



Priority Technology Holdings, Inc. (Nasdaq: PRTH)

*Supplemental Slides:
Q4 2024 Earnings Call*

March 6, 2025



Disclaimer

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This presentation contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements include, but are not limited to, statements about future financial and operating results, our plans, objectives, expectations and intentions with respect to future operations, products and services, and other statements identified by words such as “may,” “will,” “should,” “anticipates,” “believes,” “expects,” “plans,” “future,” “intends,” “could,” “estimate,” “predict,” “projects,” “targeting,” “potential” or “contingent,” “guidance,” “anticipates,” “outlook” or words of similar meaning. These forward-looking statements include, but are not limited to, Priority Technology Holdings, Inc.’s (“Priority,” “we,” “our” or “us”) 2025 outlook and statements regarding our market and growth opportunities. Such forward-looking statements are based upon the current beliefs and expectations of our management and are inherently subject to significant business, economic and competitive risks, trends and uncertainties that could cause actual results to differ materially from those projected, expressed, or implied by such forward-looking statements. Our actual results could differ materially, and potentially adversely, from those discussed or implied herein. We caution that it is very difficult to predict the impact of known factors, and it is impossible for us to anticipate all factors that could affect our actual results. All forward-looking statements are expressly qualified in their entirety by these cautionary statements. You should evaluate all forward-looking statements made in this presentation in the context of the risks and uncertainties disclosed in our Securities and Exchange Commission (“SEC”) filings, including our Annual Report on Form 10-K filed with the SEC on March 6, 2025. These filings are available online at www.sec.gov or www.prioritycommerce.com.

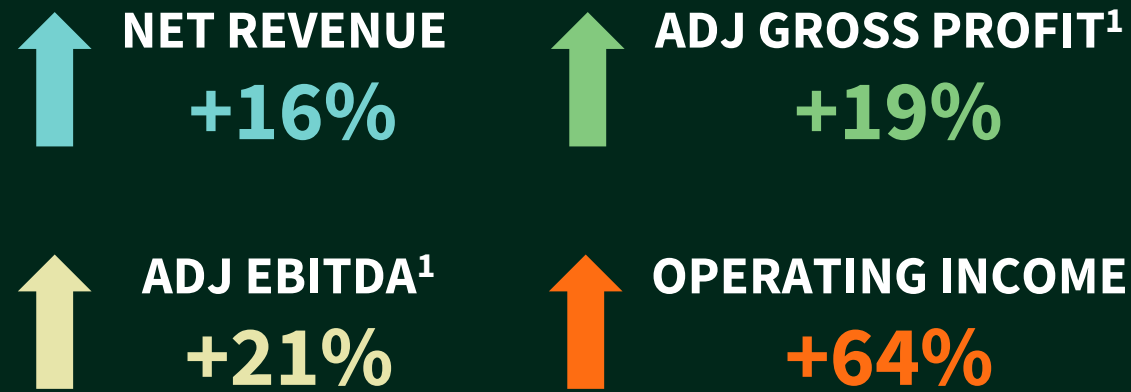
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This presentation includes certain non-GAAP financial measures that are not prepared in accordance with accounting principles generally accepted in the United States (“GAAP”) and that may be different from non-GAAP financial measures used by other companies. Priority believes that the use of these non-GAAP financial measures provides an additional tool for investors to use in evaluating ongoing operating results and trends of the Company. These non-GAAP measures should not be considered in isolation from, or as an alternative to, financial measures determined in accordance with GAAP. See the footnotes on the slides where these measures are discussed and the slides at the end of this presentation for a reconciliation of such non-GAAP financial measures to the most comparable GAAP numbers. Additionally, we present guidance for Adjusted EBITDA and Adjusted EBITDA as percentage of revenue, non-GAAP measures without reconciliation due to the inherent difficulty in forecasting and quantifying certain amounts that are necessary for such reconciliations. See more information in Priority’s earnings press release. Adjusted Gross profit referred throughout this presentation is a non-GAAP measure calculated by subtracting Cost of services (excluding depreciation and amortization) from Revenue. Adjusted Gross profit margin referred throughout this presentation is a non-GAAP measure calculated by dividing Adjusted Gross Profit discussed above by Revenue. Adjusted EBITDA referred to throughout this presentation is a non-GAAP measure calculated as net income prior to interest expense, tax expense, depreciation and amortization expense, adjusted to add back certain non-cash charges and / or non-recurring charges deemed to not be part of normal operating expenses. Adjusted EBITDA margin referred throughout this presentation is a non-GAAP measure calculated by dividing Adjusted EBITDA discussed above by Revenue. See Appendix 1 – 2 of this presentation for a reconciliation of Adjusted Gross Profit to Gross Profit as per GAAP, a reconciliation of Adj. EBITDA to GAAP Income (loss) before Taxes and Priority’s earnings press release for more details.



Key 2024 Highlights

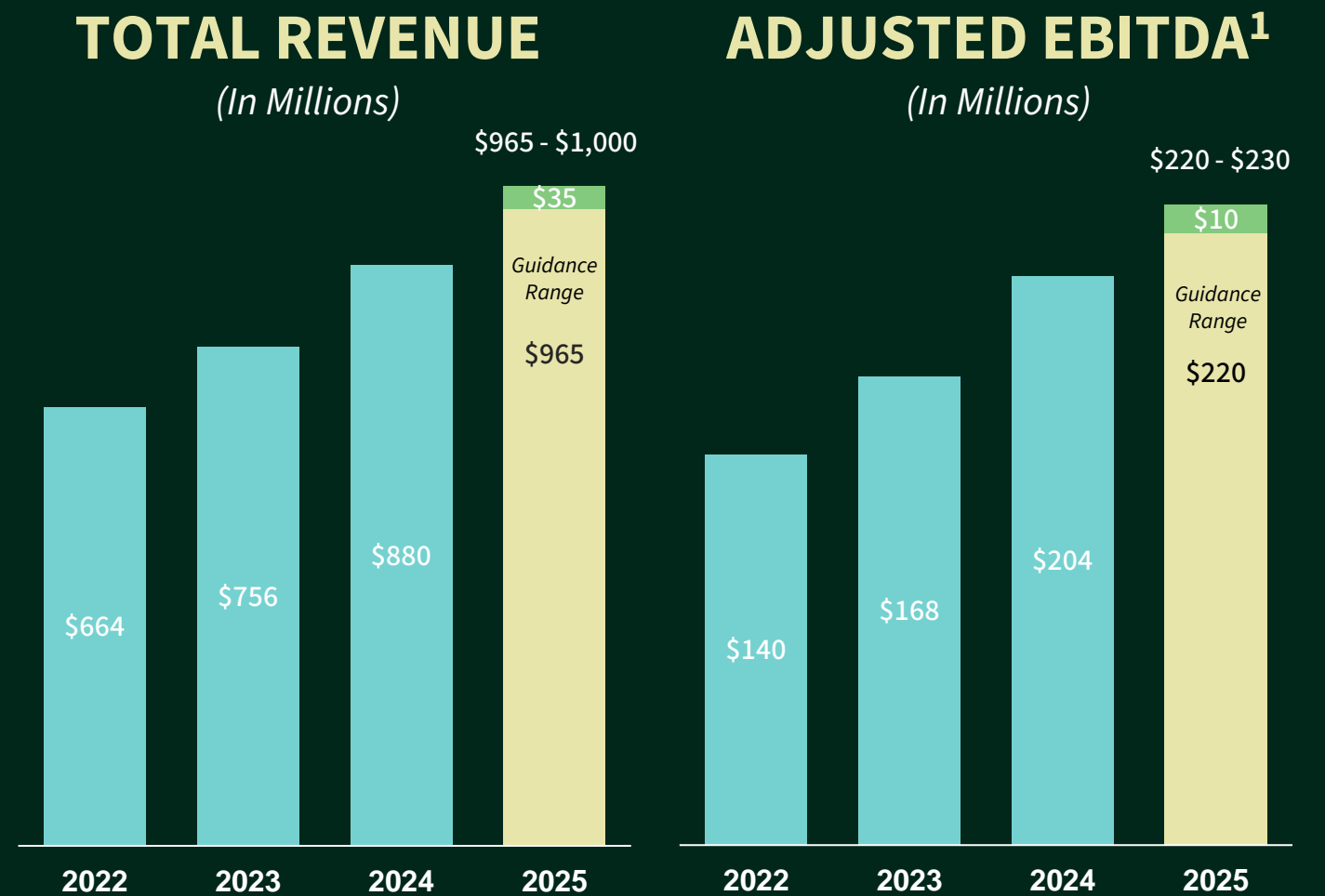
FY 2024 RESULTS



FY 2024 KEY METRICS



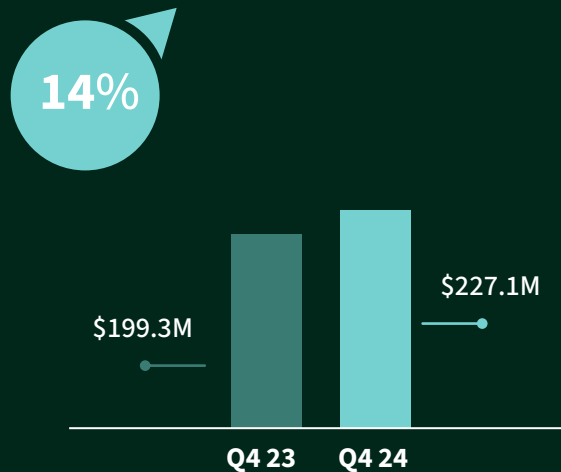
CONTINUED STRONG MOMENTUM



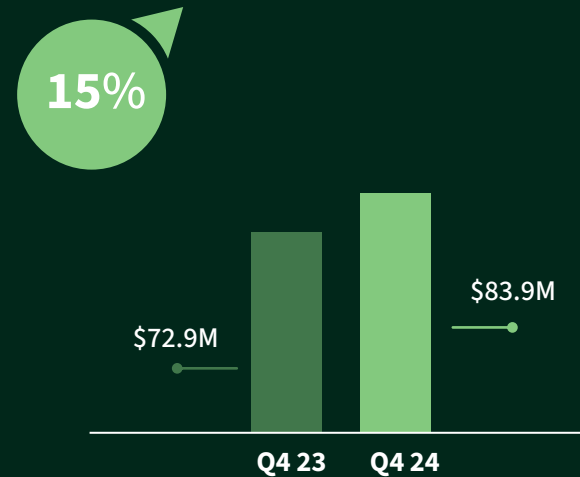
¹ Adjusted Gross Profit, Adjusted Gross Profit margin, Adjusted EBITDA and Adjusted EBITDA margin referred to in this presentation are non-GAAP measures. See slide 2 for further details



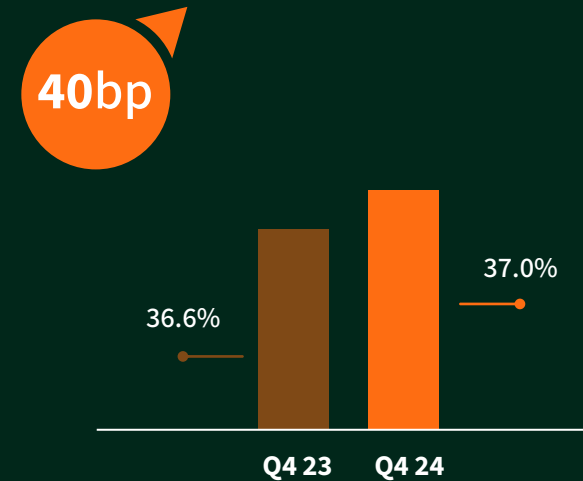
Q4 2024 Consolidated Results



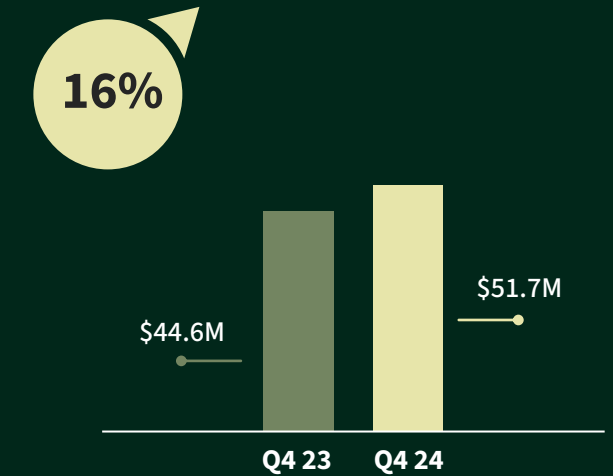
Revenue increased **14%** to **\$227.1 million**



Adj Gross Profit¹ increased **15%** to **\$83.9 million**



Adj Gross Profit margin¹ increased **40 basis points** to **37.0%**

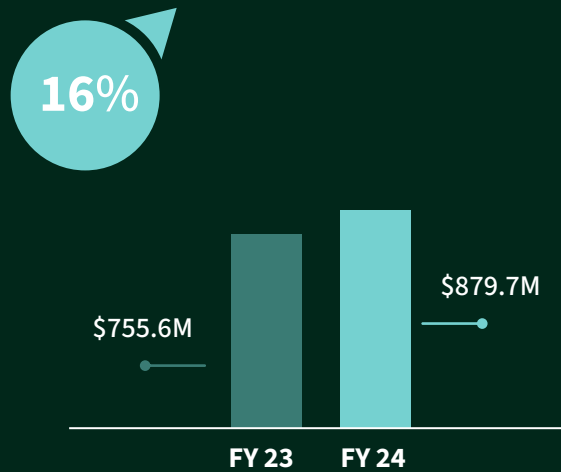


Adjusted EBITDA¹ increased **16%** to **\$51.7 million**

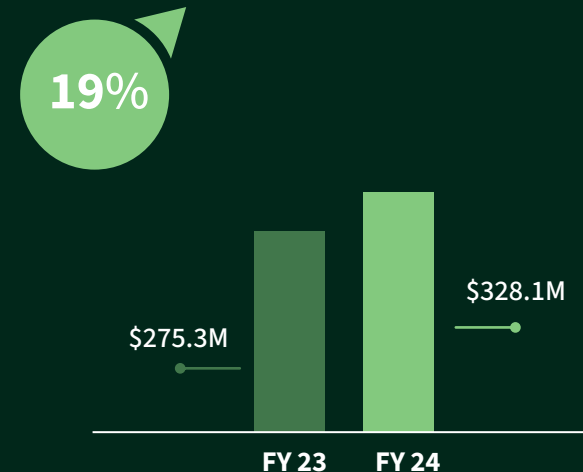
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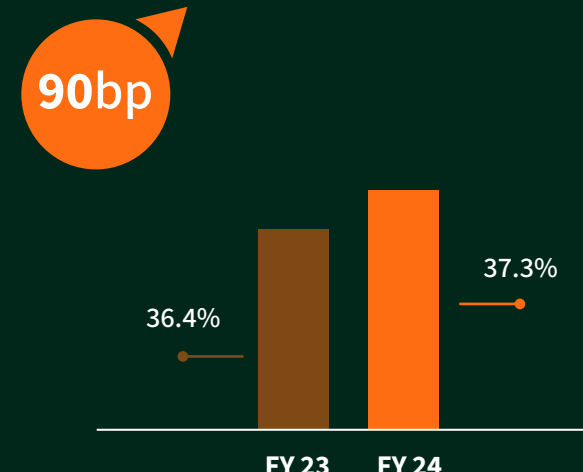
Full Year 2024 Consolidated Results



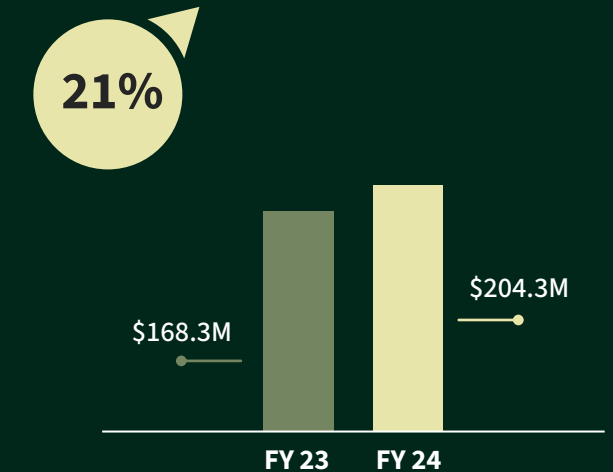
Revenue increased **16%** to **\$879.7 million**



Adj Gross Profit¹ increased **19%** to **\$328.1 million**



Adj Gross Profit margin¹ increased **90 basis points** to **37.3%**



Adjusted EBITDA¹ increased **21%** to **\$204.3 million**

¹ Adjusted Gross Profit, Adjusted Gross Profit margin, Adjusted EBITDA and Adjusted EBITDA margin referred to in this presentation are non-GAAP measures. See slide 2 for further details



Priority Commerce:

Powering an Ecosystem of Integrated Financial Solutions

- Priority Commerce Engine (PCE) is a **unified platform** that provides our customers a personalized financial toolset to accelerate cash flow and optimize working capital on a single platform to collect, store, lend, and send money combining merchant services, payables and banking & treasury solutions
- **Built with vision:** PCE is a **native platform** built to manage money movement in complex multi-party environments

We Provide Personalized Payments and Banking Solutions to:



Priority Commerce Engine

A Proprietary API Suite that Enables Acquiring, Banking & Payables Solutions

Merchant Services

Full featured POS & merchant acquiring solutions that accelerate your cash flow to capture revenue opportunities for businesses

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Payables

Optimize your working capital and earn cash back by leveraging our payables & financing solutions while automating reconciliation

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Banking & Treasury

Passport automates reconciliation, streamlines financial operations & provides full transparency to your liquidity

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Fourth Quarter 2024

Financial Results



SMB Highlights – Q4 2024



Q4 2024 Segment Highlights

- Revenue growth of 11% driven by higher volumes and mix
- Total Card \$ Volumes increased 7% to \$18.1bn (incl Bankcard \$ Volume of \$15.5bn)
- New monthly boards averaged 3.75K during quarter
- Over 1,100 reselling partners

¹ Adjusted Gross Profit, Adjusted Gross Profit margin, Adjusted EBITDA and Adjusted EBITDA margin referred to in this presentation are non-GAAP measures. See slide 2 for further details



B2B Highlights – Q4 2024



Q4 2024 Segment Highlights

- \$2.3mm of Revenue growth driven by \$1.4mm increase from PlastiQ
- Adjusted Gross Profit margin increased 280+ bps YoY due to margin expansion at PlastiQ and 26% revenue growth in higher margin CPX product
- Adjusted EBITDA grew \$2.0 million YoY

¹ Adjusted Gross Profit, Adjusted Gross Profit margin, Adjusted EBITDA and Adjusted EBITDA margin referred to in this presentation are non-GAAP measures. See slide 2 for further details



Enterprise Highlights – Q4 2024



Q4 2024 Segment Highlights

- CFTPay Avg Monthly New Enrollments of 52K increased 8% from 49K in Q4 2023
- CFTPay Avg Number of Billed Clients increased 37% to 891K from 650K in Q4 2023
- Growth in balances largely offset impact of 100 bps in Fed rate cuts in late Q3 and Q4
- 92 Integrated Partners at year-end

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Consolidated Operating Expenses – Q4 2024



Q4 2024 Segment Highlights

- Higher Salaries & Benefits driven by overall growth of the Company
- Decrease in SG&A expense due to non-recurring restructuring charge in Q4 2023 partially offset by higher software, legal and marketing expenses in Q4 2024



Adjusted EBITDA¹ Walk

Adjusted EBITDA experienced strong growth in Q4 2024

- Q4 2024 Adjusted EBITDA of **\$51.7 million** increased **16%** from \$44.6 million in Q4 2023
- Full year 2024 Adjusted EBITDA grew **21%** to **\$204.3 million**

EBITDA Walk

(in Millions)

	2024 Q4	2023 Q4	LTM Q4 2024
Consolidated net income (loss) (GAAP)	\$ 7.2	\$ (0.1)	\$ 24.0
Add: Interest expense	23.1	20.6	88.9
Add: Depreciation and amortization	13.8	15.1	58.0
Add: Income tax expense (benefit)	3.3	1.9	13.3
EBITDA (non-GAAP)	47.4	37.5	184.3
Further adjusted by:			
Add: Non-cash stock-based compensation	1.2	1.6	6.1
Add: Non-recurring expenses:			
Debt extinguishment and modification costs	1.7	-	10.4
Change in fair value of contingent consideration	-	-	-
Legal, professional, accounting and other SG&A	1.4	5.3	3.5
Other Non-recurring expenses	-	0.3	-
Adjusted EBITDA (non-GAAP)	\$ 51.7	\$ 44.6	\$ 204.3

¹ Adjusted Gross Profit, Adjusted Gross Profit margin, Adjusted EBITDA and Adjusted EBITDA margin referred to in this presentation are non-GAAP measures. See slide 2 for further details



Capital Structure & Liquidity

Outstanding Debt	
Balance as of September 30, 2024	\$832.9
(+/-) Net Revolver Borrowings	--
(+/-) Net Term Loan Borrowings	\$112.6
Balance as of December 31, 2024	\$945.5

Total Debt of \$945.5 million at end of Q4 2024 increased from **\$832.9 million** in Q3 2024

- Net Debt of \$886.9 million increased \$95.2 million compared to Q3 2024 due to the successful \$115 million add-on to Term Loan and related redemption in full of the preferred stock
- \$70.0mm Revolver unfunded at the end of Q4 2024
- LTM Adj. EBITDA¹ of \$204.3 million at end of Q4 2024

Senior Redeemable Preferred Stock	
Balance as of September 30, 2024	\$105.1
(+/-) Redemption of Preferred Stock ²	(\$113.4)
(+/-) Dividend Payable	\$1.1
(+/-) PIK Dividend	\$1.6
(+/-) Accretion	\$5.6
Balance as of December 31, 2024	--

During Q4 2024, we successfully **redeemed the remaining senior preferred stock**, demonstrating our commitment to simplifying the balance sheet and optimizing free cash flow

(dollars in Millions)	4th Quarter 2024	
Dividend:		
Payment in Kind	\$	1.10
Cash		1.55
		<u>2.65</u>
Accretion		5.61
Redemption Excise Tax		2.74
	\$	<u>10.99</u>

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² Includes \$1.6MM of cash dividend and \$1.1MM of PIK dividend accumulated during the quarter and subsequently redeemed as part of the preferred stock redemption



2025 Financial Guidance

\$965MM – \$1B
(10% – 14% Growth)

Total Revenue

\$360 – \$385MM

Adj. Gross Profit¹

\$220 – \$230MM

Adj. EBITDA¹

Strong double-digit Revenue growth will drive continued improvements in Adjusted Gross Profit¹ and Adjusted EBITDA¹ with some offsets resulting from increased operating expenses

¹ Adjusted Gross Profit, Adjusted Gross Profit margin, Adjusted EBITDA and Adjusted EBITDA margin referred to in this presentation are non-GAAP measures. See slide 2 for further details



Appendix



Appendix 1 – Adjusted Gross Profit¹ Reconciliation

The reconciliation of adjusted gross profit to its most comparable GAAP measure is provided below:

	<i>(in Millions)</i>					<i>(in Millions)</i>				
	Three Months Ended December 31, 2024					Three Months Ended December 31, 2023				
	SMB	B2B	Enterprise	Eliminations	Total	SMB	B2B	Enterprise	Eliminations	Total
Revenues	\$ 155.7	\$ 23.7	\$ 48.7	\$ (1.0)	\$ 227.1	\$ 140.1	\$ 21.4	\$ 38.3	\$ (0.5)	\$ 199.3
Cost of revenue (excluding depreciation and amortization)	(123.7)	(17.4)	(3.1)	1.0	(143.1)	(108.3)	(16.3)	(2.3)	0.5	(126.4)
Adjusted Gross Profit	32.0	6.4	45.6	(0.0)	83.9	31.8	5.1	35.9	(0.0)	72.9
Adjusted Gross Profit Margin	20.5%	26.8%	93.6%		37.0%	22.7%	24.0%	93.9%		36.6%
Depreciation and amortization of revenue generating assets	(2.2)	(0.6)	(1.6)	--	(4.5)	(2.1)	(0.6)	(1.0)	--	(3.6)
Gross profit	\$ 29.8	\$ 5.7	\$ 44.0	\$ (0.0)	\$ 79.5	\$ 29.7	\$ 4.6	\$ 35.0	\$ (0.0)	\$ 69.3
Gross profit margin	19.1%	24.2%	90.3%		35.0%	21.2%	21.4%	91.4%		34.8%

	<i>(in Millions)</i>					<i>(in Millions)</i>				
	Twelve Months Ended December 31, 2024					Twelve Months Ended December 31, 2023				
	SMB	B2B	Enterprise	Eliminations	Total	SMB	B2B	Enterprise	Eliminations	Total
Revenues	\$ 613.5	\$ 89.1	\$ 180.4	\$ (3.4)	\$ 879.7	\$ 583.3	\$ 41.2	\$ 132.2	\$ (1.0)	\$ 755.6
Cost of revenue (excluding depreciation and amortization)	(478.5)	(64.7)	(11.9)	3.4	(551.6)	(446.2)	(26.6)	(8.5)	0.9	(480.3)
Adjusted Gross Profit	135.1	24.4	168.6	(0.0)	328.1	137.1	14.5	123.7	(0.0)	275.3
Adjusted Gross Profit Margin	22.0%	27.4%	93.4%		37.3%	23.5%	35.4%	93.6%		36.4%
Depreciation and amortization of revenue generating assets	(7.7)	(2.8)	(6.0)	--	(16.5)	(7.1)	(1.4)	(4.2)	--	(12.6)
Gross profit	\$ 127.4	\$ 21.7	\$ 162.5	\$ (0.0)	\$ 311.6	\$ 130.0	\$ 13.2	\$ 119.5	\$ (0.0)	\$ 262.7
Gross profit margin	20.8%	24.3%	90.1%		35.4%	22.3%	32.1%	90.4%		34.8%

Note: Certain dollar amounts may not add mathematically due to rounding

¹Adjusted Gross Profit, Adjusted Gross Profit margin, Adjusted EBITDA and Adjusted EBITDA margin referred to in this presentation are non-GAAP measures. See slide 2 for further details.



Appendix 2 – Adjusted EBITDA¹ Reconciliation

The reconciliation of adjusted EBITDA to its most comparable GAAP measure is provided below:

	<i>(in Millions)</i> Three Months Ended December 31, 2024					<i>(in Millions)</i> Three Months Ended December 31, 2023				
	SMB	B2B	Enterprise	Corporate	Total	SMB	B2B	Enterprise	Corporate	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Adjusted EBITDA	26.6	2.4	42.0	(19.3)	51.7	25.0	0.4	33.0	(13.8)	44.6
Adjusted EBITDA Margin	17.1%	10.1%	86.3%		22.8%	17.9%	1.7%	86.3%		22.4%
Interest Expense	--	(1.1)	--	(22.1)	(23.1)	(0.0)	(0.8)	(0.1)	(19.8)	(20.6)
Depreciation and Amortization	(6.8)	(1.3)	(4.5)	(1.2)	(13.8)	(9.2)	(1.1)	(3.9)	(1.0)	(15.1)
Debt Modification and Extinguishment Expenses	--	--	--	(1.7)	(1.7)	--	--	--	--	--
Selling, General and Administrative (Non-Recurring)	--	--	--	(1.4)	(1.4)	--	--	--	(5.3)	(5.3)
Non-Cash Stock Based Compensation	(0.0)	0.1	(0.0)	(1.3)	(1.2)	(0.1)	(0.3)	(0.1)	(1.1)	(1.6)
Non-Cash Other Losses	--	--	--	--	--	--	--	--	(0.3)	(0.3)
Income (Loss) Before Taxes	19.8	0.1	37.5	(47.0)	10.5	15.7	(1.8)	29.1	(41.2)	1.8
Income (Loss) Before Taxes % of Revenue	12.7%	0.6%	77.0%		4.6%	11.2%	(8.5%)	75.9%		0.9%

	<i>(in Millions)</i> Twelve Months Ended December 31, 2024					<i>(in Millions)</i> Twelve Months Ended December 31, 2023				
	SMB	B2B	Enterprise	Corporate	Total	SMB	B2B	Enterprise	Corporate	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Adjusted EBITDA	108.9	7.6	154.9	(67.2)	204.3	109.5	2.2	110.9	(54.3)	168.3
Adjusted EBITDA Margin	17.8%	8.5%	85.9%		23.2%	18.8%	5.5%	83.9%		22.3%
Interest Expense	(0.0)	(4.3)	--	(84.6)	(88.9)	(0.0)	(1.3)	(0.4)	(74.4)	(76.1)
Depreciation and Amortization	(30.9)	(5.3)	(16.9)	(5.0)	(58.0)	(36.7)	(1.8)	(22.4)	(7.4)	(68.4)
Debt Modification and Extinguishment Expenses	--	--	--	(10.4)	(10.4)	--	--	--	--	--
Selling, General and Administrative (Non-Recurring)	--	--	--	(3.5)	(3.5)	--	--	--	(9.8)	(9.8)
Non-Cash Stock Based Compensation	(0.0)	(0.2)	(0.1)	(5.7)	(6.1)	(0.5)	(0.5)	(0.3)	(5.4)	(6.8)
Non-Cash Other Losses	--	--	--	--	--	--	--	--	(0.1)	(0.1)
Income (Loss) Before Taxes	78.0	(2.2)	137.9	(176.4)	37.3	72.2	(1.4)	87.8	(151.5)	7.2
Income (Loss) Before Taxes % of Revenue	12.7%	(2.5%)	76.4%		4.2%	12.4%	(3.5%)	66.5%		0.9%

Note: Certain dollar amounts may not add mathematically due to rounding

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