



Investor Presentation

March 24, 2021

Cautionary Statement

This presentation highlights management's intentions, projections, financial estimates or expectations about the company's future strategy or performance and are forward-looking in nature as defined in the Private Securities Litigation Reform Act of 1995. These comments are subject to risks and uncertainties, including risks related to potential continuing negative impacts from pandemic health issues, such as the coronavirus / COVID-19, along with the impact of government stay-at-home orders or other similar directives on our future financial results of operations, our future financial condition, and our ability to continue business activities in affected regions, which could cause our actual results to differ materially from our projections. Additional information about factors that might cause our actual results to differ from projections is contained in the company's Form 10-K for the year ended December 31, 2020 and other SEC filings. Any references to non-GAAP financial measures are reconciled to the comparable GAAP financial measures in fourth quarter and full year 2020 earnings release or other SEC filings.

Tech Company with Strong Cash Flow



Focus on capital efficient, scalable businesses in growth markets



Powerful reach, sales and distribution channels



Recurring and re-occurring revenue model with long-term relationship



Revenue diversity & reliable cash flow from millions of customers of all sizes across multiple industries

dlx

FY 2020

Total Company Revenue
~\$1.8B

Payments

Revenue | % Company Revenue

~\$302M | 17%

Cloud Solutions

Revenue | % Company Revenue

~\$ 253M | 14%

Promotional Solutions

Revenue | % Company Revenue

~\$ 530M | 30%

Checks

Revenue | % Company Revenue

~\$ 706M | 39%

Payments

2020 Revenue	\$302M
2020 Adjusted EBITDA	23%
2020 % Company Revenue	17%
Expected LT Growth	Mid-teens

High Growth Segment in Strong Secular Growth Market: *Enabling Businesses to Pay and Get Paid*

Our Solutions



Receivables as a Service

Software automation and intelligence plus massive lockbox operations scale



Digital Disbursements

Digital payouts and electronic remittance data without friction



Cash Flow Management Solutions

Merchant services, Payroll, Human Capital Management (HCM) and more for SMBs

Our Scale

\$2.8T

in payments value processed¹

\$16.4B

in transaction value disbursed

\$8.8B

in payroll value processed²

Where We Win

Helping our **bank** partners and **enterprise** customers **automate \$80B of expense**

Initial focus on **digitizing B2B and B2C** one-off payments that represent **over \$7T of check** payments value

Deepening SMB relationships and anchoring with Payroll / HCM to serve **6M SMB employers**

Why We Win

- Lockbox as our foundation
- Software intelligently matching all payment options in one view
- 70 of top 100 banks currently utilizing at least one DLX service
- Non-disruptive for Payer
- Payment choices for Payee
- Significant traction in verticals including Health Insurance
- Strong bank distribution partners
- Investing in next generation self-onboarding technologies
- New SMB solutions to come

FY 2020 = Double-Digit Revenue Growth; Expect same over the LT

Cloud Solutions

2020 Revenue	\$253M
2020 Adjusted EBITDA	24%
2020 % Company Revenue	14%
Expected LT Growth	Mid-single digit

Moderate Growth Segment to Grow Enterprises and Start / Manage SMBs

Our Solutions



Data Analytics

Full-service, omni-channel, B2B & B2C marketing



SaaS Solutions

DIY and DIFM models. Incorporation, logo, web design services, etc.



Web Hosting

Online presence supporting commerce

Where We Win

FIs and Enterprises

Shifting to tighter targeting & digital integration for customer acquisition. Improving through new data sources

SMBs and FIs

Increasing need for digital tools and support to effectively setup and manage business operations

SMBs and Web developers and Internet Providers

Significant interest in public cloud coupled with desire for complementary digital customer engagement solutions

Why We Win?

- Sophisticated AI tools
- Proprietary Data; bespoke solutions
- Pay-for-Performance and/or Pay-For-Service
- Easy to use
- Easy to find on-line
- Competitively priced
- Potential product bundling
- Bundled by resellers
- Low-cost acquisition

Data is Growth Driver Here -- Other Solutions Relevant Across Full Lifecycle of Businesses

Promotional Solutions

2020 Revenue	\$530M
2020 Adjusted EBITDA	13%
2020 % Company Revenue	30%
Expected LT Growth	Low-single digit

Tech Platform: Helps business manage their Brand. **Produce and Manage:** Physical Business-Branded Products.

Our Solutions



Platform to Manage a Business's Physical Brand Impression

- Customized
- Ease of access
- Reporting insights
- Self-service platform



Traditional Business Essentials

- Branded forms
- Branded direct mailing pieces
- Branded physical products

Where We Win

- SMBs
- Enterprises
- Global Brands

Market Growth

- Flat
- Continue to increase scale

Why We Win?

- Omni-channel distribution
- Well-curated selection
- Rapid innovation

Turn-Key Business-Branded Product/Inventory Management

- Managed Service
- Branded merchandising
- Recurring revenue streams

Support Rapidly Changing Market Demands

- Rapid prototyping
- Deep sources of supply
- Meet unique needs
- Ease of access
- Reporting insights

Easy and Fast Cross-Sell to Existing Customers

Checks

Profitable Strategic Asset to Self-Fund Growth

Solutions



Strong **cash flow** organically funds growth **AND** generates **healthy return** of capital to shareholders



Lead generation source for cost-effective cross-selling other DLX solutions to existing customers

Where We Win

Growing market share among FIs and other resellers of all sizes

Why We Win

- Superior Product – appropriate continued investment; design and customization options
- Superior Service – dedicated customer/account teams
- Superior Quality – minimal COVID-19 downtime/lost production
- Trust – 106-year history
- Balance Sheet – DLX is financially sound, driving material competitive advantage

2020 Revenue	\$706M
2020 Adjusted EBITDA	48%
2020 % Company Revenue	39%
Expected LT Growth	Mid-single digit decline

No Substitutes for B2B Use Cases – Billions Written Annually – Continue for Many Years
Foundation for Strong, Predictable Cash Generation

Uniquely Powering Companies Through Lifecycle

dlx

Meaningful cross-sell opportunities



dlx

Executing Clear and Durable Strategy

4 Pillars Driving Future Growth

Sales



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

Growth Businesses



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

Promotional Solutions Profitability



- Adjust revenue mix
- Enhance distribution model
- Move to recurring revenue model
- Continue to increase scale

Checks



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

One Deluxe = *Trusted Business Technology*[™] Company

2020 Accomplishments

Foundation Built in Middle of COVID – Now Well Positioned for Growth in 2021 and Beyond



New Go-To-Market Approach

Record sales performance – 6 Of 10 biggest deals of last decade



Historic Transformation

Full corporate re-segmentation; upgraded core tech platform; reduced RE locations by 60%



Leadership

Expanded and deepened leadership; executed on clear 4 segment operating strategy



Financial Strength

Lowest net debt in 2.5 years; paid all 4 regular quarterly dividends; bought back stock



Delivered 20.4% Adjusted EBITDA Margin

Kept our margin promise from Q120 despite COVID-19

Despite COVID.....

Exited 2020 Financially Stronger

Cash Flow Highlights

- Delivered free cash flow of \$155.0M, down \$65.1M y/y
 - Decline due to COVID-related impacts, non-core Cloud business exits described last year, and continued secular check declines
 - All partially offset by lower interest, taxes, integration expenses and lower capital expenditures
- Did not repurchase common stock in Q4
- **Declared all 4 regular quarterly dividends of \$0.30 per share**
- Ended year with **strong liquidity** of \$425M and cash balance of \$123M
 - Paid down debt, ending year with \$840M
- **Net debt is \$717M, lowest level in 2.5 years**

Full Year Financial Results

Revenue decline compared to last year (\$1.791B)

10.8%

GAAP net income was
\$8.8M

Adjusted EBITDA
\$364.5M

Adjusted EBITDA margin
20.4%

2021 Guidance

Resilient Business Model – Well Positioned for Growth

Full Year 2021 Outlook

- Exit growth rate: mid-single digit
- FY revenue growth of 0% to 2%
- FY Adjusted EBITDA margin between 20% and 21%
- Q1 2021 will be a continuation of Q4 2020 with similar pandemic impacts
- Expect recovery to begin in the second quarter

Accelerating Transformation

- Capital expenditures = ~\$90M

Deluxe: A Compelling Investment Opportunity

~\$1.8B Fintech Hidden Gem: Payments | Cloud Solutions | Promotional Solutions | Checks

Who We Are

Trusted Business Technology™ company

Purpose

“Champions of business so communities thrive”

Values

Customers First | Earn Trust | Create What's Next |
Deliver for Shareholders | Get-it-done Team



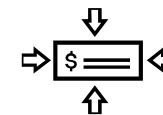
Focus on Optimizing
Strong Growth Trends
& Recurring Revenue



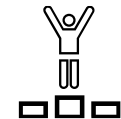
Sales-Driven Growth



Sustainable Margins



Strong Capital Return
to Shareholders



New World-Class Team

1. Well positioned in high secular growth Payments and Data business, with recurring revenue.
2. Strong, predictable cash generation from installed Check and Promo customer base.
3. Strong Balance Sheet, and strong management team.
4. Exit 2021 with mid-single digit revenue growth rate.
5. Maintaining low/mid-20s adjusted EBITDA margin, while funding growth and transformation.



deluxe®
trusted business technology

The logo features the word "deluxe" in a lowercase, sans-serif font. The letters "deluxe" are black, except for the "x", which is red. A registered trademark symbol (®) is located to the upper right of the "e". Below the main text, the tagline "trusted business technology" is written in a smaller, lowercase, sans-serif font. The entire logo is centered on a background with a large, light gray 'X' shape.

Appendix



Consolidated Condensed Statements of Income (Loss)

» \$ in millions, except per share amounts (Unaudited)

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

Segment Information

\$ in millions (Unaudited)

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

Reconciliation of GAAP to Non-GAAP Measures

(EBITDA and adjusted EBITDA)

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

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

Reconciliation of GAAP to Non-GAAP Measures

Adjusted Diluted EPS

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

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

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

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

Net Debt and Free Cash Flow

\$ in millions, except per share amounts (Unaudited)

NET DEBT

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

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

FREE CASH FLOW

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

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