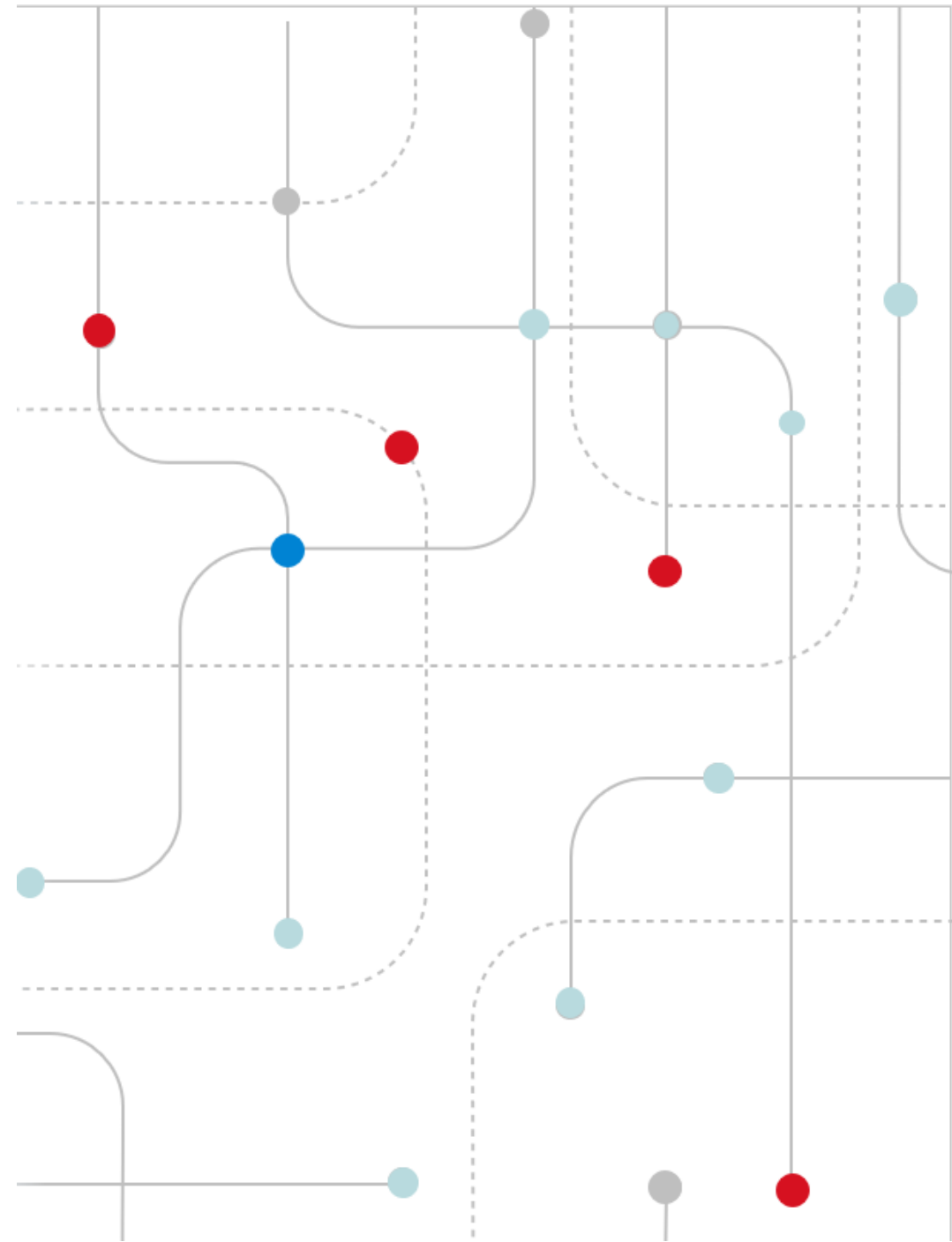




# Fourth Quarter and Full Year 2023 Earnings

February 1, 2024





# **Brian Anderson**

Vice President,  
Strategy & Investor Relations

# dlx 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

# dlx 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.

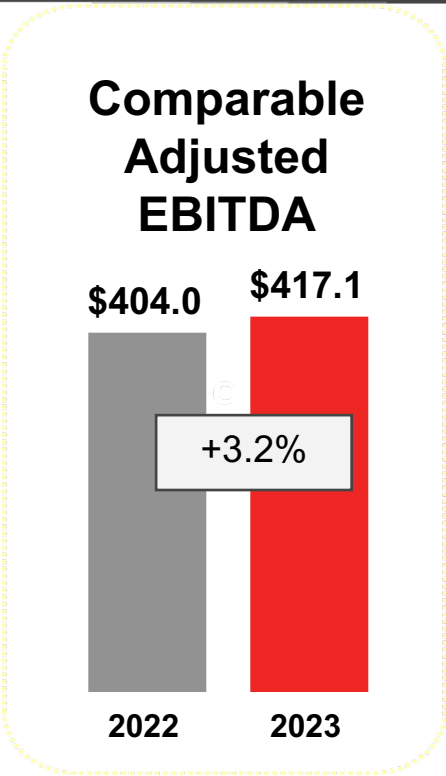
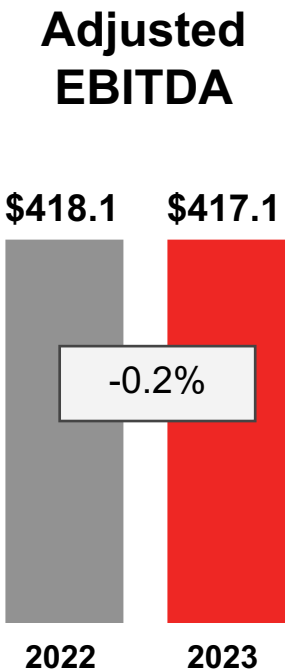
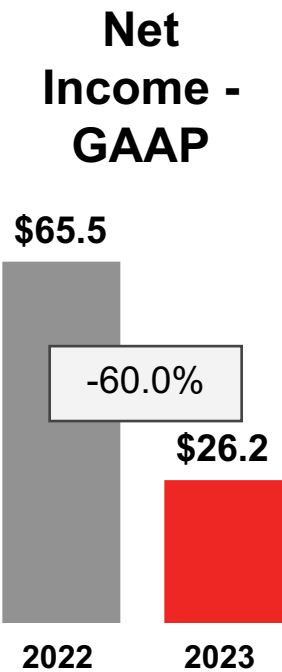
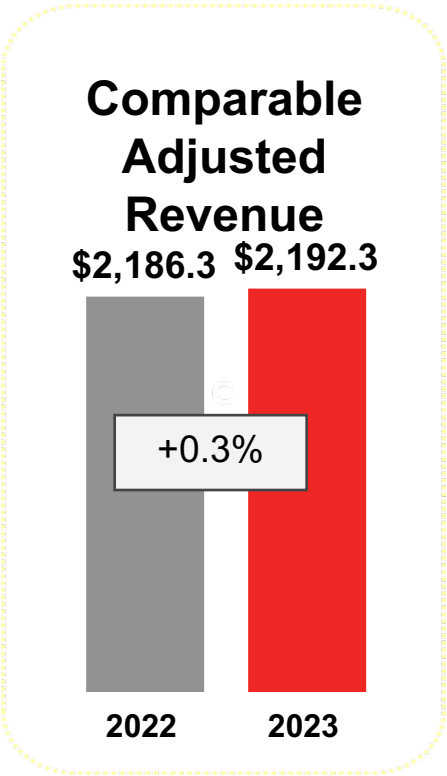
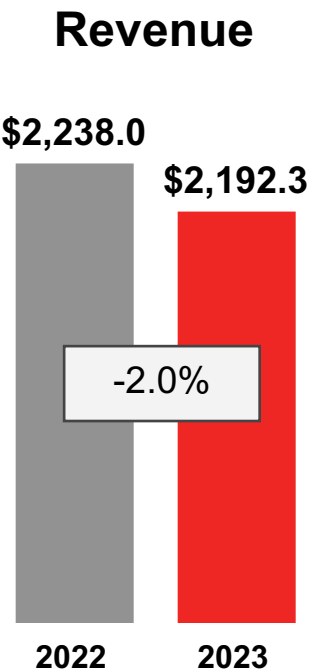


# **Barry McCarthy**

President and Chief Executive Officer

# dlx Full Year 2023 Highlights

(in millions)



# dlx 2023 Segment Highlights

Strong Operating Leverage: Comp Adjusted EBITDA grew 3.2% vs 2022

## Payments

Revenue +1.8%, Adjusted EBITDA +5.7% vs 2022

### Merchant Services

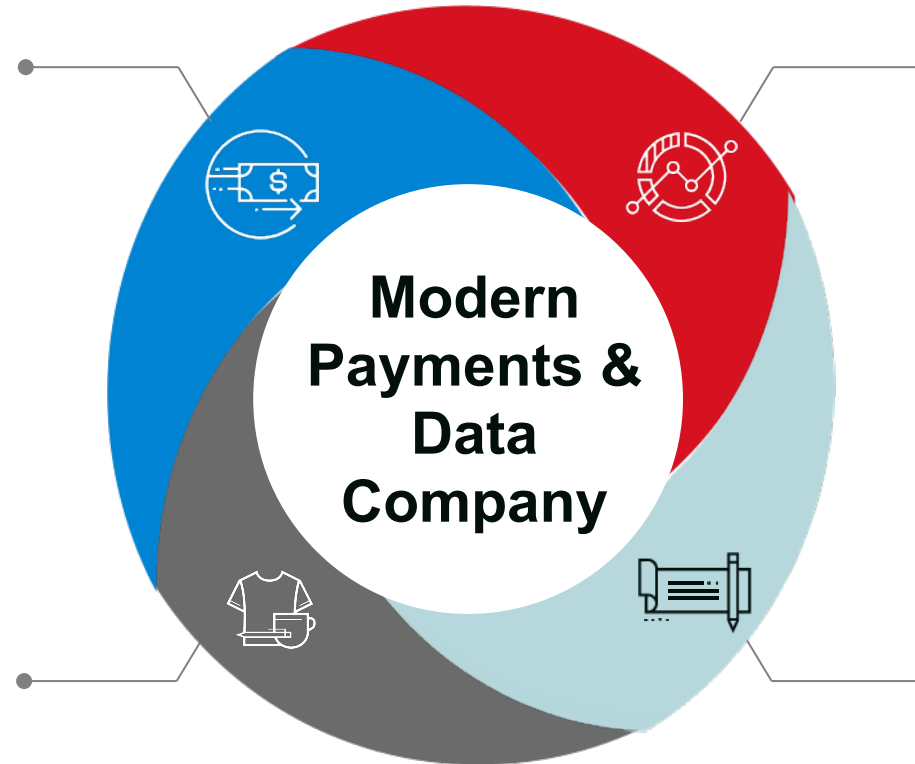
- Revenue increased 4.8% vs 2022 including new customer wins via the 'One DLX' go-to-market model
- Continued investment in technology, product enhancement, & customer service capabilities

### B2B Payments

- Adj EBITDA increased approx. 6% vs 2022, driven by continued operational improvements

## Promotional Solutions

- Comparable adjusted revenue decreased 1.5% year-over-year, as stronger-margin offerings prioritized
- Adjusted EBITDA margin expanded by 80 bps, to 14.9%, consistent with mid-teens expectations



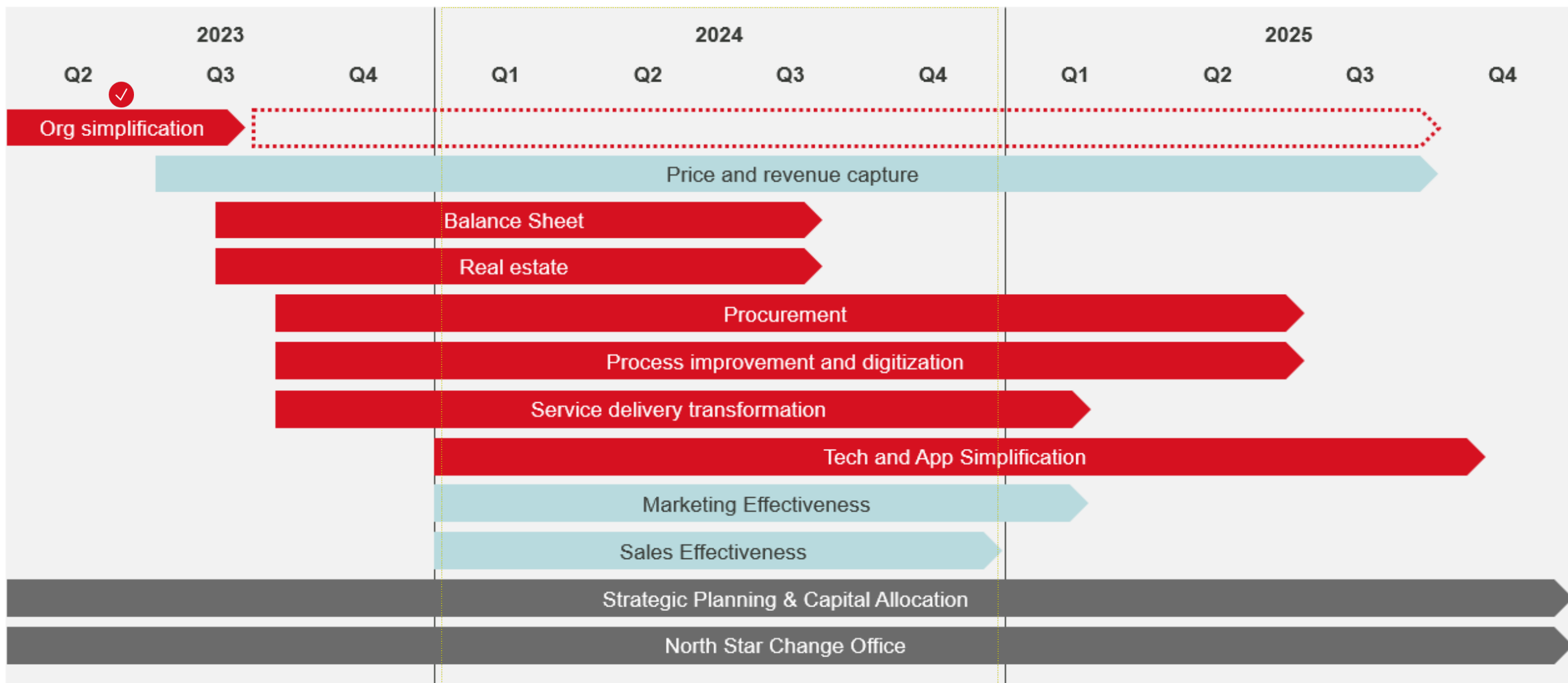
## Data Solutions

- Comparable adjusted revenue increased 4.3% year-over-year
- FIs seeking to attract deposit accounts & expand business banking relationships drove strong DDM campaign demand
- Continued expansion to high-growth verticals beyond financial services
- **Excluding Web Hosting** (divested 29-June-23), remaining Data revenues expanded 7% vs 2022

## Checks

- Revenue decreased 1.1% vs 2022 to \$721 million
- **Adj EBITDA margin expanded 40 bps to 44.4%, in-line with mid-forties target levels**

# dlx North Star Progress & Timelines





# dlx Long-term Value Creation Algorithm

## OUR FOCUS

## BY 2026

**Drive profitable organic growth** in Payments and Data  
Keep efficiency focus on Print & Corporate

~2-4% y/y revenue growth,  
~4-6% y/y EBITDA growth

**Increase our free cash flow** by improving leverage ratio &  
reducing restructuring charges post-2024

3x leverage  
30%+ FCF conversion

**Drive focused execution** through North Star plan

+\$80MM EBITDA &  
+\$100MM FCF

**Maintain our dividend:** continue to return capital to shareholders

\$0.30 per share per quarter

**Sustain performance:** Changing culture, talent, & processes through '26 & beyond

**15%+ annual total shareholder return through 2026**



**Chip Zint**

Chief Financial Officer

# dlx Full Year '23 Summary

## TOTAL REVENUE

**\$2.19B**

Down 2% compared to '22; Comparable adjusted revenue increased \$6M, or 0.3%

## NET INCOME

**\$26.2M**

Or \$0.59 per share on a diluted basis; Down from \$65.5M in '22, on increased interest & restructuring exp

## Adjusted EBITDA

**\$417.1M**

Increased 3.2% on a comparable adjusted basis compared to '22

## Adj. EBITDA margin

**19.0%**

Increased 50 basis points on a comparable adjusted basis versus '22

## Adjusted EPS

**\$3.32**

Down from \$4.08 compared to '22, driven by business exits & increased interest exp

# dlx Payments



Merchant Services



Treasury Management  
Receivables as a Service

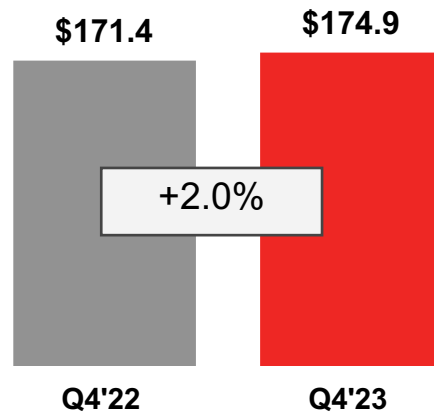


B2B/Digital Payments  
Payables as a Service

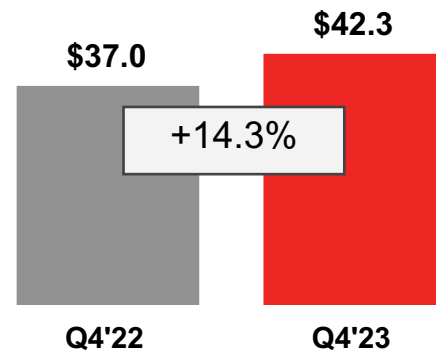


(in millions)

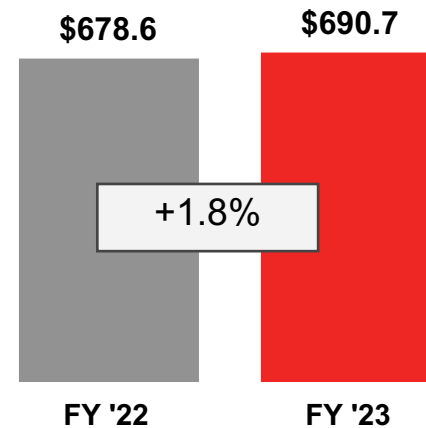
## Revenue



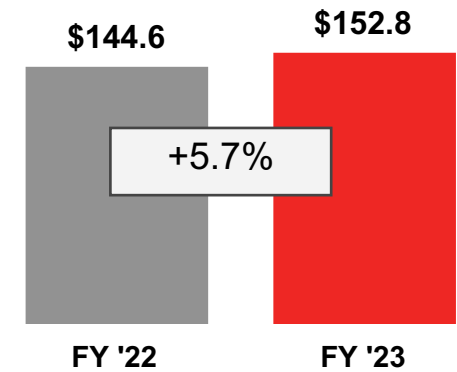
## Adjusted EBITDA



## Revenue



## Adjusted EBITDA

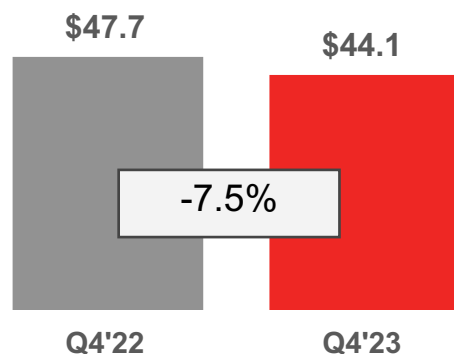


» Full year Adjusted EBITDA margin was 22.1%, up 80 basis points year-over-year driven by the scaling benefits accompanying Merchant Services' growth and by operational improvement initiatives within B2B payments

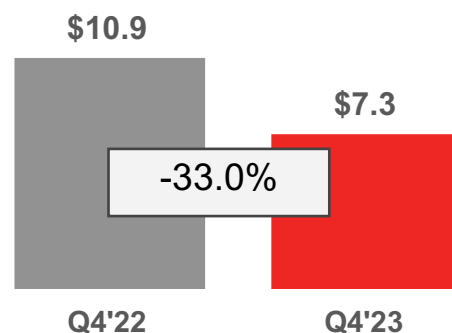


(in millions)

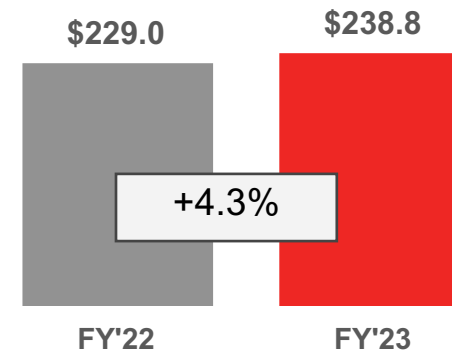
## Comparable Adjusted Revenue



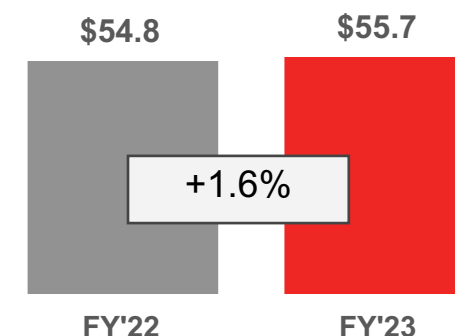
## Comparable Adjusted EBITDA



## Comparable Adjusted Revenue



## Comparable Adjusted EBITDA



» On a reported basis, full year revenue of \$238.8 million decreased 10.7% from the prior year

Full year Adjusted EBITDA margin of 23.3% declined 60 basis points on a comparable adjusted basis, including the impact of web hosting results through the 29-Jun divestiture

# dlx Promotional Solutions



Business Essentials



Turn-Key Managed  
Branded Solutions



Extensive range of  
Promotional offerings

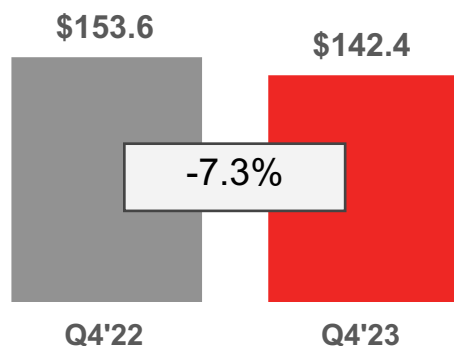


Web Storefront Platform  
for Branded Products

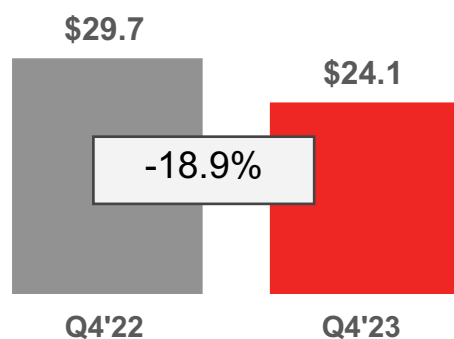


(in millions)

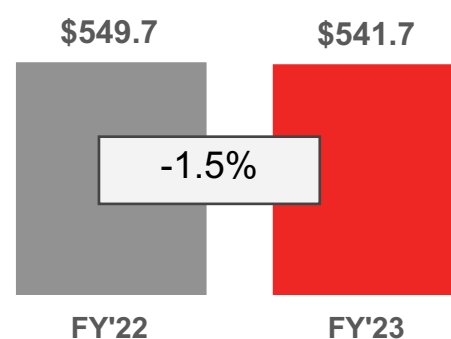
## Comparable Adjusted Revenue



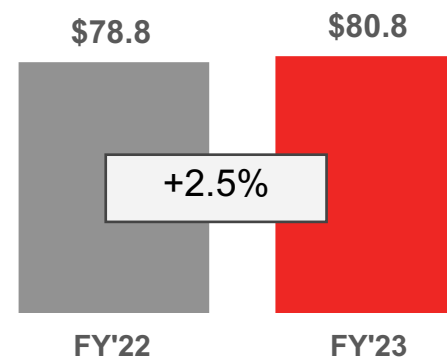
## Comparable Adjusted EBITDA



## Comparable Adjusted Revenue



## Comparable Adjusted EBITDA



» On a reported basis, full year revenue of \$541.7 million decreased 3.8% from 2022

Full year Adjusted EBITDA of margin of 14.9% improved 80 basis points the prior year

# dlx Checks



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

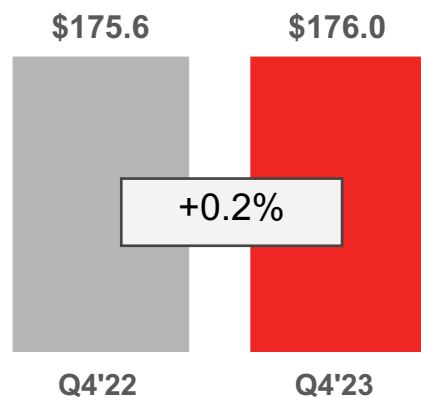


Long-standing customer relationships drive cross-selling opportunities

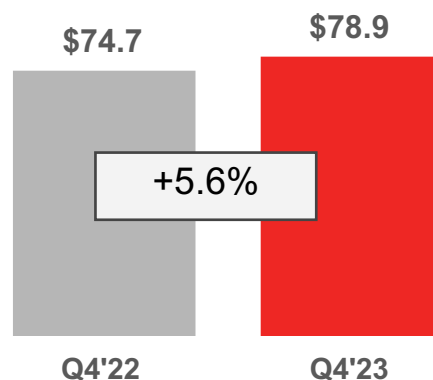


(in millions)

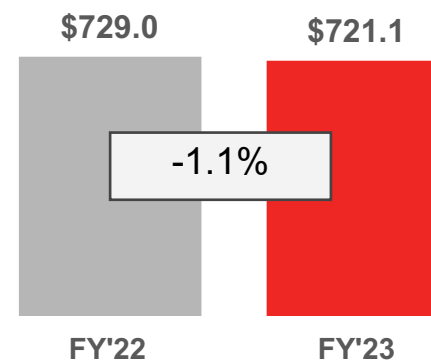
## Revenue



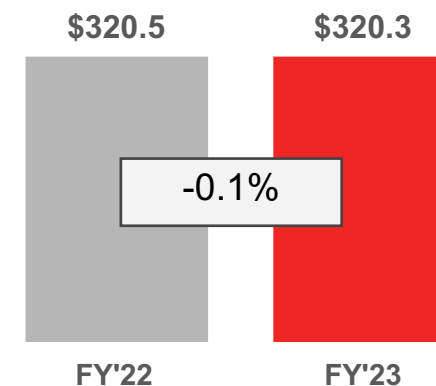
## Adjusted EBITDA



## Revenue



## Adjusted EBITDA



- » Full year revenue decline slower than the market and industry secular decline expectations
- Full Year Adjusted EBITDA margin of 44.4% up 40 bps year-over-year

# dlx 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		
	12/31/2023	12/31/2022	Variance
Net Debt	\$1,520.9	\$1,603.8	(\$82.9)
LTM Adjusted EBITDA	\$417.1	\$418.1	(\$1.0)
Net Debt to Adjusted EBITDA	3.6x	3.8x	

## Free Cash Flow

(in millions)

	For the Quarter Ended		
	12/31/2023	12/31/2022	Variance
Cash Provided by Operating Activities	\$83.4	\$68.1	\$15.3
Less Capital Expenditures	(19.9)	(31.1)	11.2
Free Cash Flow	\$63.5	\$37.0	\$26.5



# dlx 2024 Guidance

Well-positioned for sustainable growth

	2024F Guidance <sup>1</sup>	Comp. Adj. % Δ vs. 2023F <sup>1</sup>
Revenue	\$2.14 – 2.18 billion	+0-2%
Adj. EBITDA	\$400 – 420 million	+2-7%
Adj. EPS	\$3.10 – \$3.40	+1-11%
Free cash flow	\$60 – 80 million	~(28%)

1. Divestiture of our Hosting business and our Payroll businesses are expected to result in a \$56MM revenue impact, \$26MM EBITDA impact, and \$0.25 EPS impact to our comparable adjusted

## Additional modeling assumptions:

- Interest expense of approximately \$120 - \$125 million
- Adjusted tax rate of 26%
- Depreciation and amortization of \$150 million, of which acquisition amortization is approximately \$55 million
- Average outstanding share count of 44.5 million shares
- Capital expenditures of approximately \$100 million

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

# dlx Long-term Value Creation Algorithm

## OUR FOCUS

## BY 2026

**Drive profitable organic growth** in Payments and Data  
Keep efficiency focus on Print & Corporate

~2-4% y/y revenue growth,  
~4-6% y/y EBITDA growth

**Increase our free cash flow** by improving leverage ratio &  
reducing restructuring charges post-2024

3x leverage  
30%+ FCF conversion

**Drive focused execution** through North Star plan

+\$80MM EBITDA &  
+\$100MM FCF

**Maintain our dividend:** continue to return capital to shareholders

\$0.30 per share per quarter

**Sustain performance:** Changing culture, talent, & processes through '26 & beyond

**15%+ annual total shareholder return through 2026**



**Q & A**



dlx



# **Brian Anderson**

Vice President,  
Strategy & Investor Relations

# dlx Upcoming Conferences/Events

Date	Event
February 26-27, 2024	J.P. Morgan Global High Yield & Leveraged Finance Conference, Miami, FL
March 13-14, 2024	Wolfe FinTech Forum 2024, New York

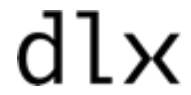


# |Appendix

# dlx Consolidated Condensed Statements of Income

*in millions, except per share amounts (Unaudited)*

	Quarter Ended December 31,		Year Ended December 31,	
	2023	2022	2023	2022
Product revenue	\$318.8	\$329.5	\$1,257.6	\$1,286.2
Service revenue	218.6	234.5	934.7	951.8
Total revenue	537.4	564.0	2,192.3	2,238.0
Cost of products	(124.2)	(124.8)	(486.1)	(470.2)
Cost of services	(129.7)	(137.8)	(543.5)	(561.9)
Total cost of revenue	(253.9)	(262.6)	(1,029.6)	(1,032.1)
Gross profit	283.5	301.4	1,162.7	1,205.9
Selling, general and administrative expense	(229.1)	(240.1)	(956.1)	(993.3)
Restructuring and integration expense	(18.2)	(15.9)	(78.2)	(62.5)
Gain on sale of businesses and long-lived assets	14.8	—	32.4	19.3
Operating income	51.0	45.4	160.8	169.4
Interest expense	(31.7)	(29.0)	(125.6)	(94.4)
Other income	0.1	1.9	4.6	9.4
Income before income taxes	19.4	18.3	39.8	84.4
Income tax (provision) benefit	(4.4)	0.7	(13.6)	(18.9)
Net income	15.0	19.0	26.2	65.5
Non-controlling interest	—	—	(0.1)	(0.1)
Net income attributable to Deluxe	\$15.0	\$19.0	\$26.1	\$65.4
Weighted-average dilutive shares outstanding	44.1	43.4	43.8	43.3
Diluted earnings per share	\$0.34	\$0.44	\$0.59	\$1.50
Adjusted diluted earnings per share	0.80	1.04	3.32	4.08
Capital expenditures	19.9	31.1	100.7	104.6
Depreciation and amortization expense	44.7	43.6	169.7	172.6
EBITDA	95.8	90.9	335.0	351.3
Adjusted EBITDA	106.4	112.2	417.1	418.1



# Segment Information

*in millions (Unaudited)*

	Quarter Ended December 31,		Year Ended December 31,	
	2023	2022	2023	2022
Revenue:				
Payments	\$174.9	\$171.4	\$690.7	\$678.6
Data Solutions	44.1	62.7	238.8	267.5
Promotional Solutions	142.4	154.3	541.7	562.9
Checks	176.0	175.6	721.1	729.0
Total	<u>\$537.4</u>	<u>\$564.0</u>	<u>\$2,192.3</u>	<u>\$2,238.0</u>
Adjusted EBITDA:				
Payments	\$42.3	\$37.0	\$152.8	\$144.6
Data Solutions	7.3	17.3	55.7	68.2
Promotional Solutions	24.1	29.8	80.8	79.5
Checks	78.9	74.7	320.3	320.5
Corporate	(46.2)	(46.6)	(192.5)	(194.7)
Total	<u>\$106.4</u>	<u>\$112.2</u>	<u>\$417.1</u>	<u>\$418.1</u>
Adjusted EBITDA Margin:				
Payments	24.2%	21.6%	22.1%	21.3%
Data Solutions	16.6%	27.6%	23.3%	25.5%
Promotional Solutions	16.9%	19.3%	14.9%	14.1%
Checks	44.8%	42.5%	44.4%	44.0%
Total	19.8%	19.9%	19.0%	18.7%

The segment information reported here was calculated utilizing the methodology outlined in the Notes to Consolidated Financial Statements included in the company's Annual Report on Form 10-K for the year ended December 31, 2022.



# dlx Segment Information (continued)

*in millions (Unaudited)*

	Quarter Ended December 31,		Year Ended December 31,	
	2023	2022	2023	2022
Comparable Adjusted Revenue:				
Payments	\$174.9	\$171.4	\$690.7	\$678.6
Data Solutions	44.1	47.7	238.8	229.0
Promotional Solutions	142.4	153.6	541.7	549.7
Checks	176.0	175.6	721.1	729.0
Total	<u>\$537.4</u>	<u>\$548.3</u>	<u>\$2,192.3</u>	<u>\$2,186.3</u>
Comparable Adjusted EBITDA:				
Payments	\$42.3	\$37.0	\$152.8	\$144.6
Data Solutions	7.3	10.9	55.7	54.8
Promotional Solutions	24.1	29.7	80.8	78.8
Checks	78.9	74.7	320.3	320.5
Corporate	(46.2)	(46.6)	(192.5)	(194.7)
Total	<u>\$106.4</u>	<u>\$105.7</u>	<u>\$417.1</u>	<u>\$404.0</u>
Comparable Adjusted EBITDA Margin:				
Payments	24.2%	21.6%	22.1%	21.3%
Data Solutions	16.6%	22.9%	23.3%	23.9%
Promotional Solutions	16.9%	19.3%	14.9%	14.3%
Checks	44.8%	42.5%	44.4%	44.0%
Total	19.8%	19.3%	19.0%	18.5%

# dlx Reconciliation of GAAP to Non-GAAP Measures

EBITDA, Adjusted EBITDA and Adjusted EBITDA margin

*in millions (Unaudited)*

	Quarter Ended December 31,		Year Ended December 31,	
	2023	2022	2023	2022
Net income	\$15.0	\$19.0	\$26.2	\$65.5
Non-controlling interest	—	—	(0.1)	(0.1)
Interest expense	31.7	29.0	125.6	94.4
Income tax provision (benefit)	4.4	(0.7)	13.6	18.9
Depreciation and amortization expense	44.7	43.6	169.7	172.6
EBITDA	95.8	90.9	335.0	351.3
Restructuring and integration costs	19.5	16.3	90.5	63.1
Share-based compensation expense	4.6	4.9	20.5	23.6
Acquisition transaction costs	—	—	—	0.1
Certain legal-related expense (benefit)	—	0.1	2.2	(0.7)
Gain on sale of businesses and long-lived assets	(14.8)	—	(32.4)	(19.3)
Loss on sale of Payroll investment	1.3	—	1.3	—
Adjusted EBITDA	<u>\$106.4</u>	<u>\$112.2</u>	<u>\$417.1</u>	<u>\$418.1</u>
Adjusted EBITDA margin	19.8 %	19.9 %	19.0%	18.7%

# dlx Reconciliation of GAAP to Non-GAAP Measures

## Adjusted Diluted EPS - Q4 2023

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

	Q4 2023 GAAP	Acquisition and accelerated amortization	Restructuring and integration costs	Share-based compensation	Gain on sale of businesses/ long- lived assets & loss on sale of investment	Income tax impact of adjustments	Q4 2023 Adjusted
Total revenue	\$537.4	\$—	\$—	\$—	\$—	\$—	\$537.4
Total cost of revenue	(253.9)	5.1	1.3	0.2	—	—	(247.3)
Gross profit	283.5	5.1	1.3	0.2	—	—	290.1
Selling, general and administrative expense	(229.1)	13.4	—	4.4	—	—	(211.3)
Restructuring and integration expense	(18.2)	—	18.2	—	—	—	—
Gain on sale of businesses and long-lived assets	14.8	—	—	—	(14.8)	—	—
Operating income	51.0	18.5	19.5	4.6	(14.8)	—	78.8
Interest expense	(31.7)	—	—	—	—	—	(31.7)
Other income	0.1	—	—	—	1.3	—	1.4
Income before income taxes	19.4	\$18.5	\$19.5	\$4.6	(\$13.5)	—	48.5
Income tax provision	(4.4)					(\$8.9)	(13.3)
Net income	\$15.0						\$35.2
Income attributable to Deluxe available to common shareholders	\$15.0						\$35.2
Weighted-average dilutive shares	44.1						44.1
Diluted EPS	\$0.34						\$0.80

# dlx Reconciliation of GAAP to Non-GAAP Measures

## Adjusted Diluted EPS - Q4 2022

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

	Q4 2022 GAAP	Acquisition amortization	Restructuring and integration costs	Share-based compensation	Certain legal- related expense	Income tax impact of adjustments	Q4 2022 Adjusted
Total revenue	\$564.0	\$—	\$—	\$—	\$—	\$—	\$564.0
Total cost of revenue	(262.6)	3.2	0.4	0.2	—	—	(258.8)
Gross profit	301.4	3.2	0.4	0.2	—	—	305.2
Selling, general and administrative expense	(240.1)	18.7	—	4.7	0.1	—	(216.6)
Restructuring and integration expense	(15.9)	—	15.9	—	—	—	—
Operating income	45.4	21.9	16.3	4.9	0.1	—	88.6
Interest expense	(29.0)	—	—	—	—	—	(29.0)
Other income	1.9	—	—	—	—	—	1.9
Income before income taxes	18.3	<u>\$21.9</u>	<u>\$16.3</u>	<u>\$4.9</u>	<u>\$0.1</u>	—	61.5
Income tax benefit (provision)	0.7					<u>(\$17.0)</u>	(16.3)
Net income	<u>\$19.0</u>						<u>\$45.2</u>
Income attributable to Deluxe available to common shareholders	<u>\$19.0</u>						<u>\$45.2</u>
Weighted-average dilutive shares	43.4						43.4
Diluted EPS	\$0.44						\$1.04

# dlx Reconciliation of GAAP to Non-GAAP Measures

## Adjusted Diluted EPS - Full Year 2023

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

	Full Year 2023 GAAP	Acquisition and accelerated amortization	Restructuring and integration costs	Share-based compensation	Certain legal- related expense	Gain on sale of businesses/ long-lived assets & loss on sale of investment	Income tax impact of adjustments	Full Year 2023 Adjusted
Total revenue	\$2,192.3	\$—	\$—	\$—	\$—	\$—	\$—	\$2,192.3
Total cost of revenue	(1,029.6)	14.6	12.3	0.8	—	—	—	(1,001.9)
Gross profit	1,162.7	14.6	12.3	0.8	—	—	—	1,190.4
Selling, general and administrative expense	(956.1)	62.7	—	19.7	2.2	—	—	(871.5)
Restructuring and integration expense	(78.2)	—	78.2	—	—	—	—	—
Gain on sale of businesses and long-lived assets	32.4	—	—	—	—	(32.4)	—	—
Operating income	160.8	77.3	90.5	20.5	2.2	(32.4)	—	318.9
Interest expense	(125.6)	—	—	—	—	—	—	(125.6)
Other income	4.6	—	—	—	—	1.3	—	5.9
Income before income taxes	39.8	<u>\$77.3</u>	<u>\$90.5</u>	<u>\$20.5</u>	<u>\$2.2</u>	<u>(\$31.1)</u>	—	199.2
Income tax provision	(13.6)						<u>(\$39.6)</u>	(53.2)
Net income	26.2							146.0
Non-controlling interest	(0.1)							(0.1)
Net income attributable to Deluxe	<u>\$26.1</u>							<u>\$145.9</u>
Income attributable to Deluxe available to common shareholders	\$26.1							\$145.9
Weighted-average dilutive shares	43.8							43.9
Diluted EPS	\$0.59							\$3.32

# dlx Reconciliation of GAAP to Non-GAAP Measures

## Adjusted Diluted EPS - Full Year 2022

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

	Full Year 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	Full Year 2022 Adjusted
Total revenue	\$2,238.0	\$—	\$—	\$—	\$—	\$—	\$—	\$—	\$2,238.0
Total cost of revenue	(1,032.1)	12.9	0.6	1.2	—	—	—	—	(1,017.4)
Gross profit	1,205.9	12.9	0.6	1.2	—	—	—	—	1,220.6
Selling, general and administrative	(993.3)	77.7	—	22.4	0.1	(0.7)	—	—	(893.8)
Restructuring and integration expense	(62.5)	—	62.5	—	—	—	—	—	—
Gain on sale of businesses and facility	19.3	—	—	—	—	—	(19.3)	—	—
Operating income	169.4	90.6	63.1	23.6	0.1	(0.7)	(19.3)	—	326.8
Interest expense	(94.4)	—	—	—	—	—	(1.7)	—	(96.1)
Other income	9.4	—	—	—	—	—	—	—	9.4
Income before income taxes	84.4	<u>\$90.6</u>	<u>\$63.1</u>	<u>\$23.6</u>	<u>\$0.1</u>	<u>(\$0.7)</u>	<u>(\$21.0)</u>	—	240.1
Income tax provision	(18.9)							<u>(\$43.8)</u>	(62.7)
Net income	65.5								\$177.4
Non-controlling interest	(0.1)								(0.1)
Net income attributable to Deluxe	<u>\$65.4</u>								<u>\$177.3</u>
Income attributable to Deluxe available to common shareholders	<u>\$64.9</u>								<u>\$176.7</u>
Weighted-average dilutive shares	43.3								43.3
Diluted EPS	\$1.50								\$4.08

# dlx Reconciliation of GAAP to Non-GAAP Measures

## Comparable Adjusted Revenue

*in millions (Unaudited)*

	Quarter Ended December 31,		Year Ended December 31,	
	2023	2022	2023	2022
<b>Total Company:</b>				
Total revenue	\$537.4	\$564.0	\$2,192.3	\$2,238.0
Business exits	—	(15.7)	—	(51.7)
Comparable adjusted revenue	<u>\$537.4</u>	<u>\$548.3</u>	<u>\$2,192.3</u>	<u>\$2,186.3</u>
<b>Payments:</b>				
Total revenue	\$174.9	\$171.4	\$690.7	\$678.6
<b>Data Solutions:</b>				
Total revenue	\$44.1	\$62.7	\$238.8	\$267.5
Business exits	—	(15.0)	—	(38.5)
Comparable adjusted revenue	<u>\$44.1</u>	<u>\$47.7</u>	<u>\$238.8</u>	<u>\$229.0</u>
<b>Promotional Solutions:</b>				
Total revenue	\$142.4	\$154.3	\$541.7	\$562.9
Business exits	—	(0.7)	—	(13.2)
Comparable adjusted revenue	<u>\$142.4</u>	<u>\$153.6</u>	<u>\$541.7</u>	<u>\$549.7</u>
<b>Checks:</b>				
Total revenue	\$176.0	\$175.6	\$721.1	\$729.0

# dlx Reconciliation of GAAP to Non-GAAP Measures

## Comparable Adjusted EBITDA and Comparable Adjusted EBITDA Margin

in millions (Unaudited)

	Quarter Ended December 31,		Year Ended December 31,	
	2023	2022	2023	2022
<b>Total Company:</b>				
Adjusted EBITDA	\$106.4	\$112.2	\$417.1	\$418.1
Business exits	—	(6.5)	—	(14.1)
Comparable adjusted EBITDA	\$106.4	\$105.7	\$417.1	\$404.0
Comparable adjusted EBITDA margin	19.8%	19.3%	19.0%	18.5%
<b>Payments:</b>				
Adjusted EBITDA	\$42.3	\$37.0	\$152.8	\$144.6
<b>Data Solutions:</b>				
Adjusted EBITDA	\$7.3	\$17.3	\$55.7	\$68.2
Business exits	—	(6.4)	—	(13.4)
Comparable adjusted EBITDA	\$7.3	\$10.9	\$55.7	\$54.8
Comparable adjusted EBITDA margin	16.6%	22.9%	23.3%	23.9%
<b>Promotional Solutions:</b>				
Adjusted EBITDA	\$24.1	\$29.8	\$80.8	\$79.5
Business exits	—	(0.1)	—	(0.7)
Comparable adjusted EBITDA	\$24.1	\$29.7	\$80.8	\$78.8
Comparable adjusted EBITDA margin	16.9%	19.3%	14.9%	14.3%
<b>Checks:</b>				
Adjusted EBITDA	\$78.9	\$74.7	\$320.3	\$320.5
<b>Corporate:</b>				
Adjusted EBITDA	(\$46.2)	(\$46.6)	(\$192.5)	(\$194.7)



# dlx Reconciliation of GAAP to Non-GAAP Measures

Comparable Adjusted Revenue / Comparable Adjusted EBITDA / Comparable Adjusted EPS Outlook  
(Unaudited)

	Total Year		Payments	Data Solutions	Promotional Solutions
	2024 Outlook	2023 Actual	2023 Actual	2023 Actual	2023 Actual
<i>(in billions)</i>					
Total revenue	\$2.140 - \$2.180	\$2.192	\$0.691	\$0.239	\$0.542
Less: Business exits	—	(0.056)	(0.027)	(0.027)	(0.002)
Comparable adjusted revenue	\$2.140 - \$2.180	\$2.136	\$0.664	\$0.212	\$0.540
Comparable adjusted revenue growth %	0% - 2%		Mid single digit growth	Mid single digit growth	Low single digit decline
<i>(in millions)</i>					
Adjusted EBITDA	\$400 - \$420	\$417			
Less: Business exits	—	(26)			
Comparable adjusted EBITDA	\$400 - \$420	\$391			
Comparable adjusted EBITDA growth %	2% - 7%				
Adjusted EPS	\$3.10 - \$3.40	\$3.32			
Less: Business exits	—	(0.25)			
Comparable adjusted EPS	\$3.10 - \$3.40	\$3.07			
Comparable adjusted EPS growth	1% - 11%				

# dlx Reconciliation of GAAP to Non-GAAP Measures

## Net Debt to Adjusted EBITDA

dollars in millions (Unaudited)

	Dec. 31, 2023	September 30, 2023
Total debt	\$1,592.9	\$1,632.4
Cash and cash equivalents	(72.0)	(42.2)
Net debt	<u>\$1,520.9</u>	<u>\$1,590.2</u>
<b>TRAILING 12 MONTHS ADJUSTED EBITDA:</b>		
	12 Months Ended December 31, 2023	12 Months Ended September 30, 2023
Net income	\$26.2	\$30.2
Non-controlling interest	(0.1)	—
Interest expense	125.6	122.9
Income tax provision	13.6	8.4
Depreciation and amortization expense	169.7	168.6
Restructuring and integration costs	90.5	87.3
Share-based compensation	20.5	20.8
Certain legal-related expense	2.2	2.3
Loss on sale of Payroll investment	1.3	—
Gain on sale of businesses and long-lived assets	(32.4)	(17.6)
Adjusted EBITDA	<u>\$417.1</u>	<u>\$422.9</u>
<b>NET DEBT TO ADJUSTED EBITDA</b>	<b>3.6</b>	<b>3.8</b>

# dlx Reconciliation of GAAP to Non-GAAP Measures

## Free Cash Flow

*in millions (Unaudited)*

	Quarter Ended December 31,		Year Ended December 31,	
	2023	2022	2023	2022
Net cash provided by operating activities	\$83.4	\$68.1	\$198.4	\$191.5
Purchases of capital assets	(19.9)	(31.1)	(100.7)	(104.6)
Free cash flow	<u>\$63.5</u>	<u>\$37.0</u>	<u>\$97.7</u>	<u>\$86.9</u>

# dlx **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 2024 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 long-lived assets, 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 light gray background. The word 'deluxe' is written 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 end of the word. The background features large, stylized, overlapping geometric shapes in shades of gray and white, creating a modern, architectural feel.

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