

---

---

**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): **September 26, 2018**

---

**WAYSIDE TECHNOLOGY GROUP, INC.**

(Exact name of registrant as specified in its charter)

---

**Delaware**  
(State or other jurisdiction  
of incorporation)

**000-26408**  
(Commission  
File Number)

**13-3136104**  
(IRS Employer  
Identification No.)

**4 Industrial Way West, Suite 300,  
Eatontown New Jersey**  
(Address of principal executive offices)

**07724**  
(Zip Code)

**732-389-0932**  
(Registrant's telephone number, including area code)

**Not applicable**  
(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 (see General Instruction A.2 below):

- 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))

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**

Wayside Technology Group, Inc. (the "Company") has attached hereto as Exhibit 99.1 a copy of presentation materials concerning its business that it intends to use in connection with meetings with investors and other interested parties and in connection with presentations and speeches to various audiences.

Limitation on Incorporation by Reference. The information furnished in this Item 7.01, including the presentation attached hereto as Exhibit 99.1, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, nor shall such information 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.

Cautionary Note Regarding Forward-Looking Statements. Except for historical information contained in the presentation attached as an exhibit hereto, the presentation contains forward-looking statements that involve certain risks and uncertainties that could cause actual results to differ materially from those expressed or implied by these statements. Please refer to the cautionary notes in the presentation regarding these forward looking statements.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits

<u>Exhibit Number</u>	<u>Description</u>
99.1	- <a href="#">Investor Presentation</a>

**SIGNATURE**

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.

WAYSIDE TECHNOLOGY GROUP, INC.

Date: September 26, 2018

By: /s/ Steve DeWindt  
Name: Steve DeWindt  
Title: Interim President and Chief Executive Officer



# INVESTOR PRESENTATION

## SAFE HARBOR STATEMENT

This presentation is for informational purposes only and is not an offer to sell securities or a solicitation of an offer to buy any securities, and may not be relied upon in connection with the purchase or sale of any security. Sales and offers to sell Wayside Technology Group, Inc. securities will only be made in accordance with the Securities Act of 1933, as amended, and applicable Securities and Exchange Commission ("SEC") regulations, including the written prospectus requirements.

This presentation is proprietary and is intended solely for the information of the persons to whom it is presented. It may not be retained, reproduced or distributed, in whole or in part, by any means (including electronic) without the prior written consent of Wayside Technology Group, Inc..

This presentation may contain "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. All statements, other than statements of historical fact, in this release that address activities, events or developments which we expect will or may occur in the future are forward-looking statements, including statements regarding the intent, belief or current expectations of the Company and members of our management team. The words "will," "believe," "intend," "expect," "anticipate," "project," "estimate," "predict" and similar expressions are also intended to identify forward-looking statements, including those regarding guidance on future financial results, expectations concerning market opportunities and our ability to capitalize on them, and the amount and timing of the benefits expected from acquisitions, new products or services and other potential sources of additional revenue. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties. These risks and uncertainties include, but are not limited to, those relating to: market acceptance of our products and services, relationships with customers and vendors, strategic partners and employees; difficulties in integrating acquired businesses; changes in economic or regulatory conditions or other trends affecting the information technology industry; and other matters included in our SEC filings, including in our Annual Report on Form 10-K. Actual results may differ materially from those contemplated by the forward-looking statements. We undertake no obligation to update our forward-looking statements to reflect future events or circumstances.

In addition to U.S. GAAP financials, this presentation includes certain non-GAAP financial measures. These non-GAAP financial measures are in addition to, and not a substitute for or superior to, measures of financial performance prepared in accordance with U.S. GAAP. A presentation of and reconciliation to the most directly comparable GAAP financial measure, where such can be done without unreasonable effort, can be found in the appendix to this presentation or on our Web site at [www.waysidetechnology.com/investor](http://www.waysidetechnology.com/investor)

This presentation contains statistical data that we obtained from industry publications and reports generated by third parties. Although industry publications and surveys generally state that the information contained therein has been obtained from sources believed to be reliable, we have not independently verified this statistical data.



IT Channel Company, distributing emerging enterprise technology products since 1982



Market Capitalization of \$54M, 4.5 million diluted shares outstanding, no debt, approximate 5+% dividend yield



Public Company since 1995 (NASDAQ-GM) (WSTG)



2017 Adjusted gross billings of \$449 million, Net sales \$160.6 million, Net income \$5.1 million



Offices in U.S., Canada & Netherlands



150 Employees

# MANAGEMENT TEAM



## Wayside Technology Group



**Steve DeWindt**, Interim CEO – 30+ years in software and technology distribution



**Michael Vesey**, CFO – 25 years in communications and software

## Sales and Operations



**Dale Foster**, Executive VP – 30+ years in technology distribution, joined in 2017 from Promark/Ingram Micro



**Brian Gilbertson** – VP GM Lifeboat – 30+ years experience in technology distribution including Arrow Electronics



**Charles Bass**, VP Business Development – 30+ years in technology distribution, joined in 2017 from Promark/Ingram Micro



**Vito Legrottgalie**, VP Chief Information Officer – 25+ years in technology distribution

## WHAT WE DO

**WAYSIDE**  
TECHNOLOGY GROUP

Starting with our many years of experience, we leverage our:

- Technological expertise
- Logistical support
- Credit facility and programs



*...to assist new emerging vendors in building their nationwide sales channel.*

# IT CHANNEL

**WAYSIDE**  
TECHNOLOGY GROUP

## VOLUME DISTRIBUTORS

**INCRAM**  
INCORPORATED

**SYNNEX**  
CORPORATION

**TechData**

**ARROW**  
ELECTRONICS, INC.

## SPECIALTY DISTRIBUTORS

**LIFEBOAT**  
DISTRIBUTION

**CloudHarmonics**

**FINETEC**

**Promark**  
an Ingram Micro company

**D&H**

## MAJOR VARS

**CDW**

**Insight**

**shi**

**PCConnection**

**softchoice**

## SYSTEM INTEGRATORS, SOLUTION PROVIDERS

**OPTIV**

**e+**

**PRESIDIO**  
Future. Built.

## THOUSANDS OF SMALLER VARS, MSP & CLOUD INTEGRATORS

With 30 years in the marketplace, our reach into the reseller community is roughly on par with the mega players while providing "High Touch" service for emerging and highly technical products.



## MARKET SEGMENT FOCUS | Vendors

**WAYSIDE**  
TECHNOLOGY GROUP

Hyper Converged Infrastructure  
& Storage



Network Management &  
Development Tools



Security



Acronis

Bitdefender

BLUEBEAM

CLOUDGENIX

cloudistics

GFI Software



kaminario.

MICRO FOCUS

Pivot

solarwinds

SOPHOS

SMARTBEAR

TechSmith

thycotic

UNITRENDS

The vendors we represent operate in growth markets characterized by innovation and new products.

## KEY CHANNEL PARTNERS

**WAYSIDE**  
TECHNOLOGY GROUP



**CompuCom.**

**Connection**  
we solve IT

**DELL** | ASAP  
Software

**e<sup>+</sup>**

**Insight.**

**OPTIV**

**PC Mall**  
Here for You

**PRESIDIO**  
Future. Built.

**shi**

**softchoice**

**softmart** ◆

software**ONE**

**ZONES**

Leveraging knowledgeable sales team and state of the art  
EDI infrastructure to provide superior service to our partners.

## Financial Information

- Summary
- Business Model
- Recent Trend
- Adjusted Gross Billings (non-GAAP)
- Net Sales



## OPERATING RESULTS TREND

**WAYSIDE**  
TECHNOLOGY GROUP

	Year ended December 31,			Six months ended June 30,	
	2017	2016	2015	2018	2017
Adjusted gross billings (non-GAAP)	\$ 449.4	\$ 418.1	\$ 382.1	\$ 241.6	\$ 215.8
Net Sales (ASC 606)	\$ 160.6	\$ 164.6	\$ 163.7	\$ 84.5	\$ 77.1
Gross Margin	\$ 27.1	\$ 27.3	\$ 26.6	\$ 13.4	\$ 13.3
Gross Margin % adjusted gross billings	6.0%	6.5%	7.0%	5.5%	6.2%
Gross Margin % net sales	16.9%	16.6%	16.2%	15.9%	17.3%
Net income	\$ 5.1	\$ 5.9	\$ 5.8	\$ 0.5	\$ 2.6
Net income excluding separation expenses, net of taxes (non-GAAP)	\$ 5.1	\$ 5.9	\$ 5.8	\$ 2.5	\$ 2.6
Diluted EPS	\$ 1.13	\$ 1.25	\$ 1.22	\$ 0.10	\$ 0.57
Diluted EPS excluding separation expenses, net of tax (non-GAAP)	\$ 1.13	\$ 1.25	\$ 1.22	\$ 0.55	\$ 0.57
Dividend per share	\$ 0.68	\$ 0.68	\$ 0.68	\$ 0.34	\$ 0.34

Top Line Growth

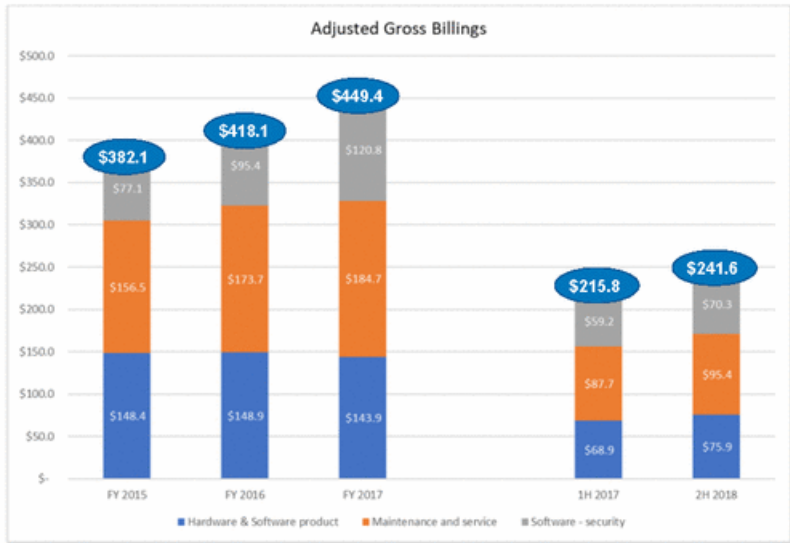
Shift in product mix & competition impacts gross margins

Consistent profitability & dividend

Balance Sheet

	December 31, 2017	June 30, 2018
Cash	\$ 5.5	\$ 10.4
Net Working Capital	\$ 29.9	\$ 32.2
Debt	\$ -	\$ -
Stockholders Equity	\$ 38.7	\$ 38.9
Diluted shares outstanding (000's)	4,455	4,480

# ADJUSTED GROSS BILLINGS | (Non-GAAP) Trend



Adjusted Gross Billings Growth Rates	2016-2017 CAGR	1H 2018 Growth Rate
Hardware & Software product	-1.5%	10.3%
Maintenance and service	8.6%	8.7%
Software - security	25.2%	18.8%
Total	8.4%	12.0%

- Consistent growth
- Participating in growth markets of software subscription and security products
- Maintenance includes renewals on installed base of software vendors
- See appendix for GAAP Net Sales

# BUSINESS MODEL

Full Year 2017		
	Historical Accounting	ASC 606
Adjusted gross billings/net sales	\$ 449.4	\$ 160.6
Gross margin	\$ 27.1	\$ 27.1
Gross margin %	6.0%	16.9%
Net income	\$ 5.1	\$ 5.1
Net income %	1.1%	3.2%
Return on Equity		13.4%
Return on Invested Capital		17.8%

Our business is characterized by low gross profit as a % of gross billings, high operating leverage and low capital investment requirements, resulting in mid teen return on invested capital.

Return on invested capital is calculated as net income/(shareholders equity + debt - cash)

**QUESTIONS?**

**WAYSIDE**  
TECHNOLOGY GROUP

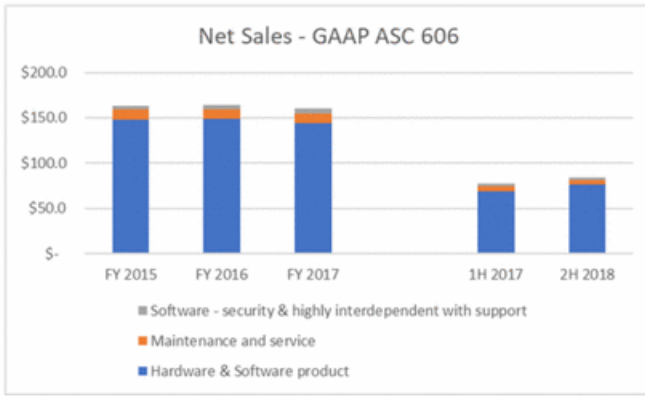
**Thanks for your attention!**



**Questions are welcome!**



# NET SALES GAAP ASC 606



Net Sales	FY 2015	FY 2016	FY 2017	1H 2017	2H 2018
Hardware & Software Product	\$148.4	\$148.9	\$143.9	\$68.9	\$76.0
Maintenance & Service	11.4	10.7	10.7	5.2	4.9
Software – Security & Highly Interdependent with Support	3.9	4.9	5.9	3.0	3.6
	<u>\$163.7</u>	<u>\$164.6</u>	<u>\$160.6</u>	<u>\$77.1</u>	<u>\$84.5</u>

**Security Software and Maintenance and services recorded on a net basis under ASC 606**

# APPENDIX

## Non-GAAP measures

We use non-GAAP measures including Adjusted gross billings and Net income excluding separation expenses, net of taxes as supplemental measures of the performance of our business. Our use of these measures has limitations and you should not consider them in isolation or use them as substitutes for analysis of our financial results under US GAAP. The attached tables provide a reconciliation of each non-GAAP measure to the most nearly comparable measure under US GAAP.

## Adjustments to historical results upon retrospective adoption of ASC 606, Revenue from Contracts with Customers

The Company adopted ASC 606, Revenue from Contracts with Customers effective January 1, 2019 using the full retrospective adoption method. Under the full retrospective adoption method, the Company presents revenue for current and comparative periods on an adjusted basis, reflecting the new accounting standard. The most significant impact of adopting the standard relates to the recognition of revenue for Software - security and highly interdependent with support and Third-party maintenance support and other services, net of the related cost of sales. Historically the Company has accounted for most sales on a gross basis, with third-party costs included in cost of sales.

## Reconciliation of net sales to adjusted gross billings (\$millions)

	Six months ended June 30, 2018			Six months ended June 30, 2017			Year ended June 30, 2017			Year ended June 30, 2016			Year ended June 30, 2015		
	Adjusted gross billings	Cost of sales	Net Sales	Adjusted gross billings	Cost of sales	Net Sales	Adjusted gross billings	Cost of sales	Net Sales	Adjusted gross billings	Cost of sales	Net Sales	Adjusted gross billings	Cost of sales	Net Sales
Hardware & Software product	\$ 75.9	\$ 0.0	\$ 76.0	\$ 68.9	\$ (0.0)	\$ 68.9	\$ 143.9	\$ -	\$ 143.9	\$ 148.9	\$ -	\$ 148.9	\$ 148.4	\$ -	\$ 148.4
Maintenance and service	95.4	(90.5)	4.9	87.7	(82.5)	5.2	184.7	(173.9)	10.7	173.7	(163.0)	10.7	156.5	(145.2)	11.4
Software - security & highly interdependent with support	70.3	(66.7)	3.6	59.2	(56.2)	3.0	120.8	(114.9)	5.9	95.4	(90.5)	4.9	77.1	(73.2)	3.9
<b>Total</b>	<b>\$ 241.6</b>	<b>\$ (157.2)</b>	<b>\$ 84.5</b>	<b>\$ 215.8</b>	<b>\$ (138.7)</b>	<b>\$ 77.1</b>	<b>\$ 449.4</b>	<b>\$ (288.8)</b>	<b>\$ 160.6</b>	<b>\$ 418.1</b>	<b>\$ (253.5)</b>	<b>\$ 164.6</b>	<b>\$ 382.1</b>	<b>\$ (218.4)</b>	<b>\$ 163.7</b>

We define adjusted gross billings as net sales in accordance with US GAAP, adjusted for the cost of sales related to Software - security and highly interdependent with support and Maintenance, support and other services. We provided a reconciliation of Adjusted gross billings to net sales, which is the most directly comparable US GAAP measure. We use Adjusted gross billings of product and services as a supplemental measure of our performance to gain insight into the volume of business generated by our business, and to analyze the changes to our accounts receivable and accounts payable. Our use of Adjusted gross billings of product and services as analytical tools has limitations, and you should not consider them in isolation or as substitutes for analysis of our financial results as reported under U.S. GAAP. In addition, other companies, including companies in our industry, might calculate Adjusted gross billings of product and services or similarly titled measures differently, which may reduce their usefulness as comparative measures.

## Net income (loss) reconciled to Net income excluding separation expenses, net of taxes (Non-GAAP)\$000's:

	Six months ended	
	June 30,	June 30,
Net income (loss)	\$ 480	\$ 2,192
Separation expenses	2,446	-
Income tax benefit related to separation expenses	(432)	-
Net income excluding separation expenses, net of taxes	\$ 2,494	\$ 2,192

## Diluted earnings (loss) per share reconciled to Diluted earnings per share excluding separation expenses, net of taxes (Non-GAAP):

	Six months ended	
	June 30,	June 30,
Diluted earnings (loss) per share	\$ 0.10	\$ 0.57
Separation expenses	0.51	-
Income tax benefit related to separation expenses	(0.50)	-
Diluted earnings per share excluding separation expenses, net of taxes	\$ 0.51	\$ 0.57

(1) We define Net income excluding separation expenses, net of taxes, as Net income (loss), plus Separation expense, less the income tax benefit attributable to the separation expenses. We provided a reconciliation of Net income excluding separation expenses, net of taxes, to Net income, as well as the related amounts per share, which are the most directly comparable US GAAP measure. We use Net income excluding separation expense as a supplemental measure of our performance to gain insight into comparison of our businesses profitability when compared to the prior year. Our use of Net income excluding separation expenses, net of taxes has limitations, and you should not consider it in isolation or as a substitute for analysis of our financial results as reported under U.S. GAAP. In addition, other companies, including companies in our industry, might calculate separation expenses net of taxes, or similarly titled measures differently, which may reduce their usefulness as comparative measures.