



Bill Angrick – Chairman & CEO

Good morning and welcome to our Q4 earnings call. I'll review our Q4 performance and the progress of our business segments and next Jorge Celaya will provide more details on the quarter.

Our healthy fourth quarter results capped a successful year of market share expansion and consistent growth in Fiscal Year 2024 backed by our investments in innovation, service and strong operational execution for our customers. We achieved double-digit consolidated GMV growth in each quarter throughout the year and each of our segments achieved double-digit annual GMV growth, culminating in record annual GMV of \$1.4 billion. Overall, we are seeing enhanced network effects in our two-sided marketplace platform as we grew our auction participants and completed transactions by 22% and 12%, respectively, during the quarter. We converted this growth to over \$22 million in operating cash flow in the fourth quarter highlighting the strength of our asset light business model.

In the fourth quarter, our RSCG segment set new quarterly records in GMV, revenue and segment direct profit, as we drove expanded relationships with our seller clients by leveraging our decades of industry leading expertise and multi-channel buyer liquidity. Our GovDeals segment delivered robust double-digit growth through ongoing seller acquisition and service expansion. Additionally, our Machinio segment achieved another quarterly revenue record, further solidifying its position as a leading platform for connecting buyers and sellers of used equipment worldwide.

We are also thrilled to celebrate a significant milestone - our 25th anniversary. Over the past quarter-century, Liquidity Services has grown from a scrappy start-up into a leading global e-commerce company, powering the circular economy and delivering unmatched value worldwide. Our journey has been marked by remarkable growth, innovation, and a steadfast commitment to promoting sustainability. This milestone allows us to reflect on our achievements and express our deepest gratitude to our dedicated team, loyal clients, and supportive stakeholders who have been instrumental in our success.

As we look to the future, we remain committed to driving excellence and innovation in all that we do. Overall, our scalable marketplace technology, broad range of services, diversified client base, organic growth initiatives and pipeline of acquisition opportunities will propel us in continuing our track record of growth.

Our leadership team has now set its sights on reaching the \$2 Billion annual GMV milestone which is a key step, combined with service and margin expansion, towards attaining the \$100 million of annual EBITDA milestone. To achieve these objective we will focus on the following areas: (i) increasing our market share and the sales volume transacted on our marketplace, (ii) expanding our buyer base and sales channels to enhance recovery on the assets we sell, (iii) infusing and modernizing our platform with new technologies, including AI tools, to increase our operational efficiencies and improve the customer experience, and (iv) executing complementary, bolt-on acquisitions. We expect to realize these goals in the next few years which in turn will deliver tremendous value for our customers and shareholders. I will now turn it over to Jorge for more details on the quarter.



Jorge Celaya – EVP, CFO

Good morning,

We completed the 2024 fiscal year with a new annual record for GMV at \$1.4 billion, solid profitability and a strong cash position. These achievements coincide with the celebration of our 25th anniversary, a milestone that underscores our commitment to our customers, investors and continued industry leadership.

Fiscal year 2024 saw GMV grow 14% to the \$1.4 billion record level, with each of our segments delivering double digit GMV growth year-over-year. Our revenue grew 16% to \$363 million, led by our Retail and GovDeals segments. GAAP Net Income was \$20 million, or up 9% on a Non-GAAP adjusted basis, and our Non-GAAP Adjusted EBITDA was \$48.5 million for the year, up 6%.

For our consolidated fiscal fourth quarter, GMV was \$361 million, also up 14% from \$316 million in the same quarter last year. Revenue was \$106.9 million, up 34%, and growing faster than GMV mainly due to growth in purchase programs in our Retail segment, primarily from lower-touch flows. Our GAAP earnings per share was 20 cents, our Non-GAAP Adjusted EPS was 32 cents, up 23%, and our Non-GAAP Adjusted EBITDA was \$14.5 million, up 13%.

We generated \$22 million in cash flows from operations during the fourth quarter, and ended the fourth quarter with \$155.5 million in cash, cash equivalents and short-term investments. We continue to have zero debt, with \$17.5 million of available borrowing capacity under our credit facility.

Specifically comparing segment results from this fiscal fourth quarter to the same quarter last year, our Retail segment was up 28% on GMV, up 49% on revenue and up 5% on segment direct profit, driven by the growth in its purchase programs.

Our GovDeals segment's GMV was up 14%, revenue up 26%, and direct profit up 23%, driven by service expansion from the Sierra Auction acquisition and continued growth with new sellers.

Our CAG segment was down 2% on GMV, down 17% on revenue, and down 12% on segment direct profit, reflecting low purchase transactions during this past fiscal fourth quarter.

Machinio's revenue and segment profit were both up 13%, as we continue to experience strong client retention and increases in new customers for our subscription services.

As we look to our fiscal year 2025, we continue to see opportunities to expand our market share and our services, to improve our seller and buyer experiences on our platform, and to deliver year-over-year growth across our segments. Our fiscal first quarter 2025 guidance reflects our continued optimism, as key metrics showed solid improvement as we closed 2024.

Much of our focus throughout fiscal year 2024 will drive results expected during 2025. Our Retail segment expanded its purchase programs, including additional lower-touch flows, and its buyer outreach, Machnio continued to expand and have strong retention and demand for its services, and



our CAG segment pipeline of projects continues to be solid across several sectors, including heavy equipment, industrial and energy. These drivers are expected to increase their respective GMV and

revenues as we go forward into fiscal year 2025, with revenue growing at a higher rate than GMV. GovDeals also expanded its footprint and provided a strong ad-on for continued growth from new services through the acquisition of Sierra Auction.

Our fiscal first quarter guidance, when compared sequentially against this last fiscal fourth quarter, reflects the downward seasonality effects in the fiscal first quarter across various of our segments, despite some potentially higher top line results sequentially. Comparing year-over-year, however, our fiscal first quarter guidance range reflects solid improvement in our results.

With the expected GMV mix in our segments' volumes, we expect the mix going forward to result in our overall consolidated Consignment GMV to be at approximately 80% of total GMV, our consolidated Revenue as a percent of GMV to be up in the range of approximately 30%, and the total of our segment Direct Profits as a percent of total Revenue to be down to the low forty percent range. These ratios can vary based on our mix, including pricing models, volumes and asset categories in any given period.

This mix shift includes the expansion of lower-touch purchase programs in the Retail segment. Retail's segment direct profit as a percent of revenue is expected to be tempered, year-over-year and sequentially, relative to the fourth quarter of fiscal year 2024's direct profit margin percent.

Our profitability is expected to be up year-over-year this coming fiscal first quarter and, consistent with prior year trends, the expected increase in Adjusted EBITDA is despite our operating expenses seasonally increasing during the fiscal first quarter with operating leverage typically expected to improve during the stronger second half of our fiscal year.

Management's guidance for the first quarter of fiscal year 2025 is as follows:

- We expect GMV to range from \$350 million to \$385 million.
- GAAP net income is expected in the range of \$2.5 million to \$5 million, with a corresponding GAAP diluted earnings per share ranging from 8 cents to 16 cents per share.
- Non-GAAP adjusted diluted earnings per share is estimated in the range of 18 cents to 26 cents per share.
- We estimate non-GAAP Adjusted EBITDA to range from \$9.5 million to \$12.5 million.
- The GAAP and non-GAAP EPS guidance assumes that we have approximately 31.5 to 32 million fully diluted weighted average shares outstanding for the first quarter of fiscal year 2025.

Thank you and we will now take your questions.