

deluxe®

# Third Quarter 2023 Earnings

November 2, 2023

# Brian Anderson

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**

Vice President,  
Strategy & Investor  
Relations

# 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](https://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.

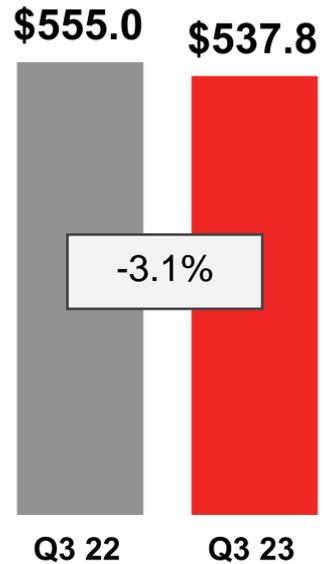
# Barry McCarthy

President and Chief Executive Officer

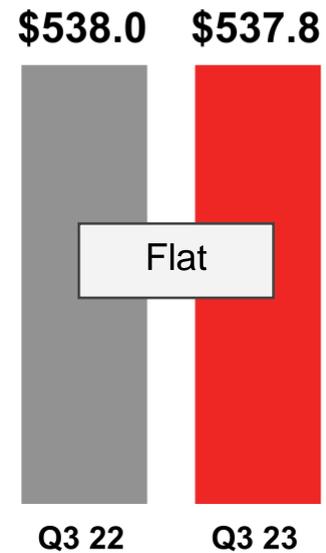
# Third Quarter 2023 Highlights

(in millions)

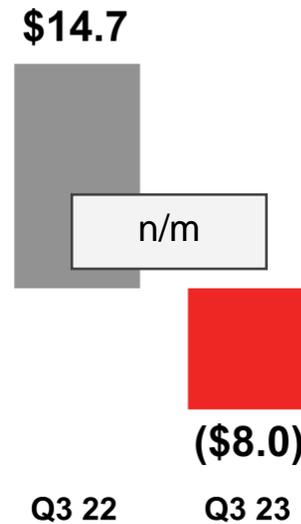
## Revenue



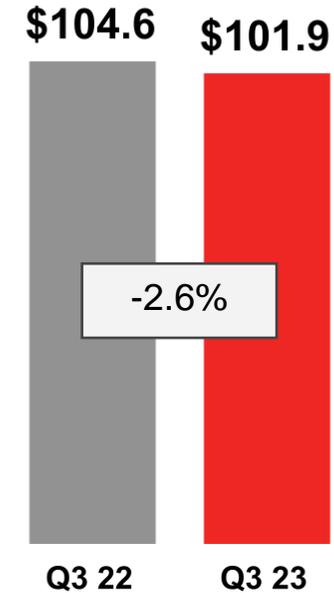
## Comparable Adjusted Revenue



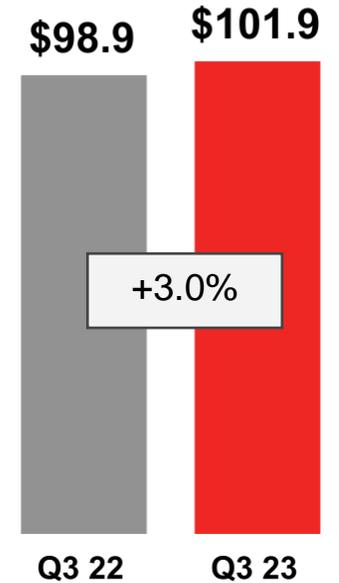
## Net (Loss) Income - GAAP



## Adjusted EBITDA



## Comparable Adjusted EBITDA



n/m - not meaningful

# 3Q'23 Segment Highlights

Comparable Adjusted EBITDA grew 3% vs 3Q'22

## Payments



- B2B Payments declined 2.5% driven by Lockbox volume softness, challenging prior-year comparable
- Merchant Services improved sequentially to +2.1% year-over-year, +3.4% YTD 3Q'23
- Fulton Bank relationship expands middle-market offering & growth potential

## Data



- Data-Driven Marketing comparable adjusted revenue increased 24.5% year-over-year
- Core FI marketing campaign demand, to attract deposit accounts & expand business banking relationships, remains strong
- 47.1% comparable adjusted EBITDA growth versus 3Q'22
- Continued expansion to high-growth verticals beyond financial services

**Trusted  
Payments and  
Data  
Company**

## Promo



- Comparable adjusted revenue decreased 7.5% year-over-year, with some demand softening across extended distribution
- YTD comparable adjusted EBITDA margin has expanded 180 bps year-over-year

## Checks



- Revenue decreased 1.3% year-over-year
- Adj EBITDA margin expanded 110 bps to 45.2%

d1x

# Project North Star

# Introducing Project North Star

## Enterprise-wide Transformation Program...

- Aligned to existing enterprise strategy & stated capital allocation priorities
- Mix of cost-out / expense optimization & high-priority growth initiatives
- Portfolio approach including 12+ workstreams driving value, mitigating execution risk

... accelerating execution against core DLX goals & drivers of shareholder return

**+\$100 million**  
of incremental run-rate  
**FCF<sup>(1)</sup>**

**+\$80 million**  
of incremental adj  
**EBITDA<sup>(2)</sup>**

**by 2026**

- Prioritizing rapid cash-generation & payback initiatives / high-ROIC to fund LT investment
- Driving expanded operating leverage / Strengthened balance sheet
- YTD actions contribute +\$10 million of Q4'23 adj EBITDA outlook



# Chip Zint

Chief Financial Officer

# 3Q'23 Summary

- Total revenue was \$537.8 million, down 3.1% compared to 3Q22; comparable adjusted revenue was flat
- GAAP net loss was \$8.0 million, or \$0.18 per share on a diluted basis
- Adjusted EBITDA was \$101.9 million, down 2.6% compared to 3Q22; comparable adjusted EBITDA increased 3.0%
- Adjusted EBITDA margin was 18.9%, up 10 basis points from last year and up 50 basis points on a comparable adjusted basis
- Adjusted EPS was \$0.79, down 20.2% on higher year-over-year interest expense



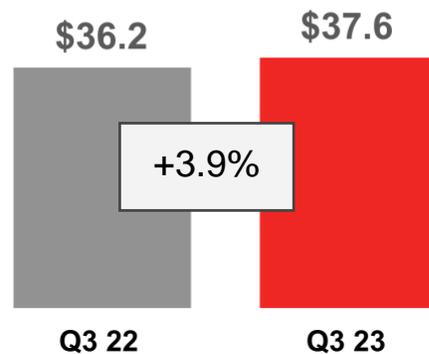
# Payments

(in millions)

## Revenue



## Adjusted EBITDA



- Adjusted EBITDA margin was 22.2%, up 90 basis points year-over-year driven primarily via operational improvements within Lockbox

## Payments

Merchant Services

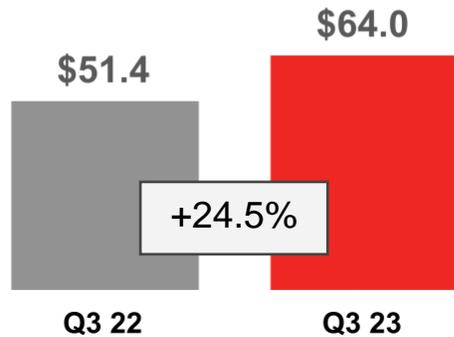
Treasury Management  
Receivables as  
a Service

B2B/Digital Payments  
Payables as  
a Service

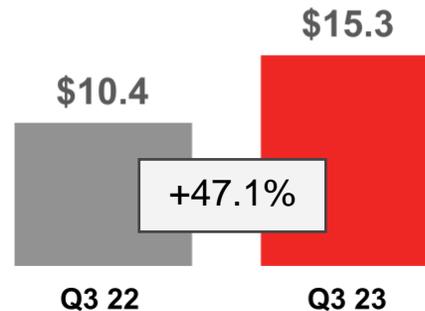
# Data Solutions

(in millions)

## Comparable Adjusted Revenue



## Comparable Adjusted EBITDA



- On a reported basis, revenue of \$64.0 million decreased 4.0% from \$66.7 million in the prior year
- Adjusted EBITDA of \$15.3 million decreased 4.4%, including the impact of current- and prior-year business exits, from \$16.0 million in 2022

## Data Solutions

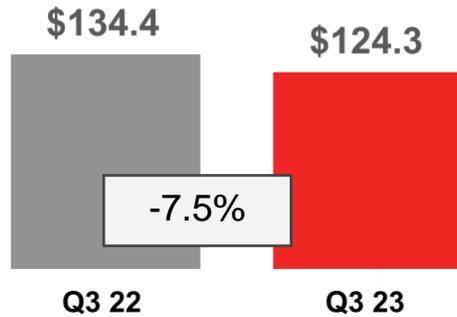
Data Analytics

Data Driven Marketing  
SMB SaaS Solutions

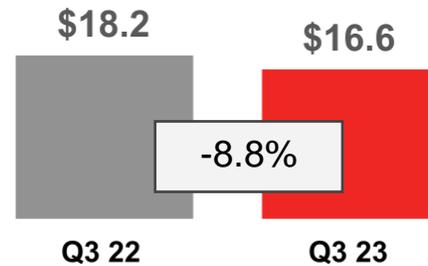
# Promotional Solutions

(in millions)

## Comparable Adjusted Revenue



## Comparable Adjusted EBITDA



- On a reported basis, revenue of \$124.3 million decreased 8.7% from \$136.1 million in 2022
- Adjusted EBITDA of \$16.6 millions decreased 9.3% from \$18.3 million in the prior year

## Promotional Solutions

Turn-Key Managed  
Branded Solutions

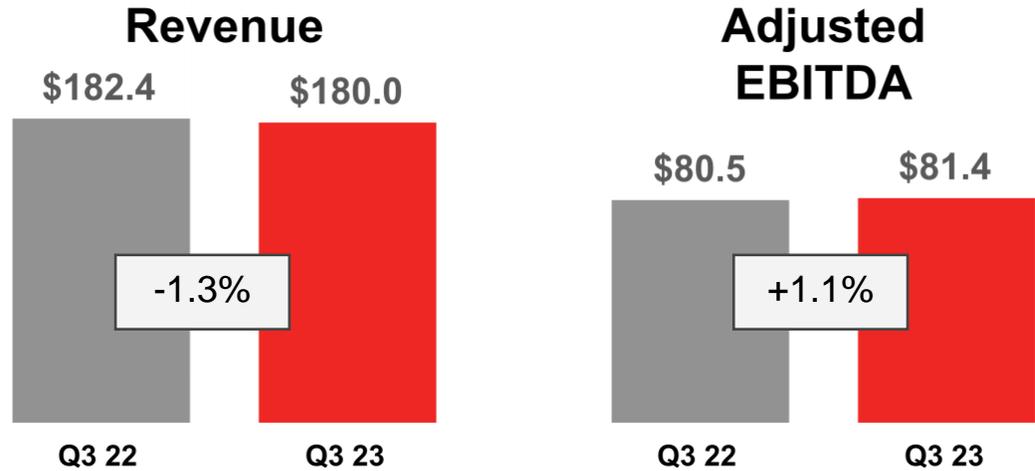
Web Storefront Platform  
for Branded Products

Extensive range of  
Promotional offerings

Business  
Essentials

# Checks

(in millions)



- Revenue decline slower than the market and in-line with our expectations
- Strong EBITDA margin of 45.2% up 110 bps year-over-year

## Checks

Strong cash flows fund growth investments, and generate healthy return of capital to shareholders

Long-standing customer relationships drive cross-selling opportunities

# 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		
	9/30/23	06/30/23	Variance
Net Debt	\$1,590.2	\$1,628.1	(\$37.9)
LTM Adjusted EBITDA	\$422.9	\$425.6	(\$2.7)
Net Debt to Adjusted EBITDA	3.8x	3.8x	

## Free Cash Flow

(in millions)

	For the Quarter Ended		
	9/30/23	9/30/22	Variance
Cash Provided by Operating Activities	\$67.6	\$51.2	\$16.4
Less Capital Expenditures	(24.9)	(28.2)	3.3
Free Cash Flow	\$42.7	\$23.0	\$19.7

# Project North Star

# Introducing Project North Star

## Enterprise-wide Transformation Program...

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- Mix of cost-out / expense optimization & high-priority growth initiatives
- Portfolio approach including 12+ workstreams driving value, mitigating execution risk

... accelerating execution against core DLX goals & drivers of shareholder return

**+\$100 million**  
of incremental run-rate  
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of incremental adj  
**EBITDA<sup>(2)</sup>**

**by 2026**

- Prioritizing rapid cash-generation & payback initiatives / high-ROIC to fund LT investment
- Driving expanded operating leverage / Strengthened balance sheet
- YTD actions contribute +\$10 million of Q4'23 adj EBITDA outlook

<sup>(1)</sup> Net FCF expansion forecasted to commence post-'24, <sup>(2)</sup> Reflects run-rate Comparable Adjusted EBITDA

# 2023 Guidance

## Well-positioned for sustainable growth

- Revenue of \$2.18 to \$2.22 billion
- Adjusted EBITDA of \$405 to \$420 million
- Adjusted EPS of \$3.20 to \$3.45
- Free cash flow of \$60 to \$80 million
  
- Additional modeling assumptions:
  - Interest expense of approximately \$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 43.9 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*



deluxe<sup>®</sup>

Q & A

dlx

# Brian Anderson

Vice President of Strategy & Investor  
Relations

# Upcoming Conferences/Events

Date	Event
November 15, 2023	Stephens Annual Investment Conference, Nashville, TN
December 5, 2023	Deluxe Investor Day, 8:30 am ET, Lotte New York Palace Hotel

# Appendix



# Consolidated Condensed Statements of (Loss) Income

in millions, except per share amounts (Unaudited)

	Quarter Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Product revenue	\$304.8	\$317.2	\$938.9	\$956.7
Service revenue	233.0	237.8	716.0	717.3
Total revenue	537.8	555.0	1,654.9	1,674.0
Cost of products	(118.0)	(113.6)	(361.9)	(345.5)
Cost of services	(137.1)	(142.6)	(413.8)	(424.0)
Total cost of revenue	(255.1)	(256.2)	(775.7)	(769.5)
Gross profit	282.7	298.8	879.2	904.5
Selling, general and administrative expense	(233.9)	(243.8)	(726.9)	(753.1)
Restructuring and integration expense	(22.9)	(15.2)	(60.1)	(46.6)
(Loss) gain on sale of businesses and long-lived assets	(4.3)	1.8	17.6	19.3
Operating income	21.6	41.6	109.8	124.1
Interest expense	(32.0)	(23.8)	(94.0)	(65.5)
Other income	1.2	3.1	4.6	7.5
(Loss) income before income taxes	(9.2)	20.9	20.4	66.1
Income tax benefit (provision)	1.2	(6.2)	(9.2)	(19.6)
Net (loss) income	(8.0)	14.7	11.2	46.5
Non-controlling interest	—	—	(0.1)	(0.1)
Net (loss) income attributable to Deluxe	<u>(\$8.0)</u>	<u>\$14.7</u>	<u>\$11.1</u>	<u>\$46.4</u>
Weighted-average dilutive shares outstanding	43.7	43.4	43.8	43.3
Diluted (loss) earnings per share	(\$0.18)	\$0.34	\$0.25	\$1.06
Adjusted diluted earnings per share	0.79	0.99	2.53	3.04
Capital expenditures	24.9	28.2	80.8	73.4
Depreciation and amortization expense	38.9	42.3	125.0	128.9
EBITDA	61.7	87.0	239.3	260.4
Adjusted EBITDA	101.9	104.6	310.7	305.9

# Segment Information

in millions (Unaudited)

	Quarter Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Revenue:				
Payments	\$169.5	\$169.8	\$515.8	\$507.2
Data Solutions	64.0	66.7	194.8	204.8
Promotional Solutions	124.3	136.1	399.2	408.6
Checks	180.0	182.4	545.1	553.4
Total	<u>\$537.8</u>	<u>\$555.0</u>	<u>\$1,654.9</u>	<u>\$1,674.0</u>
Adjusted EBITDA:				
Payments	\$37.6	\$36.2	\$110.4	\$107.6
Data Solutions	15.3	16.0	48.4	50.9
Promotional Solutions	16.6	18.3	56.7	49.8
Checks	81.4	80.5	241.5	245.8
Corporate	(49.0)	(46.4)	(146.3)	(148.2)
Total	<u>\$101.9</u>	<u>\$104.6</u>	<u>\$310.7</u>	<u>\$305.9</u>
Adjusted EBITDA Margin:				
Payments	22.2%	21.3%	21.4%	21.2%
Data Solutions	23.9%	24.0%	24.8%	24.9%
Promotional Solutions	13.4%	13.4%	14.2%	12.2%
Checks	45.2%	44.1%	44.3%	44.4%
Total	18.9%	18.8%	18.8%	18.3%

# Segment Information (continued)

in millions (Unaudited)

	Quarter Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Comparable Adjusted Revenue:				
Payments	\$169.5	\$169.8	\$515.8	\$507.2
Data Solutions	64.0	51.4	194.8	181.4
Promotional Solutions	124.3	134.4	399.2	396.1
Checks	180.0	182.4	545.1	553.4
Total	<u>\$537.8</u>	<u>\$538.0</u>	<u>\$1,654.9</u>	<u>\$1,638.1</u>
Comparable Adjusted EBITDA:				
Payments	\$37.6	\$36.2	\$110.4	\$107.6
Data Solutions	15.3	10.4	48.4	43.9
Promotional Solutions	16.6	18.2	56.7	49.2
Checks	81.4	80.5	241.5	245.8
Corporate	(49.0)	(46.4)	(146.3)	(148.2)
Total	<u>\$101.9</u>	<u>\$98.9</u>	<u>\$310.7</u>	<u>\$298.3</u>
Comparable Adjusted EBITDA Margin:				
Payments	22.2%	21.3%	21.4%	21.2%
Data Solutions	23.9%	20.2%	24.8%	24.2%
Promotional Solutions	13.4%	13.5%	14.2%	12.4%
Checks	45.2%	44.1%	44.3%	44.4%
Total	18.9%	18.4%	18.8%	18.2%

# Reconciliation of GAAP to Non-GAAP Measures

EBITDA, Adjusted EBITDA and Adjusted EBITDA margin

*in millions (Unaudited)*

	Quarter Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Net (loss) income	(\$8.0)	\$14.7	\$11.2	\$46.5
Non-controlling interest	—	—	(0.1)	(0.1)
Interest expense	32.0	23.8	94.0	65.5
Income tax (benefit) provision	(1.2)	6.2	9.2	19.6
Depreciation and amortization expense	38.9	42.3	125.0	128.9
EBITDA	61.7	87.0	239.3	260.4
Restructuring and integration costs	29.4	15.3	70.9	46.8
Share-based compensation expense	4.5	5.7	15.9	18.7
Acquisition transaction costs	—	0.1	—	0.1
Certain legal-related expense (benefit)	2.0	(1.7)	2.2	(0.8)
Loss (gain) on sale of businesses and long-lived assets	4.3	(1.8)	(17.6)	(19.3)
Adjusted EBITDA	<u>\$101.9</u>	<u>\$104.6</u>	<u>\$310.7</u>	<u>\$305.9</u>
Adjusted EBITDA margin	18.9 %	18.8 %	18.8%	18.3%

# Reconciliation of GAAP to Non-GAAP Measures

## Adjusted Diluted EPS - Q3 2023

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

	Q3 2023 GAAP	Acquisition amortization	Restructuring and integration costs	Share-based compensation	Certain legal- related expense	Loss on sale of businesses and long- lived assets	Income tax impact of adjustments	Q3 2023 Adjusted
Total revenue	\$537.8	\$—	\$—	\$—	\$—	\$—	\$—	\$537.8
Total cost of revenue	(255.1)	3.2	6.5	0.2	—	—	—	(245.2)
Gross profit	282.7	3.2	6.5	0.2	—	—	—	292.6
Selling, general and administrative expense	(233.9)	13.3	—	4.3	2.0	—	—	(214.3)
Restructuring and integration expense	(22.9)	—	22.9	—	—	—	—	—
Loss on sale of businesses and long-lived assets	(4.3)	—	—	—	—	4.3	—	—
Operating income	21.6	16.5	29.4	4.5	2.0	4.3	—	78.3
Interest expense	(32.0)	—	—	—	—	—	—	(32.0)
Other income	1.2	—	—	—	—	—	—	1.2
(Loss) income before income taxes	(9.2)	\$16.5	\$29.4	\$4.5	\$2.0	\$4.3	—	47.5
Income tax benefit (provision)	1.2	—	—	—	—	—	(\$13.8)	(12.6)
Net (loss) income	(\$8.0)	—	—	—	—	—	—	\$34.9
(Loss) income attributable to Deluxe available to common shareholders	(\$8.0)	—	—	—	—	—	—	\$34.9
Weighted-average dilutive shares	43.7	—	—	—	—	—	—	44.0
Diluted EPS	(\$0.18)	—	—	—	—	—	—	\$0.79

# Reconciliation of GAAP to Non-GAAP Measures

## Adjusted Diluted EPS - Q3 2022

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

	Q3 2022 GAAP	Acquisition amortization	Restructuring and integration costs	Share-based compensation	Acquisition transaction costs	Certain legal- related benefit	Gain on sale of businesses/ long-lived assets & gain on debt retirement	Income tax impact of adjustments	Q3 2022 Adjusted
Total revenue	\$555.0	\$—	\$—	\$—	\$—	\$—	\$—	\$—	\$555.0
Total cost of revenue	(256.2)	3.2	0.1	0.2	—	—	—	—	(252.7)
Gross profit	298.8	3.2	0.1	0.2	—	—	—	—	302.3
Selling, general and administrative expense	(243.8)	18.5	—	5.5	0.1	(1.7)	—	—	(221.4)
Restructuring and integration expense	(15.2)	—	15.2	—	—	—	—	—	—
Gain on sale of businesses and long-lived assets	1.8	—	—	—	—	—	(1.8)	—	—
Operating income	41.6	21.7	15.3	5.7	0.1	(1.7)	(1.8)	—	80.9
Interest expense	(23.8)	—	—	—	—	—	(1.7)	—	(25.5)
Other income	3.1	—	—	—	—	—	—	—	3.1
Income before income taxes	20.9	\$21.7	\$15.3	\$5.7	\$0.1	(\$1.7)	(\$3.5)	—	58.5
Income tax provision	(6.2)	—	—	—	—	—	—	(\$9.2)	(15.4)
Net income	\$14.7	—	—	—	—	—	—	—	\$43.1
Income attributable to Deluxe available to common shareholders	\$14.6	—	—	—	—	—	—	—	\$43.0
Weighted-average dilutive shares	43.4	—	—	—	—	—	—	—	43.4
Diluted EPS	\$0.34	—	—	—	—	—	—	—	\$0.99

# Reconciliation of GAAP to Non-GAAP Measures

## Adjusted Diluted EPS - Sept YTD 2023

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

	Sept YTD 2023 GAAP	Acquisition amortization	Restructuring and integration costs	Share-based compensation	Certain legal- related expense	Gain on sale of businesses and long- lived assets	Income tax impact of adjustments	Sept YTD 2023 Adjusted
Total revenue	\$1,654.9	\$—	\$—	\$—	\$—	\$—	\$—	\$1,654.9
Total cost of revenue	(775.7)	9.5	10.8	0.6	—	—	—	(754.8)
Gross profit	879.2	9.5	10.8	0.6	—	—	—	900.1
Selling, general and administrative expense	(726.9)	49.3	—	15.3	2.2	—	—	(660.1)
Restructuring and integration expense	(60.1)	—	60.1	—	—	—	—	—
Gain on sale of businesses and long-lived assets	17.6	—	—	—	—	(17.6)	—	—
Operating income	109.8	58.8	70.9	15.9	2.2	(17.6)	—	240.0
Interest expense	(94.0)	—	—	—	—	—	—	(94.0)
Other income	4.6	—	—	—	—	—	—	4.6
Income before income taxes	20.4	<u>\$58.8</u>	<u>\$70.9</u>	<u>\$15.9</u>	<u>\$2.2</u>	<u>(\$17.6)</u>	—	150.6
Income tax provision	(9.2)						<u>(\$30.6)</u>	(39.8)
Net income	11.2							110.8
Non-controlling interest	(0.1)							(0.1)
Net income attributable to Deluxe	<u>\$11.1</u>							<u>\$110.7</u>
Income attributable to Deluxe available to common shareholders	\$11.1							\$110.7
Weighted-average dilutive shares	43.8							43.8
Diluted EPS	\$0.25							\$2.53

# Reconciliation of GAAP to Non-GAAP Measures

## Adjusted Diluted EPS - Sept YTD 2022

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

	Sept YTD 2022 GAAP	Acquisition amortization	Restructuring and integration costs	Share-based compensation	Acquisition transaction costs	Certain legal- related benefit	Gain on sale of businesses/ ong-lived assets & gain on debt retirement	Income tax impact of adjustments	Sept YTD 2022 Adjusted
Total revenue	\$1,674.0	\$—	\$—	\$—	\$—	\$—	\$—	\$—	\$1,674.0
Total cost of revenue	(769.5)	9.7	0.2	1.0	—	—	—	—	(758.6)
Gross profit	904.5	9.7	0.2	1.0	—	—	—	—	915.4
Selling, general and administrative expense	(753.1)	59.0	—	17.7	0.1	(0.8)	—	—	(677.1)
Restructuring and integration expense	(46.6)	—	46.6	—	—	—	—	—	—
Gain on sale of businesses and facility	19.3	—	—	—	—	—	(19.3)	—	—
Operating income	124.1	68.7	46.8	18.7	0.1	(0.8)	(19.3)	—	238.3
Interest expense	(65.5)	—	—	—	—	—	(1.7)	—	(67.2)
Other income	7.5	—	—	—	—	—	—	—	7.5
Income before income taxes	66.1	<u>\$68.7</u>	<u>\$46.8</u>	<u>\$18.7</u>	<u>\$0.1</u>	<u>(\$0.8)</u>	<u>(\$21.0)</u>	—	178.6
Income tax provision	(19.6)							<u>(\$26.8)</u>	(46.4)
Net income	46.5								\$132.2
Non-controlling interest	(0.1)								(0.1)
Net income attributable to Deluxe	<u>\$46.4</u>								<u>\$132.1</u>
Income attributable to Deluxe available to common shareholders	<u>\$45.9</u>								<u>\$131.5</u>
Weighted-average dilutive shares	43.3								43.3
Diluted EPS	\$1.06								\$3.04

# Reconciliation of GAAP to Non-GAAP Measures

## Comparable Adjusted Revenue *in millions (Unaudited)*

	Quarter Ended September 30, 2023	2022	Nine Months Ended September 30, 2023	2022
<b>Total Company:</b>				
Total revenue	\$537.8	\$555.0	\$1,654.9	\$1,674.0
Business exits	—	(17.0)	—	(35.9)
Comparable adjusted revenue	<u>\$537.8</u>	<u>\$538.0</u>	<u>\$1,654.9</u>	<u>\$1,638.1</u>
<b>Payments:</b>				
Total revenue	\$169.5	\$169.8	\$515.8	\$507.2
<b>Data Solutions:</b>				
Total revenue	\$64.0	\$66.7	\$194.8	\$204.8
Business exits	—	(15.3)	—	(23.4)
Comparable adjusted revenue	<u>\$64.0</u>	<u>\$51.4</u>	<u>\$194.8</u>	<u>\$181.4</u>
<b>Promotional Solutions:</b>				
Total revenue	\$124.3	\$136.1	\$399.2	\$408.6
Business exits	—	(1.7)	—	(12.5)
Comparable adjusted revenue	<u>\$124.3</u>	<u>\$134.4</u>	<u>\$399.2</u>	<u>\$396.1</u>
<b>Checks:</b>				
Total revenue	\$180.0	\$182.4	\$545.1	\$553.4

# Reconciliation of GAAP to Non-GAAP Measures

## Comparable Adjusted EBITDA

*in millions (Unaudited)*

	Quarter Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
<b>Total Company:</b>				
Adjusted EBITDA	\$101.9	\$104.6	\$310.7	\$305.9
Business exits	—	(5.7)	—	(7.6)
Comparable adjusted EBITDA	<u>\$101.9</u>	<u>\$98.9</u>	<u>\$310.7</u>	<u>\$298.3</u>
<b>Payments:</b>				
Adjusted EBITDA	\$37.6	\$36.2	\$110.4	\$107.6
<b>Data Solutions:</b>				
Adjusted EBITDA	\$15.3	\$16.0	\$48.4	\$50.9
Business exits	—	(5.6)	—	(7.0)
Comparable adjusted EBITDA	<u>\$15.3</u>	<u>\$10.4</u>	<u>\$48.4</u>	<u>\$43.9</u>
<b>Promotional Solutions:</b>				
Adjusted EBITDA	\$16.6	\$18.3	\$56.7	\$49.8
Business exits	—	(0.1)	—	(0.6)
Comparable adjusted EBITDA	<u>\$16.6</u>	<u>\$18.2</u>	<u>\$56.7</u>	<u>\$49.2</u>
<b>Checks:</b>				
Adjusted EBITDA	\$81.4	\$80.5	\$241.5	\$245.8
<b>Corporate:</b>				
Adjusted EBITDA	(\$49.0)	(\$46.4)	(\$146.3)	(\$148.2)

# 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	\$405 - \$420	\$418		
Less: Business exits	—	(14)		
Comparable adjusted EBITDA	\$405 - \$420	\$404		
Comparable adjusted EBITDA growth %	0% - 4%			

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)*

	<b>Sept. 30, 2023</b>	<b>June 30, 2023</b>
Total debt	\$1,632.4	\$1,667.2
Cash and cash equivalents	(42.2)	(39.1)
Net debt	<u>\$1,590.2</u>	<u>\$1,628.1</u>

## TRAILING 12 MONTHS ADJUSTED EBITDA:

	<b>12 Months Ended Sept. 30, 2023</b>	<b>12 Months Ended June 30, 2023</b>
Net income	\$30.2	\$52.9
Interest expense	122.9	114.7
Income tax provision	8.4	15.8
Depreciation and amortization expense	168.6	172.0
Restructuring and integration costs	87.3	73.2
Share-based compensation	20.8	22.0
Acquisition transaction costs	—	0.1
Certain legal-related benefit	2.3	(1.4)
Gain on sale of businesses and facility	(17.6)	(23.7)
Adjusted EBITDA	<u>\$422.9</u>	<u>\$425.6</u>
<b>NET DEBT TO ADJUSTED EBITDA</b>	<b>3.8</b>	<b>3.8</b>

# Reconciliation of GAAP to Non-GAAP Measures

## Free Cash Flow

*in millions (Unaudited)*

	Quarter Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Net cash provided by operating activities	\$67.6	\$51.2	\$114.9	\$123.4
Purchases of capital assets	(24.9)	(28.2)	(80.8)	(73.4)
Free cash flow	<u>\$42.7</u>	<u>\$23.0</u>	<u>\$34.1</u>	<u>\$50.0</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 image features the word "deluxe" in a lowercase, sans-serif font. The letters "de", "lu", and "e" are black, while the "x" is red. A registered trademark symbol (®) is located at the bottom right of the "e". The text is centered horizontally and overlaid on a large, light gray "X" shape that spans the entire width and height of the image. The background is white.

deluxe®