



PAR Technology Corporation



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PAR Overview

- PAR Technology is a POS technology provider in the midst of a software/SaaS transformation
- For over a generation PAR has supplied POS terminals to the world's largest restaurant organizations
- That proven success has paved the way for PAR to now be the leading cloud POS SaaS solution to Tier 1 QSR/Fast Casual restaurants – dramatically changing PAR's financial profile
- PAR's hardware terminals still command leading market share, Our cloud software solution -Brink- is growing at more than 40% year-over-year with extremely low churn
- Within “Cloud Software” there are a number of levers to increase MRR, including building out tech stack for restaurants and the introduction of payment services
- PAR also operates a strategic legacy Government Services Business delivering double digit contract margins

Leader Across Hospitality and Government





Our Vision



To be the number one food service transaction platform in the world by 2030.

As measured by:

- Revenue
- Locations
- Churn
- NPS
- ARPU
- Partners



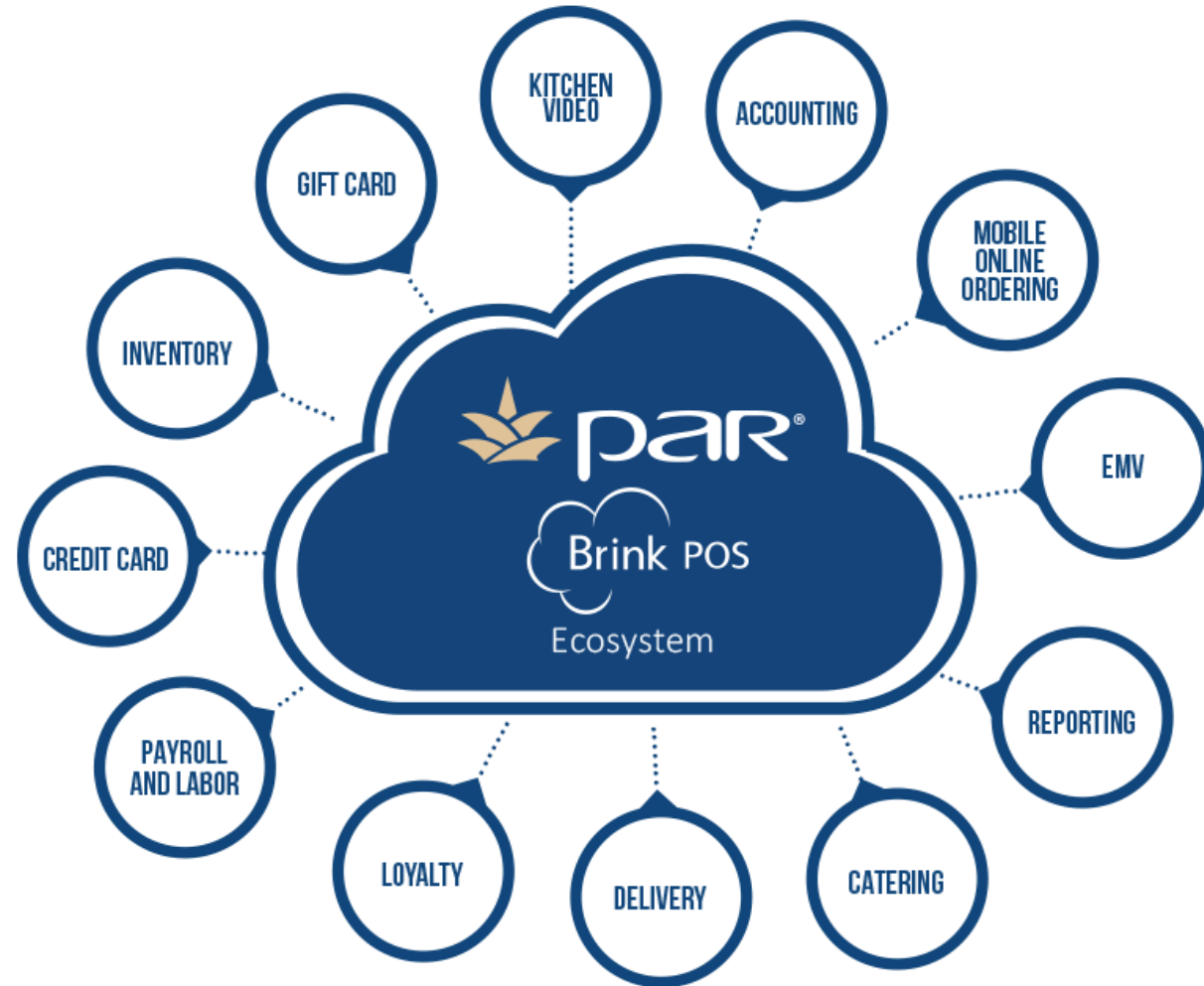
We will get there by constantly focusing on how we can **SERVE** our customers



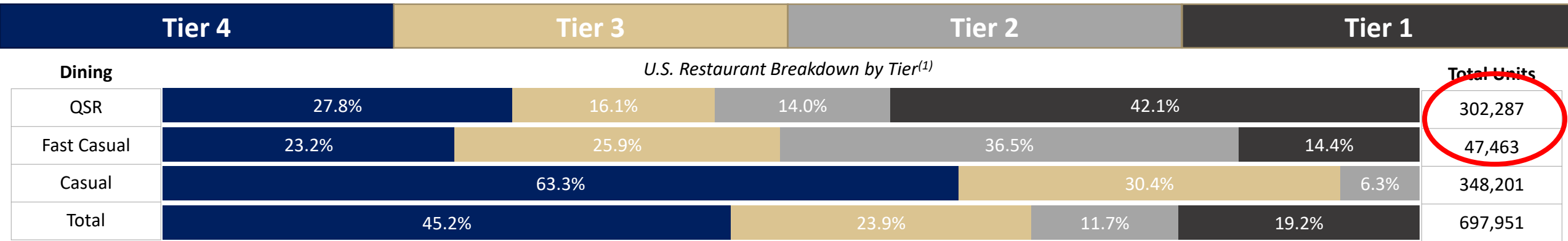
We believe our ambition is only limited by our ability to attract and retain great talent

It's a big market that's only growing

*And POS is
the hub*



Our Market Today



Source: Technomic 2017.

(1) Restaurant segmentation breakdown: Tier 1 (concepts with 2,000+ sites), tier 2 (101-1,999), tier 3 (2-100), and tier 4 (1).

X

Current ARPU ~ \$1,985

Our Market Tomorrow – Units



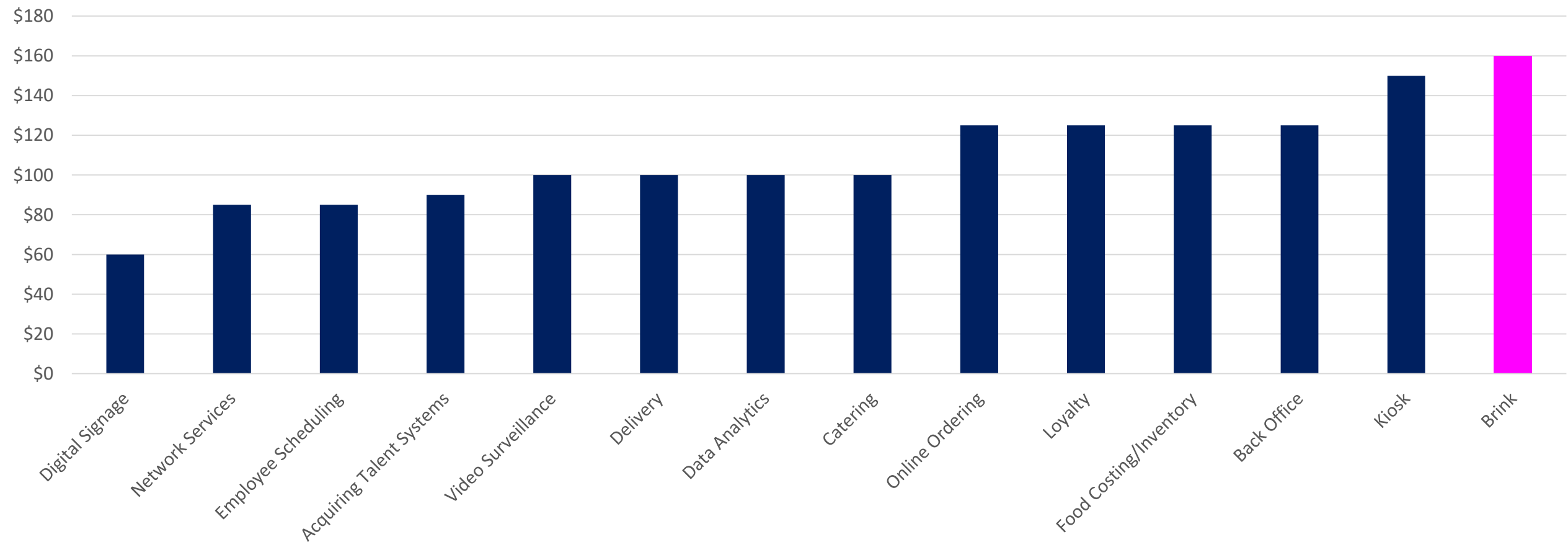
- QSR
- Fast casual
- Table Service
- Fine Dining
- Virtual kitchens
- International
-

There are currently 6.5 Million Restaurants Globally who utilize a POS System

Our Market Tomorrow - ARPU



Average Monthly Price Per Category



OUR TAM Tomorrow

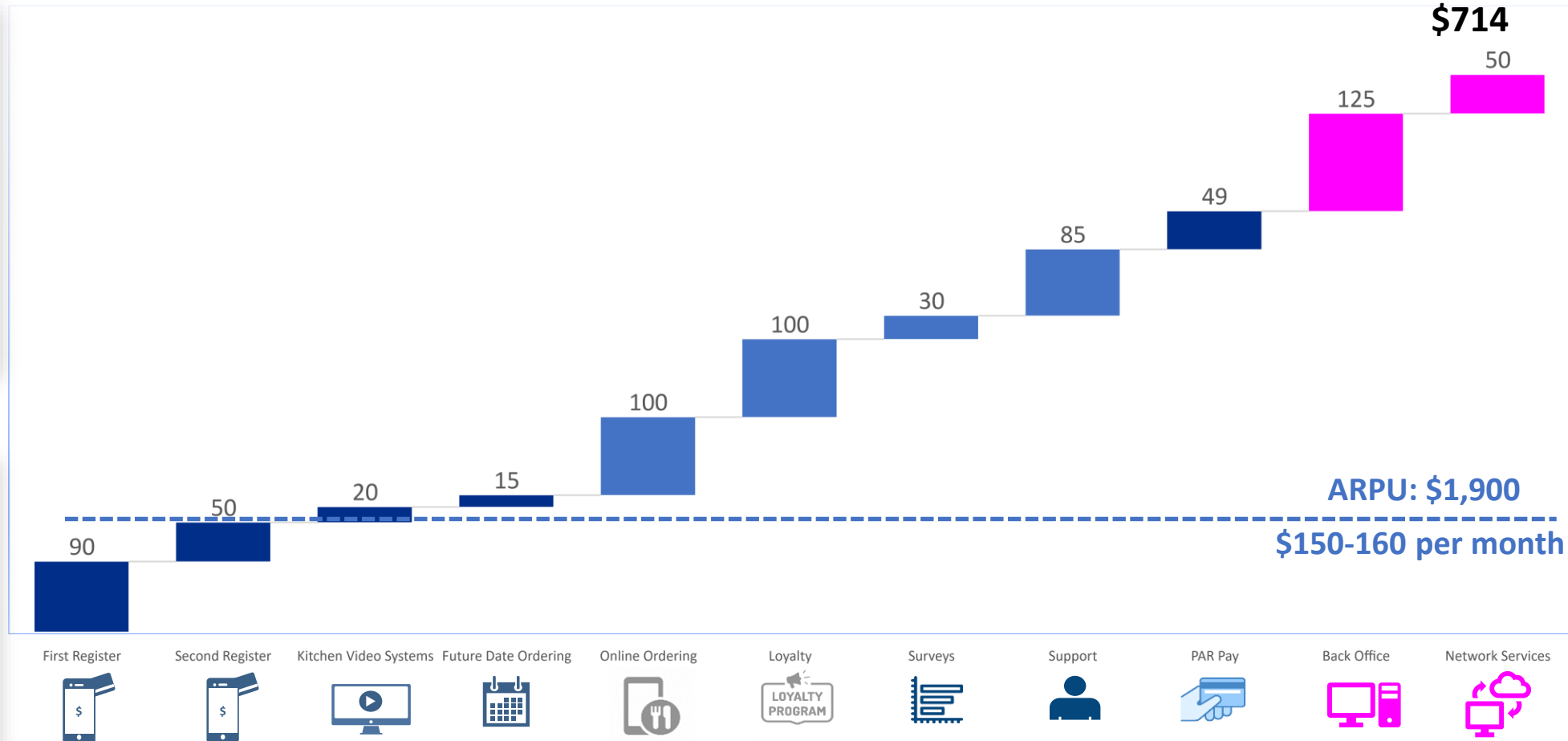


Highlights

- Existing Products
- Existing Products enhanced through organic growth or partnering
- Net New Offering

Monthly List Price

Baseline	
First Register.....	\$90
Each Additional.....	\$50
Add-ons	
Online ordering baseline.....	\$100/Site
Loyalty.....	\$100/Site
Future Date Ordering.....	\$15
Surveys.....	\$15
Kitchen video.....	\$20 per display
Support.....	\$85
PAR Pay.....	\$49
Back Office.....	\$124/Site
Network Services.....	\$50/Site
Monthly Total.....	\$714
ARPU.....	\$335



And it's just beginning



This revenue opportunity is growing daily

Our ability to acquire/partner with providers in these categories accelerates daily, as restaurants continue to update their tech stack

And we've learned from
the mistakes of others
(and some of our own)

But it all starts with our
customers...how do we
SERVE them better

The market is coming our way



Restaurants are now digital first
and we have THE solution that
addresses those needs while not
losing sight of their daily
operations

Our Ambition is Rooted in Reality



2019

- Brink scaling, but not growing as fast as it once was
- Technical debt
- Perception that we're hardware running software
- Strong customer interest, poor execution
- Competition coming from both up and down market

2020

- Product led organization, able to develop AND release software regularly
- Refresh management with an obsession on high quality product and service
- Ambitions well beyond POS
- Partnerships, M&A and continued innovation
- Obsessive focus on ROIC and rigor around capital allocation

Our Priorities



Get our customers to be raving fans by delivering the best POS experience



Expand our market share within each restaurant through our partnership program or M&A



Expand our TAM by adding new product offerings and growing into new vertical (e.g. table service)



Never losing sight of point 1

Brink POS Takeaways



We look to SERVE our customers



Our ambition is only limited by our ability to attract and retain talent



We are in the very early innings of a generational change in restaurant operations



We have THE product to be THE player in this transformation



We're building the foundation to become the #1 player in the space now



Where are we Today?

Brink Overview

A Leading Software POS Business

- High-growth SaaS business with significant opportunity to leverage existing Tier 1 QSR relationships and multi-decade incumbencies
- Cloud-based portfolio of software applications designed for multi-unit restaurants
- Despite under-investment relative to well-capitalized competitors, Brink has attained a position of market leadership among cloud-based restaurant management SaaS solutions
- The only cloud POS solution to be implemented at multiple brands with 1,000+ restaurants
- Merchant services offering, launched in Q4 2019, provides a credible lever for growth – an area where competitors have driven 3x ARPU
- Mobile ordering, loyalty and other integrations drive restaurant revenue and efficiency
- Large corporate and franchisee wins provide strong ARR visibility

Key Customers and Statistics



FIVE GUYS
BURGERS and FRIES



9300+

Brink Restaurants Installed Today

\$17.9M

Exit ARR
Q3 2019

32%

Increase in Site Count
Over Past 12 months

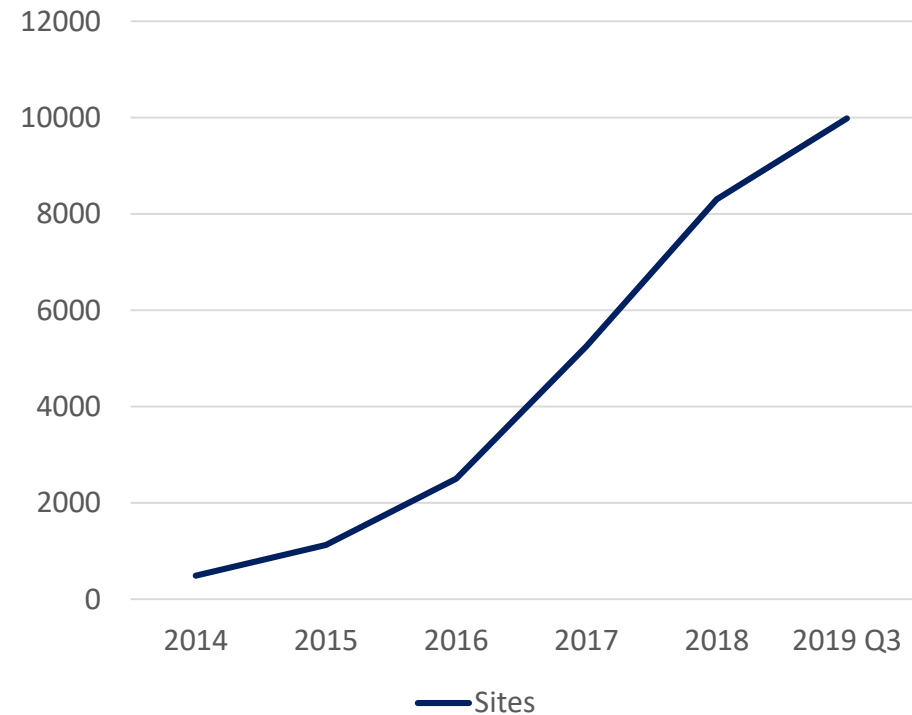
31%

Increase in SaaS
YoY – Q3 2019

Brink Growth



Site Bookings



Multiple Levers for Growth

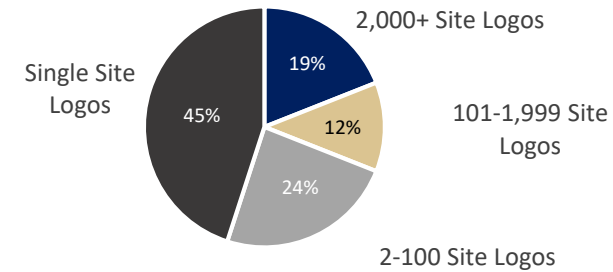
Merchant Services Opportunity



- ✓ PAR's market-leading POS products sit close to billions of dollars of credit card transactions
- ✓ PAR has rolled out an EMV payments solution, PAR Pay, to select customers to initiate payments dialogue
- ✓ PAR Pay provides a natural entry point into margin accretive merchant services

Mid-Tier and Table Service Expansion

Domestic Market Breakdown – sites per category



- ✓ PAR's focus on large, multi-unit restaurant operators leaves a considerable untapped opportunity
- ✓ Negotiating leverage with Tier 2-4 accounts allows ~100% merchant services attachment with favorable economics

Upsells and M&A Drive ARPU

- ✓ Continue to develop and sell additional, value-added capabilities to existing customer base

Available Now: Online Ordering, Loyalty, Future Date Ordering, Surveys, Kitchen Video Systems

In Development / Discovery: Merchant Services, API Access Tiers, Self Order Kiosks, Mobile Applications, Business Intelligence

Growth Through Customer Site Expansion

- ✓ Built for multi-unit chains, Brink has demonstrated the ability to scale quickly and support fast growing restaurant concepts

Brink Customer & Fastest Growing Fast Casual Concept of 2017



PAR's Core Business: Hardware Overview

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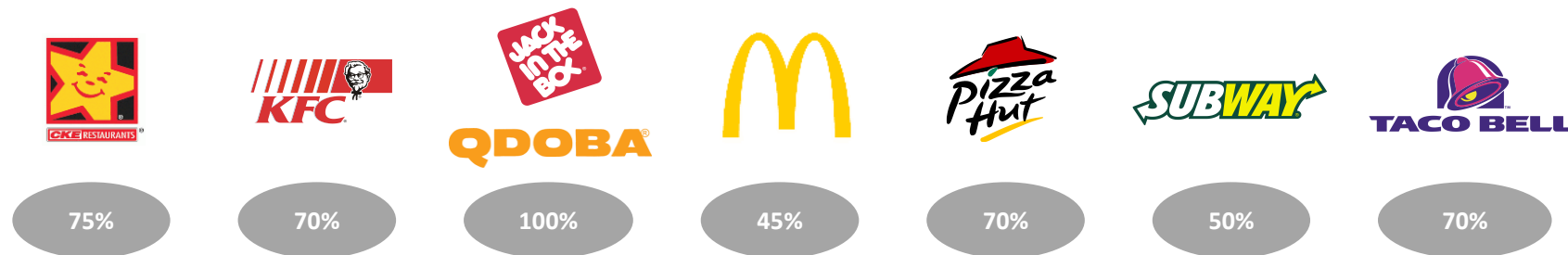
CORE Overview

Decades long history of best-in-class POS terminals

- CORE provides POS hardware and support services to restaurant operators, primarily blue-chip QSRs
- 40+ years of experience serving the restaurant industry has created longstanding relationships and deep institutional knowledge
- Software-agnostic POS platform supports on-premise and cloud (e.g., Brink SaaS) deployment models
- Market-leading penetration across the biggest names in domestic QSR



60% Site Penetration Within Key Logos



Takeaway: PAR is a Complete Solutions Provider

Leading Cloud Software



Industry Proven Hardware Platforms



Ensuring Customer Success Improves Customer Lifetime Value



RECENT ACQUISITIONS -- 2019

Restaurant Magic®

BACKOFFICE SOFTWARE



DRIVE-THRU WIRELESS COMMUNICATIONS

Acquisition – **Restaurant Magic**[®]

- Industry leading Cloud Software Backoffice Solution for Enterprise Restaurants
- Annual Recurring Revenues (ARR) - \$8+ MM (significant growth trajectory - 30%-50% in 2020)
- 5,350 active locations – Substantial overlap with Brink (2000+ stores)
- Delivers real-time excellence – Inventory Management, Food Management, Labor/Scheduling, Reporting/Analytics
- Strong Market Opportunity in Combined/Integrated offering with Brink POS and Restaurant Magic

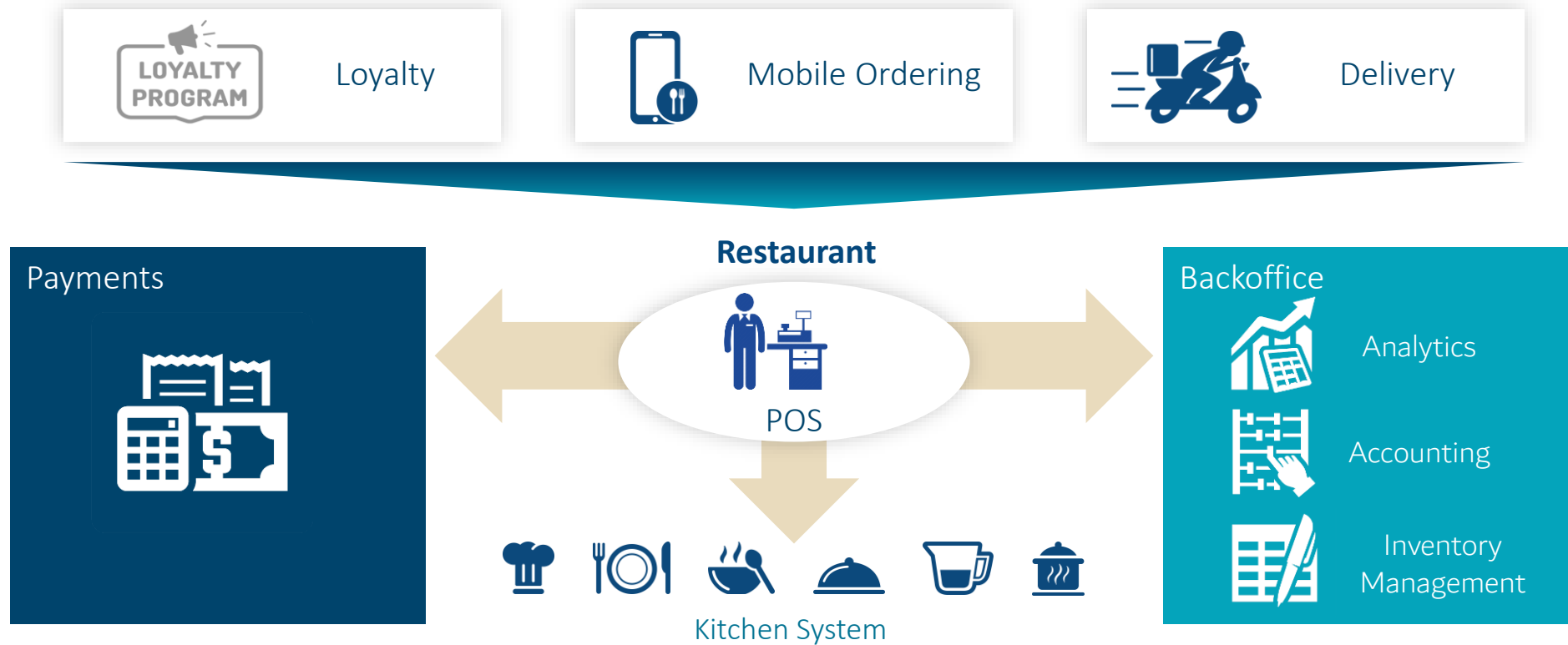
Restaurant Magic[®] Market Opportunities

- Strengthens integrated SaaS offering for Restaurants
 - – PAR offers fully integrated Front/Back of House software solution for restaurants – **BUILDS OUT THE STACK**
- Gives PAR Strong Market Positioning in Enterprise Restaurants
- Significant ARPU increase with adding Restaurant Management subscription – Average \$119 per month
 - PAR can leverage Brink Sales and service infrastructure to rapidly grow customer base
- Restaurant Magic has strong market brand with significant standalone opportunities

Strong Customer Base!!



Current PAR Restaurant Management Technology Stack



- Hardware-agnostic platform and broad integration capabilities enable restaurants to increase visits and check size, while delivering efficiency to restaurant operations (e.g., loyalty members typically spend 67% more at restaurants compared to new guests)
- Use case breadth and large integration ecosystem reduces ability for restaurants to rip-and-replace. Strong multi-unit penetration provides competitive advantage. Average 5-7 year refresh cycle reduces churn and provides revenue visibility

Acquisition – **3M** Drive-Thru Communication Systems



3M Drive-Thru Communications

- Wireless Headsets, Base Stations, Charging Stations, Service and associated parts and accessories
- TTM Revenues - \$18 MM with Solid Gross Margins
- Primary Customers are QSR Restaurants (strong overlap with PAR)
- 71% of revenues are U.S. based. All sales done through distribution partners
- 3M's Leadership position has been built by reliable performance, quality, customer focused support and its global coverage

3M Acquisition – Market Opportunities

- New pipeline of Customers to aggressively market Brink POS solution to
 - 3M brings A-list of non-PAR restaurant customers
- Gives PAR Strong Foothold in Critical Drive-Thru Business
- Significant revenue increase with limited associated operating expense
 - PAR can leverage much of its existing infrastructure to run the headset business as is
- Accretive
- 3M brand association
- Potential to sell 3M headsets through PAR's existing dealer channels or potentially direct
- Potential to sell PAR existing hardware portfolio through 3M's dealer network

Outstanding Customer List!!



PAR Government Overview

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Government Solutions



PAR's Government Business

PAR Provides Essential Services and Solutions for National Defense and Intelligence

- Significant backlog at end Q3 2019= \$163M
- TTM Book-to-Bill Ratio at end of Q3 – 1:4
- Contract Margins – 5.8% in Q3 2019 – 8.5% YTD 2019

Mission Systems



Intelligence Solutions





Financial Metrics

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Q3 2019 Metrics

- ARPU now stands at \$1,985
- ARR run rate at end of Q3 '19 now totals \$17.9M
- New Install Base grew by 32% since Q3 2018
- New Customer signed in Q3 now pay average MRR of \$200+

\$1,985

ARPU

\$17.9M

ARR

32%

New Installs

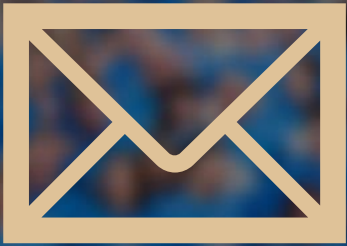
\$200+

New Customers
Average ASP in Q1

Investment Thesis

- New Management (CEO) making sweeping changes to operating model
 - \$80M Capital Raise, Two Acquisitions, Divestiture, Cost Reductions, Accountability & Culture, etc....
- Aggressive growth targets for Cloud Technology Stack -- Brink & Restaurant Magic
- Providing contemporary solutions and technologies to drive adoption and aligned with customer priorities
- Continued Realignment of Restaurant Business through OCM with recently deployed ERP System that will yield significant savings
- Government Services business is solid Corporate asset with strategic possibilities
- Focused on Stakeholders ... Capital Allocation, ROIC Targets, Enhance Shareholder Value

Contact us!



email



phone



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