



Paymentus

MAY 8TH, 2023

FIRST QUARTER 2023

EARNINGS CONFERENCE CALL

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DISCLAIMER

This presentation and the accompanying webcast contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All such statements, other than statements of historical facts, are forward-looking statements. Generally, you can identify forward-looking statements by terms such as “may,” “will,” “should,” “expects,” “plans,” “anticipates,” “could,” “intends,” “targets,” “projects,” “contemplates,” “believes,” “estimates,” “predicts,” “potential” or “continue” or the negative of these terms or other similar expressions. Forward-looking statements contained in this presentation and the webcast include, but are not limited to, statements about our market opportunities, bookings and backlog, our ability to continue to expand our market share or expand into new markets, the impact of inflation and our ability to address such impact, our ability to manage expenses, our ability to timely implement new clients, and our quarterly and full year 2023 financial guidance. Forward-looking statements are subject to known and unknown risks, uncertainties, assumptions and other factors. Some of these risks are described in greater detail under the captions “Special Note Regarding Forward-Looking Statements” and “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2022, filed with the Securities and Exchange Commission (the “SEC”) on March 3, 2023, and in our future filings with the SEC. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. These factors may cause our actual results, performance or achievements to differ materially and adversely from those anticipated or implied by our forward-looking statements. Furthermore, our forward-looking statements may prove to be materially inaccurate. In light of the significant uncertainties in these forward-looking statements, you should not place undue reliance on them or regard them as a representation or warranty by us or any other person that we will achieve our objectives and plans in any specified time frame, or at all. We undertake no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

In addition, forward-looking statements reflect our current beliefs and opinions on the relevant subject. These statements are based upon information available to us as of the date of this presentation and webcast, and although we believe such information forms a reasonable basis for such statements, such information may be limited or incomplete, and our statements should not be read to indicate that we have conducted a thorough inquiry into, or review of, all potentially available relevant information.

Market data and industry information used throughout this presentation are based on management’s knowledge of the industry and the good faith estimates of management. We also relied, to the extent available, upon management’s review of independent industry surveys and publications and other publicly available information prepared by a number of third-party sources. All of the market data and industry information used in this presentation involves a number of assumptions and limitations, and you are cautioned not to give undue weight to such estimates. Although we believe that these sources are reliable, we cannot guarantee the accuracy or completeness of this information, and we have not independently verified this information.

In addition to the GAAP financial measures presented in our consolidated financial statements, this presentation includes key performance indicators and non-GAAP measures that our management uses to help us evaluate our business, identify trends affecting our business, formulate business plans and make strategic decisions. There are limitations to contribution profit, adjusted gross profit, adjusted EBITDA, and adjusted EBITDA margin, the non-GAAP measures included in this presentation. These non-GAAP measures may not be comparable to similarly titled measures of other companies; other companies, including companies in our industry, may calculate non-GAAP measures differently than we do, limiting the usefulness of those measures for comparative purposes. These non-GAAP measures should not be considered in isolation from or as a substitute for GAAP financial measures. Reconciliations of these non-GAAP measures to the most directly comparable GAAP measures are included in the Appendix to this presentation.

Unless otherwise indicated, all references in this presentation to “Paymentus,” “we,” “our,” “us”, or similar terms refer to Paymentus Holdings, Inc. and its subsidiaries.

Q1 2023 FINANCIAL HIGHLIGHTS

FINANCIAL METRIC	Q1 2023 (\$ MILLIONS)	GROWTH %
REVENUE	\$148.3	27.1%
CONTRIBUTION PROFIT ⁽¹⁾	\$53.5	13.0%
ADJUSTED EBITDA ⁽¹⁾	\$8.4	56.4%

¹ Contribution profit and Adjusted EBITDA are non-GAAP financial measures. For definitions, reconciliation to the nearest GAAP measures and additional information regarding our use of these Non-GAAP measures, please refer to the Appendix.

KEY Q1 ACCOMPLISHMENTS

- Robust bookings quarter
- Solid exit backlog
- Added large scale billers in government, real estate, healthcare, insurance and utility verticals
- Expanded Oracle relationship for easier cloud integration with our platform
- Launched another state capital's municipal utility

Q1 2023 PERFORMANCE

FINANCIAL METRIC	Q1 2023 (\$ MILLIONS)	Q1 2022 (\$ MILLIONS)	CHANGE (\$ MILLIONS)	CHANGE %
REVENUE	148.3	116.7	31.6	27.1%
CONTRIBUTION PROFIT⁽¹⁾	53.5	47.4	6.1	13.0%
CONTRIBUTION PROFIT %	36.1%	40.6%	-	(4.5%)
ADJUSTED GROSS PROFIT⁽¹⁾	43.7	37.4	6.3	16.9%
OPERATING EXPENSES	41.1	36.2	4.9	13.4%
ADJUSTED EBITDA⁽¹⁾	8.4	5.4	3.0	56.4%
ADJUSTED EBITDA %	15.7%	11.4%	-	4.3%

¹ Contribution profit and %, Adjusted gross profit, Adjusted EBITDA, and Adjusted EBITDA margin or % are non-GAAP financial measures. For definitions, reconciliation to the nearest GAAP measures and additional information regarding our use of these Non-GAAP measures, please refer to the Appendix.




Q2 2023 FINANCIAL GUIDANCE

FINANCIAL METRIC	Q2 2023 (\$ MILLIONS)	YOY GROWTH AT MIDPOINT
REVENUE	\$142 - \$148	21%
CONTRIBUTION PROFIT⁽¹⁾	\$54 - \$56	13%
ADJUSTED EBITDA⁽¹⁾	\$8 - \$9	70%

¹ Contribution profit and Adjusted EBITDA are non-GAAP financial measures. Paymentus does not reconcile its forward-looking guidance for non-GAAP measures because certain financial information, the probable significance of which cannot be determined, is not available and cannot be reasonably estimated. Refer to "Use of Forward-Looking Non-GAAP Measures" below for additional explanation.

FULL YEAR 2023 FINANCIAL GUIDANCE

INCREASED GUIDANCE RANGES

FINANCIAL METRIC	GUIDANCE (\$ MILLIONS)	PRIOR GUIDANCE (\$ MILLIONS)	MIDPOINT DIFFERENCE
REVENUE	\$591 - \$606	\$575 - \$600	
CONTRIBUTION PROFIT⁽¹⁾	\$225 - \$237	\$224 - \$237	
ADJUSTED EBITDA⁽¹⁾	\$34 - \$38.5	\$32 - \$38	

¹ Contribution profit and Adjusted EBITDA are non-GAAP financial measures. Paymentus does not reconcile its forward-looking guidance for non-GAAP measures because certain financial information, the probable significance of which cannot be determined, is not available and cannot be reasonably estimated. Refer to "Use of Forward-Looking Non-GAAP Measures" below for additional explanation.

PAYMENTUS Q1 2023 EARNINGS REPORT

APPENDIX

USE AND DEFINITIONS OF NON-GAAP MEASURES

In addition to disclosing financial measures in accordance with accounting principles generally accepted in the United States, or GAAP, this presentation contains certain non-GAAP financial measures set forth below. We use non-GAAP measures to supplement financial information presented on a GAAP basis. We believe that excluding certain items from our GAAP results allows management and our board of directors to more fully understand our consolidated financial performance from period to period and helps management project our future consolidated financial performance as forecasts are developed at a level of detail different from that used to prepare GAAP-based financial measures.

Contribution profit: We define contribution profit as gross profit plus other cost of revenue. Other cost of revenue equals cost of revenue less interchange and assessment fees paid by us to our payment processors.

Adjusted gross profit: We define adjusted gross profit as gross profit adjusted for non-cash items, primarily stock-based compensation and amortization.

Adjusted EBITDA: We define Adjusted EBITDA as net income before other income (expense) (which consists of interest income (expense), net and foreign exchange gain (loss)), depreciation and amortization and income taxes, adjusted to exclude the effects of stock-based compensation expense and certain nonrecurring expenses that management believes are not indicative of ongoing operations, consisting primarily of professional fees and other indirect charges associated with our initial public offering.

Adjusted EBITDA margin or %: Adjusted EBITDA margin or % is a non-GAAP financial measure defined as adjusted EBITDA as a percentage of contribution profit.

We encourage investors and others to review our financial information in its entirety, not to rely on any single financial measure, and to view our non-GAAP measures in conjunction with GAAP financial measures. For a reconciliation of these non-GAAP financial measures to GAAP measures, please see the tables below for the reconciliation of GAAP to non-GAAP results included in this presentation.

Use of Forward-Looking Non-GAAP Measures. We do not meaningfully reconcile guidance for non-GAAP measures, because we cannot provide guidance for the more significant reconciling items without unreasonable effort. This is due to the fact that future period non-GAAP guidance includes adjustments for items not indicative of our core operations, which may include, without limitation, items included in the supplemental financial information for reconciliation of reported GAAP results to non-GAAP results or items beyond our control. Such items include acquisition related amortization expense for acquired intangibles, foreign exchange gains and losses, adjustments to its income tax provision and certain other items we believe to be non-indicative of its ongoing operations. Such adjustments may be affected by changes in ongoing assumptions, judgments, as well as nonrecurring, unusual or unanticipated charges, expenses or gains/losses or other items that may not directly correlate to the underlying performance of our business operations. The exact amount of these adjustments is not currently determinable but may be significant.

CONTRIBUTION PROFIT

	<u>Three Months Ended</u>	
	<u>March 31, 2023</u>	<u>March 31, 2022</u>
	(in thousands)	
Gross Profit	\$ 40,078	\$ 34,854
Plus: other cost of revenue	13,453	12,531
Contribution Profit	<u>\$ 53,531</u>	<u>\$ 47,385</u>

ADJUSTED GROSS PROFIT

	<u>Three Months Ended</u>	
	<u>March 31, 2023</u>	<u>March 31, 2022</u>
	(in thousands)	
Gross profit	\$ 40,078	\$ 34,854
Stock-based compensation	45	—
Amortization	3,567	2,510
Adjusted gross profit	<u>\$ 43,690</u>	<u>\$ 37,364</u>

EARNINGS REPORT

ADJUSTED EBITDA AND ADJUSTED EBITDA MARGIN

	Three Months Ended	
	March 31, 2023	March 31, 2022
	(in thousands)	
Net income — GAAP	\$ 704	\$ 1,718
Interest (income) expense, net	(1,440)	8
Benefit from income taxes	(256)	(3,071)
Depreciation and amortization	7,239	5,474
EBITDA	\$ 6,247	\$ 4,129
<i>Adjustments</i>		
Foreign exchange loss (gain)	8	(26)
Stock-based compensation	2,159	1,276
Adjusted EBITDA	\$ 8,414	\$ 5,379
Adjusted EBITDA margin	15.7%	11.4%

NON-GAAP NET INCOME AND NON GAAP EPS

	Three Months Ended	
	March 31, 2023	March 31, 2022
	(in thousands)	
Net income	\$ 704	\$ 1,718
Excluding amortization of acquisition-related intangibles ⁽¹⁾	2,224	2,007
Non-GAAP net income	\$ 2,928	\$ 3,725
Weighted-average shares of common stock — diluted	123,792,741	125,986,510
Non-GAAP earnings per share — diluted	\$ 0.02	\$ 0.03

THANK YOU.

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