

Q2 Financial Results
August 3, 2022

Paymentus

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 opportunity; our ability to continue to expand our market share or expand into new markets and our fiscal 2022 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, 2021, filed with the Securities and Exchange Commission (the “SEC”) on March 3, 2022, our Quarterly Report on Form 10-Q for the quarter ended June 30, 2022, which we expect to file with the SEC in early August 2022, 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.

Paymentus by the Numbers for Q2 2022

Strong, Profitable Financial Profile



\$120 M

Revenue

Q2 2022

\$49 M

Contribution Profit¹

Q2 2022

\$39 M

Adjusted Gross Profit¹

Q2 2022

\$5 M

Adjusted EBITDA¹

Q2 2022



28%

Revenue Growth

Q2 2022

30%

Contribution Profit Growth¹

Q2 2022

29%

Adjusted Gross Profit Growth¹

Q2 2022

10%

Adjusted EBITDA margin¹

Q2 2022

Tremendous Scale



>89 M

Transactions Processed

Q2 2022



>1,700

Clients

As of 12/31/2021

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¹ Contribution profit, Adjusted gross profit, Adjusted EBITDA, and Adjusted EBITDA margin 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 2022 Highlights

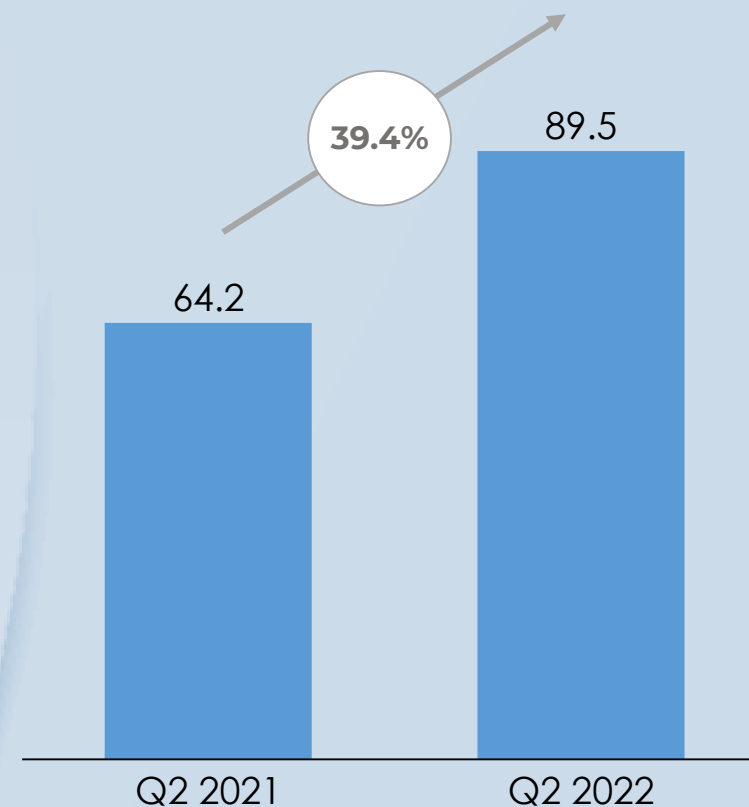
Key Metrics:

- Processed over 89 million transactions, up 39% YoY
- Generated approximately \$120 million in revenue, up 28% YoY
- Increased contribution profit by 30% YoY to approximately \$49 million¹

¹ Contribution profit is a non-GAAP financial measure defined in the Appendix. Please refer to the Appendix for a reconciliation of contribution profit to gross profit.

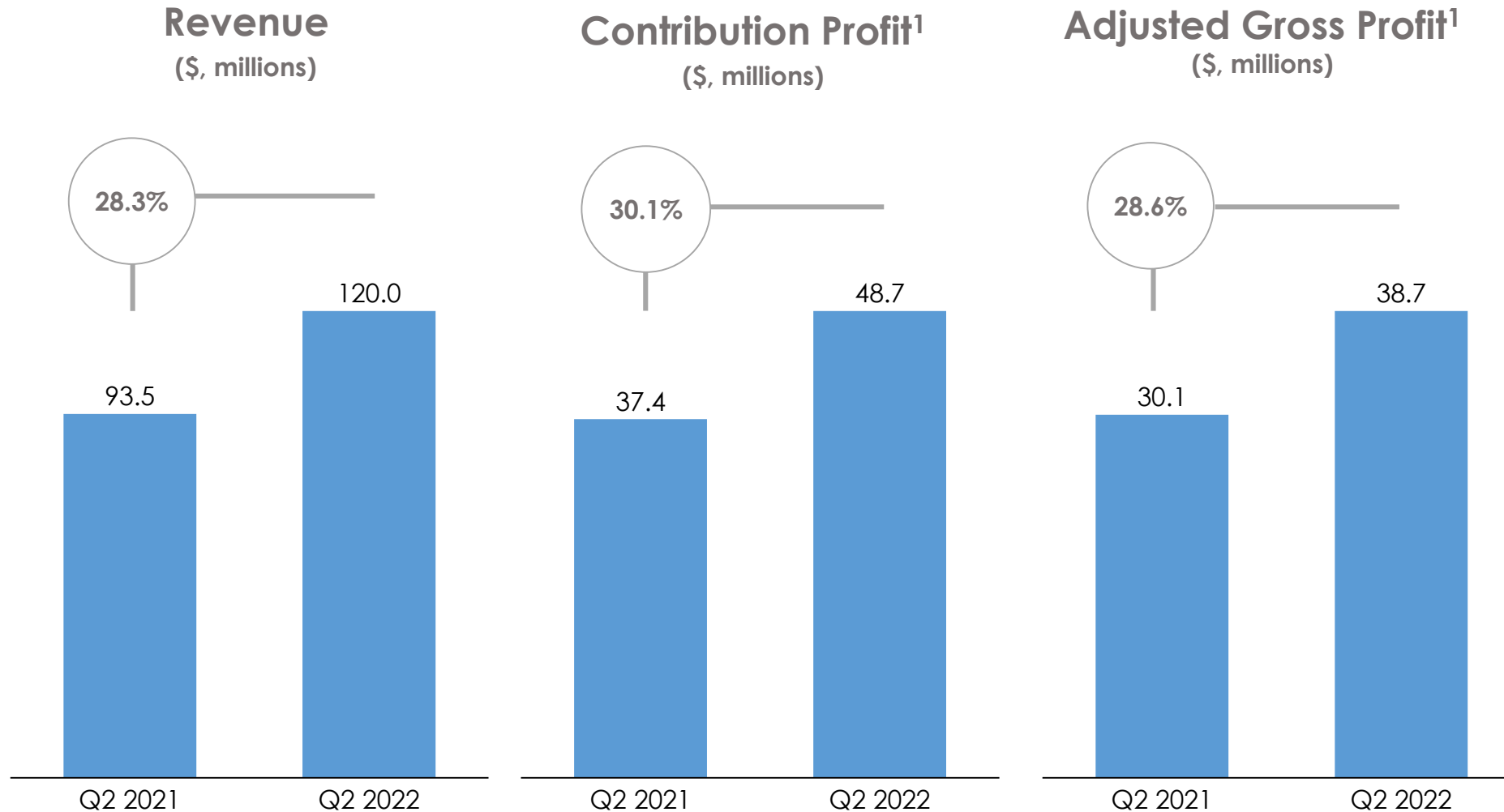
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Transactions Processed (Millions)



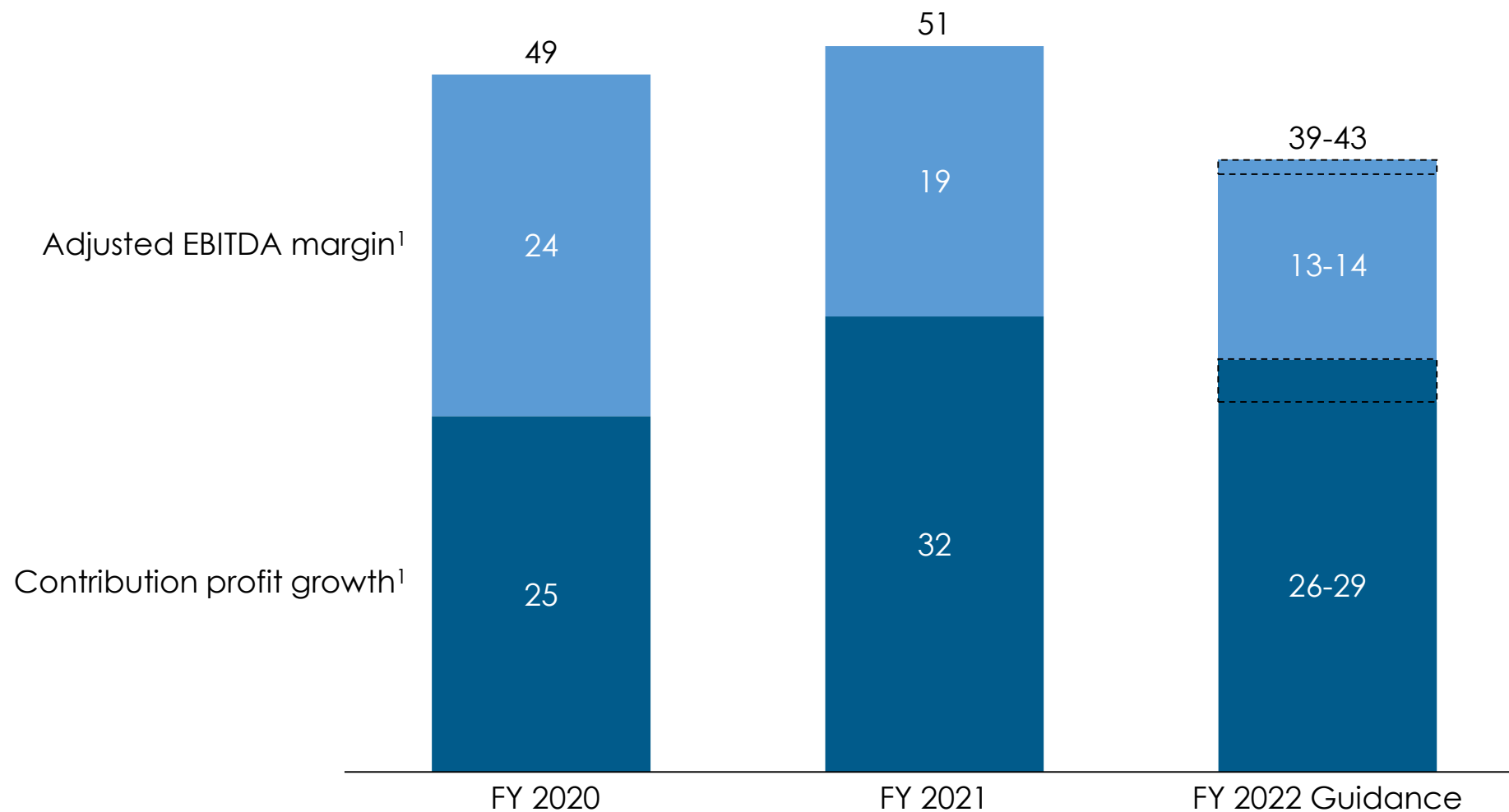
Q2 2022 Financial Performance

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¹ Contribution profit and adjusted gross profit are non-GAAP measures defined in the Appendix. Please refer to the Appendix for a reconciliation of contribution profit to gross profit and adjusted gross profit to gross profit.

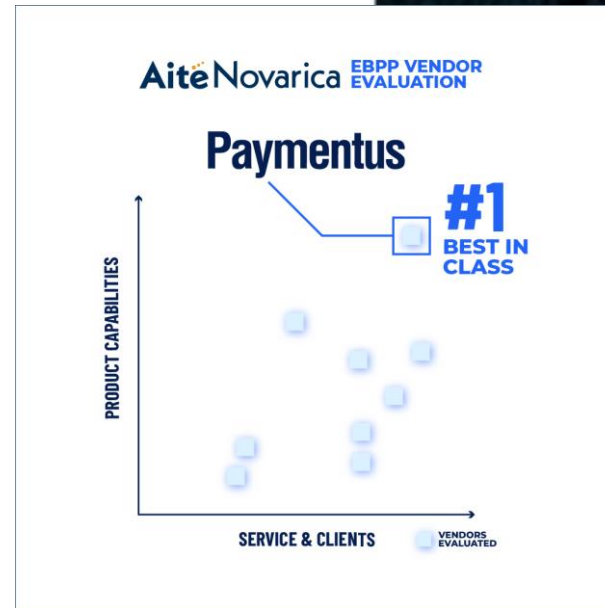
Rule of 40+ Performance



¹ Contribution profit and adjusted EBITDA margin are non-GAAP financial measures defined below. Please refer to the Appendix for a reconciliation of contribution profit to gross profit and adjusted EBITDA to net income for the periods presented. Paymentus does not reconcile to forward-looking guidance on a GAAP basis as 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" in the press release issued by Paymentus on the date of this presentation for more information.

Paymentus Earns #1 Best In Class Electronic Billing & Payment Rating

- Report conducted by leading financial services research firm Aite-Novarica
- Reviewed **nine of the top Electronic Bill Payment & Presentment (EBPP) providers**
- Key evaluation criteria:
 - Vendor Stability
 - Client Strength
 - Client Service Satisfaction
 - Product Features
- Across the board, Aite Matrix evaluation criteria determined **Paymentus was the Best in Class.**



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: Adjusted EBITDA margin 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.

Contribution Profit

Contribution Profit

	<u>Three Months Ended June 30,</u>		<u>Six Months Ended June 30,</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	(in thousands)			
Gross profit	\$ 35,828	\$ 28,928	\$ 70,682	\$ 56,475
Plus: other cost of revenue	12,896	8,513	25,427	16,075
Contribution profit	<u>\$ 48,724</u>	<u>\$ 37,441</u>	<u>\$ 96,109</u>	<u>\$ 72,550</u>

Adjusted Gross Profit

Adjusted Gross Profit

	<u>Three Months Ended June 30,</u>		<u>Six Months Ended June 30,</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	(in thousands)			
Gross profit	\$ 35,828	\$ 28,928	\$ 70,682	\$ 56,475
Stock-based compensation	—	—	—	—
Amortization	2,879	1,164	5,389	2,212
Adjusted gross profit	<u>\$ 38,707</u>	<u>\$ 30,092</u>	<u>\$ 76,071</u>	<u>\$ 58,687</u>

Adjusted EBITDA and Adjusted EBITDA Margin

Adjusted EBITDA and Adjusted EBITDA Margin



	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
	(in thousands)			
Net (loss) income	\$ (2,451)	\$ 575	\$ (733)	\$ 4,213
Excluding				
Interest (income) expense, net	(98)	4	(90)	7
Provision for (benefit from) income taxes	378	3,501	(2,693)	4,722
Depreciation and amortization	5,886	2,548	11,360	4,940
Foreign exchange (gain) loss	(54)	1	(80)	(8)
Stock-based compensation	1,344	568	2,620	1,131
Other nonrecurring expenses ⁽¹⁾	—	1,115	--	2,711
Adjusted EBITDA	<u>\$ 5,005</u>	<u>\$ 8,312</u>	<u>\$ 10,384</u>	<u>\$ 17,716</u>
Adjusted EBITDA margin	10.3%	22.2%	10.8%	24.4%

(1) Other nonrecurring expenses consist of indirect costs incurred associated with our IPO.

Investor Relations

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