



Q4 2021 Earnings Presentation

March 21, 2022

Disclaimer

Forward-Looking Statements

This document and any accompanying oral presentation by the Company contain forward-looking statements, including statements based upon or relating to our expectations, assumptions, estimates, and projections and other statements that do not relate strictly to historical or current facts. In some cases, you can identify forward-looking statements by terms such as "may," "might," "will," "objective," "intend," "should," "could," "can," "would," "likely," "continue," "expect," "believe," "design," "anticipate," "estimate," "predict," "project," "target," "potential," "plan" or the negative of these terms, and similar expressions, used in connection with any discussion of the timing or nature of future operating or financial performance or other events. Forward-looking statements may include, but are not limited to, statements concerning the recovery of our business from the effects of the COVID-19 pandemic; our operating plans, budgets, and anticipated financial performance, including, without limitation, revenue, EBITDA, cash flow, capital expenditures, debt repayment, and compliance with debt leverage ratio requirements; product and technology developments; new business; and customer retention. These statements are not representations or guarantees; they reflect our current views with respect to future events and circumstances and are based on assumptions and estimates and subject to known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from those projected or implied by forward-looking statements. These risks include, but are not limited to: (i) we have no assurance of future business from any of our customers; (ii) we rely upon third parties for the data we need to deliver our services, to fulfill our service obligations to our customers, and for integration with many of our customers; (iii) COVID-19 has had, and may continue to have, a materially adverse effect on our business; (iv) current or potential legal proceedings could subject us to significant monetary damages or restrictions on our ability to do business; (v) credit reporting and privacy laws that regulate our business impose significant operational requirements and liability risks; (vi) we can incur significant liability for including incorrect information in, or omitting available information from, our background reports; (vii) security breaches and improper use of information may negatively impact our business and harm our reputation; (viii) we operate in an intensely competitive market and we may not be able to develop and maintain competitive advantages necessary to support our growth and profitability; (ix) our existing indebtedness and the terms and conditions of our credit agreements could adversely affect our business and growth prospects and our ability to respond to changes or to take certain actions; and (x) we may not be able to generate sufficient cash flow to service all of our indebtedness, and may be forced to take other actions to satisfy our obligations under such indebtedness, including refinancing such indebtedness, which may not be successful. These important risks may not cover all of the factors that are important to you. Some of our forward-looking statements relate to our operating budgets and forecasts, which are based on many assumptions. While we believe that our assumptions are reasonable, it is very difficult to predict the impact of known factors, and it is impossible for us to anticipate all factors that could affect our actual results. All written and oral forward-looking statements attributable to us, or persons acting on our behalf, are expressly qualified in their entirety by these cautionary statements, and you should evaluate all forward-looking statements we make in the context of these risks and uncertainties.

Industry Information

Unless otherwise indicated, information contained in this document and any accompanying oral presentation concerning our industry, competitive position and the markets in which we operate is based on publicly available information and information from independent industry and research organizations, other third-party sources and management observations and estimates based upon such information, our internal research, and our experience in, and knowledge of, such industry and markets, which we believe to be reasonable. However, projections, assumptions and estimates related to the industry in which we operate and our future performance in the market and relative to competitors are necessarily subject to uncertainty and risk due to a variety of factors, which could cause results to differ materially from those expressed in the estimates made by the independent parties and by us.

Non-GAAP Financial Measures

This document and any accompanying oral presentation contain financial measures that are not calculated pursuant to U.S. generally accepted accounting principles ("GAAP"). These non-GAAP financial measures are in addition to, and not as a substitute for or superior to measures of financial performance prepared in accordance with GAAP. There are a number of limitations that could reduce the usefulness of our non-GAAP financial measures as tools for analysis compared to their nearest GAAP equivalents. For example, other companies may calculate non-GAAP financial measures differently or may use other measures to evaluate their performance.

Q4 2021 Highlights

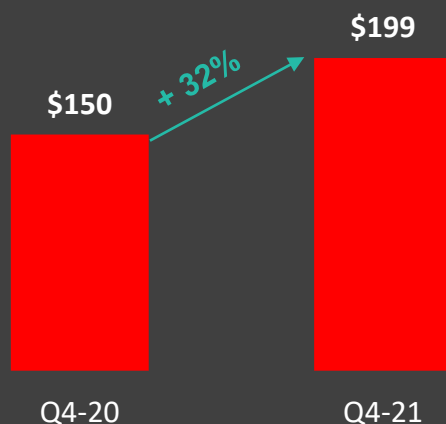
- Q4 revenues up 32% to \$199M on higher volumes and increasing order values
 - Strength in key verticals: Technology, Healthcare, Financial Services and Transportation
 - Net revenue retention trended higher at 136%
 - New customer revenue exceeded \$12M
- International sales, based on employees and applicants residing outside the U.S., up 73% to more than \$30M (approximately 15% of revenues)
- Adjusted EBITDA up 113% to \$43M, driven by volume recovery and improved cost of sales
 - Margin improved more than 800 bps to 21.5%
- Net leverage reduced from \$1.0B to approximately \$600M in the quarter with the repayment of \$325M of debt
 - Leverage ratio improves to 3.7x

Q4 2021 Financial Highlights



Revenue

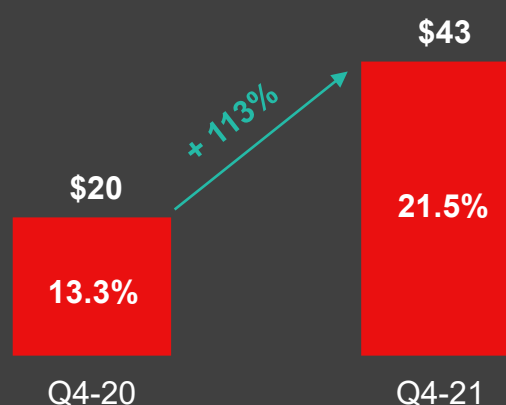
(USD in millions)



- Strong growth across all key verticals and international markets
- Significant improvement in client screening volumes, consistent with broader employment market trends

Adjusted EBITDA and Margin⁽¹⁾

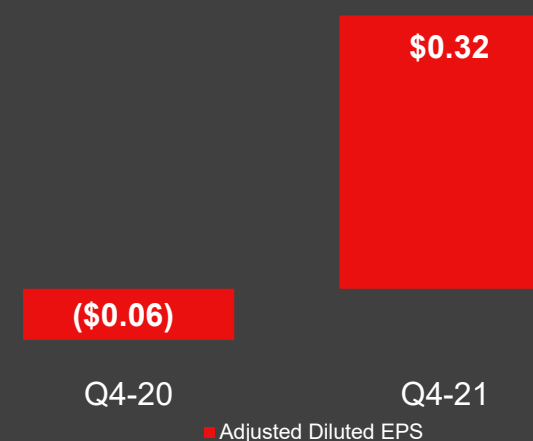
(USD in millions)



- Higher adjusted EBITDA driven by higher volumes and improving margin
- Improving operating leverage despite public company costs

Adjusted Diluted EPS

(USD in millions)



- Adjusted net income of \$22.7m improved from adjusted net loss of \$3.2m
- Higher adjusted net income largely driven by revenue growth, improving operating leverage and cost of service

(1) Adjusted EBITDA margin is calculated as adjusted EBITDA as a percentage of total revenue.

FY 2021 Highlights

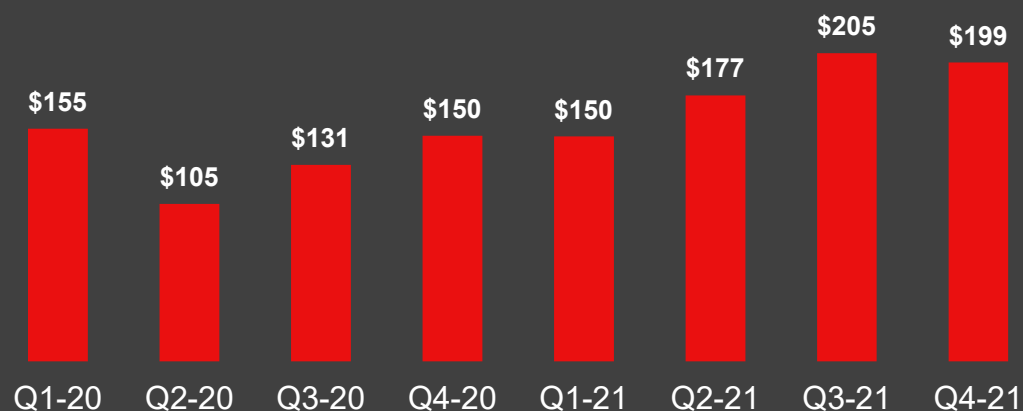
- Revenues increased 35% to \$730M
 - Led by Healthcare, Financial Services and Technology, which grew at 48% vs. prior year
 - \$43m in new customer revenue
 - 136% net revenue retention among top enterprise customers
- International revenues, driven by screens delivered on employees and applicants residing outside the U.S., exceeded \$100M or approximately 15% of total revenues
 - 67% growth over 2020
- Adjusted EBITDA grew 72% to \$160M
- Adjusted net income improves to \$75M vs net loss of \$1M in 2020
 - Adjusted diluted earnings per share increased to \$1.24/share compared to loss of \$.02/share in 2020

Strong Year-over-Year Growth



Quarterly Revenue

(USD in millions)

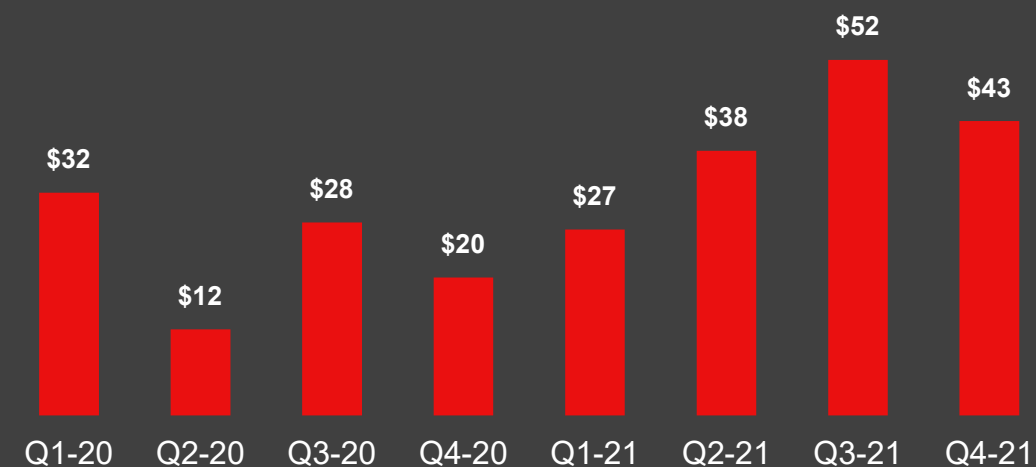


Y-o-y % Total Revenue Growth: 57% 32%

Rolling LTM Total Revenue: \$535 \$608 \$681 \$730

Quarterly Adjusted EBITDA

(USD in millions)



Adjusted EBITDA margin: 25% 22%

Rolling LTM Adjusted EBITDA: \$87 \$113 \$137 \$160

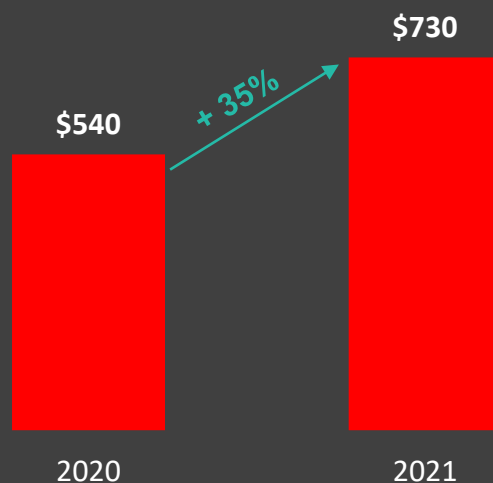
(1) Adjusted EBITDA margin is calculated as adjusted EBITDA as a percentage of total revenue.

FY 2021 Financial Highlights



Revenue

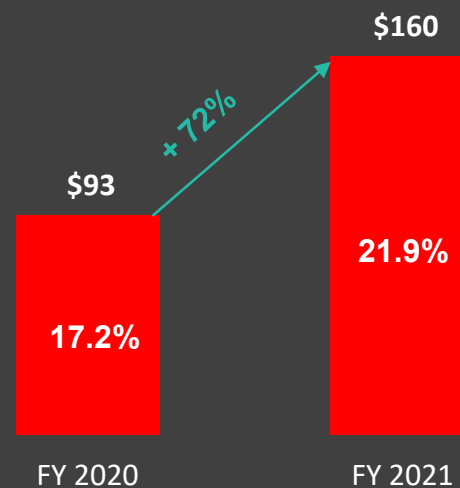
(USD in millions)



- Strong growth across all key verticals and international markets
- Net revenue retention for the twelve months ended December 31, 2021 was 136%

Adjusted EBITDA and Margin⁽¹⁾

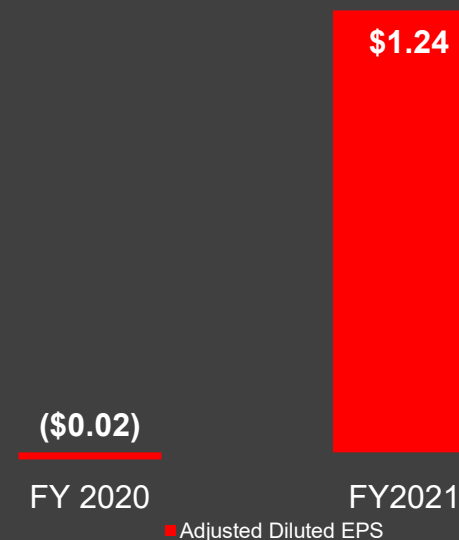
(USD in millions)



- Higher adjusted EBITDA largely driven by higher revenue levels
- Improved operating leverage

Adjusted Diluted EPS

(USD in millions)



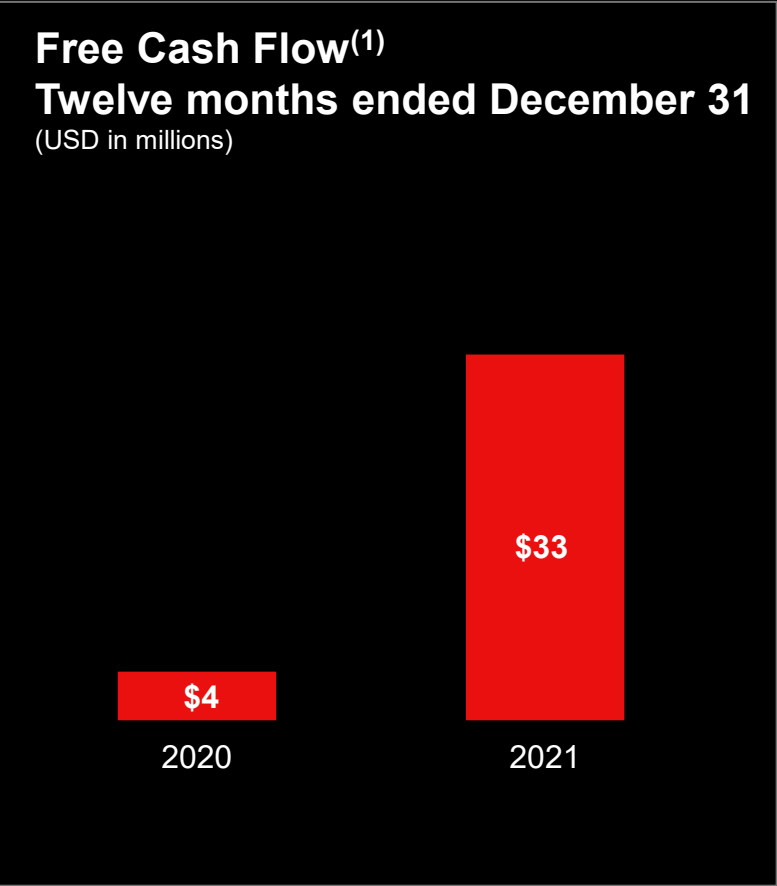
- Higher adjusted net income of \$75.3m largely driven by higher volumes and increasing order values

(1) Adjusted EBITDA margin is calculated as adjusted EBITDA as a percentage of total revenue.



Balance Sheet and Capital Allocation Opportunities

Strong cash flow provides opportunity to pursue multiple growth opportunities



Pro Forma Net Leverage at December 31, 2021
(USD in millions)

Total Debt	\$708
Cash & Cash Equivalents ⁽²⁾	\$111
LTM Adjusted EBITDA	\$160
Net Leverage	3.7x

- Capital Allocation Priorities**
- Support growth opportunities across key clients, geographies and capabilities
 - Continued investment in our technology and operational efficiency
 - Continue to evaluate opportunities to reduce or refinance debt
 - Pursue a disciplined and opportunistic approach to M&A
 - Return capital to shareholders in time

(1) Free cash flow defined as cash flow from operations less capital expenditures and capitalized software development.
(2) Excludes restricted cash.

Full Year 2022 Guidance



	Guidance	Y-o-Y Growth
Total Revenue	<i>\$805–\$820 million</i>	<i>10% – 12%</i>
Adjusted Net Income	<i>\$105–\$115 million</i>	<i>39% – 53%</i>
Adjusted EBITDA	<i>\$180–\$190 million</i>	<i>12% – 19%</i>
Adjusted Diluted EPS	<i>\$1.32 – \$1.45 / Share</i>	<i>7% – 17%</i>

Note: These are not projections; they are targets/goals and are forward-looking, subject to significant business, economic, regulatory and competitive uncertainties and contingencies (including the impact of COVID-19), many of which are beyond the control of the Company and its management and are based upon assumptions with respect to future decisions, which are subject to change. Actual results will vary and those variations may be material. For discussion of some of the important factors that could cause these variations, please consult the "Risk Factors" section of the 10-K filed with the SEC on March 21, 2021. Nothing in this presentation should be regarded as a representation by any person that these goals will be achieved and the Company undertakes no duty to update its goals.

Questions



