

Corporate Fact Sheet

Company Overview

Founded in September 1996, Stamps.com provides easy, convenient and cost-effective Internet-based services for mailing or shipping letters, packages or parcels anywhere in the United States or Internationally anytime. Our mailing and shipping service is designed to allow individual consumers, home offices, small businesses, corporate enterprises and high volume shippers to print US postage or shipping labels using any PC, any ordinary inkjet or laser printer and an Internet connection. Based on current information available from the US Postal Service, we believe that we have over 80% of the total PC Postage subscription customers. We completed our initial public offering in June 1999, and our common stock is listed on the Nasdaq exchange under the ticker "STMP."

On June 10th and August 29th of 2014, Stamps.com acquired ShipStation® and ShipWorks®, respectively. Both companies are leading providers of subscription based online shipping solutions that allow online retailers and e-commerce merchants to organize, process, fulfill and ship their orders quickly and easily.

Stamps.com also sells PhotoStamps® labels, a patented form of postage that allows customers to turn digital photos, designs or images into valid US postage. Consumers can create customized U.S. postage using pictures of their children, pets, vacations, celebrations and more. Businesses can create customized postage stamps with their corporate or business logo. PhotoStamps is used as regular postage to send letters, postcards or packages.

Services and Products

Mailing and Shipping Service

Stamps.com's U.S. Postal Service-approved PC Postage service enables users to print "electronic stamps" directly onto envelopes, plain paper, or labels using only a standard personal computer, printer and internet connection. Our service currently supports a variety of USPS mail classes. Customers can also add to their mail pieces USPS Special Services such as USPS Tracking™, Signature Confirmation™, Registered Mail, Certified Mail, Insured Mail, Return Receipt, Collect on Delivery (COD) and Restricted Delivery.

Stamps.com's service requires no additional hardware—the user's existing PC, printer and Internet connection are sufficient. Our software can be downloaded from our website free of charge. After installing the software and completing a registration process, customers can purchase and print postage 24 hours a day, seven days a week from their PCs. When a customer purchases postage for use through our service, the customer pays face value, and the funds are transferred directly from the customer to the US Postal Service. Customers pay a monthly subscription fee for access to our service.

Stamps.com offers its customers three primary ways to print Internet Postage:

- Customers can print their own postage stamps on NetStamps® labels. They can be used just like regular stamps.

- Customers can print shipping labels for packages on plain 8.5" x 11" paper. Customers receive discounted rates on Priority and Express mail classes and electronic Delivery and Signature Confirmation.
- Customers can print postage on envelopes or mailing labels in a single step process that saves time and provides a professional look.



ShipStation offers web- based e-commerce shipping software on a monthly subscription basis primarily under the brand names ShipStation® and Auctane®. ShipStation supports automatic order importing from over 50 shopping carts and marketplaces, including eBay, Amazon, Shopify, Bigcommerce, Volusion, Squarespace and others. ShipStation also offers automation features like custom hierarchical rules and product profiles that allow customers to easily and automatically optimize their shipping operations.

ShipWorks offers client-based e-commerce shipping software also on a monthly subscription basis. ShipWorks solutions integrate with over 50 popular online sales and marketplace systems including eBay, PayPal, Amazon, Yahoo! and others. ShipWorks also offers features including sending email notifications to buyers, updating online order status, generating reports and many more.

Mailing and Shipping Supplies Store

Subscription customers can purchase a variety of mailing and shipping supplies related to the service through the supplies store within the software. Products include original and themed NetStamps labels, shipping labels, Internet Postage labels, dedicated postage printers, OEM and private label inkjet and laser toner cartridges, scales, and other mailing and shipping-focused office supplies.

Package Insurance

Subscription customers can purchase Stamps.com branded package insurance for their mail or packages in a fully integrated, online process that eliminates any trips to the post office or the need to complete any forms.

PhotoStamps

In 2004, the Company introduced PhotoStamps® labels, a new form of postage that allows consumers

turn digital photos, designs or images into valid USPS-approved postage. With this product, individuals or businesses can create customized USPS approved postage using pictures of their children, pets, vacations, celebrations, business logos and more. PhotoStamps can be used as regular postage to send letters, postcards or packages. The product is available via a separately-marketed website at www.photostamps.com. Customers upload a digital photograph or image file, customize the look and feel by choosing a border to complement the photo, select the value of postage, and place the order online. Each sheet includes 20 individual PhotoStamps, and orders arrive via U.S. Mail in a few business days.



Customer Value Proposition for our Mailing and Shipping Business

We believe that customers use our services primarily to save time and to save money. Our services save customers time in a number of ways including:

- Our services allow customers to mail or ship from their home or office 24 hours a day and 7 days a week, avoiding the time that would ordinarily be spent in a trip to the post office.
- Our services allow customers to generate mass mailings quickly and easily by printing the address and postage together in a single step process.
- Our services integrate with most small business productivity applications such as word processors, financial applications and address books so our customers can save time by utilizing these integrations to print postage through their existing applications.

Our high-volume shipping customers can use our services to generate large volumes of shipping labels quickly and easily by integrating directly with their existing databases and e-commerce systems. They can also seamlessly manage their accounts and take advantage of automation features like custom hierarchical rules and product profiles that allow customers to easily and automatically optimize their shipping operations.

Our services save customers money in a number of ways including:

- Our customers receive discounts on single piece First Class letter postage rates compared to USPS post offices and other retail locations.

- Our customers receive significant discounts for most domestic and international packages compared to USPS retail rates. In addition, customers who meet certain higher volume requirements can qualify for additional discounts.
- Our customers receive discounts on USPS Tracking for First Class Package Service compared to the USPS retail post office.
- Our services automatically check and validate destination addresses against the USPS address database so customers do not waste postage on undeliverable-as-addressed mail.
- Our services calculate the exact amount of postage that is required for a mail piece depending on mail class, mail form, weight and distance to the destination which allows our customers to avoid overpaying for postage.
- Customers can use our reports and cost codes to better track, control, and reduce postage expenditures.
- Our customers typically pay a monthly service fee that is up to 50% less than the total cost of an entry or mid-level traditional postage meter. The total cost of a traditional postage meter can include hardware rental fees, including items such as postage meter and scale, maintenance and repair costs, insurance fees, fees to purchase postage and the cost to purchase proprietary ink cartridges.

Customers also cite several other additional benefits in using our service, including the following examples:

- Customers say that Stamps.com mail is more professional looking than stamped mail, thereby helping a smaller business resemble a larger business.
- Our services provide the ability to send US Postal Service packages with Hidden Postage™ which hides the actual amount paid for postage—a useful feature for e-commerce companies who may not want the recipient to see actual shipping cost information.
- Our software also provides sophisticated reporting which provides greater visibility into postage activity relative to traditional meters thereby allowing customers to better manage postage expenditures.
- Our software can help a business reduce its customer support costs by automatically generating and sending package delivery status e-mails to its customers.

Financial Overview

Stamps.com is a profitable and fast growing internet based e-commerce company with a fundamentally strong financial model:

- Our Mailing and Shipping business is a recurring revenue based model with service fees charged on a recurring monthly subscription basis and with supplies store and package insurance purchases recurring with usage.
- Our financial model is very attractive with high gross margins, significant fixed cost leverage, low working capital requirements and strong free cash flow generation.
- We have a history of returning excess cash to shareholders.
- We also have a very strong balance sheet with no debt and significant Federal and State net operating losses which offset our taxable income.
- We operate in a very large addressable market with significant barriers to entry.

Additional Resources

Additional details about Stamps.com can be found at <http://investor.stamps.com>. In particular, we invite current and prospective investors to review our Company Presentation, Metrics and SEC filings for a detailed review of our company, service offerings, financial summary and historical financial and customer metrics.