

The background features a dark blue-grey gradient with several large, overlapping teal-colored geometric shapes, including circles and a large, stylized 'E' shape, creating a modern, abstract design.

Evercommerce

# Earnings Call Presentation

Q1 2025 – May 8, 2025

## SAFE HARBOR

This presentation contains forward-looking statements. We intend such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). All statements other than statements of historical facts contained in this press release may be forward-looking statements. In some cases, you can identify forward-looking statements by terms such as "may," "will," "should," "expects," "plans," "anticipates," "could," "intends," "targets," "projects," "contemplates," "believes," "estimates," "forecasts," "predicts," "potential" or "continue" or the negative of these terms or other similar expressions. Forward-looking statements contained in this presentation include, but are not limited to statements regarding our future results of operations and financial position, industry and business trends, business strategy, plans, market growth, changes to our EverPro and EverHealth platforms, potential strategic transaction involving our marketing technologies businesses, capital expenditures, our use of and benefits from artificial intelligence ("AI") and our objectives for future operations.

The forward-looking statements in this presentation are only predictions. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our business, financial condition and results of operations. Forward-looking statements involve known and unknown risks, uncertainties and other important factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements, including, but not limited to, the important factors discussed in Part I, Item 1A. "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2024. The forward-looking statements in this presentation are based upon information available to us as of the date of this presentation, and while 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 an exhaustive inquiry into, or review of, all potentially available relevant information. These statements are inherently uncertain and investors are cautioned not to unduly rely upon these statements.

You should read this presentation with the understanding that our actual future results, performance and achievements may be materially different from what we expect. We qualify all of our forward-looking statements by these cautionary statements. These forward-looking statements speak only as of the date of this presentation. Except as required by applicable law, we do not plan to publicly update or revise any forward-looking statements contained in this presentation, whether as a result of any new information, future events or otherwise.

This presentation also contains estimates and other statistical data prepared by independent parties and by the Company relating to market size and growth and other data about the Company's industry. This data involves a number of assumptions and limitations, and you are cautioned not to give undue weight to such estimates. Neither the Company nor any other person makes any representation as to the accuracy or completeness of such data or undertakes any obligation to update such data after the date of this presentation. In addition, projections, assumptions and estimates of our future performance and the future performance of the markets in which the Company operates are necessarily subject to a high degree of uncertainty and risk. In light of the foregoing, you are urged not to rely on any forward-looking statement or third-party data in reaching any conclusion or making any investment decision about any securities of the Company.

This presentation includes certain financial measures that are not presented in accordance with generally accepted accounting principles in the United States, ("GAAP"), such as Pro Forma Revenue, Pro Forma Revenue Growth Rate, Pro Forma Subscription and Transaction Revenue, Pro Forma Subscription and Transaction Revenue growth rate, adjusted EBITDA, adjusted EBITDA margin, adjusted gross profit, adjusted gross margin, adjusted sales & marketing expense, adjusted product development expense, adjusted general & administrative expense, levered free cash flow, levered free cash flow margin, adjusted unlevered free cash flow, adjusted unlevered free cash flow margin, credit facility leverage and debt, net of cash and cash equivalents to supplement financial information presented in accordance with GAAP. There are limitations to the use of non-GAAP financial measures and such non-GAAP financial measures should not be construed as alternatives to financial measures determined in accordance with GAAP. The non-GAAP measures as defined by the Company may not be comparable to similar non-GAAP measures presented by other companies. The Company's presentation of such measures, which may include adjustments to exclude unusual or non-recurring items, should not be construed as an inference that the Company's future results will be unaffected by other unusual or non-recurring items. A reconciliation is provided elsewhere in this presentation for each non-GAAP financial measure to the most directly comparable financial measure stated in accordance with GAAP.

The Company cannot provide a reconciliation between forecasted Adjusted EBITDA and Adjusted EBITDA margin to net income and net income margin, respectively, the most directly comparable GAAP measures, without unreasonable efforts on a forward-looking basis due to the high variability, complexity and low visibility with respect to certain charges excluded from these non-GAAP measures; in particular, the measures and efforts of stock-based compensation expense specific to equity compensation awards that are directly impacted by unpredictable fluctuations in our stock price. It is important to note that these charges could be material to EverCommerce's results computed in accordance with GAAP.



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**Eric Remer**

Chairman and Chief Executive Officer

# Q1 2025 Highlights

- > Revenue of **\$142.3M** beat the top end of the guidance range. Reported Revenue growth of **3.2%** YoY; Pro Forma growth of **7.4%** YoY, excluding fitness sale.
- > Adjusted EBITDA **beat** the top end of the guidance range; **31.6%** margin expanded **360 bps** YoY.
- > Payments Revenue excluding Fitness grew **8.4%** YoY, driven by **9.0%** growth in Total Payments Volume (TPV).
- > Increased and extended our share repurchase authorization by **\$50** million through December 31, 2026.



**725,000+ Global Customers**  
**1,700+ Global Employees**



**\$563.9**

PF LTM REVENUE

**7.8%**

PF LTM YoY  
REVENUE  
GROWTH

**30.1%**

LTM ADJ. EBITDA  
MARGIN

**\$12.7B**

EST. PF  
ANNUALIZED  
TPV

**Simplifying and empowering the lives of business owners  
whose services support us every day**

Note: all metrics exclude the divested fitness assets and Marketing Technology discontinued operations

# AI a Core Focus of EVCM

## Product Innovation

- Embedded AI features into customer-facing platforms at Customer Experience and Home Improvement solutions within EverPro to enhance user productivity and provide actionable insights

## Customer Support Effectiveness

- Rolled out AI-powered customer support agent for Mobile Solutions chat to improve resolution speed, reduce human case volumes, and drive future staffing efficiencies with continued scale.

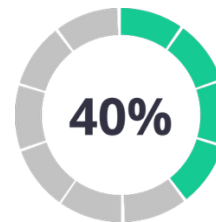
## Operational Efficiency

- Deployed AI platform features and automation tools across Talent Acquisition, People Operations, and Employee Development functions to reduce manual workloads and improve data/actionable insights collection.

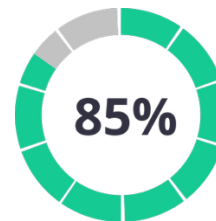
## Highlight: Mobile Solutions AI Agent

Customer Service platform (Intercom) to automatically engage and resolve inbound customer support inquiries.

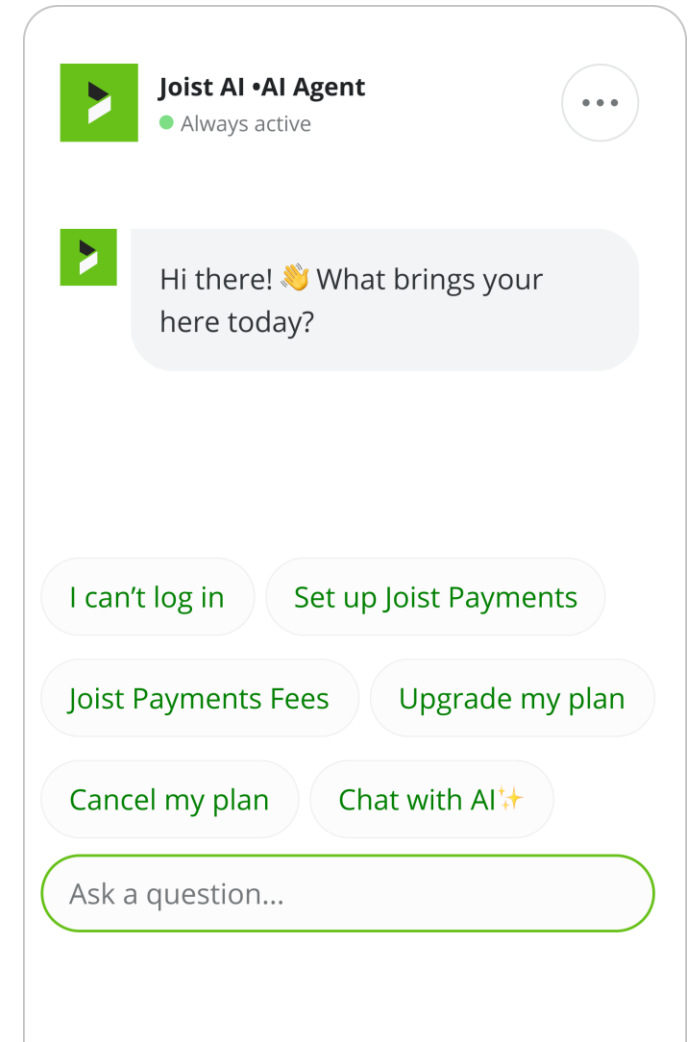
### Results to Date:



40% of inquiries resolved by AI agent

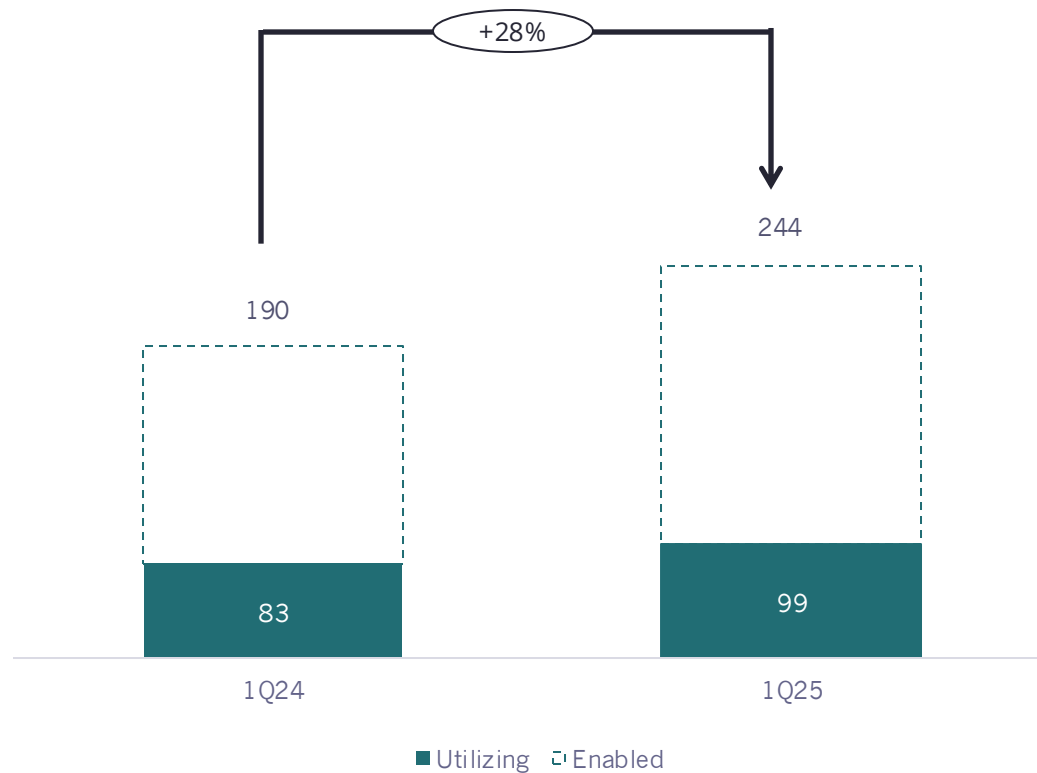


85% CSAT on AI agent resolutions



# Payments Enablement Drives Cross-Sell Activity

## Customers Enabled / Utilizing More Than One Solution (000s)<sup>1</sup>



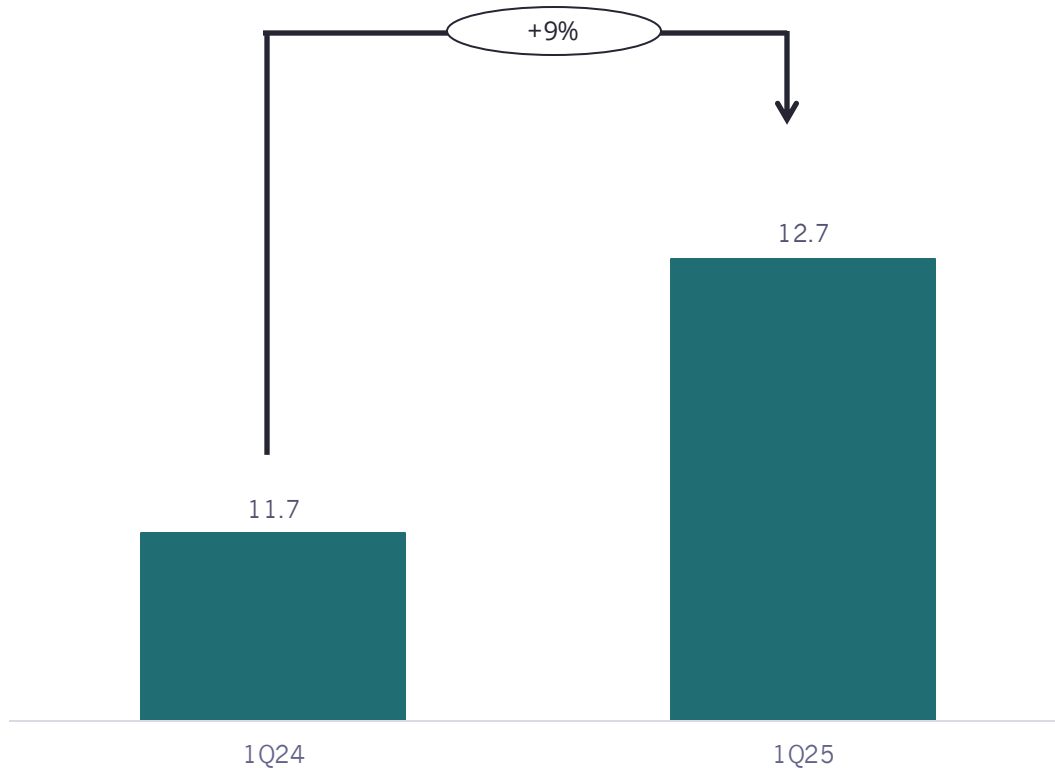
**244k** total customers enabled more than one solution, representing **28%** YoY growth

**99k** customers actively utilize more than one solution

<sup>1</sup> Amounts are estimated as of the end of the most recent quarter and shown on a pro forma basis (excluding the divested fitness solutions and discontinued operations)  
Customers enabled for more than one solution include system of action solution customers that have been onboarded for payments, system of action solution customers that are using other value add solutions such as customer engagement solutions, and currently processing payments customers that are enabled for other solutions

# 8.4% Payments Revenue Growth Contributes to Margin Expansion<sup>1</sup>

Total Payments Volume (TPV, \$B)<sup>1</sup>



**\$1.0B** growth (~9%) in TPV YoY drove **8.4%** growth in Payment Revenue

Growth of embedded payments continues to be a key lever to drive customer expansion

<sup>1</sup> YoY growth; Payments Revenue growth and TPV exclude the fitness solutions





Evercommerce

**Ryan Siurek**

Chief Financial Officer

# Q1 Revenue Growth Beat Expectations

## GAAP Reported Revenue (\$M)



**\$142.3** in reported revenue, **3.2%** reported 1Q25 YoY Revenue growth (includes the impact of divested fitness assets)

**7.4%** Pro Forma 1Q25 YoY Revenue growth<sup>1,2</sup>

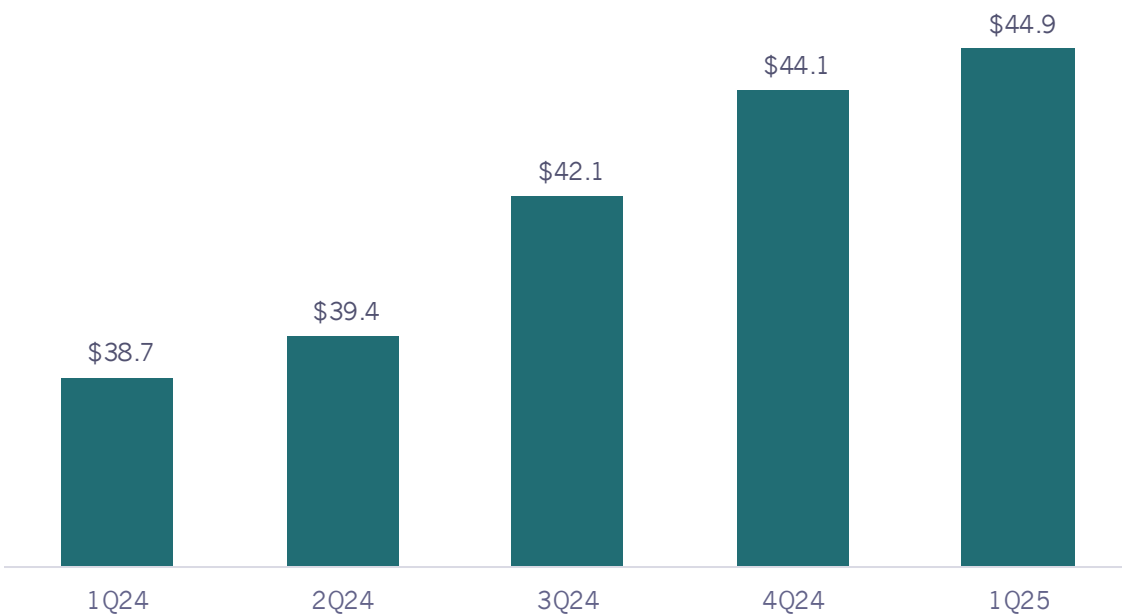
**7.6%** Pro Forma YoY growth in Subscription and Transaction Revenue<sup>1,2</sup>

<sup>1</sup>See Appendix for definition of Pro Forma Revenue Growth Rate.

<sup>2</sup>Pro Forma Revenue and Pro Forma Subscription and Transaction Revenue and their respective Growth Rates exclude the Fitness business

# 360 bps YoY Adjusted EBITDA Margin Expansion

## Adjusted EBITDA (\$M)



	1Q24	2Q24	3Q24	4Q24	1Q25
Adj. Gross Profit Margin <sup>1</sup>	77.1%	77.5%	78.1%	78.4%	78.1%
Adj. EBITDA Margin <sup>1</sup>	28.0%	28.1%	30.1%	30.7%	31.6%

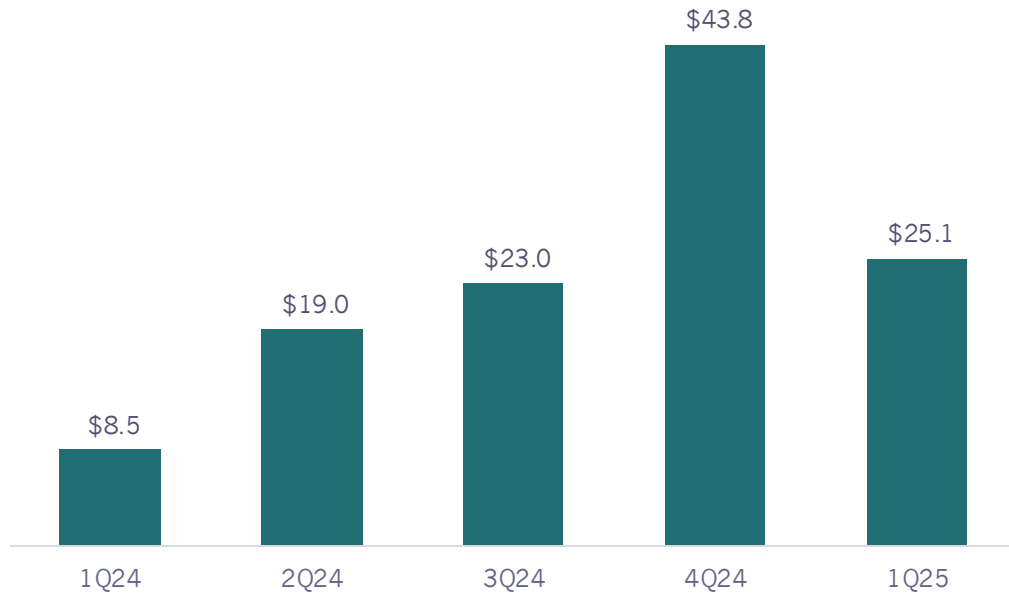
1Q25 Adjusted EBITDA margin expansion driven by revenue mix shift and active cost management

**16.3%** YoY growth in Adjusted EBITDA

<sup>1</sup> See Appendix for definition. Margins are calculated using reported GAAP revenue

# Strong YoY FCF Growth

## Levered Free Cash Flow<sup>1</sup> (LFCF, \$M)



1Q25 LFCF of **\$25.1M**, **197%** YoY growth

**\$110.9M** LTM LFCF, a **15.9%** margin

## Adjusted Unlevered Free Cash Flow<sup>1</sup> (aUFCF, \$M)



1Q25 aUFCF of **\$34.3M**, **14.8%** YoY growth

LTM aUFCF of **\$138.9M**, a **19.9%** margin

# Strong Balance Sheet with Ample Liquidity

(\$mm)	Q1 2025
<strong>BALANCE SHEET</strong>	
Cash and cash equivalents	\$148
Debt, gross	\$531
Debt, net of cash and cash equivalents	\$382
<strong>LEVERAGE</strong>	
Credit Facility Leverage <sup>1</sup>	2.1x

Repurchased **1.1M shares** for **\$11.2M** during the fourth quarter

**\$21.6M** of the **\$200M** share repurchase authorization remaining as of 3/31/2025

**\$190M** undrawn revolver capacity

**\$425M** notional interest rate swaps to fix the floating rate components at weighted average rate of **3.91%**

Increased share repurchase authorization of **\$50M** through 12/31/2026

<sup>1</sup> Credit Facility leverage is calculated using additional addbacks to Adjusted EBITDA allowed per the Company's Credit Agreement



# Outlook

Q2 and 2025 Guidance Excludes Marketing Technology Solutions

	Q2 2025	FY 2025
Total Revenue	\$144.5 – 147.5M	\$581 – 601M
Adjusted EBITDA	\$39.5 – 41.5M	\$167.5 – 175.5M



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**Q&A**

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# **Appendix**

# GAAP to Non-GAAP Adj EBITDA Reconciliation

## Adjusted EBITDA

(\$ in 000s)

	Q1 2024	Q2 2024	Q3 2024	Q4 2024	1Q 2025
Net Income (Loss) from Continuing Operations	(\$16,010)	(\$2,552)	(\$8,919)	\$12,338	\$934
<b>Adjusted to Exclude the Following:</b>					
Interest and Other Expense, Net	5,791	9,552	18,332	1,885	12,759
Income Tax Expense (Benefit)	5,923	703	742	(1,583)	512
Depreciation and Amortization	20,904	19,901	19,951	19,894	16,768
Other Amortization	1,311	1,321	1,370	1,417	1,482
Stock-based Compensation Expense	5,410	6,247	7,950	6,123	6,755
Transaction-Related and Other Non-Recurring or Unusual Costs	15,321	4,261	2,698	4,075	5,735
<b>Adjusted EBITDA from Continuing Operations</b>	<b>\$38,650</b>	<b>\$39,433</b>	<b>\$42,124</b>	<b>\$44,149</b>	<b>\$44,945</b>
<i>Adjusted EBITDA Margin</i> <sup>1</sup>	28.0%	28.1%	30.1%	30.7%	31.6%

## LTM

	Q1 2024	1Q 2025
Net Income (Loss) from Continuing Operations	(\$44,955)	\$1,801
Interest and Other Expense, Net	37,010	42,528
Income Tax Expense (Benefit)	7,244	374
Depreciation and Amortization	92,195	76,514
Other Amortization	4,718	5,590
Stock-based Compensation Expense	23,031	27,075
Transaction-Related and Other Non-Recurring or Unusual Costs	30,403	16,769
<b>Adjusted EBITDA from Continuing Operations</b>	<b>\$149,646</b>	<b>\$170,651</b>
<i>Adjusted EBITDA Margin</i> <sup>1</sup>	27.5%	30.1%

<sup>1</sup>Calculated as a percentage of GAAP Revenue as of the respective period presented  
Note: minor rounding differences may exist in the figures presented

# GAAP to Non-GAAP Adj Gross Profit Reconciliation

## Adjusted Gross Profit

(\$ in 000s)

	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025	LTM	
						Q1 2024	Q1 2025
Gross Profit from Continuing Operations	\$100,884	\$103,804	\$104,234	\$107,342	\$106,433	\$394,793	\$421,813
<i>Adjusted to Exclude the Following:</i>							
Depreciation and Amortization	5,467	5,158	5,247	5,262	4,652	23,005	20,319
<b>Adjusted Gross Profit from Continuing Operations</b>	<b>\$106,351</b>	<b>\$108,962</b>	<b>\$109,481</b>	<b>\$112,604</b>	<b>\$111,085</b>	<b>\$417,798</b>	<b>\$442,132</b>
Adjusted Gross Profit Margin	77.1%	77.5%	78.1%	78.4%	78.1%	76.6%	78.0%

<sup>1</sup>Gross profit is calculated as total revenues less cost of revenues (exclusive of depreciation and amortization), amortization of developed technology, amortization of capitalized software and depreciation expense (allocated to cost of revenues).  
Note: minor rounding differences may exist in the figures presented



# LFCF and aUFCF Reconciliations<sup>1</sup>

## Levered and Adjusted Unlevered Free Cash Flow

(\$ in 000s)

	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025
Cash Flow from Operations	\$13,297	\$23,919	\$27,534	\$48,413	\$30,678
<b>Adjusted for the Following:</b>					
Purchase of PP&E	(402)	(634)	(172)	(254)	(493)
Capitalized Software Costs	(4,432)	(4,286)	(4,353)	(4,374)	(5,065)
<b>Levered Free Cash Flow</b>	<b>\$8,463</b>	<b>\$18,999</b>	<b>\$23,009</b>	<b>\$43,785</b>	<b>\$25,120</b>
LFCF Margin	5.0%	10.7%	13.1%	25.0%	14.7%

Adjusted EBITDA	\$40,890	\$41,215	\$44,511	\$50,385	\$47,699
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### Adjusted for the Following:

Transaction-Related and Other Non-Recurring or Unusual Costs	(4,082)	(3,802)	(2,634)	(4,304)	(5,961)
Purchase of PP&E	(402)	(634)	(172)	(254)	(493)
Capitalized Software Costs	(4,432)	(4,286)	(4,353)	(4,374)	(5,065)
Capitalized Commissions	(2,127)	(2,455)	(1,895)	(2,326)	(1,930)
<b>Adjusted Unlevered Free Cash Flow</b>	<b>\$29,847</b>	<b>\$30,038</b>	<b>\$35,457</b>	<b>\$39,127</b>	<b>\$34,250</b>
Adjusted aUFCF Margin	17.5%	16.9%	20.1%	22.4%	20.0%

## LTM

	Q1 2024	Q1 2025
Cash Flow from Operations	\$105,202	\$130,544
(2,963)	(1,553)	
(20,093)	(18,078)	
<b>\$82,146</b>	<b>\$110,913</b>	
12.0%	15.9%	

\$164,571	\$183,810
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(14,062)	(16,701)
(2,963)	(1,553)
(20,093)	(18,078)
(9,477)	(8,606)
<b>\$117,976</b>	<b>\$138,872</b>
17.2%	19.9%

<sup>1</sup>These metrics are inclusive of continuing and discontinued operations.  
Note: minor rounding differences may exist in the figures presented

# Non-GAAP Operating Expense Reconciliation

						LTM	
(\$ in 000s)	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q1 2024	Q1 2025
Sales and Marketing as reported	\$27,564	\$28,959	\$28,545	\$29,030	\$28,783	\$113,105	\$115,317
<b>Adjusted for the Following:</b>							
Stock-based Compensation Expense	(335)	(364)	(290)	(173)	(320)	(1,583)	(1,147)
Other Amortization	(1,311)	(1,321)	(1,370)	(1,417)	(1,482)	(4,718)	(5,590)
Transaction-Related and Other Non-Recurring or Unusual Costs	(65)	(144)	(102)	(318)	(64)	(427)	(628)
<b>Adjusted Sales and Marketing</b>	<b>\$25,853</b>	<b>\$27,130</b>	<b>\$26,783</b>	<b>\$27,122</b>	<b>\$26,917</b>	<b>\$106,377</b>	<b>\$107,952</b>
Product Development as reported	\$19,306	\$19,228	\$19,135	\$18,510	\$19,963	\$73,655	\$76,836
<b>Adjusted for the Following:</b>							
Stock-based Compensation Expense	(502)	(543)	(458)	(436)	(460)	(2,150)	(1,897)
Transaction-Related and Other Non-Recurring or Unusual Costs	(33)	(26)	(368)	368	(1,282)	(608)	(1,308)
<b>Adjusted Product Development</b>	<b>\$18,771</b>	<b>\$18,659</b>	<b>\$18,309</b>	<b>\$18,442</b>	<b>\$18,221</b>	<b>\$70,897</b>	<b>\$73,631</b>
General and Administrative as reported	\$31,641	\$32,712	\$31,625	\$32,621	\$31,281	\$123,050	\$128,239
<b>Adjusted for the Following:</b>							
Stock-based Compensation Expense	(4,573) <sup>1</sup>	(5,340) <sup>1</sup>	(7,200) <sup>1</sup>	(5,514) <sup>1</sup>	(5,975) <sup>1</sup>	(19,297) <sup>1</sup>	(24,029) <sup>1</sup>
Transaction-Related and Other Non-Recurring or Unusual Costs	(3,991)	(3,632)	(2,158)	(4,216)	(4,304)	(12,877)	(14,310)
<b>Adjusted General and Administrative</b>	<b>\$23,077</b>	<b>\$23,740</b>	<b>\$22,267</b>	<b>\$22,891</b>	<b>\$21,002</b>	<b>\$90,876</b>	<b>\$89,900</b>
<b>Total Adjusted Operating Expenses</b>	<b>\$67,701</b>	<b>\$69,529</b>	<b>\$67,359</b>	<b>\$68,455</b>	<b>\$66,140</b>	<b>\$268,150</b>	<b>\$271,483</b>
<b>% of Revenue</b>	<b>49.1%</b>	<b>49.5%</b>	<b>48.1%</b>	<b>47.6%</b>	<b>46.5%</b>	<b>49.2%</b>	<b>47.9%</b>

<sup>1</sup> Includes approximately \$0.1M of stock-based compensation expense recorded to cost of revenues  
Note: minor rounding differences may exist in the figures presented

# Pro Forma Revenue

## Pro Forma Revenue

(\$ in 000s)

	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025
Revenue as reported	\$137,852	\$140,523	\$140,106	\$143,704	\$142,273
Plus: acquisition revenue	-	-	-	-	-
Less: NA Fitness solutions revenue	(2,672)	-	-	-	-
Less: UK Fitness solutions revenue	(2,731)	(2,712)	-	-	-
<b>Pro Forma Revenue</b>	<b>\$132,449</b>	<b>\$137,811</b>	<b>\$140,106</b>	<b>\$143,704</b>	<b>\$142,273</b>

<b>Pro Forma Revenue Growth (YoY)</b>	<b>8.3%</b>	<b>7.2%</b>	<b>7.5%</b>	<b>9.2%</b>	<b>7.4%</b>
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## LTM

	Q1 2024	Q1 2025
Revenue as reported	\$545,108	\$566,606
Plus: acquisition revenue	950	-
Less: NA Fitness solutions revenue	(12,466)	-
Less: UK Fitness solutions revenue	(10,659)	(2,712)
<b>Pro Forma Revenue</b>	<b>\$522,933</b>	<b>\$563,894</b>

<b>Pro Forma Revenue Growth (YoY)</b>	<b>7.8%</b>
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Note: minor rounding differences may exist in the figures presented

Acquisition revenue includes the estimated revenue associated with KickServ prior to the August 10, 2023 acquisition date while the divestiture revenue adjustment excludes revenue associated with fitness solutions (see Pro Forma Revenue and Pro Forma Revenue Growth Rate definition under Non-GAAP financial measures).

# Pro Forma Subscription and Transaction Fees Revenue

## Pro Forma Subscription and Transaction Fees Revenue

(\$ in 000s)

	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025	LTM	
	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q1 2024	Q1 2025
Subscription and Transaction Fees Revenue as reported	\$133,382	\$135,684	\$136,263	\$137,648	\$137,779	\$525,891	\$547,374
Plus: acquisition revenue	-	-	-	-	-	950	-
Less: NA Fitness solutions revenue	(2,622)	-	-	-	-	(12,242)	-
Less: UK Fitness solutions revenue	(2,703)	(2,688)	-	-	-	(10,554)	(2,688)
<b>Pro Forma Subscription and Transaction Fees Revenue</b>	<b>\$128,057</b>	<b>\$132,996</b>	<b>\$136,263</b>	<b>\$137,648</b>	<b>\$137,779</b>	<b>\$504,045</b>	<b>\$544,686</b>
<b>Pro Forma Subscription and Transaction Fees Revenue Growth (YoY)</b>	<b>9.1%</b>	<b>7.3%</b>	<b>8.3%</b>	<b>9.0%</b>	<b>7.6%</b>		<b>8.1%</b>

Note: minor rounding differences may exist in the figures presented

Acquisition revenue includes the estimated revenue associated with KickServ prior to the August 10, 2023 acquisition date while the divestiture revenue adjustment excludes revenue associated with fitness solutions (see Pro Forma Revenue and Pro Forma Revenue Growth Rate definition under Non-GAAP financial measures).

# Definitions

Unless otherwise noted, all amounts, percentages and discussions below and in the following reconciliations reflect only the results of operations and financial condition of our continuing operations (i.e., excluding Marketing Technology Solutions, which qualifies as discontinued operations). In each case, the most directly comparable GAAP metric is presented from continuing operations only.

**Adjusted EBITDA:** Adjusted EBITDA is calculated as net loss adjusted to exclude interest and other expense, net, income tax expense (benefit), depreciation and amortization, other amortization, stock-based compensation expense and transaction-related and other non-recurring or unusual costs. Other amortization includes amortization for capitalized contract acquisition costs. Transaction-related costs are specific deal-related costs such as legal fees, financial and tax due diligence, consulting and escrow fees. Other non-recurring or unusual costs are expenses such as impairment charges, (gains) losses from divestitures, system implementation costs, executive separation costs, severance expense related to planned restructuring activities, and costs associated with integration and transformation improvements. Transaction-related and other non-recurring or unusual costs are excluded as they are not representative of our underlying operating performance.

**Adjusted Gross Profit:** Adjusted Gross Profit is calculated as gross profit adjusted to exclude depreciation and amortization allocated to cost of revenues. Gross profit is calculated as total revenues less cost of revenues (exclusive of depreciation and amortization), amortization of developed technology, amortization of capitalized software and depreciation expense (allocated to cost of revenues).

**Annualized Net Revenue Retention:** The percentage of recurring revenue retained from existing customers over a 12 month period. It takes into account revenue increases from upsell and cross-sell, as well as revenue decreases from downgrades and cancellation.

**Adjusted Operating Expenses:** Adjusted Operating Expenses (Sales and Marketing, Product Development, and General and Administrative) are calculated as reported operating expense, adjusted to exclude stock-based compensation expense, other amortization, and transaction-related and other non-recurring or unusual costs. Other amortization includes amortization for capitalized contract acquisition costs. Transaction-related costs are specific deal-related costs such as legal fees, financial and tax due diligence, consulting and escrow fees. Other non-recurring or unusual costs are expenses such as system implementation costs, executive separation costs, and severance related to planned restructuring activities. Transaction-related costs and other non-recurring or unusual costs are excluded as they are not representative of our underlying operating performance.

**Adjusted Unlevered Free Cash Flow:** Adjusted Unlevered Free Cash Flow (aUFCF) is inclusive of continuing and discontinued operations for all periods presented and is calculated as Adjusted EBITDA, less transaction-related and other non-recurring or unusual costs, purchases of PP&E, capitalized software costs, and capitalized commissions. Transaction-related and other non-recurring or unusual costs, capitalized software costs and capitalized commissions are costs that are excluded from Adjusted EBITDA but are cash costs and as such are included in the aUFCF calculation. Transaction-related costs are specific deal-related costs such as legal fees, financial and tax due diligence, consulting and escrow fees. Other non-recurring or unusual costs are expenses such as system implementation costs, executive separation costs, and severance related to planned restructuring activities.



# Definitions

**CLTV / CAC Ratio and Payback Period:** Customer lifetime value (CLTV) is the average revenue per customer over the number of months in the customer lifetime, net of cost of revenue (exclusive of depreciation and amortization). We calculate lifetime value of a customer using a projected average customer lifetime, which we extrapolate by taking actual customer retention data for months 1-24 of a customer's lifetime and projecting customer retention data beyond month 24 using a monthly average rate of change over the prior 12 months. We then total the amount that an average customer produces in monthly revenue across the number of months in our projected average customer lifetime, and apply a gross margin factor, calculated as revenues less cost of revenues (exclusive of depreciation and amortization), to estimate a lifetime value. We calculate our customer acquisition costs (CAC) as the total of all of our direct sales and marketing expenses associated with acquiring new customers for a fiscal year divided by the total number of new customers acquired during such fiscal year. Direct sales and marketing expenses include fully loaded salary and commission as well as advertising costs. We have excluded certain overhead costs allocated to the sales and marketing department including but not limited to professional fees, recruiting, and office supplies as they are not costs that are directly related to acquiring incremental customers. Customer acquisition costs are calculated as if acquisitions that were closed during the periods presented were closed on the first day of the period.

**Levered Free Cash Flow:** Levered Free Cash Flow (LFCF) is inclusive of continuing and discontinued operations for all periods presented and is calculated as Cash Flow from Operations, adjusted for purchases of PP&E and capitalized software costs. Purchases of PP&E and capitalized software costs are cash expenses unrelated to financing activities and as such are included in the definition of LFCF.

**Pro Forma Revenue, Pro Forma Subscription and Transaction Revenue, Pro Forma Revenue Growth Rate and Pro Forma Subscription and Transaction Revenue Growth Rate:** Pro Forma Revenue, Pro Forma Subscription and Transaction Revenue, Pro Forma Revenue Growth Rate and Pro Forma Subscription and Transaction Revenue Growth Rate are key performance measures that our management uses to assess our consolidated operating performance from continuing operations over time. Management also uses these metrics for planning and forecasting purposes.

Our year-over-year Pro Forma Revenue, Pro Forma Subscription and Transaction Revenue, Pro Forma Revenue Growth Rate and Pro Forma Subscription and Transaction Revenue Growth Rate are calculated as though all acquisitions and divestitures closed as of the end of the latest period were completed as of the first day of the prior year period presented. In calculating Pro Forma Revenue, Pro Forma Subscription and Transaction Revenue, Pro Forma Revenue Growth Rate and Pro Forma Subscription and Transaction Revenue Growth Rate, we add the revenue from acquisitions for the reporting periods prior to the date of acquisition (including estimated purchase accounting adjustments) and exclude revenue from divestitures for the reporting periods prior to the date of divestiture, and then calculate our revenue growth rate between the two reported periods. As a result, Pro Forma Revenue, Pro Forma Subscription and Transaction Revenue, Pro Forma Revenue Growth Rate and Pro Forma Subscription and Transaction Revenue Growth Rate includes pro forma revenue from businesses acquired and excludes revenue from businesses divested of during the period, including revenue generated during periods when we did not yet own the acquired businesses and excludes revenue prior to the divestiture of the business. In including such pre-acquisition revenue and excluding pre-divestiture revenue, Pro Forma Revenue, Pro Forma Subscription and Transaction Revenue, Pro Forma Revenue Growth Rate and Pro Forma Subscription and Transaction Revenue Growth Rate allow us to measure the underlying revenue growth of our business as it stands as of the end of the respective period, which we believe provides insight into our then-current operations. Pro Forma Revenue, Pro Forma Subscription and Transaction Revenue, Pro Forma Revenue Growth Rate and Pro Forma Subscription and Transaction Revenue Growth Rate do not represent organic revenue generated by our business as it stood at the beginning of the respective period. Pro Forma Revenue, Pro Forma Subscription and Transaction Revenue, Pro Forma Revenue Growth Rate and Pro Forma Subscription and Transaction Revenue Growth Rate are not necessarily indicative of either future results of operations or actual results that might have been achieved had the acquisitions and divestitures been consummated on the first day of the prior year period presented. We believe that these metrics are useful to investors in analyzing our financial and operational performance period over period and evaluating the growth of our business, normalizing for the impact of acquisitions and divestitures. These metrics are particularly useful to management due to the number of acquired entities.

**Total Payments Volume ("TPV"):** Total Payments Volume is the annualized run rate volume of payments processed by an EverCommerce customer through an EverCommerce solution.