Amended senior bank facility in Nov 2018 (\$60M capacity). Five year agreement with improved rate structure and terms.



# Investment Highlights

**Classified as an essential support business, we are uniquely positioned as a leader in global commerce with a strong value proposition and expectations for 2020.**

- COVID crisis creating near and long-term benefits:
  - Expected permanent eCommerce acceleration with disruption to brick-and-mortar shopping.
  - Currently experiencing sustained holiday-like volumes in our PFS fulfillment centers.
  - Clients redirecting investments to their digital channel and seeking additional services or contingency assistance – opening up End-to-End cross-sell opportunities.
  - Potential near-term risk with individual client financial stability.
- Global footprint spanning three continents, brand-centric approach, and a diversified portfolio of clients provide a strong foundation for growth.
- We enjoy multiple avenues for growth and margin expansion as we implement new initiatives and introduce tech products that require limited PFS facility, operations infrastructure and labor support costs.



“Consumers are more motivated than ever to stay home and shop online, creating the ideal market conditions to fast-track, test, and launch new experience-driven mobile apps, sites, and touchpoints across their platform.”<sup>1</sup>

**Forbes**

1. Forbes: How COVID-19 Is Transforming E-Commerce – April 28, 2020

# Thank You

P F S W

# 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
- 25 years with the company, 35+ years of finance and accounting experience



EVP and PFS GM

## Zach Thomann

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- Promoted to EVP in January 2019, appointed as PFS GM in 2018
- 15 years with the company with client services, operations and technology experience



EVP and LiveArea GM

## Jim Butler

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- Hired in June 2019
- 20+ years of technology and digital consulting experience, most recently served as president of Intersection and former president of Isobar

# Board of Directors

<b>James Reilly</b> Chairman of the Board	<ul style="list-style-type: none"> <li>• BOD member since 1999</li> <li>• Managing Partner of Stonepine Advisors, LLC, an investment banking firm</li> </ul>
<b>Mike Willoughby</b> Chief Executive Officer	<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>Monica Luechtefeld</b> Independent Director	<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>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>Shinichi Nagakura</b> Independent Director	<ul style="list-style-type: none"> <li>• BOD member since 2013</li> <li>• Officer at transcosmos inc., a leading Japanese BPO company, for the last 15 years</li> </ul>
<b>Peter Stein</b> Independent Director	<ul style="list-style-type: none"> <li>• BOD member since 2016</li> <li>• Executive-in-residence at Lerer Hippeau Ventures, and previously Global CEO at Razorfish</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>

# Global Locations



# Revenue & GAAP Financials

## Why we measure Service Fee Equivalent Revenue

### Service Fee Revenue

- Service Fee Revenue represents our primary business activity across more than 160 clients
- **No inventory ownership required**
- Generates service fees based on recurring transaction-based activity and projects.

#### FY 19 Activity:

~\$2B Client Merchandise Fulfilled

**= \$214M GAAP Service Fee Revenue or “Service Fee Equivalent Revenue”**

### Product Revenue

- Our Product Revenue activity relates to one client
- **Client requires us to take title of their inventory, and U.S. GAAP requires us to record the full value of their merchandise sold as Product Revenue**
- Gross profit of product revenue is therefore the best estimate of our service fees

#### FY 19 Activity:

\$26.6M Client Merchandise Fulfilled

= \$26.6M GAAP Product Revenue

**= \$1M in Gross Profit or “Service Fee Equivalent Revenue”**

**\$214M + \$1M = \$215M Total Service Fee Equivalent Revenue**



# Reconciliation Tables

(\$ Millions)

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

					2019					2020	
	2015 Cons	2016 Cons	2017 Cons	2018 Cons	March Cons	June Cons	Sept Cons	Dec Cons	YTD Cons	March Cons	YTD Cons
Net Income (Loss)	\$ (7.9)	\$ (7.5)	\$ (4.0)	\$ 1.2	\$ (1.2)	\$ (1.0)	\$ (1.6)	\$ 1.6	\$ (2.2)	\$ (0.2)	\$ (0.2)
Income tax expense (benefit)	1.5	2.3	1.8	2.8	0.2	0.3	(0.1)	0.7	1.2	0.4	0.4
Interest expense	1.8	2.3	2.8	2.5	0.5	0.4	0.5	0.5	1.9	0.4	0.4
Depreciation and amortization	12.0	11.4	11.6	9.8	2.5	2.4	2.5	2.3	9.7	2.2	2.2
Amortization of acquisition-related intangible assets	2.8	4.0	3.3	1.6	0.2	0.2	0.2	0.2	0.7	0.1	0.1
EBITDA	\$ 10.2	\$ 12.5	\$ 15.5	\$ 17.9	\$ 2.3	\$ 2.3	\$ 1.4	\$ 5.2	\$ 11.3	\$ 2.9	\$ 2.9
Stock-based compensation	4.6	2.1	3.3	4.0	0.7	0.7	0.9	0.8	3.0	0.5	0.5
Acquisition related, restructuring & other (income) costs	5.8	3.5	4.2	2.5	0.4	0.4	0.8	0.2	1.9	0.5	0.5
Adjusted EBITDA	\$ 20.7	\$ 18.2	\$ 23.0	\$ 24.4	\$ 3.3	\$ 3.4	\$ 3.1	\$ 6.3	\$ 16.2	\$ 4.0	\$ 4.0
Net Income (Loss)	\$ (7.9)	\$ (7.5)	\$ (4.0)	\$ 1.2	\$ (1.2)	\$ (1.0)	\$ (1.6)	\$ 1.6	\$ (2.2)	\$ (0.2)	\$ (0.2)
Stock-based compensation	4.6	2.1	3.3	4.0	0.7	0.7	0.9	0.8	3.0	0.5	0.5
Amortization of acquisition - related intangible assets	2.8	4.0	3.3	1.6	0.2	0.2	0.2	0.2	0.7	0.1	0.1
Acquisition related, restructuring & other costs	5.8	3.5	4.2	2.5	0.4	0.4	0.8	0.2	1.9	0.5	0.5
Deferred tax expense - goodwill amortization	-	-	0.1	0.5	0.1	0.1	0.1	0.1	0.5	0.1	0.1
Non-GAAP Net Income (Loss)	\$ 5.4	\$ 2.1	\$ 7.0	\$ 9.8	\$ 0.2	\$ 0.4	\$ 0.4	\$ 3.0	\$ 3.9	\$ 1.1	\$ 1.1

# Reconciliation Tables

(\$ Millions)

## Reconciliation of Total Revenue to Service Fee Equivalent Revenue – PFSW Consolidated Results

	2015	2016	2017	2018	2019
Total revenue	\$ 288,269	\$ 334,643	\$ 326,825	\$ 326,160	\$ 294,022
Pass-through revenue	(47,435)	(59,783)	(52,582)	(61,326)	(53,027)
Cost of product revenue	(55,587)	(45,883)	(38,504)	(32,710)	(25,158)
Service Fee Equivalent Revenue	<u>\$ 185,247</u>	<u>\$ 228,977</u>	<u>\$ 235,739</u>	<u>\$ 232,124</u>	<u>\$ 215,837</u>

# Reconciliation Tables

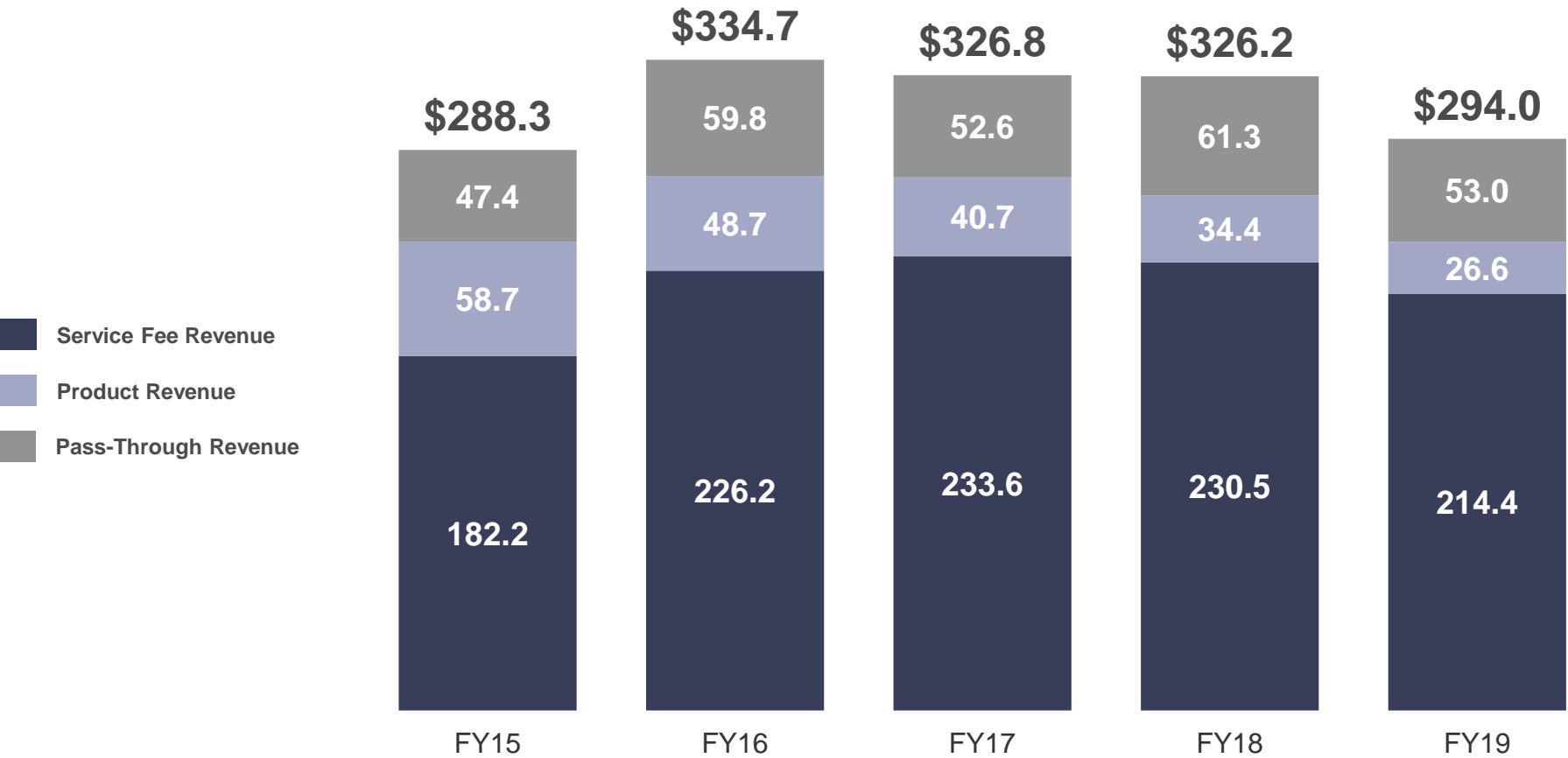
(\$ Millions)

## Reconciliation of Total Revenue to Service Fee Equivalent Revenue – PFS Operations Services

	2017					2018					2019					2020	
	March Qtr	June Qtr	Sept Qtr	Dec Qtr	FY 2017	March Qtr	June Qtr	Sept Qtr	Dec Qtr	FY 2018	March Qtr	June Qtr	Sept Qtr	Dec Qtr	YTD 2019	March Qtr	YTD 2020
<b>Total PFS Operations Revenue</b>	\$58,236	\$55,660	\$52,809	\$70,102	\$236,807	\$56,487	\$56,615	\$56,277	\$72,356	\$241,735	\$53,430	\$49,250	\$48,515	\$65,204	\$216,399	\$54,920	\$54,920
<b>Pass-through revenue</b>	(9,911)	(13,079)	(12,488)	(14,999)	\$(50,477)	(11,800)	(14,574)	(15,702)	(17,238)	(59,314)	(12,876)	(11,412)	(10,760)	(15,248)	(50,296)	(13,956)	(13,956)
<b>Cost of Product revenue</b>	(10,724)	(9,505)	(8,995)	(9,283)	\$(38,507)	(9,316)	(8,403)	(8,099)	(6,891)	(32,709)	(7,077)	(5,791)	(6,250)	(6,040)	(25,158)	(7,123)	(7,123)
<b>Service Fee Equivalent Revenue</b>	\$37,601	\$33,076	\$31,326	\$45,820	\$147,823	\$35,371	\$33,638	\$32,476	\$48,227	\$149,712	\$33,477	\$32,047	\$31,505	\$43,916	\$140,945	\$33,841	\$33,841

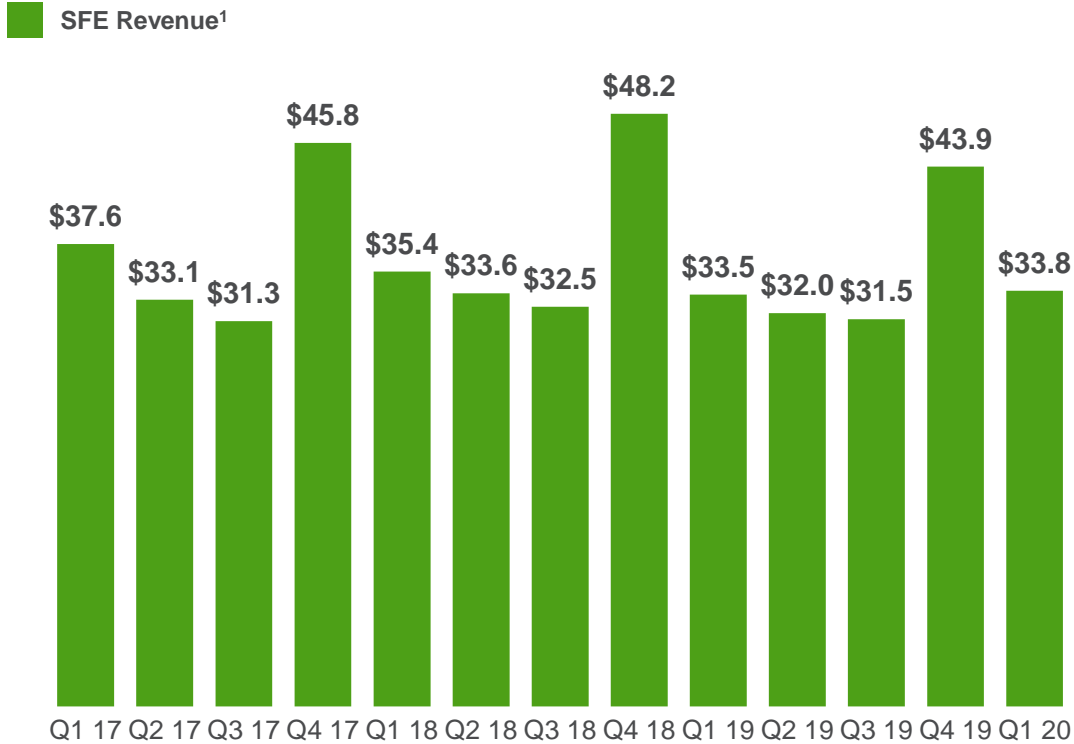
# Total Revenue Breakdown

(\$ Millions)

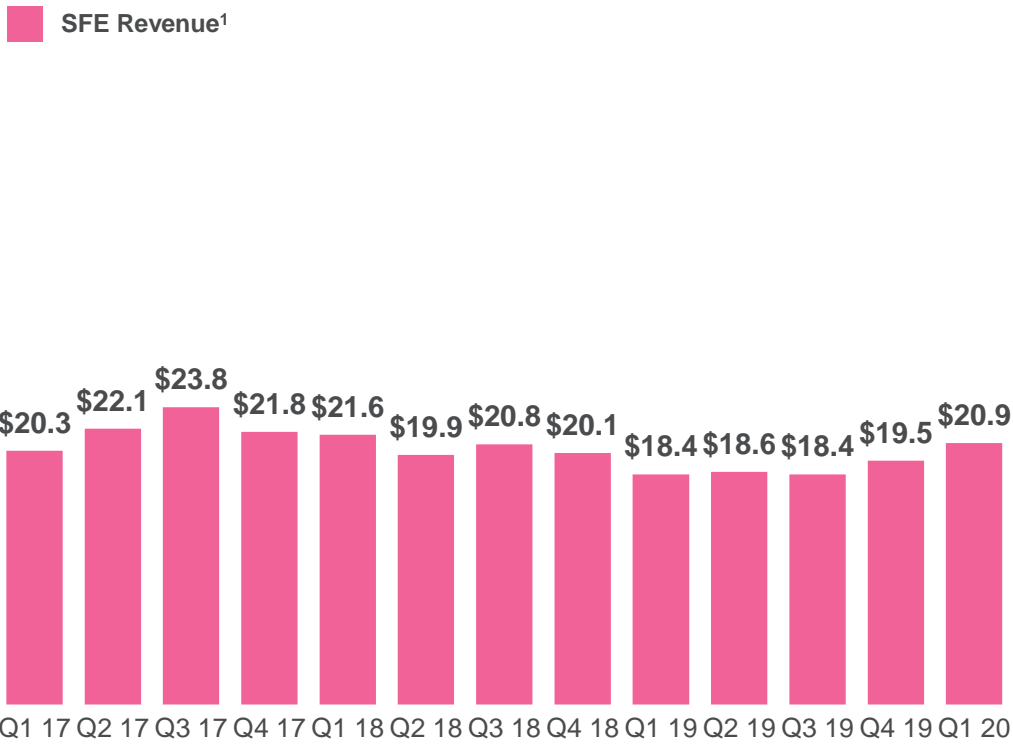


# Business Unit Breakdown

(\$ Millions)



## LiveArea



1. Service Fee Equivalent Revenue is a non-GAAP financial measures. See Appendix for a reconciliation to the most comparable GAAP financial measure.

# Our History

