Q4 and Full Year 2020 Earnings

February 4, 2021

Jane Elliott

Chief Communications and HR Officer

Today’s Presenters

Barry McCarthy

President and
Chief Executive Officer

Keith Bush

Chief Financial Officer and
Senior Vice President

Jane Elliott

Chief Communications and
Human Resources Officer

Cautionary Statement

Comments made today regarding management's intentions, projections, financial estimates or expectations about the company's future strategy or 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, including risks related to potential continuing negative impacts from pandemic health issues, such as the coronavirus / COVID-19, along with the impact of government stay-at-home orders or other similar directives on our future financial results of operations, our future financial condition, and our ability to continue business activities in affected regions, which could cause our actual results to differ materially from our projections. Additional information about factors that might cause our actual results to differ from projections is contained in the press release issued today, in the company's Form 10-K for the year ended December 31st, 2019, the Form 10-K which will be released in conjunction with our full year 2020 earnings, as well as other SEC filings.

Portions of the financial and statistical information that will be discussed during this call are addressed in more detail in today's press release which is posted on our investor relations website at deluxe.com. This information was also furnished to the SEC on the Form 8-K filed by the Company this afternoon. Any references to non-GAAP financial measures are reconciled to the comparable GAAP financial measures in the press release and as part of this presentation or as part of our presentation during this call.

Barry McCarthy

President and Chief Executive Officer

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2020 Accomplishments

Positioned for Growth in 2021 and Beyond

New Go-To-Market Approach
Delivered record sales performance

Transformation
Significant progress made on historic transformation

Leadership
Executed on segment operating strategy

Financial Strength
Lowest net debt in 2.5 years

Delivered 20.4% Adjusted EBIDTA Margin
Kept our promise from Q120, despite COVID-19

Executing Clear and Durable Strategy

4 Pillars Driving Future Growth

Sales

- Unified Go-To-Market sales approach
- Sell to new and existing customers
- End dependence on acquisition-only growth

Growth Businesses

- Focus on growing Payments and Cloud
- Sell what we have and build new products
- Move to recurring revenue model

Promotional Solutions Profitability

- Adjust revenue mix
- Enhance distribution model
- Move to recurring revenue model

Checks

- Capture new market share
- Hold margins flat, making smart investments
- Driving strong cash to invest in Payments and Cloud

One Deluxe = Trusted Business Technology™ Company

Delivering Sales-Driven Growth in 2020

One Deluxe Sales Approach is Working

- Signed >3,900 new and expanded deals
- Signed 6 of the top 10 deals in last decade
- Added Truist to our Check segment, largest deal in company's history
- Achieved highest Check's retention rate in 5 years
- Expanded relationships with Alliance Data and Citibank in Payments
- Expanded relationship with Synovus in Payments
- Expanded relationships with PNC and SiriusXM Radio in Payments
- Added Salesforce as a customer to Promotional Solutions
- Delivered record average order value, growing 7.5 percent over last year
- Signed more than 200 cross-sell deals totaling $35M dollars in Total Contract Value

Segment Details

Strong Execution Against One Deluxe Strategy

Trusted Business Technology™ Company

Payments

- Added market share in all areas
- Added distribution partners and increased channels
- Benefiting from strong secular outsourcing trends

Cloud

- Added numerous new clients
- Encouraging signs of recovery in our Incorporation services
- Optimistic about Data-Driven Marketing as recovery unfolds, deeply engaged with customers

Promotional Solutions

- Business essential volumes are returning
- Expect branded merchandise to rebound as pandemic abates
- Sold $31M of PPE
- Signed many new customers on turnkey managed brand program

Checks

- Expect secular trends to return to pre-COVID-19 levels
- Sequential increase in new check customers
- Acceleration of digital channels
- New check customers expected to partially offset revenue declines

Accelerating Transformation

Positioned for Sustainable Growth

Talent

- Added and expanded in product and business development, and innovation
- Advanced empowerment, inclusion, diversity & equity
- Achieved *Great Place to Work* certification

Technology Infrastructure

- Continued to upgrade and modernize technology infrastructure
- Optimized and gained efficiencies

Operating Footprint

- Closed 24 sites, further reducing footprint by 60%
- Reduced operating expense
- Relocated MN and ATL avoiding significant future capital outlays

Responsible acquisitions to accelerate growth in Payments and Cloud

Keith Bush

Chief Financial Officer

Q4 and Full Year Summary

Exited 2020 with a strengthened financial position

Fourth Quarter Results

- Total revenue was $454.5 million, down 12.9% compared to the same period last year
  - » Improved by 3.4% from third quarter
- GAAP net income was $24.7 million
- Adjusted EBITDA was $94.9 million
- Adjusted EBITDA margin was 20.9%

Full Year Results

- Revenue declined 10.8% to $1.791 billion compared to last year
- GAAP net income was $8.8 million
- Adjusted EBITDA was $364.5 million
- Adjusted EBITDA margin was 20.4%

Note: A comparison of reported 2019 and 2020 full year results is difficult given each year was impacted by asset impairment charges. Our measures of adjusted earnings and adjusted EBITDA exclude these non-cash charges along with restructuring, integration and other costs. These adjustments are detailed in the reconciliations provided in our release.

Payments

- Revenue grew 3.0% to $78M for the 4th quarter, and 12% to $301.9M for the full year
- The 4th quarter had less one-time hardware revenue compared to last year
- Encouraged by increased demand for integrated receivables; onboarding in 2021
- Adjusted EBITDA decreased by $4.5M in the quarter and $6.3M for the full year
- Adjusted EBITDA margin for the full year was 22.6%
- Expect double-digit growth for 2021
  - Q1 growth in low single digits as expected while we continue to implement new clients
  - continue to invest to drive growth, assuming adjusted EBITDA margins in low 20% area

Payments		
Receivables as a Service	Digital Disbursements	Cash Flow Management Solutions

Cloud Solutions

- Revenue declined 27.1% to 59.2M for the 4th quarter and 20.6% to $252.8M for the full year
- Expanded number of clients using data driven marketing
- Web and hosted solutions saw declines related to loss of customers discussed last year
  - » economic impact of the macro environment
  - » expected attrition from decision to exit certain non-strategic product lines
- Achieved 24.4% Adjusted EBITDA margin, a 160 bp improvement in Q4 and 20 bps in 2020
- Expect loss of revenue associated with Q4 2020 product exits will continue to impact the business into 2021
- Anticipate margins to remain in the low-to-mid 20% range

Cloud Solutions		
Data Analytics	SaaS Solutions	Web Hosting

Promotional Solutions

- 4^{th} quarter revenue grew 15.3% from Q3 to $144M
  - » Y/y rate of decline moderated to 16.6% reflecting continued impacts of market conditions
- Adjusted EBITDA margin for 4^{th} quarter was down 14% from prior year
- Full year revenue declined 17.4% to $529.6M, adjusted EBITDA margin was 12.6%
  - » Reflects impact of COVID-19
- Continue to see pullback in Marketing and Promotional products
  - » Expecting continued slow improvement in 2021

Promotional Solutions			
Turn-Key Managed Branded Solutions	Web Storefronts for Branded Products	Support Rapidly Changing Market Demands	Business Essentials

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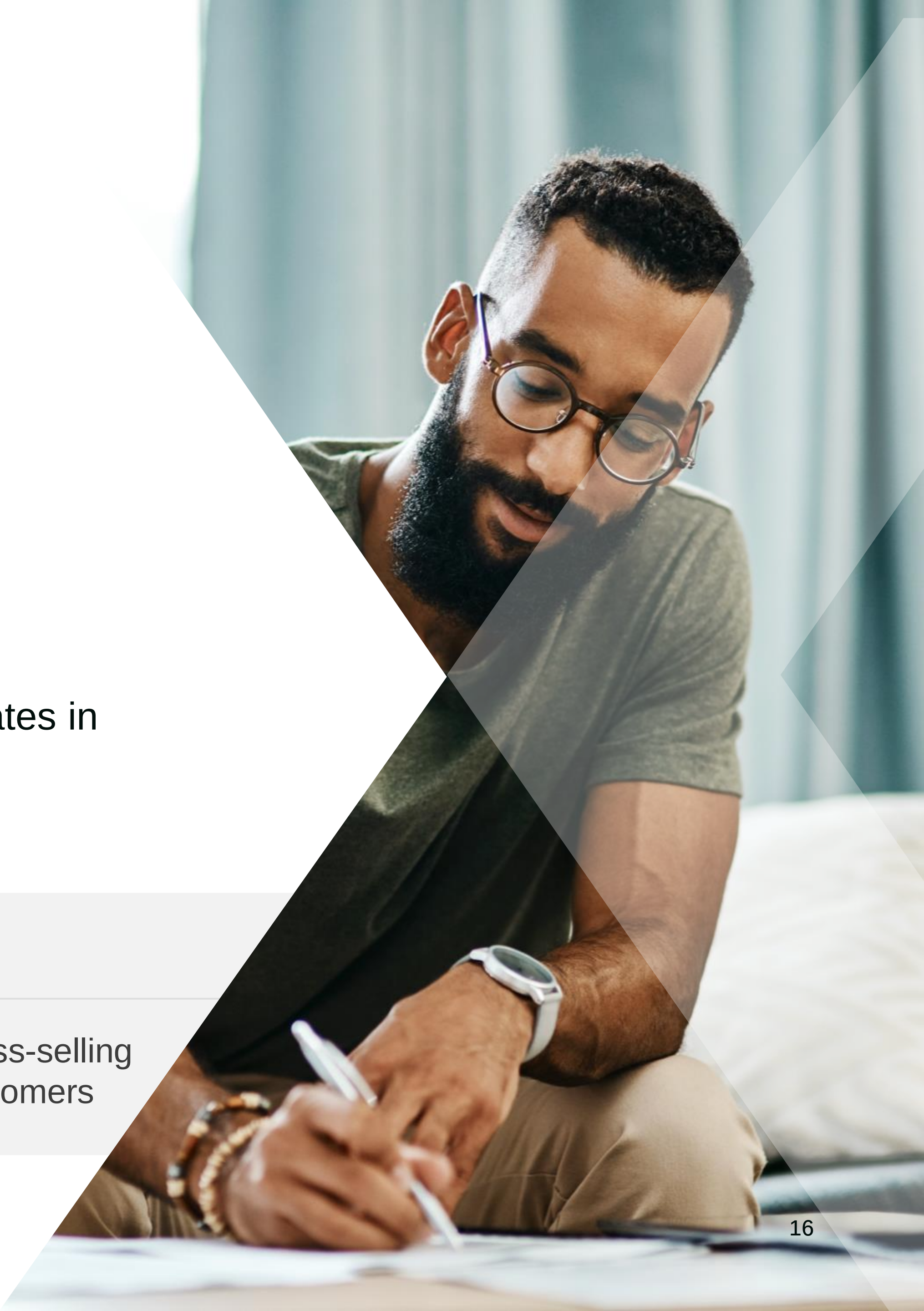
Checks

- 4th quarter revenue declined 10% from last year to $173.3M
  - » Combination of secular trends and pandemic impacts
- Q4 Adjusted EBITDA margins were 48.1%
  - » Includes higher commissions on referrals and technology investments
- Full year revenue declined 9.4% to $706.5M compared to last year and adjusted EBITDA margin decreased to 48.4%
- Based on high renewal rates and new business, expect Check recovery rates in 2021 to return to mid single digit declines
  - » Consistent with the recovery from previous economic downturns

Driving Value

Strong cash flow self funds growth investments **AND** generates healthy return of capital to shareholders	Lead generation for cost-effective cross-selling other DLX solutions to existing customers



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Cash Flow

- Delivered free cash flow of $155.0M, down $65.1M y/y
  - » Decline due to COVID-related impacts, Cloud business exits described last year, and continued secular check declines
  - » All partially offset by lower interest, taxes, integration expenses and lower capital expenditures
- Did not repurchase common stock in Q4
- Ended year with strong liquidity of $425M and cash balance of $123M
  - » Paid down debt, ending year with $840M
- Net debt is $717M, lowest level in 2.5 years
- Declared regularly quarterly dividend of $0.30 per share

Free Cash Flow

Cash provided by operating activities, less capital expenditures
$ in millions

	For the 12 Months Ending		
	12/31/20	12/31/19	Variance
Cash Provided by Operating Activities	$ 217.6	$ 286.7	$ (69.1)
Less Capital Expenditures	$ 62.6	$ 66.6	$ (4.0)
Free Cash Flow	$ 155.0	$ 220.1	$ (65.1)

See appendix for GAAP to Non-GAAP Reconciliations

Positioned for Growth in 2021

Durable Team and Business Model

Full Year 2021 Outlook

- Expect to achieve full year revenue growth of 0 to 2 percent
- First quarter 2021 financial performance expected to be a continuation of fourth quarter 2020 as a result of continued pandemic impacts
- Expect recovery to begin in the second quarter, enabling revenue exit grow rate in mid-single digits
- Expect Adjusted EBITDA margin between 20% and 21%

Advancing Transformation

- Expect capital expenditures in 2021 to be approximately $90M

Barry McCarthy

President and Chief Executive Officer

Deluxe: A Compelling Investment Opportunity

Technology Hidden Gem: Payments | Cloud Solutions | Promotional Solutions | Checks

Who We Are	Purpose	Values
Trusted Business Technology™ company	"Champions of business so communities thrive"	Customers First | Earn Trust | Create What's Next | Deliver for Shareholders | Get-it-done Team

- **Focus on Optimizing Strong Growth Trends & Recurring Revenue**
- **Sales-Driven Growth**
- **Sustainable Margins**
- **Strong Capital Return to Shareholders**
- **New World-Class Team**

Positioned to exit 2021 with mid-single digit revenue growth and low to mid 20s adjusted EBITDA margins

deluxe®

trusted business technology

Jane Elliott

Chief Communications and HR Officer

Future Management Presentations

Date	Event
March 2, 2021	J.P. Morgan 2021 Global High Yield & Leveraged Finance Conference
March 24, 2021	Sidoti Virtual Investor Conference

Appendix

Consolidated Condensed Statements of Income (Loss)

$ in millions, except per share amounts (Unaudited)

	Quarter Ended December 31,		Year Ended December 31,	
	2020	2019	2020	2019
Product revenue	$322.5	$365.3	$1,230.7	$1,409.1
Service revenue	132.0	156.8	560.1	599.6
Total revenue	454.5	522.1	1,790.8	2,008.7
Cost of products	(125.8)	(132.5)	(458.7)	(531.3)
Cost of services	(66.2)	(74.6)	(272.1)	(281.6)
Total cost of revenue	(192.0)	(207.1)	(730.8)	(812.9)
Gross profit	262.5	315.0	1,060.0	1,195.8
Selling, general and administrative expense	(207.0)	(225.9)	(841.6)	(891.7)
Restructuring and integration expense	(18.9)	(22.2)	(75.9)	(71.2)
Asset impairment charges	—	—	(98.0)	(391.0)
Operating income (loss)	36.6	66.9	44.5	(158.1)
Interest expense	(4.9)	(7.4)	(23.1)	(34.7)
Other income	0.7	1.1	9.2	7.2
Income (loss) before income taxes	32.4	60.6	30.6	(185.6)
Income tax provision	(7.7)	(15.8)	(21.7)	(14.3)
Net income (loss)	24.7	44.8	8.9	(199.9)
Non-controlling interest	—	—	(0.1)	—
Net income (loss) attributable to Deluxe	$24.7	$44.8	$8.8	($199.9)
Weighted average dilutive shares	42.2	42.3	42.1	43.0
Diluted earnings (loss) per share	$0.58	$1.06	$0.19	($4.65)
Adjusted diluted earnings per share	1.38	1.94	5.08	6.82
Capital expenditures	19.9	16.9	62.6	66.6
Depreciation and amortization expense	27.7	30.6	110.8	126.0
EBITDA	65.0	98.6	164.4	(24.9)
Adjusted EBITDA	94.9	130.3	364.5	480.9

Segment Information

$ in millions (Unaudited)

	Quarter Ended December 31,		Year Ended December 31,	
	2020	2019	2020	2019
Revenue:				
Payments	$78.0	$75.7	$301.9	$269.6
Cloud Solutions	59.2	81.2	252.8	318.4
Promotional Solutions	144.0	172.7	529.6	640.9
Checks	173.3	192.5	706.5	779.8
Total	$454.5	$522.1	$1,790.8	$2,008.7
Adjusted EBITDA:				
Payments	$17.8	$22.3	$68.1	$74.4
Cloud Solutions	16.1	20.8	61.6	77.2
Promotional Solutions	20.1	32.5	66.6	101.3
Checks	83.3	101.8	341.7	402.7
Corporate	(42.4)	(47.1)	(173.5)	(174.7)
Total	$94.9	$130.3	$364.5	$480.9
Adjusted EBITDA Margin:				
Payments	22.8 %	29.5 %	22.6 %	27.6 %
Cloud Solutions	27.2 %	25.6 %	24.4 %	24.2 %
Promotional Solutions	14.0 %	18.8 %	12.6 %	15.8 %
Checks	48.1 %	52.9 %	48.4 %	51.6 %
Total	20.9 %	25.0 %	20.4 %	23.9 %

See appendix for GAAP to Non-GAAP Reconciliations

Reconciliation of GAAP to Non-GAAP Measures

(EBITDA and adjusted EBITDA)

Management discloses EBITDA and Adjusted EBITDA because it believes they are useful in evaluating the company's operating performance, as the calculations eliminate the effect of interest expense, income taxes, the accounting effects of capital investments (i.e., depreciation and amortization) and in the case of Adjusted EBITDA, certain items, as presented below, that may vary for companies for reasons unrelated to overall operating performance. In addition, management utilizes Adjusted EBITDA to assess the operating results and performance of the business, to perform analytical comparisons and to identify strategies to improve performance. Management also believes that an increasing EBITDA and Adjusted EBITDA depict an increase in the value of the company. Management does not consider EBITDA and Adjusted EBITDA to be measures of cash flow, as they do not consider certain cash requirements such as interest, income taxes, debt service payments or capital investments. Management does not consider EBITDA or Adjusted EBITDA to be substitutes for operating income or net income. Instead, management believes that EBITDA and Adjusted EBITDA are useful performance measures that should be considered in addition to GAAP performance measures.

	Quarter Ended December 31,		**Year Ended December 31,**	
	2020	**2019**	**2020**	**2019**
Net income (loss)	$24.7	$44.8	$8.9	($199.9)
Non-controlling interest	—	—	(0.1)	—
Interest expense	4.9	7.4	23.1	34.7
Income tax provision	7.7	15.8	21.7	14.3
Depreciation and amortization expense	27.7	30.6	110.8	126.0
EBITDA	65.0	98.6	164.4	(24.9)
Asset impairment charges	—	—	98.0	391.0
Restructuring, integration and other costs	21.6	25.8	80.7	79.5
CEO transition costs	—	0.9	—	9.4
Share-based compensation expense	6.5	5.1	21.8	19.2
Acquisition transaction costs	—	—	—	0.2
Certain legal-related (benefit) expense	—	—	(2.2)	6.4
Loss (gain) on sales of businesses and customer lists	1.8	(0.1)	1.8	0.1
Adjusted EBITDA	$94.9	$130.3	$364.5	$480.9

Note that the company has not reconciled adjusted EBITDA for full year 2021 to the directly comparable GAAP financial measure because the company does not provide outlook guidance for net income or the reconciling items between net income and adjusted EBITDA. Because of the substantial uncertainty and variability surrounding certain of these forward-looking reconciling items, including asset impairment charges, restructuring, integration and other costs, and certain legal-related expenses, a reconciliation of the non-GAAP financial measure outlook guidance to the corresponding GAAP measure is not available without unreasonable effort. The probable significance of certain of these **reconciling** items is high and, based on historical experience, could be material.

Reconciliation of GAAP to Non-GAAP Measures

Adjusted Diluted EPS

By excluding the impact of non-cash items or items that may not be indicative of ongoing operations, management believes that Adjusted Diluted EPS provides useful comparable information to assist in analyzing the company's current and future operating performance. As such, Adjusted Diluted EPS is one of the key financial performance metrics used to assess the operating results and performance of the business and to identify strategies to improve performance. It is reasonable to expect that one or more of the excluded items will occur in future periods, but the amounts recognized may vary significantly. Management does not consider Adjusted Diluted EPS to be a substitute for GAAP performance measures but believes that it is a useful performance measure that should be considered in addition to GAAP performance measures.

	Quarter Ended December 31,		Year Ended December 31,	
	2020	2019	2020	2019
Net income (loss)	$24.7	$44.8	$8.9	($199.9)
Non-controlling interest	—	—	(0.1)	—
Net income (loss) attributable to Deluxe	24.7	44.8	8.8	(199.9)
Asset impairment charges	—	—	98.0	391.0
Acquisition amortization	13.8	16.5	55.9	70.7
Restructuring, integration and other costs	21.6	25.8	80.7	79.5
CEO transition costs	—	0.9	—	9.4
Share-based compensation expense	6.5	5.1	21.8	19.2
Acquisition transaction costs	—	—	—	0.2
Certain legal-related (benefit) expense	—	—	(2.2)	6.4
Loss (gain) on sales of businesses and customer lists	1.8	(0.1)	1.8	0.1
Adjustments, pre-tax	43.7	48.2	256.0	576.5
Income tax provision impact of pre-tax adjustments(1)	(10.2)	(10.6)	(49.9)	(81.9)
Adjustments, net of tax	33.5	37.6	206.1	494.6
Adjusted net income	58.2	82.4	214.9	294.7
Income allocated to participating securities	—	(0.1)	(0.1)	(0.4)
Re-measurement of share-based awards classified as liabilities	—	—	(0.8)	0.1
Adjusted income attributable to Deluxe available to common shareholders	$58.2	$82.3	$214.0	$294.4
Weighted-average dilutive shares	42.2	42.3	42.1	43.0
Adjustment(2)	—	—	—	0.2
Adjusted weighted-average dilutive shares	42.2	42.3	42.1	43.2
GAAP Diluted EPS	$0.58	$1.06	$0.19	($4.65)
Adjustments, net of tax	0.80	0.88	4.89	11.47
Adjusted Diluted EPS	$1.38	$1.94	$5.08	$6.82

(1) The tax effect of the pretax adjustments considers the tax treatment and related tax rate(s) that apply to each adjustment in the applicable tax jurisdiction(s). Generally, this results in a tax impact that approximates the U.S. effective tax rate for each adjustment. However, the tax impact of certain adjustments, such as asset impairment charges, share-based compensation expense and CEO transition costs, depends on whether the amounts are deductible in the respective tax jurisdictions and the applicable effective tax rate(s) in those jurisdictions.

(2) The adjustment to total weighted-average dilutive shares is due to the net loss reported in certain of the periods presented. During these periods, the GAAP EPS calculations excluded a higher number of share-based compensation awards because their effect was antidilutive.

Net Debt and Free Cash Flow

$ in millions, except per share amounts (Unaudited)

NET DEBT

Net debt is not a GAAP financial measure. Nevertheless, management believes that net debt is an important measure to monitor leverage and evaluate the balance sheet. In calculating net debt, cash and cash equivalents are subtracted from total debt because they could be used to reduce the company's debt obligations. A limitation associated with using net debt is that it subtracts cash and cash equivalents, and therefore, may imply that management intends to use cash and cash equivalents to reduce outstanding debt and that there is less company debt than the most comparable GAAP measure indicates.

	December 31, 2020	December 31,2019
Total debt	$840.0	$883.5
Cash and cash equivalents	(123.1)	(73.6)
Net debt	$716.9	$809.9

FREE CASH FLOW

Management believes that free cash flow is an important indicator of cash available for debt service and for shareholders, after making capital investments to maintain or expand the company's asset base. Free cash flow is limited and not all of the company's free cash flow is available for discretionary spending, as the company may have mandatory debt payments and other cash requirements that must be deducted from its cash available for future use. Free cash flow is not a substitute for GAAP liquidity measures. Instead, management believes that this measurement provides an additional metric to compare cash generated by operations on a consistent basis and to provide insight into the cash flow available to fund items such as share repurchases, dividends, mandatory and discretionary debt reduction and acquisitions or other strategic investments.

	Year Ended December 31,	
	2020	2019
Net cash provided by operating activities	$217.6	$286.7
Purchases of capital assets	(62.6)	(66.6)
Free cash flow	$155.0	$220.1