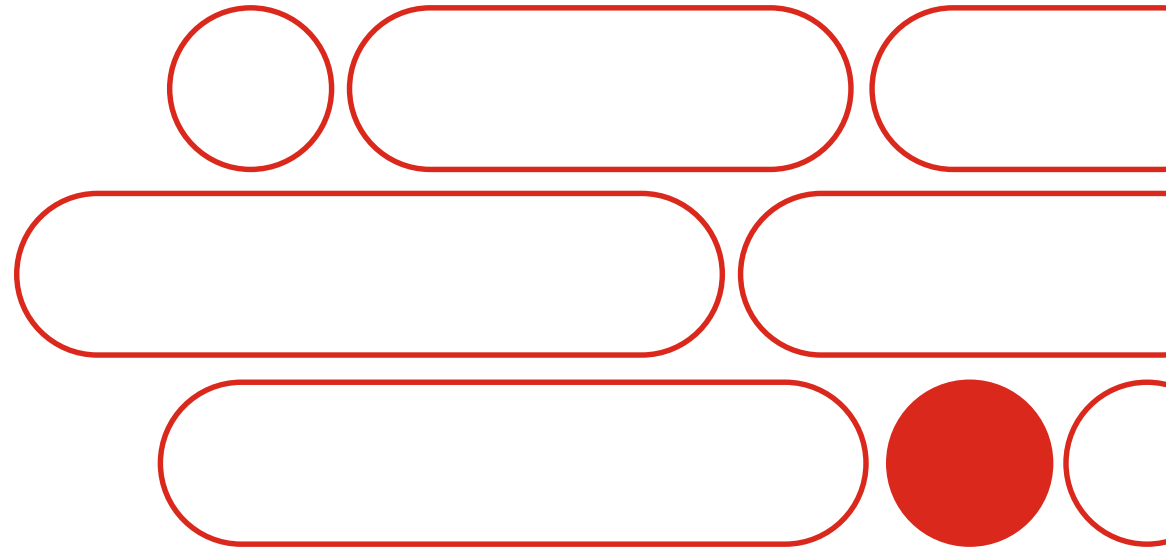


First Quarter Earnings Call

April 25, 2019



ED MERRITT

TREASURER AND VICE PRESIDENT OF INVESTOR RELATIONS

TODAYS PRESENTERS



Barry McCarthy

President and
Chief Executive Officer



Keith Bush

Chief Financial Officer
and Senior Vice President



Ed Merritt

Treasurer and Vice President of
Investor Relations

CAUTIONARY STATEMENT

- Comments made today regarding financial estimates, projections, and management's intentions and expectations regarding the Company's future performance, are forward-looking in nature as defined in the Private Securities Litigation Reform Act of 1995. These comments are subject to risks and uncertainties, which could cause actual results to differ materially from those projected. Additional information about various factors that could cause actual results to differ from projections are contained in the press release that we issued this morning as well as in the company's Form 10-K for the year ended December 31, 2018.
- Portions of the financial and statistical information that will be reviewed during this call are addressed in more detail in today's press release which is posted on our investor relations website at deluxe.com/investor. This information was also furnished to the SEC on Form 8-K filed by the Company this morning.
- References to non-GAAP financial measures are reconciled to the comparable GAAP financial measures in the press release or as part of this presentation.

BARRY McCARTHY

PRESIDENT AND CHIEF EXECUTIVE OFFICER

FIRST QUARTER HIGHLIGHTS

- Will provide update on strategy, recent progress and vision of our future, earnings outlook, and much more today.
- Delivered revenue \$499 million dollars in Q1, squarely within the range we expected
- Revenue grew 1.5% year-over year
- Diluted earnings per share of \$0.93 and a revised adjusted diluted earnings per share of \$1.54

KEITH BUSH

CHIEF FINANCIAL OFFICER AND SENIOR VICE PRESIDENT

FIRST QUARTER 2019 HIGHLIGHTS

- Delivered \$499 million dollars in Q1, squarely within the range we expected
- Revenue grew 1.5% year-over year
- Q1 revenue:
 - Small Business Services revenue declined about 1%
 - Financial Services revenue growth of nearly 10% year-over-year
 - Direct Checks revenue declined about 10%
- MOS was 43% of total revenue, checks was 40% of total revenue and forms and accessories were 17% of total revenue

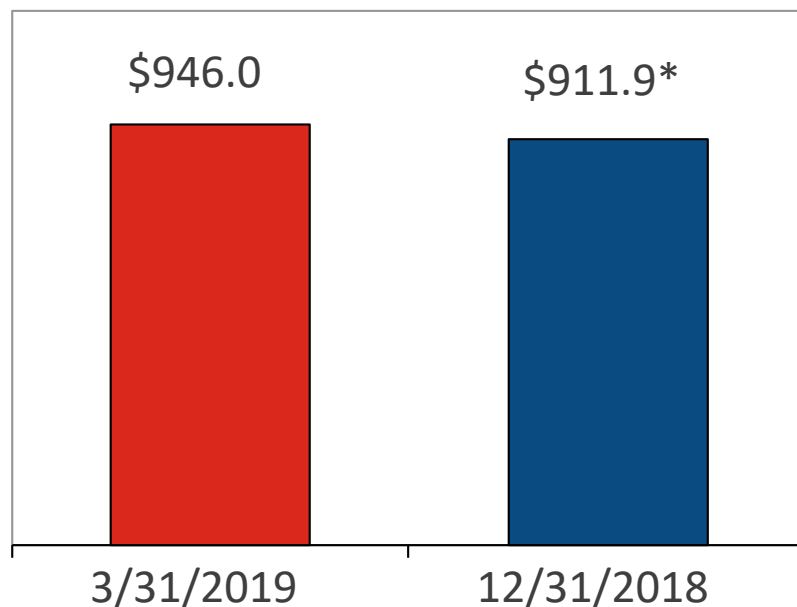
1st QUARTER 2019 RESULTS

<i>\$ in millions except EPS data</i>	2019	2018	Better/ (Worse)
Revenue			
Small Business Services	\$313.1	\$316.3	\$(3.2)
Financial Services	154.4	140.6	13.8
Direct Checks	31.6	35.0	(3.4)
Consolidated	\$499.1	\$491.9	\$7.2
Gross Margin	60.0%	61.6%	(1.6) pts
SG&A Expense	\$230.1 46.1%	\$211.3 43.0%	\$(18.8) (3.1%)
Diluted EPS	\$0.93	\$1.31	\$(0.38)
Adjusted Diluted EPS	\$1.54	\$1.60	\$(0.06)
Adjusted EBITDA	\$113.7	\$121.6	\$(7.9)
Net (loss) Income	\$41.2 8.3%	\$63.3 12.9%	\$(22.1) (4.6%)

BALANCE SHEET AND CASH FLOW

Total Debt

\$ in millions



* \$910 drawn on credit facility

Free Cash Flow

(Cash provided by operating activities less capital expenditures)

<i>\$ in millions</i>	3/31/2019	3/31/2018
Cash Provided by Operating Activities	\$45.4	\$80.8
Less Capital Expenditures	<u>(14.6)</u>	<u>(14.0)</u>
Free Cash Flow	\$30.8	\$66.8

2019 OUTLOOK

Affirm the previous 2019 Outlook

Second Quarter

- Total company revenue to be in the range of \$490 to \$505 million
- Adjusted diluted EPS range of \$1.55 to \$1.65

Full Year

- Total company revenue to be in the range of \$2.00 to \$2.05 billion
- Adjusted diluted EPS range of \$6.65 to \$6.95
 - Includes \$5 million of incremental transformation investments
- Expect \$30 to \$60 million of incremental investments in each of the next two years to build out technology platforms.
 - Will be a combination of capital and expense items
 - Not included in current outlook, still being scoped and quantified

BARRY McCARTHY

PRESIDENT AND CHIEF EXECUTIVE OFFICER

FOCUS AREAS

Focus Areas	
Sales	<ul style="list-style-type: none">• Chief Revenue Officer search underway• Deepen relationship with our Customers• Enterprise-wide CRM tool
Product and Innovation	<ul style="list-style-type: none">• Amanda Parrilli, Vice President of Strategy and Planning• Build-out enterprise innovation and product development teams
Efficiency	<ul style="list-style-type: none">• Savings thru structural redesigns
Culture	<ul style="list-style-type: none">• Jane Elliott, Chief Human Resource Officer• Education and communication – customer first• Breaking down internal silos• Transform into a Trusted, Technology-Enabled Solutions provider

STRATEGIC ASSESSMENT – GREAT FOUNDATION

1. Fantastic base of existing customers and partners
2. Proven, trusted partner in the markets where we operate
3. Highly respected brand, opportunity to drive more business
4. Cost-efficient service provider
5. Extensive catalog of products and services – extremely dedicated workforce
6. Solid financial structure, low leverage and high cash flow

HOW THIS TRANSFORMATION IS DIFFERENT

- Goes much deeper than past achievements
- Instead of relying on acquisition to drive growth, focus now is on organic revenue growth and supplement through acquisition
- Will fundamentally change our go-to-market strategy
- Fully integrate past acquisitions
- Will sell products and services to all customers, not in silos

“NEW DELUXE” – FOUR PRIMARY AREAS OF FOCUS

Payments

Cloud

Promotional
Products

Checks

What we believe the new strategy will deliver:

- Expect to deliver \$300 million of incremental new net revenue in 2023 after offsetting future check declines, excluding acquisitions
- Targeting mid-single digit organic revenue growth longer-term
- Expect to maintain adjusted EBITDA margins in the low-to-mid 20 percent range

FOUR PRIMARY AREAS OF FOCUS – WHAT WE LIKE

1. Payments – large, diverse market. Intend to focus on integrated receivables and treasury management solutions, card-based payments and fraud control, payroll, disbursements and ePayments, etc.
2. Cloud – data services and analytics, website design and hosting, logo design, incorporation services, management of bank account switching, etc.
3. Promotional Products – print, retail packaging, banners, business forms and other products to help manage a brand
4. Checks – currently selling across multiple channels and customers, continue to make smart investments to maintain margins and cash flow

ONE DELUXE

In the future, we will approach the market as
A COMPANY OF PRODUCTS
allowing us to sell
ALL of our products to ALL of our customers

FUTURE GROWTH

- Fewer, more meaningful acquisitions
- New for Deluxe, we will also look to strategic alliances and partnering with third-parties – allows much faster revenue growth
- Invest in our infrastructure, \$30 to \$60 million in each of the next two years
- Transform enterprise-wide culture to be more like a technology company to focus on customers expectations and deliver solutions to their problems

STOCK PRICE APPRECIATION



 **DELUXE**

QUESTIONS & ANSWERS



IN SUMMARY

1. Deluxe has a strong foundation of core competencies and assets we can leverage to accelerate our organic growth.
2. We plan to leverage these assets and compete in four primary areas; Payments; Cloud; Promotional Products; and Checks. We will invest the reliable cash flow from Promotional Products and Checks into Payments and Cloud that are attractive markets and where we have a clear ability to win.
3. In the next stage of our business transformation, we will fundamentally change how we go-to-market and operate our business, resulting in a company of products that approaches the market as One Deluxe.
4. We continue to be responsible stewards of shareholder assets, committed to simultaneously delivering ongoing efficiency savings and organic revenue growth while paying our dividend.
5. We will provide status updates on our progress throughout our transformation as we become a Trusted, Tech-enabled Solutions provider.

DELUXE UP-COMING CONFERENCES

Date	Event	City
May 21-22	Needham Emerging Technology Conference	New York
June 5-6	R.W. Baird 2019 Global Consumer, Technology & Services Conference	New York

APPENDIX

REPLAY OF THIS CALL

- Audio replay available through May 1
 - Dial: 1-404-537-3406
 - Access code: 2469334
- Presentation slides:
 - Deluxe's investor relations website at deluxe.com/investor

REVENUE GROWTH RECONCILIATION FROM GAAP TO NON-GAAP - ENTERPRISE

Summarized	Q1 2019
Revenue Growth	1.5%
Acquisitions	(5.8%)
Exited Business	0.1%
Other (incl. FX and business day adj.)	1.5%
Adjusted Organic Growth / (Decline)	(2.7%)
<p>Adjusted organic growth/(decline) is provided to assist in understanding the comparability of the Company's revenue growth for the first quarter of 2019. The Company's management believes that adjusted organic revenue growth is a useful financial measure to compare revenue growth excluding acquisitions, divestitures, exited business, foreign exchange effect, extra days and other non-comparable revenue items. This presentation is not intended as an alternative to results reported in accordance with generally accepted accounting principles (GAAP) in the United States. Instead, the Company believes that this information is a useful financial measure to be considered in addition to GAAP performance measures.</p>	

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