



Q2 '24 Earnings Presentation

August 8, 2024

NYSE: PAR





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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 Appendix A to this presentation.

Unless otherwise indicated, financial and operating data included in this presentation is as of June 30, 2024.

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(1) See Appendix A for Non-GAAP reconciliations and Key Performance Indicators

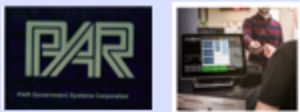


Our Journey ... Thus Far ...

(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

- Launched PAR Payments.
- Acquired loyalty provider Stuzo.
- Crossed 100k Active Sites.
- Sold Government segment to become a pure play foodservice tech company.



\$33.5M
Q4 2020



\$192.2M
Q2 2024

2020

2021

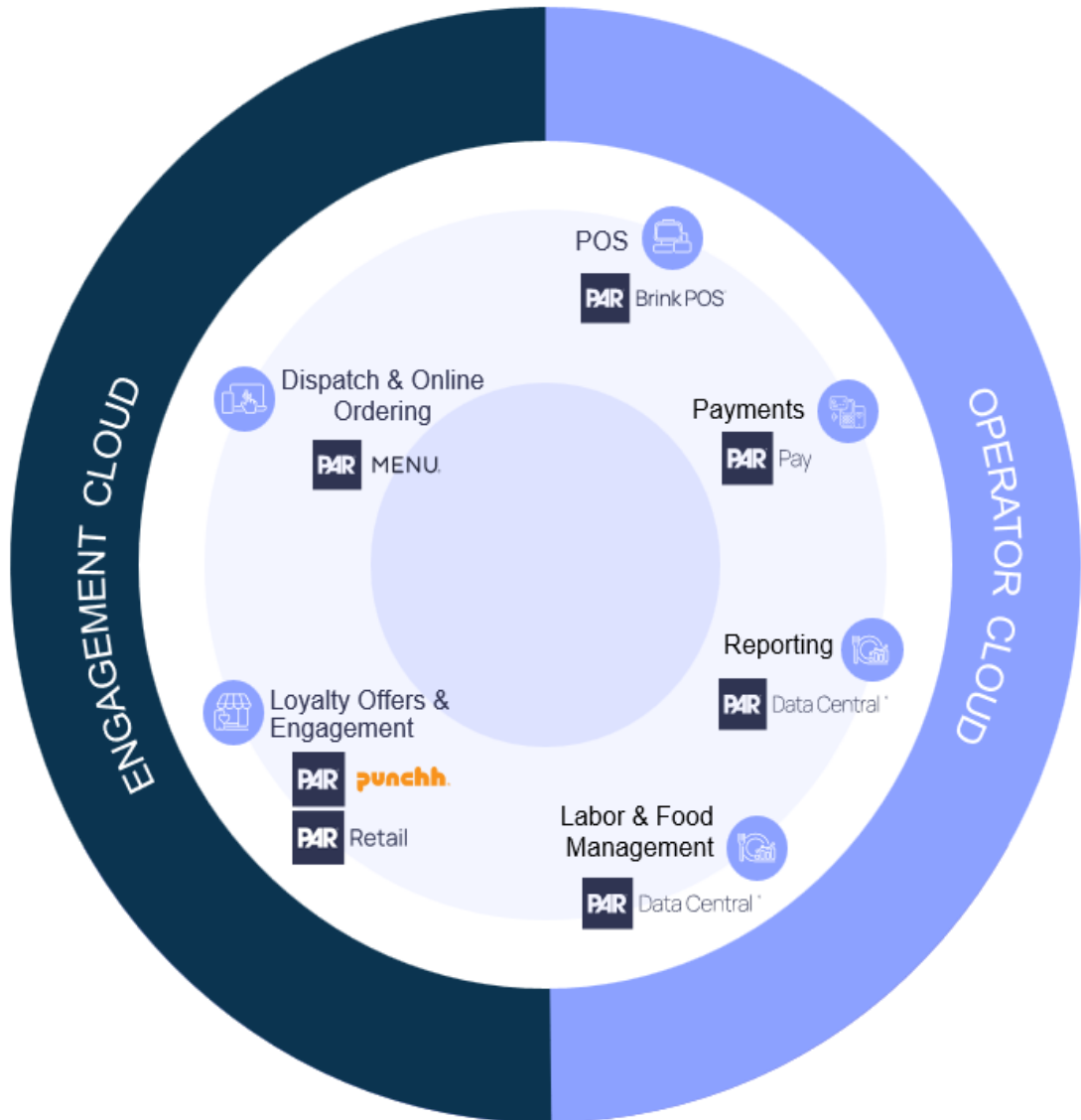
2022

2023

2024+



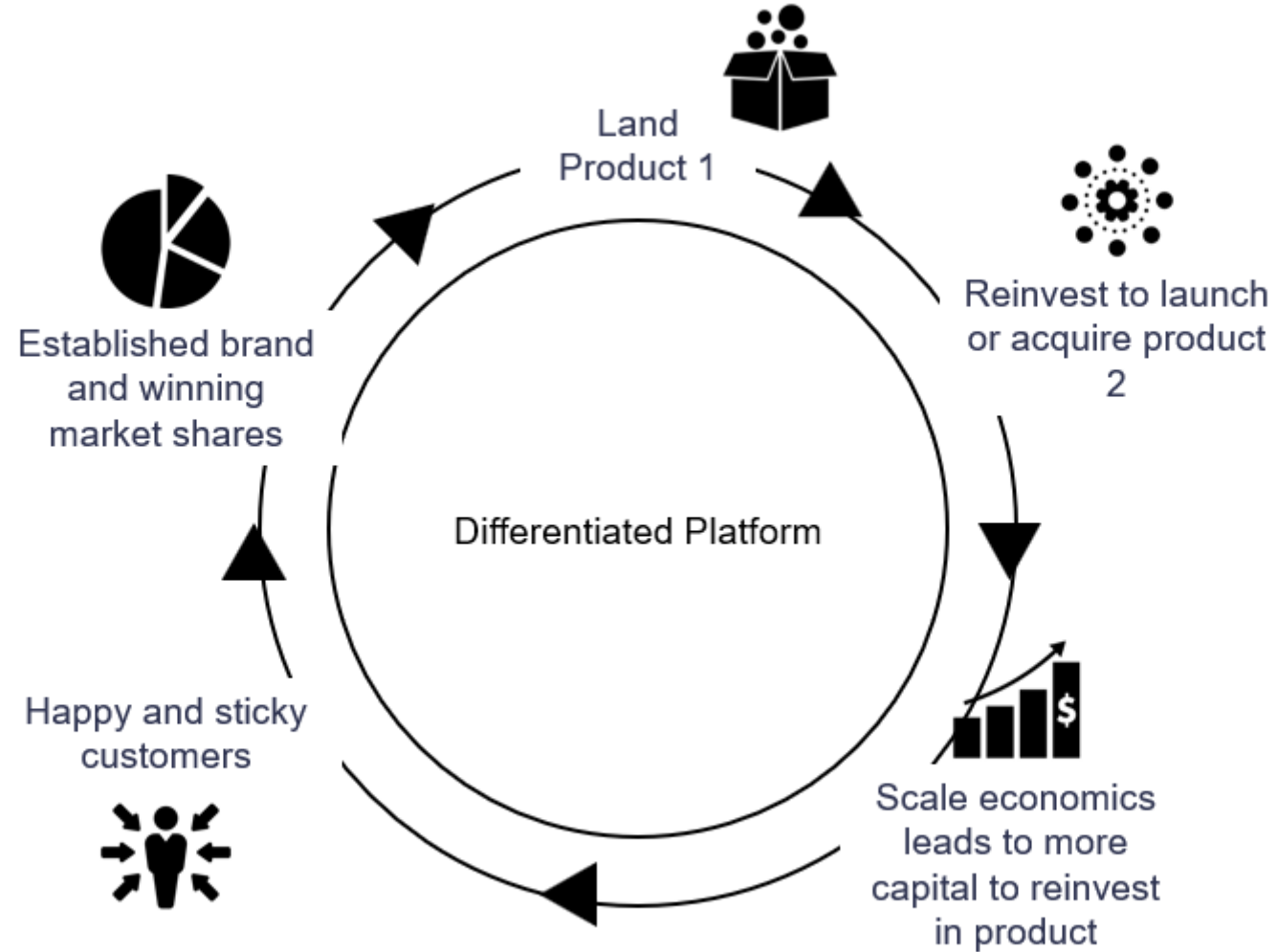
Building a Unified Experience... Leading To



- **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**



PAR's Success Will Be Driven by our Flywheel



Financial Review

Second Quarter 2024 Highlights

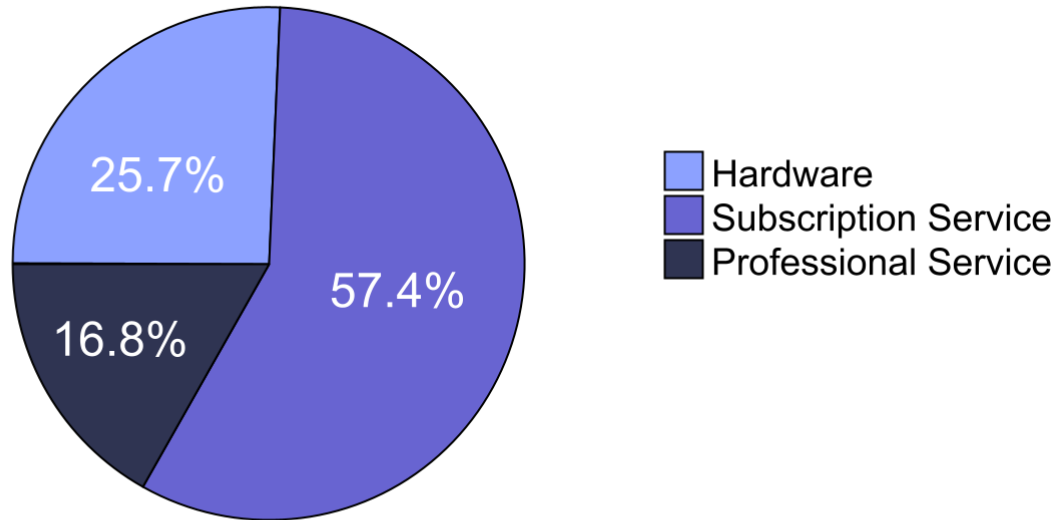


Q2 2024 Highlights

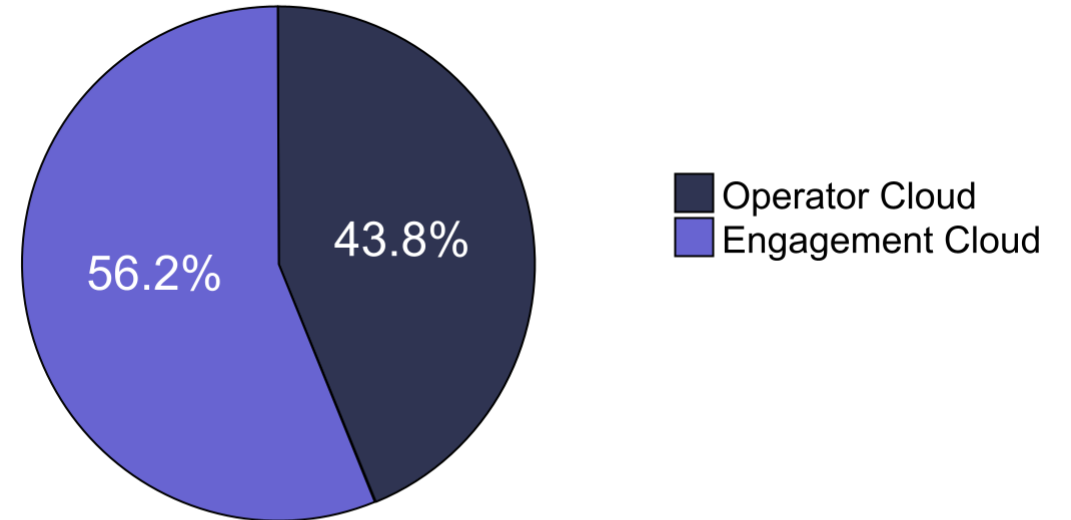
1. Consistent delivery on strong organic ARR growth
2. Cross-sell traction creating meaningful revenue opportunity from existing and potential future whitespace
3. Strong visibility towards adjusted EBITDA break-even
4. Sale of PAR Government segment -> to a pure play foodservice tech led organization
5. Repeatable M&A motion providing accretive results

Q2 2024 Revenue Breakout

Revenue by Offering



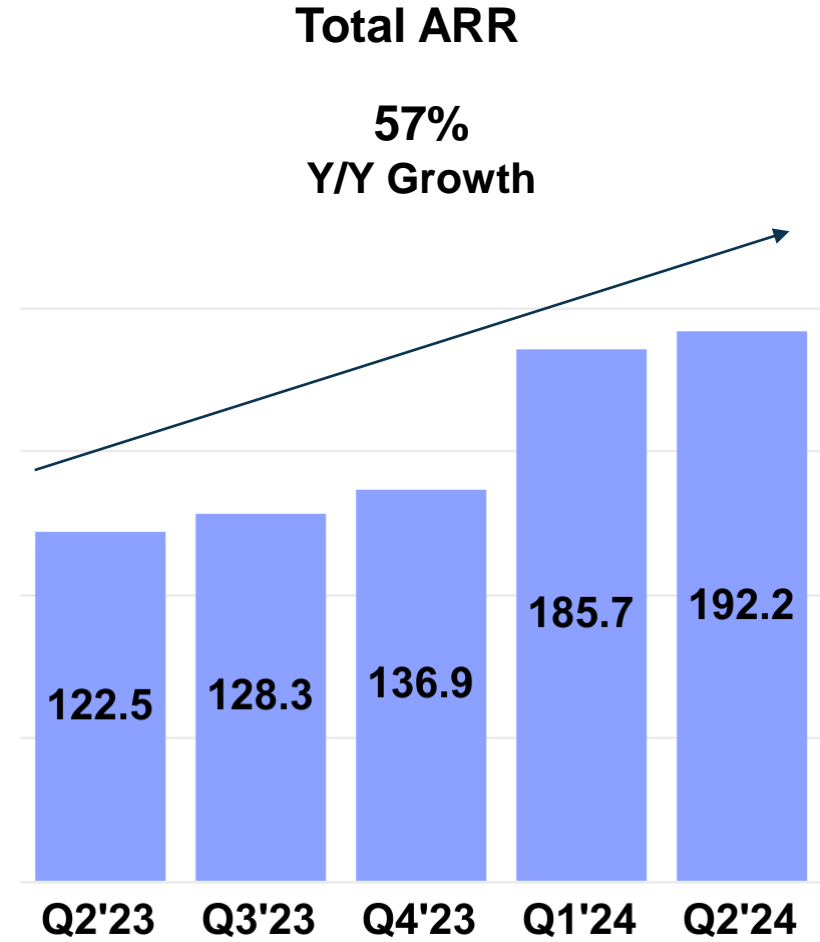
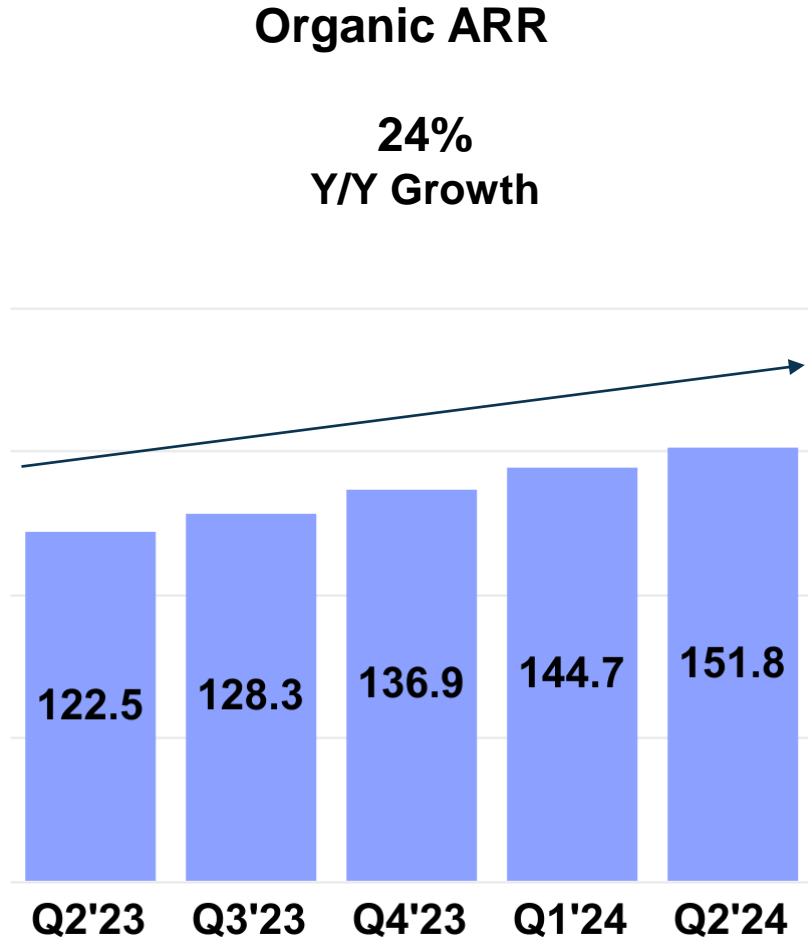
ARR by Subscription Product Line





Strong Organic & Inorganic ARR Growth

(\$'000,000)



Year-over-year metrics are for the quarter ended 6/30/2024 compared to the quarter ended 6/30/2023. Please see Appendix A — Key Performance Indicators for more information on ARR.

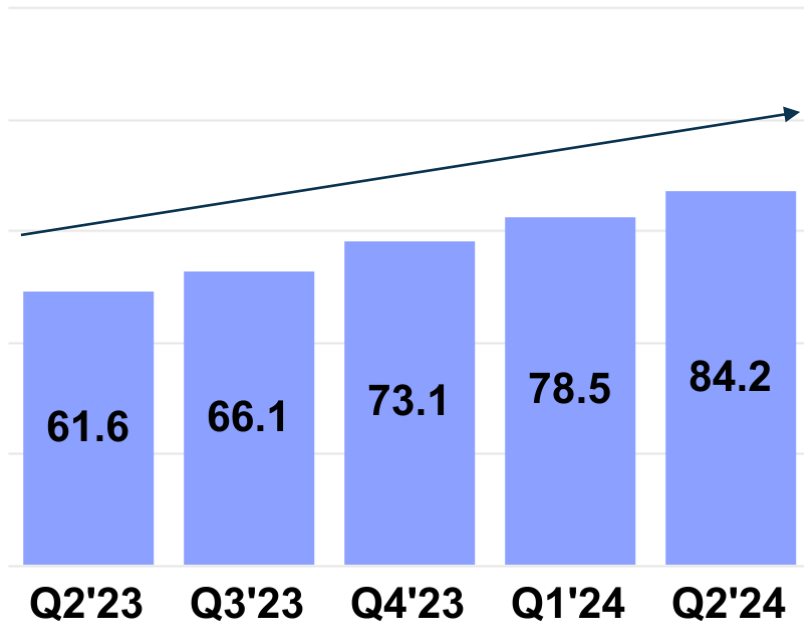


Resilient ARR Growth Across Product Lines

(\$'000,000)

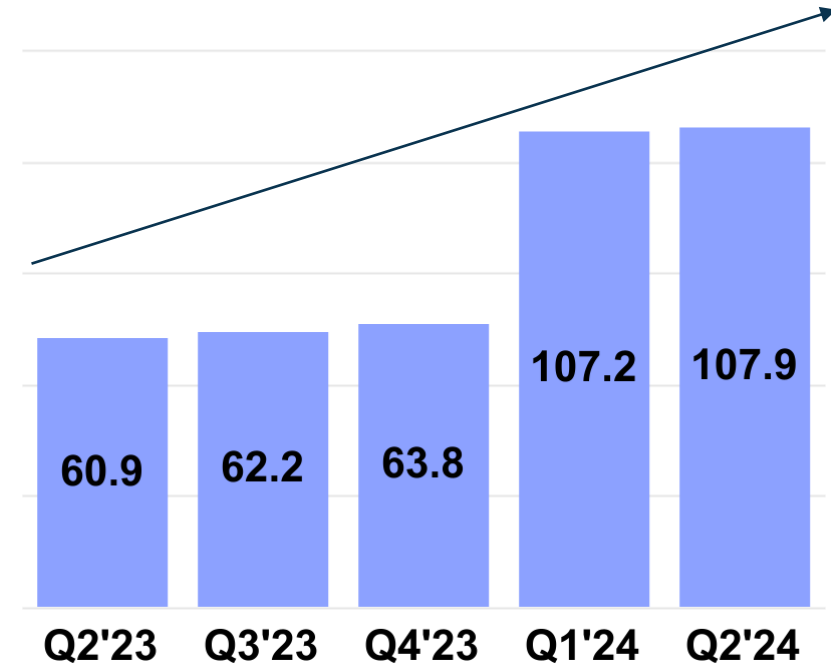
Operator Cloud

37%
Y/Y Growth



Engagement Cloud

77%
Y/Y Growth



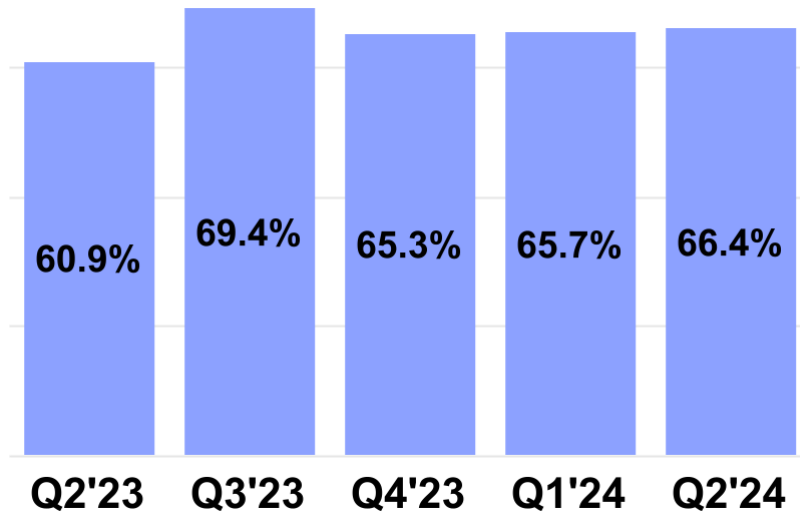
Year-over-year metrics are for the quarter ended 6/30/2024 compared to the quarter ended 6/30/2023. Please see Appendix A — Key Performance Indicators for more information on ARR.



Driving Margin Expansion

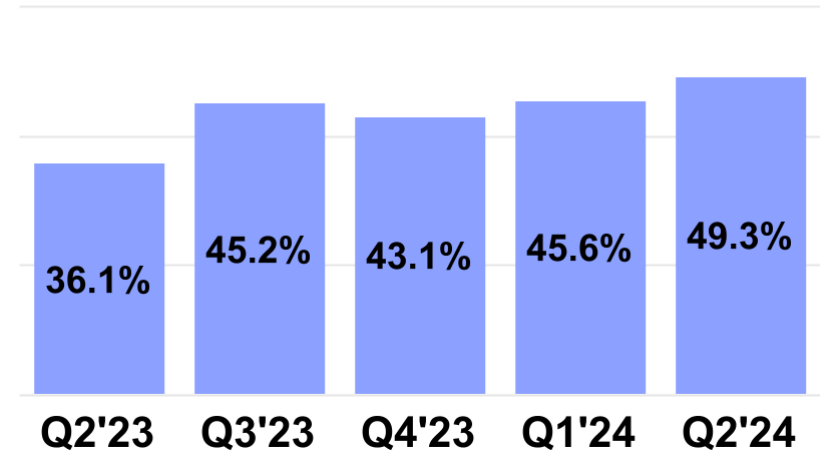
Non-GAAP Subscription Service Gross Margin Percentage⁽¹⁾

**550 Basis Point
Margin Expansion**



Non-GAAP Gross Margin Percentage⁽¹⁾

**1,320 Basis Point
Margin Expansion**



(1) Non-GAAP Subscription Service Gross Margin percentage and Non-GAAP Gross Margin percentage are Non-GAAP financial measures. Please see Appendix A for a detailed reconciliation to Subscription Service Gross Margin percentage and Gross Margin percentage (GAAP).
Year-over-year metrics are for the quarter ended 6/30/2024 compared to the quarter ended 6/30/2023.



Q2 '24 Financials

<i>(in thousands)</i>	Three Months Ended June 30,	
	2024	2023
Revenues, net:		
Hardware	\$ 20,116	\$ 26,390
Subscription service	44,872	30,372
Professional service	13,162	12,767
Total revenues, net	<u>78,150</u>	<u>69,529</u>
Total gross margin	<u>32,028</u>	<u>19,186</u>
Operating expenses:		
Sales and marketing	9,811	10,075
General and administrative	25,369	16,434
Research and development	16,237	14,888
Amortization of identifiable intangible assets	1,946	465
Adjustment to contingent consideration liability	(600)	(2,300)
Gain on insurance proceeds	—	(500)
Total operating expenses	<u>52,763</u>	<u>39,062</u>
Other (expense) income, net	(610)	155
Interest expense, net	(1,630)	(1,735)
Loss from continuing operations before provision for income taxes	<u>(22,975)</u>	<u>(21,456)</u>
Provision for income taxes	(612)	(383)
Net loss from continuing operations	<u>(23,587)</u>	<u>(21,839)</u>
Net income from discontinued operations	77,777	2,137
Net income (loss)	<u>54,190</u>	<u>(19,702)</u>
Non-GAAP adjustments	(58,538)	7,444
Adjusted EBITDA⁽¹⁾	<u>(4,348)</u>	<u>(12,258)</u>

Consolidated Highlights

- **67% increase in gross margin from Q2 2023**
- **\$7.9 million increase in Adjusted EBITDA⁽¹⁾ from Q2 2023**
- **\$5.9 million increase in Adjusted EBITDA⁽¹⁾ from Q1 2024**

Subscription Service Highlights

- **57% increase in ARR from Q2 2023**
- **48% increase in revenue from Q2 2023**

(1) Adjusted EBITDA is a Non-GAAP financial measure. Please see Appendix A for a detailed reconciliation from net income (loss) to Adjusted EBITDA.

Appendix A



Non-GAAP Subscription Service Gross Margin Percentage Reconciliation

	3 Months Ended				
	Q2'23	Q3'23	Q4'23	Q1'24	Q2'24
Subscription Service Gross Margin Percentage	43.3%	50.6%	48.1%	51.6%	53.1%
Add: Depreciation and amortization	17.4%	18.4%	16.9%	13.9%	13.1%
Add: Stock-based compensation	0.2%	0.4%	0.3%	0.1%	0.2%
Add: Severance	—%	—%	—%	0.1%	—%
Non-GAAP Subscription Service Gross Margin Percentage	60.9%	69.4%	65.3%	65.7%	66.4%

May not sum/recalculate due to rounding.



Non-GAAP Gross Margin Percentage Reconciliation

	3 Months Ended				
	Q2'23	Q3'23	Q4'23	Q1'24	Q2'24
Gross Margin Percentage	27.6%	36.6%	34.6%	37.2%	41.0%
Add: Depreciation and amortization	8.2%	8.2%	8.2%	7.9%	7.6%
Add: Stock-based compensation	0.3%	0.4%	0.3%	0.2%	0.4%
Add: Severance	—%	—%	—%	0.3%	0.3%
Non-GAAP Gross Margin Percentage	36.1%	45.2%	43.1%	45.6%	49.3%

May not sum/recalculate due to rounding.

Net Income (Loss) to Adjusted EBITDA Reconciliation

<i>(in thousands)</i>	3 Months Ended		
	Q2'24	Q1'24	Q2'23
Net income (loss)	\$54,190	\$(18,288)	\$(19,702)
Discontinued operations	(77,777)	(2,078)	(2,137)
Net loss from continuing operations	(23,587)	(20,366)	(21,839)
Provision for (benefit from) income taxes	612	(7,785)	383
Interest expense, net	1,630	1,708	1,735
Depreciation and amortization	8,834	7,293	6,817
Stock-based compensation	6,286	4,410	3,601
Contingent consideration	(600)	—	(2,300)
Transaction costs	1,573	3,405	—
Gain on insurance proceeds	—	—	(500)
Severance	294	1,434	—
Other expense (income), net	610	(300)	(155)
Adjusted EBITDA	\$(4,348)	\$(10,201)	\$(12,258)

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 \$192.2M 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 reporting period.
- **"Non-GAAP Subscription Service Gross Margin Percentage"** represents subscription service gross margin percentage adjusted to exclude amortization from acquired and internally developed software, stock-based compensation, and severance.
- **"Non-GAAP Gross Margin Percentage"** represents gross margin percentage adjusted to exclude amortization from acquired and internally developed software, stock-based compensation, and severance.
- **"Adjusted EBITDA"** represents net income (loss) before income taxes, interest expense and depreciation and amortization adjusted to exclude certain non-cash and non-recurring charges that may not be indicative of our financial performance.

Thank You!