PFSWEB INC Form 10-Q August 09, 2018

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Quarterly Period Ended June 30, 2018

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Transition Period from to

Commission File Number 000-28275

PFSweb, Inc.

(Exact name of registrant as specified in its charter)

Delaware 75-2837058 (State or other jurisdiction of incorporation or organization) Identification Number)

505 Millennium Drive, Allen, Texas 75013 (Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (972) 881-2900

Not Applicable

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by checkmark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Non-accelerated filer Smaller Reporting Company

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.

Indicate by a check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

As of August 6, 2018, there were 19,258,092 shares of registrant's common stock outstanding.

PFSWEB, INC. AND SUBSIDIARIES

Form 10-Q

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PART I. FINANCIAL INFORMATION

ITEM 1. Financial Statements

PFSweb, Inc. and Subsidiaries

CONDENSED CONSOLIDATED BALANCE SHEETS

(In Thousands, Except Share Data)

ASSETS CURRENT ASSETS: Cash and cash equivalents Restricted cash Accounts receivable, net of allowance for doubtful accounts of \$393 and \$373 at June 30, 2018 and December 31, 2017, respectively Inventories, net of reserves of \$296 and \$342 at June 30, 2018 and December 31, 2017, respectively December 31, 2017, respectively December 31, 2017, respectively December 31, 2017, respectively S,677 S,326 Other receivables 4,460 5,366 Prepaid expenses and other current assets 6,470 6,633 Total current assets 83,830 108,679 PROPERTY AND EQUIPMENT: Cost Less: accumulated depreciation (94,932) (96,225) Entirinable Intangibles, net Q,335 QODWILL 45,424 45,698 OTHER ASSETS 3,636 Total assets S157,183 S185,787 LIABILITIES AND SHAREHOLDERS' EQUITY CURRENT LIABILITIES: Trade accounts payable \$30,910 \$45,070 Accrued expenses 22,532 29,074 Current portion of long-term debt and capital lease obligations Deferred revenues 5,397 7,405 Performance-based contingent payments		(Unaudited) June 30, 2018	December 31, 2017
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Other receivables 4,460 5,366 Prepaid expenses and other current assets 6,470 6,633 Total current assets 83,830 108,679 PROPERTY AND EQUIPMENT: Cost 116,690 120,403 Less: accumulated depreciation (94,932) (96,225) IDENTIFIABLE INTANGIBLES, net 21,758 24,178 IDENTIFIABLE INTANGIBLES, net 2,535 3,371 GOODWILL 45,424 45,698 OTHER ASSETS 3,636 3,861 Total assets \$157,183 \$185,787 LIABILITIES AND SHAREHOLDERS' EQUITY CURRENT LIABILITIES: Trade accounts payable \$30,910 \$45,070 Accrued expenses 22,532 29,074 Current portion of long-term debt and capital lease obligations 5,537 9,460 Deferred revenues 5,397 7,405 Performance-based contingent payments - 3,967	Inventories, net of reserves of \$296 and \$342 at June 30, 2018 and		
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Total current assets 83,830 108,679 PROPERTY AND EQUIPMENT: 116,690 120,403 Less: accumulated depreciation (94,932) (96,225)) LESS: accumulated depreciation 2,535 3,371 45,698 OTHER ASSETS 3,636 3,861 3,861 3,861 Total assets \$157,183 \$185,787 1,877 1,877 LIABILITIES AND SHAREHOLDERS' EQUITY 22,532 29,074 22,532 29,074 Accrued expenses 22,532 29,074 22,532 29,	Other receivables	4,460	5,366
PROPERTY AND EQUIPMENT: Cost 116,690 120,403 Less: accumulated depreciation (94,932) (96,225)) Ess: accumulated depreciation (94,932) (96,225)) 21,758 24,178 IDENTIFIABLE INTANGIBLES, net 2,535 3,371 GOODWILL 45,424 45,698 OTHER ASSETS 3,636 3,861 Total assets \$ 157,183 \$ 185,787 LIABILITIES AND SHAREHOLDERS' EQUITY CURRENT LIABILITIES: Trade accounts payable \$ 30,910 \$ 45,070 Accrued expenses 22,532 29,074 Current portion of long-term debt and capital lease obligations 5,537 9,460 Deferred revenues 5,397 7,405 Performance-based contingent payments - 3,967	Prepaid expenses and other current assets	6,470	6,633
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Less: accumulated depreciation (94,932) (96,225)) 21,758 24,178 21,758 24,178 IDENTIFIABLE INTANGIBLES, net 2,535 3,371 GOODWILL 45,424 45,698 OTHER ASSETS 3,636 3,861 Total assets \$ 157,183 \$ 185,787 LIABILITIES AND SHAREHOLDERS' EQUITY CURRENT LIABILITIES: Trade accounts payable \$ 30,910 \$ 45,070 Accrued expenses 22,532 29,074 Current portion of long-term debt and capital lease obligations 5,537 9,460 Deferred revenues 5,397 7,405 Performance-based contingent payments — 3,967	PROPERTY AND EQUIPMENT:		
21,758 24,178 IDENTIFIABLE INTANGIBLES, net 2,535 3,371 GOODWILL 45,424 45,698 OTHER ASSETS 3,636 3,861 Total assets \$157,183 \$185,787 LIABILITIES AND SHAREHOLDERS' EQUITY CURRENT LIABILITIES: Trade accounts payable \$30,910 \$45,070 Accrued expenses 22,532 29,074 Current portion of long-term debt and capital lease obligations 5,537 9,460 Deferred revenues 5,397 7,405 Performance-based contingent payments — 3,967	Cost	116,690	120,403
IDENTIFIABLE INTANGIBLES, net 2,535 3,371 GOODWILL 45,424 45,698 OTHER ASSETS 3,636 3,861 Total assets \$ 157,183 \$ 185,787 LIABILITIES AND SHAREHOLDERS' EQUITY CURRENT LIABILITIES: Trade accounts payable Accrued expenses 22,532 29,074 Current portion of long-term debt and capital lease obligations 5,537 9,460 Deferred revenues 5,397 7,405 Performance-based contingent payments — 3,967	Less: accumulated depreciation	(94,932) (96,225)
GOODWILL 45,424 45,698 OTHER ASSETS 3,636 3,861 Total assets \$ 157,183 \$ 185,787 LIABILITIES AND SHAREHOLDERS' EQUITY CURRENT LIABILITIES: Trade accounts payable Accrued expenses 22,532 29,074 Current portion of long-term debt and capital lease obligations 5,537 9,460 Deferred revenues 5,397 7,405 Performance-based contingent payments — 3,967		21,758	24,178
OTHER ASSETS Total assets \$157,183 \$185,787 LIABILITIES AND SHAREHOLDERS' EQUITY CURRENT LIABILITIES: Trade accounts payable \$30,910 \$45,070 Accrued expenses \$22,532 29,074 Current portion of long-term debt and capital lease obligations 5,537 9,460 Deferred revenues \$5,397 7,405 Performance-based contingent payments 3,967	IDENTIFIABLE INTANGIBLES, net	2,535	3,371
Total assets \$ 157,183 \$ 185,787 LIABILITIES AND SHAREHOLDERS' EQUITY CURRENT LIABILITIES: Trade accounts payable \$ 30,910 \$ 45,070 Accrued expenses \$ 22,532 \$ 29,074 Current portion of long-term debt and capital lease obligations \$ 5,537 \$ 9,460 Deferred revenues \$ 5,397 \$ 7,405 Performance-based contingent payments \$ 3,967	GOODWILL	45,424	45,698
LIABILITIES AND SHAREHOLDERS' EQUITY CURRENT LIABILITIES: Trade accounts payable \$30,910 \$45,070 Accrued expenses 22,532 29,074 Current portion of long-term debt and capital lease obligations 5,537 9,460 Deferred revenues 5,397 7,405 Performance-based contingent payments — 3,967	OTHER ASSETS	3,636	3,861
CURRENT LIABILITIES:Trade accounts payable\$ 30,910\$ 45,070Accrued expenses22,53229,074Current portion of long-term debt and capital lease obligations5,5379,460Deferred revenues5,3977,405Performance-based contingent payments—3,967	Total assets	\$ 157,183	\$ 185,787
Trade accounts payable \$30,910 \$45,070 Accrued expenses 22,532 29,074 Current portion of long-term debt and capital lease obligations 5,537 9,460 Deferred revenues 5,397 7,405 Performance-based contingent payments — 3,967	LIABILITIES AND SHAREHOLDERS' EQUITY		
Accrued expenses22,53229,074Current portion of long-term debt and capital lease obligations5,5379,460Deferred revenues5,3977,405Performance-based contingent payments—3,967	CURRENT LIABILITIES:		
Current portion of long-term debt and capital lease obligations5,5379,460Deferred revenues5,3977,405Performance-based contingent payments—3,967	Trade accounts payable	\$ 30,910	\$ 45,070
Deferred revenues 5,397 7,405 Performance-based contingent payments - 3,967	_		
Performance-based contingent payments — 3,967		5,537	
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