

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): May 15, 2019

**DELUXE CORPORATION**

(Exact name of registrant as specified in its charter)

**Minnesota**  
(State or other jurisdiction  
of incorporation)

**1-7945**  
(Commission  
File Number)

**41-0216800**  
(I.R.S. Employer  
Identification No.)

**3680 Victoria St. North, Shoreview, Minnesota**  
(Address of principal executive offices)

**55126-2966**  
(Zip Code)

Registrant's telephone number, including area code: (651) 483-7111

N/A  
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communication pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 403 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading symbol(s)	Name of each exchange on which registered
<b>Common stock, par value \$1.00 per share</b>	<b>DLX</b>	<b>New York Stock Exchange</b>

**Section 7 - Regulation FD**

Item 7.01 Regulation FD Disclosure.

The following information is being “furnished” in accordance with General Instruction B.2. of Form 8-K and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, nor shall it be deemed to be incorporated by reference in any filing under the Securities Act of 1933, as amended (the “Securities Act”), or the Exchange Act, except as expressly set forth by specific reference in such filing:

Furnished herewith as Exhibit 99.1 and incorporated by reference herein is a copy of a presentation entitled "Deluxe Investor Presentation.”

**Section 9 - Financial Statements and Exhibits**

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

The exhibit listed below is being “furnished” in accordance with General Instruction B.2. of Form 8-K and shall not be deemed “filed” for purposes of Section 18 of the Exchange Act, or otherwise subject to the liabilities of that section, nor shall it be deemed to be incorporated by reference in any filing under the Securities Act or the Exchange Act, except as expressly set forth by specific reference in such filing.

<u>Exhibit Number</u>	<u>Description</u>
99.1	<a href="#">Deluxe Investor Presentation</a>

## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: May 15, 2019

DELUXE CORPORATION

/s/ Jeffrey L. Cotter

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Jeffrey L. Cotter  
Chief Administrative Officer,  
Senior Vice President and  
General Counsel



**DELUXE**

# Investor Presentation

MAY 2019

# Cautionary Statement

Financial estimates, projections, and management's intentions and expectations regarding the Company's future performance, are forward-looking in nature as defined in the Private Securities Litigation Reform Act of 1995. These comments are subject to risks and uncertainties, which could cause actual results to differ materially from those projected. Additional information about various factors that could cause actual results to differ from projections are contained in the company's Form 10-K for the year ended December 31, 2018.

Financial and statistical information in this presentation are addressed in more detail in the Deluxe First Quarter Earnings Release dated April 24, 2019, and will be addressed in future filings made by the Company with the SEC, all of which include, among other things, reconciliations between GAAP and non-GAAP financial metrics.

# Company Overview



# Deluxe Today and Path Ahead



Revenue has increased for 9 consecutive years, setting an all-time revenue record in 2018 at \$1.998B



The Company currently manages and reports the business based on three end-customer channels

- Small Business Services
- Financial Services
- Direct to Consumer



Deluxe is transforming into a trusted, tech-enabled solutions company for enterprises, small businesses and financial institutions offering a range of solutions to help customers manage and grow their businesses.



Deluxe provides a wide range of products and services, including:

incorporation services, logo design, domain registration, website development and hosting, email marketing, payroll services, data analytics, customer acquisition, treasury management solutions, integrated receivables as well as checks and forms.

The company primarily serves customers in North America, however it also has a business presence in Australia, Europe and South America.



# Deluxe Today and Path Ahead

Continued

**4.8+ M**  
SMALL BUSINESS  
CUSTOMERS

**4,600**  
FINANCIAL INSTITUTION  
CUSTOMERS

**6,600+**  
EMPLOYEES

**Shoreview, MN**  
HEADQUARTERS

## Barry McCarthy

joined Deluxe as President and Chief Executive Officer in November 2018

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Deluxe historically operated as a “Company of Companies”

Under Barry’s leadership, we are fundamentally changing the strategy of Deluxe and becoming a “Company of Products” - leveraging his previous experience at other companies

Organic revenue growth focus, with acquisitions supplementing total revenue growth

Our new strategy will fundamentally change the way Deluxe operates and goes to market



# DLX – A Compelling Investment Opportunity

- ✓ Leverage existing core competencies and assets to accelerate organic revenue growth
- ✓ Fundamentally changing how Deluxe goes to market and operates - "One Deluxe" strategy
- ✓ Plan to compete in four primary areas;
  - Payments; Cloud; Promotional Products; and Checks
  - Re-invest cash flow from Promotional Products and Checks into Payments and Cloud growth areas
- ✓ Continue our commitment to responsible management of shareholder assets, delivering ongoing efficiency savings and organic revenue growth while paying a dividend
- ✓ Expect to deliver revenue of over \$2 billion in 2019, a new all-time revenue record

# Strategy



# Core Competencies & Key Assets

Our goal is to leverage these competencies and assets to transform into a

**Trusted,  
Tech-Enabled  
Solutions  
Company**

Broad base of existing customers

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Proven, trusted partner

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Highly respected brand, opportunity to drive more business within current customer base

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Cost-efficient service provider

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Extensive catalog of existing products and services which can be cross-sold more broadly

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Proud and extremely dedicated workforce

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Solid financial structure, very low financial leverage and generating strong cash flow

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# Four\* Primary Areas Of Focus Going Forward

A Company of Products

GROWTH AREA		VALUE AREA	
Payments	Cloud	Promotional Products	Checks
<ul style="list-style-type: none"> <li>remote deposit capture</li> <li>disbursements &amp; eChecks</li> <li>payroll</li> <li>lockbox</li> <li>integrated receivables</li> <li>payment acceptance</li> <li>fraud/security</li> <li>other</li> </ul>	<ul style="list-style-type: none"> <li>shared &amp; managed hosting</li> <li>digital engagement</li> <li>data-driven marketing</li> <li>web design/hosting</li> <li>logo design</li> <li>incorporation services</li> <li>FI profitability reporting</li> <li>account switching tools</li> <li>other</li> </ul>	<ul style="list-style-type: none"> <li>business forms</li> <li>accessories</li> <li>advertising specialties</li> <li>promotional apparel</li> <li>retail packaging</li> <li>Deluxe Strategic Sourcing</li> <li>other</li> </ul>	<ul style="list-style-type: none"> <li>printed checks</li> <li>other</li> </ul>
ESTIMATED MARKET GROWTH <b>10-15%</b>	<b>5-10%</b>	<b>flat</b>	<b>4-5% decline</b>

\* These are the four areas of focus we are moving to in 2019

# Fundamentally Different Transformation

Transform into a  
Company of  
Products and  
Operate as

**One  
Deluxe**

- ✔ Much deeper and broader impact on the enterprise, more than diversification
- ✔ Fundamental changes to go-to-market strategy, operating model, and organizational design
- ✔ Technology platform integration and centralization (CRM, ERP, HR, other)
- ✔ Focus on organic revenue growth, new enterprise chief revenue officer will manage a single view of our customer, enhancing cross-sell opportunities
- ✔ Fully integrate past acquisitions and supplement future growth through continued, meaningful acquisitions
- ✔ Market and sell our products and services to all customers

# It's a New Day at Deluxe

Paradigm Shift in Revenue Maximization

- Empower employees to think and act as owners - in April 2019, all North American employees received Deluxe RSUs
- Keep customers at the center of all we do by listening to their needs
- Maximize revenue from each customer by having a holistic view of a customer's purchases across all business segments
- Market and sell ALL products to ALL customers



## Business Characteristics for Growth



Recurring revenue streams

Scalable business models

Attractive cost structures

Strong PE multiples

# Payments

Leveraging an  
Already Strong  
Platform

- Founded as a payments company

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- Trusted, well recognized brand

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- Highly effective solutions valued by our customers

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- Integrated receivables, leveraging existing treasury management solutions augmented by new product innovation

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- Card-based payments and fraud control for small business

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- Payroll, disbursements and ePayments meet the needs of a broad base of customers, both existing and new



# Cloud

Leveraging Existing Vertical Expertise and Expanding Capabilities

- Existing vertical expertise can be leveraged to develop and deliver even more solutions into the market
- Data-driven marketing and other data services through FMCG, Datamyx and other existing capabilities
- Incorporation services, website design and hosting, DIY and DIFM logo design, ecommerce
- Data usage experience with unique data access
- Digital profitability management dashboard for financial institutions
- Bank account switching tools
- Direct and indirect channels
- Other

# Promotional Products

Leveraging Existing Capabilities

- Broad range of existing products
- Web to Print, retail packaging, banners, business forms, etc.
- Personalization of products at scale with quick turnaround and great value
- Products that help businesses manage and promote brands
- Leverage existing sales channels

# Checks

Leveraging Existing Capabilities

- Recognized as a trusted partner and check provider
- Maintain margins, make smart investments to grow market share

# Deluxe Competitive Landscape

Payments	Cloud	Promotional Products	Checks
<ul style="list-style-type: none"> <li>• Fiserv, Fidelity, Jack Henry, Finastra, CSI, FIS, First Data, DH/Fundtech, Pegasystems, Exela Technologies</li> <li>• Paychex, ADP, Paylocity</li> <li>• ePay, Bill.com, Pay Simple, Freshbooks</li> <li>• EZShield, Intersections</li> <li>• PayPal, Zelle, Square, Worldpay, Global Payments</li> <li>• FI &amp; merchant rewards/loyalty players</li> <li>• Bottomline, SPS Commerce</li> <li>• Merchant acquirers</li> </ul>	<ul style="list-style-type: none"> <li>• Cimpress, 123 Print, Zazzle, Digital Room</li> <li>• 1+1, Go Daddy, Web.com, Endurance, Ingram Micro, Odin, Plesk, Wix, Weebly</li> <li>• MailChimp, Cision, Aweber, Sendgrid</li> <li>• Gannett/ReachLocal, HubSpot, Boostability</li> <li>• Haberfeld, Epsilon, Acxiom, Merkle, Harte Hanks, Palantir, Infogroup, LiveRamp</li> <li>• Documentum, FileNet, CGI</li> </ul>	<ul style="list-style-type: none"> <li>• Local Printers</li> <li>• Ennis, RR Donnelley, Quad Graphics, Taylor Corp, Costco, Sam's Club</li> <li>• Office Superstores (Staples, FedEx, Office Depot)</li> <li>• Cimpress, HALO, 4imprint</li> </ul>	<ul style="list-style-type: none"> <li>• Harland Clarke, Main Street</li> <li>• Bradford Exchange, Current, Carousel, Wal-Mart, Costco, Intuit, Cimpress, Ennis, Finastra</li> </ul>

One  
Deluxe

In the future, we will approach the market as

**a Company of Products**

selling ALL of our products to ALL of our customers

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# New Growth Initiatives

Necessary infrastructure investments to scale the business and advance our ability to accelerate revenue growth



- ✓ \$30M to \$60M in each of the next two years (expense and capital items)
- ✓ Investments primarily focused in ERP, CRM, HR and technology areas
- ✓ efficiency savings will be directed towards offsetting some of this investment
- ✓ benefits of investment: eliminate duplicative technologies, single customer view



Transform enterprise-wide culture to be more like a technology company to focus on customers' expectations and deliver solutions that meet their needs, new CRO



Focus on disciplined, meaningful acquisitions



Look to strategic alliances and other third party relationships to enable faster revenue growth and leverage capital investments

# Goals of New Strategy



<p>Expect to deliver \$300M of incremental new net revenue in 2023 after offsetting future check declines – excluding revenue from future acquisitions</p>	<p>Targeting sustained mid-single digit organic revenue growth</p>	<p>Expect to maintain adjusted EBITDA margins in the low-to-mid 20 percent range</p>
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# Financials

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# Revenue Growth & Cash Returned to Shareholders

## Revenue

\$ in millions



	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019**
Cash from Operations	\$214M	\$237M	\$246M	\$264M	\$285M	\$310M	\$319M	\$338M	\$339M	\$325M - \$340M
% of cash returned to shareholders *	25%	32%	32%	38%	41%	39%	36%	36%	36%	n/a

\* Cash provided by operating activities was restated as a result of adoption of Accounting Standards Update 2016-09, Improvements to Employee Share-Based Payment Accounting, in Q1-2016  
 \*\* 2019 Outlook as of April 25, 2019, is not being reaffirmed by inclusion within this presentation and does not assume any new acquisitions in 2019



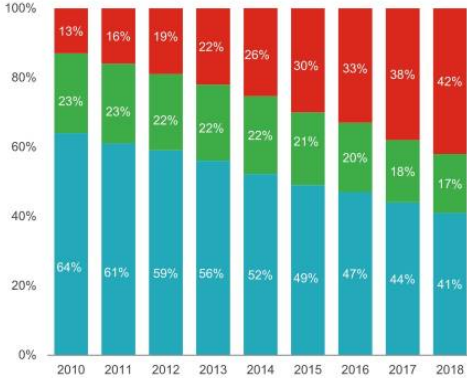
# Historical Segmentation & Product Revenue View

2018 Revenue by Category

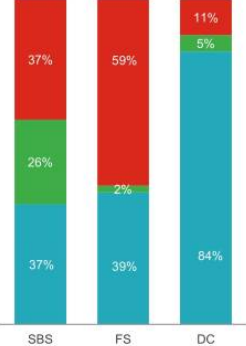
\$ in millions



2018 Revenue Penetration by Category



2018 Revenue by Category/Segment



■ Marketing Solutions & Other Services    
 ■ Forms, Accessories, & Other Products    
 ■ Checks

# 2019 Outlook

		2019 Outlook*	2018 Actual
FULL YEAR	Revenue	\$2.0B - \$2.05B	\$1.998B
	Adjusted Diluted EPS**	\$6.65 - \$6.95	\$6.88
SECOND QUARTER	Revenue	\$490M - \$505M	\$488.2M
	Adjusted Diluted EPS**	\$1.55 - \$1.65	\$1.67

\* Outlook as of April 25, 2019 is not being re-affirmed by reference in this document – no 2019 acquisitions assumed in the 2019 Outlook.

\*\*2019 adjusted diluted EPS outlook does not include the impact of the \$30M - \$60M incremental investment previously outlined in this presentation.

# Summary



# Compelling Investment Opportunity



Leverage existing core competencies and assets to accelerate organic revenue growth



Fundamentally changing how Deluxe goes to market and operates - "One Deluxe" strategy



Plan to compete in four primary areas;

- Payments; Cloud; Promotional Products; and Checks
- Re-invest cash flow from Promotional Products and Checks into Payments and Cloud growth areas



Continue our commitment to responsible management of shareholder assets, delivering ongoing efficiency savings and organic revenue growth while paying a dividend



Expect to deliver revenue of over \$2 billion in 2019, a new all-time revenue record

# DELUXE : Trusted Tech-Enabled Solutions Company



Who We Are



Businesses We're In



Business Strategy



How We Get There

4.8M SB customers  
 4,600 FI customers  
 World-class branded customers  
 180/200 Top FIs  
 1+M SMB websites  
 Proven customer acquisition partner  
 Trusted cost efficient, financially robust company  
 Strong financial structure, low leverage and strong cash flow

Payments	Growth	SMB cash management, including fraud and security Integrated disbursements and receivables
Cloud	Growth	Small FI solutions Hosting and vertical solutions SMB cross sell and data generation engine
Promotional Products	Value	Maintain strong position and cash flow
Checks	Value	Maintain strong position and cash flow

One Deluxe: go to market as one company  
 Focus on B2B initially in North America  
 Leverage 3<sup>rd</sup> party relationships and strategic alliances  
 Adjust pricing strategies for subscriptions and bundling  
 Incorporate agile and technology culture  
 Employee equity ownership

Our Customers: Enterprise, Financial Institutions, Small Businesses

Our Channels: Direct, Telesales, Partners, Resellers, Referrals, Online, Other

# Investor Contacts



**Barry McCarthy**

President and  
Chief Executive Officer



**Keith Bush**

Chief Financial Officer and  
Senior Vice President



**Ed Merritt**

Treasurer and Vice President  
of Investor Relations

Investor Relations  
Tel: 651-787-1370  
[investorrelations@deluxe.com](mailto:investorrelations@deluxe.com)

# APPENDIX

## GAAP TO NON-GAAP RECONCILIATIONS

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# 2018 Adjusted EPS Reconciliation

Reconciliation to reported EPS – Diluted

	1 <sup>st</sup> Quarter 2018	2 <sup>nd</sup> Quarter 2018	3 <sup>rd</sup> Quarter 2018	4 <sup>th</sup> Quarter 2018	Total Year 2018
Reported Diluted EPS	\$1.31	\$1.25	(\$0.67)	\$1.25	\$3.16
Asset impairment charges	0.03	—	1.93	—	1.96
Acquisition amortization	0.27	0.29	0.33	0.35	1.23
Restructuring and integration costs	0.04	0.10	0.09	0.11	0.34
CEO transition costs	—	0.03	0.04	0.04	0.11
Share-based compensation expense	0.06	0.05	0.05	0.05	0.21
Acquisition transaction costs	0.01	0.01	—	0.01	0.02
Certain legal-related expense	—	—	0.03	0.13	0.15
Gain on sales of businesses and customer lists	(0.12)	(0.07)	(0.03)	(0.05)	(0.27)
Loss on debt retirement	0.01	—	—	—	0.01
Impact of federal tax reform	(0.01)	0.01	(0.03)	(0.01)	(0.04)
Adjusted Diluted EPS	\$1.60	\$1.67	\$1.74	\$1.88	\$6.88

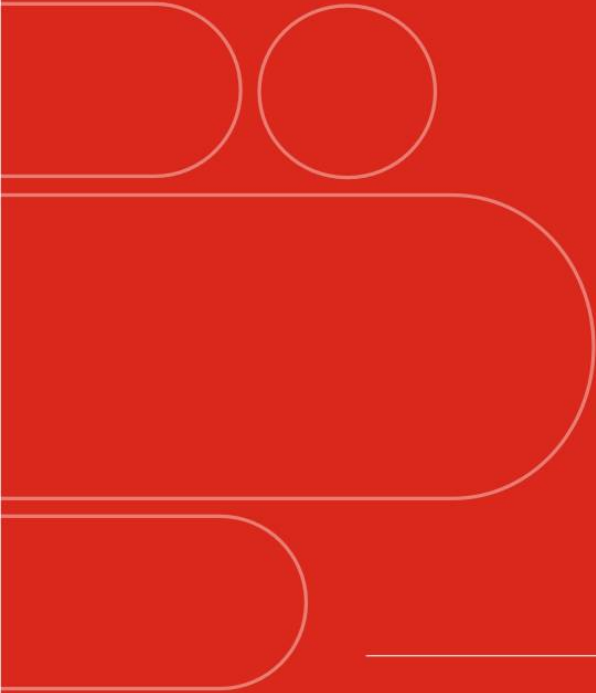


# Revenue Growth Reconciliation

From GAAP to Non-GAAP – Enterprise

Summarized	Q1 2019
Revenue Growth	1.5%
Acquisitions	(5.8%)
Exited Business	0.1%
Other (incl. FX and business day adj.)	1.5%
Adjusted Organic Growth / (Decline)	(2.7%)

Adjusted organic growth/(decline) is provided to assist in understanding the comparability of the Company's revenue growth for the first quarter of 2019. The Company's management believes that adjusted organic revenue growth is a useful financial measure to compare revenue growth excluding acquisitions, divestitures, exited business, foreign exchange effect, extra days and other non-comparable revenue items. This presentation is not intended as an alternative to results reported in accordance with generally accepted accounting principles (GAAP) in the United States. Instead, the Company believes that this information is a useful financial measure to be considered in addition to GAAP performance measures.



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 **DELUXE**

