

Investor Supplement

Third Quarter 2020

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,’’ 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 press release and the accompanying tables contain, and the conference call will contain, non-GAAP financial measures. We present non-GAAP measures including: adjusted EBITDA, adjusted EBITDA 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 press release 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 the same industry.

Financial results are presented herein were prepared in accordance with ASC 606 “Revenue Recognition” and ASC 842 “Leases”

3rd Quarter Financial Highlights

Key Highlights:

- Q3 SaaS revenue up 2% YoY and -1% YTD
- Q3 revenue was 25% off of prior year largely due to 15-month print publications

$ in Thousands	3rd Quarter			3rd Quarter YTD		
	2020	2019	%	2020	2019	%
Revenue						
SaaS	$31,821	$31,322	2%	$94,954	$96,172	-1%
Marketing Services	$208,504	$287,794	-28%	$767,553	$980,072	-22%
Total Revenue	**$240,325**	**$319,116**	**-25%**	**$862,507**	**$1,076,244**	**-20%**
Adjusted EBITDA	**$69,294**	**$98,340**	**-30%**	**$300,208**	**$359,128**	**-16%**
Adjusted EBITDA Margin	*28.8%*	*30.8%*		*34.8%*	*33.4%*	

Segment Historical Financials

Key Highlights:

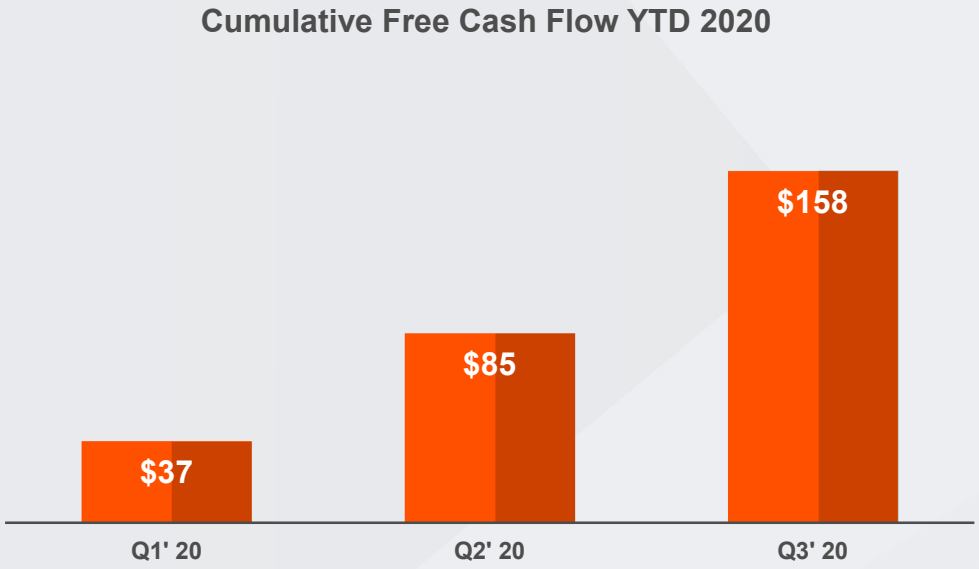
- SaaS revenue return to YoY growth in Q3
- Solid expense management driving stronger margins despite print publication timing

$ in Thousands	Q1-19	Q2-19	Q3-19	Q4-19	Q1-20	Q2-20	Q3-20	TTM
SaaS								
Revenue	**$32,578**	**$32,272**	**$31,322**	**$32,406**	**$31,848**	**$31,285**	**$31,820**	**$127,360**
EBITDA	$5,768	$3,970	$1,830	$597	$2,701	$5,523	$2,561	$11,382
% EBITDA Margin	*17.7%*	*12.3%*	*5.8%*	*1.8%*	*8.5%*	*17.7%*	*8.0%*	*8.9%*
Marketing Services								
Revenue	**$375,506**	**$316,772**	**$287,794**	**$312,724**	**$286,722**	**$272,327**	**$208,504**	**$1,080,277**
EBITDA	$144,032	$106,698	$96,448	$121,755	$110,078	$112,612	$66,733	$411,178
% EBITDA Margin	*38.4%*	*33.7%*	*33.5%*	*38.9%*	*38.4%*	*41.4%*	*32.0%*	*38.1%*
Total Thryv								
Total Revenue	**$408,084**	**$349,044**	**$319,116**	**$345,129**	**$318,570**	**$303,612**	**$240,325**	**$1,207,637**
Adj EBITDA	$150,210	$110,578	$98,340	$122,505	$112,779	$118,135	$69,294	$422,713
% Adj EBITDA Margin	*36.8%*	*31.7%*	*30.8%*	*35.5%*	*35.4%*	*38.9%*	*28.8%*	*35.0%*

Strong Free Cash Flow Supports Value Creation

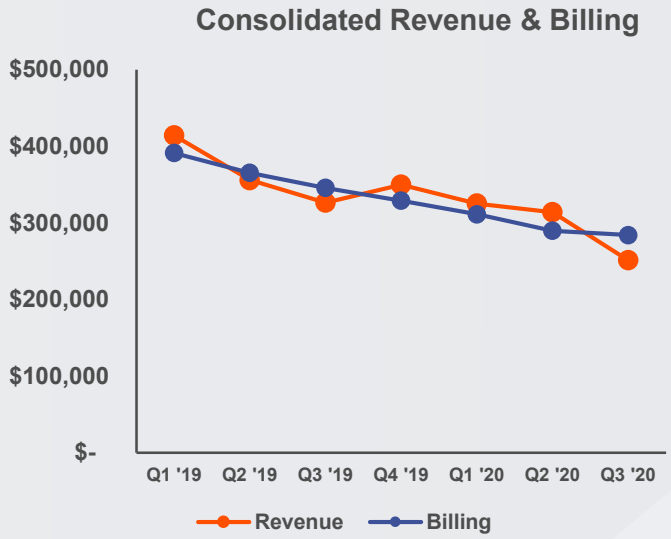
Key Highlights:

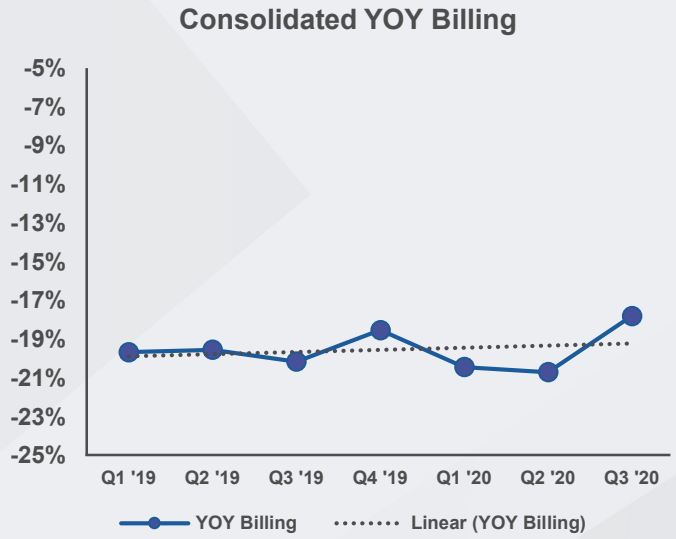
- Consistent cash flow generation throughout the year
- Thryv has generated over $1.5B in free cash flow since 2016 and repaid ~$1 billion of debt and returned ~$500 million to shareholders



Quarterly Billings vs. Reported Revenue

- Under ASC 606, print revenue is recognized upon delivery of the published directories. Individual directory titles have different lifecycles, currently in the range of 12 to 15 months.
- The titles published during Q3 2020 are therefore broadly different to the titles published during Q3 2019. This should be considered when comparing quarters from one year to the next.



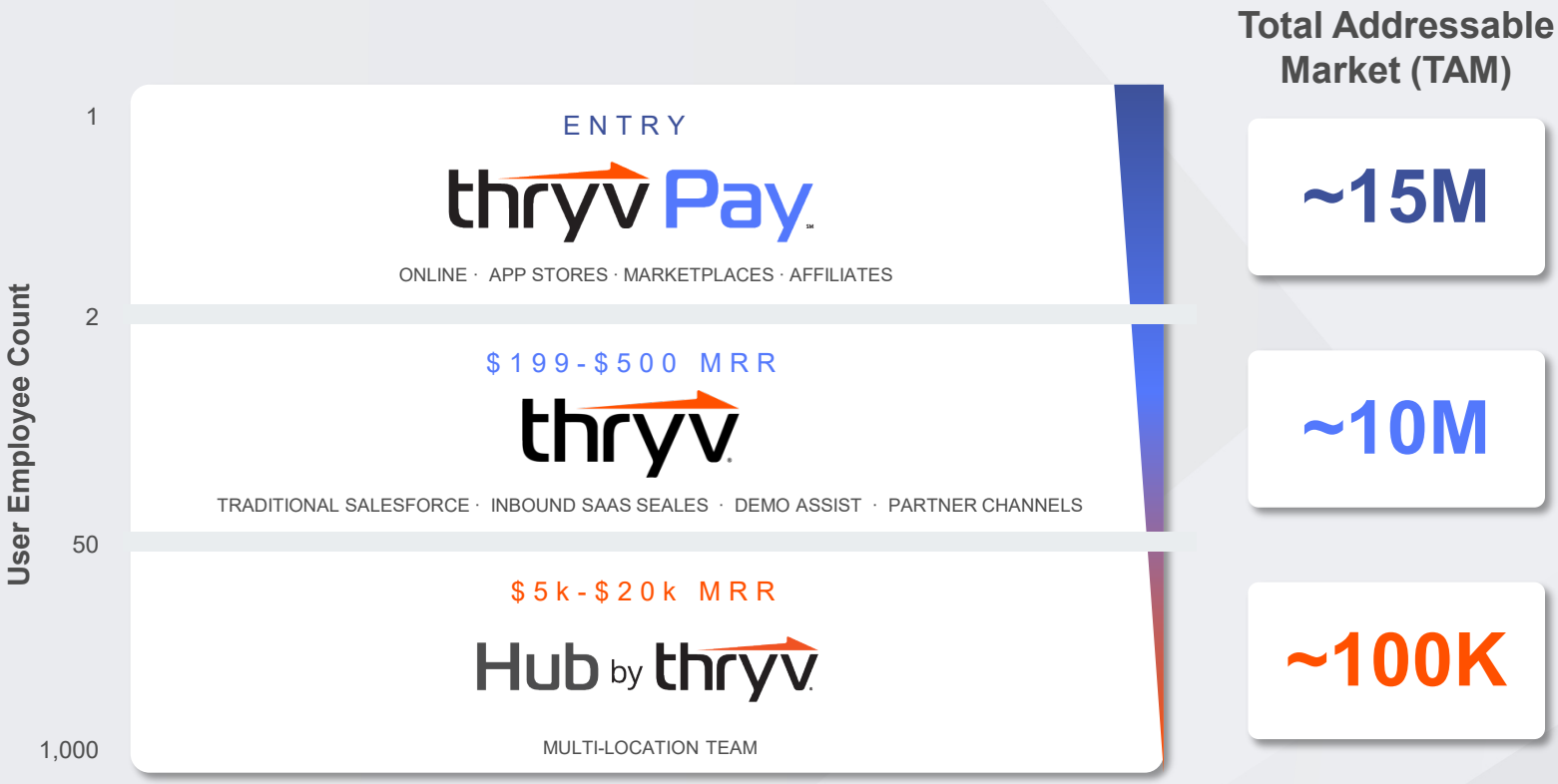


thryv Pay℠

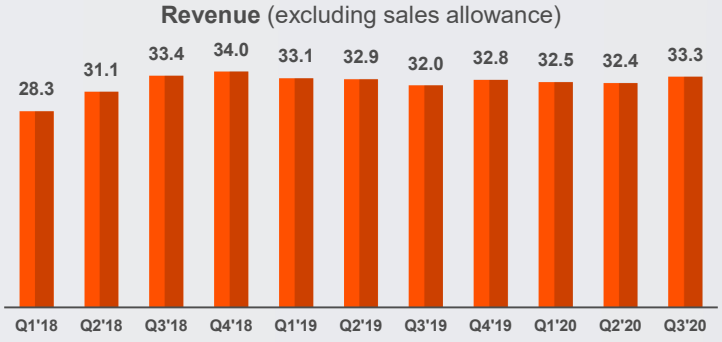
A low friction offering specially designed for service based Small Businesses.

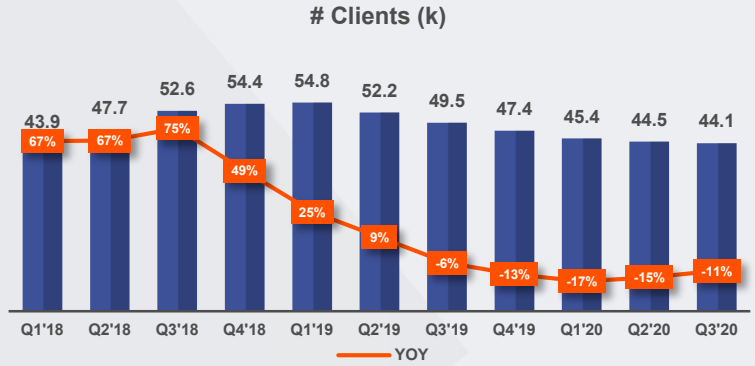
thryv

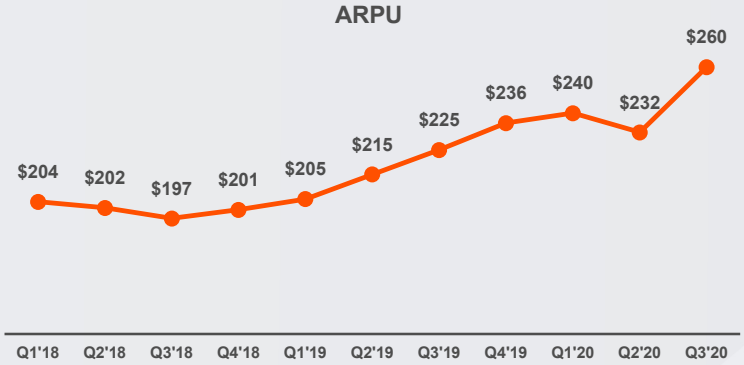
ThryvPay℠ Product Strategy

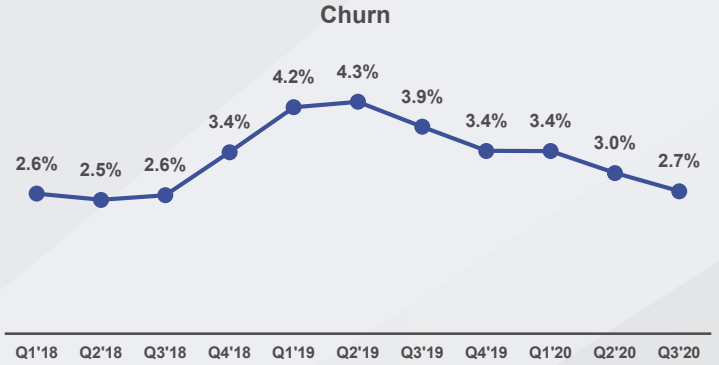


SaaS


Revenue (excluding sales allowance)
28.3
31.1
33.4
34.0
33.1
32.9
32.0
32.8
32.5
32.4
33.3
Q1'18
Q2'18
Q3'18
Q4'18
Q1'19
Q2'19
Q3'19
Q4'19
Q1'20
Q2'20
Q3'20


Clients (k)
43.9
47.7
52.6
54.4
54.8
52.2
49.5
47.4
45.4
44.5
44.1
67%
67%
75%
49%
25%
9%
-6%
-13%
-17%
-15%
-11%
Q1'18
Q2'18
Q3'18
Q4'18
Q1'19
Q2'19
Q3'19
Q4'19
Q1'20
Q2'20
Q3'20
YOY


ARPU
$204
$202
$197
$201
$205
$215
$225
$236
$240
$232
$260
Q1'18
Q2'18
Q3'18
Q4'18
Q1'19
Q2'19
Q3'19
Q4'19
Q1'20
Q2'20
Q3'20


Churn
2.6%
2.5%
2.6%
3.4%
4.2%
4.3%
3.9%
3.4%
3.4%
3.0%
2.7%
Q1'18
Q2'18
Q3'18
Q4'18
Q1'19
Q2'19
Q3'19
Q4'19
Q1'20
Q2'20
Q3'20

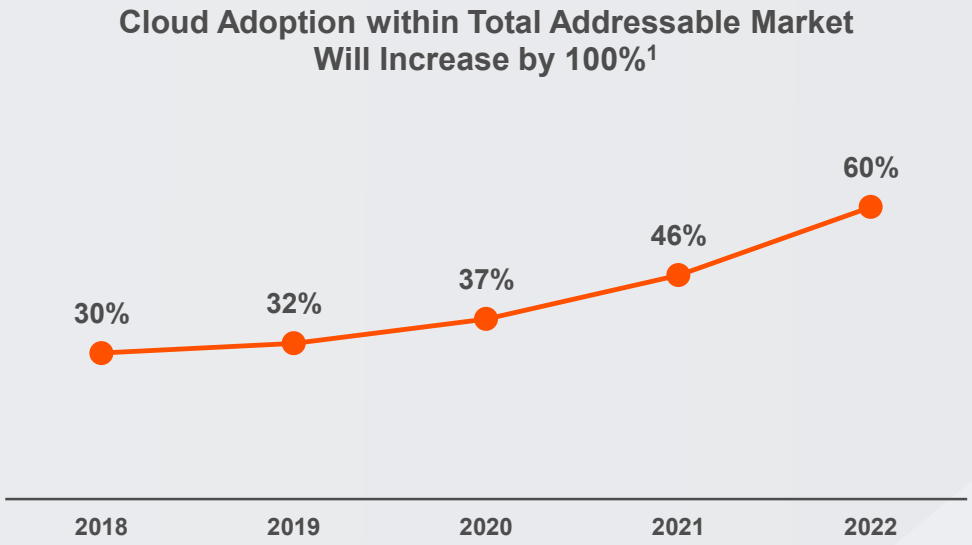
Fast Growing Local Business Management Software

Thryv is an End-to-End Client Experience Platform



SaaS Product Overview

SMB Cloud Adoption As Percentage Of Addressable Market

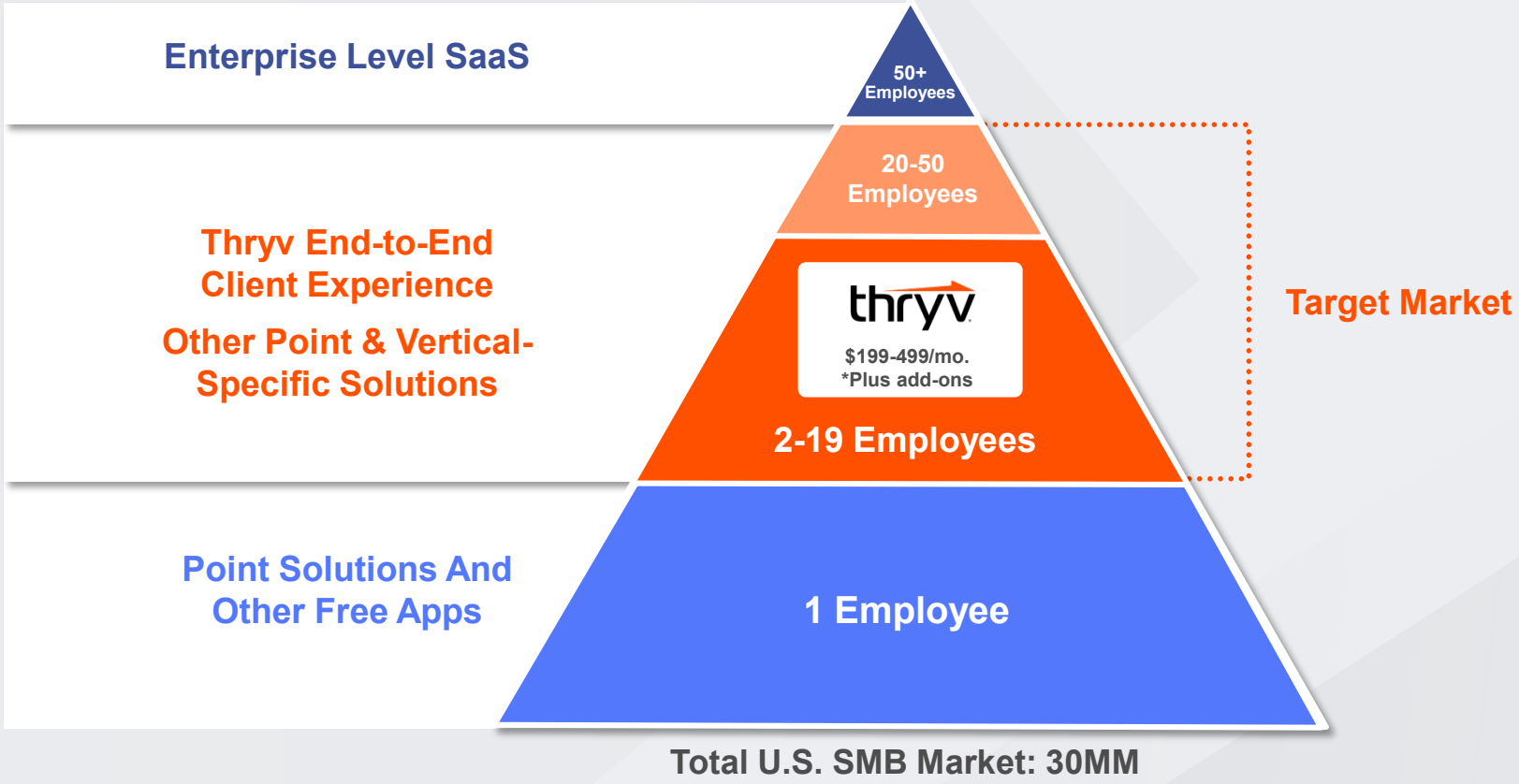


- The size of the SMB market in the US is estimated at ~30 million businesses
- Addressable market for Thryv is a subset of ~10 million SMBs
- Between 2018 and 2022, cloud adoption among SMBs is expected to double from ~30% to ~60%[1]

Increasing SMB tech adoption rates support anticipated growth in Thryv subscribers

Note: 1-TAI SaaS Forecast

Thryv is the Category Leader of an Early Stage but Rapidly Developing Market



Q&A

Appendix

Appendix: Additional Financial Information

$ in Thousands	3rd Quarter			3rd Quarter YTD		
	2020	2019	%	2020	2019	%
Revenue						
Thryv	$22,324	$22,829	-2%	$67,518	$72,877	-7%
Thryv Add-Ons	9,497	8,493	12%	27,436	23,295	18%
SaaS	$31,821	$31,322	2%	$94,954	$96,172	-1%
Print	79,395	120,977	-34%	355,942	452,098	-21%
IYP	68,169	82,385	-17%	212,436	257,977	-18%
SEM	40,247	56,700	-29%	130,905	179,143	-27%
Other	20,693	27,732	-25%	68,270	90,854	-25%
Marketing Services	$208,504	$287,794	-28%	$767,553	$980,072	-22%
Total Revenue	**$240,325**	**$319,116**	**-25%**	**$862,507**	**$1,076,244**	**-20%**
Adjusted EBITDA	**$69,294**	**$98,340**	**-30%**	**$300,208**	**$359,128**	**-16%**
Adjusted EBITDA Margin	*28.8%*	*30.8%*		*34.8%*	*33.4%*	
Adjusted EBITDA	$69,294	$98,340	-30%	$300,208	$359,128	-16%
Cash Taxes	(3,856)	(18,912)	80%	(15,757)	(33,159)	52%
Cash Interest	(17,174)	(24,762)	31%	(56,845)	(58,972)	4%
Pensions	(9,900)	(22,115)	55%	(25,675)	(25,710)	0%
Capex	(4,055)	(7,340)	45%	(17,030)	(13,296)	-28%
Cost to Achieve	(8,960)	(10,023)	11%	(23,846)	(32,764)	27%
Direct Listing / Acquisitions	(10,146)	-	NM	(21,543)	-	NM
Cash Settlement of Options	(896)	-	NM	(896)	(33,901)	97%
Working Capital / Other	58,357	42,074	39%	18,944	13,522	40%
Free Cash Flow	**$72,664**	**$57,262**	**27%**	**$157,560**	**$174,848**	**-10%**

Appendix: Non-GAAP Financial Reconciliation

$ in Thousands	Q1-19	Q2-19	Q3-19	Q4-19	Q1-20	Q2-20	Q3-20	Q3 YTD-19	Q3 YTD-20	TTM
Net Income (Loss)	**$34,488**	**$3,341**	**($272)**	**($2,053)**	**$28,102**	**$11,464**	**($145)**	**$37,557**	**$39,421**	**$37,368**
Interest Expense	22,264	25,138	23,666	21,883	19,930	18,012	15,609	71,068	53,551	75,434
Provision (Benefit) for Income Taxes	15,106	2,344	1,410	(798)	13,409	21,164	(24,250)	18,860	10,323	9,525
Dep. & Amort.	52,519	52,295	50,471	50,985	37,823	37,606	35,454	155,285	110,883	161,868
Loss on Extinguishment of Debt	6,375	-	-	-	-	-	-	6,375	-	-
Integration/Restructuring Expenses	6,777	16,127	8,288	9,098	9,845	7,347	6,710	31,192	23,902	33,000
Transaction Costs	-	-	143	5,938	6,534	3,232	4,913	143	14,679	20,617
Stock Comp. Expense (Benefit)	4,853	9,546	(4,863)	4,583	(6,064)	580	1,289	9,536	(4,195)	388
Pension Costs	1,843	1,843	16,111	33,364	201	936	30,175	19,797	31,312	64,676
Loss/(Gain) on Indemnification Asset	910	-	3,736	(553)	3,801	617	(540)	4,646	3,878	3,325
Impairment Charges	4,860	139	60	611	98	18,132	1,184	5,059	19,414	20,025
Other	215	(195)	(410)	(553)	(900)	(955)	(1,105)	(390)	(2,960)	(3,513)
Adjusted EBITDA	**$150,210**	**$110,578**	**$98,340**	**$122,505**	**$112,779**	**$118,135**	**$69,294**	**$359,128**	**$300,208**	**$422,713**
Cash flows provided by operating activities	**$64,828**	**$58,714**	**$64,602**	**$82,455**	**$45,642**	**$52,229**	**$76,719**	**$188,144**	**$174,590**	**$257,045**
Additions to fixed assets and capitalized software	(2,043)	(3,913)	(7,340)	(12,769)	(9,122)	(3,853)	(4,055)	(13,296)	(17,030)	(29,799)
Free Cash Flow	**62,785**	**54,801**	**57,262**	**69,686**	**36,520**	**48,376**	**72,664**	**174,848**	**157,560**	**227,246**