

**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) February 8, 2021

LIQUIDITY SERVICES, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

0-51813
(Commission
File Number)

52-2209244
(IRS Employer
Identification No.)

6931 Arlington Road, Suite 200, Bethesda, MD
(Address of principal executive offices)

20814
(Zip Code)

Registrant's telephone number, including area code **(202) 467-6868**

N/A
(Former name or former 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 communications 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	LQDT	Nasdaq

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.

Item 7.01. Regulation FD Disclosure.

Senior management of Liquidity Services, Inc. (the "Company") intends to present the Investor Presentation, furnished as Exhibit 99.1 to this Current Report on Form 8-K, to analysts and investors from time to time on or after February 8, 2021. The Investor Presentation will be available on the Investor Relations page at Company's website at <https://investors.liquidityservices.com>.

The information furnished pursuant to this Item 7.01, including Exhibit 99.1 furnished herewith, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), 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 expressly set forth by specific reference in such a filing. The information furnished pursuant to this Item 7.01, including Exhibit 99.1 furnished herewith, contains "forward looking statements" within the meaning of the safe harbor provisions of the federal securities laws. It should be read in conjunction with the "Safe Harbor" statement contained in the Investor Presentation, the risk factors included in the Company's periodic reports filed with the Securities and Exchange Commission and the other public announcements that the Company may make, by press release or otherwise, from time to time.

Item 9.01. Financial Statements and Exhibits.

99.1 [Liquidity Services, Inc. Investors Presentation](#)

104 Cover Page Interactive Data File (embedded within the Inline XBRL document)

2

SIGNATURES

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.

LIQUIDITY SERVICES, INC.
(Registrant)

Date: February 8, 2021

By: /s/ Mark A. Shaffer
Name: Mark A. Shaffer
Title: Vice President, General Counsel and
Corporate Secretary

3

Exhibit Index

99.1
104

[Liquidity Services, Inc. Investors Presentation](#)
Cover Page Interactive Data File (embedded within the Inline XBRL document)

Investor Presentation

First Quarter Fiscal Year 2021



Forward-Looking Information



This document contains forward-looking statements. These statements are only predictions. The outcome of the events described in these forward-looking statements is subject to known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to differ materially from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. These risks and other factors include but are not limited to the factors set forth in our Annual Report on Form 10-K for the year ended September 30, 2020 and subsequent filings with the Securities and Exchange Commission. You can identify forward-looking statements by terminology such as "may," "will," "should," "could," "would," "expects," "intends," "plans," "anticipates," "believes," "estimates," "predicts," "potential," "continues" or the negative of these terms or other comparable terminology. Our business is subject to a number of risks and uncertainties, and our past performance is no guarantee of our performance in future periods. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. There may be other factors of which we are currently unaware or deem immaterial that may cause our actual results to differ materially from the forward-looking statements.

All forward-looking statements attributable to us or persons acting on our behalf apply only as of the date of this document and are expressly qualified in their entirety by the cautionary statements included in this document. Except as may be required by law, we undertake no obligation to publicly update or revise any forward-looking statement to reflect events or circumstances occurring after the date of this document or to reflect the occurrence of unanticipated events.

To supplement our consolidated financial statements presented in accordance with generally accepted accounting principles (GAAP), we use certain non-GAAP measures of certain components of financial performance. These non-GAAP measures include earnings before interest, taxes, depreciation and amortization (EBITDA), Adjusted EBITDA and revenue excluding DoD contracts. These non-GAAP measures are provided to enhance investors' overall understanding of our current financial performance and prospects for the future. We use these non-GAAP measures: (a) as measurements of operating performance because they assist us in comparing our operating performance on a consistent basis as they do not reflect the impact of items not directly resulting from our core operations; (b) for planning purposes, including the preparation of our internal annual operating budget; (c) to allocate resources to enhance the financial performance of our business; (d) to evaluate the effectiveness of our operational strategies; and (e) to evaluate our capacity to fund capital expenditures and expand our business. We believe these non-GAAP measures provide useful information to both management and investors by excluding certain expenses that may not be indicative of our core operating measures. These measures should be considered in addition to financial information prepared in accordance with GAAP, but should not be considered a substitute for, or superior to, GAAP results. A reconciliation of all non-GAAP measures included in this presentation to the most directly comparable GAAP measures is included in this presentation.

The following discussion should be read in conjunction with our consolidated financial statements and related notes and the information contained in our Annual Report on Form 10-K for the period September 30, 2020.

Who We Are

Liquidity Services is a global solution provider in the reverse supply chain continuously building the world's largest marketplace for business surplus



We...

Manage, value, and sell surplus across the globe in a broad range of asset categories and conditions

Maximize return with broadest buyer base, in an efficient global marketplace

Optimize and execute surplus management strategies to achieve client business goals



The Industry Leader in the Reverse Supply Chain

Trusted by over
14,000
clients worldwide

Experienced in over
600
asset categories and all
asset conditions

over
\$8 billion
in completed
transactions

Proven
multichannel marketing
& sales strategies for
B2B and B2C


+3.8 million
registered buyers

Client include
+130
Global Fortune
1000 Companies


Over
500k
transactions
completed annually


Publicly traded
company (NASDAQ: LQDT)
since 2006 IPO

OUR PURPOSE: To intelligently capture the enduring value of surplus, benefiting our sellers, our buyers, and our planet.

SELLERS	BUYERS	PLANET
 <p>For enterprises with used, idle, or excess assets and inventory:</p> <ul style="list-style-type: none"> • Expertise and intelligence that achieve high-performance results aligned to strategic goals • Comprehensive and scalable solutions • Superior people, processes, and systems to maximize return 	 <p>For organizations and consumers looking to achieve business or personal goals:</p> <ul style="list-style-type: none"> • Convenient access to wide range of assets • Accurate, comprehensive product information and fair market prices • Helpful, responsive customer support when it is needed 	 <p>For the planet's natural resources, environment, and beauty:</p> <ul style="list-style-type: none"> • Extend life of assets and inventory and increase reuse and recycling • Prevent unnecessary waste and defer assets from landfills • Dispose of surplus in environmentally safe manner



A Better Future for Surplus

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Delivering Maximum Value to Sellers

SERVING THE BROADEST BASE OF INDUSTRIES

- | | | | |
|------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|
|  Aerospace & Defense |  Consumer Brands & OEMs |  Fast-Moving Consumer Goods |  Mining & Large Construction |
|  Automotive Manufacturing |  Electronics Manufacturing |  Government |  Retail |
|  Biopharmaceuticals |  Energy |  Industrial Manufacturing |  Transportation |

OUR VALUE PROPOSITION TO SELLERS



Better Service

Superior levels of industry and asset expertise, responsiveness, intelligence, and analytics that achieve high-performance results aligned to your strategic goals



Better Scale

Complete solutions tailored to your industry's specific requirements that are comprehensive, modular, and scalable, spanning all volumes, asset categories, conditions, sales channels, and locations worldwide



Better Results

Right combination of great people, best-in-class processes, and cutting-edge systems to deliver maximum return today and into the future

Providing Superior Buyer Experiences

BUYERS WE SERVE



Online/Offline Retailers



Resellers



Distributors



Refurbishers



Wholesalers



Small Businesses



Flea Markets



Recyclers

OUR VALUE PROPOSITION TO BUYERS



Superior Product Quality and Information

Large volumes and recurring flows of products; refurbishment services to enhance and ensure product quality; ability to view detailed product information, ask questions, and inspect items



Fair Prices

Auction format ensures assets are sold for fair market value; assets available all over the world, making it easy to keep shipping costs low or pick up items



Excellent Customer Service

Support every aspect of the buyer experience; 94% repeat bidder rate; rated A+ provider by the Better Business Bureau

Market Opportunity



Highlighted Sellers Across Industries

*Data from evaluation of research from Appriss Retail (2018), Manfredi & Associates (2015), ACT Research (2016), and company data.

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Macro-Trends Expanding Our Opportunity



e-Commerce Growth

- Increased demand for digital, no-contact solutions driving more opportunities with sellers and buyers
 - Strong online growth in retail driving increased volume of consumer returns
 - Trending appetite for self-directed solutions
- Increasing buyer need for discounted, refurbished & secondary market assets

Technology Innovation

- Product obsolescence and shorter product lifecycles
- Greater focus on compliance & transparency
- Higher adoption of digital marketplaces and no-contact sales channels among B2B buyers
- Increasing need for faster disposition cycle

Sustainability

- Environmental Sustainability key goal for commercial & government sellers
- Focus on Zero Waste
- Environmental compliance requires sophisticated tools and reporting
- Extending the useful life of assets of increasing importance

Our Business Model



Compelling Model

- Online, no-contact and self-service solutions
- Diversified products, services, and customer mix globally
- High-volume recurring revenue
- Value-added managed services
- Additional services beyond selling assets to create higher-margin revenue streams
- Network effect drives recovery maximization for sellers and increasing flow of asset supply for buyers
- High operating leverage on future growth

Multiple, Synergistic Revenue Streams

- Consignment Model
- Purchase Model
- Service Revenue
- Buyer Premium Fees

Liquidity Services Marketplace Success



Consolidated GMV growth of 28% in Q1-FY21, strong momentum thus far in Q2

Segment	Q1-FY21 Marketplace Success*
GovDeals	+36% GMV +10% Buyer registrants +12% Auction participants
Retail Supply Chain	+30% GMV +6% Buyer registrants +6% Auction participants
Capital Assets	+5% GMV +1% Buyer registrants +50% Auction participants

*Q1-FY21 growth over prior year comparable quarter.

GovDeals Segment: Capitalizing on Market Opportunity



Over **14,000 government agencies** have used our self-service model for low-cost, highly effective surplus sales

GovDeals Segment GMV Trendline



- Governments seek streamlined costs, reduced space, digital and green solutions, and improved compliance
 - Reduced revenue to governments is driving increase in government sellers and volumes
 - Higher recovery value realized for certain vertical in Q1FY21
- We are leading the trend for government sellers to access a mobile-first solution
 - Well-positioned to serve increasing demand for virtual solutions
- We believe that marketing technology and increase in online procurement will drive more buyer demand in FY21
- GovDeals self-directed model is attractive to:
 - State and municipal governments
 - Higher education institutions
 - Non-profits

RSCG Segment is Driving Long-Term Growth



RSCG delivers 17 consecutive quarters of GMV growth; 30% GMV growth in Q1-FY21

RSCG Segment GMV Trendline



* In millions

- Q1FY21 benefitted from:
 - Retailers increasingly seek B2B marketplace platforms to conduct resale of surplus inventory
 - Hyper-growth of e-commerce
- We expanded service offerings to address full-spectrum of seller needs and create higher-margin revenue streams:
 - Managed Services for end-to-end solutions
 - Self-directed solutions
- These services have positioned us well to respond to recent macro trends:
 - Strong e-commerce growth drives increased volume of consumer returns
 - Increasing buyer need for discounted, refurbished and secondary market assets drives growth
- Q2 is the seasonally high RSCG quarter

CAG Segment Diversified Seller Base



Global markets are still restricted but pipeline is growing through seller and buyer demand

CAG Segment GMV Trendline



* In millions

** CAG Commercial excludes DoD Surplus and Scrap contracts

- Last twelve months were impacted by global pandemic:
 - International economies are heavily restricting travel and limit facility visits, impeding asset inventorying and valuation
- Improving volumes since April/May bottom as the result of:
 - Greater need to recover investment on idle assets
 - Increasing buyer demand for assets at less than new pricing
- All CAG assets are cross-listed onto our AllSurplus.com platform. This platform enables our sales organization to offer self-directed services as a solution to sellers:
 - New platform enables low-touch, asset-light model
 - Buy Now functionality enables faster transactions
- CAG GMV can be variable based on timing and project size

Machinio Overview



- Machinio aggregates > 2 million global used equipment listings worth \$37+ billion and generating 16.5M+ site visits and 1.2M qualified seller leads annually
- Subscription model, 1-year term, paid upfront, 90%+ recurring with ~3,000 subscribers
- MachineryHost provides more than 300 dealers with an all-in-one online dealer management system that provides sellers with an online storefront, inventory management system, CRM, and digital marketing tools.

Machinio Value Proposition and Rationale



Finding used machinery is hard

Highly fragmented market
50+ niche marketplaces
50,000+ standalone websites

Machinio aggregates listings to simplify search



- ✓ Entry into new verticals
- ✓ Expands Liquidity Services buyer base
- ✓ Complementary solution for equipment sellers
- ✓ Rich source of data on equipment, buyers and sellers
- ✓ Cross selling opportunities

Financial Results

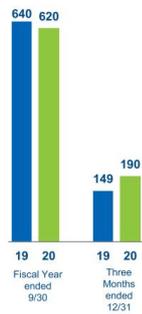
A Better Future for Surplus

Q1FY21 Consolidated Results

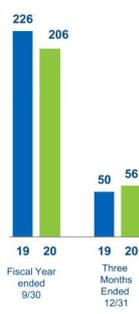
\$ millions



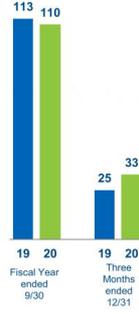
Gross Merchandise Volume



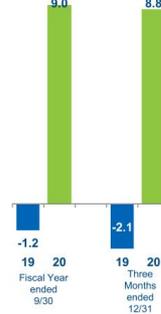
Revenue



Gross Profit⁽¹⁾



Adjusted EBITDA



- (1) Gross Profit is calculated as total revenue less cost of goods sold and seller distributions.
- (2) For the twelve months ended September 30, 2018, 2019 and 2020, Net Loss was (\$11.6)M, (\$19.3)M and (\$3.8)M respectively. For the three months ended December 31, 2019 and 2020, Net Income (Loss) was (\$5.2)M and \$4.5M, respectively.
- (3) Consolidated results include the DoD Surplus and Scrap contracts.
- (4) See slide #22 for a reconciliation of Adjusted EBITDA.

Diversification By Pricing Model



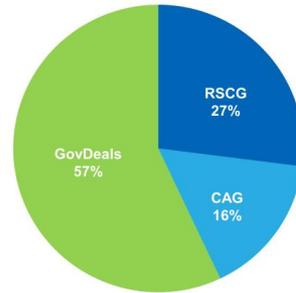
GMV Mix By Pricing Model



GMV Mix by Segment

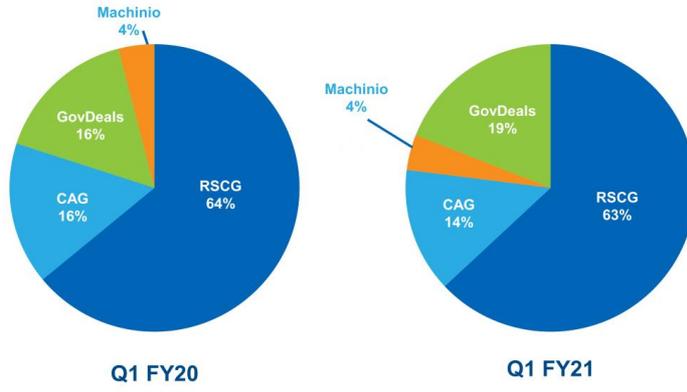


Q1 FY20



Q1 FY21

Revenue Mix by Segment



Reconciliation of Financial Data



Adjusted EBITDA Reconciliation								
In Thousands	Q2FY19	Q3FY19	Q4FY19	Q1FY20	Q2FY20	Q3FY20	Q4FY20	Q1FY21
Net Income (Loss)	(\$4,362)	(\$4,649)	(\$5,224)	(\$5,196)	(\$4,238)	\$213	\$5,447	\$4,514
Interest & other expense (income), net	(376)	(368)	(124)	(166)	(167)	(156)	(88)	(103)
(Benefit) Provision for income taxes	328	542	63	458	43	209	90	297
Depreciation and amortization	1,165	1,206	1,516	1,572	1,577	1,567	1,574	1,871
EBITDA	(\$3,245)	(\$3,269)	(\$3,769)	(\$3,332)	(\$2,785)	\$1,833	\$7,023	\$6,579
Stock compensation expense	2,581	1,362	1,367	1,039	1,231	1,516	1,875	2,229
Acquisition costs and related fair value adjustments and impairment of goodwill and long-lived assets	38	52	(69)	5	-	-	-	-
Business Realignment Expense (severance costs)	5	1,055	483	-	-	328	77	5
Fair value adjustments to acquisition earn-outs	1,300	900	1200	200	-	-	-	-
Deferred revenue purchase accounting adjustment	258	110	18	3	-	-	-	-
Adjusted EBITDA	\$937	\$210	(\$770)	(\$2,085)	(\$1,554)	\$3,677	\$8,975	\$8,813



Investor Relations
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