



Second Quarter 2023 Earnings

August 3, 2023

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Vice President, Strategy & Investor
Relations

Today's Presenters



Barry McCarthy

President and Chief
Executive Officer



Chip Zint

Senior Vice President and
Chief Financial Officer



Brian Anderson

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Cautionary Statement

Statements made in this presentation concerning Deluxe, the company's or management's intentions, expectations, outlook or predictions about future results or events are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements reflect management's current intentions or beliefs and are subject to risks and uncertainties that could cause actual results or events to vary from stated expectations, which variations could be material and adverse. Factors that could produce such a variation include, but are not limited to, the following: potential continuing negative impacts from pandemic health issues, such as the coronavirus / COVID-19, along with the impact of related government restrictions or similar directives on our future results of operations and our future financial condition; changes in local, regional, national and international economic or political conditions, including those resulting from heightened inflation, rising interest rates, a recession, or intensified international hostilities, and the impact they may have on the company, its customers or demand for the company's products and services; the effect of proposed and enacted legislative and regulatory actions affecting the company or the financial services industry as a whole; continuing cost increases and/or declines in the availability of materials and other services; the company's ability to execute its transformational strategy and to realize the intended benefits; the inherent unreliability of earnings, revenue and cash flow predictions due to numerous factors, many of which are beyond the company's control; declining demand for the company's checks, check-related products and services and business forms; risks that the company's strategies intended to drive sustained revenue and earnings growth, despite the continuing decline in checks and forms, are delayed or unsuccessful; intense competition; continued consolidation of financial institutions and/or bank failures, thereby reducing the number of potential customers and referral sources and increasing downward pressure on the company's revenue and gross profit; risks related to acquisitions, including integration-related risks and risks that future acquisitions will not be consummated; risks that any such acquisitions do not produce the anticipated results or synergies; risks that the company's cost reduction initiatives will be delayed or unsuccessful; risks related to any divestitures contemplated or undertaken by the company; performance shortfalls by one or more of the company's major suppliers, licensors or service providers; continuing supply chain and labor supply issues; unanticipated delays, costs and expenses in the development and marketing of products and services, including web services and financial technology and treasury management solutions; the failure of such products and services to deliver the expected revenues and other financial targets; risks related to security breaches, computer malware or other cyber-attacks; risks of interruptions to the company's website operations or information technology systems; and risks of unfavorable outcomes and the costs to defend litigation and other disputes. The company's forward-looking statements speak only as of the time made, and management assumes no obligation to publicly update any such statements. Additional information concerning these and other factors that could cause actual results and events to differ materially from the company's current expectations are contained in the company's Form 10-K for the year ended December 31, 2022, and other filings made with the SEC. The company undertakes no obligation to update or revise any forward-looking statements to reflect subsequent events, new information or future circumstances.

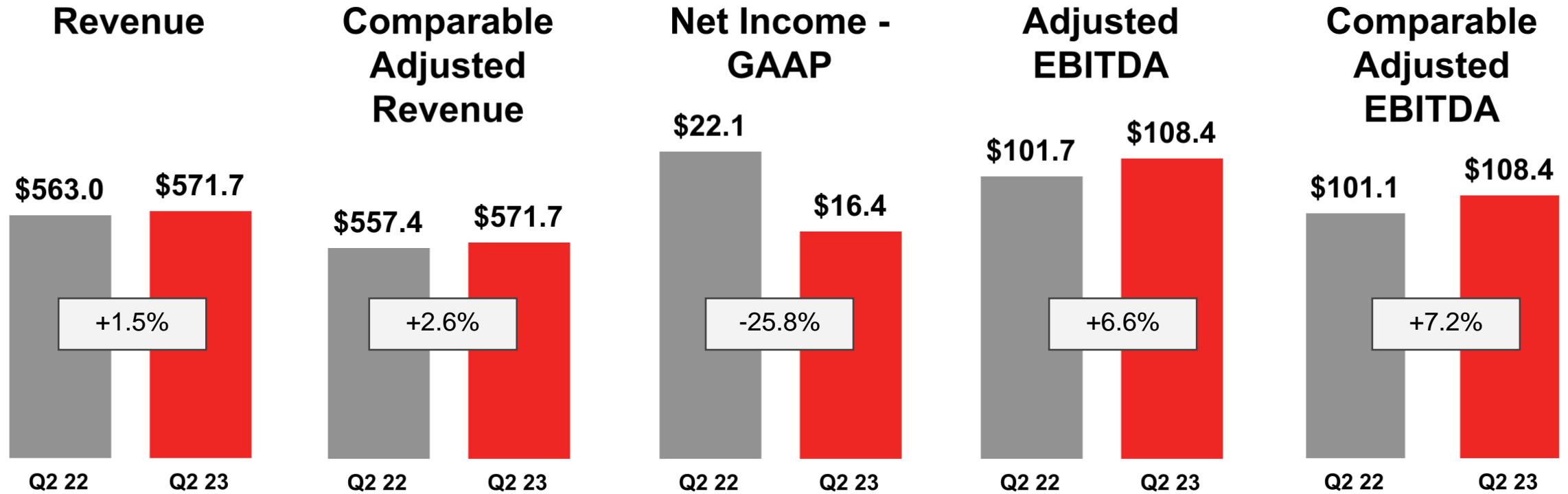
Portions of the financial and statistical information that will be discussed during this call are addressed in more detail in today's press release which is posted on our investor relations website at deluxe.com. This information was also furnished to the SEC on the Form 8-K filed by the Company this morning. 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.

Barry McCarthy

President and Chief Executive Officer

Second Quarter 2023 Highlights

(in millions)



2Q23 Segment Highlights

Revenue and EBITDA increases across all segments

Payments

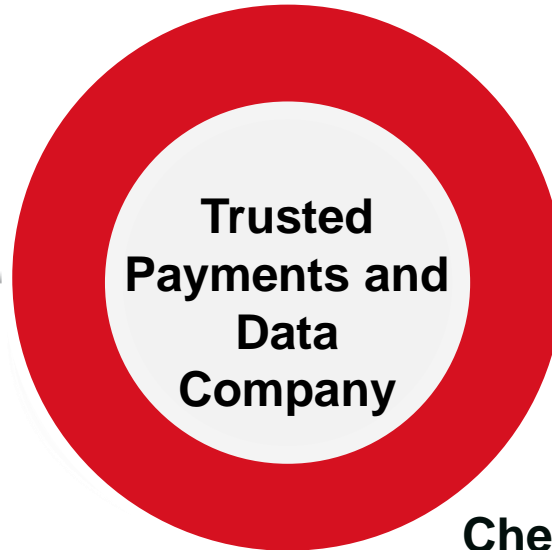


- Revenue increased 1.9% year-over-year
- Merchant Services increased 1.3%, noting improving trends later in the quarter
- Treasury Management improved 2.5% as SaaS increases were partially offset by some Lockbox volume softness

Data



- Comparable adjusted revenue increased 8.4% year-over-year
- Data-Driven Marketing business delivered strong results, including 20 new logo wins
- Core FI marketing campaigns to attract deposit accounts drove additional strength
- Sale of Web Hosting business closed on June 29th



Promo



- Comparable adjusted revenue increased 2.2% year-over-year
- Notable margin improvement and continued stabilization of the business

Checks



- Revenue increased 1.4% year-over-year
- Demand remained resilient especially across SMB customers



Chip Zint

Chief Financial Officer

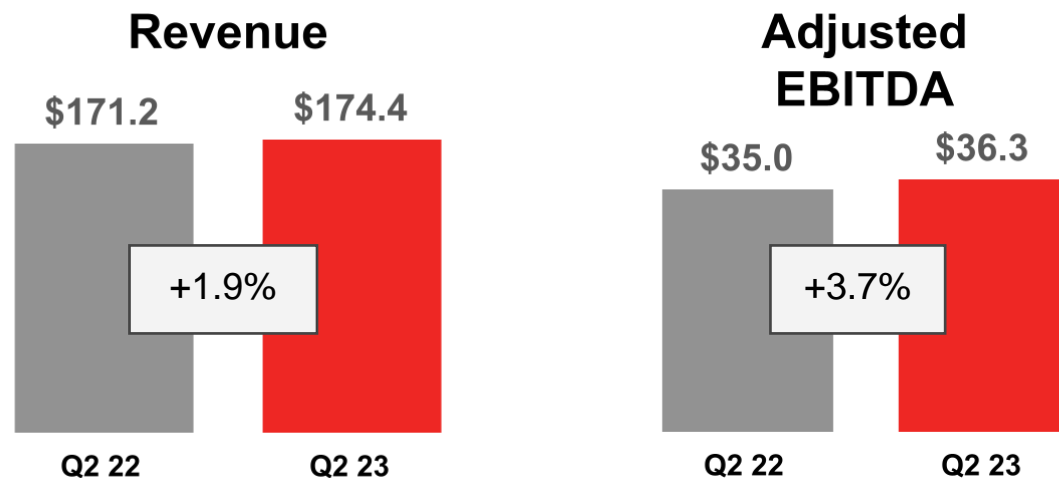
2Q23 Summary

- Total revenue was \$571.7 million, up 1.5% compared to 2Q22; comparable adjusted revenue increased 2.6%
- GAAP net income was \$16.4 million, or \$0.37 per share on a diluted basis
- Adjusted EBITDA was \$108.4 million, up 6.6% compared to 2Q22; comparable adjusted EBITDA increased 7.2%
- Adjusted EBITDA margin was 19.0%, up 90 basis points from last year and up 90 basis points on a comparable adjusted basis
- Adjusted EPS was \$0.93, down 6.1% year-over-year



Payments

(in millions)



- Adjusted EBITDA margin was 20.8%, up 40 basis points year-over-year driven primarily via operational improvements within Lockbox

Payments

Merchant Services

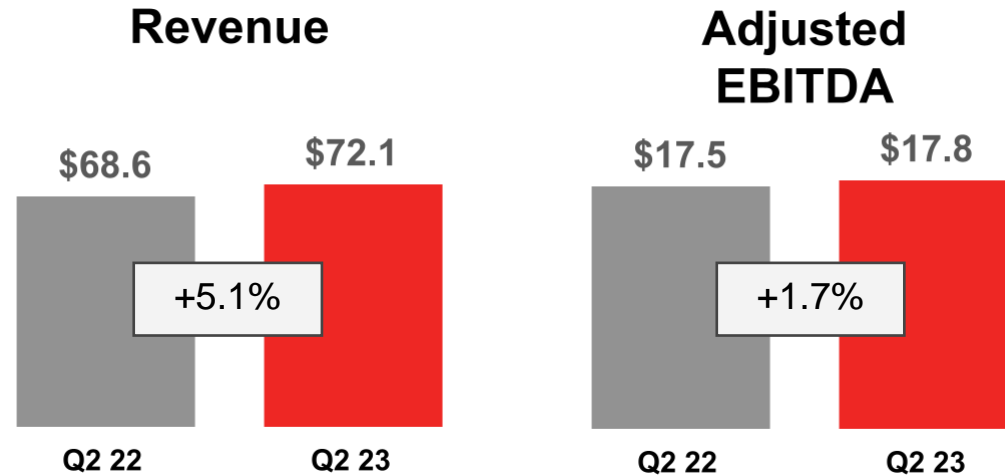
Receivables as
a Service

Payables as
a Service

Payroll & HR Management
Solutions

Data Solutions

(in millions)



- On a comparable adjusted basis, revenue increased 8.4% and Adjusted EBITDA increased 3.5%
- Adjusted EBITDA margin of 24.7%, 80 basis points lower, driven primarily by product mix

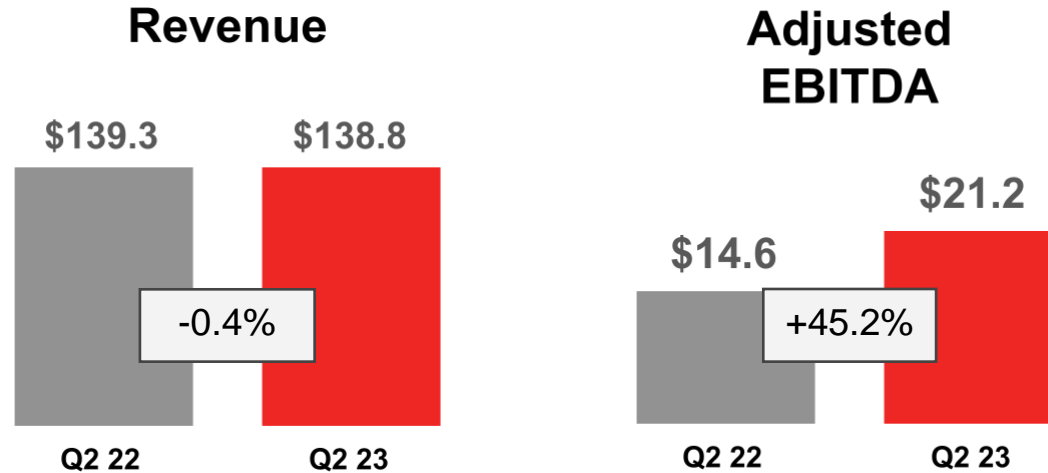
Data Solutions

Data Analytics

SaaS Solutions

Promotional Solutions

(in millions)



- Revenue increased 2.2% on a comparable adjusted basis
- Adjusted EBITDA margin was 15.3%, up 480 basis points year-over-year, as pricing actions and operational improvements continued to drive results

Promotional Solutions

Turn-Key Managed
Branded Solutions

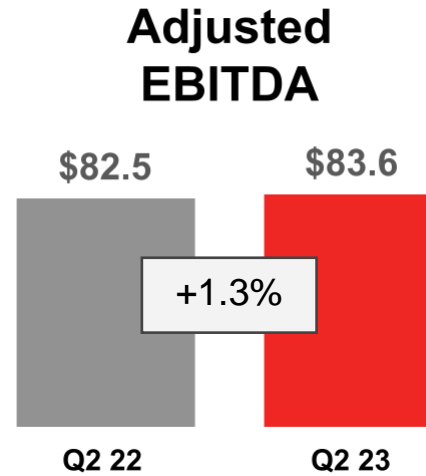
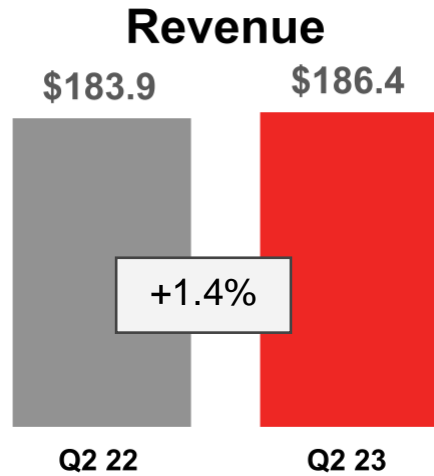
Web Storefront Platform
for Branded Products

Support Rapidly
Changing
Market Demands

Business
Essentials

Checks

(in millions)



- Revenue improvement driven by some Q1 timing impacts
- Strong EBITDA margins of 44.8% down 10bps year-over-year

Checks

Strong cash flow self funds growth investments, and generates healthy return of capital to shareholders

Cost-effective lead generation to drive cross-selling existing customers

Balance Sheet and Cash Flow

Declared regular dividend of \$0.30 per share

Net Debt to Adjusted EBITDA

(in millions)

	For the 12 Months Ended		
	6/30/23	03/31/23	Variance
Net Debt	\$1,628.1	\$1,662.1	(\$34.0)
LTM Adjusted EBITDA	\$425.6	\$418.9	\$6.7
Net Debt to Adjusted EBITDA	3.8x	4.0x	

Free Cash Flow

(in millions)

	For the Quarter Ended		
	6/30/23	6/30/22	Variance
Cash Provided by Operating Activities	\$54.1	\$37.9	\$16.2
Less Capital Expenditures	(30.4)	(24.4)	(6.0)
Free Cash Flow	\$23.7	\$13.5	\$10.2

2023 Guidance

Well-positioned for sustainable growth

- Revenue of \$2.18 to \$2.22 billion
- Adjusted EBITDA of \$400 to \$415 million
- Adjusted EPS of \$3.10 to \$3.40
- Free cash flow of \$80 to \$100 million
- Additional modeling assumptions:
 - Interest expense of \$120 to \$125 million
 - Adjusted tax rate of 26%
 - Depreciation and amortization of \$165 million, of which acquisition amortization is approximately \$75 million
 - Average outstanding share count of 43.7 million shares
 - Capital expenditures of \$100 million

All figures are approximate, and subject to, among other things, prevailing macroeconomic conditions, labor supply issues, inflation, and the impact of divestitures



The background of the slide is split diagonally from the top-left to the bottom-right. The upper-left portion is white, and the lower-right portion is a solid blue. A large white arrow points from the white area towards the blue area, starting from the left edge and ending near the center.

deluxe®

Q & A

Brian Anderson

Vice President of Strategy & Investor
Relations

Upcoming Conferences

Date	Event
September 18, 2023	CL King's 21st Annual Best Ideas Conference
September 20, 2023	Sidoti Virtual Small Cap Conference

Appendix



Consolidated Condensed Statements of Income

in millions, except per share amounts (Unaudited)

	Quarter Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Product revenue	\$323.8	\$322.2	\$634.1	\$639.4
Service revenue	247.9	240.8	483.0	479.6
Total revenue	571.7	563.0	1,117.1	1,119.0
Cost of products	(125.5)	(117.6)	(244.0)	(231.9)
Cost of services	(144.5)	(146.6)	(276.7)	(281.4)
Total cost of revenue	(270.0)	(264.2)	(520.7)	(513.3)
Gross profit	301.7	298.8	596.4	605.7
Selling, general and administrative expense	(245.3)	(249.5)	(492.9)	(509.4)
Restructuring and integration expense	(24.2)	(15.2)	(37.1)	(31.4)
Gain on sale of businesses and facility	21.9	17.5	21.9	17.5
Operating income	54.1	51.6	88.3	82.4
Interest expense	(31.9)	(21.4)	(61.9)	(41.7)
Other income	0.8	2.4	3.2	4.5
Income before income taxes	23.0	32.6	29.6	45.2
Income tax provision	(6.6)	(10.5)	(10.4)	(13.4)
Net income	16.4	22.1	19.2	31.8
Non-controlling interest	—	—	(0.1)	(0.1)
Net income attributable to Deluxe	\$16.4	\$22.1	\$19.1	\$31.7
Weighted-average dilutive shares outstanding	43.7	43.3	43.7	43.3
Diluted earnings per share	\$0.37	\$0.50	\$0.44	\$0.72
Adjusted diluted earnings per share	0.93	0.99	1.73	2.05
Capital expenditures	30.4	24.4	55.9	45.3
Depreciation and amortization expense	42.6	45.0	86.1	86.6
EBITDA	97.5	99.0	177.5	173.4
Adjusted EBITDA	108.4	101.7	208.8	201.3

Segment Information

in millions (Unaudited)

	Quarter Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Revenue:				
Payments	\$174.4	\$171.2	\$346.4	\$337.4
Data Solutions	72.1	68.6	130.7	138.1
Promotional Solutions	138.8	139.3	274.9	272.5
Checks	186.4	183.9	365.1	371.0
Total	<u>\$571.7</u>	<u>\$563.0</u>	<u>\$1,117.1</u>	<u>\$1,119.0</u>
Adjusted EBITDA:				
Payments	\$36.3	\$35.0	\$72.9	\$71.4
Data Solutions	17.8	17.5	33.0	34.8
Promotional Solutions	21.2	14.6	40.0	31.5
Checks	83.6	82.5	160.1	165.4
Corporate	(50.5)	(47.9)	(97.2)	(101.8)
Total	<u>\$108.4</u>	<u>\$101.7</u>	<u>\$208.8</u>	<u>\$201.3</u>
Adjusted EBITDA Margin:				
Payments	20.8%	20.4%	21.0%	21.2%
Data Solutions	24.7%	25.5%	25.2%	25.2%
Promotional Solutions	15.3%	10.5%	14.6%	11.6%
Checks	44.8%	44.9%	43.9%	44.6%
Total	19.0%	18.1%	18.7%	18.0%

Segment Information (continued)

in millions (Unaudited)

	Quarter Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Comparable Adjusted Revenue:				
Payments	\$174.4	\$171.2	\$346.4	\$337.4
Data Solutions	72.1	66.5	130.7	129.9
Promotional Solutions	138.8	135.8	274.9	261.7
Checks	186.4	183.9	365.1	371.0
Total	<u>\$571.7</u>	<u>\$557.4</u>	<u>\$1,117.1</u>	<u>\$1,100.0</u>
Comparable Adjusted EBITDA:				
Payments	\$36.3	\$35.0	\$72.9	\$71.4
Data Solutions	17.8	17.2	33.0	33.4
Promotional Solutions	21.2	14.3	40.0	31.0
Checks	83.6	82.5	160.1	165.4
Corporate	(50.5)	(47.9)	(97.2)	(101.8)
Total	<u>\$108.4</u>	<u>\$101.1</u>	<u>\$208.8</u>	<u>\$199.4</u>
Comparable Adjusted EBITDA Margin:				
Payments	20.8%	20.4%	21.0%	21.2%
Data Solutions	24.7%	25.9%	25.2%	25.7%
Promotional Solutions	15.3%	10.5%	14.6%	11.8%
Checks	44.8%	44.9%	43.9%	44.6%
Total	19.0%	18.1%	18.7%	18.1%

Reconciliation of GAAP to Non-GAAP Measures

EBITDA, Adjusted EBITDA and Adjusted EBITDA margin

in millions (Unaudited)

	Quarter Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Net income	\$16.4	\$22.1	\$19.2	\$31.8
Non-controlling interest	—	—	(0.1)	(0.1)
Interest expense	31.9	21.4	61.9	41.7
Income tax provision	6.6	10.5	10.4	13.4
Depreciation and amortization expense	42.6	45.0	86.1	86.6
EBITDA	97.5	99.0	177.5	173.4
Restructuring and integration costs	27.5	15.2	41.6	31.5
Share-based compensation expense	5.5	4.9	11.4	13.0
Acquisition transaction costs	—	—	—	0.1
Certain legal-related (benefit) expense	(0.2)	0.1	0.2	0.8
Gain on sale of businesses and facility	(21.9)	(17.5)	(21.9)	(17.5)
Adjusted EBITDA	<u>\$108.4</u>	<u>\$101.7</u>	<u>\$208.8</u>	<u>\$201.3</u>
Adjusted EBITDA margin	19.0 %	18.1 %	18.7%	18.0%

Reconciliation of GAAP to Non-GAAP Measures

Adjusted Diluted EPS - Q2 2023

dollars and shares in millions, except per share amounts (Unaudited)

	Q2 2023 GAAP	Acquisition amortization	Restructuring and integration costs	Share-based compensation	Certain legal- related benefit	Gain on sale of businesses and facility	Income tax impact of adjustments	Q2 2023 Adjusted
Total revenue	\$571.7	\$—	\$—	\$—	\$—	\$—	\$—	\$571.7
Total cost of revenue	(270.0)	3.2	3.3	0.2	—	—	—	(263.3)
Gross profit	301.7	3.2	3.3	0.2	—	—	—	308.4
Selling, general and administrative expense	(245.3)	17.8	—	5.3	(0.2)	—	—	(222.4)
Restructuring and integration expense	(24.2)	—	24.2	—	—	—	—	—
Gain on sale of businesses and facility	21.9	—	—	—	—	(21.9)	—	—
Operating income	54.1	21.0	27.5	5.5	(0.2)	(21.9)	—	86.0
Interest expense	(31.9)	—	—	—	—	—	—	(31.9)
Other income	0.8	—	—	—	—	—	—	0.8
Income before income taxes	23.0	<u>\$21.0</u>	<u>\$27.5</u>	<u>\$5.5</u>	<u>(\$0.2)</u>	<u>(\$21.9)</u>	—	54.9
Income tax provision	(6.6)						<u>(\$7.5)</u>	(14.1)
Net income	<u>\$16.4</u>							<u>\$40.8</u>
Income attributable to Deluxe available to common shareholders	<u>\$16.4</u>							<u>\$40.8</u>
Weighted-average dilutive shares	43.7							43.7
Diluted EPS	\$0.37							\$0.93

Reconciliation of GAAP to Non-GAAP Measures

Adjusted Diluted EPS - Q2 2022

dollars and shares in millions, except per share amounts (Unaudited)

	Q2 2022 GAAP	Acquisition amortization	Restructuring and integration costs	Share-based compensation	Certain legal- related expense	Gain on sale of businesses and facility	Income tax impact of adjustments	Q2 2022 Adjusted
Total revenue	\$563.0	\$—	\$—	\$—	\$—	\$—	\$—	\$563.0
Total cost of revenue	(264.2)	3.2	—	0.2	—	—	—	(260.8)
Gross profit	298.8	3.2	—	0.2	—	—	—	302.2
Selling, general and administrative expense	(249.5)	19.8	—	4.7	0.1	—	—	(224.9)
Restructuring and integration expense	(15.2)	—	15.2	—	—	—	—	—
Gain on sale of businesses and facility	17.5	—	—	—	—	(17.5)	—	—
Operating income	51.6	23.0	15.2	4.9	0.1	(17.5)	—	77.3
Interest expense	(21.4)	—	—	—	—	—	—	(21.4)
Other income	2.4	—	—	—	—	—	—	2.4
Income before income taxes	32.6	<u>\$23.0</u>	<u>\$15.2</u>	<u>\$4.9</u>	<u>\$0.1</u>	<u>(\$17.5)</u>	—	58.3
Income tax provision	(10.5)						<u>(\$4.5)</u>	(15.0)
Net income	<u>\$22.1</u>							<u>\$43.3</u>
Income attributable to Deluxe available to common shareholders	<u>\$21.7</u>							<u>\$43.0</u>
Weighted-average dilutive shares	43.3							43.3
Diluted EPS	\$0.50							\$0.99

Reconciliation of GAAP to Non-GAAP Measures

Adjusted Diluted EPS - June YTD 2023

dollars and shares in millions, except per share amounts (Unaudited)

	June YTD 2023 GAAP	Acquisition amortization	Restructuring and integration costs	Share-based compensation	Certain legal- related expense	Gain on sale of businesses and facility	Income tax impact of adjustments	June YTD 2023 Adjusted
Total revenue	\$1,117.1	\$—	\$—	\$—	\$—	\$—	\$—	\$1,117.1
Total cost of revenue	(520.7)	6.4	4.5	0.4	—	—	—	(509.4)
Gross profit	596.4	6.4	4.5	0.4	—	—	—	607.7
Selling, general and administrative expense	(492.9)	35.9	—	11.0	0.2	—	—	(445.8)
Restructuring and integration expense	(37.1)	—	37.1	—	—	—	—	—
Gain on sale of businesses and facility	21.9	—	—	—	—	(21.9)	—	—
Operating income	88.3	42.3	41.6	11.4	0.2	(21.9)	—	161.9
Interest expense	(61.9)	—	—	—	—	—	—	(61.9)
Other income	3.2	—	—	—	—	—	—	3.2
Income before income taxes	29.6	<u>\$42.3</u>	<u>\$41.6</u>	<u>\$11.4</u>	<u>\$0.2</u>	<u>(\$21.9)</u>	—	103.2
Income tax benefit (provision)	(10.4)						<u>(\$17.0)</u>	(27.4)
Net income	19.2							75.8
Non-controlling interest	(0.1)							(0.1)
Net income attributable to Deluxe	<u>\$19.1</u>							<u>\$75.7</u>
Income attributable to Deluxe available to common shareholders	\$19.1							\$75.7
Weighted-average dilutive shares	43.7							43.7
Diluted EPS	\$0.44							\$1.73

Reconciliation of GAAP to Non-GAAP Measures

Adjusted Diluted EPS - June YTD 2022

dollars and shares in millions, except per share amounts (Unaudited)

	June YTD 2022 GAAP	Acquisition amortization	Restructuring and integration costs	Share-based compensation	Acquisition transaction costs	Certain legal- related expense	Gain on sale of businesses and facility	Income tax impact of adjustments	June YTD 2022 Adjusted
Total revenue	\$1,119.0	\$—	\$—	\$—	\$—	\$—	\$—	\$—	\$1,119.0
Total cost of revenue	(513.3)	6.5	0.1	0.8	—	—	—	—	(505.9)
Gross profit	605.7	6.5	0.1	0.8	—	—	—	—	613.1
Selling, general and administrative expense	(509.4)	40.5	—	12.2	0.1	0.8	—	—	(455.8)
Restructuring and integration expense	(31.4)	—	31.4	—	—	—	—	—	—
Gain on sale of businesses and facility	17.5	—	—	—	—	—	(17.5)	—	—
Operating income	82.4	47.0	31.5	13.0	0.1	0.8	(17.5)	—	157.3
Interest expense	(41.7)	—	—	—	—	—	—	—	(41.7)
Other income	4.5	—	—	—	—	—	—	—	4.5
Income before income taxes	45.2	<u>\$47.0</u>	<u>\$31.5</u>	<u>\$13.0</u>	<u>\$0.1</u>	<u>\$0.8</u>	<u>(\$17.5)</u>	—	120.1
Income tax provision	(13.4)							<u>(\$17.6)</u>	(31.0)
Net income	31.8								\$89.1
Non-controlling interest	(0.1)								(0.1)
Net income attributable to Deluxe	<u>\$31.7</u>								<u>\$89.0</u>
Income attributable to Deluxe available to common shareholders	<u>\$31.3</u>								<u>\$88.5</u>
Weighted-average dilutive shares	43.3								43.3
Diluted EPS	\$0.72								\$2.05

Reconciliation of GAAP to Non-GAAP Measures

Comparable Adjusted Revenue

in millions (Unaudited)

	Quarter Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Total Company:				
Total revenue	\$571.7	\$563.0	\$1,117.1	\$1,119.0
Business exits	—	(5.6)	—	(19.0)
Comparable adjusted revenue	<u>\$571.7</u>	<u>\$557.4</u>	<u>\$1,117.1</u>	<u>\$1,100.0</u>
Payments:				
Total revenue	\$174.4	\$171.2	\$346.4	\$337.4
Data Solutions:				
Total revenue	\$72.1	\$68.6	\$130.7	\$138.1
Business exits	—	(2.1)	—	(8.2)
Comparable adjusted revenue	<u>\$72.1</u>	<u>\$66.5</u>	<u>\$130.7</u>	<u>\$129.9</u>
Promotional Solutions:				
Total revenue	\$138.8	\$139.3	\$274.9	\$272.5
Business exits	—	(3.5)	—	(10.8)
Comparable adjusted revenue	<u>\$138.8</u>	<u>\$135.8</u>	<u>\$274.9</u>	<u>\$261.7</u>
Checks:				
Total revenue	\$186.4	\$183.9	\$365.1	\$371.0

Reconciliation of GAAP to Non-GAAP Measures

Comparable Adjusted EBITDA

in millions (Unaudited)

	Quarter Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Total Company:				
Adjusted EBITDA	\$108.4	\$101.7	\$208.8	\$201.3
Business exits	—	(0.6)	—	(1.9)
Comparable adjusted EBITDA	<u>\$108.4</u>	<u>\$101.1</u>	<u>\$208.8</u>	<u>\$199.4</u>
Payments:				
Adjusted EBITDA	\$36.3	\$35.0	\$72.9	\$71.4
Data Solutions:				
Adjusted EBITDA	\$17.8	\$17.5	\$33.0	\$34.8
Business exits	—	(0.3)	—	(1.4)
Comparable adjusted EBITDA	<u>\$17.8</u>	<u>\$17.2</u>	<u>\$33.0</u>	<u>\$33.4</u>
Promotional Solutions:				
Adjusted EBITDA	\$21.2	\$14.6	\$40.0	\$31.5
Business exits	—	(0.3)	—	(0.5)
Comparable adjusted EBITDA	<u>\$21.2</u>	<u>\$14.3</u>	<u>\$40.0</u>	<u>\$31.0</u>
Checks:				
Adjusted EBITDA	\$83.6	\$82.5	\$160.1	\$165.4
Corporate:				
Adjusted EBITDA	(\$50.5)	(\$47.9)	(\$97.2)	(\$101.8)

Reconciliation of GAAP to Non-GAAP Measures

Comparable Adjusted Revenue / Comparable Adjusted EBITDA Outlook

(Unaudited)

	Total Year		Data Solutions	Promotional Solutions
	2023 Outlook	2022 Actual	2022 Actual	2022 Actual
<i>(in billions)</i>				
Total revenue	\$2.18 - \$2.22	\$2.238	\$0.268	\$0.563
Less: Business exits	—	(0.052)	(0.039)	(0.013)
Comparable adjusted revenue	\$2.18 - \$2.22	\$2.186	\$0.229	\$0.550
Comparable adjusted revenue growth %	0% - 2%		Low single digit growth	Low single digit growth
<i>(in millions)</i>				
Adjusted EBITDA	\$400 - \$415	\$418		
Less: Business exits	—	(14)		
Comparable adjusted EBITDA	\$400 - \$415	\$404		
Comparable adjusted EBITDA growth %	(1%) - 3%			

The reconciliation of net income to adjusted EBITDA for 2022 can be found in the Company's Form 10-K for the year ended December 31, 2022.

Reconciliation of GAAP to Non-GAAP Measures

Net Debt to Adjusted EBITDA

in millions (Unaudited)

	June 30, 2023	March 31, 2023
Total debt	\$1,667.2	\$1,686.7
Cash and cash equivalents	(39.1)	(24.6)
Net debt	<u>\$1,628.1</u>	<u>\$1,662.1</u>

TRAILING 12 MONTHS ADJUSTED EBITDA:

	12 Months Ended June 30, 2023	12 Months Ended March 31, 2023
Net income	\$52.9	\$58.6
Interest expense	114.7	104.2
Income tax provision	15.8	19.7
Depreciation and amortization expense	172.0	174.4
Restructuring and integration costs	73.2	60.9
Share-based compensation	22.0	21.4
Acquisition transaction costs	0.1	0.1
Certain legal-related benefit	(1.4)	(1.1)
Gain on sale of businesses and facility	(23.7)	(19.3)
Adjusted EBITDA	<u>\$425.6</u>	<u>\$418.9</u>
NET DEBT TO ADJUSTED EBITDA	3.8	4.0

Reconciliation of GAAP to Non-GAAP Measures

Free Cash Flow

in millions (Unaudited)

	Quarter Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Net cash provided by operating activities	\$54.1	\$37.9	\$47.3	\$72.2
Purchases of capital assets	(30.4)	(24.4)	(55.9)	(45.3)
Free cash flow	<u>\$23.7</u>	<u>\$13.5</u>	<u>(\$8.6)</u>	<u>\$26.9</u>

Reconciliation of GAAP to Non-GAAP Measures

We have not reconciled the adjusted EBITDA, comparable adjusted EBITDA, adjusted EPS, free cash flow or adjusted tax rate outlook guidance for 2023 to the directly comparable GAAP financial measures because we do not provide outlook guidance for the reconciling items between net income, adjusted net income or adjusted EBITDA, and certain of these reconciling items impact cash flows from operating activities. Because of the substantial uncertainty and variability surrounding certain of the forward-looking reconciling items, including asset impairment charges; restructuring and integration costs; gains and losses on sales of businesses and facilities, and certain legal-related expenses, a reconciliation of the non-GAAP financial measure outlook guidance to the corresponding GAAP measures 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.

The logo for 'deluxe' is centered on a background of large, light gray triangles that form a larger 'X' shape. The word 'deluxe' is written in a lowercase, sans-serif font. The letters 'de', 'lu', and 'e' are black, while the 'x' is a vibrant red. A small registered trademark symbol (®) is located at the bottom right of the letter 'e'.

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