



Fourth Quarter and Full-Year 2022 Earnings

February 2, 2023

Tom Morabito

Vice President, Investor Relations

Today's Presenters



Barry McCarthy

President and Chief
Executive Officer



Chip Zint

Senior Vice President and
Chief Financial Officer



Tom Morabito

Vice President,
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Cautionary Statement

Statements made in this presentation concerning Deluxe, the company's or management's intentions, expectations, outlook or predictions about future results or events are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements reflect management's current intentions or beliefs and are subject to risks and uncertainties that could cause actual results or events to vary from stated expectations, which variations could be material and adverse. Factors that could produce such a variation include, but are not limited to, the following: potential continuing negative impacts from pandemic health issues, such as the coronavirus / COVID-19, along with the impact of related government restrictions or similar directives on our future results of operations and our future financial condition; changes in local, regional, national and international economic or political conditions, including those resulting from heightened inflation, rising interest rates, a recession, or intensified international hostilities, and the impact they may have on the company, its customers or demand for the company's products and services; the effect of proposed and enacted legislative and regulatory actions affecting the company or the financial services industry as a whole; continuing cost increases and/or declines in the availability of materials and other services; the company's ability to execute its transformational strategy and to realize the intended benefits; the inherent unreliability of earnings, revenue and cash flow predictions due to numerous factors, many of which are beyond the company's control; declining demand for the company's checks, check-related products and services and business forms; risks that the company's strategies intended to drive sustained revenue and earnings growth, despite the continuing decline in checks and forms, are delayed or unsuccessful; intense competition; continued consolidation of financial institutions and/or bank failures, thereby reducing the number of potential customers and referral sources and increasing downward pressure on the company's revenue and gross profit; risks related to acquisitions, including integration-related risks and risks that future acquisitions will not be consummated; risks that any such acquisitions do not produce the anticipated results or synergies; risks that the company's cost reduction initiatives will be delayed or unsuccessful; risks related to any divestitures contemplated or undertaken by the company; performance shortfalls by one or more of the company's major suppliers, licensors or service providers; continuing supply chain and labor supply issues; unanticipated delays, costs and expenses in the development and marketing of products and services, including web services and financial technology and treasury management solutions; the failure of such products and services to deliver the expected revenues and other financial targets; risks related to security breaches, computer malware or other cyber-attacks; risks of interruptions to the company's website operations or information technology systems; and risks of unfavorable outcomes and the costs to defend litigation and other disputes. The company's forward-looking statements speak only as of the time made, and management assumes no obligation to publicly update any such statements. Additional information concerning these and other factors that could cause actual results and events to differ materially from the company's current expectations are contained in the company's Form 10-K for the year ended December 31, 2021, and other filings made with the SEC. The company undertakes no obligation to update or revise any forward-looking statements to reflect subsequent events, new information or future circumstances.

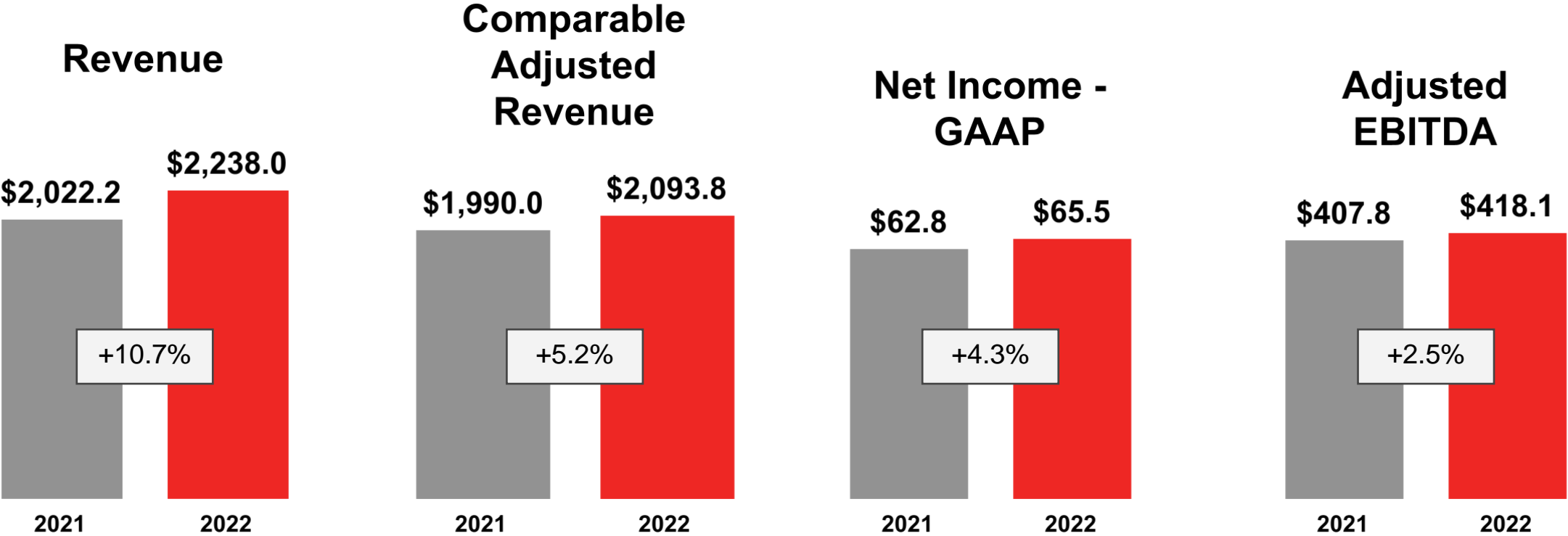
Portions of the financial and statistical information that will be discussed during this call are addressed in more detail in today's press release which is posted on our investor relations website at deluxe.com. This information was also furnished to the SEC on the Form 8-K filed by the Company this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

Barry McCarthy

President and Chief Executive Officer

Full Year 2022 Highlights

(in millions)



2022 Segment Highlights

Strong Execution of One Deluxe Strategy

Payments

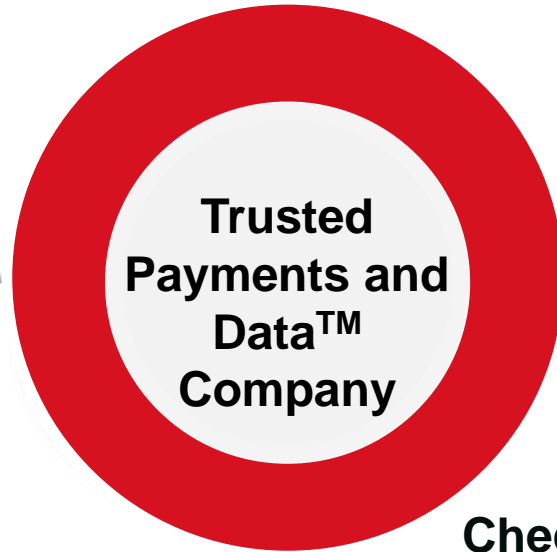


- Comparable adjusted revenue increased 4.7% year-over-year
- Merchant Services improved 4.4%
- The rest of Payments, which includes receivables and payables, grew 4.9% led by Digital Payments and Treasury Management

Data



- Comparable adjusted revenue increased 8.6% year-over-year
- Data's performance was driven by double-digit growth in Data Driven Marketing (DDM)
- Continued diversification to non-interest rate sensitive verticals



Promo



- Comparable adjusted revenue increased 6.1% year-over-year
- Margin improvement as year progressed

Checks



- Revenue increased 3.7% year-over-year
- Print-on-demand technology helps with managing costs and maintaining margins



Chip Zint

Chief Financial Officer

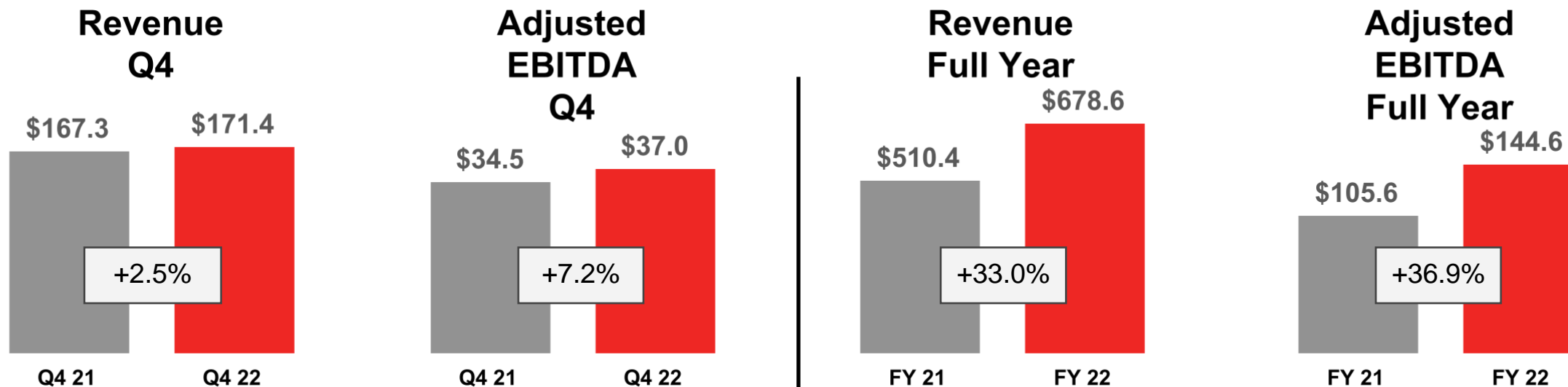
4Q22 Summary

- Total revenue was \$564.0 million, down 1.2% compared to 4Q21; comparable adjusted revenue increased 1.2%
- GAAP net income was \$19.0 million, or \$0.44 per share on a diluted basis
- Adjusted EBITDA was \$112.2 million, down 4.2% compared to 4Q21; comparable adjusted EBITDA declined 2.8%
- Adjusted EBITDA margin was 19.9%, down 60 basis points from last year and down 80 basis points on a comparable adjusted basis
- Adjusted EPS was \$1.04, down 17.5% year-over-year



Payments

(in millions)



- For the quarter and on a comparable adjusted basis, revenue increased 2.5% and adjusted EBITDA increased 7.2% year-over-year.
- For the year and on a comparable adjusted basis, revenue increased 4.7% and adjusted EBITDA increased 8.3% year-over-year.

Payments

Merchant Services

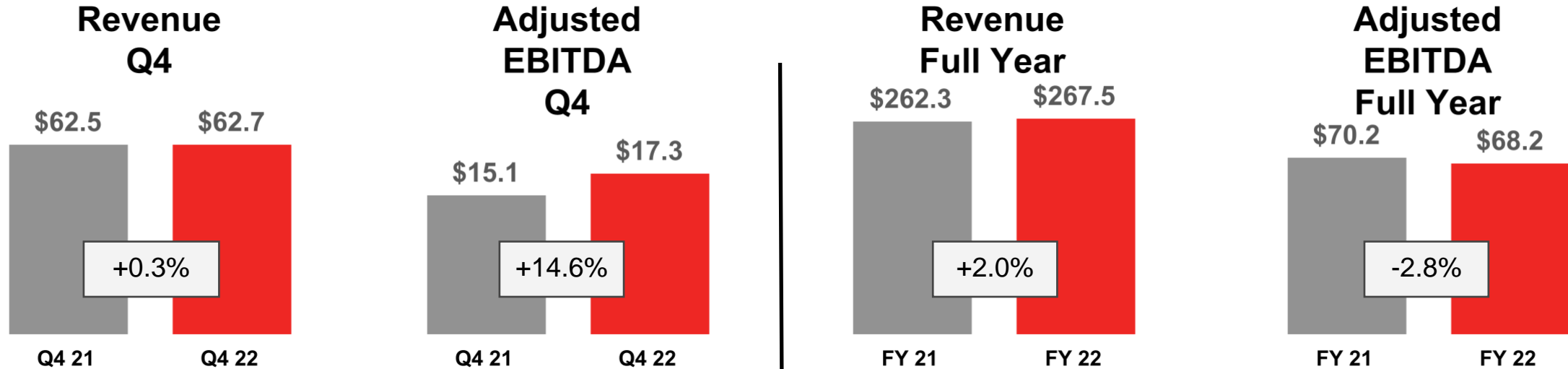
Receivables as
a Service

Payables as
a Service

Payroll & HR Management
Solutions

Data Solutions

(in millions)



- For the quarter and on a comparable adjusted basis, revenue increased 11.2% and adjusted EBITDA increased 24.5% year-over-year.
- For the year and on a comparable adjusted basis, revenue increased 8.6% and adjusted EBITDA increased 1.6% year-over-year.

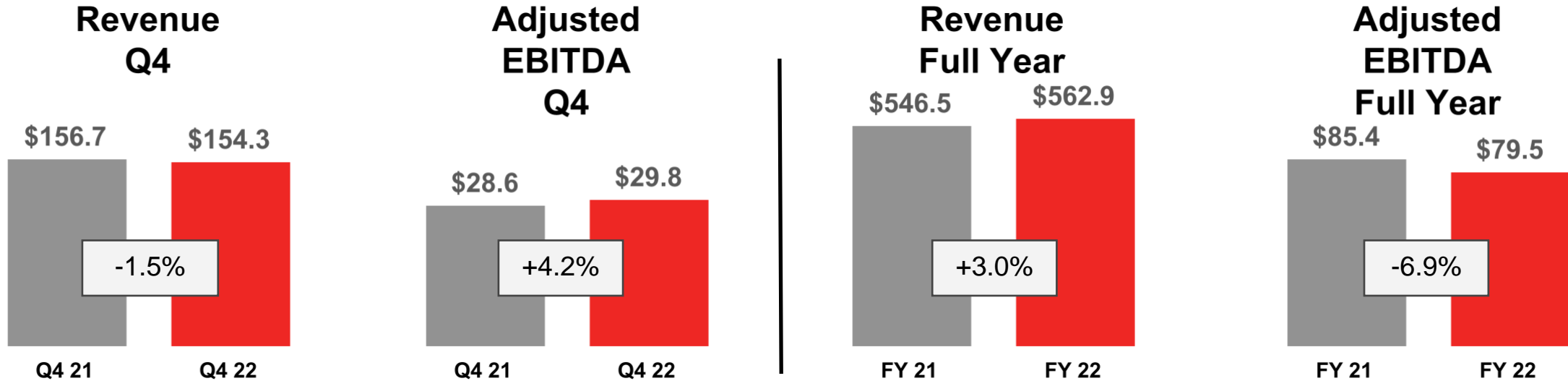
Data Solutions

Data Analytics

SaaS Solutions

Promotional Solutions

(in millions)



- For the quarter and on a comparable adjusted basis, revenue increased 3.1% and adjusted EBITDA increased 6.0% year-over-year.
- For the year and on a comparable adjusted basis, revenue increased 6.1% and adjusted EBITDA decreased 6.0% year-over-year.

Promotional Solutions

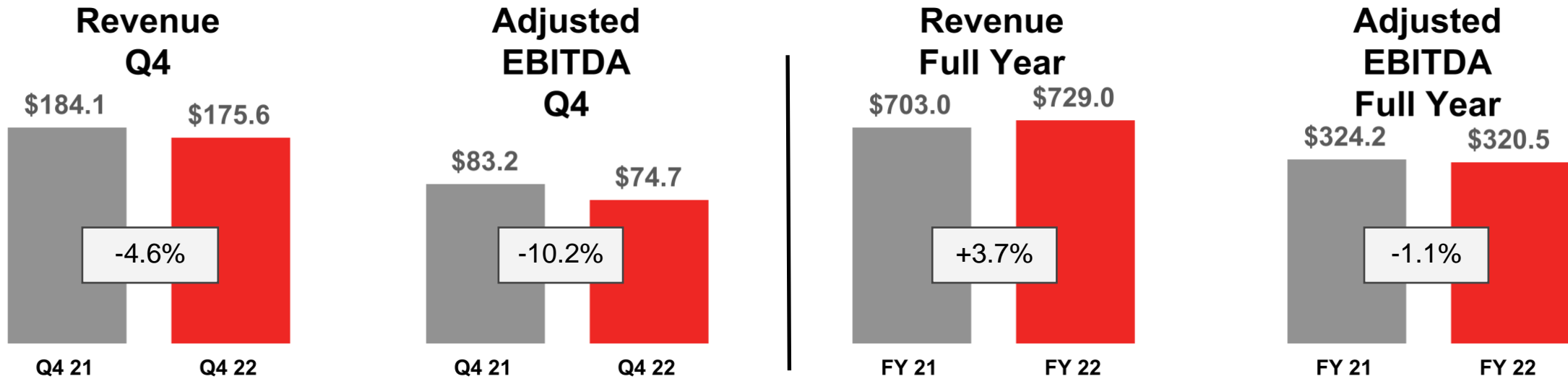
Turn-Key Managed
Branded Solutions

Web Storefront Platform
for Branded Products

Business
Essentials

Checks

(in millions)



- For the quarter and on a comparable adjusted basis, revenue decreased 4.6% and adjusted EBITDA decreased 10.2% year-over-year.
- For the year and on a comparable adjusted basis, revenue increased 3.7% and adjusted EBITDA decreased 1.1% year-over-year.

Checks

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

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

Balance Sheet and Cash Flow

Declared regular dividend of \$0.30 per share

Net Debt to Adjusted EBITDA

(in millions)

	For the Year Ended		
	12/31/22	12/31/21	Variance
Net Debt	\$1,603.8	\$1,641.8	(\$38.0)
LTM Adjusted EBITDA	\$418.1	\$407.8	\$10.3
Net Debt to Adjusted EBITDA	3.8 x	4.0 x	

Free Cash Flow

(in millions)

	For the Quarter Ended		
	12/31/22	12/31/21	Variance
Cash Provided by Operating Activities	\$68.1	\$61.6	\$6.5
Less Capital Expenditures	(31.1)	(28.1)	(3.0)
Free Cash Flow	\$37.0	\$33.5	\$3.5

2023 Guidance

Well-positioned for sustainable growth

- Revenue of \$2.145 to \$2.210 billion
- Adjusted EBITDA of \$390 to \$405 million
- Adjusted EPS of \$2.90 to \$3.25
- Free cash flow of \$80 to \$100 million

- Additional modeling assumptions:
 - Interest expense of \$120 to \$125 million
 - Adjusted tax rate of 26%
 - Depreciation and amortization of \$170 million, of which acquisition amortization is approximately \$75 million
 - Average outstanding share count of 43.7 million shares
 - Capital expenditures of \$100 million

All figures are approximate, and subject to, among other things, the closure of the web hosting and logo divestiture by April 1, 2023, prevailing macroeconomic conditions, labor supply issues, inflation, and the impact of other divestitures



deluxe[®]

Q & A

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Tom Morabito

Vice President of Investor Relations

Upcoming Conferences

Date	Event
March 7, 2023	Truist Securities Technology, Internet & Services Conference
March 22, 2023	Sidoti Virtual Small Cap Conference

Appendix



Consolidated Condensed Statements of Income

in millions, except per share amounts (Unaudited)

	Quarter Ended December 31,		Year Ended December 31,	
	2022	2021	2022	2021
Product revenue	\$329.5	\$336.9	\$1,286.2	\$1,244.5
Service revenue	234.5	233.7	951.8	777.7
Total revenue	564.0	570.6	2,238.0	2,022.2
Cost of products	(124.8)	(120.1)	(470.2)	(450.9)
Cost of services	(137.8)	(135.0)	(561.9)	(433.4)
Total cost of revenue	(262.6)	(255.1)	(1,032.1)	(884.3)
Gross profit	301.4	315.5	1,205.9	1,137.9
Selling, general and administrative expense	(240.1)	(255.4)	(993.3)	(941.0)
Restructuring and integration expense	(15.9)	(16.7)	(62.5)	(54.7)
Gain on sale of businesses and facility	—	—	19.3	—
Operating income	45.4	43.4	169.4	142.2
Interest expense	(29.0)	(20.0)	(94.4)	(55.6)
Other income	1.9	0.7	9.4	7.2
Income before income taxes	18.3	24.1	84.4	93.8
Income tax benefit (provision)	0.7	(10.3)	(18.9)	(31.0)
Net income	19.0	13.8	65.5	62.8
Non-controlling interest	—	—	(0.1)	(0.2)
Net income attributable to Deluxe	\$19.0	\$13.8	\$65.4	\$62.6
Weighted-average dilutive shares outstanding	43.4	43.1	43.3	42.8
Diluted earnings per share	\$0.44	\$0.32	\$1.50	\$1.45
Adjusted diluted earnings per share	1.04	1.26	4.08	4.88
Capital expenditures	31.1	28.1	104.6	109.1
Depreciation and amortization expense	43.6	45.8	172.6	148.8
EBITDA	90.9	89.9	351.3	298.0
Adjusted EBITDA	112.2	117.1	418.1	407.8

Segment Information

in millions (Unaudited)

	Quarter Ended December 31,		Year Ended December 31,	
	2022	2021	2022	2021
Revenue:				
Payments	\$171.4	\$167.3	\$678.6	\$510.4
Data Solutions	62.7	62.5	267.5	262.3
Promotional Solutions	154.3	156.7	562.9	546.5
Checks	175.6	184.1	729.0	703.0
Total	<u>\$564.0</u>	<u>\$570.6</u>	<u>\$2,238.0</u>	<u>\$2,022.2</u>
Adjusted EBITDA:				
Payments	\$37.0	\$34.5	\$144.6	\$105.6
Data Solutions	17.3	15.1	68.2	70.2
Promotional Solutions	29.8	28.6	79.5	85.4
Checks	74.7	83.2	320.5	324.2
Corporate	(46.6)	(44.3)	(194.7)	(177.6)
Total	<u>\$112.2</u>	<u>\$117.1</u>	<u>\$418.1</u>	<u>\$407.8</u>
Adjusted EBITDA Margin:				
Payments	21.6%	20.6%	21.3%	20.7%
Data Solutions	27.6%	24.2%	25.5%	26.8%
Promotional Solutions	19.3%	18.3%	14.1%	15.6%
Checks	42.5%	45.2%	44.0%	46.1%
Total	19.9%	20.5%	18.7%	20.2%

Segment Information (continued)

in millions (Unaudited)

	Quarter Ended December 31,		Year Ended December 31,	
	2022	2021	2022	2021
Comparable Adjusted Revenue:				
Payments	\$171.4	\$167.3	\$534.4	\$510.4
Data Solutions	62.7	56.4	267.5	246.3
Promotional Solutions	154.3	149.6	562.9	530.3
Checks	175.6	184.1	729.0	703.0
Total	<u>\$564.0</u>	<u>\$557.4</u>	<u>\$2,093.8</u>	<u>\$1,990.0</u>
Comparable Adjusted EBITDA:				
Payments	\$37.0	\$34.5	\$114.4	\$105.6
Data Solutions	17.3	13.9	68.2	67.1
Promotional Solutions	29.8	28.1	79.5	84.6
Checks	74.7	83.2	320.5	324.2
Corporate	(46.6)	(44.3)	(194.7)	(177.6)
Total	<u>\$112.2</u>	<u>\$115.4</u>	<u>\$387.9</u>	<u>\$403.9</u>
Comparable Adjusted EBITDA Margin:				
Payments	21.6%	20.6%	21.4%	20.7%
Data Solutions	27.6%	24.6%	25.5%	27.2%
Promotional Solutions	19.3%	18.8%	14.1%	16.0%
Checks	42.5%	45.2%	44.0%	46.1%
Total	19.9%	20.7%	18.5%	20.3%

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,	
	2022	2021	2022	2021
Net income	\$19.0	\$13.8	\$65.5	\$62.8
Non-controlling interest	—	—	(0.1)	(0.2)
Interest expense	29.0	20.0	94.4	55.6
Income tax (benefit) provision	(0.7)	10.3	18.9	31.0
Depreciation and amortization expense	43.6	45.8	172.6	148.8
EBITDA	90.9	89.9	351.3	298.0
Restructuring, integration and other costs	16.3	17.9	63.1	59.0
Share-based compensation expense	4.9	7.7	23.6	29.5
Acquisition transaction costs	—	0.1	0.1	18.9
Certain legal-related expense (benefit)	0.1	1.5	(0.7)	2.4
Gain on sale of businesses and facility	—	—	(19.3)	—
Adjusted EBITDA	<u>\$112.2</u>	<u>\$117.1</u>	<u>\$418.1</u>	<u>\$407.8</u>
Adjusted EBITDA margin	19.9 %	20.5 %	18.7%	20.2%

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, integration and other 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	\$21.9	\$16.3	\$4.9	\$0.1	—	61.5
Income tax benefit (provision)	0.7	—	—	—	—	(\$17.0)	(16.3)
Net income	\$19.0	—	—	—	—	—	\$45.2
Income attributable to Deluxe available to common shareholders	\$19.0	—	—	—	—	—	\$45.2
Weighted-average dilutive shares	43.4	—	—	—	—	—	43.4
Diluted EPS	\$0.44	—	—	—	—	—	\$1.04

Reconciliation of GAAP to Non-GAAP Measures

Adjusted Diluted EPS - Q4 2021

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

	Q4 2021 GAAP	Acquisition amortization	Restructuring, integration and other costs	Share-based compensation	Acquisition transaction costs	Certain legal- related expense	Income tax impact of adjustments	Q4 2021 Adjusted
Total revenue	\$570.6	\$—	\$—	\$—	\$—	\$—	\$—	\$570.6
Total cost of revenue	(255.1)	4.2	1.2	0.5	—	—	—	(249.2)
Gross profit	315.5	4.2	1.2	0.5	—	—	—	321.4
Selling, general and administrative expense	(255.4)	23.0	—	7.2	0.1	1.5	—	(223.6)
Restructuring and integration expense	(16.7)	—	16.7	—	—	—	—	—
Operating income	43.4	27.2	17.9	7.7	0.1	1.5	—	97.8
Interest expense	(20.0)	—	—	—	—	—	—	(20.0)
Other income	0.7	—	—	—	—	—	—	0.7
Income before income taxes	24.1	<u>\$27.2</u>	<u>\$17.9</u>	<u>\$7.7</u>	<u>\$0.1</u>	<u>\$1.5</u>	—	78.5
Income tax provision	(10.3)						<u>(\$13.7)</u>	(24.0)
Net income	<u>\$13.8</u>							<u>\$54.5</u>
Income attributable to Deluxe available to common shareholders	<u>\$13.7</u>							<u>\$54.4</u>
Weighted-average dilutive shares	43.1							43.0
Diluted EPS	\$0.32							\$1.26

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, integration and other costs	Share-based compensation	Acquisition transaction costs	Certain legal- related expense	Gain on sale of businesses and facility / 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 expense	(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	\$90.6	\$63.1	\$23.6	\$0.1	(\$0.7)	(\$21.0)	—	240.1
Income tax provision	(18.9)							(\$43.8)	(62.7)
Net income	65.5								177.4
Non-controlling interest	(0.1)								(0.1)
Net income attributable to Deluxe	\$65.4								\$177.3
Income attributable to Deluxe available to common shareholders	\$64.9								\$176.7
Weighted-average dilutive shares	43.3								43.3
Diluted EPS	\$1.50								\$4.08

Reconciliation of GAAP to Non-GAAP Measures

Adjusted Diluted EPS - Full Year 2021

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

	Full Year 2021 GAAP	Acquisition amortization	Restructuring, integration and other costs	Share-based compensation	Acquisition transaction costs	Certain legal- related expense	Income tax impact of adjustments	Full Year 2021 Adjusted
Total revenue	\$2,022.2	\$—	\$—	\$—	\$—	\$—	\$—	\$2,022.2
Total cost of revenue	(884.3)	15.4	4.3	1.9	—	—	—	(862.7)
Gross profit	1,137.9	15.4	4.3	1.9	—	—	—	1,159.5
Selling, general and administrative expense	(941.0)	67.5	—	27.6	18.9	2.4	—	(824.6)
Restructuring and integration expense	(54.7)	—	54.7	—	—	—	—	—
Operating income	142.2	82.9	59.0	29.5	18.9	2.4	—	334.9
Interest expense	(55.6)	—	—	—	—	—	—	(55.6)
Other income	7.2	—	—	—	—	—	—	7.2
Income before income taxes	93.8	<u>\$82.9</u>	<u>\$59.0</u>	<u>\$29.5</u>	<u>18.9</u>	<u>\$2.4</u>	—	286.5
Income tax provision	(31.0)						<u>(\$45.8)</u>	(76.8)
Net income	62.8							209.7
Non-controlling interest	(0.2)							(0.2)
Net income attributable to Deluxe	<u>\$62.6</u>							<u>\$209.5</u>
Income attributable to Deluxe available to common shareholders	<u>\$62.2</u>							<u>\$208.9</u>
Weighted-average dilutive shares	42.8							42.8
Diluted EPS	\$1.45							\$4.88

Reconciliation of GAAP to Non-GAAP Measures

Comparable Adjusted Revenue
in millions (Unaudited)

	Quarter Ended December 31,		Year Ended December 31,	
	2022	2021	2022	2021
Total Company:				
Total revenue	\$564.0	\$570.6	\$2,238.0	\$2,022.2
Incremental First American revenue	—	—	(144.2)	—
Business exits	—	(13.2)	—	(32.2)
Comparable adjusted revenue	<u>\$564.0</u>	<u>\$557.4</u>	<u>\$2,093.8</u>	<u>\$1,990.0</u>
Payments:				
Total revenue	\$171.4	\$167.3	\$678.6	\$510.4
Incremental First American revenue	—	—	(144.2)	—
Comparable adjusted revenue	<u>\$171.4</u>	<u>\$167.3</u>	<u>\$534.4</u>	<u>\$510.4</u>
Data Solutions:				
Total revenue	\$62.7	\$62.5	\$267.5	\$262.3
Business exits	—	(6.1)	—	(16.0)
Comparable adjusted revenue	<u>\$62.7</u>	<u>\$56.4</u>	<u>\$267.5</u>	<u>\$246.3</u>
Promotional Solutions:				
Total revenue	\$154.3	\$156.7	\$562.9	\$546.5
Business exits	—	(7.1)	—	(16.2)
Comparable adjusted revenue	<u>\$154.3</u>	<u>\$149.6</u>	<u>\$562.9</u>	<u>\$530.3</u>
Checks:				
Total revenue	\$175.6	\$184.1	\$729.0	\$703.0

Reconciliation of GAAP to Non-GAAP Measures

Comparable Adjusted EBITDA

in millions (Unaudited)

	Quarter Ended December 31,		Year Ended December 31,	
	2022	2021	2022	2021
Total Company:				
Adjusted EBITDA	\$112.2	\$117.1	\$418.1	\$407.8
Incremental First American adjusted EBITDA	—	—	(30.2)	—
Business exits	—	(1.7)	—	(3.9)
Comparable adjusted EBITDA	<u>\$112.2</u>	<u>\$115.4</u>	<u>\$387.9</u>	<u>\$403.9</u>
Payments:				
Adjusted EBITDA	\$37.0	\$34.5	\$144.6	\$105.6
Incremental First American adjusted EBITDA	—	—	(30.2)	—
Comparable adjusted EBITDA	<u>\$37.0</u>	<u>\$34.5</u>	<u>\$114.4</u>	<u>\$105.6</u>
Data Solutions:				
Adjusted EBITDA	\$17.3	\$15.1	\$68.2	\$70.2
Business exits	—	(1.2)	—	(3.1)
Comparable adjusted EBITDA	<u>\$17.3</u>	<u>\$13.9</u>	<u>\$68.2</u>	<u>\$67.1</u>
Promotional Solutions:				
Adjusted EBITDA	\$29.8	\$28.6	\$79.5	\$85.4
Business exits	—	(0.5)	—	(0.8)
Comparable adjusted EBITDA	<u>\$29.8</u>	<u>\$28.1</u>	<u>\$79.5</u>	<u>\$84.6</u>
Checks:				
Adjusted EBITDA	\$74.7	\$83.2	\$320.5	\$324.2
Corporate:				
Adjusted EBITDA	(\$46.6)	(\$44.3)	(\$194.7)	(\$177.6)

Reconciliation of GAAP to Non-GAAP Measures

Comparable Adjusted Revenue - Merchant Services

in millions / (Unaudited)

	<u>2022</u>	<u>2021</u>
Merchant services revenue	\$347.7	\$195.0
Incremental First American revenue	(144.2)	—
Merchant services comparable adjusted revenue	203.5	195.0
Comparable adjusted revenue growth	4.4 %	

Comparable Adjusted Revenue / Comparable Adjusted EBITDA Outlook

(Unaudited)

	Total Year	Data Solutions	Promotional Solutions
	2023 Outlook	2022 Actual	2022 Actual
<i>(in billions)</i>			
Total revenue	\$2.145 - \$2.210	\$2.238	\$0.268
Less: Business exits	—	(0.069)	(0.057)
Comparable adjusted revenue	\$2.145 - \$2.210	\$2.169	\$0.211
Comparable adjusted revenue growth %	(1%) - 2%		Low single digit growth
<i>(in millions)</i>			
Adjusted EBITDA	\$390 - \$405	\$418	\$68
Less: Business exits	—	(21)	(20)
Comparable adjusted EBITDA	\$390 - \$405	\$397	\$48
Comparable adjusted EBITDA growth %	(2%) - 2%		Adj EBITDA margin in low 20% range

Reconciliation of GAAP to Non-GAAP Measures

Net Debt to Adjusted EBITDA

in millions (Unaudited)

	Dec. 31, 2022	Dec. 31, 2021
Total debt	\$1,644.2	\$1,683.0
Cash and cash equivalents	(40.4)	(41.2)
Net debt	<u>\$1,603.8</u>	<u>\$1,641.8</u>

TRAILING 12 MONTHS ADJUSTED EBITDA:

	Total Year 2022	Total Year 2021
Net income	\$65.5	\$62.8
Non-controlling interest	(0.1)	(0.2)
Interest expense	94.4	55.6
Income tax provision	18.9	31.0
Depreciation and amortization expense	172.6	148.8
Restructuring, integration and other costs	63.1	59.0
Share-based compensation	23.6	29.5
Acquisition transaction costs	0.1	18.9
Certain legal-related expense	(0.7)	2.4
Gain on sale of businesses and facility	(19.3)	—
Adjusted EBITDA	<u>\$418.1</u>	<u>\$407.8</u>
NET DEBT TO ADJUSTED EBITDA	3.8	4.0

Reconciliation of GAAP to Non-GAAP Measures

Free Cash Flow

in millions (Unaudited)

	Quarter Ended December 31,		Year Ended December 31,	
	2022	2021	2022	2021
Net cash provided by operating activities	\$68.1	\$61.6	\$191.5	\$210.8
Purchases of capital assets	(31.1)	(28.1)	(104.6)	(109.1)
Free cash flow	<u>\$37.0</u>	<u>\$33.5</u>	<u>\$86.9</u>	<u>\$101.7</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, integration and other 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.

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