Bill Angrick – Chairman & CEO

In a world of heightened volatility, rapidly changing technologies and dynamic geo-political and supply chain shifts, Liquidity Services remains a resilient, diversified, growth platform trusted by millions of buyers and sellers around the globe. Thanks to our dedicated team, fiscal year 2026 was very successful for our customers driven by growth across all of our segments. During the year we expanded our leadership role in the circular economy, strengthened the economics of our marketplaces, and delivered higher profitability across our portfolio of government, retail, industrial, and software solutions.

For the full year, GMV increased 5% to $1.645 billion. Revenue was $477.9 million, essentially unchanged, as our mix continued to shift toward higher-margin, asset-light consignment transactions. That mix shift, combined with disciplined execution allowed us to grow direct profit across every segment and convert that progress into 33% GAAP net income growth and 30% adjusted EBITDA growth to $79.1 million, marking our fourth consecutive year of adjusted EBITDA growth. Operating cash flow was a strong $58 million and we ended the year with approximately $225 million of cash and no financial debt to ensure we can continue to invest in our strategic priorities.

Marketplace engagement was equally encouraging. Registered buyers reached approximately 6.5 million, up nearly 8%. Fourth-quarter auction participants increased 24% to approximately 1.25 million, and completed transactions increased 36% to approximately 365,000. These gains deepen our network effects and improve liquidity and recovery outcomes for our sellers.

GovDeals

GovDeals delivered another strong year, supported by seller acquisition, higher asset volumes, pricing initiatives, and broader full-service offerings. Full-year GMV increased 5% to $952.3 million, revenue increased 7% to $93.4 million, and segment direct profit increased 9% to $88.6 million. Direct profit margin expanded to 94.8%. In the fourth quarter, GMV increased 1%, revenue increased 3%, and direct profit increased 5%. Q4 financial results reflected some softness in used vehicle pricing.

Operationally, our GovDeals team signed more than 500 new accounts in the fourth quarter and continued to expand asset supply across numerous public-sector categories. Selected new signed clients include: Thurston County, WA, City of Baltimore Impound, San Luis Obispo County, CA, Virgin Islands Department of Property & Procurement, Princeton Plasma Physics Lab, and Brookhaven National Lab.

Our GovDeals marketplace continued to provide strong liquidity and results across a wide range of asset types. Notable transactions included an $8.3 million fiber-optic cable sale for the California Department of Technology, a $3.5 million sale for the Pennsylvania Department of Transportation, and a $2 million sale of generators for the USPS.

We also advanced the GovDeals customer experience. For example, our progressive WSO2 registration experience launched recently and produced a 25% week-over-week increase in registrations, or roughly 2,000 additional registrations. AssetPics, our AI-enabled cataloging service, entered production beta with

native applications published, supporting self-service and full-service sellers while helping our field teams create higher-quality listings more efficiently.
Within our real-estate services, Bid4Assets expanded into new jurisdictions. Milwaukee County began Wisconsin's first virtual foreclosure auctions with us, three Louisiana sheriff contracts were signed, and the team progressed additional county opportunities in Florida. These wins broaden our recurring, fee-based service model.

Retail Supply Chain Group
Our Retail segment produced the strongest full-year direct profit growth in our portfolio. Full-year GMV increased 7% to $447.2 million. Revenue declined 4% to $317.1 million as we intentionally shifted our business to more consignment flows, while segment direct profit increased 21% to $90.4 million. Direct profit margin expanded nearly 600 basis points to 28.5%. In Q4, direct profit increased 11% and direct profit margin expanded 910 basis points to 35.0%, despite a 4% decline in GMV.

Our Retail service and product successes were broad-based. For example, one of our top 5 omni-channel retail clients grew their GMV 65% year over year, while the client's net recovery improved 22% sequentially. For one of our international e-commerce retail clients, we achieved a record GMV quarter and expanded our solution to additional international locations. Our managed third party direct-to-consumer GMV also grew substantially, up 47% year over year.

Retail Rush, our new D2C auction marketplace, also made meaningful progress, with Q4 GMV of approximately $1.6 million, up 58% YoY, and new bidders were up more than 60%. Liquidation.com traffic grew 6% year over year and truckload buyers increased 22%, expanding the funnel for both marketplace and repeat sales relationships.

Late in Q4, one of our top 10 retail clients undertook a significant inventory cleanout and entrusted the volume to LSI. In the short term, this "surge" of inventory exceeded near-term buyer demand in certain categories which reduced recovery rates and increased our storage and logistics costs. However, we have the operational capabilities and multi-channel buyer base to manage these inventory flows over the next two quarters. Our retail client's willingness to send us a surge of inventory reflects their ongoing confidence in our ability to handle substantial volumes and reinforces our position as the most trusted liquidation partner in the retail supply chain industry. We believe our large B2B and D2C buyer channels, technology prowess, logistics infrastructure and operational expertise distinguishes us as the clear market leader versus smaller, narrowly focused industry participants.

Capital Assets Group
CAG ended the year with solid profit growth and significant momentum in heavy equipment. Full-year GMV was $245.2 million, down 2%, while revenue increased 16% to $45.6 million and segment direct profit increased 12% to $38.9 million with a direct profit margin above 85%. In Q4, GMV increased 2%,

revenue increased 18%, and direct profit increased 16% to $10.3 million, our highest quarterly CAG direct profit in the last ten years.

Our CAG Heavy Equipment category continued to make progress as transactions increased 54% and assets sold increased 25% for the full year. In Q4, Heavy Equipment drove a 21% increase in GMV and transactions increased by a robust 47% YoY as we continue to land mandates from leading national fleet accounts.

Our CAG segment also executed high-value projects across regions and industrial verticals. Q4 examples included the sale of Shell energy assets in EMEA, Occidental assets in North America, Seagate semiconductor equipment, Agilent assets across all three regions, and Canon manufacturing equipment in the Philippines. Several larger EMEA projects shifted into Q1, reducing results in Q4 but supporting a strong near-term pipeline.

Our digital demand tools are also improving performance. Cross-listing selected North American CAG assets across our buyer ecosystem generated approximately $2.5 million of incremental GMV and increased price per asset by a meaningful 24%. AI-optimized CAG solution pages produced a significant increase in views, strengthening new seller discovery in aviation, biopharma, energy, industrial manufacturing, and semiconductor categories.

Machinio & Software Solutions

Our Machinio and Software Solutions segment continued to provide high-margin, recurring technology and digital solutions revenue. Full-year revenue increased 10% to $21.7 million and direct profit increased 8% to $19.8 million, with a direct profit margin above 91%. Fourth-quarter revenue was flat as growth in Machinio System subscriptions offset lower advertising revenue, while we continued to invest in our Auction.io platform which powers our Retail Rush and other SMB client marketplaces.

Product priorities are focused on expanding used equipment buyer engagement, growing our Marine vertical industry market share, growing our Service industry market share, enabling self-directed subscription purchases, improving client value reporting, enriching buyer profiles, and using AI to improve equipment listing data. We expect these capabilities to increase retention, improve lead quality, and create additional recurring revenue opportunities for machinery dealers and auctioneers.

Enterprise Technology and Operating Platform

Across the company, our investments in AI, automation, analytics, identity management, and modern software delivery are producing measurable results. We launched progressive buyer registration, improved retail inventory ingestion, expanded automated reconciliation between marketplace and financial systems, and created daily seller-data synchronization into our CRM for more than 23,000 records and more than 50 seller attributes.

Our BigQuery and Copilot analytics workflows reduced recurring account-review preparation time by roughly 80%, while supporting faster campaign optimization. We also modernized our IT product deployment pipelines using GitHub Actions and keyless AWS authentication which continues to fortify our platform from malicious storefront requests at the network edge without disrupting legitimate customers.

Invaluable Acquisition

Finally, shortly after fiscal year-end, we completed the acquisition of Invaluable for $80 million in cash. Invaluable expands our reach into fine art, antiques, and collectibles and increases our combined buyer base to approximately 10 million. We expect the acquisition to be accretive to adjusted net income and adjusted EBITDA in fiscal 2027 and, on a full-year basis, to GAAP net income. This expansion also provides a clear path to exceed $2 billion of GMV in fiscal 2027 on a consolidated basis; and move us towards $2.5 billion of annual GMV over the near term.

In Closing

Our fiscal 2026 results demonstrate the durability and scalability of our model. Moreover, our diversification helps smooth performance when different segments or asset categories experience different seasonal or market cycles. At the same time, this past year we expanded our buyer and seller networks, launched new service capabilities, and strengthened our technology foundation.

We enter fiscal 2027 with a larger addressable market, a broader global buyer base, stronger liquidity, and clear opportunities to apply AI, automation, and data driven insights across our marketplaces to drive efficiencies for clients and internally. We are excited to welcome the Invaluable team and to extend our circular economy leadership into fine art, antiques, and collectibles. We thank our employees for their dedication and our clients, buyers and shareholders for their continued trust.

Jorge Celaya – EVP, CFO

Before moving to our Business Outlook, I'll start with a few further highlights for fiscal year 2026, where we again set a new annual GMV record of $1.64 billion, which reflects 5% growth over last year's record GMV. We grew Net Income 33% and Adjusted EBITDA 30% to $79.1 million, our highest profitability over the past decade and a continuation of the profitable growth that includes Adjusted EBITDA growing from $48 million to $79 million over just the past two years. Our business has shown operating leverage through scale and a resilience to market conditions through our diversified business model.

Our segments' direct profits on average grew 14% for the fiscal year, and our Adjusted EBITDA as a percentage of the total of segment direct profits expanded more than 400 basis points this past year. We generated $58 million in operating cash flow in fiscal 2026, even with some growth in inventory that is expected to be sold through the coming quarters of fiscal year 2027.

GAAP Net Income for fiscal year 2026 was $37.3 million, up 33%, resulting in Earnings Per Share of $1.14. Non-GAAP Adjusted EPS was $1.63, up 27% year over year. Our effective tax rate for fiscal year 2026 was 30.7%, and we spent $9.2 million in capex for the year.

We ended fiscal 2026 with approximately $225 million in cash, cash equivalents and short-term investments and zero financial debt. On October 1, we used $80 million in cash-on-hand to fund the acquisition of Invaluable, expanding our marketplace portfolio into fine art, antiques, jewelry and collectibles and increasing our combined annual GMV run-rate to more than our previously stated goal of $2 billion.

Our fiscal year 2026 was capped by a solid Fiscal Fourth Quarter; our 11th consecutive Quarter of Year-over-Year Adjusted EBITDA growth. Our consolidated results for this fiscal Fourth Quarter include GMV of $404.0 million, in line with prior year, and revenue of $106.4 million, down 10% year-over-year given the anticipated product mix and pricing model changes in our Retail segment that delivered higher segment direct profit margins. Paired with our operating leverage, GAAP Net Income grew 52% with Earnings Per Share of 36 cents, and our non-GAAP Adjusted EBITDA was $22.3 million, up 20%. Non-GAAP Adjusted Net Income grew 27%, resulting in Adjusted EPS of 46 cents. Our 4th quarter effective tax rate was 30.9%.

Turning to our fiscal Fourth Quarter performance by Segment, CAG delivered 2% GMV growth, 18% revenue growth, and 16% direct profit growth year-over-year. The fiscal fourth quarter benefited from a higher proportion of full-service projects at higher direct profit margins and continued strength in our North American heavy equipment category, while certain international projects were delayed, potentially into the fiscal First Quarter of 2027.

GovDeals increased GMV 1%, revenue 3%, and segment direct profit 5% year-over-year. Growth reflected continued seller acquisition, expanded service offerings and higher vehicle volumes, partly offset by lower average vehicle values compared to last year.

In our Retail segment for the fiscal fourth quarter, segment direct profit increased 11% compared to the same quarter last year, with direct profit margin expanding more than 900 basis points, while GMV declined 4% and revenue declined 18%. The improvement in segment direct profit reflects our anticipated shift toward an improved mix of inventory and low-touch consignment programs, offset by

the effect of being entrusted with significant volume from selected seller programs, yet which dampened near-term pricing and market demand starting late in this past fiscal fourth quarter.

Machinio and Software Solutions revenue was flat year over year. Growth in Machinio System subscriptions was offset by the lower advertising revenue. Machinio System surpassed 1,000 clients this year, growing our recurring subscription base.

Moving to our fiscal first quarter outlook, we enter fiscal 2027 with the addition of Invaluable to our market reach and the potential for leveraging our now 10 million combined-buyer-base and our technology and operating capabilities. The acquisition of Invaluable expands our markets and technology enabled solutions, while continuing to focus on bringing buyers and sellers together for a superior experience.

We expect Invaluable to be accretive to Non-GAAP Adjusted Net Income and Non-GAAP Adjusted EBITDA in fiscal 2027 and, in the fiscal first quarter of 2027 and on a full-year basis, to GAAP Net Income, although the timing of integration-related costs and amortization of acquired intangibles may cause quarterly GAAP results to vary. We expect integration-related costs to be modest and incurred primarily in the first half of fiscal 2027.

In CAG, we expect a strong quarter as several large projects contracted during fiscal 2026, including projects that shifted from the fiscal fourth quarter, remain scheduled for completion. Project timing will continue to drive quarter-to-quarter variability in this segment.

GovDeals is expected to continue growing through seller acquisition and expanded service offerings, partly offset by some continued softer vehicle pricing.

Our guidance also reflects the elevated inventory levels from selected client flows in our Retail segment that began during the fourth quarter of fiscal 2026 and which are expected to dampen recovery levels in the market temporarily. With our scale, operational capabilities and leading position in the market, we are able to address the needs of our sellers and currently expect this to normalize over the next few quarters. Retail's fiscal first quarter GMV and revenue are expected to decline year-over-year, reflecting the previously planned changes in mix of inventory inflows, combined with the anticipated higher levels of supply we've received.

On a consolidated basis, including Invaluable, consignment GMV for the fiscal first quarter is expected to be in the low-nineties as a percentage of total GMV. Consolidated revenue as a percent of GMV is expected to be in the high-teens, and total segment direct profit as a percent of consolidated revenue is expected in the low-to-mid 60 percent range. These ratios can vary based on overall business mix, including asset categories and seasonality, in any given period.

Management's guidance for the fiscal first quarter of 2027 is as follows:

- We expect GMV to range from $580 million to $640 million.
- We estimate non-GAAP adjusted EBITDA to range from $19 million to $22 million.
- GAAP net income is expected to range from $8 million to $11 million, with GAAP diluted earnings per share of $0.24 to $0.33.

- Non-GAAP adjusted diluted earnings per share is expected to range from $0.36 to $0.45.
- Our fiscal first-quarter effective tax rate is expected to be approximately 30%, and our full-year fiscal 2027 effective tax rate is expected to range from the high 20’s to low 30’s.
- We expect diluted weighted average shares outstanding of approximately 33.0 million to 33.5 million.