
**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): **March 27, 2019**

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

Exhibit Number Description

99.1 - [Investor Presentation](#)

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: March 27, 2019

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



INVESTOR PRESENTATION MARCH 2019

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.

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.

Overview



IT Channel Company, distributing emerging datacenter and security products since 1982



Market Capitalization of \$50M, 4.5m million diluted shares outstanding, no debt, approximate 6% dividend yield



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



2018 Adjusted gross billings (Non-GAAP) of \$509 million, Net sales \$181 million, Non-GAAP Net income \$5.5 million

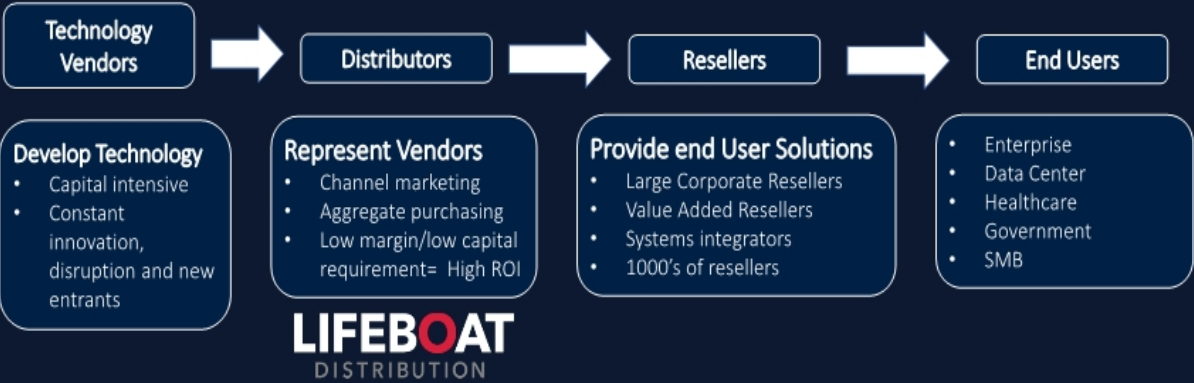


Offices in U.S., Canada & Netherlands



153 Employees

The IT Channel



35 years in the IT channel

We currently operate primarily as a distributor through our Lifeboat distribution subsidiary

Approximately 10% of sales are from specialty reseller situations through our TechXtend subsidiary

Capital Efficient Business Model (\$millions)

	<u>2018</u>
Adjusted Gross Billings ("AGB") (Non-GAAP)	\$509.9
Net Sales	\$181.4
Gross Margin	\$ 26.9
Gross Margin % to AGB	5.3%
Net Income (Non-GAAP)	\$ 5.5
Net Income % to AGB	1.1%
Invested Capital (equity, less cash)	\$29.5
Return on Invested Capital	18.8%

IT Distribution Economics:

- Low gross profit as a % of gross billings
- High operating leverage & cash velocity
- Low capital investment requirements
- Resulting in mid-teen return on invested capital

Growth Catalysts

- Large market with constant innovation and disruption
- New entrants provides opportunity for share gain

- 30 year market presence and track record with emerging vendors
- Additional vendor recruitment and sales resource added in 2018

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

Michael Vesey, CFO – 25 years in communications and software

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



LIFEBOAT[™]
DISTRIBUTION
IT's our DNA



TECHNOLOGY LANDSCAPE

Emerging Technologies

- Security
- Virtualization & Cloud
- Storage & HCI
- Data Management & Analytics

Established Infrastructure



DISTRIBUTION LANDSCAPE

Specialty Distribution

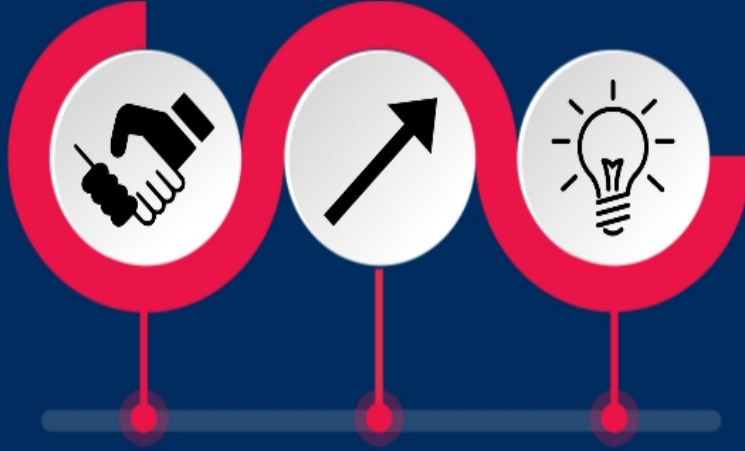
LIFEBOAT
DISTRIBUTION



Volume Distribution



WHO WE ARE

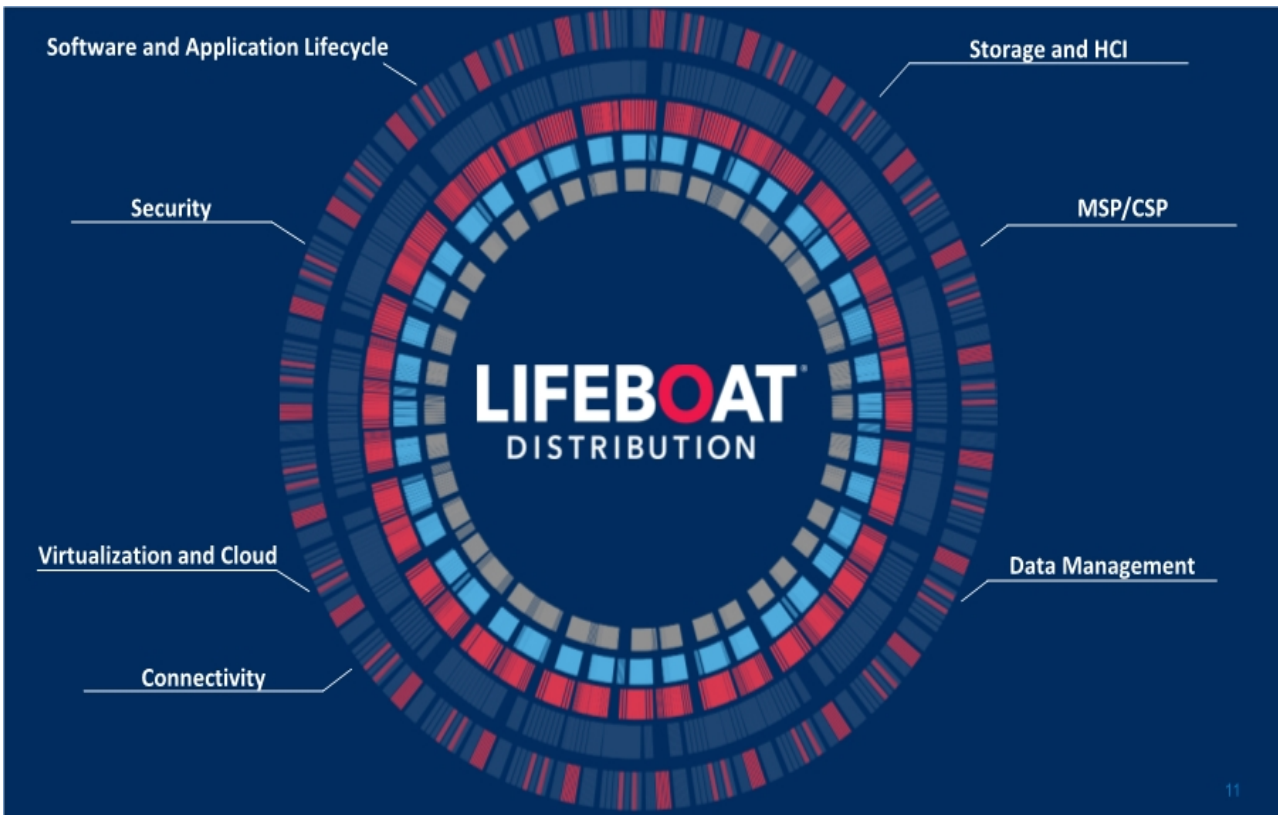


True Value Add Distri –
Trusted Advisor

Emerging Technologies –
Data Center Ecosystem

Channel Incubator –
Two Tier Strategy





Software and Application Lifecycle

Solutions for Dev Ops, ALM & ADLM environments as well as Business Intelligence, Business Productivity

AI, IoT, and other IT trends



flexera



MICRO
FOCUS

TechSmith

Cyber and Network Security


Solutions from multiple industry-leading suppliers that encompass the entire environment from edge to endpoint.



Bitdefender

CIRCADENCE 

IMPERVA

solarwinds 

SOPHOS

thycotic 

Virtualization and Cloud

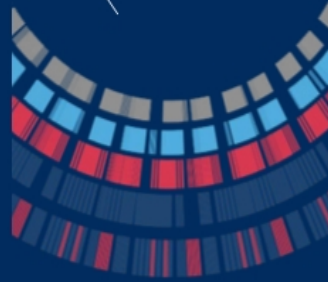
Solutions for server consolidation and containment, development and test optimization, business continuity and disaster recovery, and desktop manageability and security.



Connectivity

Tools to proactively secure, manage and monitor the network.

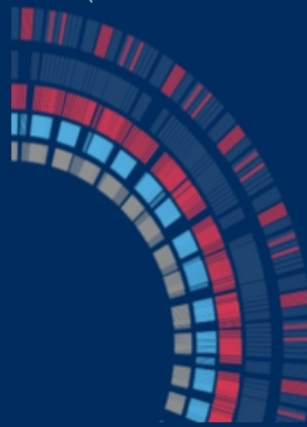
Meet the real-world needs of the always-on data center.



HCI and Storage

Solutions for software-defined storage, networking, virtualization, and disaster recovery.

Bringing together computing resources, storage and networking to reduce compatibility issues and total cost of ownership.



INFINIDAT

NEXSAN

VERLAND
TANDBERG

PROMISE
TECHNOLOGY

Quest

StorageCraft

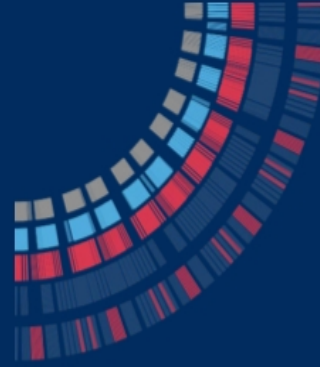
Tintri

vexata

Data Management

Solutions that go beyond disaster recovery and business continuity planning.

Deliver the right level of compliance and protection; resolve a wide variety of possible IT disasters.



Acronis

bluemedora

Datadobi

komprise

Quest

SEP

UNITRENDS
by Kaseya

MSP/CSP

600+ active MSP/CSP's and growing

Currently developing MSP/CSP marketplace on lifeboatdistribution.com

Rapidly growing vendor participation



Bitdefender

 DATACORE

 KERIO

SOPHOS



LIFEBOAT DELIVERS



Growth and Scalability for partners – Extension of Vendor



Vendor Program Assist – Deal Registration, Certifications, Navigation



Flexible Finance Process – FPO and Creative Finance



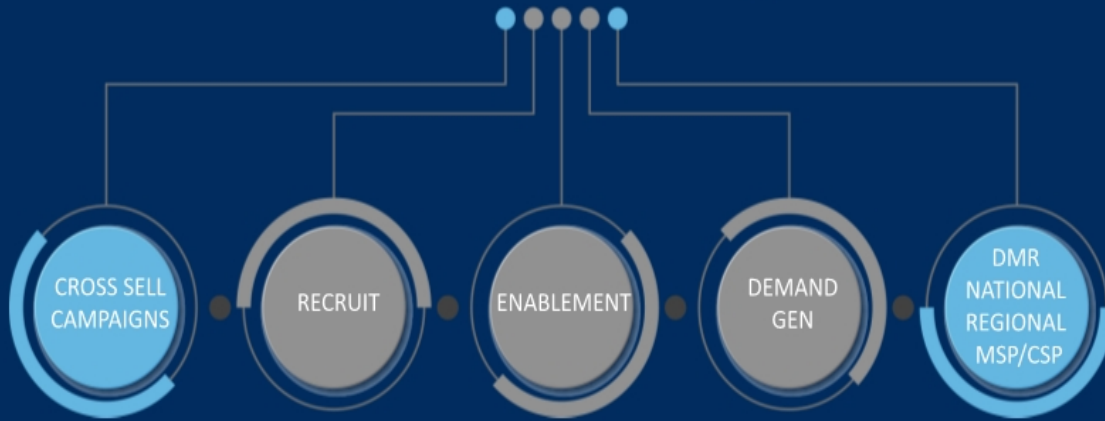
Sales Assist – Technical and Sales Resources, Field Sales



Marketing Assist – Demand Generation, WebEx, MDF

CHANNEL/OPPORTUNITY ACCESS

#1 CHOICE FOR
EMERGING VENDORS



WHO WE SELL TO

DMRs, MAJOR VARS



SYSTEM INTEGRATORS, SOLUTION PROVIDERS



THOUSANDS OF SMALLER VARS, MSP & CLOUD INTEGRATORS

FINANCIAL INFORMATION

Income Statement

	2018	2017	2016
Adjusted gross billings (Non-GAAP)	\$509.9	\$449.4	\$418.1
Net Sales	\$181.4	\$160.6	\$164.6
Gross Margin	\$26.9	\$27.1	\$27.3
Non-GAAP Net Income (2018 excludes \$2.0m executive separation)	\$5.5	\$5.1	\$5.9
Non-GAAP Diluted EPS	\$1.23	\$1.13	\$1.25
Dividend per Share	\$0.68	\$0.68	\$0.68

Balance Sheet

	December 31, 2018	December 31, 2017
Cash	\$14.9	\$5.5
Net Working Capital	\$36.2	\$29.9
Debt	\$ -	\$ -
Stockholders Equity	\$40.6	\$38.7
Common Shares Outstanding	4,496	4,455

Questions



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, 2018 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)

	Year ended December 31, 2018			Year ended December 31, 2017			Year ended December 31, 2016			Year ended December 31, 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
Hardware & Software product	\$ 164.9	\$ -	\$ 164.9	\$ 143.9	\$ -	\$ 143.9	\$ 148.9	\$ -	\$ 148.9	\$ 148.4	\$ -	\$ 148.4
Maintenance and service	135.6	(125.5)	10.0	284.7	(175.9)	10.7	173.7	(165.0)	10.7	136.5	(145.2)	11.4
Software - security & highly interdependent with support	209.5	(205.0)	4.5	220.8	(114.9)	5.9	95.4	(90.5)	4.9	77.1	(73.2)	3.9
Total	\$ 510.0	\$ (328.5)	\$ 181.4	\$ 449.4	\$ (288.8)	\$ 160.6	\$ 418.0	\$ (255.5)	\$ 162.6	\$ 362.0	\$ (218.4)	\$ 143.7

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 reconciled to Net income excluding separation expenses, net of taxes (Non-GAAP) (\$millions):

	Year ended December 31,	
	2018	2017
Net income	\$ 3.5	\$ 5.1
Separation expenses	2.4	-
Income tax benefit related to separation expenses	(0.4)	-
Net income excluding separation expenses, net of taxes	\$ 5.5	\$ 5.1

Reconciliation to invested capital (\$millions)

	As of December 31,	
	2018	2017
Equity	\$ 40.6	\$ 38.7
Less: Cash	34.9	5.5
Invested Capital	\$ 25.7	\$ 33.2
Average Invested Capital	\$ 29.5	

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

	Year ended December 31,	
	2018	2017
Diluted earnings per share	\$ 0.78	\$ 1.13
Separation expenses	0.55	-
Income tax benefit related to separation expenses	(0.10)	-
Diluted earnings per share excluding separation expenses, net of taxes	\$ 1.23	\$ 1.13

Reconciliation to return on invested capital (\$millions)

	2018
	Diluted earnings per share excluding separation expenses, net of taxes
Average Invested Capital	\$ 29.5
Return on Invested Capital	18.8%