



Q3 '24 Earnings Presentation

November 8, 2024

NYSE: PAR





Forward-Looking Statements.

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Factors, risks, trends and uncertainties that could cause actual results to differ materially from those expressed or implied include 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 (AI), our ability to successfully integrate acquisitions into our operations, and realize the anticipated benefits, including the acquisitions of Stuzo Holdings, LLC and TASK Group Holdings Limited, macroeconomic trends, such as a recession or slowed economic growth, fluctuating interest rates, inflation, and changes in consumer confidence and discretionary spending, our ability to successfully expand our business or products into new markets or industries, geopolitical events, such as effects of the Russia-Ukraine war, tensions with China and between China and Taiwan, hostilities in the Middle East, including the Israel conflict(s), and uncertainty relating to the U.S. presidential transition and the Trump administration's policies and regulations, including potential changes to trade agreements and tariffs, and the other factors discussed in our most recent Annual Report on Form 10-K and other filings with the Securities and Exchange Commission. Undue reliance should not be placed on the forward-looking statements in this presentation, which are based on the information available to us on the date hereof. 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 September 30, 2024.

Trademarks.

"PAR®," "PAR POS®," (formerly "Brink POS®"), "Punchh®," "PAR Ordering™," (formerly MENU™), "Data Central®," "Open Commerce®," "PAR® Pay", "PAR® Payment Services", "Stuzo™," "PAR Retail™," and other trademarks identifying our products and services appearing in this presentation belong to us. This presentation may also contain trade names and trademarks of other companies. Our use of such other companies' trade names or trademarks is not intended to imply any endorsement or sponsorship by these companies of us or our products or services.

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



Our Journey ... So Far ...

(Dollar values represent ARR)

EARLY INNOVATION

- Founded in 1968 as a DoD tech contractor
- Pioneered the first commercial POS

SOFTWARE RENAISSANCE

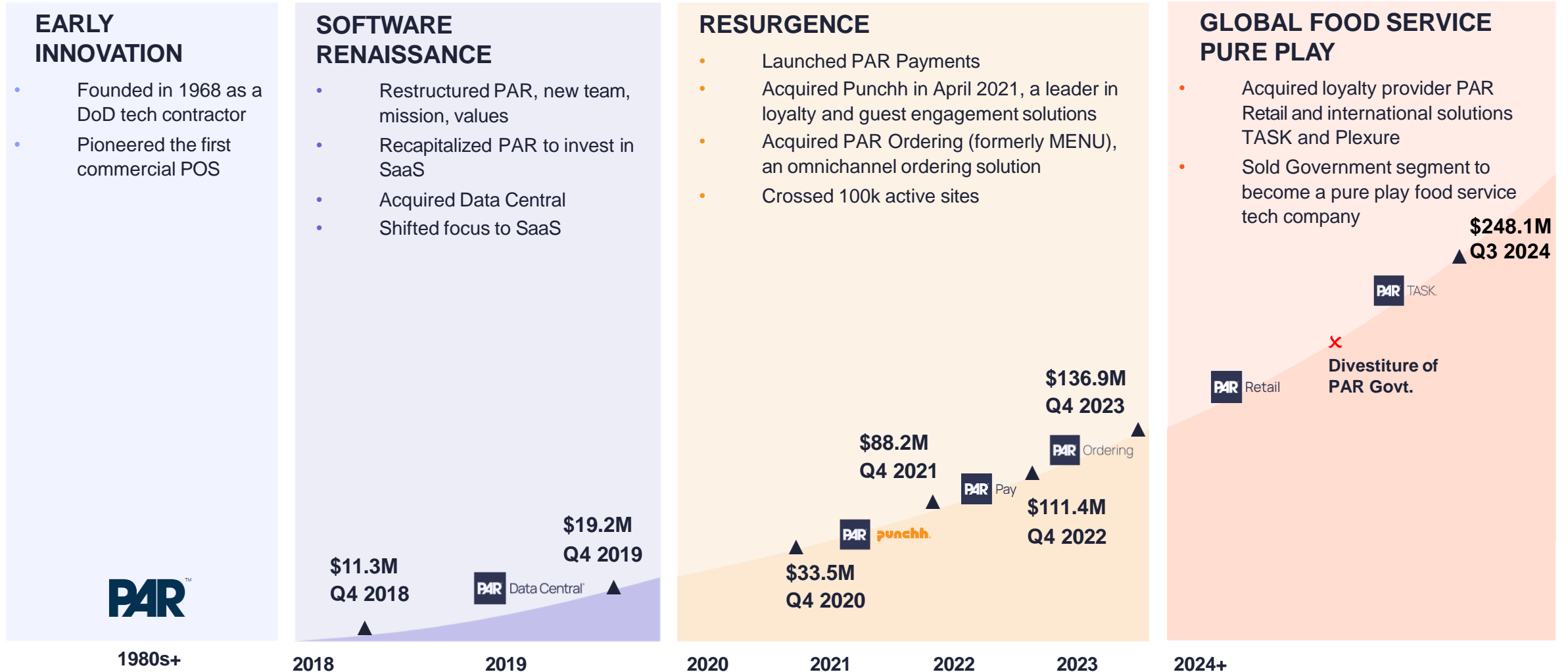
- Restructured PAR, new team, mission, values
- Recapitalized PAR to invest in SaaS
- Acquired Data Central
- Shifted focus to SaaS

RESURGENCE

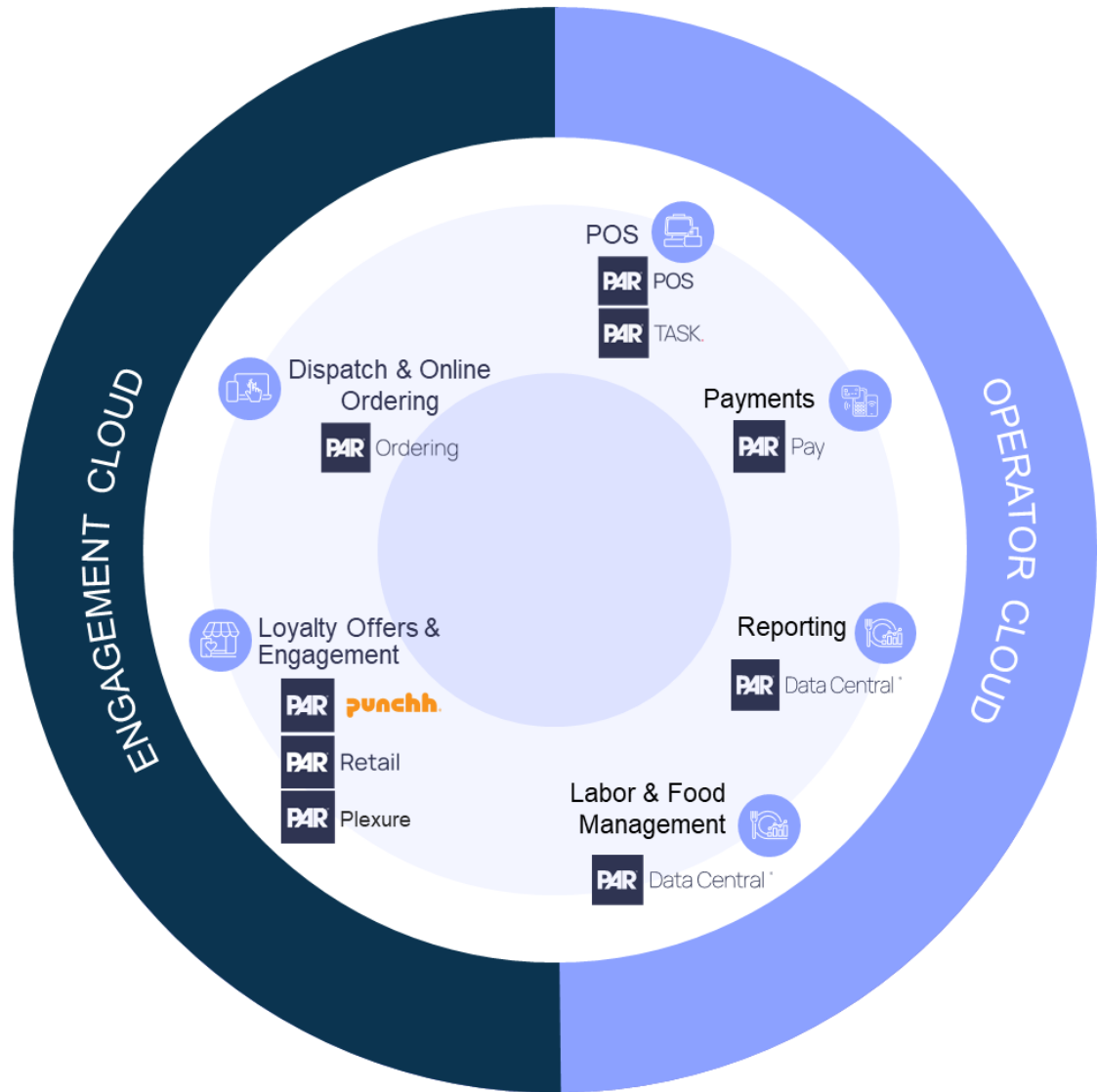
- Launched PAR Payments
- Acquired Punchh in April 2021, a leader in loyalty and guest engagement solutions
- Acquired PAR Ordering (formerly MENU), an omnichannel ordering solution
- Crossed 100k active sites

GLOBAL FOOD SERVICE PURE PLAY

- Acquired loyalty provider PAR Retail and international solutions TASK and Plexure
- Sold Government segment to become a pure play food service tech company

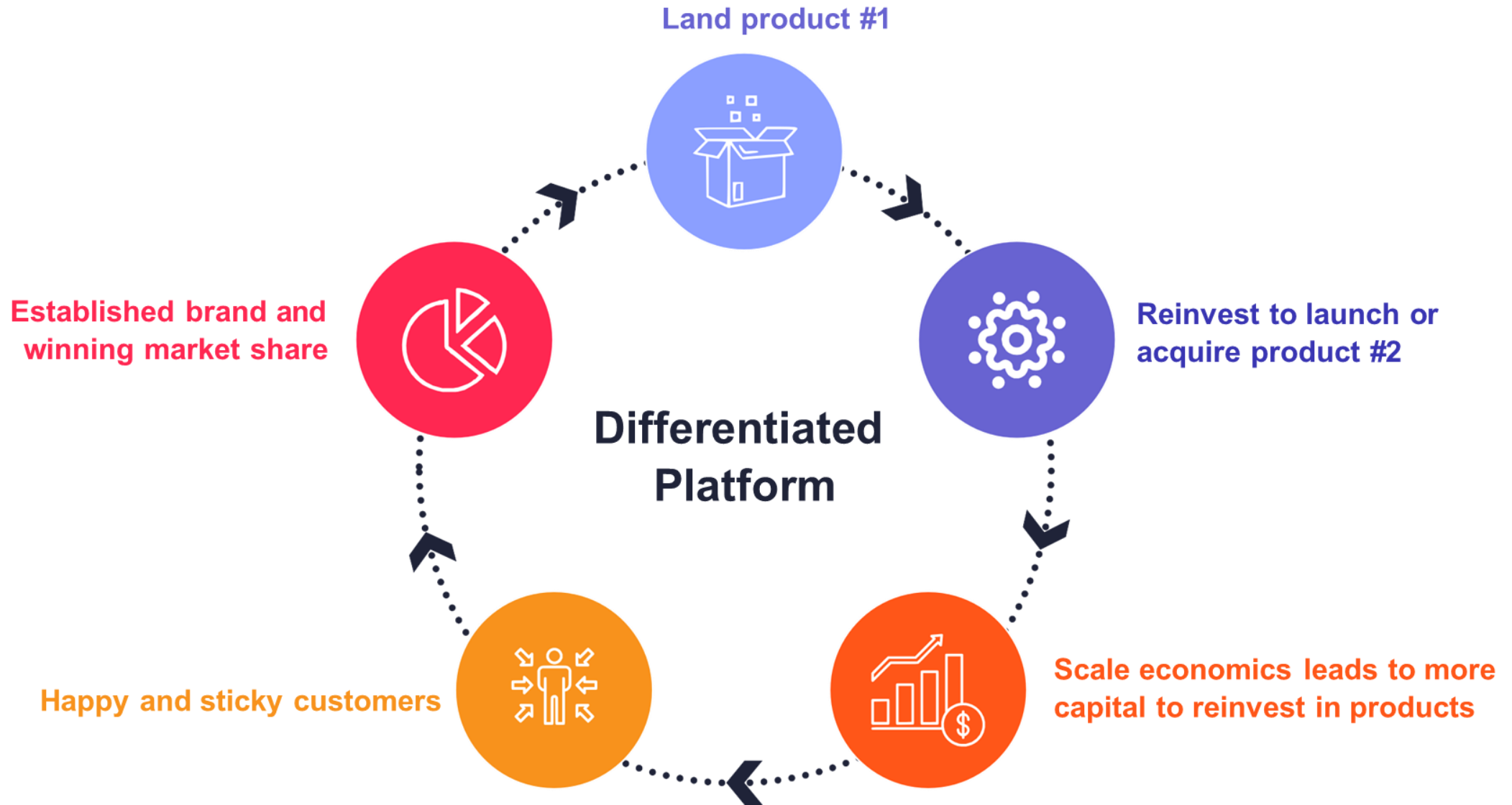


Building a Unified Experience... Leading To



- **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

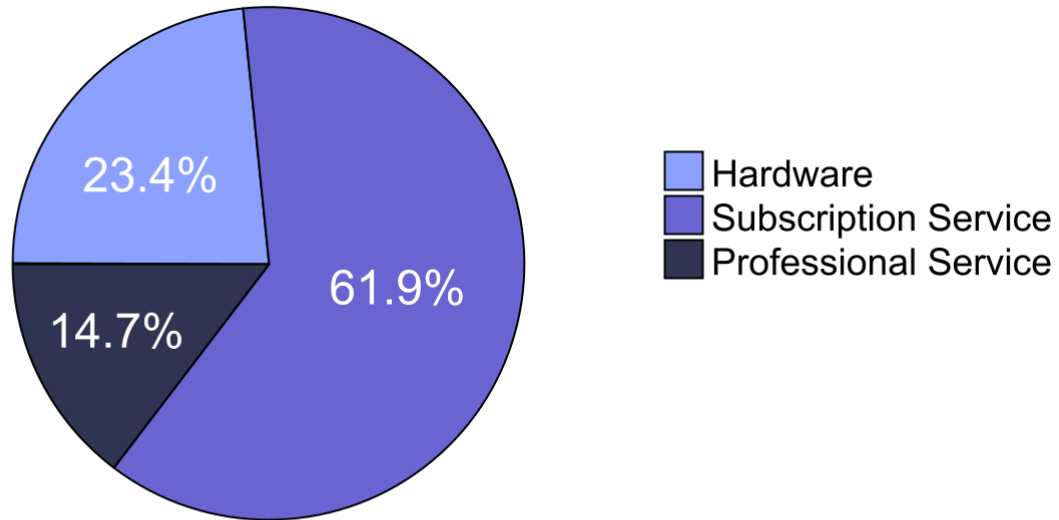
Third Quarter 2024 Highlights

Q3 2024 Highlights

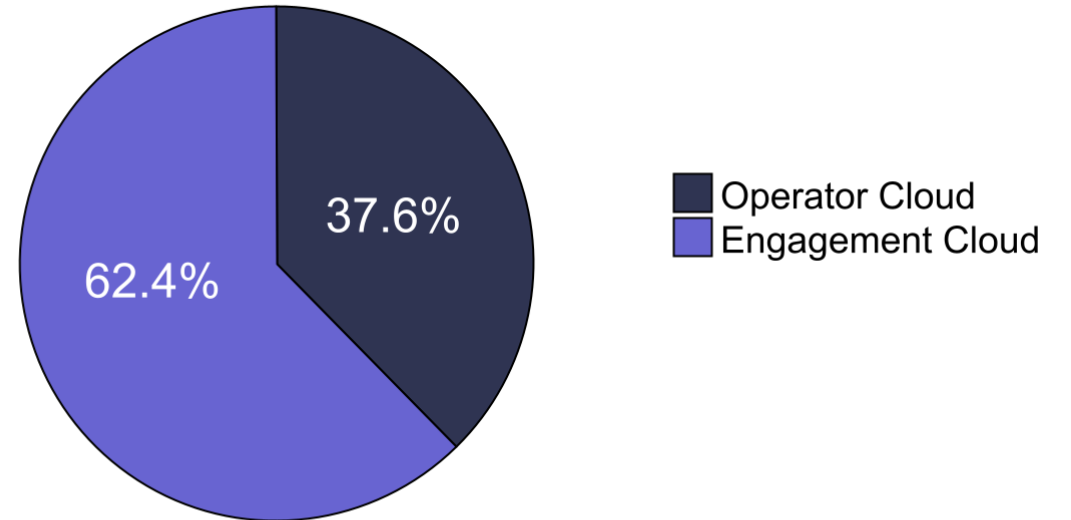
- 1** **25% organic ARR growth**
 - Consistent delivery on strong organic ARR growth
- 2** **Adjusted EBITDA profitable**
 - Adjusted EBITDA of \$2.4 million in Q3 2024
- 3** **Cross-sell traction**
 - Cross-sell traction creating meaningful revenue opportunity from existing and potential future whitespace
- 4** **TASK Acquisition**
 - Completed the acquisition of TASK Group Holdings Limited (“TASK Group”), an Australia-based global foodservice transaction platform
- 5** **Repeatable M&A motion**
 - Proven track record of strategic M&A, with the recent acquisitions of PAR Retail (formerly Stuzo) and TASK Group significantly expanding PAR’s TAM into convenience stores and international markets

Q3 2024 Revenue Breakout

Revenue by Offering



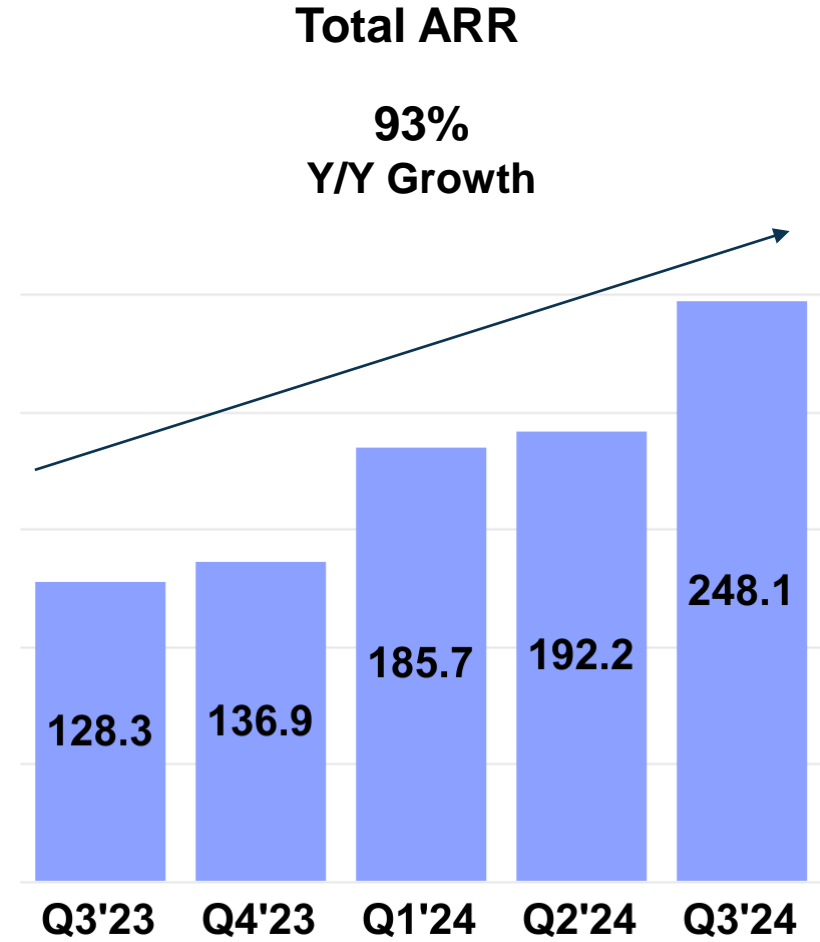
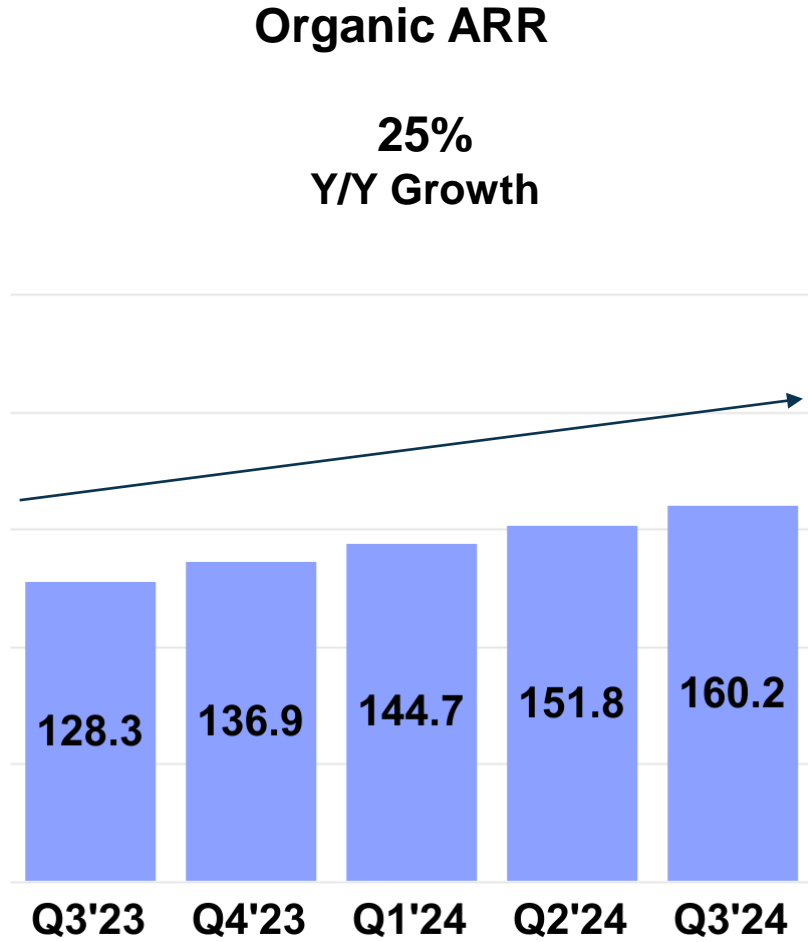
ARR by Subscription Product Line





Strong Organic & Inorganic ARR Growth

(\$'000,000)



Year-over-year metrics are for the quarter ended 9/30/2024 compared to the quarter ended 9/30/2023. Please see Appendix — Key Performance Indicators for more information on ARR.

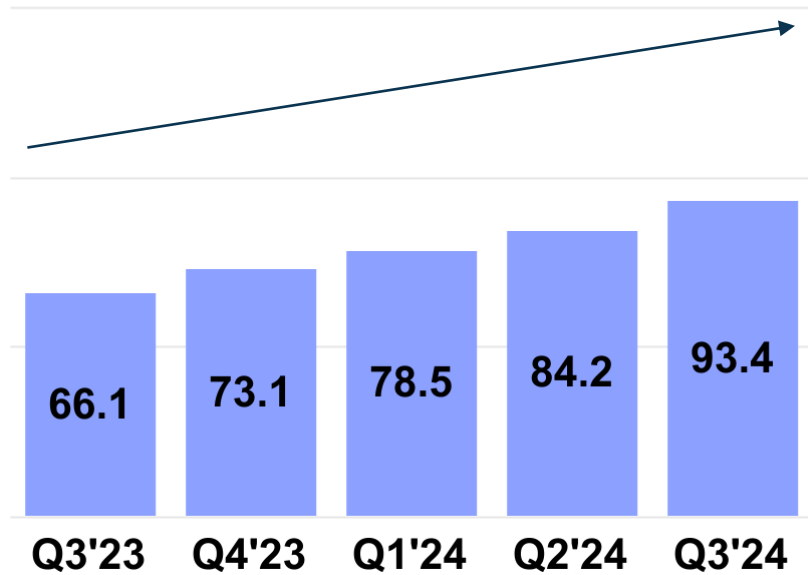


Resilient ARR Growth Across Product Lines

(\$'000,000)

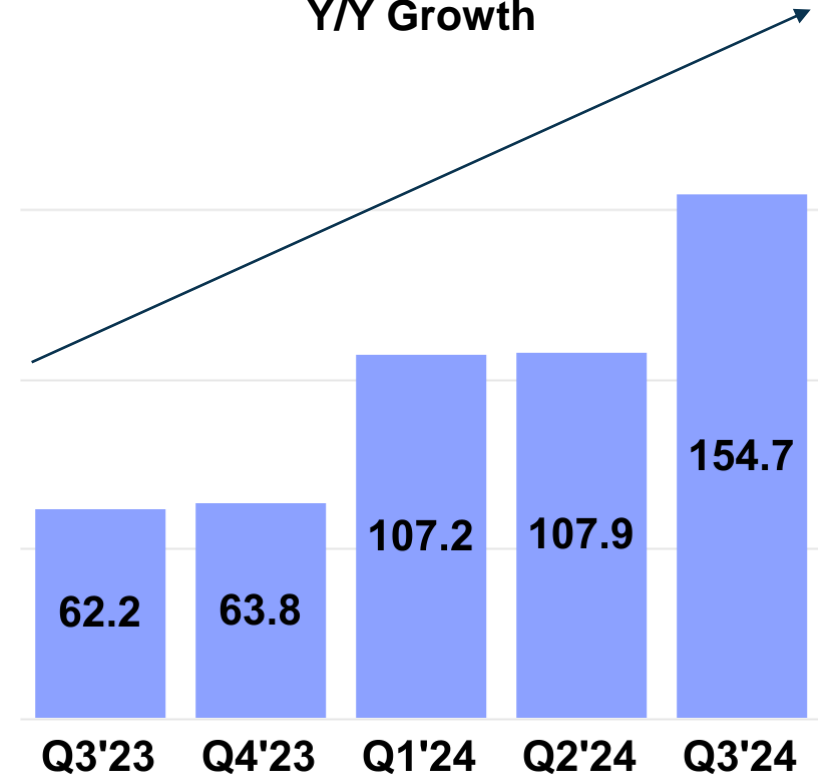
Operator Cloud

41%
Y/Y Growth



Engagement Cloud

149%
Y/Y Growth

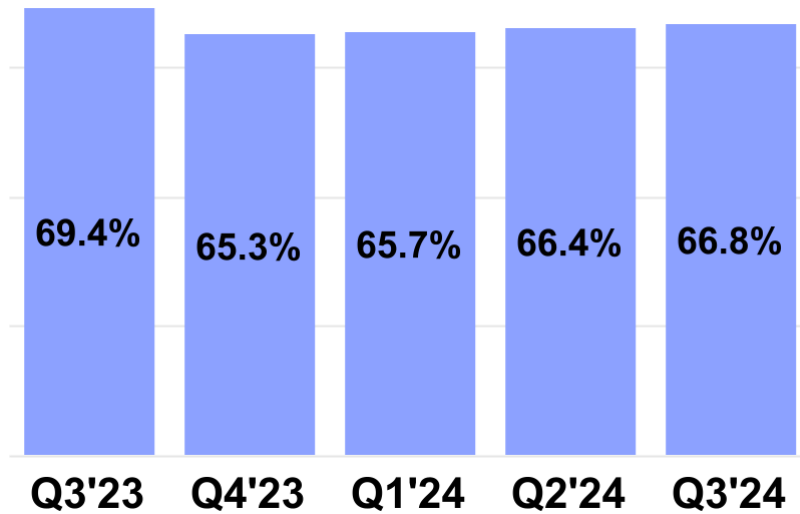


Year-over-year metrics are for the quarter ended 9/30/2024 compared to the quarter ended 9/30/2023. Please see Appendix — Key Performance Indicators for more information on ARR.



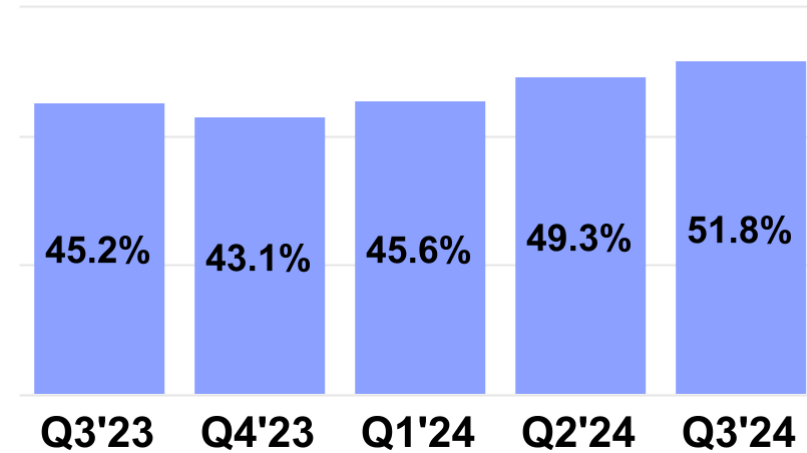
Driving Margin Expansion

**Non-GAAP Subscription Service
Gross Margin Percentage⁽¹⁾**



**Non-GAAP Consolidated Gross
Margin Percentage⁽¹⁾**

**660 Basis Point Margin
Expansion**

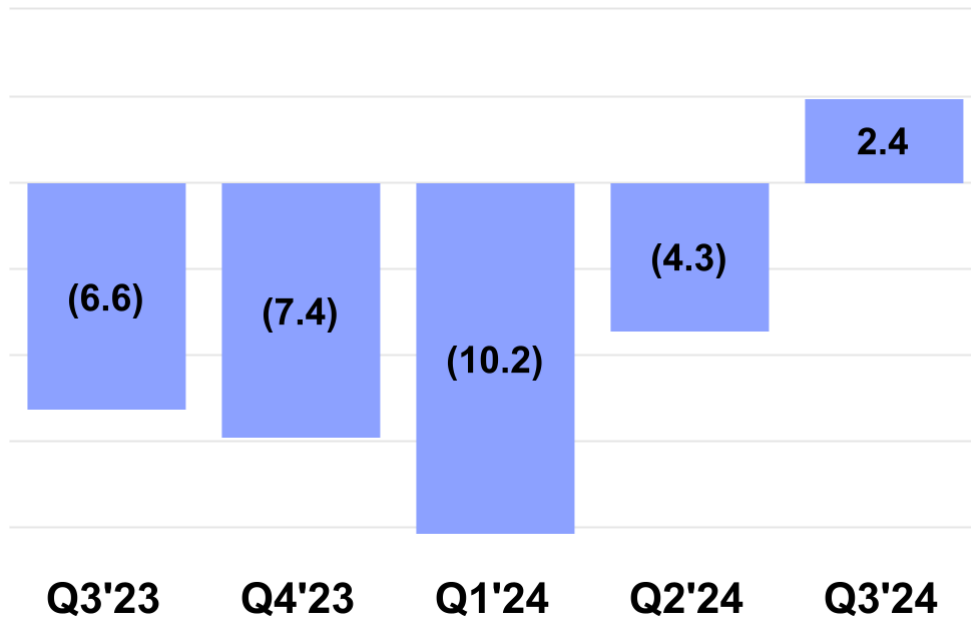


(1) Non-GAAP Subscription Service Gross Margin percentage and Non-GAAP Consolidated Gross Margin percentage are Non-GAAP financial measures. Please see Appendix for a detailed reconciliation to Subscription Service Gross Margin percentage and Consolidated Gross Margin percentage (GAAP). Year-over-year metrics are for the quarter ended 9/30/2024 compared to the quarter ended 9/30/2023.



As We Grow, Efficiency Improves

Adjusted EBITDA⁽¹⁾ (\$000,000)



Non-GAAP Profitability

Q3 2024

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



Q3 '24 Financials

<i>(in thousands)</i>	Three Months Ended September 30,	
	2024	2023
Revenues, net:		
Subscription service	\$ 59,909	\$ 31,363
Hardware	22,650	25,824
Professional service	14,195	11,514
Total revenues, net	96,754	68,701
Total gross margin	43,031	25,134
Operating expenses:		
Sales and marketing	10,500	9,532
General and administrative	27,352	17,525
Research and development	17,821	14,660
Amortization of identifiable intangible assets	2,699	464
Gain on insurance proceeds	(147)	—
Total operating expenses	58,225	42,181
Other expense, net	(1,400)	(262)
Interest expense, net	(3,417)	(1,750)
Loss from continuing operations before provision for income taxes	(20,011)	(19,059)
Provision for income taxes	(653)	(175)
Net loss from continuing operations	(20,664)	(19,234)
Net income from discontinued operations	832	3,718
Net loss	(19,832)	(15,516)
Non-GAAP adjustments	22,255	8,953
Adjusted EBITDA⁽¹⁾	2,423	(6,563)

Consolidated Highlights

- **71% increase in gross margin from Q3 2023**
- **\$9.0 million increase in Adjusted EBITDA⁽¹⁾ from Q3 2023**
- **\$6.8 million increase in Adjusted EBITDA⁽¹⁾ from Q2 2024**

Subscription Service Highlights

- **93% increase in ARR from Q3 2023**
- **91% increase in revenue from Q3 2023**

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

Appendix



Non-GAAP Subscription Service Gross Margin Percentage Reconciliation

	3 Months Ended				
	Q3'23	Q4'23	Q1'24	Q2'24	Q3'24
Subscription Service Gross Margin Percentage	50.6%	48.1%	51.6%	53.1%	55.3%
Add: Depreciation and amortization	18.4%	16.9%	13.9%	13.1%	11.4%
Add: Stock-based compensation	0.4%	0.3%	0.1%	0.2%	0.1%
Add: Severance	—%	—%	0.1%	—%	—%
Non-GAAP Subscription Service Gross Margin Percentage	69.4%	65.3%	65.7%	66.4%	66.8%

May not sum/recalculate due to rounding.



Non-GAAP Consolidated Gross Margin Percentage Reconciliation

	3 Months Ended				
	Q3'23	Q4'23	Q1'24	Q2'24	Q3'24
Consolidated Gross Margin Percentage	36.6%	34.6%	37.2%	41.0%	44.5%
Add: Depreciation and amortization	8.2%	8.2%	7.9%	7.6%	7.1%
Add: Stock-based compensation	0.4%	0.3%	0.2%	0.4%	0.2%
Add: Severance	—%	—%	0.3%	0.3%	—%
Non-GAAP Consolidated Gross Margin Percentage	45.2%	43.1%	45.6%	49.3%	51.8%

May not sum/recalculate due to rounding.



Net Income (Loss) to Adjusted EBITDA Reconciliation

<i>(in thousands)</i>	3 Months Ended				
	Q3'24	Q2'24	Q1'24	Q4'23	Q3'23
Net income (loss)	\$(19,832)	\$54,190	\$(18,288)	\$(18,629)	\$(15,516)
Discontinued operations	(832)	(77,777)	(2,078)	(2,905)	(3,718)
Net loss from continuing operations	(20,664)	(23,587)	(20,366)	(21,534)	(19,234)
Provision for (benefit from) income taxes	653	612	(7,785)	986	175
Interest expense, net	3,417	1,630	1,708	1,779	1,750
Depreciation and amortization	10,575	8,834	7,293	6,881	6,549
Stock-based compensation	5,887	6,286	4,410	3,747	3,935
Contingent consideration	—	(600)	—	(1,700)	—
Transaction costs	1,125	1,573	3,405	2,273	—
Gain on insurance proceeds	(147)	—	—	—	—
Litigation expense	—	—	—	(808)	—
Loss on extinguishment of debt	—	—	—	635	—
Severance	(48)	294	1,434	—	—
Impairment loss	225	—	—	—	—
Other expense (income), net	1,400	610	(300)	369	262
Adjusted EBITDA	\$2,423	\$(4,348)	\$(10,201)	\$(7,372)	\$(6,563)

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
- Enterprise foodservice playing “catch-up” in adopting new technology and anticipate this technology spend to ramp
- 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
- Industry seeking vendor consolidation and platform experience and reduce single-product providers

3. ARR at scale with strong SaaS metrics

- Through both organic and inorganic strategies, ARR has reached \$248.1M with significant opportunity to expand within existing customers and win new business
- Hyper-focus on stringent OpEx spend management with real ROI mindset

(1) Source: Technomic



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 Consolidated Gross Margin Percentage"** represents consolidated 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!