

Investor Presentation

Fourth Quarter and Fiscal Year 2015
November 2015



A Better Future for Surplus

Forward-Looking Information

This presentation contains forward-looking statements. All forward-looking statements speak only as of the date of this presentation. Except as required by applicable law, we do not intend to publicly update or revise any forward-looking statements. These forward-looking statements are only predictions and are not guarantees of performance. These statements are based on our management's beliefs and assumptions, which in turn are based on currently available information. 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. Many of these factors are beyond our ability to control or predict. 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. These statements include, among others, statements regarding our expected business outlook, anticipated financial and operating results, our business strategy and means to implement the strategy, our objectives, the amount and timing of capital expenditures, the likelihood of our success in expanding our business, financial plans, budgets, working capital needs and sources of liquidity.

Potential investors should carefully review in its entirety our filings with the Securities and Exchange Commission from time to time. You should be aware that the occurrence of the events described in the "Risk Factors" section and elsewhere in our periodic reports could harm our business, prospects, operating results, and financial condition.

The financial information provided herein includes the Company's discontinued operations for its UK retail supply chain business which was closed effective September 30, 2011.

Who We Are

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

We...

Manage, value, and sell surplus across the globe in virtually every asset category and condition



Maximize return, more efficiently and more strategically



Optimize and execute surplus management strategies to achieve your business goals



The Industry Leader in the Reverse Supply Chain

Trusted by over
8,000
clients worldwide

Experienced in over
500
asset categories and all
asset conditions

Over
\$5 billion
in total sales



\$1 billion
in annual sales proceeds

Proven
multichannel marketing
& sales strategies for
B2B and B2C

Nearly
3 million
registered buyers

Approximately
1,300
employees with reach
into nearly 200 countries
and territories

Over
500k

transactions
completed annually

LQDT ▲

Publicly traded company
(LQDT) with profitability every
quarter since 2006 IPO

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

CLIENTS



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

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

BUYERS



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

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

PLANET



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

- 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

Delivering Maximum Value to Clients

CLIENTS WE SERVE



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 CLIENTS



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

Services

Liquidity Services provides organizations in every major industry with consultative surplus asset management, valuation, and sales solutions.

Services for Surplus Capital Assets

- Program Management
- Valuation Services
- Asset Management
- Marketing & Sales
- Warehousing & Transportation Support
- Buyer Customer Support
- Compliance & Risk Mitigation

Services for Surplus Retail Inventory

- Program Management
- Reconciliation, RTV, & RMA
- Refurbishment & Recycling
- Marketing & Sales
- Fulfillment Services
- Buyer Customer Support
- Compliance & Risk Mitigation



Client Depth Across Industries

RETAILERS



RETAIL OEM's



GOVERNMENT



ENERGY



TRANSPORTATION



TECHNOLOGY



HEALTHCARE & BIOPHARMA



INDUSTRIAL



ASSET-BASED LENDERS



Providing Superior Buyer Experiences

BUYERS WE SERVE

Self-Employed Individual Opportunists



Small Businesses & Resellers



Online/Offline Retailers



Distributors



Refurbishers



Wholesalers



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

Your Global Partner

With locations all over the world, Liquidity Services provides you with global coverage for your reverse supply chain.

53 locations

21 countries

6 continents

United States

Anaheim, CA
Atlanta, GA (2)
Cranbury, NJ
Fontana, CA
Fort Worth, TX
Frisco, TX
Garland, TX
Groveport, OH
Hayward, CA
Hopkins, MN
Houston, TX
Indianapolis, IN
Las Vegas, NV (2)
Lockbourne, OH
Montgomery, AL
Nashville, TN
New Castle, DE
North Wilkesboro, NC
Oklahoma City, OK

Owings Mills, MD
Plainfield, IN
Scottsdale, AZ
Washington, DC

Argentina

Buenos Aires

Australia

Victoria
Perth

Brazil

São Paulo

Canada

Brampton, ON
Mississauga, ON
Toronto, ON

China

Hong Kong
Shanghai

Colombia

Bogota

Costa Rica

Heredia

France

Vanves

Germany

Munich

India

Mumbai

Ireland

Dublin

Japan

Tokyo

Malaysia

Kuala Lumpur

Mexico

Mexico City

Philippines

Muntinlupa City 1770

Singapore

Singapore 189702

Spain

Barcelona

South Africa

Cape Town
Johannesburg

United Arab Emirates

Dubai

United Kingdom

Birmingham
Bristol
Leeds
London

North American Reach

With 13 warehouses and fulfillment centers totaling over two million square feet and five lots totaling over 110 acres, we can meet your storage and transportation needs across North America.

Warehouses

Groveport, OH
Lockbourne, OH
Oklahoma City, OK (2)
Hayward, CA

Fulfillment Centers

Cranbury, NJ
Plainfield, IN
Garland, TX
Las Vegas, NV (2)
North Wilkesboro, NC
Hopkins, MN
Toronto, Canada

Lots

Atlanta
Dallas/Ft Worth
Delaware
Indianapolis
Los Angeles



Market Opportunity

\$50 Billion
Retailers & OEMs

\$3 Billion
U.S Public Sector

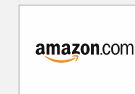
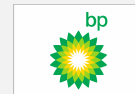
\$8 Billion
Energy

\$20 Billion
Industrial Capital Assets

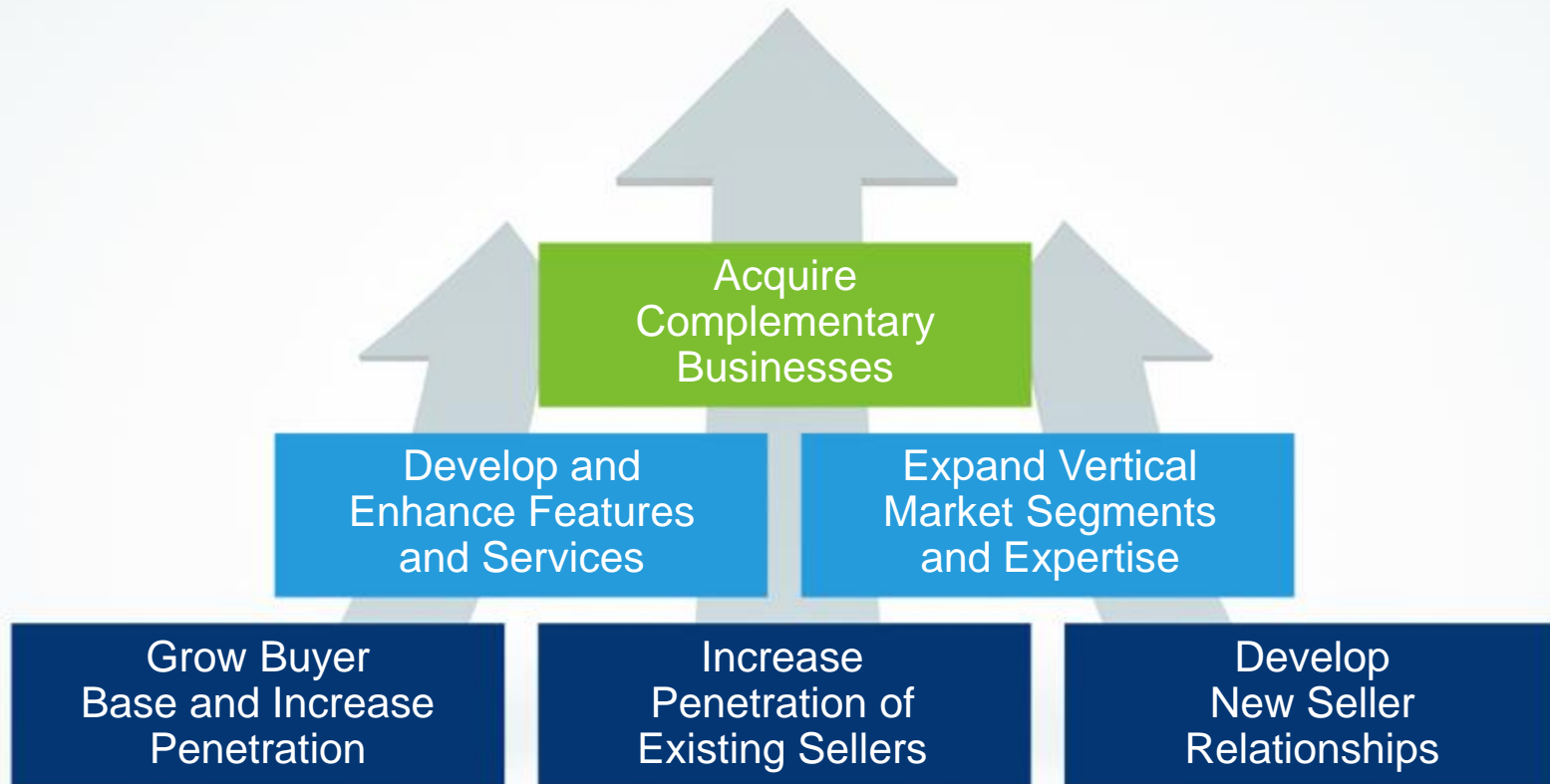
\$48 Billion
Transportation

\$130 Billion Total Addressable Market

Our Clients
Across
Industries



Growth Strategy



Consistent execution of growth strategy
delivers long term shareholder value

Current Initiatives

A Better Future for Surplus

LiquidityOne Transformation Initiative

LiquidityOne Transformation (LOT) is a transformation program that involves defining best practices across the company and building a modern technology platform to drive scale and growth.

LOT will consolidate multiple IT platforms into a single, modular platform that will support the entire company.

The key modules are:

Customer Management Module (CMM):
management of buyer/client leads, contacts, and customer support

Property Management Module (PMM):
streamlined process to receive, manage, and ship assets

Finance ERP/HRIS:
management of finances/payroll/employee data

Transaction Management Module (TMM):
manages marketplace functionality – search, bid, pay, account management

Why LiquidityOne?



Enables singular, more powerful network effect, provides our buyer base with access to all the property available across all marketplaces, and provides a common account experience for sellers



Simplify and streamline operations by enabling common playbooks and global standard operating procedures

RATIONALE



Reduce risk by replacing the suite of legacy systems that are underpowered, fragile, and difficult to scale



Decrease the cost of our systems infrastructure and improve the functionality of our systems support

Increased Efficiency Enables Growth

Target opportunities for expansion include:



Organic growth by doing more with existing clients and adding new customers



Tuck-in acquisitions to deepen and broaden our industry presence



Expanded RTV and refurbishment programs



Enhanced AssetZone and data analytics capabilities and business model (CAG, RSCG)



Self-service model to capture new segments of the commercial market

Financial Results

A Better Future for Surplus

Financial Highlights

Compelling Business Model

- High Customer Value
- Multiple, Recurring Revenue Streams
- Large Average Transaction Values
- Diversified Product and Customer Mix
- Significant Barriers to Exit as Critical Mass Builds

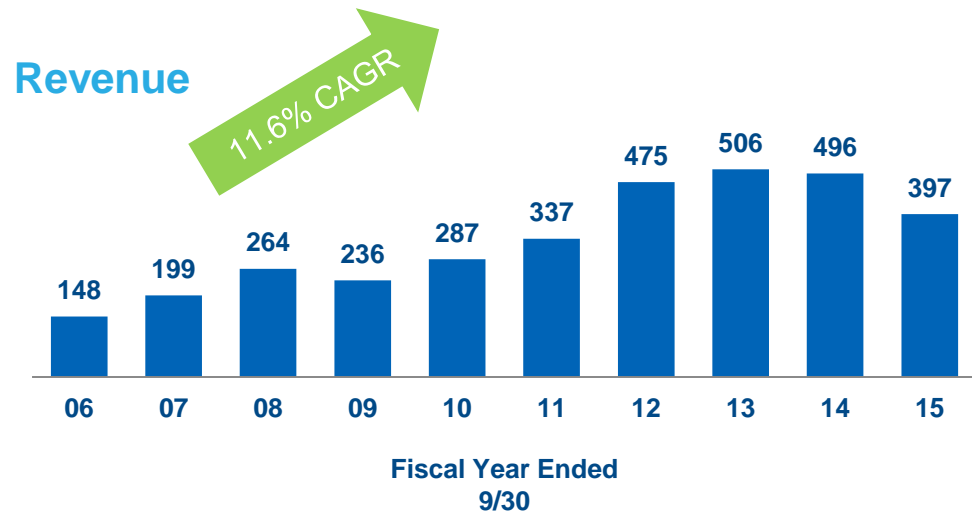
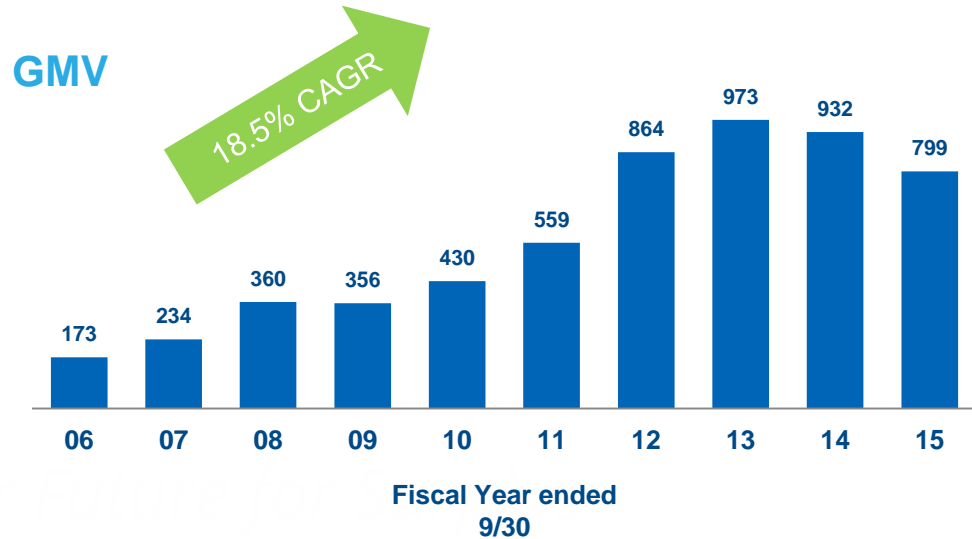
Strong Financial Position

- \$95.5 million of Cash
- Debt Free
- Trailing 12 month Adj. EBITDA of \$33.1 million
- 52 Consecutive Quarters of Profitability
- Minimal Cap Ex – \$8.0 - \$9.0M Annually

Strong Track Record of Growth*

Multiple, Synergistic Revenue Streams

- Consignment Model
- Profit Sharing Model
- Purchase Model
- Revenue Share Model
- Service Revenue
- Buyer Premium Fees

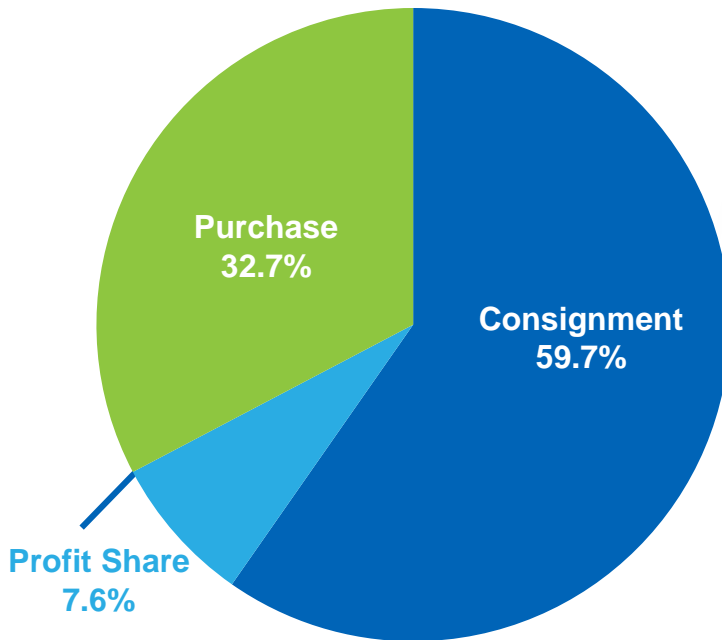


* All numbers are in millions

Diversification

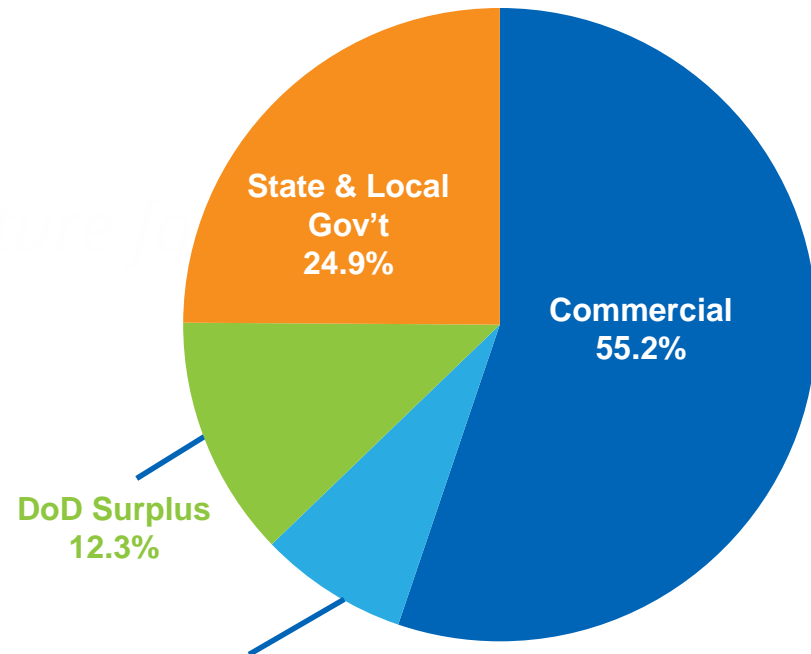
GMV Mix

Pricing Model



FY15

Seller Base

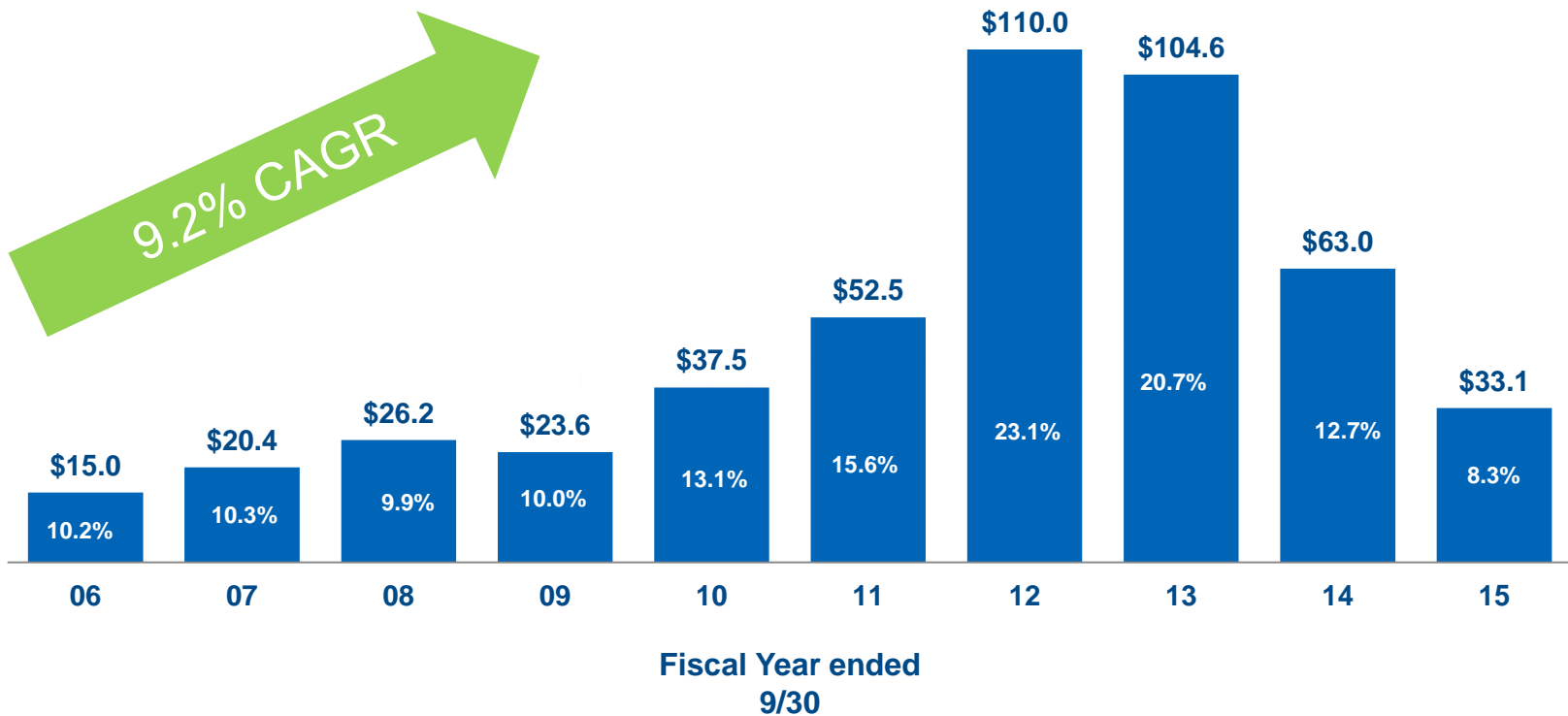


DoD Scrap
7.6%

FY15

Profitability

Adjusted EBITDA⁽¹⁾

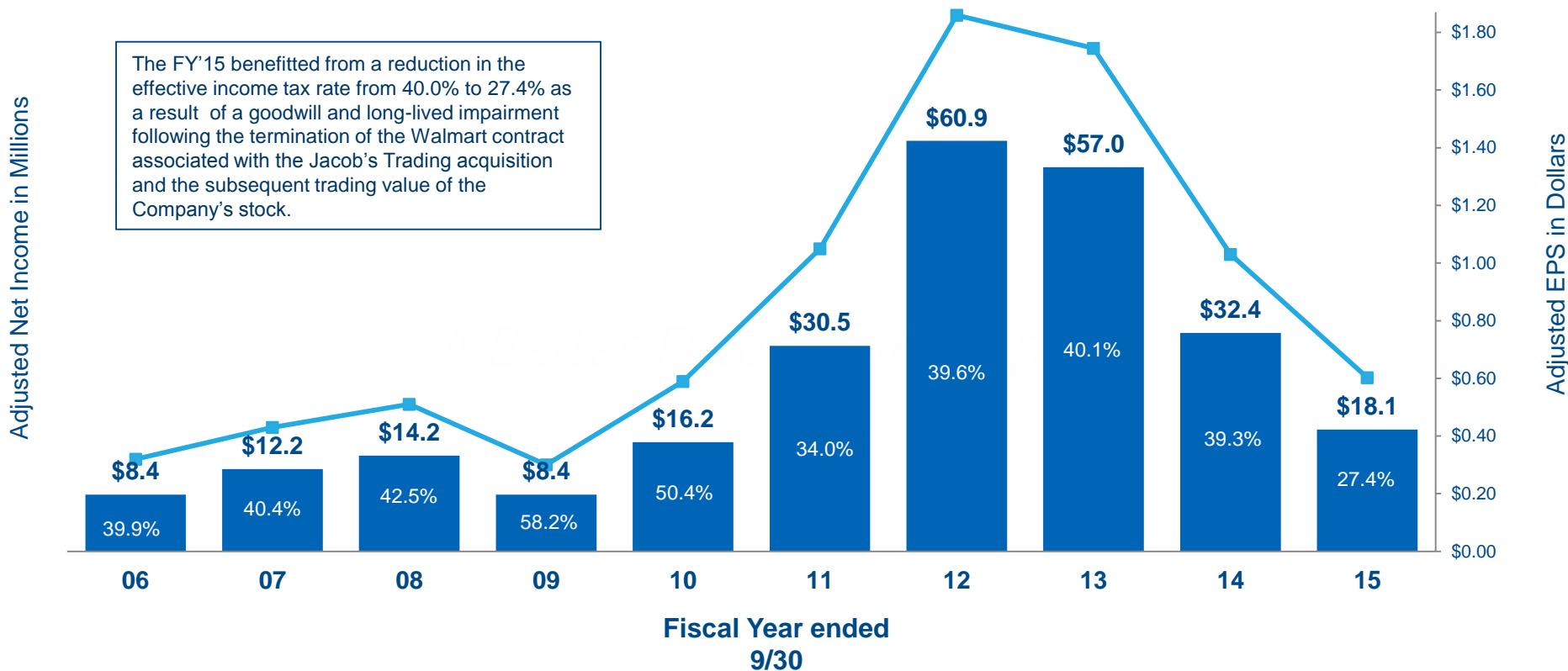


Note: Percentages indicate margin based on GAAP Revenue

(1) Adjusted EBITDA shown for fiscal years 2002 – 2015 includes adjustments for stock-based compensation, acquisition costs, impairment of goodwill and long-lived assets, business realignment expenses, and gains or losses from business dispositions. For the fiscal years ended September 30, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014 and 2015, Net Income was \$1.3M, \$2.8M, \$5.3M, \$4.1M, \$8.0M, \$11.0M, \$11.6M, \$5.7M, \$12.0M, \$8.5M, \$48.3M, \$41.1M, \$30.4M, and \$(104.8)M respectively.

Profitability

Adjusted Net Income⁽²⁾ & Adjusted EPS

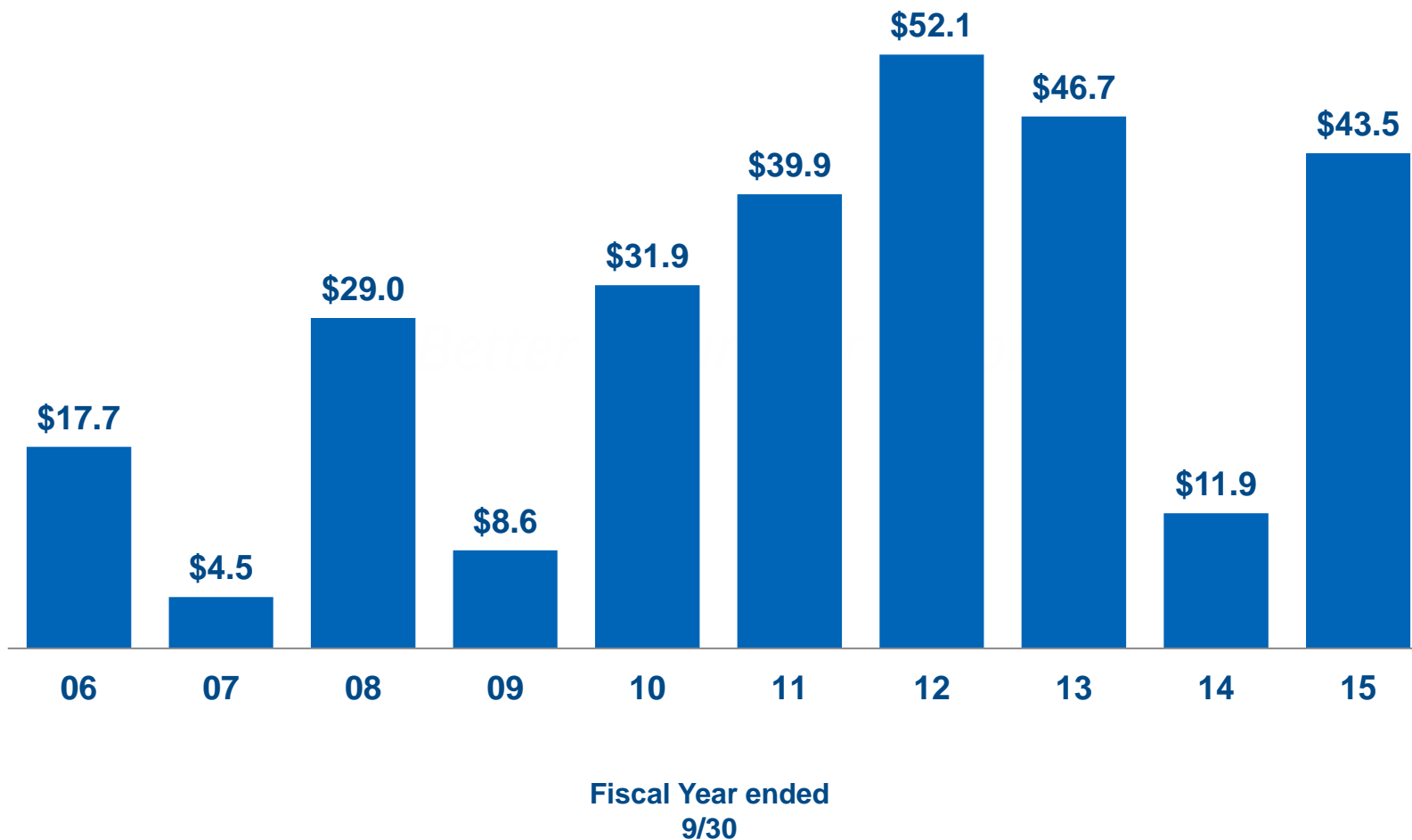


Note: Percentages indicate effective income tax rate*

(2) Adjusted Net Income shown for fiscal years 2002 – 2015 includes adjustments for stock-based compensation, acquisition costs, impairment of goodwill and long-lived assets, business realignment expenses, and gains or losses from business dispositions. For the fiscal years ended September 30, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014 and 2015, Net Income was \$1.3M, \$2.8M, \$5.3M, \$4.1M, \$8.0M, \$11.0M, \$11.6M, \$5.7M, \$12.0M, \$8.5M, \$48.3M, \$41.1M, \$30.4M, and \$(104.8)M respectively.

*FY'11 benefitted from a reduction in the effective income tax rate from 50.4% to 34.0% as a result of a tax benefit related to the closure of the company's U.K. operations.

Strong Operating Cash Flow



Operating Model – Based on GMV

	FY 2009	FY 2010	FY 2011	FY2012	FY2013	FY2014	FY2015
Gross Merchandise Volume	100%	100%	100%	100%	100%	100%	100%
Revenue	66.3%	66.7%	60.4%	55.0%	52.0%	53.2%	49.7%
Cost of Goods Sold	24.3%	27.7%	24.3%	22.9%	20.5%	22.7%	20.8%
Profit-Sharing Distributions	12.7%	10.0%	8.9%	5.0%	3.7%	3.8%	3.5%
Technology and Operations	13.1%	11.4%	9.9%	7.8%	9.3%	11.7%	12.5%
Sales and Marketing	5.1%	5.0%	4.3%	3.6%	4.1%	4.5%	5.2%
General and Administrative ⁽¹⁾	4.5%	3.9%	3.6%	3.0%	3.6%	3.7%	3.6%
Adjusted EBITDA Margin⁽²⁾	6.6%	8.7%	9.4%	12.7%	10.8%	6.8%	4.1%

(1) General and Administrative excludes stock-based compensation, acquisition costs and related fair value adjustments and impairment of goodwill and long-lived assets

(2) See slide #26 for a reconciliation to Adjusted EBITDA and Adjusted Net Income



Investor Relations

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