



Q1 '24 Earnings Presentation

May 9, 2024

NYSE: PAR





Forward-Looking Statements.

This presentation contains forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, Section 27A of the Securities Act of 1933, as amended, and the Private Securities Litigation Reform Act of 1995. Forward-looking statements are not historical in nature, but rather are predictive of our future operations, financial condition, financial results, business strategies and prospects. Forward-looking statements are generally identified by words such as “anticipate,” “believe,” “could,” “continue,” “estimate,” “may,” “opportunity,” “target,” “will,” and similar expressions. Forward-looking statements are based on management’s current expectations and assumptions that are subject to a variety of risks and uncertainties, many of which are beyond our control, which could cause our actual results to differ materially from those expressed in or implied by forward-looking statements contained in this presentation about our business, financial condition, and results of operations. Factors, risks, trends and uncertainties that could cause our actual results to differ materially from those expressed in or implied by forward-looking statements contained in this presentation include, among others, our ability to successfully develop or acquire and transition new products and services and enhance existing products and services to meet evolving customer needs and respond to emerging technological trends, including artificial intelligence; unfavorable macroeconomic conditions, such as recession or slowed economic growth, fluctuating interest rates, inflation, and changes in consumer confidence and discretionary spending; the effects, costs and timing of any acquisitions, divestitures, and capital markets transactions; our ability to integrate acquisitions into our operations and the timing and costs associated therewith, including the acquisition of Stuzo Holdings, LLC; the closing of the acquisition of TASK Group Holdings Limited and the timing and costs thereof; the protection of our intellectual property; our ability to retain and add integration partners, and our success in acquiring and developing relevant technology for current, new, and potential customers for our service and product offerings; geopolitical events, including the effects of the Russia-Ukraine war, tensions with China and between China and Taiwan, the Israel-Hamas conflict and other hostilities in the Middle East; the competitive marketplace for talent and its impact on employee recruitment and retention; component shortages, inventory management, and/or manufacturing disruptions and logistics challenges; risks associated with our international operations; the effects of global pandemics, such as COVID-19, or other public health crises; our ability to maintain proper and effective internal control over financial reporting; changes in estimates and assumptions we make in connection with the preparation of our financial statements, in building our business and operational plans, and in executing our strategies; and the other factors, risks, trends and uncertainties discussed in our most recent Annual Report on Form 10-K and other filings with the Securities and Exchange Commission. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise, except as may be required under applicable securities law.

Industry and Market Data.

Market, industry, and other data included in this presentation are from or based on our own internal good faith estimates and research, and on publicly available publications, research, surveys and studies conducted by third parties, which we believe are reliable, but have not independently verified. Similarly, while we believe our internal estimates and research are reliable, we have not independently verified our internal estimates or research. While we are not aware of any misstatements regarding any market, industry, or other data used by us or expressed in this presentation, such information, because it has not been verified or, by its nature - market surveys, estimates, projections or similar data, are inherently subject to uncertainties, and actual results may differ materially from the assumptions and circumstances reflected in this information.

Key Performance Indicators and Non-GAAP Financial Measures.⁽¹⁾

We monitor certain key performance indicators and non-GAAP financial measures in the evaluation and management of our business; certain key performance indicators and non-GAAP financial measures are provided in this presentation as we believe they are useful in facilitating period-to-period comparisons of our business performance. Key performance indicators and non-GAAP financial measures do not reflect and should be viewed independently of our financial performance determined in accordance with GAAP. Key performance indicators 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 March 31, 2024.

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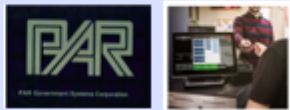
(1) See Appendix A for non-GAAP reconciliation and Key Performance Indicators

PAR[®] Our Journey ... Thus Far ...

(Dollar values represent ARR)

Early Innovation

- Founded in 1968 as a DoD Tech Contractor.
- Pioneered the first commercial POS.



1980s+

Software Renaissance

- Restructured PAR, new team, mission, values.
- Recapitalized PAR to invest in SaaS.
- Acquired Data Central.
- Shifted focus to SaaS.



\$10.7M
Q3 2018

\$19.2M
Q4 2019

2018

2019

Resurgence

- Acquired loyalty provider Punchh.
- Acquired digital ordering MENU.
- Acquired loyalty provider Stuzo.
- Building best-of-breed open platform.
- Continued development of the unified experience platform.



\$33.5M
Q4 2020



\$185.7M
Q1 2024

2020

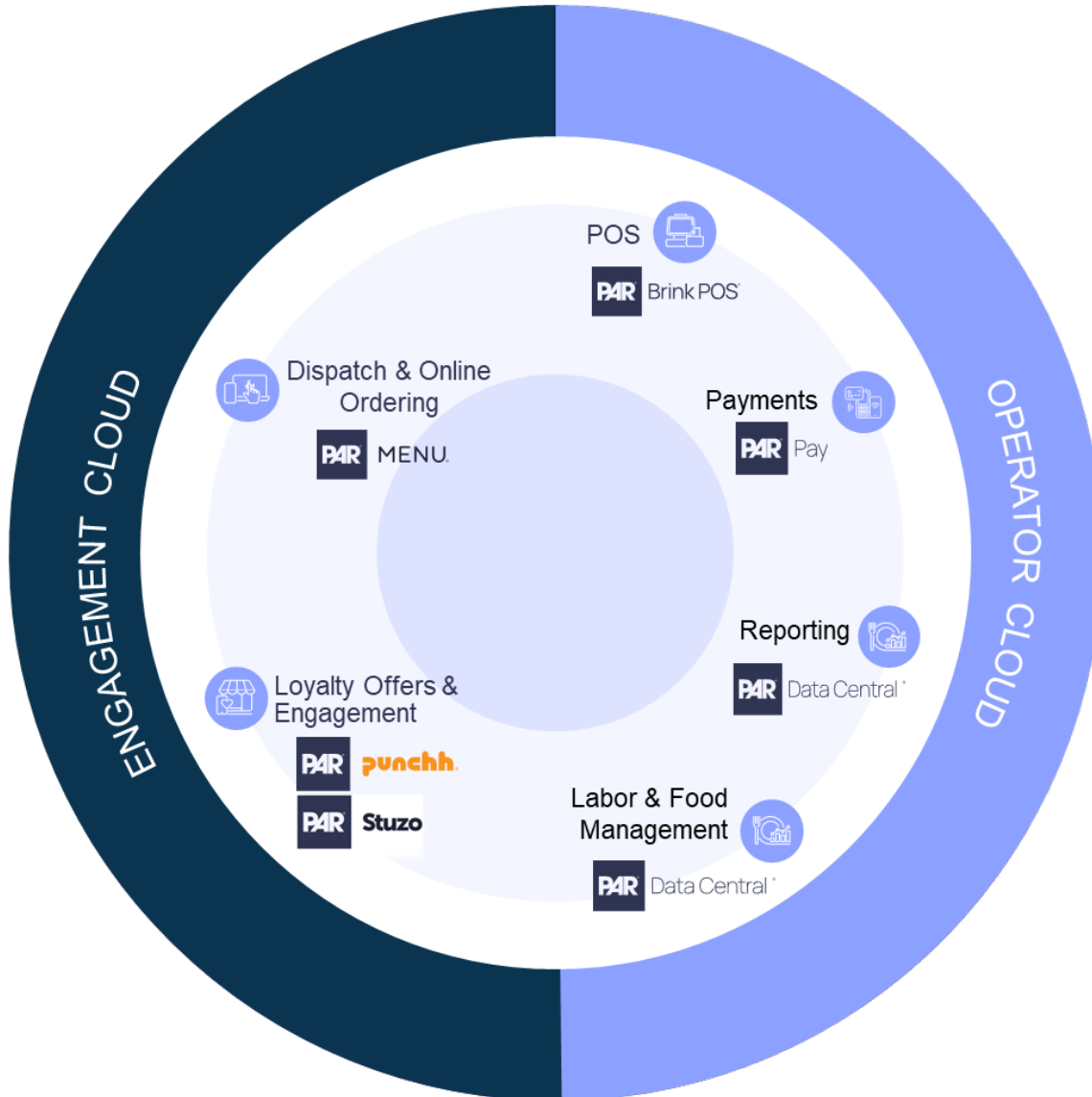
2021

2022

2023

2024+

Building a Unified Experience



- **Unified technology platform offering integrated solutions and sophisticated data insights**
- **Pairs with our state of the art hardware offerings for a complete tech stack**
- **Supported by our comprehensive professional service offerings to drive a positive customer experience**

Financial Review

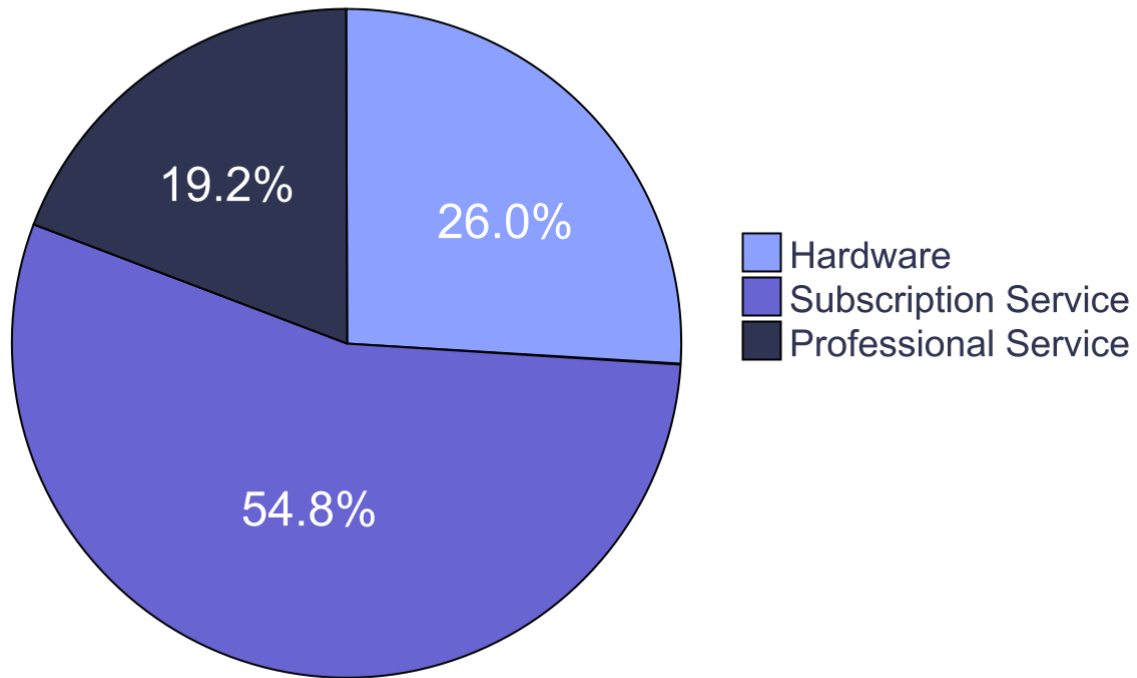
First Quarter 2024 Highlights

Q1 2024 Highlights

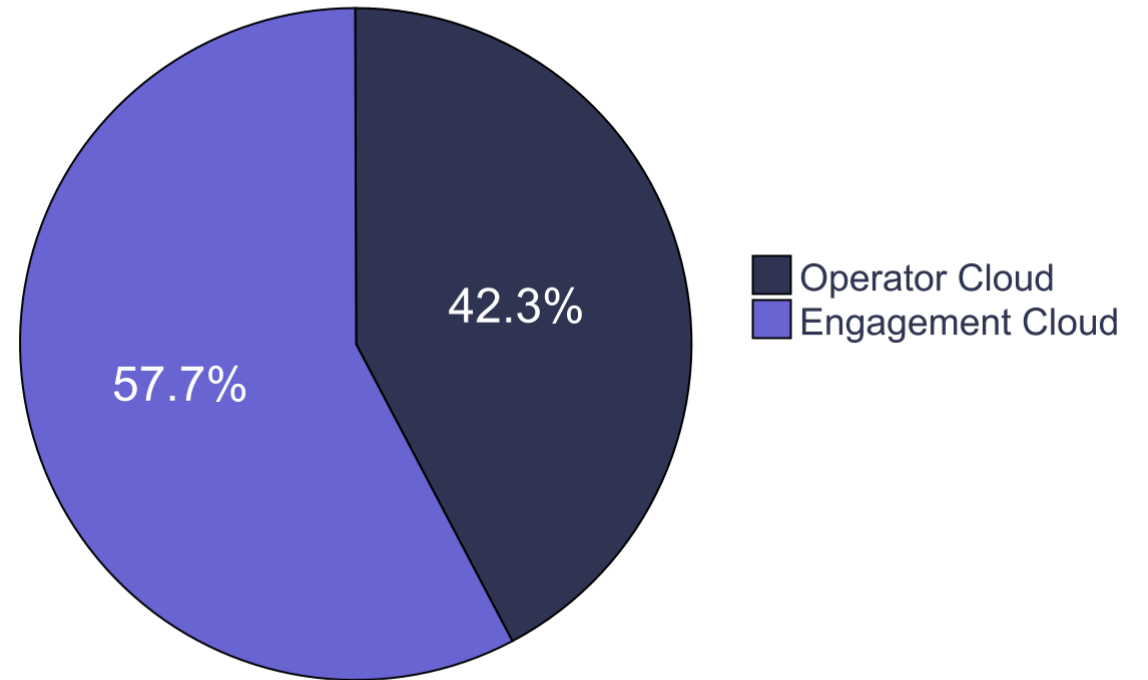
1. Consistent delivery on strong organic ARR growth
2. Cross-sell traction creating meaningful revenue opportunity from existing and potential future whitespace
3. Strong visibility towards profitability and beyond
4. Large and actionable sales pipeline across operator cloud products
5. Proven and repeatable M&A motion

Q1 2024 Revenue Breakout

Revenue by Offering - R/R Segment



ARR by Subscription Product Line



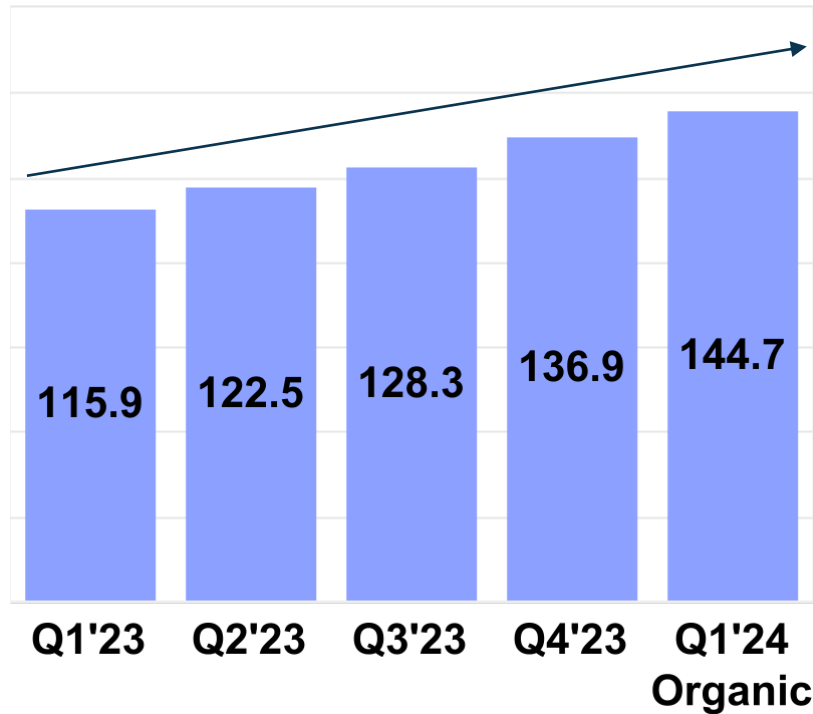


Quarterly KPI Trends

Annual Recurring Revenue

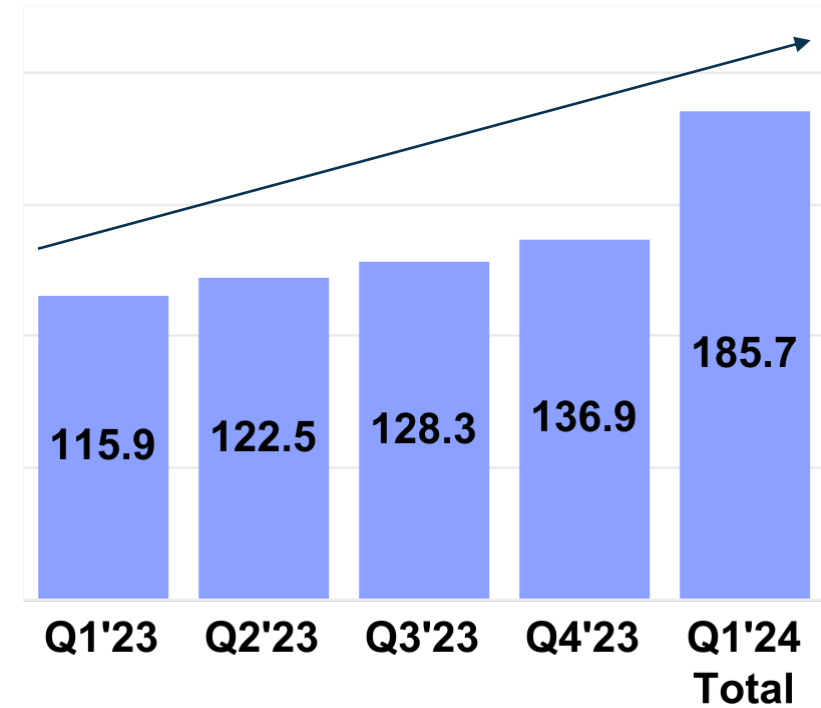
Organic ARR (\$'000,000)

25%
Y/Y Organic Growth



Total ARR (\$'000,000)

60%
Y/Y Total Growth

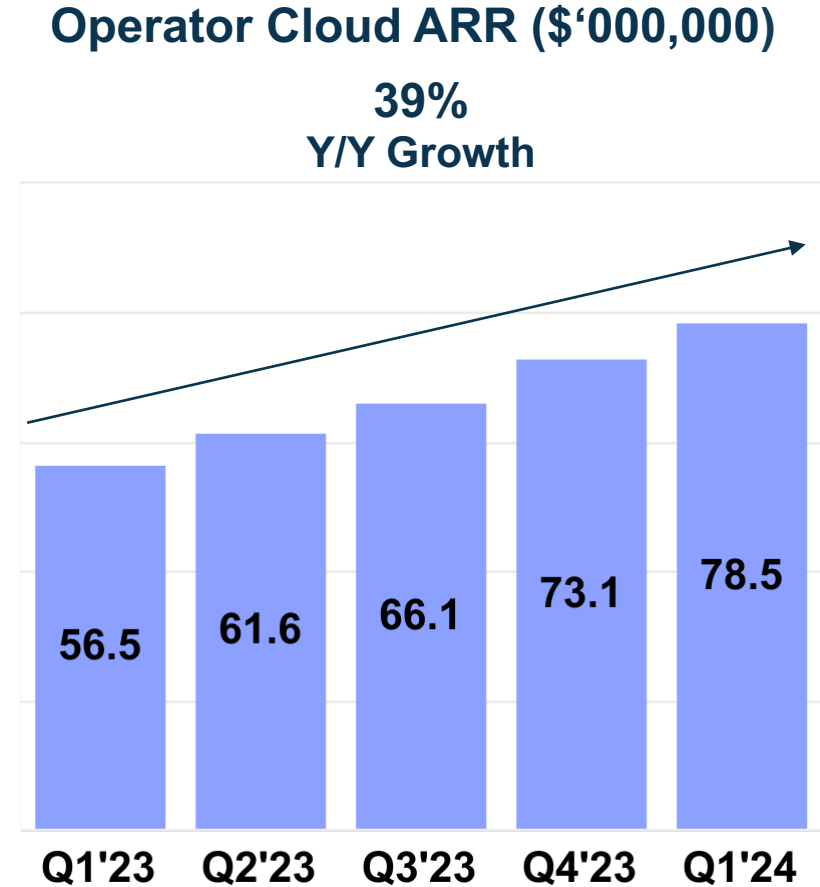
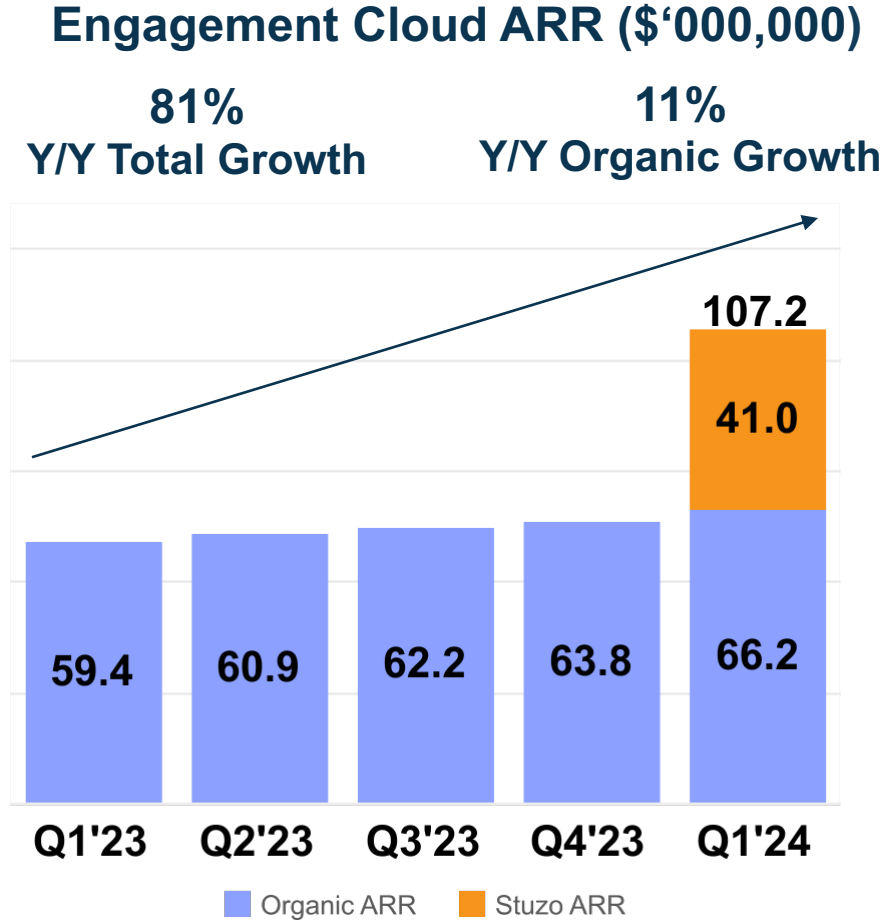


Year-over-year metrics are for the quarter ended 3/31/2024 compared to the quarter ended 3/31/2023. Please see Appendix A — Key Performance Indicators for more information on ARR.



Quarterly KPI Trends

Annual Recurring Revenue by Subscription Service Product Line



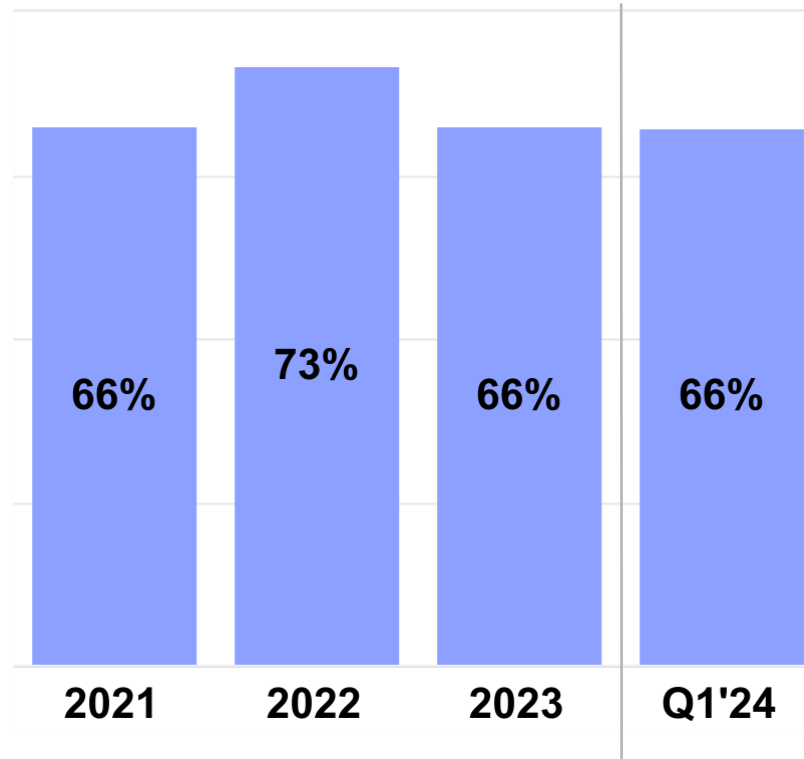
Year-over-year metrics are for the quarter ended 3/31/2024 compared to the quarter ended 3/31/2023. Please see Appendix A — Key Performance Indicators for more information on ARR.



Annual KPI Trends

Subscription Service

Adjusted Subscription Service Gross Margin⁽¹⁾



(1) Adjusted Subscription Service Gross Margin is a non-GAAP financial measure. Please see Appendix A for a detailed reconciliation to Subscription Service Gross Margin (GAAP).



Q1 '24 Financials

in thousands	Three Months Ended March 31,	
	2024	2023
Revenues, net:		
Hardware	\$ 18,226	\$ 26,777
Subscription service	38,379	27,965
Professional service	13,468	13,842
Contract	35,424	31,853
Total revenues, net	105,497	100,437
Total gross margin	28,563	23,193
Operating expenses		
Sales and marketing	10,926	9,398
General and administrative	25,608	18,080
Research and development	15,768	14,315
Amort of identifiable intangible assets	932	464
Adjustment to contingent consideration liability	—	(5,200)
Total operating expenses	53,234	37,057
Other income (expense), net	306	(59)
Interest expense, net	(1,708)	(1,667)
Loss before benefit from (provision for) income taxes	(26,073)	(15,590)
Benefit from (provision for) income taxes	7,785	(315)
Net loss	(18,288)	(15,905)
Non-GAAP adjustments	7,520	3,253
Adjusted net loss	(10,768)	(12,652)
Adjusted diluted net loss per share	(0.36)	(0.46)
Weighted average shares outstanding	29,516	27,344

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

Consolidated Highlights

- 5% increase in revenue from Q1 2023
- 23% increase in gross margin from Q1 2023

Subscription Service Highlights

- 60% increase in ARR from Q1 2023
- 37% increase in revenue from Q1 2023

Appendix A



Adjusted Subscription Gross Margin Non-GAAP Reconciliation

(\$'000,000), except %	12 Months Ended			3 Months Ended
	Dec 2021	Dec 2022	Dec 2023	Mar 2024
Subscription Service Revenue	\$63	\$97	\$123	\$38
Subscription Service Gross Margin	24	50	59	20
Add back Amortization from Acquired and Internally Developed Technology included in Subscription Service Gross Margin	17	21	22	5
Adjusted Subscription Service Gross Margin	\$41	\$71	\$81	\$25
Adjusted Subscription Service Gross Margin %	66%	73%	66%	66%

May not sum/recalculate due to rounding.

The presentation of this non-GAAP reconciliation reflects the bifurcation of service revenue between subscription service revenue and professional service revenue that was implemented in Q4 2022.

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 technology¹
- 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 a Unified Experience

- 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 \$185.7M with significant opportunity to expand within existing customers and win new business.



Key Performance Indicators

- **Annual Recurring Revenue or "ARR"** is the annualized revenue from subscription services, including subscription fees for our SaaS solutions and related software support, managed platform development services, and transaction-based payment processing services. We generally calculate ARR by annualizing the monthly subscription service revenue for all Active Sites as of the last day of each month for the respective reporting period.
- **"Active Sites"** represent locations active on PAR's subscription services as of the last day of the respective fiscal period.
- **"Adjusted Subscription Gross Margin"** is a non-GAAP financial measure for PAR's gross margin of subscription service revenue excluding amortization of acquired and internally developed technology.
- **"Churn"** reflects the negative change in Active Site count of PAR customers, for a specific period.

Thank You!