



# Priority Technology Holdings, Inc. (Nasdaq: PRTH)

*Supplemental Slides:  
Q1 2025 Earnings Call*

May 2025



# Disclaimer

## Important Notice Regarding Forward-Looking Statements and Non-GAAP Measures

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](http://www.sec.gov) or [www.prioritycommerce.com](http://www.prioritycommerce.com).

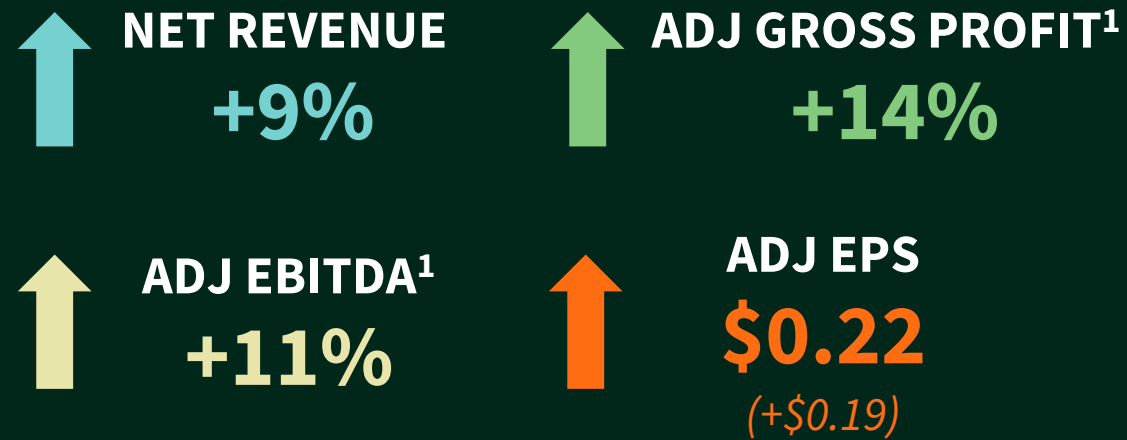
We caution you that the important factors referenced above may not contain all of the factors that are important to you. In addition, we cannot assure you that we will realize the results or developments we expect or anticipate or, even if substantially realized, that they will result in the consequences we anticipate or affect us or our operations in the way we expect. You are cautioned not to place undue reliance on forward-looking statements as a predictor of future performance. The forward-looking statements included in this presentation are made only as of the date hereof. We undertake no obligation to publicly update or revise any forward-looking statement as a result of new information, future events or otherwise, except as otherwise required by law. If we do update one or more forward-looking statements, no inference should be made that we will make additional updates with respect to those or other forward-looking statements. We qualify all of our forward-looking statements by these cautionary statements.

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 1<sup>st</sup> Quarter 2025 Highlights

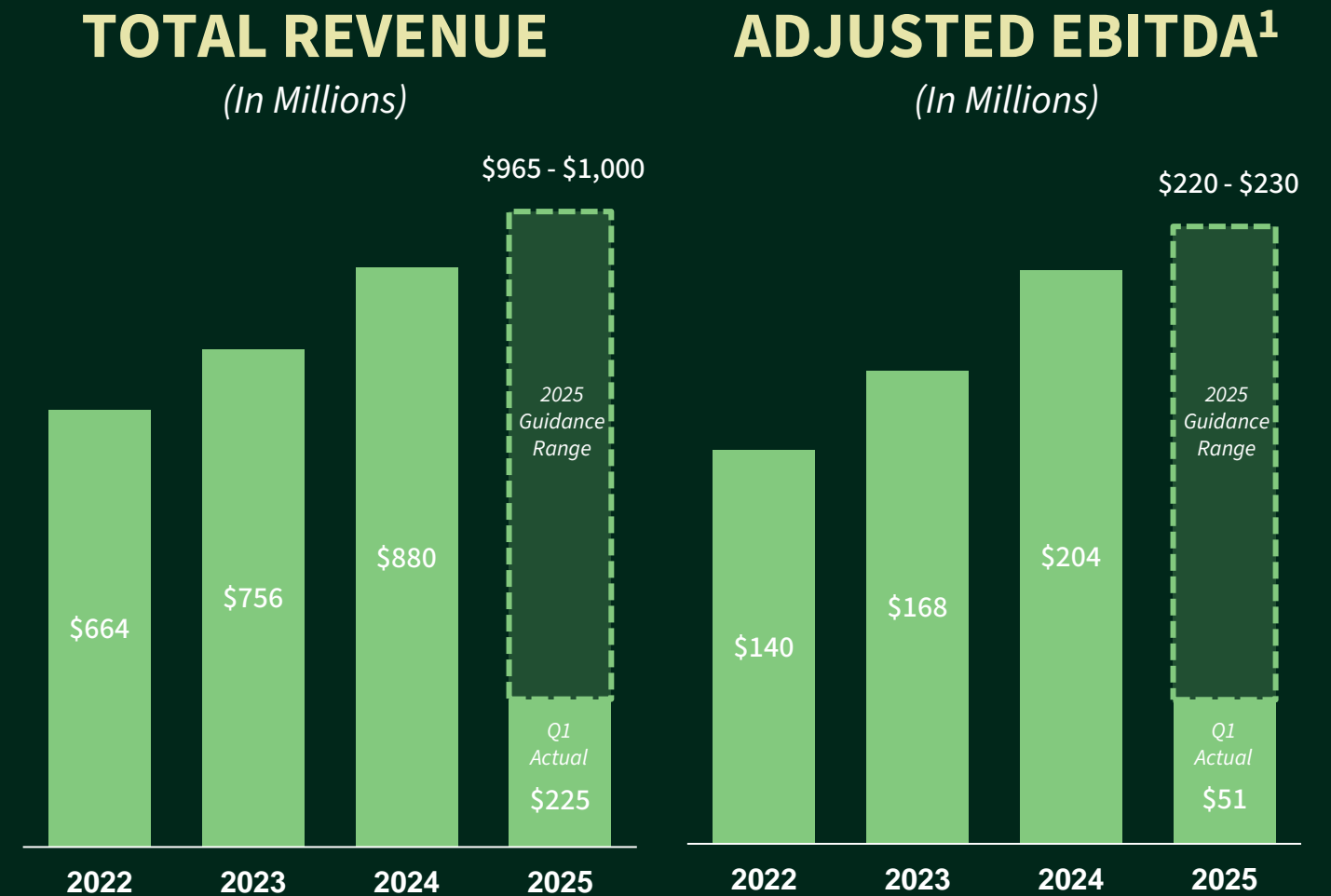
## Q1 2025 RESULTS



## Q1 2025 KEY METRICS



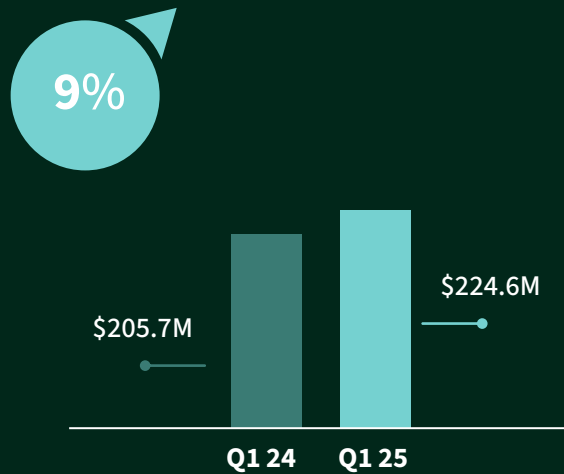
## MAINTAINING STRONG FY 2025 GUIDANCE



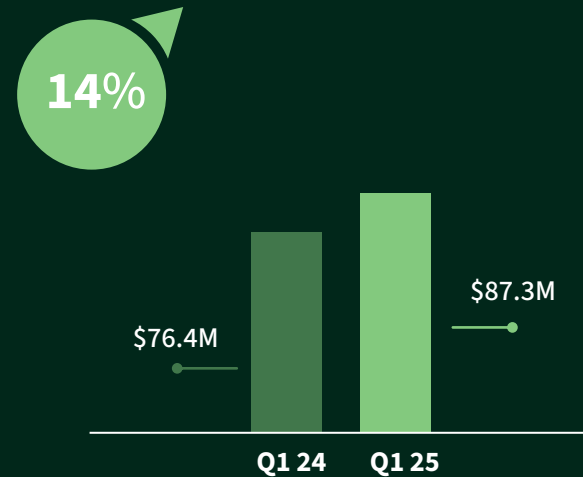
<sup>1</sup> Adjusted Gross Profit, Adjusted Gross Profit margin, Adjusted EBITDA and Adjusted EBITDA margin referred to in this presentation are non-GAAP measures. See slide 2 for further details



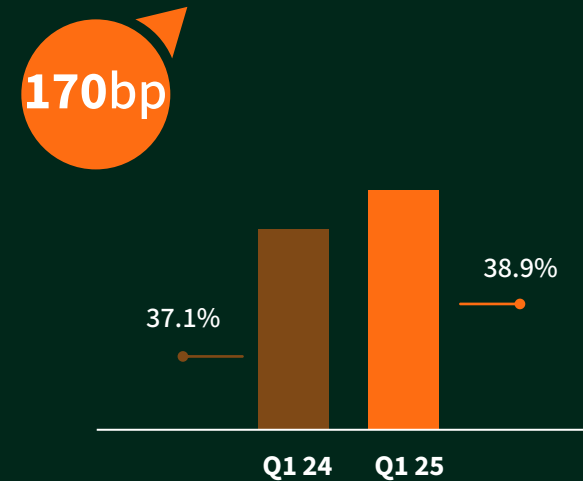
# Q1 2025 Consolidated Results



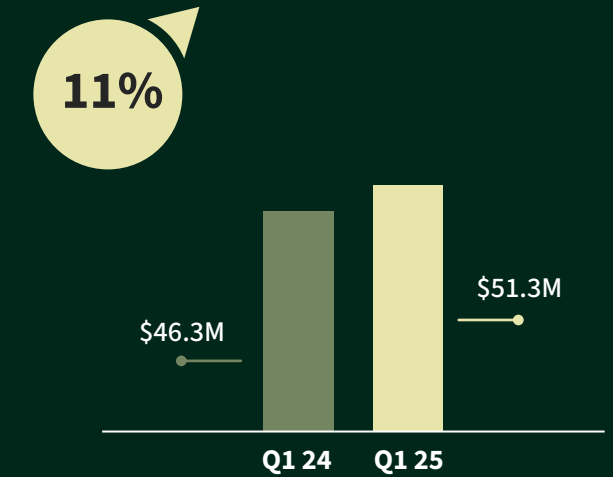
Revenue increased **9%** to **\$224.6 million**



Adj Gross Profit<sup>1</sup> increased **14%** to **\$87.3 million**



Adj Gross Profit margin<sup>1</sup> increased **170 basis points** to **38.9%**



Adjusted EBITDA<sup>1</sup> increased **11%** to **\$51.3 million**

<sup>1</sup> 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

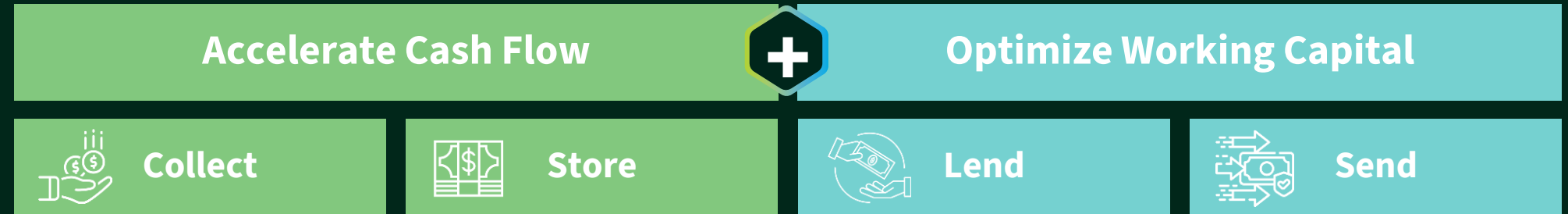


# Priority Commerce:

## 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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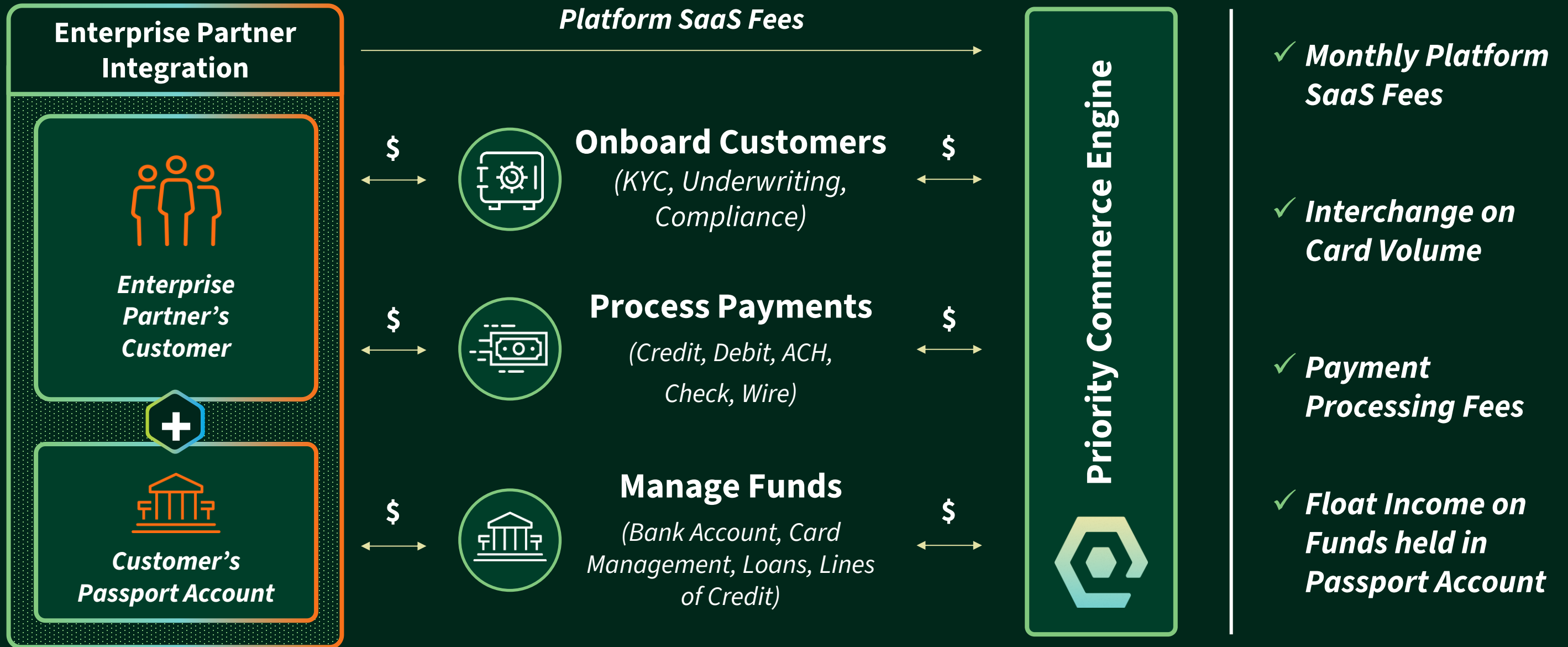
### Banking & Treasury

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

[▶ Play Video](#)



# Priority Commerce Enterprise Flow

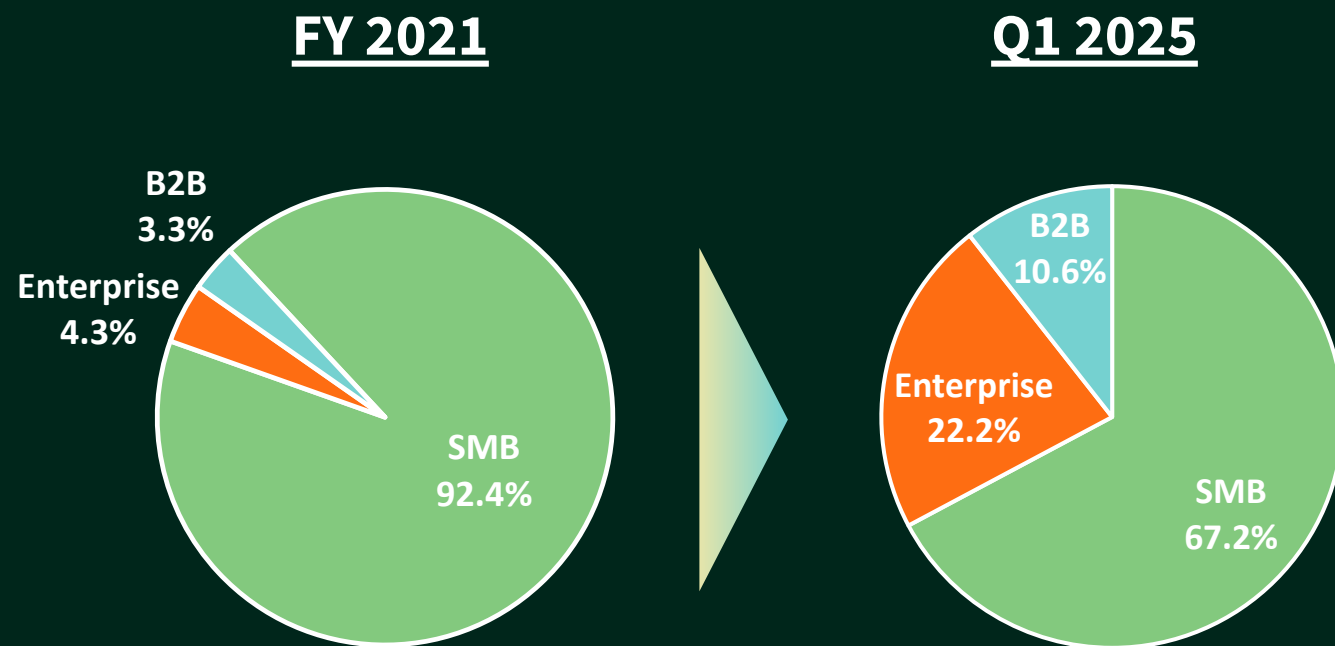


# First Quarter 2025 *Financial Results*

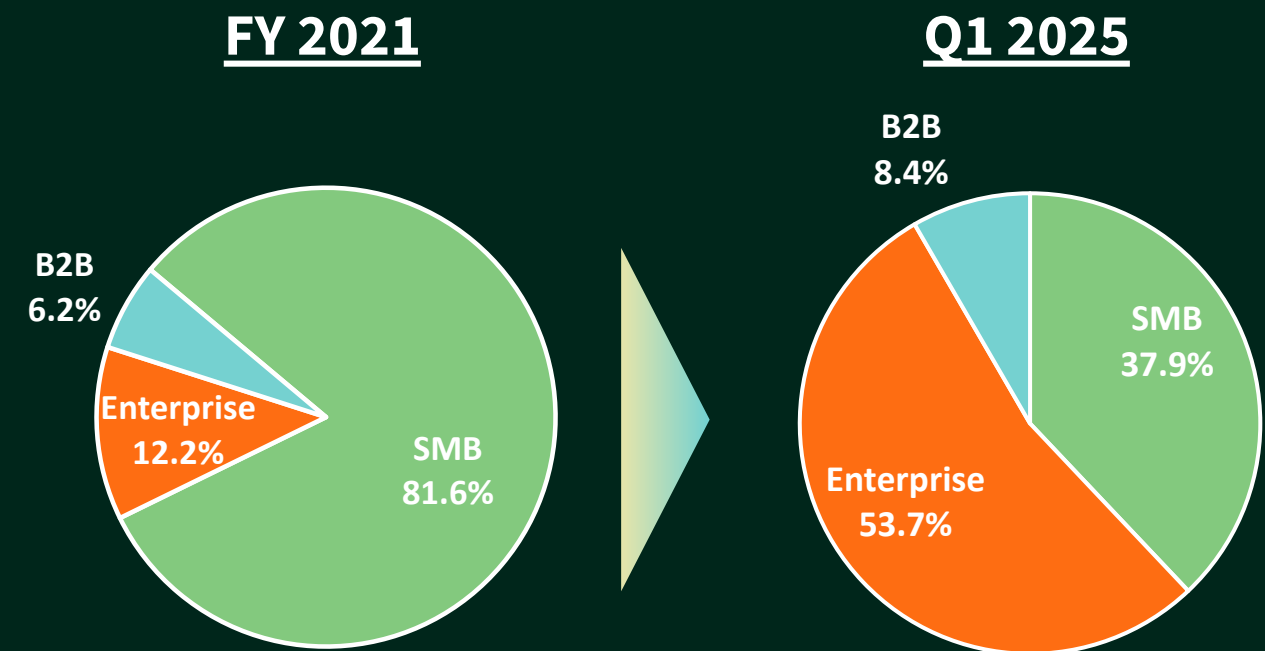


# Growth in Higher Margin Operating Segments

## Revenue Contribution by Segment



## Adj. Gross Profit<sup>1</sup> Contribution by Segment



***B2B and Enterprise segments represented over 62% of Adjusted Gross Profit in Q1 2025 and contributed to 170 bps of YoY expansion in Adjusted Gross Profit margins***

<sup>1</sup> 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





# SMB Highlights – Q1 2025



## Q1 2025 Segment Highlights

- Revenue growth of 5% with strong 10% growth in core partially offset by historical residual portfolio purchase attrition and risk-paring in specialized acquiring
- Total Card \$ Volumes increased 3% to \$17.7bn
- New monthly boards averaged 4.1K during quarter

<sup>1</sup> 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 – Q1 2025



## Q1 2025 Segment Highlights

- \$2.6mm of Revenue growth driven by 35% increase in Supplier-Funded revenues and 7% increase in Buyer-Funded revenues
- Adjusted Gross Profit margin increased 150+ bps YoY
- Adjusted EBITDA growth of 101% driven by strong operating leverage

<sup>1</sup> 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 – Q1 2025



## Q1 2025 Segment Highlights

- CFTPay Avg Monthly New Enrollments of 56K increased 4% from 54K in Q1 2024
- CFTPay Avg Number of Billed Clients increased 34% to 940K from 704K in Q1 2024
- Growth in balances largely offset the impact of 100 bps in Fed rate cuts in 2024
- 99 Integrated Partners at quarter-end (+7 from year-end 2024)

<sup>1</sup> 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



# Consolidated Operating Expenses – Q1 2025



## Q1 2025 Segment Highlights

- Higher Salaries & Benefits driven by overall growth of the Company with investments in IT
- Increase in SG&A expenses primarily driven by software (incl public cloud migration), marketing spend, and certain non-recurring legal and transaction expenses



# Capital Structure & Liquidity

## Outstanding Debt

Balance as of December 31, 2024	\$945.5
(+/-) Net Revolver Borrowings	--
(+/-) Net Term Loan Borrowings	(\$10.0)
<b>Balance as of March 31, 2025</b>	<b>\$935.5</b>

## Net Leverage Calculation

Total Debt Balance	\$935.5
(-) Unrestricted Cash Balance	\$47.6
<b>Net Debt</b>	<b>\$887.9</b>
LTM Adj. EBITDA (Q1 2025) <sup>1</sup>	\$209.2
<b>Net Leverage Ratio</b>	<b>4.2x</b>

## Simplified Balance Sheet and Reduced Leverage



During Q1 2025, used excess cash to **repay \$10 million of outstanding Term Loan**



Ample **liquidity of \$117.6 million**, comprised of \$47.6 million of unrestricted cash and unfunded \$70.0 million Revolver at the end of Q1 2025

## Bolster FCF Generation & Prudently Deploy Capital



**Redeemed the senior preferred stock** in 2024, reducing cost of capital and allowing net income to flow to benefit of common shareholders



Maintain a **disciplined acquisition strategy** focused on **delivering profitable growth** while capitalizing on market dislocation

<sup>1</sup> 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 Profit<sup>1</sup> Reconciliation

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

	<i>(in Millions)</i> Three Months Ended March 31, 2025					<i>(in Millions)</i> Three Months Ended March 31, 2024				
	SMB	B2B	Enterprise	Eliminations	Total	SMB	B2B	Enterprise	Eliminations	Total
Revenues	\$ 151.7	\$ 23.9	\$ 50.1	\$ (1.1)	\$ 224.6	\$ 144.0	\$ 21.3	\$ 41.0	\$ (0.6)	\$ 205.7
Cost of revenue (excluding depreciation and amortization)	(118.6)	(16.6)	(3.2)	1.1	(137.4)	(112.1)	(15.2)	(2.6)	0.6	(129.3)
Adjusted Gross Profit	<b>33.1</b>	<b>7.3</b>	<b>46.9</b>	<b>(0.0)</b>	<b>87.3</b>	<b>31.9</b>	<b>6.2</b>	<b>38.3</b>	<b>(0.0)</b>	<b>76.4</b>
Adjusted Gross Profit Margin	21.8%	30.5%	93.6%		38.9%	22.1%	29.0%	93.6%		37.1%
Depreciation and amortization of revenue generating assets	(2.0)	(0.7)	(2.0)	--	(4.7)	(1.8)	(0.8)	(1.4)	--	(3.9)
Gross profit	<b>\$ 31.1</b>	<b>\$ 6.6</b>	<b>\$ 44.9</b>	<b>\$ (0.0)</b>	<b>\$ 82.6</b>	<b>\$ 30.1</b>	<b>\$ 5.4</b>	<b>\$ 37.0</b>	<b>\$ (0.0)</b>	<b>\$ 72.5</b>
Gross profit margin	20.5%	27.6%	89.6%		36.8%	20.9%	25.4%	90.2%		35.3%

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

<sup>1</sup>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 2 – Adjusted EBITDA<sup>1</sup> Reconciliation

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

	<i>(in Millions)</i>					<i>(in Millions)</i>				
	Three Months Ended March 31, 2025					Three Months Ended March 31, 2024				
	SMB	B2B	Enterprise	Corporate	Total	SMB	B2B	Enterprise	Corporate	Total
<b>Adjusted EBITDA</b>	<b>\$ 25.7</b>	<b>\$ 3.5</b>	<b>\$ 42.4</b>	<b>\$ (20.4)</b>	<b>\$ 51.3</b>	<b>\$ 25.0</b>	<b>\$ 1.7</b>	<b>\$ 34.7</b>	<b>\$ (15.2)</b>	<b>\$ 46.3</b>
Adjusted EBITDA Margin	16.9%	14.7%	84.7%		22.8%	17.4%	8.2%	84.7%		22.5%
Interest Expense	--	(1.0)	--	(22.2)	(23.2)	(0.0)	(1.0)	--	(19.9)	(20.9)
Depreciation and Amortization	(6.6)	(1.3)	(4.6)	(1.2)	(13.8)	(8.6)	(1.5)	(4.0)	(1.2)	(15.3)
Debt Modification and Extinguishment Expenses	--	--	--	(0.0)	(0.0)	--	--	--	--	--
Selling, General and Administrative (Non-Recurring)	--	--	--	(2.2)	(2.2)	--	--	--	(0.8)	(0.8)
Non-Cash Stock Based Compensation	(0.0)	(0.1)	(0.0)	(1.5)	(1.6)	(0.0)	(0.1)	(0.0)	(1.5)	(1.6)
<b>Income (Loss) Before Taxes</b>	<b>\$ 19.1</b>	<b>\$ 1.2</b>	<b>\$ 37.8</b>	<b>\$ (47.5)</b>	<b>\$ 10.5</b>	<b>\$ 16.4</b>	<b>\$ (0.8)</b>	<b>\$ 30.7</b>	<b>\$ (38.5)</b>	<b>\$ 7.8</b>
Income (Loss) Before Taxes % of Revenue	12.6%	4.9%	75.4%		4.7%	11.4%	(3.8%)	74.8%		3.8%

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

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