



*A Better Future for Surplus*

## Investor Presentation

Third Quarter Fiscal Year 2024



# 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 fiscal year ended September 30, 2023, and subsequent filings with the Securities and Exchange Commission (SEC). 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. 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, Adjusted Net Income (Loss), and Adjusted Earnings (Loss) per Share. These non-GAAP measures are provided to enhance investors’ overall understanding of our current financial performance and prospects for the future. We use EBITDA and Adjusted EBITDA: (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. In addition, because we have historically reported certain non-GAAP measures to investors, we

believe the inclusion of non-GAAP measures provides consistency in our financial reporting. 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 condensed consolidated financial statements and related notes and the information contained in our Quarterly Report on Form 10-Q as of and for the three and nine months ended June 30, 2024.



# Who We Are

Liquidity Services operates the world's largest B2B e-commerce marketplace platform for surplus assets powering the growth of the Circular Economy.

## To Power the Circular Economy, we:

- **Sell**, manage, and value surplus assets across the globe in a broad range of categories and conditions
- **Maximize** value recovery with the broadest buyer base through our efficient global marketplace platform
- **Optimize** and execute surplus management strategies to achieve client business goals



# What is the Circular Economy?

**Definition:** “The circular economy is a model of production and consumption, which involves sharing, leasing, reusing, repairing, refurbishing and recycling existing materials and products as long as possible.”\*

\*European Parliament

**Liquidity Services** is a first mover and global leader in transforming the Circular Economy, which provides long-term investors the opportunity to drive financial returns while making a positive impact on the environment.



# The Industry Leader in the Circular Economy

**15,000+**

Trusted Clients  
Worldwide

**130+**

Fortune 1000  
Global Clients

**1 Million+**

Transactions  
Completed Annually in  
**100+ Countries**

**600+**

Asset Categories  
Experience

**5 Million+**

Registered  
Buyers

**B2B | B2C**

Multichannel Marketing  
& Sales Strategies

**\$10 Billion+**

Completed  
Transactions

**LQDT ▲**

Publicly Traded  
Since 2006 IPO

# Our Purpose

To build the world's leading marketplace for surplus assets to benefit sellers, buyers and the planet

## Our Sellers



For enterprises with used, idle, or excess assets and inventory we provide:

- Expertise and intelligence that achieve high-performance results aligned to strategic goals
- Comprehensive and scalable solutions
- Superior people, processes, and systems to maximize return

## Our Buyers



For organizations and consumers looking to achieve business or personal goals we offer:

- Convenient access to a wide range of assets
- Accurate, comprehensive product information and fair market prices
- Helpful, responsive customer support when it is needed

## The Planet



For the planet's natural resources, environment, and beauty we:

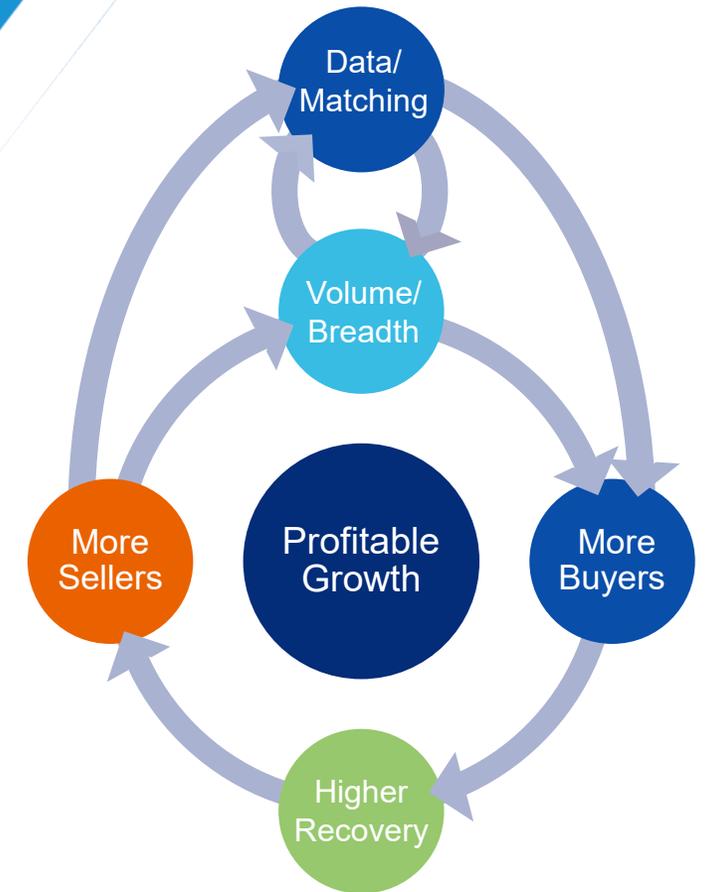
- Extend life of assets and inventory and increase reuse and recycling
- Prevent unnecessary waste and reduce the number of products headed to landfills
- Dispose of surplus in an environmentally safe manner

# Vision and Strategic Pillars

Liquidity Services will build the world's leading marketplace for surplus assets to benefit sellers, buyers and the planet.

- R** **Recovery Maximization**  
Drive higher net recovery through technology and innovation that improves the buyer experience
- I** **Increased Volume**  
Grow annualized volume transacted on our platform with flexible service offerings and pricing models to meet the needs of existing and new sellers
- S** **Service Expansion**  
Grow services with recurring revenue characteristics that leverage our domain expertise, data and marketplace channels
- E** **Expense Leverage**  
Improve operating expense leverage by controlling costs and through technology and innovation that increases productivity

# RESERVE



# Delivering Maximum Value to Sellers

## Better Service

Superior levels of industry and asset expertise, responsiveness, intelligence, and analytics that achieve high-performance results aligned to our sellers' goals.

## Better Scale

Comprehensive, modular, and scalable solutions 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.

## Serving the Broadest Base of Industries



Aerospace & Defense



Electronic Manufacturing



Industrial Manufacturing



Automotive Manufacturing



Energy



Mining & Large Construction



Biopharma



Fast-Moving Consumer Goods



Retail



Consumer Brands & OEM's



Government



Transportation

# Providing Superior Buyer Experiences



## 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. Rated A+ provider by the Better Business Bureau

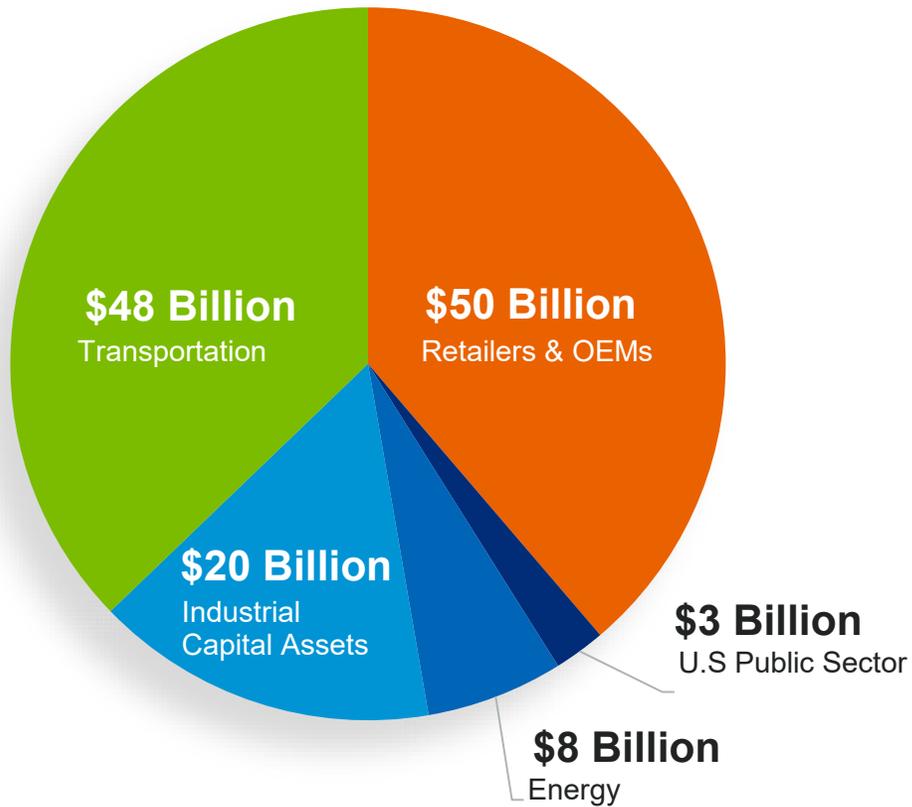
# Our ESG Objectives

<b>Environmental</b>	<b>Our Services Enable the Circular Economy.</b> We empower corporations and governments to use our e-commerce services to resell their surplus assets, which, in turn, enables a more sustainable and circular economy.
<b>Economic Opportunity</b>	<b>We Empower Small Business Entrepreneurs.</b> We empower small business entrepreneurs by enabling their access to a global supply of finished merchandise and capital assets, which, in turn, allows them to build and grow their businesses and contribute to the prosperity of their local communities.
<b>Social</b>	<b>Our Diverse and Inclusive Workplace Drives Innovation.</b> We constantly seek, develop and implement innovative new ideas to enhance our suite of solutions. To achieve this, we seek diverse perspectives, foster an inclusive workplace and strive to help each employee achieve success using each person's unique talents, skills and contributions.
<b>Governance</b>	<b>Trust Grows our Marketplaces.</b> Creating trust is fundamental to the long-term growth and success of our marketplaces. Accordingly, we continuously execute and improve our services following our core values of: Integrity; Mutual Trust and Accountability; and Doing Well and Doing Good.



# Market Opportunity\*

**\$130 Billion Total Addressable Market**



## Highlighted Sellers Across Industries



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

# Macro-Trends Expanding Our Opportunity

## E-Commerce Growth

- Increased demand for digital solutions driving more opportunities with sellers and buyers
  - Continued online growth in retail driving increased volume of consumer returns
  - Trending appetite for self-directed solutions
- Increasing buyer demand for discounted, refurbished and secondary market assets
- Environmental Sustainability key goal for commercial and government sellers

## Technology Innovation

- Product obsolescence and shorter product life cycles
- Greater focus on compliance and transparency
- Higher adoption of digital marketplaces among B2B buyers
- Increasing need for faster disposition cycle

## Sustainability

- 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, 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
- ✓ Subscription Revenues

# Liquidity Services Marketplace Success

Q3-24 total marketplace growth over the prior year included<sup>(1)</sup>

**+7%** Buyer Registrations

**+10%** Auction Participants

**+4%** Completed Transactions

(1) Q3-FY24 growth over prior year comparable quarter.

(2) Includes the AllSurplus Deals direct-to-consumer RSCG sales channel, and GovDeals/CAG transactions where the winning bid was placed by a buyer on the AllSurplus marketplace.

(3) GoIndustry DoveBid formally transitioned to AllSurplus during FY24.

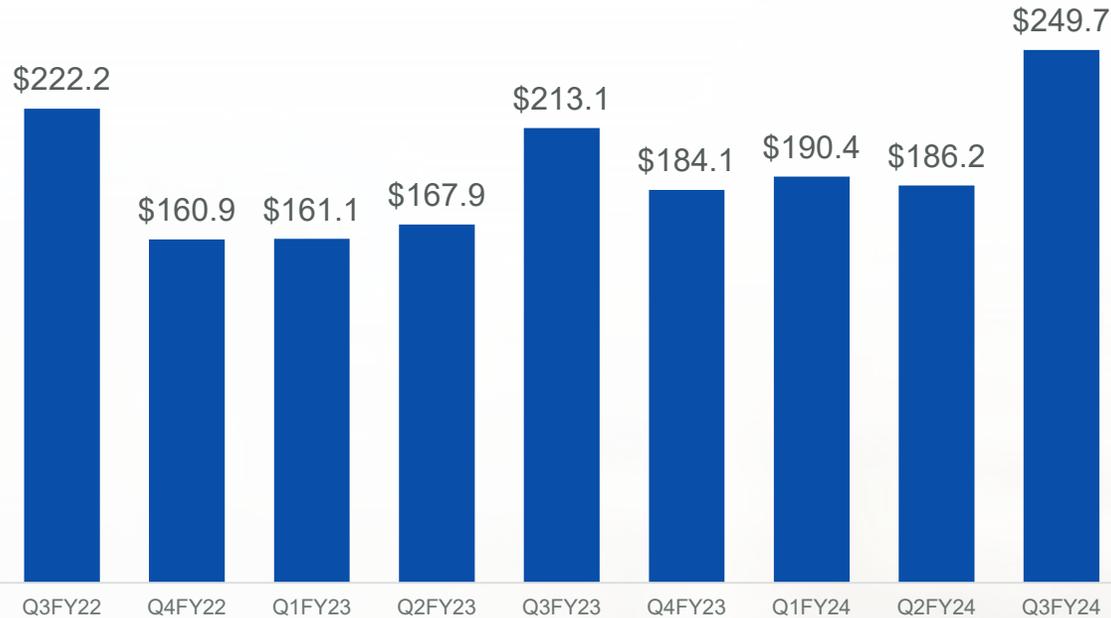
Marketplace	Q3-FY24 Marketplace Highlights <sup>(1)</sup>
<p><b>AllSurplus</b> (incl. GoIndustry DoveBid<sup>(3)</sup>)</p>	<ul style="list-style-type: none"> <li>• <b>+30%</b> Completed Transactions <sup>(2)</sup></li> <li>• <b>+30%</b> Buyer Registrations</li> <li>• Continued GMV growth across key categories</li> </ul>
<p><b>GovDeals</b> (incl. Bid4Assets and Sierra)</p>	<ul style="list-style-type: none"> <li>• <b>+11%</b> Completed Transactions</li> <li>• <b>+17%</b> Auction Participants</li> <li>• <b>+12%</b> Buyer Registrations</li> </ul>
<p><b>Liquidation.com</b></p>	<ul style="list-style-type: none"> <li>• <b>+3%</b> Buyer Registration</li> </ul>

# GovDeals Segment

Record quarterly GMV results driven by continued adoption by government agencies of our digital marketplace solutions

## GovDeals Segment GMV Trendline

\*in millions



- Well-positioned to serve increasing demand for virtual solutions
- Launched our new modernized GovDeals marketplace in Q1 FY24, delivering significant enhancements to our buyer experience
- Completed the acquisition of Sierra in Q2 FY24 to accelerate our penetration of the southwestern U.S. market

### GovDeals self-directed model is attractive to:

- Local, state and federal government entities
- Higher education institutions
- Non-profits

### Marketing technology and increase in online procurement are driving more buyer demand

Volatility in used car availability and market prices, and real estate foreclosure levels<sup>(1)</sup> can significantly impact GMV on the GovDeals and Bid4Assets marketplaces.

(1) ATTOM (2024): <https://www.attomdata.com/news/most-recent/mid-year-2024-foreclosure-market-report/>

# RSCG Segment

Strong quarterly GMV results, driven by increased product flows and rapidly accelerating B2C sales growth in AllSurplus Deals

## RSCG Segment GMV Trendline

\*in millions



\* Fiscal Q2 is the seasonally high quarter for reverse supply chain activity in the retail sector.

### Our RSCG segment benefits from:

- Retailers increasingly seeking B2B marketplace platforms to conduct resale of surplus inventory
- Flexible service offerings that enable clients to rapidly respond to changing economic conditions

### Our expanded service offerings address a full spectrum of seller needs and create higher-margin revenue streams:

- Managed services for end-to-end solutions
- Large retailers increasing use of our sell-in-place consignment 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 demand for discounted, refurbished and secondary market assets drives growth

Changes in consumer sentiment, elevated interest rates, and supply chain variability can cause fluctuations in the value and mix of products transacted in any given period.

# CAG Segment

Driving growth from a diversified and global Fortune 1000 client base through expansion of key verticals including industrial, energy, and heavy equipment

## CAG Segment GMV Trendline

\*in millions



### AllSurplus enables delivery of self-directed and fully managed services to our sellers, including:

- AI-driven recommendations and search to help buyers
- Real time reporting and asset status for our sellers
- Ability to bid or buy assets through multiple sales types: auctions, buy now, and offers

### Continued execution through ongoing global supply chain disruptions:

- Global supply chains may experience heightened uncertainty from inflationary pressures including elevated interest rates, and ongoing geopolitical conflicts.

### Clients continue to pursue CAG's solutions for:

- Greater need to recover investment on idle assets
- Increasing buyer demand for assets at less than new pricing

CAG GMV can be variable based on timing and project size

# Machinio Segment

Subscriber growth and strong renewal rates from Machinio Advertising and System drove 15% revenue growth in Q3-FY24 year-over-year

**Machinio Segment Revenue Trendline**

\*in millions

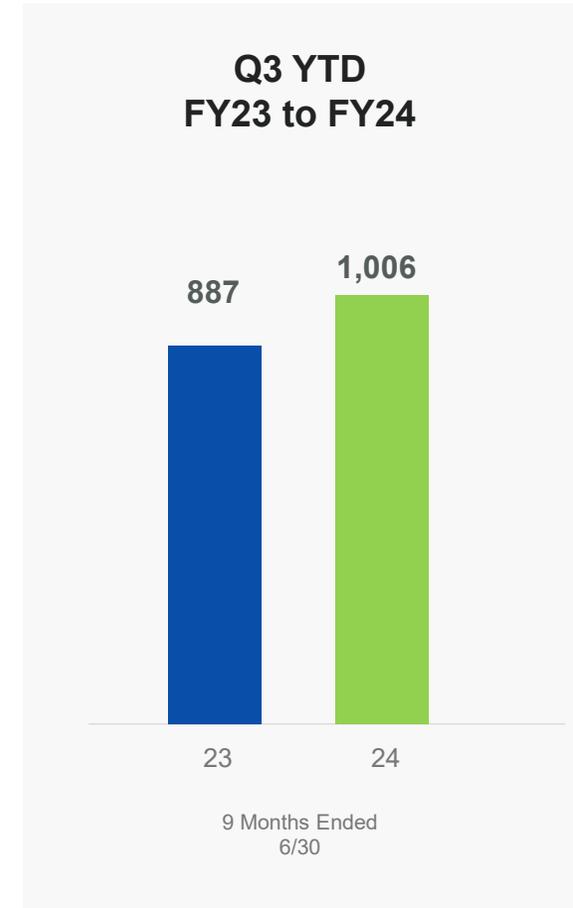
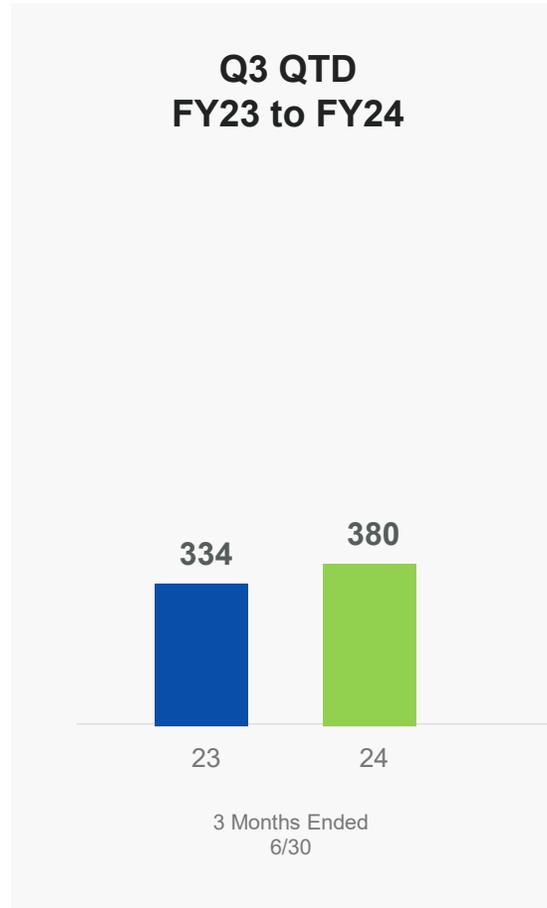
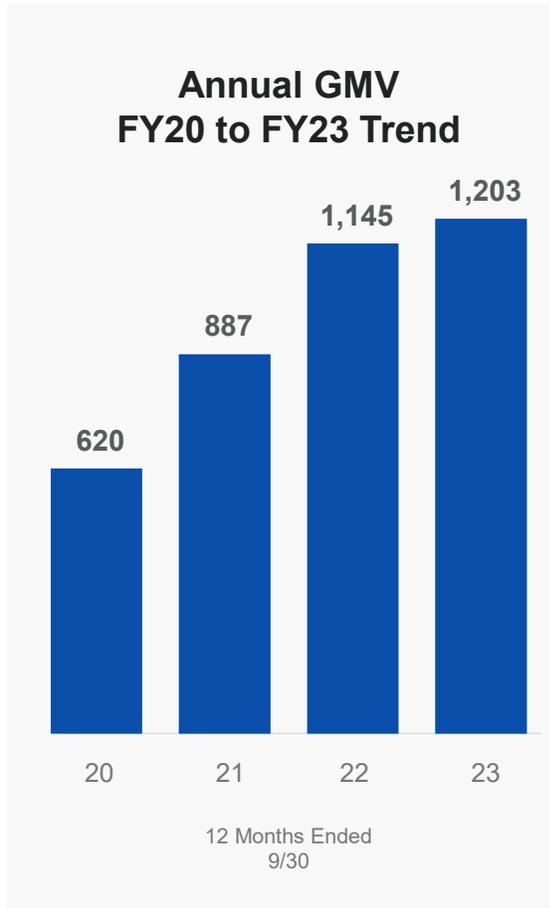


- **A leading online, subscription-based classifieds and storefront marketplace for used Machinery and Heavy Equipment**
- **The Machinio worldwide search engine for used equipment aggregates over 4.0 million active listings**
- **Machinio Advertising’s worldwide classifieds platform has over 4,000 subscribers, more than 1 million qualified leads annually, and over 600 thousand email alert subscribers**
- **Machinio System’s management software for machinery dealers has over 700 subscribers**
- **Strong Net Renewal Rates**

# Financial Results

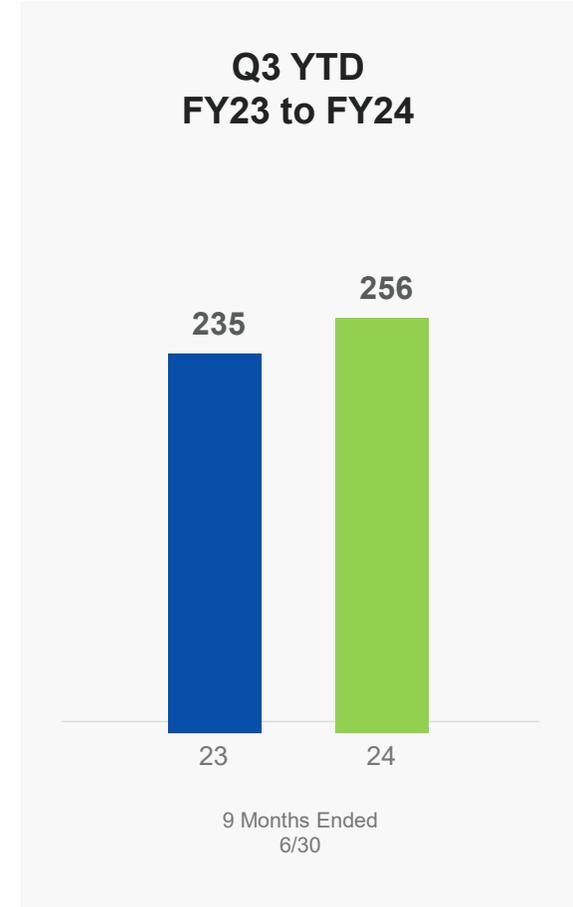
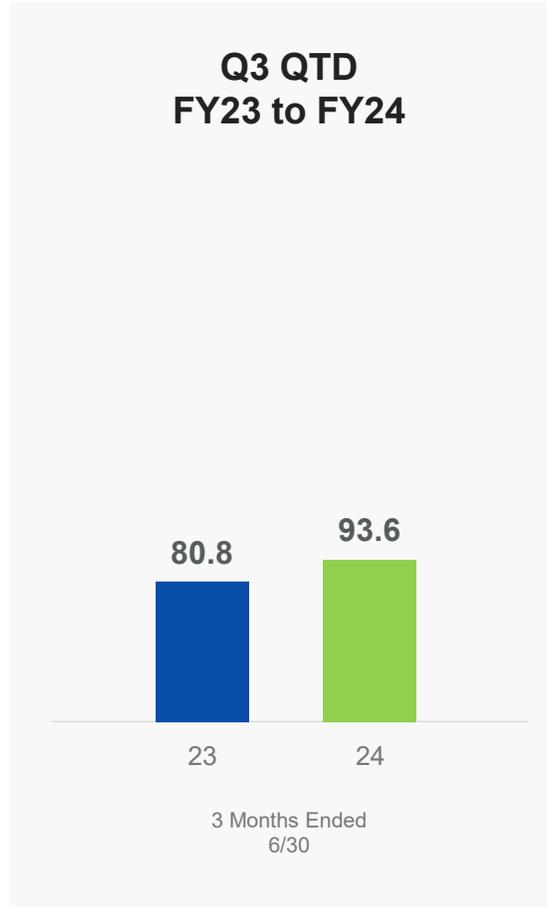
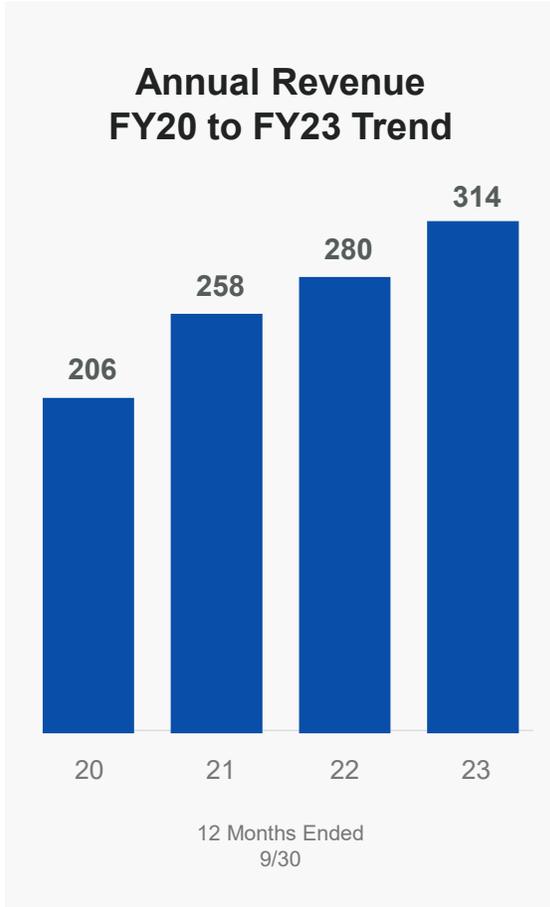
# Consolidated Results – Gross Merchandise Volume (GMV)

\$ in millions



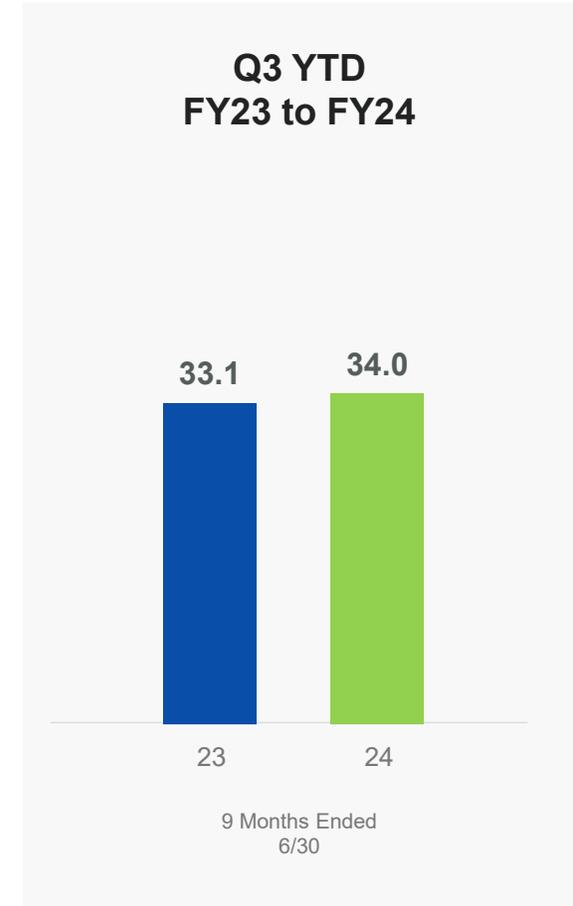
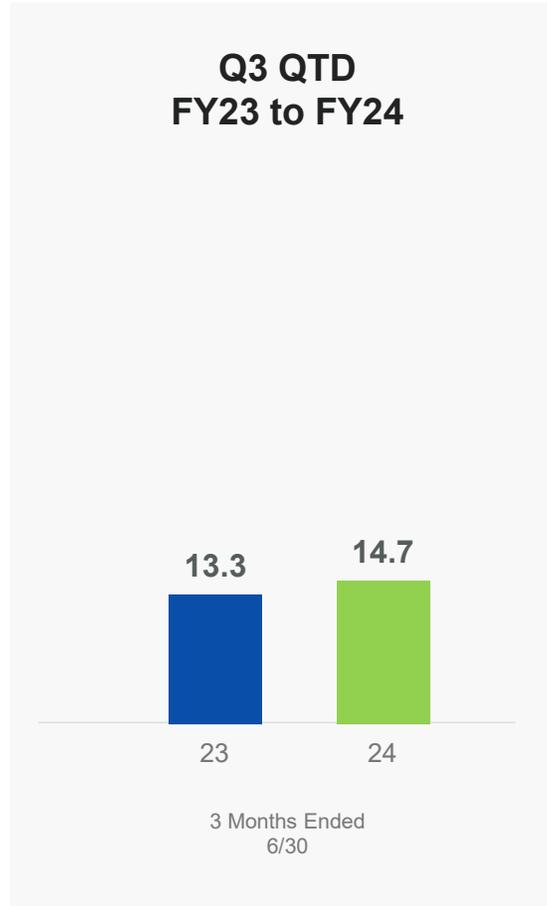
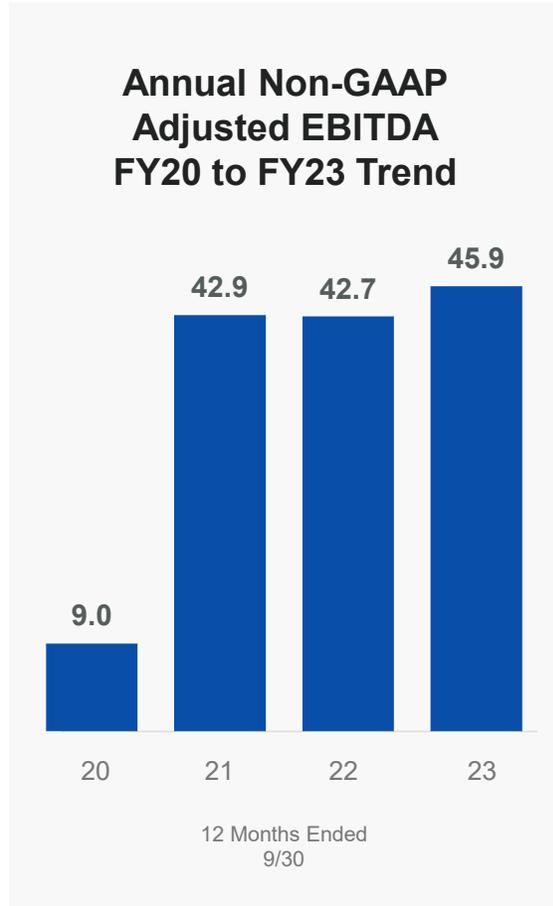
# Consolidated Results – Revenue

\$ in millions



# Consolidated Results – Non-GAAP Adjusted EBITDA<sup>(1)</sup>

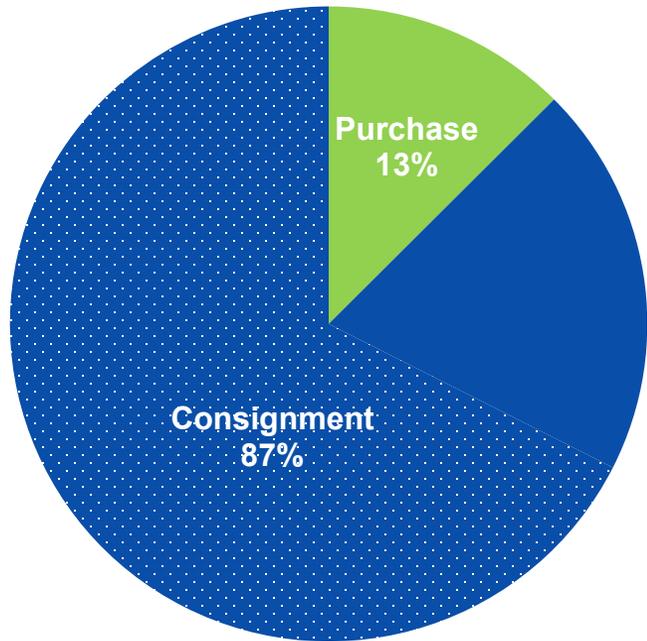
\$ in millions



(1) For the twelve months ended September 30, 2023, 2022, 2021, and 2020, Net Income (Loss) was \$21.0M, \$40.3M, \$50.9M, and (\$3.8)M, respectively. For the three months ended June 30, 2024, and 2023, Net Income was \$6.0M and \$6.5M, respectively. For the nine months ended June 30, 2024, and 2023, Net Income was \$13.6M and \$14.7M, respectively. See slide #25 for a reconciliation of Adjusted EBITDA

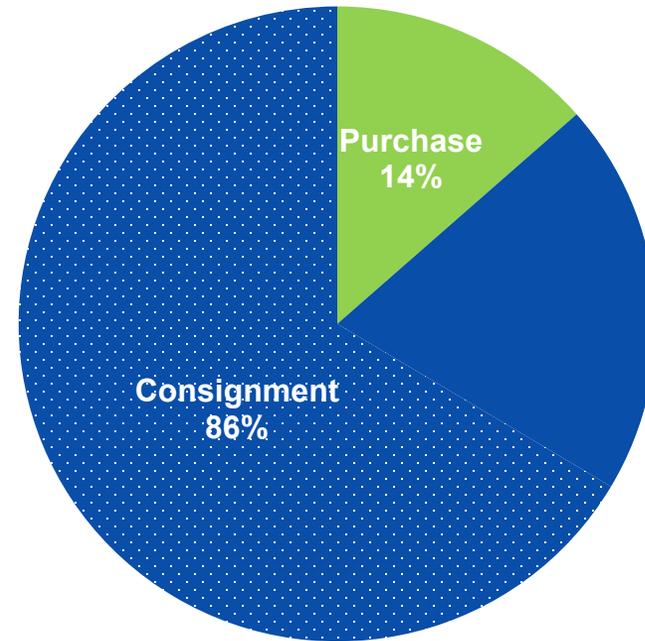
# Diversification By Pricing Model | GMV Mix

Q3 FY23



■ Purchase ■ Consignment ■ Self-Directed Consignment

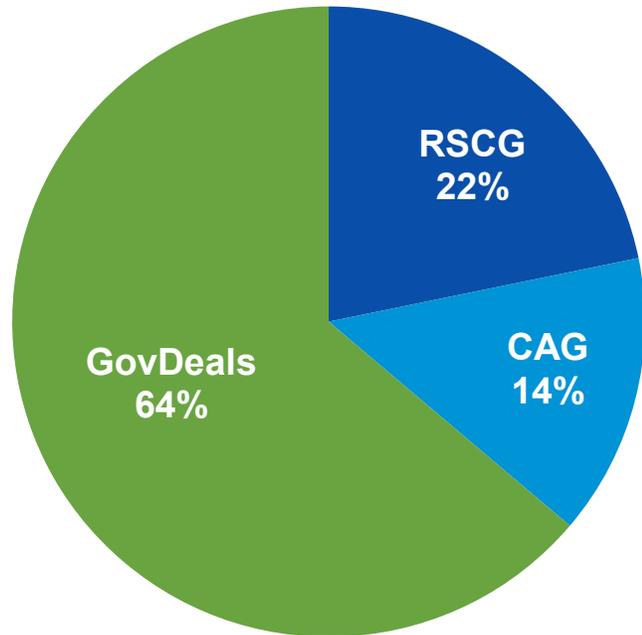
Q3 FY24



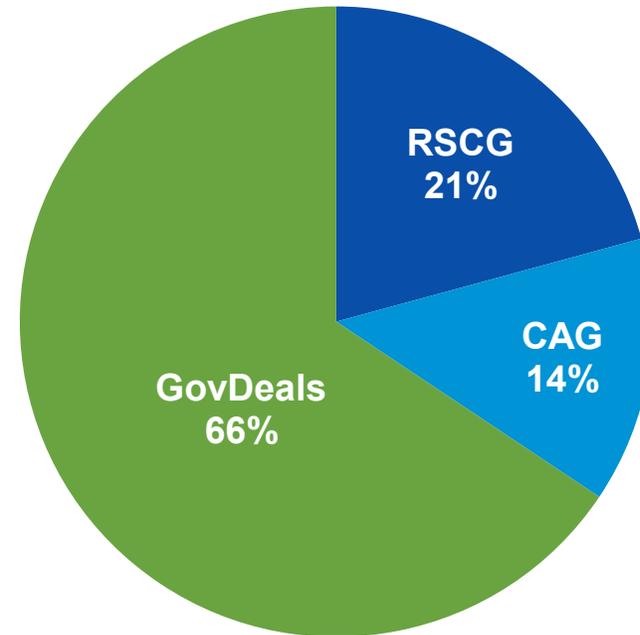
■ Purchase ■ Consignment ■ Self-Directed Consignment

# Diversification By Segment | GMV Mix

Q3 FY23



Q3 FY24



# Reconciliation of Financial Data

## Adjusted EBITDA Reconciliation (QTD)

(in thousands)	Q3 FY22	Q4 FY22	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	Q1 FY24	Q2 FY24	Q3 FY24
Net Income	\$ 16,408	\$ 8,345	\$ 3,967	\$ 4,245	\$ 6,487	\$ 6,279	\$ 1,907	\$ 5,709	\$ 6,000
Interest & other expense (income), net	196	(88)	(303)	(634)	(761)	(1,161)	(1,141)	(771)	(891)
Provision for income taxes	2,183	3,075	1,149	1,573	2,543	2,774	881	1,487	2,702
Depreciation and amortization	2,641	2,776	2,764	2,803	2,866	2,821	2,904	3,195	3,199
Non-GAAP EBITDA	\$ 21,428	\$ 14,108	\$ 7,577	\$ 7,987	\$ 11,135	\$ 10,713	\$ 4,551	\$ 9,620	\$ 11,010
Stock compensation expense	1,884	2,325	2,081	1,939	2,195	1,975	2,249	2,343	2,617
Acquisition-related costs and litigation settlement expense	43	179	184	-	-	69	451	125	1,080
Business realignment expenses	-	191	-	-	-	-	-	-	-
Fair value adjustments to acquisition earn-outs	(11,500)	(4,500)	-	-	-	-	-	-	-
Non-GAAP Adjusted EBITDA	\$ 11,855	\$ 12,303	\$ 9,842	\$ 9,926	\$ 13,330	\$ 12,757	\$ 7,251	\$ 12,088	\$ 14,707



Investor Relations

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