

**PAR**<sup>TM</sup>

Q3 '22 Earnings Presentation  
November 9, 2022

NYSE: PAR



## Forward-Looking Statements.

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## Industry and Market Data.

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(1) See Appendix A for non-GAAP reconciliation and Key Performance Indicators

## Key Performance Indicators and Non-GAAP Financial Measures.<sup>(1)</sup>

We monitor certain operating data and non-GAAP financial measures in the evaluation and management of our business; select key operating data and non-GAAP financial measures have been provided as we believe these to be useful in facilitating period-to-period comparisons of our business performance. Operating data and non-GAAP financial measures do not reflect and should be viewed independently of our financial performance determined in accordance with GAAP. Operating data and non-GAAP financial measures are not forecasts or indicators of future or expected results and should not have undue reliance placed upon them by investors.

Where non-GAAP financial measures are included in this presentation, the most directly comparable GAAP financial measures and a detailed reconciliation between GAAP and non-GAAP financial measures is included in the Appendix to this presentation.

Unless otherwise indicated, financial and operating data included in this presentation is as of September 30, 2022.

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# Q3 '22 Financials

in thousands	Three Months Ended September 30	
	2022	2021
<b>Revenues, net:</b>		
Product	31,343	30,291
Service	37,010	29,530
Contract	24,414	18,039
<b>Total revenues net</b>	<b>\$ 92,767</b>	<b>\$ 77,860</b>
<b>Total gross margin</b>	<b>21,408</b>	<b>18,214</b>
<b>Operating expenses</b>		
SG&A	26,543	21,662
R&D	12,843	10,122
Amort of identifiable intangible assets	465	539
<b>Total operating expenses</b>	<b>39,851</b>	<b>32,323</b>
Other income (expense), net	(179)	(539)
Interest income (expense), net	(2,140)	(5,406)
<b>Loss before benefit from income taxes</b>	<b>(20,762)</b>	<b>(31,970)</b>
Benefit from (provision for) income taxes	(578)	37
<b>Net loss</b>	<b>\$ (21,340)</b>	<b>\$ (31,933)</b>
Non-GAAP adjustments	\$ 9,434	\$ 22,613
Adjusted net loss	\$ (11,906)	\$ (9,320)
Adjusted diluted loss per share	\$ (0.44)	\$ (0.36)
Adjusted weighted average shares	27,110	25,998

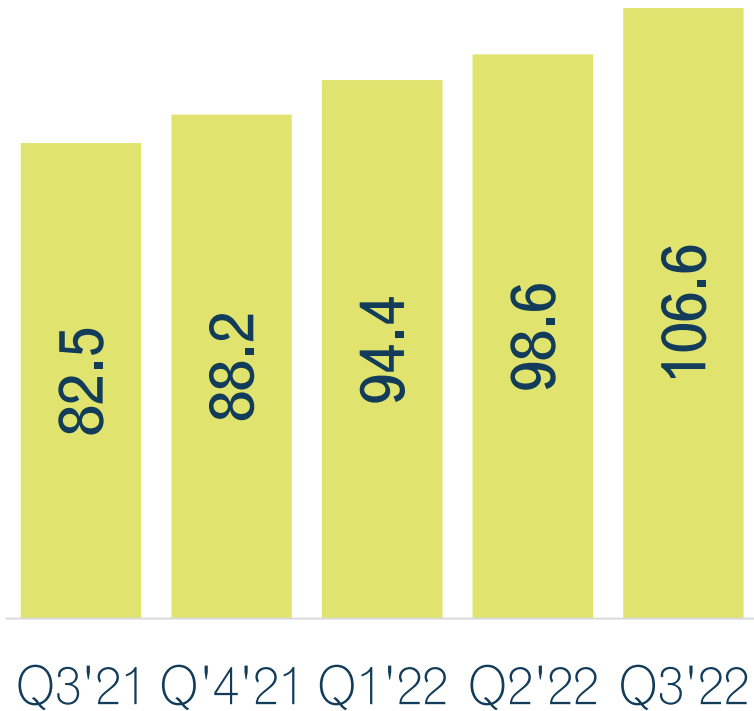
- Q3 2022 Revenue Reported-- \$92.8 million
- 19.1% Increase from Q3 2021

All amounts in thousands, except for Adjusted diluted loss per share



# ARR<sup>(1)</sup>

ARR (USD '000,000)



Total ARR grew 29.2% YoY from Q3 '21

- Guest Engagement ARR (includes Punchh + MENU) increased 31% from Q3 last year
- Operator Solutions ARR (includes Brink POS and PAR Payment Businesses<sup>(2)</sup>) increased 32% from Q3 last year
- Back Office (Data Central), Increased 12% from Q3 last year

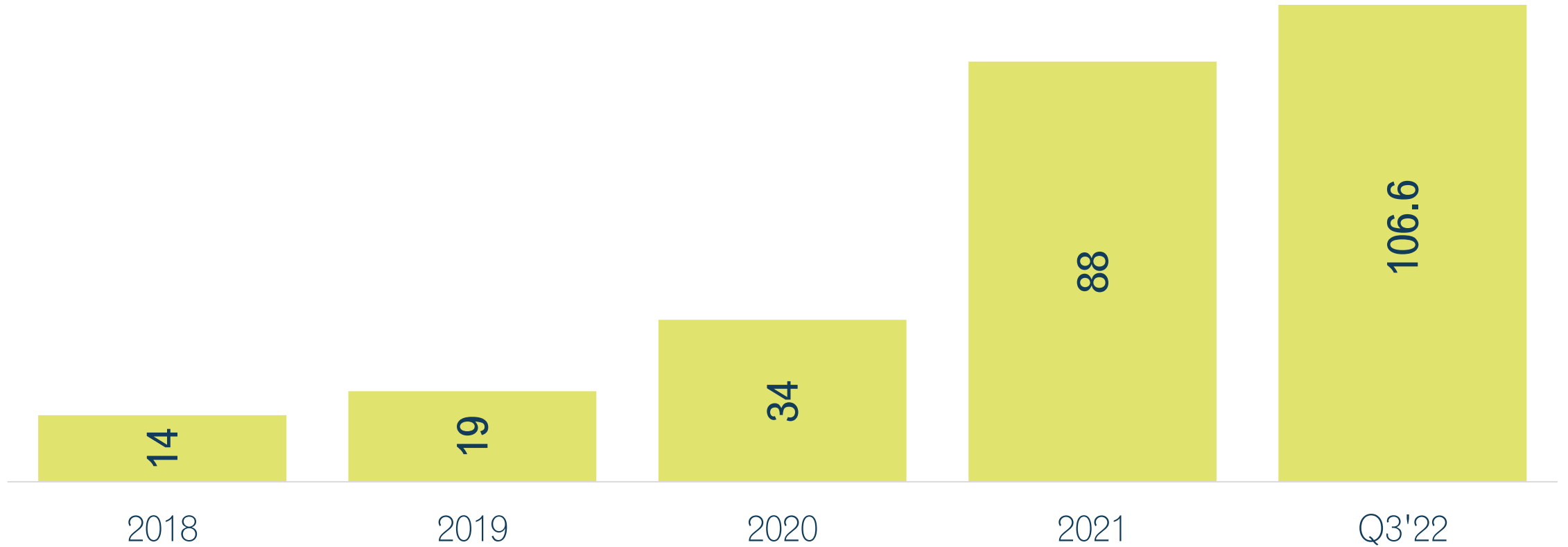
(1) See Appendix A – Key Performance Indicators

(2) Includes PAR Payment Services and PAR Pay



# ARR<sup>(1)</sup> Growth Trajectory

ARR (USD '000,000)

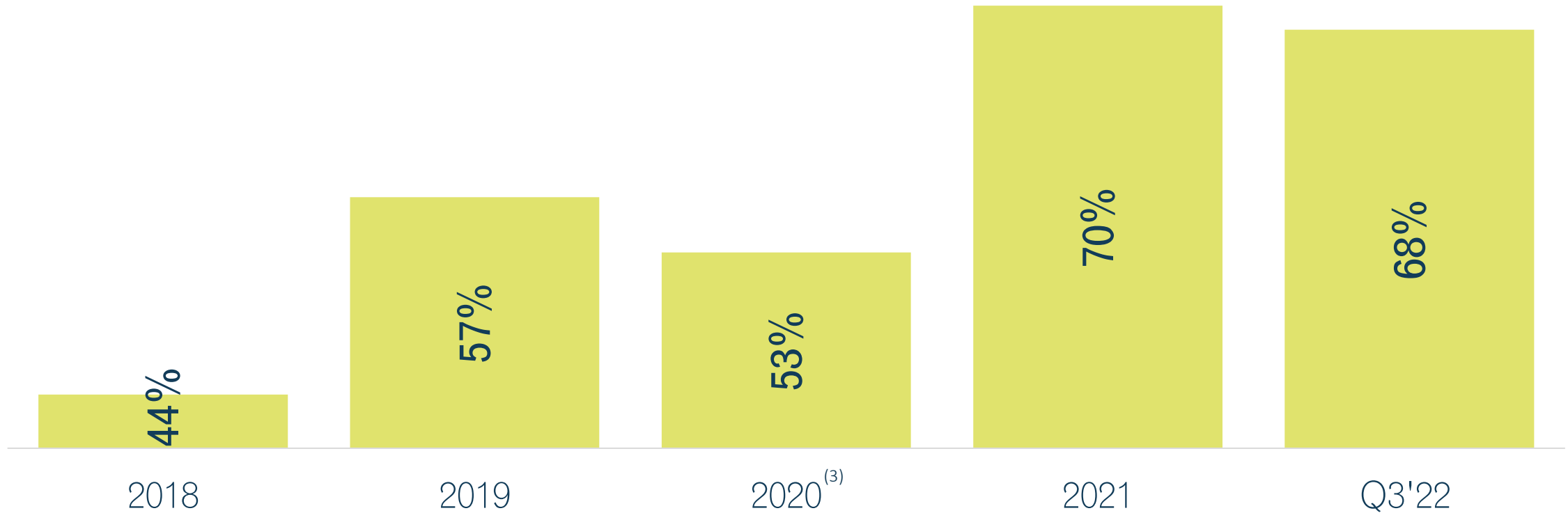


(1) ARR includes Data Central (acquired December 2019 but ARR inclusion started in early 2020 for graph) and Punchh (acquired in April 2021).



# Adjusted Subscription Gross Margin Expanding <sup>(1)</sup>

Adjusted Subscription Gross Margins<sup>(1)(2)</sup> (%)



(1) Subscription Margins were \$6.4M in 2018, \$10.5M 2019, \$15M in 2020, \$44M in 2021, and \$68M in Q3 2022 Annualized

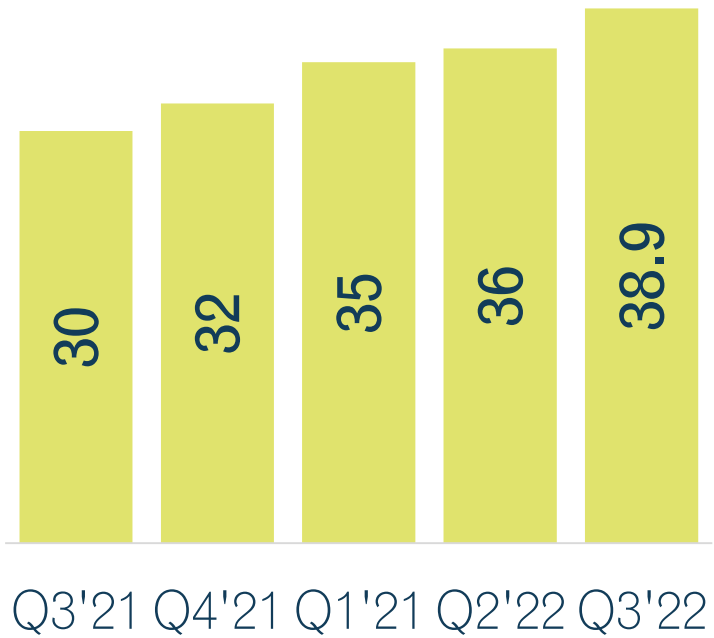
(2) Adjusted Subscription Gross Margin excludes amortization of intangibles of both internally developed and acquired technologies. See Appendix A for non-GAAP reconciliation.

(3) 2020 Gross Margin impacted due to one-time COVID waiver and Cost of Goods Sold (COGS).



# Operator Solutions ARR – (Includes Brink POS + PAR Payments Business<sup>(2)</sup>)

ARR (U\$D '000,000)



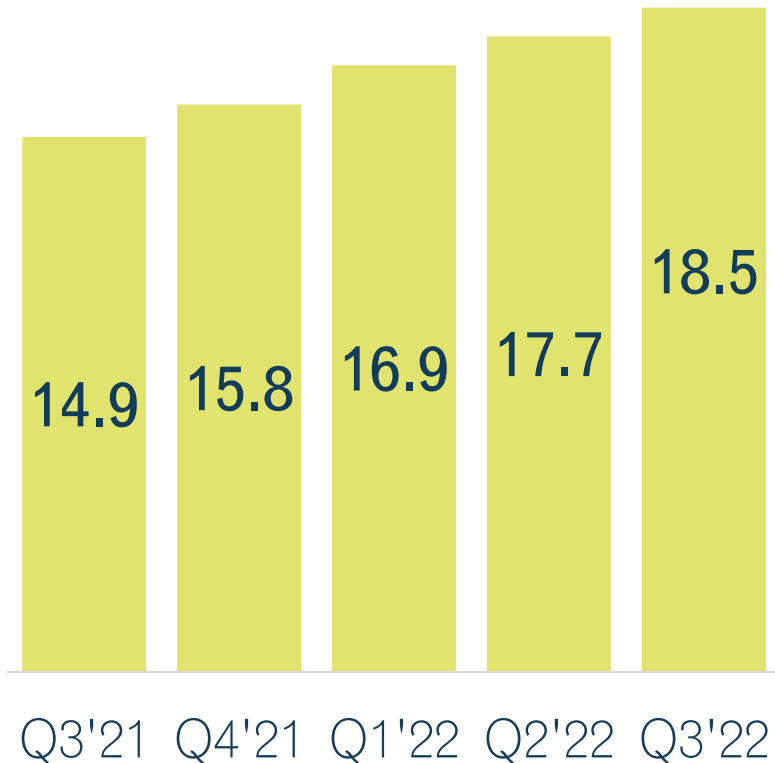
- Operator Solutions ARR increased 32% from Q3 2021
- Consistently low Churn<sup>(1)</sup> ~ 4.8% annualized in Q3 2022

(1) See Appendix A – Key Performance Indicators

(2) Includes PAR Payment Services and PAR Pay

# Operator Solutions Active Sites –

Active Site Count (locations '000)

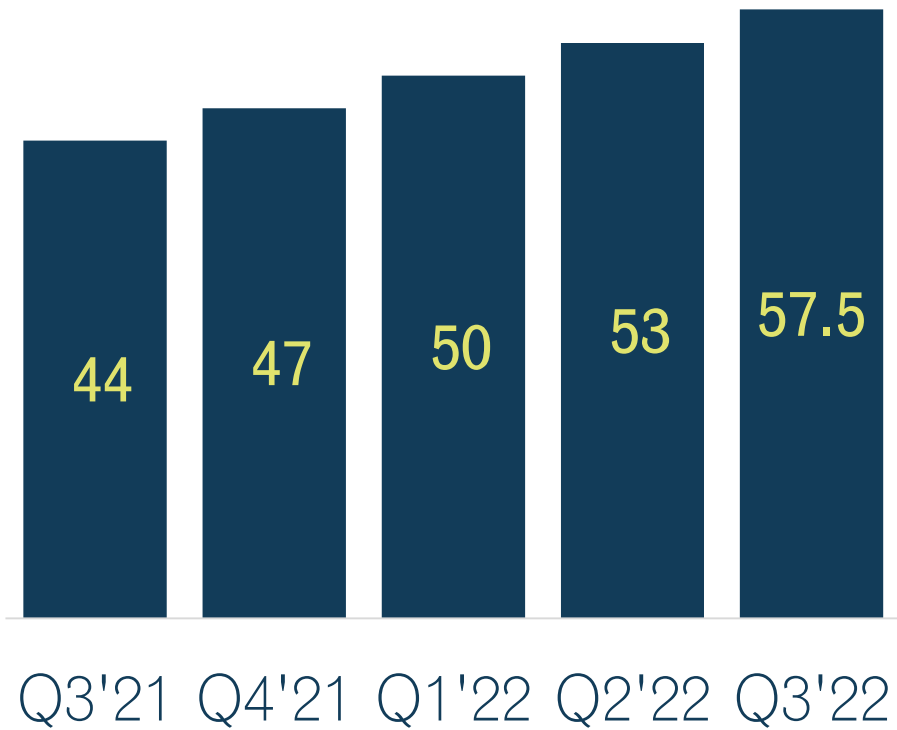


- 24% increase of Active Sites from Q3 2021
- Activations in Q3 2022 – 985
- Active Sites now total ~ 18,500+
- Q3 2022 Bookings # ~ 1,137 stores



## Guest Engagement ARR – (Includes Punchh + MENU)

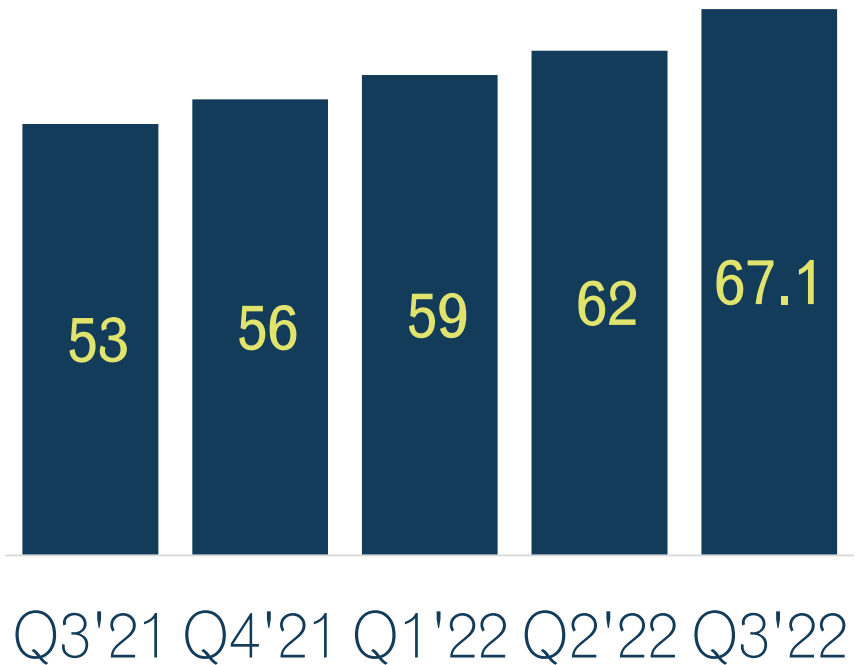
ARR (USD '000,000)



- Guest Engagement ARR increased 31% from Q3 2021

## Guest Engagement Active Sites – (Includes Punchh + MENU)

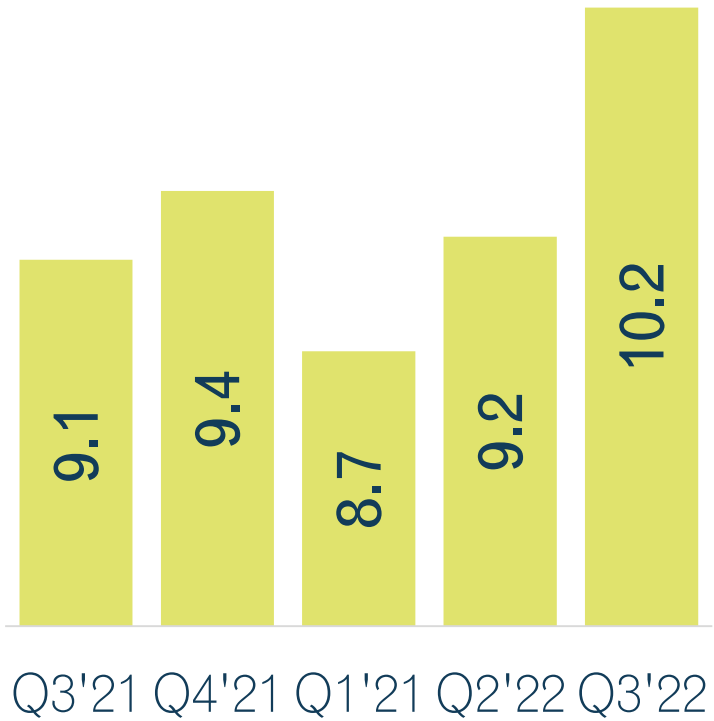
Active Site Count locations '000)



- 26% increase of Active Sites from Q3 2021
- 5,698 stores went live in Q3 2022
- Active Sites now total ~ 67,104

## Back Office Solutions ARR – (Includes Data Central)

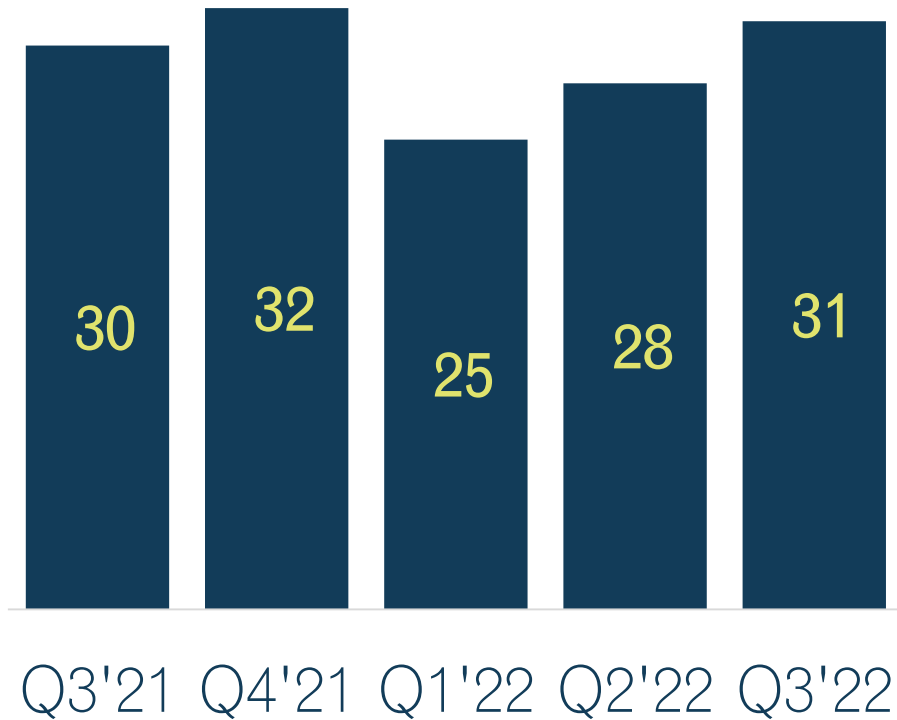
ARR (U\$D '000,000)



- Back Office Solutions ARR increased 12.3% from Q3 2021
- 370 New activations in Q3 2022
- Active Sites now total 6,668

# Restaurant/Retail Segment Product Revenue

product revenue (U\$D '000,000)



- Product revenue increased 3.4% from Q3 '21
- Proving Value of Complete Tech Stack
- Difficult/Challenging Supply Chain Environment

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Appendix A



# Subscription Gross Profit GAAP to Non-GAAP Reconciliation

\$M	12 Months Ended				
	Dec-2018	Dec-2019	Dec-2020	Dec-2021	Q3'22 <sup>(1)</sup> Annualized
Total Restaurant / Retail Revenue	\$134	\$123	\$143	\$210	\$274
Non-Subscription Service Revenue	(119)	(105)	(114)	(147)	(173)
<b>Subscription Service Revenue</b>	<b>\$15</b>	<b>\$18</b>	<b>\$28</b>	<b>\$63</b>	<b>\$101</b>
Total COGS	\$103	\$91	\$109	\$154	\$198
Non-Subscription COGS	(91)	(78)	(89)	(118)	(143)
Less Amortization from Acquired and Internally Developed Technology	(3)	(4)	(6)	(17)	(22)
<b>Non-GAAP Adj. Subscription COGS</b>	<b>\$8</b>	<b>\$8</b>	<b>\$13</b>	<b>\$19</b>	<b>\$33</b>
<b>Non-GAAP Adj. Subscription Gross Margin</b>	<b>\$6</b>	<b>\$10</b>	<b>\$15</b>	<b>\$44</b>	<b>\$68</b>

Note: Unaudited. Numbers may not tie due to rounding.  
(1) Q3'22 financial information is annualized based on actuals.



# Investment Thesis

## 1. Foodservice market ready for disruption

- Large TAM in restaurants with ~1m locations in the US spending 2-3% of total revenue on technology<sup>1</sup>
- The industry shift to cloud technology has led to an explosion in new technology from Voice AI to marketing technology

## 2. Meeting market need with Unified Commerce

- Today technology is driving a wedge between restaurants and their guests
- Brands are shifting to well integrated vendors and more targeted guest interactions
- There is an opportunity to create an integrated solution with unified data that enables restaurants to have 1:1 relationship with their guests

## 3. ARR at scale with strong SaaS metrics

- Through both organic and inorganic strategies, ARR has reached \$106.6M with significant opportunity to expand within existing customers and win new business. 12 Month Contracted ARR is now more than \$118.0M



## Appendix A – Key Performance Indicators

- **Annualized Recurring Revenue or "ARR"** is the annualized revenue from SaaS and related revenue of our software products. We calculate ARR by annualizing the monthly recurring revenue for all Active Sites as of the last day of each month for the respective reporting period. ARR also includes recurring payment processing services revenue, net of expenses. We charge a per-transaction fee each time a customer payment is processed electronically.
- **"Contracted ARR"** is ARR that also includes signed/booked sites that have yet to be activated.
- **"Booking"** is a customer purchase order for SaaS; upon PAR's acceptance, the customer is obligated to purchase the SaaS and pay PAR for the services. In specific cases with Punchh, bookings are added at the time of execution of the relevant master services agreement.
- **"Activations"** are calculated as of the end of each month based on the number of SaaS customers that have initiated use of our software products/platforms. Once "activated", PAR begins to invoice/bill the customer. In specific cases with Punchh, invoicing takes place before activation takes place.
- **"Active Sites"** represent locations active on PAR's SaaS software as of the last day of the respective fiscal period.
- **"Churn"** reflects the negative change in Active Site count of PAR customers, for a specific period.
- **"Subscription Service Revenue"** represents revenue from SaaS, related revenue of our software products, and recurring payment processing services revenue net of expenses.
- **"Adjusted Subscription Gross Margin"** is PAR's gross margin of subscription service revenue excluding amortization of acquired and internally developed technology.



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Thank You!