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CORPORATE PARTICIPANTS

Jorge A. Celaya *Liquidity Services, Inc. - CFO and EVP*

Julie Davis *Liquidity Services, Inc. - Senior Director of IR*

Michael Sweeney *Liquidity Services, Inc. - CAO*

William P. Angrick *Liquidity Services, Inc. - Co-Founder, Chairman, CEO and President*

CONFERENCE CALL PARTICIPANTS

Colin Alan Sebastian *Robert W. Baird & Co. Incorporated, Research Division - Senior Research Analyst*

Daniel Louis Kurnos *The Benchmark Company, LLC, Research Division - MD*

Gary Frank Prestopino *Barrington Research Associates, Inc., Research Division - MD*

PRESENTATION

Operator

Good day, ladies and gentlemen, and welcome to Liquidity Services Q3 Fiscal Year 2017 Earnings Conference Call. (Operator Instructions) As a reminder, this conference call is being recorded.

I would now like to turn the conference over to Ms. Julie Davis, Senior Director of Investor Relations. Ma'am, the podium is yours.

Julie Davis - *Liquidity Services, Inc. - Senior Director of IR*

Thank you, Brian. Hello, and welcome to our third quarter fiscal year 2007 (sic) [2017] financial results conference call. Joining us today are Bill Angrick, our Chairman and Chief Executive Officer; Jorge Celaya, our Chief Financial Officer; and Mike Sweeney, our Chief Accounting Officer. We will be available for questions after our prepared remarks.

The following discussion or responses to your questions reflect management's views as of today, August 3, 2017, and will include forward-looking statements. Actual results may differ materially. Additional information about factors that could potentially impact our financial results is included in today's press release and in our filings with the SEC, including our most recent annual report on Form 10-K. As you listen to today's call, we encourage you to have our press release in front of you, which includes our financial results as well as metrics and commentary on the quarter.

During this call, we will discuss certain non-GAAP financial measures. And our press release and our filings with the SEC, each of which is posted on our website, you will find additional disclosures regarding these non-GAAP measures, including reconciliations of these measures with comparable GAAP measures. We also use certain supplemental operating data as a measure of certain components of operating performance, which we also believe is useful for management and investors. The supplemental operating data includes gross merchandise volume and should not be considered a substitute for or superior to GAAP results.

At this time, I'd like to turn the presentation over to our CEO, Bill Angrick.

William P. Angrick - *Liquidity Services, Inc. - Co-Founder, Chairman, CEO and President*

Thanks, Julie. Good morning, and welcome to our Q3 earnings call. I'll review our Q3 performance and provide an update on key strategic initiatives. Next, Mike Sweeney will provide more details on the quarter. Finally, Jorge Celaya, will provide our outlook for the current quarter.

Q3 marks an exciting milestone for the company as we launched our global energy marketplace, Network International, on our new LiquidityOne e-commerce platform and ERP system. We've already completed several sales events with over 1,000 new registrants and hundreds of new asset listings on the new platform. Assets already sold on our new platform include vehicles, construction equipment and a wide range of oil and gas equipment. We currently have over 130 LOTs of process and production equipment up for bid at our next sales event on the Network International marketplace. The integration of our remaining legacy marketplaces onto our LiquidityOne platform is underway to aggregate our buyer base and add key functionality for our buyer and seller customers. We anticipate our next marketplace will go live in the fall of 2017.

Although our Q3 consolidated financial results were mixed, we were pleased with the performance of our GovDeals state and local marketplace, which reported record GMV of $75.5 million, up 17.6% (sic) [17.7%] year-over-year. We continued to expand the number of clients and geographic reach of this marketplace to new areas such as California and Washington. During Q3, GovDeals sold over 54,000 items for client agencies, ranging from vehicles, heavy equipment, helicopters and airplanes.

Our Retail Supply Chain Group business continued to grow the top line organically with GMV up 5% year-over-year. Our Liquidation.com marketplace saw strong performance and buyer participation, GMV per completed transaction and overall site conversion. In addition to strengthening our B2B e-commerce channel, Liquidation.com, our RSCG team continues to expand our returns and management offering to solve the needs of our -- of both retailers and manufacturers. We are developing new capabilities to expand our work in the processing, handling, refurbishing and smart disposition of product returns which is well suited to the rapid growth of online retailing, which is fueling higher product returns.

Our Capital Assets Group business experienced unexpected headwinds in Q3 due to lower-than-anticipated sales activity and delays in large asset sales.

Our DoD Surplus business suffered from declining volumes of goods received, reduced service fees, a less favorable product mix and complexity associated with managing through changes in the client's organizational footprint and IT system.

Additionally, industrial client activity within our Capital Assets business is inherently lumpy driven by plant and factory closures and large asset sales. While we saw less client sales activity among industrial accounts in our Capital Assets Group segment during Q3, overall trends and globalization and innovation are driving the need for our sales channels and services.

The focus of our long-term strategy remains the growth of our commercial and GovDeals businesses, supported by investments in our new platform and new service capabilities.

We exited the quarter with strong financial position to pursue our growth initiatives with $114 million in cash and 0 debt. In addition to funding our platform investments, we intend to invest in new products and services that will enable us to consolidate the large, fragmented reverse supply chain industry.

In closing, continued investments in our people, processes and platform will enhance the value we bring to clients and drive our transformation. As we begin to harvest the investments we are making over the next few years, we are excited about the tremendous potential to grow our business. Liquidity Services is committed to driving innovation and significant value creation for our customers and shareholders as we execute our long-term growth strategy.

Now let me turn it over to Mike for more details on Q3 results.

Michael Sweeney - *Liquidity Services, Inc. - CAO*

Thanks, Bill. Before commenting on our third quarter results, I'd like to point out there's a new section in the earnings release for segment results. Previously, we presented 1 reportable segment, and we're now providing operating results in 3 reportable segments, and they are GovDeals; Capital Assets Group, or CAG; and Retail Supply Chain Group, or RSCG. So as Bill noted, we finished the third quarter of fiscal '17 within the company's guidance range for non-GAAP diluted EPS, GAAP net loss, GAAP diluted EPS and non-GAAP adjusted EBITDA. Results were below the company's guidance range for GMV.

Next, I'll comment on our third quarter results with comparison to their prior year period. GMV decreased 10% or $17.7 million to $160.9 million due to a decrease of 34% or $28.3 million in our Capital Assets Group, or CAG segment, partially offset by increases of 18% or $11.3 million in our GovDeals segment and a 5% or $1.5 million in our Retail Supply Chain Group, or RSCG segment.

Total revenue decreased $19.7 million or 23% to $65.5 million and was the result of decreases in our CAG and RSCG segments, partially offset by an increase in our GovDeals segment.

Revenue from our CAG segment was down $19.8 million or 37% due to lower volume and lower service revenue related to our DoD Surplus contract as well as decreases in revenue within both our commercial industrial and energy verticals, partially offset by an increase in revenue related to our DoD Scrap contract.

While GMV increased in Q3 for our RSCG segment, revenue was down $0.3 million or 1% as a result of a change from purchase to consignment model of a key account.

GovDeals revenue increased 16% or $1 million due to an increase in the number of new sellers and additional sales volume from existing clients.

Cost of goods sold decreased $8.9 million or 23% to $30.4 million from $39.3 million, primarily due to a decrease in transactions within the industrial vertical of our CAG segment and a decrease in the cost of sales related to our surplus contract, also within the CAG segment. That significant decreases are attributable to our exit of certain truck center operations this year. These decreases are partly offset by an increase of cost of goods sold due to an inventory valuation reserve of $1.9 million recorded in our IronDirect business during the third quarter of fiscal '17. Cost of goods sold increased to 46.4% of revenue from 46.1% in the prior year.

Client distributions increased $2.5 million or 93% to $5.2 million, driven by the increase in the amount of distributions payable to the DoA under the new terms of the scrap contract. As a percentage of revenue, distributions increased to 7.9% from 3.1%.

Technology and operations expenses decreased $2.9 million or 13%. Staff costs and non-labor operational costs were down year-over-year. As a percentage of revenue, technology and operations expenses increased to 30% from 27% in the prior year.

Sales and marketing expenses decreased $1.7 million or 17%, primarily from a decrease in staff-related costs. As a percentage of revenue, sales and marketing expenses increased to 13% from 12% in the prior year.

General and administrative expenses decreased $0.2 million or 2%. And as a percentage of revenue, G&A expense increased to 13% from 11% in the prior year.

Provision for income taxes increased $0.06 million to an expense of $0.04 million for the quarter due to a valuation allowance charge and the impact of foreign state and local taxes and permit tax adjustments.

Net loss increased $8.5 million to a negative $8.6 million. Adjusted net loss increased $9.1 million from $2.1 million adjusted net income in the prior year to $7 million adjusted net loss this year.

Adjusted EBITDA was a loss of $5.2 million in Q3 fiscal '17 compared to a profit of $4.8 million in the prior year. This drop was mostly due to the year-over-year decreases in revenue in our CAG segment's DoD contracts related to the wind down of our old surplus contracts and higher costs of our new surplus and scrap contracts, plus fee revenue declined for certain services we've provided to the DoD under our surplus contract. In addition, we experienced lower activity in volumes of assets for sale in our CAG segment's commercial industrial business. The inventory valuation adjustment at IronDirect as well as higher LOT project cost, also contributed to the year-over-year change.

Diluted loss per share increased to negative $0.27 from breakeven in the prior year, and adjusted diluted loss per share increased to negative $0.22 from $0.07 in the prior year based on approximately 31.5 million diluted weighted average shares outstanding.

For the 9 months ended June 30, 2017, Liquidity Services used $14.3 million of net cash for operating activities compared to net cash provided of $38.6 million in the prior year third quarter. The $52.9 million decrease in cash provided by operating activities between periods was attributable to the $34.7 million recognized in fiscal '16 related to the recovery of prior year income taxes as well as the greater loss in fiscal '17.

We continued to have a strong debt-free balance sheet. At June 30, 2017, we had a cash balance of $114 million, current assets of $155 million, total assets of $232 million and $77 million in working capital.

Capital expenditures during the quarter were $2.3 million. We expect capital expenditures for FY '17 to be between $7 million and $9 million.

I'll now turn it over to Jorge for the outlook on the next quarter.

Jorge A. Celaya - *Liquidity Services, Inc. - CFO and EVP*

Good morning, everyone. We are well positioned with our cash on hand and the successful launch of our Network International energy vertical marketplace to advance our long-term strategy, growth and transformation plan to deliver integrated e-commerce marketplace solutions that manage value and sell inventory and equipment for business and government clients.

In Q3, we ramped up our project teams to ensure the successful launch of the Network International marketplace on our LiquidityOne e-commerce platform and have completed multiple auction sales events with healthy participation from both active and new buyers.

We were also encouraged by continued record growth in our GovDeals segment and have added resources to accelerate our seller self-service offering, one that GovDeals so successfully executes, and now to commercial clients and to leverage this for our RSCG segment's self-service business.

The RSCG segment has returned to year-over-year consecutive growth on a year-to-date basis, another encouraging sign in advance of a recent investment in our new LiquidityOne-based returns management tools being deployed in the market.

As we near the end of our fiscal year 2017, we are focused on, one, the continued implementation of our new e-commerce platform across our other marketplaces to combine and leverage our buyer base while providing a better user experience; two, the design and rollout of new services, including self-service for commercial clients, and enhanced returns management services for our retail clients, which we anticipate will position us to continue to grow our GMV and service revenue activity as well as streamline processes, create efficiencies and drive improved margins over time; and three, position our CAG segment sales activities to take better advantage of the pipeline of both consignment and principal deal flow and the international capabilities of our platform, which remains a competitive advantage to the Fortune 500 clients our Capital Assets Group segment serves.

Our fourth quarter guidance anticipates year-over-year comparatively stable GMV performance as previously delayed large industrial asset sales in our CAG segment and seller growth in our GovDeals segment are expected to have a positive impact on Q4, offsetting lower volume and service fees within our DoD Surplus contract within our CAG segment.

Although areas of expected top line improvement are anticipated to yield positive fall-through, bottom line results are anticipated to be comparatively down year-over-year as, one, our DoD Surplus and Scrap contracts have now transitioned to new pricing terms, and we have also completed the sell-through of backlog surplus property acquired under the old and more favorable terms; two, service fee revenue in our DoD Surplus contract will decline further this quarter; three, IT and project management costs related to our various LiquidityOne transformation initiatives are higher; and four, we experienced the impact of repricing with a large client contract in our RSCG segment that is, however, expected to yield better results over the course of the contract. We anticipate our LiquidityOne IT project expense to be, as indicated last quarter, on the high end of our $2 million to $3 million range, reflecting the full impact of resources being deployed and as we accelerate the preparation of our next marketplaces and service offerings for go-live on our new e-commerce platform.

Management's guidance for the next fiscal quarter is as follows: we expect GMV for Q4 of '17 to range from $145 million to $165 million. A GAAP net loss is expected for Q4 '17 in the range of negative $11.5 million to a negative $8.5 million with a corresponding GAAP loss per share for the fourth quarter of '17 ranging from negative $0.37 to a negative $0.27. We estimate non-GAAP adjusted EBITDA for Q4 '17 to range from a negative $8 million to a negative $5 million. A non-GAAP adjusted loss per share is estimated for Q4 of '17 in the range of negative $0.32 to a negative $0.22. This guidance also assumes that we have diluted weighted average shares outstanding for the quarter of approximately 31.4 million.

We will now take your questions.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions) Our first question comes from the line of Gary Prestopino from Barrington Resource (sic) [Barrington Research].

Gary Frank Prestopino - *Barrington Research Associates, Inc., Research Division - MD*

Bill, could you -- a lot of moving parts here, but could you maybe just tell us which marketplaces are on the new system right now? I believe you put the business you bought down in North Carolina on the platform and now Network International. Is that correct?

William P. Angrick - *Liquidity Services, Inc. - Co-Founder, Chairman, CEO and President*

That's correct. Network is really a more substantial release as it relates to the size of the marketplace, like the international scope of the buyers and sellers and the fact that there is a full front-end and back-end integration among -- both the e-commerce marketplace platform and the back-end tools per lot and low property and the financial ERP system.

Gary Frank Prestopino - *Barrington Research Associates, Inc., Research Division - MD*

Right. Okay. So as I look at this and the way you've segmented this reporting is great now. It makes it a lot clearer as far as I'm concerned. But all of these other markets like -- individually, like GovDeals, AuctionDeals, GoIndustry, DoveBid, et cetera, all the ones that are underlined. Those are each individual markets that have to be transitioned on LiquidityOne?

William P. Angrick - *Liquidity Services, Inc. - Co-Founder, Chairman, CEO and President*

That's correct. I think the key takeaway is that we can consolidate the applications that support the front-end e-commerce marketplace platform where transactions occur, our customer management, our CRM tools, our inventory management tools and our financial consolidations with these unified systems. However, we retain the option to render multiple brands on the same platform. So that's the powerful flexibility that we have. So I would imagine, over time, our marketing team will look very closely at the benefits of vertically focused brands versus unified brands on the buyer side, Gary.

Gary Frank Prestopino - *Barrington Research Associates, Inc., Research Division - MD*

Well, I guess what I'm getting at is -- and maybe I'm wrong with this. But it was my understanding that by the end of fiscal '18, this would all be done. And it seems like you've still got a lot to do here. But I guess the question I have is if you get -- once you get Network International hooked up, does it make it easier since you've done that to get the other 3 or 4 marketplaces under the commercial banner hooked up?

William P. Angrick - *Liquidity Services, Inc. - Co-Founder, Chairman, CEO and President*

Clearly, there's the -- it does. And there's a onetime setup cost of creating an ERP system, the customer management system, doing the extensive work to prepare the project management and go-live processes that we have now completed with Network International. So that makes the subsequent releases more easy to conduct relative to the first release. And so I think you'll see the cadence of go-live activity pick up as we move forward.

Gary Frank Prestopino - *Barrington Research Associates, Inc., Research Division - MD*

Okay. And I got cut off on the call, so I didn't hear all of it. But did you give any vision into what is the next market that you're hooking up?

William P. Angrick - *Liquidity Services, Inc. - Co-Founder, Chairman, CEO and President*

We anticipate fall of this year to be the next marketplace. We have some options that we're still considering as to which brand we'll transition, so we don't have an announcement at this time.

Operator

(Operator Instructions) Our next question comes from the line of Colin Sebastian from Robert Baird.

Colin Alan Sebastian - *Robert W. Baird & Co. Incorporated, Research Division - Senior Research Analyst*

Bill, on the retail supply chain, you mentioned the shift to online shopping as a tailwind in that segment. I wonder if you're able to break out the portion of the seller base or volume perhaps in the segment that originates from the online retail channel. And then secondly, I wasn't sure. I may have missed this on the call, but could you quantify the impact of the delay in large sales on the industrial business? And will that show up in the fiscal fourth quarter volume?

William P. Angrick - *Liquidity Services, Inc. - Co-Founder, Chairman, CEO and President*

So I'll take the first question, and then Jorge can address the guidance. Colin, really, the entire supply chain business rests on businesses that have significant online retail presence. And whether it's omni channel operations, or in some cases, we have merging businesses that are native online since inception, unquestionably, what drives that part of our business is the online retail activities of the client base. With regard to the capital assets business, these multinational companies are often undertaking significant business wind-down operations tied to their strategic supply chain decisions, opening and closing plants, production, factories. And some of those business wind-down activities, notwithstanding our best planning, can shift based on company strategic decisions outside of our control. We do expect some uptick in that business in Q4 related to some of the delays. Also understand that August for many parts of our geographic markets, are really a slow time, especially in Europe. And so we normally have a seasonal lull for a good portion of the September quarter. Anything to add, Jorge?

Jorge A. Celaya - *Liquidity Services, Inc. - CFO and EVP*

So yes. The biggest impact, as I think Mike covered in his opening remarks, is that the commercial business of the Capital Assets Group, meaning excluding the DoD, that is certainly having a negative impact still and will have a negative impact year-over-year in the fourth quarter. The capital commercial -- the Capital Assets Group's commercial business was the biggest impact when you look at it versus our guidance or versus year-over-year. As we go into the fourth quarter, as Bill said, with a slow August, trying to get a lot of those delayed, industrial sales, pipelines executed in September is what we're looking for. And if that all -- as it comes to fruition, I think we're going to be more or less in line to what we were last year. So not to be too specific, but we are hoping that -- in our guidance that the CAG commercial comes back to where we thought we were going to be here in the first place in the third quarter.

Operator

And our next question comes from the line of Dan Kurnos from Benchmark.

Daniel Louis Kurnos - *The Benchmark Company, LLC, Research Division - MD*

Great. And I apologize if you addressed this earlier. Just in terms of the LiquidityOne transformation. Now that you've got a couple marketplaces live, I know that Network International was recent. How are you thinking about -- obviously, Bill, you've talked a lot about sort of the opportunity here from a -- sort of a customer perspective, from a cross-sell perspective. How are you now pitching sort of the cross-sell opportunity? Are you starting to orient people to think about things differently? Obviously, fall will give you another sort of leg to the stool as it were to continue consolidating. But have you made a lot of the upfront decisions to get people one log in, this is where we're at? And how are you sort of handling the transition as you guys continue to roll out marketplaces?

William P. Angrick - *Liquidity Services, Inc. - Co-Founder, Chairman, CEO and President*

So from a client perspective, what we enable is cross-border commerce on a single platform, ability to tap, not only the existing base of 3 million registered buyers, but quickly targeting multiple segments of those buyers, whether it's an industrial buyer for biopharma equipment or electronics manufacturing equipment, inventory. Not only retail supply chain goods, but you'll see many of our government sellers with a variety of finished goods they need to sell. And so the idea is that we want to make it easy for clients to access that liquidity using, yes, single sign-on, My Account tools, post-sale analytics reports. Moving our systems to the cloud and allowing these sellers to log in and self-serve will be increasingly an opportunity for us. We have a robust self-service business today. Most of that occurs with state and local agencies that are physically all over both rural and urban locations. We're now north of the border in Canada. So we feel we have, over time, a great engine to help clients access all or some of our services, use our business as a self-service application to access our buyer base, reporting on the value of what they're selling. And I think that's a great value proposition for sellers. For buyers, it's simply removing any friction from finding and buying well-priced goods that are, in many cases, very valuable, that have been well maintained by the Fortune 1000 sellers all over the world and having that aggregated set of asset listings available to our buyers. Over time, we believe we'll unlock higher sales value realization, which ultimately drives higher GMV and creates operating leverage in our model since we share that upside created with our seller clients. So a lot of opportunity over time. Obviously, it's all about execution, and we want to make sure that we execute with well-thought-out rollout plans. And the Network International launch evidences that the team thought carefully about the communication with our buyers. We didn't have any interruption of service. We've got a lot of participation happening on the current live events, and we're seeing good feedback from the buyer base and the seller base with this most recent launch.

Daniel Louis Kurnos - *The Benchmark Company, LLC, Research Division - MD*

Got it. That's helpful. And then just a quick clarification, Jorge, just on the Q4 guide. It sounds like, excluding the CAG delays, you would be kind of flattish with last year. So it's really just the -- it's really just that that's kind of driving the year-over-year down midpoint GMV because we thought you've gotten some traction there. That's really the only call-out?

Jorge A. Celaya - *Liquidity Services, Inc. - CFO and EVP*

Well, the main thing that is driving the fourth -- the fiscal fourth quarter, our guidance, year-over-year drag is the DoD contracts, both the scrap contract that we renegotiated and it's now having the impact and also the surplus contract. So the surplus contract is on multiple fronts that's having this drag. It's having a drag on the type of inventory that we're being given to sell, the returns that we're able to get on those products that we're trying to sell, the services that we're trying to provide are -- now have a pretty significant downward pressure on our fee revenue that we've been having so far, and it's going to continue to do so, and just overall, the pricing. So it's a tough contract, the surplus contract which has continued and into the fourth quarter will continue to have some downward pressure, if it -- if you were to exclude that, yes. Our businesses are either being consistent with the last year or slightly up. As you know, GovDeals continues to just be a stellar performance, which is one of the reasons I mentioned in the opening remarks about our investments in LiquidityOne, the transformation initiative. We're accelerating and investing more and maybe faster in our seller self-service aspect of that, so that we can take what they've been executing so well on in the local government municipal space and local government space and expanding that into the commercial space, whether it be the capital assets commercial space for commercial clients or even the retail space, which we do some self-service, but we can certainly leverage what we do so successfully in GovDeals and try to accelerate that growth. But we need common systems, common marketplaces, and then we're able to really put out a common strategy to help try to accelerate more holistically our seller self-service business. So these things take a little time because we need to get those platforms kind of in place and then the marketing and sales come right after it. It's just a different model as you can see. We've always been indicating it's a very nice model to have. So that's kind of how we're looking at it. It's very lumpy on the capital assets business, the commercial, the non-DoD part, as we've said, but we're trying to manage through that, whether they be on the principal side or the -- or even the consignment side.

Operator

Our next question comes from the line of Gary Prestopino from Barrington Resource.

Gary Frank Prestopino - *Barrington Research Associates, Inc., Research Division - MD*

Yes. Just a follow-up. In terms of some of the sluggishness in the CAG segment, was that in the energy or industrial trucks? Where was that really felt in the quarter?

Jorge A. Celaya - *Liquidity Services, Inc. - CFO and EVP*

So I think it was across the board. The energy was probably, I would say, it's just being a little more sluggish in terms of growth that we've been -- than we have been anticipating. But I would say that beyond that, the bigger effect on our own expectations for the third quarter was really these big projects that Bill mentioned, where they are industrial projects, plant closures and the like that to some extent of beyond our control and they get delayed. And so I think it's across the board, but we did have a -- maybe a slightly more impact on the industrial side.

Gary Frank Prestopino - *Barrington Research Associates, Inc., Research Division - MD*

Yes. All right. And then I realized it's early with the Network International. It's only been on there for a short time. But Bill, you mentioned some -- the feedback has been pretty positive. So maybe could you just cite maybe the top 2 or 3 things that the users are saying about the new site versus the old method?

William P. Angrick - *Liquidity Services, Inc. - Co-Founder, Chairman, CEO and President*

Well, consider that, that marketplace had not been updated in over a decade, so the first thing one realizes is that we'd now have a responsive design on the site. So whether you're looking at it from a mobile device, an iPad or a desktop, you finally have responsive design on that site, so that's huge. I think some of the basic features of the design allow it to improve organic traffic. There's better indexing of every item sold, not only within the site search engine, but it's much easier to be picked up by a major search engine. So that, over time, drives better monetization of buyers, better site conversion, the ability to access through a single My Account tool, all of your reports online, that's a benefit, visibility to do a variety of automatic alerts as to the specific product categories, manufacturer, tags, condition, location. We have a filtering system that allows people to isolate what they're looking for by location, make, model, variety of other criteria. And Gary, I think the other important point is that, we're now in an agile footprint with this new platform, so that we can take this buyer feedback and take the most impactful feedback, prioritize it and then have continuous releases to the system. So whereas before, we really weren't in an agile footing. We're in more of a waterfall footing. The product releases might be every couple of years. Now we're doing it in a matter of weeks and months, so that the rate of improvement is much greater. So I think philosophically, that's a much better place to be in terms of maintaining a web-based platform.

Jorge A. Celaya - *Liquidity Services, Inc. - CFO and EVP*

And Gary, this is Jorge again. In your earlier question when you first asked, one of the topics was how do this impact the rest of the sites and the rollout, and Bill was talking about how they -- the clip of rolling out market places should get faster, which is true. We want to get the first one. I don't know if it's a 60-40 rule or 70-30 rule or 80-20 rule, but there is some rule that we've gotten a long ways there. Now the rest are incrementally coming. But something that I mentioned in my opening remarks that I hope it's maybe so obvious that sometimes it gets lost in the shuffle is that, over the long run, and I don't know what that is. Is it 2019, 2020? But over the long run, when you get all of these marketplaces on the same platform, allows us the capability, as Bill indicated, some consolidation of marketplaces. But it allows us to do the cross-listing, not just by type of buyers where GovDeals buyers are the ones that sees a GovDeal asset and so forth. But I mentioned in my opening remarks about being able to leverage our buyer base, and it's about eyeball, right? So if we have all these marketplaces where people have to go to one, then the other and the other, and now they have the ability as we go forward to find specific types of products that we're selling and show the totality of what we sell to our different -- to our buyers across the board, rather than segment them by -- where they think that particular seller type is from, I think it could be a tremendous -- just plus in terms of the chicken and the egg, right. You get these buyers and you're going to get more activity. You're going to get more sellers. So how do you quantify that in the long run? It's hard to do. I mean, we model it to death. But generally speaking, I think we can all intuitively believe that, that is going to be a huge plus in our ultimate goal, right, to -- which is to have the ability to leverage our single platform across our -- for all our buyers to see and to provide better functionality for our sellers.

Gary Frank Prestopino - *Barrington Research Associates, Inc., Research Division - MD*

Okay. And then do you plan on these segment results, which is very insightful. Could you possibly give us that by quarter for all of fiscal '16 and the first, I don't know, Q1 and Q2 of this year? Have you -- are you going to put that up?

Jorge A. Celaya - *Liquidity Services, Inc. - CFO and EVP*

So when we file -- well, when we file our K, the way that this is going to work is that when we file our K, we will put out a 3-year history, and we're still now considering -- I'm tending to lean to what you asked, which is the quarter because you're going to ask me anyway, right, the quarterly for '16 and '17 at that time. But that's something that we're still kind of going through.

Gary Frank Prestopino - *Barrington Research Associates, Inc., Research Division - MD*

Okay, so we'll get it when...

William P. Angrick - *Liquidity Services, Inc. - Co-Founder, Chairman, CEO and President*

It won't be now. It will be in a couple of months when our K comes out.

Operator

And this concludes our Q&A session, and I would now like to turn the call back to Julie Davis for any further remarks.

Julie Davis - *Liquidity Services, Inc. - Senior Director of IR*

Thank you to everyone for your participation on today's call. We will be available for follow-up questions later today and next week. Thank you.

Operator

Ladies and gentlemen, thank you for participating in this conference. This concludes today's programs, and you may now disconnect. Everyone, have a great day.