



# 3<sup>rd</sup> QUARTER 2023

INVESTOR PRESENTATION



# SAFE HARBOR

This Presentation may include certain forward-looking statements, including, without limitation, statements concerning the conditions of our industry and our operations, performance, and financial condition, including, in particular, statements relating to our business, growth strategies, product development efforts, and future expenses. Forward-looking statements can be identified by words such as “anticipates,” “intends,” “plans,” “seeks,” “believes,” “estimates,” “expects,” “targets,” and similar references to future periods, or by the inclusion of forecasts or projections. Forward-looking statements are based on our current expectations and assumptions regarding our business, the economy, and other future conditions. Because forward-looking statements relate to the future, by their nature, they are subject to inherent uncertainties and risks (some of which are beyond our control) and changes in circumstances or other assumptions that may cause actual results or performance to be materially different from those expressed or implied by these forward-looking statements. As a result, our actual results may differ materially from those contemplated by the forward-looking statements. Except as required by law, we are under no obligation to, and expressly disclaim any obligation to, update or alter any forward-looking statements whether as a result of any such changes, new information, subsequent events or otherwise.

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. While we believe the estimated market position, market opportunity and market size information included in this presentation are generally reliable, such information, which is derived in part from management’s estimates and beliefs, is inherently uncertain and imprecise. Projections, assumptions and estimates of our future performance and the future performance of the industry in which we operate are necessarily subject to a high degree of uncertainty and risk due to a variety of factors. These factors could cause results to differ materially from those expressed in our estimates and beliefs and in the estimates prepared by independent parties. You should not construe the contents of this Presentation as legal, tax, accounting or investment advice or a recommendation to take (or refrain from taking) any particular action. You should consult your own counsel and tax and financial advisors as to legal and related matters concerning the matters described herein.

In addition to financial measures prepared in accordance with U.S. generally accepted accounting principles (“GAAP”), this presentation contains non-GAAP financial measures. We present non-GAAP financial measures including adjusted EBITDA, adjusted EBITDA margin, adjusted gross profit, adjusted gross margin and free cash flow. The non-GAAP financial information is presented for supplemental informational purposes only and is not intended to be considered in isolation or as a substitute for, or superior to, financial information prepared and presented in accordance with GAAP. Please refer to the supplemental information presented in the tables for reconciliations of the non-GAAP financial measures used in this presentation to the most comparable GAAP financial measures.

We believe that these non-GAAP financial measures provide useful information about our financial performance, enhance the overall understanding of our past performance and future prospects and allow for greater transparency with respect to important metrics used by our management for financial and operational decision-making. We believe that these measures provide an additional tool for investors to use in comparing our core financial performance over multiple periods with other companies in our industry. However, it is important to note that the particular items we exclude from, or include in, our non-GAAP financial measures may differ from the items excluded from, or included in, similar non-GAAP financial measures used by other companies in our industry.

This Presentation also includes certain forward-looking non-GAAP financial measures, such as adjusted EBITDA margin and adjusted gross margin. We calculate forward-looking non-GAAP financial measures based on internal forecasts that omit certain amounts that would be included in GAAP financial measures. We have not provided quantitative reconciliations of these forward-looking non-GAAP financial measures to the most directly comparable forward-looking GAAP financial measures because the excluded items are not available on a prospective basis without unreasonable efforts.

# KEY INVESTMENT HIGHLIGHTS



## BEST-IN-CLASS SAAS PLATFORM

Powerful all-in-one software platform tailored to the growing needs of the SMB

## MASSIVE MARKET OPPORTUNITY

Established and resilient service-based SMBs with 2-50 employees. Global TAM > 8M businesses (\$40B annual spend)

## MEGA-TREND

Thryv to benefit from cloud adoption as SMBs accelerate transition to cloud to more efficiently manage and grow their businesses.

## EFFICIENT CUSTOMER ACQUISITION STRATEGY

Cross-sell, new acquisition channels, franchise, and vast SMB referral network.

## SIGNIFICANT CROSS-SELL SAAS OPPORTUNITY

Significant whitespace of ~400K legacy clients looking to modernize their business

## HIGHLY PREDICTABLE MARKETING SERVICES SEGMENT

Strong visibility and high sustained EBITDA margins. Company has generated \$1.7B in FCF since 2016.

## EXPERIENCED MANAGEMENT TEAM

Tenured industry professionals with SMB domain expertise and strong track record of successful pivots, transformations, and acquisitions.

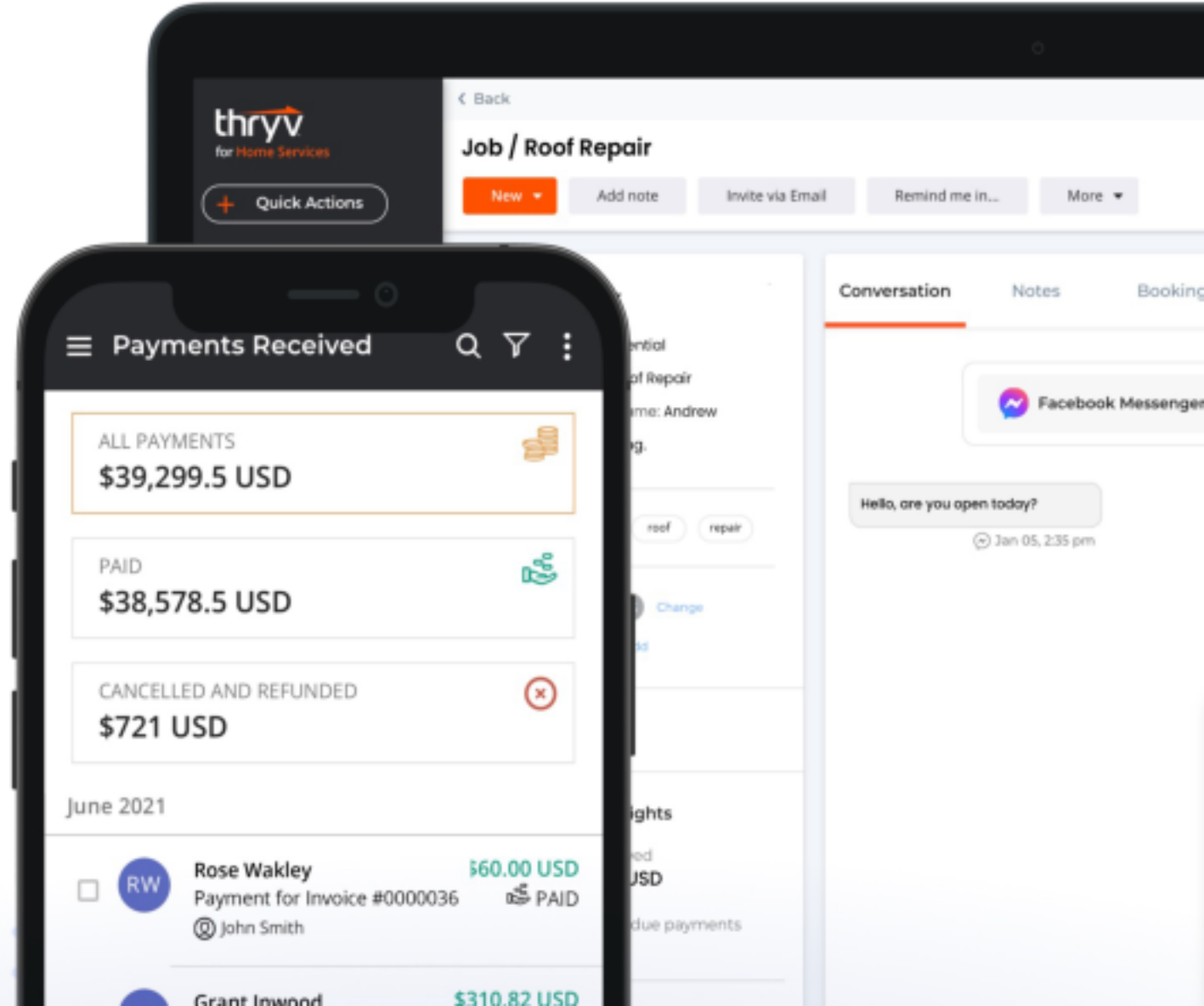


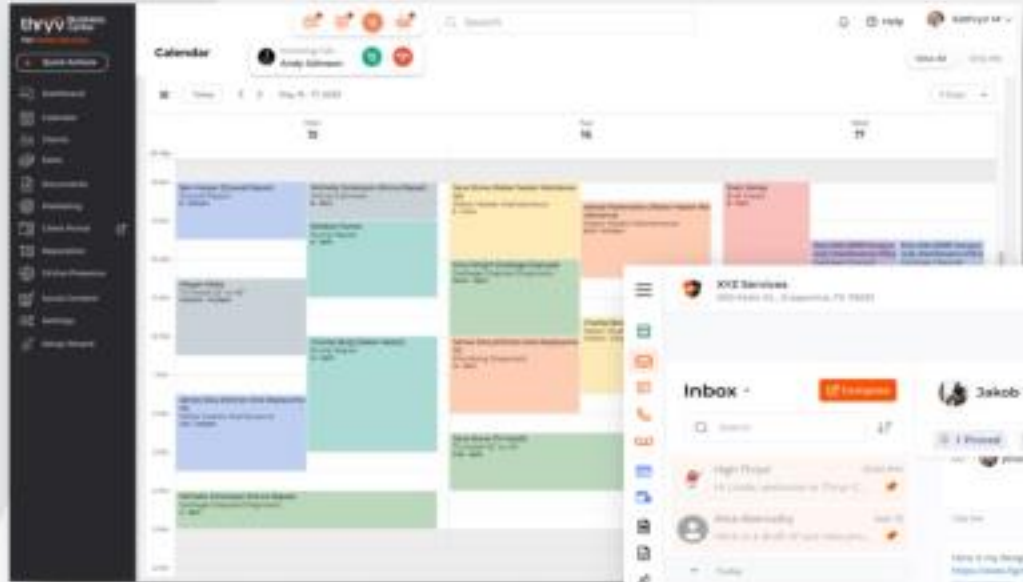
# SMALL BUSINESS IS **BIG BUSINESS**



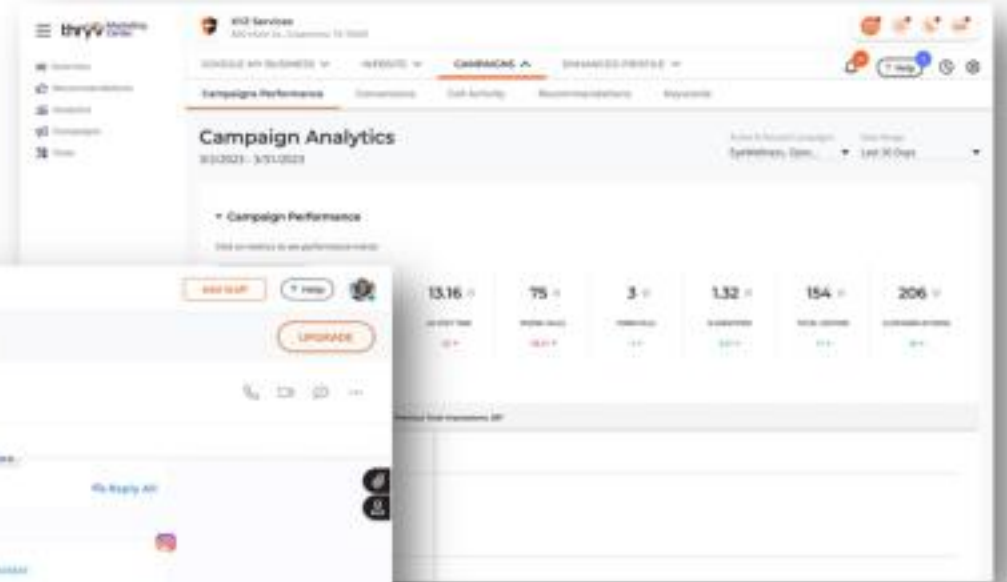
# THRYV THE CUSTOMIZABLE, DO-IT-ALL SMALL BUSINESS SOFTWARE.

We'll help you **communicate**  
efficiently, **run** your business,  
and **grow** your brand.

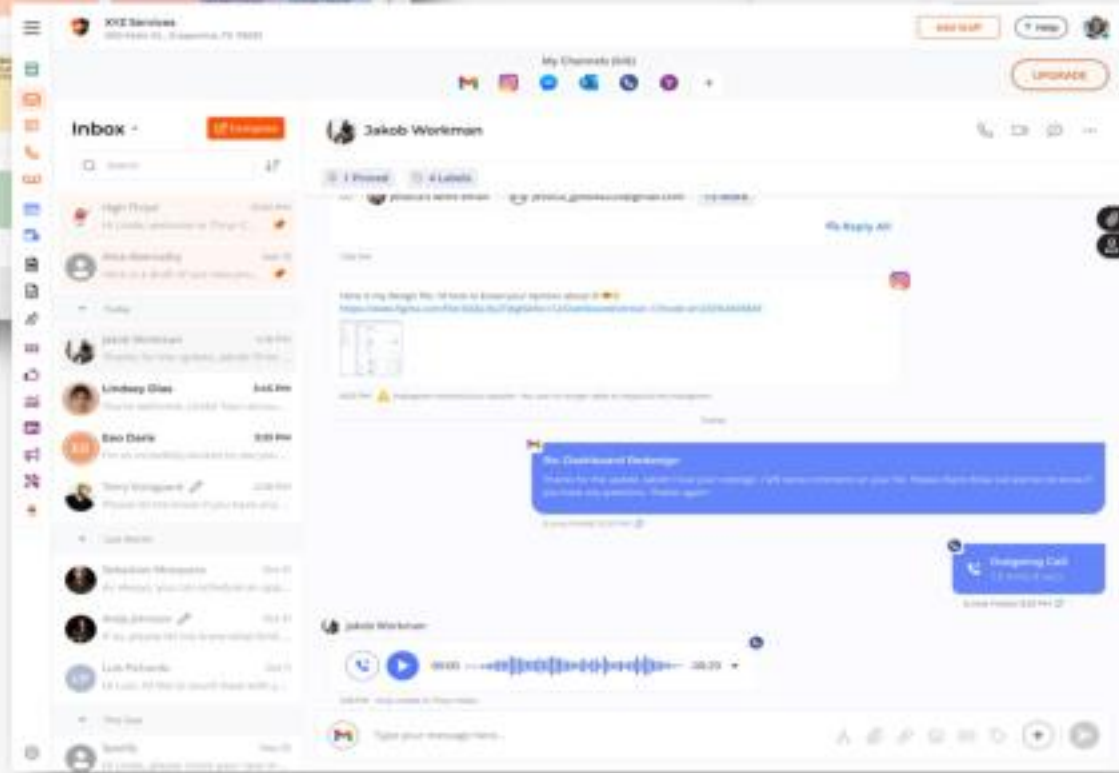




**thryv** Business Center.



**thryv** Marketing Center.



**thryv** Command Center.



# Small businesses run **better on Thryv.**

From inbox to invoices to inbound marketing, Thryv is the do-it-all platform giving you up to 20 hours back in your week. Unleash your businesses potential starting now.



FREE TO USE

thryv Command Center.	thryv Business Center.	thryv Marketing Center.
<b>Centralize all communications.</b> <ul style="list-style-type: none"><li>Centralized Inbox</li><li>Team Communications</li><li>Phone and Video Calls</li><li>Web Chat</li></ul>	<b>Run your business.</b> <ul style="list-style-type: none"><li>Customer Database</li><li>Scheduling &amp; Calendars</li><li>Social Media Management</li><li>Estimates &amp; Invoices</li><li>Online Listings &amp; Reviews</li><li>Email &amp; SMS Marketing</li><li>Digital Payments</li><li>Document and Files</li><li>Client Portal</li></ul>	<b>Grow your business.</b> <ul style="list-style-type: none"><li>Marketing Campaigns</li><li>Customizable Website</li><li>Enhanced Local Listings</li><li>Real-Time Insights</li><li>AI-Powered Recommendations</li><li>Website Heatmap</li></ul>

# ADDRESSING A LARGE MARKET OPPORTUNITY

- **2-50** Employees
- **Service-based** Businesses
- **Established** Businesses
- **~\$500K** in Annual Revenue
- TAM: **4M SMBs** in the U.S. we can potentially serve
- TAM: **8M SMBs** Worldwide we can potentially serve

KEY BENEFITS  
TO SMB



Drives  
Growth



Saves Time/  
Get Organized



Freedom/  
Mobility

WHY THRYV WILL WIN

# DIFFERENTIATED BUSINESS MODEL DRIVING LONG-TERM GROWTH & PROFITABILITY



WE DON'T BUY CUSTOMERS.

CUSTOMERS BUY **thryv**

## TOP 10 SAAS CLIENTS BY VERTICAL



PRODUCT INNOVATION  
**EVOLVING & EXPANDING**



## Thryv

Everything an SMB needs to run their day-to-day business and deliver an exceptional customer experience.





## 5 YEAR SAAS TARGETS

\$1B

REVENUE

150K

SUBSCRIBERS

75%

GROSS  
MARGIN

100%

NET DOLLAR  
RETENTION

20%

ADJUSTED EBITDA  
MARGIN

75%

SAAS REVENUE OF  
CONSOLIDATED  
REVENUE

### CATALYSTS

- Go-to-Market Expansion
- Product Innovation
- Macro Trend SMBs Moving To Cloud



## 10 YEAR SAAS TARGETS

\$4B

REVENUE

500K

SUBSCRIBERS

>75%

GROSS  
MARGIN

>100%

NET DOLLAR  
RETENTION

>20%

ADJUSTED EBITDA  
MARGIN

>95%

SAAS REVENUE OF  
CONSOLIDATED  
REVENUE

### CATALYSTS

- Go-to-Market Expansion
- Product Innovation
- Macro Trend SMBs Moving To Cloud



## ADDITIONAL PRODUCTS

# MARKETING SERVICES

## THE REAL YELLOW PAGES

**The most cost-effective way to target ready-to-buy consumers.** Yellow Pages directories can mean big success stories for a business. Whether customers are searching for a business by name or by the products/services they provide, they'll be able to find them.

## EXTENDED SEARCH SOLUTIONS

**Promoting businesses online where customers aren't just searching...they're buying.** Provides a robust presence on our vast partner network, including our proprietary sites, DexKnows.com, Superpages.com and Yellowpages.com.

UNFAIR SALES ADVANTAGE

# CLIENT ADORED: INDUSTRY RECOGNIZED



Newsweek's list of America's 100 Most Loved Workplaces for 2023



Martech Breakthrough Award 2023



2023 G2 Award Winner



# FINANCIAL REVIEW

Q3 2023

FINANCIAL REVIEW

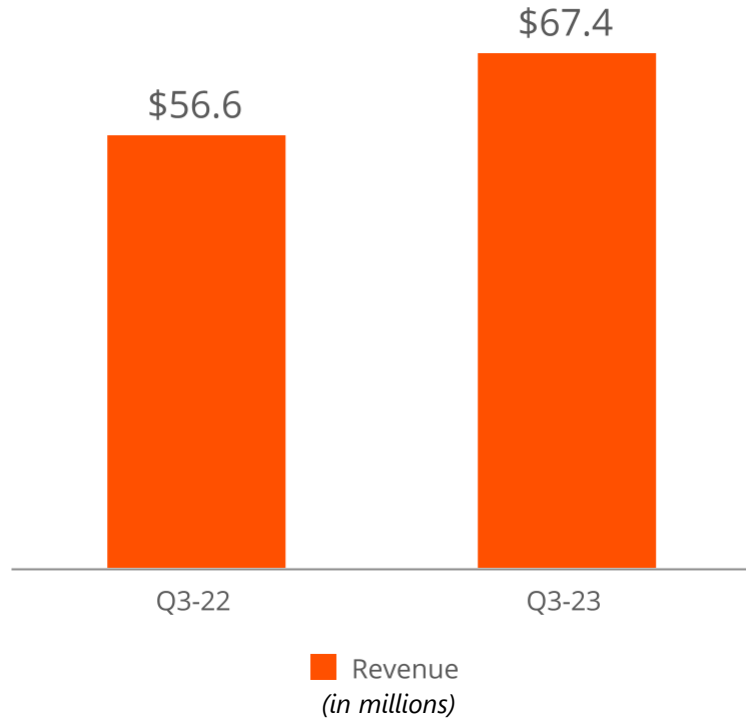
# 3rd QUARTER HIGHLIGHTS

	3rd Quarter		
<i>\$ in thousands</i>	2023	2022	YoY%
<b>Total SaaS</b>			
Revenue	\$67,360	\$56,643	18.9%
Adjusted EBITDA	(504)	(2,177)	
<i>Adjusted EBITDA Margin</i>	(0.7)%	(3.8)%	
<b>Total Marketing Services</b>			
Revenue	\$116,462	\$224,007	(48.0)%
Adjusted EBITDA	7,835	67,609	
<i>Adjusted EBITDA Margin</i>	6.7%	30.2%	
<b>Consolidated</b>			
Revenue	\$183,822	\$280,650	(34.5)%
Adjusted EBITDA	7,331	65,432	
<i>Adjusted EBITDA Margin</i>	4.0%	23.3%	



FINANCIAL REVIEW

# SAAS HIGHLIGHTS



Revenue Growth

**+19%**

YoY

Growing Subscribers

**+29%**

YoY

ARPU

**\$365**

Monthly Active Users (MAU)

**45K**

+22% YoY

Seasoned Net Dollar Retention (NDR)

**92%**

+300 bps QoQ

ThryvPay TPV

**\$63M**

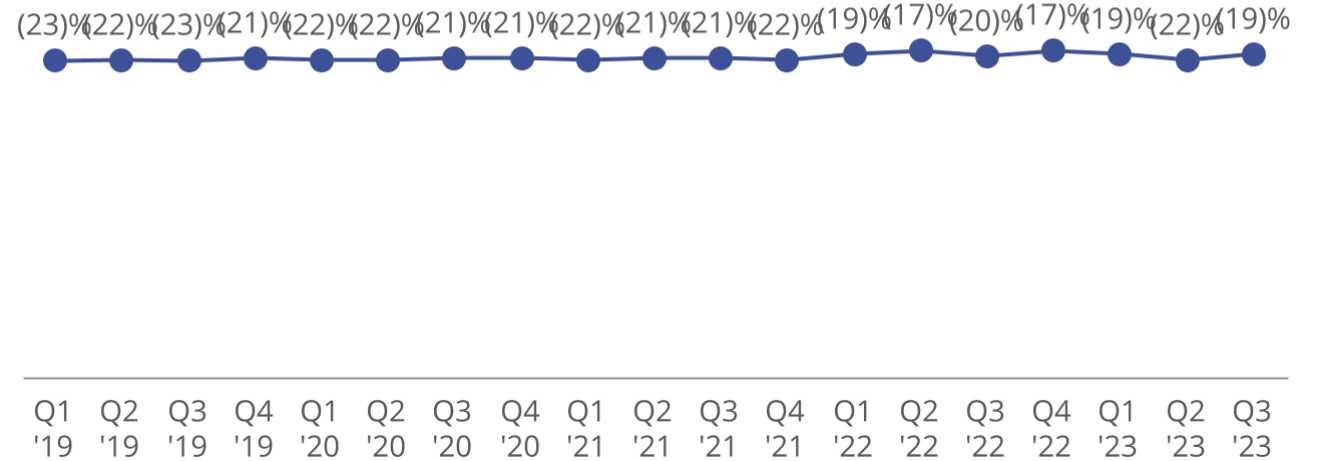
+57% YoY

FINANCIAL REVIEW

# TOTAL MARKETING SERVICES

	Q3-23	Q3-22
Marketing Services Billings (millions) <sup>(1)</sup>	\$159.5	\$198.1
YoY %	(19)%	(20)%

## MARKETING SERVICES BILLINGS (YoY%)



<sup>(1)</sup> Marketing Services Billings excludes Vivial Holdings run-off products and Yellow Holdings Limited (NZ).

# Q4 and FY 2023 OUTLOOK

## Q4 and FY 2023 SaaS Guidance Raised

<i>(in millions, USD)</i>	Q4 2023	FY 2023	MANAGEMENT COMMENTARY
<b>TOTAL SAAS</b>			

**REVENUE**

\$70.25 to \$71.25

\$260.0 to \$261.0

- Company expects growth of 20%

**Adjusted EBITDA**

\$3.5 to \$4.0

\$9.0 to \$9.5

- SaaS Adjusted EBITDA margins turn positive again after operating expenses are normalized

<i>(in millions, USD)</i>	Q4 2023	FY 2023	MANAGEMENT COMMENTARY
<b>TOTAL MARKETING SERVICES</b>			

**REVENUE**

\$159 to \$164

\$650 to \$655

- Transition from 15 to 18 month print cycle creates a revenue recognition gap in FY-23 according to accounting policy; has no impact on billings and free cash flow

**Adjusted EBITDA**

\$47 to \$49

\$177 to \$179

- Marketing Services Adjusted EBITDA margins normalize after Q3-23 revenue recognition impact due to longer print directory cycle

# APPENDIX

# SEGMENT RESULTS

Three Months Ended September 30, 2023						
<i>(in thousands)</i>	Thryv U.S.		Thryv International		Total	
	Marketing Services	SaaS	Marketing Services	SaaS		
Revenue	\$ 92,884	\$ 64,650	\$ 23,578	\$ 2,710	\$	183,822
Segment Gross Profit	50,610	40,957	10,166	1,911		103,644
Segment Adjusted EBITDA	5,369	1,986	2,466	(2,490)		7,331

Three Months Ended September 30, 2022						
<i>(in thousands)</i>	Thryv U.S.		Thryv International		Total	
	Marketing Services	SaaS	Marketing Services	SaaS		
Revenue	\$ 197,174	\$ 55,353	\$ 26,833	\$ 1,290	\$	280,650
Segment Gross Profit	126,846	33,827	14,351	615		175,639
Segment Adjusted EBITDA	61,802	398	5,807	(2,575)		65,432

Nine Months Ended September 30, 2023						
<i>(in thousands)</i>	Thryv U.S.		Thryv International		Total	
	Marketing Services	SaaS	Marketing Services	SaaS		
Revenue	\$ 377,868	\$ 182,927	\$ 113,183	\$ 6,820	\$	680,798
Segment Gross Profit	231,807	114,480	67,498	4,752		418,537
Segment Adjusted EBITDA	84,866	10,231	44,851	(4,709)		135,239

Nine Months Ended September 30, 2022						
<i>(in thousands)</i>	Thryv U.S.		Thryv International		Total	
	Marketing Services	SaaS	Marketing Services	SaaS		
Revenue	\$ 632,277	\$ 153,863	\$ 133,715	\$ 3,165	\$	923,020
Segment Gross Profit	415,130	95,328	89,694	1,325		601,477
Segment Adjusted EBITDA	211,871	(3,769)	64,449	(7,402)		265,149

# NON-GAAP FINANCIAL RECONCILIATION

\$ IN THOUSANDS	Q1-22	Q2-22	Q3-22	Q4-22	FY22	Q1-23	Q2-23	Q3-23	YTD Q3-23
<b>Net Income (Loss)</b>	\$ 33,511	\$ 58,002	\$ 13,280	\$ (50,445)	\$ 54,348	\$ 9,314	\$ 15,978	\$ (27,046)	\$ (1,754)
Interest expense	14,867	14,652	14,570	16,318	60,407	16,488	16,292	15,131	47,911
Depreciation and amortization expense	21,969	20,592	23,393	22,438	88,392	15,431	15,667	15,842	46,940
Stock-based compensation expense	1,928	3,810	4,402	4,488	14,628	5,393	5,798	5,462	16,653
Restructuring and integration expenses	5,827	4,822	3,790	3,365	17,804	5,340	3,921	3,584	12,845
Income tax expense (benefit)	9,621	22,200	6,241	6,565	44,627	4,496	(3,428)	(10,241)	(9,173)
Transaction costs	1,720	1,616	1,461	1,322	6,119	373	—	—	373
Other components of net periodic pension (benefit) cost	(70)	(9,153)	3,928	(39,317)	(44,612)	121	1,865	1,902	3,888
(Gain) loss on remeasurement of indemnification asset	(400)	(487)	(585)	(676)	(2,148)	(756)	11,490	—	10,734
Impairment charges	—	222	—	102,000	102,222	—	—	—	—
Other	(5,256)	(276)	(5,048)	2,135	(8,445)	2,269	1,856	2,697	6,822
<b>Adjusted EBITDA</b>	<b>\$ 83,717</b>	<b>\$ 116,000</b>	<b>\$ 65,432</b>	<b>\$ 68,193</b>	<b>\$ 333,342</b>	<b>\$ 58,469</b>	<b>\$ 69,439</b>	<b>\$ 7,331</b>	<b>\$ 135,239</b>

\*Figures may not foot due to rounding.

# NON-GAAP FINANCIAL RECONCILIATION

## Reconciliation of Adjusted Gross Profit to Gross profit

Three Months Ended September 30, 2023						
<i>(in thousands)</i>	Thryv U.S.		Thryv International		Consolidated	
	Marketing Services	SaaS	Marketing Services	SaaS		
<b>Reconciliation of Adjusted Gross Profit</b>						
Gross profit	\$ 50,610	\$ 40,957	\$ 10,166	\$ 1,911	\$	103,644
Plus:						
Depreciation and amortization expense	2,298	1,602	2,587	299		6,786
Stock-based compensation expense	103	71	—	—		174
<b>Adjusted Gross Profit</b>	<u>\$ 53,011</u>	<u>\$ 42,630</u>	<u>\$ 12,753</u>	<u>\$ 2,210</u>	<u>\$</u>	<u>110,604</u>
Gross Margin	54.5 %	63.4 %	43.1 %	70.5 %		56.4 %
Adjusted Gross Margin	57.1 %	65.9 %	54.1 %	81.5 %		60.2 %

Three Months Ended September 30, 2022						
<i>(in thousands)</i>	Thryv U.S.		Thryv International		Consolidated	
	Marketing Services	SaaS	Marketing Services	SaaS		
<b>Reconciliation of Adjusted Gross Profit</b>						
Gross profit	\$ 126,846	\$ 33,827	\$ 14,351	\$ 615	\$	175,639
Plus:						
Depreciation and amortization expense	4,593	1,287	3,739	195		9,814
Stock-based compensation expense	85	22	—	—		107
<b>Adjusted Gross Profit</b>	<u>\$ 131,524</u>	<u>\$ 35,136</u>	<u>\$ 18,090</u>	<u>\$ 810</u>	<u>\$</u>	<u>185,560</u>
Gross Margin	64.3 %	61.1 %	53.5 %	47.7 %		62.6 %
Adjusted Gross Margin	66.7 %	63.5 %	67.4 %	62.8 %		66.1 %

# NON-GAAP FINANCIAL RECONCILIATION

## Reconciliation of Adjusted Gross Profit to Gross profit

	Nine Months Ended September 30, 2023					
	Thryv U.S.		Thryv International		Consolidated	
(in thousands)	Marketing Services	SaaS	Marketing Services	SaaS		
<b>Reconciliation of Adjusted Gross Profit</b>						
Gross profit	\$ 231,807	\$ 114,480	\$ 67,498	\$ 4,752	\$ 418,537	
Plus:						
Depreciation and amortization expense	8,101	4,004	8,689	599	21,393	
Stock-based compensation expense	325	171	—	—	496	
<b>Adjusted Gross Profit</b>	<u>\$ 240,233</u>	<u>\$ 118,655</u>	<u>\$ 76,187</u>	<u>\$ 5,351</u>	<u>\$ 440,426</u>	
Gross Margin	61.3 %	62.6 %	59.6 %	69.7 %	61.5 %	
Adjusted Gross Margin	63.6 %	64.9 %	67.3 %	78.5 %	64.7 %	

	Nine Months Ended September 30, 2022					
	Thryv U.S.		Thryv International		Consolidated	
(in thousands)	Marketing Services	SaaS	Marketing Services	SaaS		
<b>Reconciliation of Adjusted Gross Profit</b>						
Gross profit	\$ 415,130	\$ 95,328	\$ 89,694	\$ 1,325	\$ 601,477	
Plus:						
Depreciation and amortization expense	13,381	3,278	11,771	337	28,767	
Stock-based compensation expense	251	63	—	—	314	
<b>Adjusted Gross Profit</b>	<u>\$ 428,762</u>	<u>\$ 98,669</u>	<u>\$ 101,465</u>	<u>\$ 1,662</u>	<u>\$ 630,558</u>	
Gross Margin	65.7 %	62.0 %	67.1 %	41.9 %	65.2 %	
Adjusted Gross Margin	67.8 %	64.1 %	75.9 %	52.5 %	68.3 %	

# SUPPLEMENTAL FINANCIAL INFORMATION

## Three Months Ended September 30, 2023

<i>(in thousands)</i>	Marketing Services			SaaS		
	U.S.	International	Total Marketing Services	U.S.	International	Total SaaS
Revenue	\$ 92,884	\$ 23,578	\$ 116,462	\$ 64,650	\$ 2,710	\$ 67,360
Adjusted EBITDA	5,369	2,466	7,835	1,986	(2,490)	(504)
Adjusted EBITDA Margin	5.8 %	10.5 %	6.7 %	3.1 %	(91.9) %	(0.7) %

## Three Months Ended September 30, 2022

<i>(in thousands)</i>	Marketing Services			SaaS		
	U.S.	International	Total Marketing Services	U.S.	International	Total SaaS
Revenue	\$ 197,174	\$ 26,833	\$ 224,007	\$ 55,353	\$ 1,290	\$ 56,643
Adjusted EBITDA	61,802	5,807	67,609	398	(2,575)	(2,177)
Adjusted EBITDA Margin	31.3 %	21.6 %	30.2 %	0.7 %	(199.6) %	(3.8) %

## Three Months Ended September 30,

<i>(in thousands)</i>	2023	2022
	Net cash provided by operating activities	\$ 45,912
Additions to fixed assets and capitalized software	(8,904)	(9,697)
Free cash flow	\$ 37,008	\$ 37,621

The supplemental financial information provides Revenue, Adjusted EBITDA and Adjusted EBITDA Margin by (i) Marketing Services businesses in the U.S., International and in Total and (ii) SaaS businesses in the U.S., International and in Total. Total SaaS Adjusted EBITDA and Adjusted EBITDA margin are non-GAAP financial measures. Total Marketing Services Adjusted EBITDA and Adjusted EBITDA margin are also non-GAAP financial measures. Additionally, the supplemental financial information provides consolidated Free cash flow, which is also a non-GAAP measure. These non-GAAP financial measures are presented for supplemental informational purposes only and are not intended to be considered in isolation or as a substitute for, or superior to, financial information prepared and presented in accordance with GAAP.

# SUPPLEMENTAL FINANCIAL INFORMATION

## Nine Months Ended September 30, 2023

<i>(in thousands)</i>	Marketing Services			SaaS		
	<i>U.S.</i>	<i>International</i>	<i>Total Marketing Services</i>	<i>U.S.</i>	<i>International</i>	<i>Total SaaS</i>
Revenue	\$ 377,868	\$ 113,183	\$ 491,051	\$ 182,927	\$ 6,820	\$ 189,747
Adjusted EBITDA	84,866	44,851	129,717	10,231	(4,709)	5,522
Adjusted EBITDA Margin	22.5 %	39.6 %	26.4 %	5.6 %	(69.0) %	2.9 %

## Nine Months Ended September 30, 2022

<i>(in thousands)</i>	Marketing Services			SaaS		
	<i>U.S.</i>	<i>International</i>	<i>Total Marketing Services</i>	<i>U.S.</i>	<i>International</i>	<i>Total SaaS</i>
Revenue	\$ 632,277	\$ 133,715	\$ 765,992	\$ 153,863	\$ 3,165	\$ 157,028
Adjusted EBITDA	211,871	64,449	276,320	(3,769)	(7,402)	(11,171)
Adjusted EBITDA Margin	33.5 %	48.2 %	36.1 %	(2.4) %	(233.9) %	(7.1) %

## Nine Months Ended September 30,

<i>(in thousands)</i>	2023	2022
	Net cash provided by operating activities	\$ 103,648
Additions to fixed assets and capitalized software	(22,920)	(19,345)
Free cash flow	\$ 80,728	\$ 84,876

The supplemental financial information provides Revenue, Adjusted EBITDA and Adjusted EBITDA Margin by (i) Marketing Services businesses in the U.S., International and in Total and (ii) SaaS businesses in the U.S., International and in Total. Total SaaS Adjusted EBITDA and Adjusted EBITDA margin are non-GAAP financial measures. Total Marketing Services Adjusted EBITDA and Adjusted EBITDA margin are also non-GAAP financial measures. Additionally, the supplemental financial information provides consolidated Free cash flow, which is also a non-GAAP measure. These non-GAAP financial measures are presented for supplemental informational purposes only and are not intended to be considered in isolation or as a substitute for, or superior to, financial information prepared and presented in accordance with GAAP.

APPENDIX  
 DOMESTIC  
 PRINT  
 PUBLISHING  
 SCHEDULE

PUBLICATIONS



*Per ASC 606 accounting policy, print revenue is recognized upfront at the time of shipment. In 2022, the company extended publication cycles of most domestic print directories from 15 months to 18 months, which has shifted the shipment of books in FY23. This has no impact to customer billings or free cash flow.*

# DEFINITIONS

**Definitions of key terms used in this presentation are as follows:**

- Total SaaS revenue consists of SaaS revenue recognized by our domestic and foreign operations.
- Total Marketing Services revenue consists of SaaS revenue recognized by our domestic and foreign operations.
- Total SaaS Adjusted EBITDA<sup>1</sup> consists of Adjusted EBITDA recognized by our domestic and foreign operations.
- Total Marketing Services<sup>1</sup> Adjusted EBITDA consists of Adjusted EBITDA recognized by our domestic and foreign operations.
- Adjusted EBITDA<sup>2</sup>: Defined as Net income (loss) plus Interest expense, Income tax expense (benefit), Depreciation and amortization expense, Loss on early extinguishment of debt, Restructuring and integration expenses, Transaction costs, Stock-based compensation expense, and non-operating expenses, such as, Other components of net periodic pension (benefit) cost, Non-cash (gain) loss from remeasurement of indemnification asset, and certain unusual and non-recurring charges that might have been incurred.
- Adjusted Gross Profit and Adjusted Gross Profit Margin<sup>2</sup>: Defined as Gross profit and Gross margin, respectively, adjusted to exclude the impact of depreciation and amortization expense and stock-based compensation expense.
- Average Revenue per Unit ("ARPU"): Defined as total client billings for a particular month divided by the number of clients that have one or more revenue-generating solutions in that same month
- Seasoned Net Dollar Retention: Defined as net dollar retention excluding clients acquired over the previous 12 months.
- SaaS Monthly Active Users: Defined as a client with one or more users who log into our SaaS solutions at least once during the calendar month.

<sup>1</sup>The supplemental financial information provides Revenue, Adjusted EBITDA and Adjusted EBITDA Margin by (i) Marketing Services businesses in the U.S., International and in Total and (ii) SaaS businesses in the U.S., International and in Total. Total SaaS Adjusted EBITDA and Adjusted EBITDA margin are non-GAAP financial measures. Total Marketing Services Adjusted EBITDA and Adjusted EBITDA margin are also non-GAAP financial measures. These non-GAAP financial measures are presented for supplemental informational purposes only and are not intended to be considered in isolation or as a substitute for, or superior to, financial information prepared and presented in accordance with GAAP.

<sup>2</sup>Results included in this presentation include Adjusted EBITDA, Adjusted EBITDA margin and Adjusted Gross Profit, which are not presented in accordance with U.S. generally accepted accounting principles ("GAAP"). These non-GAAP measures are presented for supplemental informational purposes only and are not intended to be considered in isolation or as a substitute for, or superior to, financial information prepared and presented in accordance with GAAP. Please refer to the supplemental information presented in the tables in the Appendix for a reconciliation of Adjusted EBITDA to Net income (loss) and Adjusted Gross Profit to Gross profit. Both Net income (loss) and Gross profit are the most comparable GAAP financial measure to Adjusted EBITDA and Adjusted Gross Profit, respectively. Adjusted EBITDA margin is defined as Adjusted EBITDA divided by revenue.

We believe that these non-GAAP financial measures provide useful information about our financial performance, enhance the overall understanding of our past performance and allow for greater transparency with respect to important metrics used by our management for financial and operational decision-making. We believe that these measures provide additional tools for investors to use in comparing our core financial performance over multiple periods with other companies in our industry. However, it is important to note that the particular items we exclude from, or include in, our non-GAAP financial measures may differ from the items excluded from, or included in, similar non-GAAP financial measures used by other companies in the same industry.