

**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): September 15, 2020

DELUXE CORPORATION

(Exact name of registrant as specified in its charter)

MN
(State or other jurisdiction
of incorporation)

1-7945
(Commission
File Number)

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

3680 Victoria St. N.
(Address of principal executive offices)

Shoreview MN

55126-2966
(Zip Code)

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

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))

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

Title of each class	Trading symbol(s)	Name of each exchange on which registered
Common stock, par value \$1.00 per share	DLX	NYSE

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 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.

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.

Exhibit Number	Description
99.1	Deluxe Investor Presentation
101.INS	XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover page interactive data file (formatted as Inline XBRL and contained in Exhibit 101)

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: September 15, 2020

DELUXE CORPORATION

/s/ Jeffrey L. Cotter

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

deluxe

Investor Presentation

September 2020



Cautionary Statement

dlx

» This presentation highlights management's intentions, projections, financial estimates or expectations about the company's future strategy or performance and are forward-looking in nature as defined in the Private Securities Litigation Reform Act of 1995. These comments are subject to risks and uncertainties, including risks related to potential continuing negative impacts from pandemic health issues, such as the coronavirus / COVID-19, along with the impact of government stay-at-home orders or other similar directives on our future financial results of operations, our future financial condition, and our ability to continue business activities in affected regions, which could cause our actual results to differ materially from our projections. Additional information about factors that might cause our actual results to differ from projections is contained in the company's Form 10-K for the year ended December 31st, 2019, the Form 10-Q issued on July 31, 2020 and other SEC filings. Any references to non-GAAP financial measures are reconciled to the comparable GAAP financial measures in second quarter 2020 earnings release or other SEC filings.

New Deluxe = Technology Company with Strong Cash Flow

Payments | Cloud Solutions | Promotional Solutions | Checks

dlx



Focus on capital efficient, scalable businesses in growth markets



Powerful reach, sales and distribution channels



Recurring revenue model with long-term relationships



Revenue diversity & reliable cash flow from millions of customers of all sizes across multiple industries

Customers build their businesses on our platforms at all stages of their life cycle ³
Large businesses and/or enterprises to SMB. Reliable cash flow from legacy Check business self-funds growth and returns capital to shareholders.







Leading Market Position With Powerful Scale

dlx



Focus on Profitable, Growth Businesses

dlx

	 Payments High Growth 	 Cloud Solutions Moderate Growth 	Promotional Solutions Modest Growth 	Checks Powerful Cash Generator 
	Treasury Management Solutions <ul style="list-style-type: none"> » Receivables as a service <ul style="list-style-type: none"> » Software » Lockbox » Remote Data Capture » Cash Management Solutions for Small Businesses Payroll Employee Lifecycle Tools	SaaS Solutions <ul style="list-style-type: none"> » Incorporation Services » Logo/Web Design » Digital Marketing » Banker's Dashboard Web Hosting <ul style="list-style-type: none"> » Shared Hosting Services » Managed/Cloud Services » Colocation Services Data-driven Marketing	Brand Building Platform <ul style="list-style-type: none"> » Turn-key branded promo solutions » Business Forms » Accessories » Advertising Specialties » Promotional Apparel » Retail Packaging » PPE 	<ul style="list-style-type: none"> » Printed Checks » Other
	Estimated Market Growth 10-15%	5-10%	Flat to up slightly	4-5% decline

Pre-COVID-19

Deluxe Helps Companies Across Lifecycle

Meaningful cross-sell opportunities

dlx



d|x Comprehensive Go-To-Market Sales Strategy

“One Deluxe” Go-To-Market Approach

Bringing the Best of Deluxe to Every Customer – Unified “Company of Products” Sales Approach



Enterprise Account Model

- Large, long-term contracts
- Financial institutions and major global brands



Cross Sell

- Millions of annual inbound customer contacts buying/re-ordering one product = major cross-sell opportunity for more



Demand Generation

- Improving industry vertical specialization



eCommerce

- Emerging opportunity



Small Business Advisory

- New channel launched in July
- Needs-based selling
- Initially focused on Healthcare vertical



Distribution Partners

- Enhancing current partners
- Adding new partners

Proven Results

- Signed 4 of top 10 deals of last decade in first 2 quarters after launching new sales approach
- Cross Selling via telesales at all-time record after training and offering full catalogue on every call
 - Closed 4 of top 25 targets during Q2 2020 amidst height of COVID
- Resellers and partners sell our products in their existing bundles = low cost acquisition

Payments

High Growth Segment Enabling Businesses Pay and Get Paid

dlx

Our Solutions	Our Scale	Where We Win	Why We Win
 <p>Receivables as a Service Software automation and intelligence plus massive lockbox operations scale</p>	<p>\$2.8T in payments value processed¹</p>	<p>Helping our bank partners and enterprise customers automate \$80B of expense trapped in order-to-cash processes</p>	<ul style="list-style-type: none">» Lockbox as our foundation» Software intelligently matching all payment options in one view» 70 of top 100 banks as partners that use at least one service
 <p>Digital Disbursements Digital payouts and electronic remittance data without friction</p>	<p>\$12.9B in transaction value disbursed</p>	<p>Initial focus on digitizing B2B and B2C one-off payments that represent over \$7T of check payments value</p>	<ul style="list-style-type: none">» Non-disruptive for Payer» Payment choices for Payee» Significant traction in verticals including Health Insurance
 <p>Cash Flow Management Solutions Merchant services, Payroll, Human Capital Management (HCM) and more for SMBs</p>	<p>\$8.6B in payroll value processed²</p>	<p>Deepening small merchant relationships and anchoring with Payroll / HCM to serve 6M SMB employer market</p>	<ul style="list-style-type: none">» Strong bank distribution partners» Investing in next generation self-onboarding technologies» New SMB solutions to come




Payments Continues to Generate Double-Digit Revenue Growth

¹ Includes processed directly in outsourced model and indirectly through partners using our software| ² Includes USD and CAD

Cloud Solutions

Moderate growth segment with offerings to start and manage SMBs & grow Enterprises

dlx

Solutions	Market Growth*	Where we Win	Why We Win?
 <p>SaaS Solutions — DIY and DIFM models. Incorporation, logo, web design services, etc.</p>	+5-10%	SMBs and FIs —increasing need for digital tools and support to effectively setup and manage business operations	<ul style="list-style-type: none"> • Easy to use • Easy to find on-line • Competitively priced • Potential product bundling
 <p>Web Hosting — Online presence supporting commerce</p>	+5-10%	SMBs and Web developers and Internet Providers —significant interest in public cloud coupled with desire for complementary digital customer engagement solutions	<ul style="list-style-type: none"> • Bundled by resellers • Low-cost acquisition
 <p>Data Analytics — Full-service, omni-channel, B2B & B2C marketing</p>	+5%	FIs and Enterprises —shifting to tighter targeting, digital integration, for customer acquisition. Improvement thru new data sources	<ul style="list-style-type: none"> • Sophisticated AI tools • Proprietary Data; bespoke solutions • Pay-for-Performance and/or Pay-For-Service

Relevant Across Full Lifecycle For All DLX Customers

*US provider revenue, pre-COVID-19

Promotional Solutions

dlx

Platform to manage and produce physical products promoting brand image

Market Growth
Flat +



Turn-Key Branded Solutions

- Branded merchandising
- Platform is self-service
- DLX uses platform to provide managed service
- Recurring revenue streams

Where We Win
SMBs, Enterprises, Global Brands



Web Storefronts for branded products

- Customized
- Ease of access
- Reporting insights

Why We Win
Omni-channel distribution; turn-key platform; well-curated selection; rapid innovation



Support Rapidly Changing Mkt Demands

- Rapid prototyping
- Deep sources of supply
- Meet unique needs
- Ease of access
- Reporting insights



Traditional

- Branded forms
- Branded direct mailing pieces
- Branded physical products

10

Every business needs Promotional Products = Easy and Fast Cross-Sell to Existing Customers

Checks

Strategic asset to self fund growth

dlx



Outstanding cash flow self funds growth investments **AND** generates healthy return of capital to shareholders



Lead generation for cost-effective cross-selling other DLX solutions to existing customers



Where We Win: financial institutions and other resellers of all sizes. DLX is growing market share.



Why We Win:

- » Superior Product – appropriate continued investment; design and customization options
- » Superior Service – dedicated customer/account teams
- » Superior Quality – minimal COVID-19 downtime/lost production
- » Trust – 105-year history
- » Balance Sheet – DLX is financially sound driving material competitive advantage

11

Checks will be here a long time. 16 billion written in 2019. Strong future cash flow generation.

Strong Financial Performance Amidst COVID-19 ^{dlx}

Deluxe has a durable business model



Q2 2020 Results

DELIVERING SALES-DRIVEN GROWTH

- » Estimate second consecutive quarter of revenue growth excluding impact of COVID-19
- » Closed 4 of top 25 deals
- » Strong sales momentum evidenced by closing 690 deals with multi-year contracts adding recurring revenue

ADVANCING TRANSFORMATION

- » Reduced real estate footprint by ~30%
- » Resume ERP and Salesforce implementations
- » Other selective projects

IMPROVED FINANCIAL STRENGTH

- » Expanded liquidity
- » Improved free cash flow in first half of 2020 by 13%
- » Declared regular quarterly dividend of \$0.30
- » Expanded Adjusted EBITDA margins by 330 bps vs. Q120
- » Lowest net debt in 2 years

Paid down \$100 million of debt in July

A Compelling Investment Opportunity

Technology Hidden Gem: Payments, Cloud, Promo, Checks

dlx

Who We Are

Trusted Business
Technology™ company

Purpose

*"Champions of business
so communities thrive"*

Values

1. Customers first
2. Earn Trust
3. Create What's Next
4. **Deliver for Shareholders**
5. Get-it-done team

1. **Focus on Optimizing Strong Growth Trends & Recurring Revenue:**

Focused on Payments & Cloud. Long-term contracts. Revenue diversity with customers from many sectors.

2. **Sales-Driven Growth:** Low/mid-single digit growth target. Sustainable, proven new sales engine; soon to be growing at target. Low cost customer acquisition model.

3. **Sustainable Margins:** Low/mid-20s margins. Opportunities to leverage existing scale and more. New tech platforms support future efficiency and growth.

4. **Strong capital return to shareholders:** Great cash flow. Low debt. Recurring revenue model in secular growth businesses, **plus** highly profitable legacy Check business.

5. **New World-Class Team:** Over-hired to position company for significant growth

Targeted, responsible acquisitions = further accretive growth opportunities

The logo for 'deluxe' features the word in a lowercase, sans-serif font. The 'x' is highlighted in red, while the other letters are black. A registered trademark symbol (®) is positioned at the top right of the 'e'. Below the main text, the tagline 'trusted business technology' is written in a smaller, black, lowercase sans-serif font. The background consists of a large, light gray 'X' shape formed by two overlapping triangles, set against a white background.

deluxe®
trusted business technology

deLuxe®

Appendix



Consolidated Condensed Statements of Income (Loss)

*\$ in millions, except per share amounts
(Unaudited)*

	Quarter Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
Product revenue	\$278.7	\$347.1	\$609.4	\$697.6
Service revenue	131.7	146.9	287.4	295.5
Total revenue	410.4	494.0	896.8	993.1
Cost of products	(102.9)	(133.8)	(224.4)	(265.1)
Cost of services	(59.4)	(68.7)	(139.9)	(137.1)
Total cost of revenue	(162.3)	(202.5)	(364.3)	(402.2)
Gross profit	248.1	291.5	532.5	590.9
Selling, general and administrative	(198.5)	(222.4)	(435.8)	(452.5)
Restructuring and integration expense	(20.4)	(17.3)	(38.0)	(22.8)
Asset impairment charges	(4.9)	—	(95.2)	—
Operating income (loss)	24.3	51.8	(36.5)	115.6
Interest expense	(6.1)	(9.2)	(13.2)	(18.5)
Other income	1.8	2.2	6.3	3.9
Income (loss) before income taxes	20.0	44.8	(43.4)	101.0
Income tax provision	(5.1)	(12.2)	(1.9)	(27.2)
Net income (loss)	\$14.9	\$32.6	(\$45.3)	\$73.8
Weighted average dilutive shares	41.9	43.6	42.0	43.8
Diluted earnings (loss) per share	\$0.35	\$0.75	(\$1.10)	\$1.68
Adjusted diluted earnings per share	1.15	1.64	2.24	3.18
Capital expenditures	20.7	17.7	27.1	32.3
Depreciation and amortization expense	26.7	32.5	55.1	64.9
EBITDA	52.8	86.5	24.9	184.4
Adjusted EBITDA	83.8	117.5	167.2	231.2

Segment Information

	Six Months Ended June 30,			
	2020	2019	\$ Better/(Worse)	% Better/(Worse)
<i>\$ in millions (Unaudited)</i>				
Revenue:				
Payments	\$149.2	\$129.3	\$19.9	15.4%
Cloud Solutions	129.9	157.2	(27.3)	-17.4%
Promotional Solutions	260.7	311.4	(50.7)	-16.3%
Checks	357.0	395.2	(38.2)	-9.7%
Total	<u>\$896.8</u>	<u>\$993.1</u>	<u>(\$96.3)</u>	<u>-9.7%</u>
Adjusted EBITDA:				
Payments	\$33.6	\$34.8	(\$1.2)	-3.4%
Cloud Solutions	29.1	36.2	(7.1)	-19.6%
Promotional Solutions	25.1	45.9	(20.8)	-45.3%
Checks	173.4	202.1	(28.7)	-14.2%
Corporate	(94.0)	(87.8)	(6.2)	-7.1%
Total	<u>\$167.2</u>	<u>\$231.2</u>	<u>(\$64.0)</u>	<u>-27.7%</u>
Adjusted EBITDA Margin:				
Payments	22.5%	26.9%	(440) bps	
Cloud Solutions	22.4%	23.0%	(60) bps	
Promotional Solutions	9.6%	14.7%	(510) bps	
Checks	48.6%	51.1%	(250) bps	
Total	18.6%	23.3%	(470) bps	

See appendix for GAAP to Non-GAAP Reconciliations

Reconciliation of GAAP to Non-GAAP Measures

(EBITDA AND ADJUSTED EBITDA)

Management discloses EBITDA and Adjusted EBITDA because it believes they are useful in evaluating the Company's operating performance, as the calculations eliminate the effect of interest expense, income taxes, the accounting effects of capital investments (i.e., depreciation and amortization) and in the case of Adjusted EBITDA, certain items, as presented below, that may vary for companies for reasons unrelated to overall operating performance. In addition, management utilizes Adjusted EBITDA to assess the operating results and performance of the business, to perform analytical comparisons and to identify strategies to improve performance. Management also believes that an increasing EBITDA and Adjusted EBITDA depict an increase in the value of the company. Management does not consider EBITDA and Adjusted EBITDA to be measures of cash flow, as they do not consider certain cash requirements such as interest, income taxes, debt service payments or capital investments. Management does not consider EBITDA or Adjusted EBITDA to be substitutes for operating income or net income. Instead, management believes that EBITDA and Adjusted EBITDA are useful performance measures that should be considered in addition to GAAP performance measures.

(\$ in millions) (Unaudited)	Quarter Ended June 30,		Six Months Ended June 30,	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Net income (loss)	\$14.9	\$32.6	(\$45.3)	\$73.8
Interest expense	6.1	9.2	13.2	18.5
Income tax provision	5.1	12.2	1.9	27.2
Depreciation and amortization expense	<u>26.7</u>	<u>32.5</u>	<u>55.1</u>	<u>64.9</u>
EBITDA	<u>52.8</u>	<u>86.5</u>	<u>24.9</u>	<u>184.4</u>
Asset impairment charges	4.9	—	95.2	—
Restructuring, integration and other costs	20.5	17.7	40.1	24.0
CEO transition costs	0.2	1.9	—	7.4
Share-based compensation expense	5.4	5.4	9.1	8.7
Acquisition transaction costs	—	—	—	0.2
Certain legal-related expense	—	6.0	(2.1)	6.4
Loss on sales of customer lists	—	—	—	<u>0.1</u>
Adjusted EBITDA	<u>\$83.8</u>	<u>\$117.5</u>	<u>\$167.2</u>	<u>\$231.2</u>

Reconciliation of GAAP to Non-GAAP Measures

ADJUSTED DILUTED EPS

By excluding the impact of non-cash items or items that may not be indicative of ongoing operations, management believes that Adjusted Diluted EPS provides useful comparable information to assist in analyzing the Company's current and future operating performance. As such, Adjusted Diluted EPS is one of the key financial performance metrics used to assess the operating results and performance of the business and to identify strategies to improve performance. It is reasonable to expect that one or more of the excluded items will occur in future periods, but the amounts recognized may vary significantly. Management does not consider Adjusted Diluted EPS to be a substitute for GAAP performance measures, but believes that it is a useful performance measure that should be considered in addition to GAAP performance measures.

\$ in millions (Unaudited)	Quarter Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
Net income (loss)	\$14.9	\$32.6	(\$45.3)	\$73.8
Asset impairment charges	4.9	—	95.2	—
Acquisition amortization	13.7	18.8	28.4	37.8
Restructuring, integration and other costs	20.5	17.7	40.1	24.0
CEO transition costs	0.2	1.9	—	7.4
Share-based compensation expense	5.4	5.4	9.1	8.7
Acquisition transaction costs	—	—	—	0.2
Certain legal-related expense	—	6.0	(2.1)	6.4
Loss on sales of customer lists	—	—	—	0.1
Adjustments, pre-tax	44.7	49.8	170.7	84.6
Income tax provision impact of pre-tax adjustments ⁽¹⁾	(11.2)	(10.9)	(30.3)	(18.9)
Adjustments, net of tax	33.5	38.9	140.4	65.7
Adjusted net income	48.4	71.5	95.1	139.5
Income allocated to participating securities	—	—	(0.1)	(0.2)
Re-measurement of share-based awards classified as liabilities	—	(0.1)	(0.8)	—
Adjusted income available to common shareholders	\$48.4	\$71.4	\$94.2	\$139.3
GAAP Diluted EPS	\$0.35	\$0.75	(\$1.10)	\$1.68
Adjustments, net of tax	0.80	0.89	3.34	1.50
Adjusted Diluted EPS ⁽²⁾	\$1.15	\$1.64	\$2.24	\$3.18

Notes:

⁽¹⁾ The tax effect of the pretax adjustments considers the tax treatment and related tax rate(s) that apply to each adjustment in the applicable tax jurisdiction(s). Generally, this results in a tax impact that approximates the U.S. effective tax rate for each adjustment. However, the tax impact of certain adjustments, such as asset impairment charges, share-based compensation expense and CEO transition costs, depends on whether the amounts are deductible in the respective tax jurisdictions and the applicable effective tax rate(s) in those jurisdictions.

⁽²⁾ The total of weighted-average shares and potential common shares outstanding used in the calculation of adjusted diluted EPS for the six months ended June 30, 2020 was 132 thousand shares higher than that used in the GAAP diluted loss per share calculation. Because of the net loss in the first half of 2020, the GAAP calculation excluded a higher number of share-based compensation awards that were antidilutive.

dlx

Free Cash Flow

*\$ in millions, except per share amounts
(Unaudited)*

	Six Months Ended June 30,	
	2020	2019
Net cash provided by operating activities	\$109.7	\$105.1
Purchases of capital assets	<u>(27.1)</u>	<u>(32.3)</u>
Free cash flow	<u>\$82.6</u>	<u>\$72.8</u>

Management believes that free cash flow is an important indicator of cash available for debt service and for shareholders, after making capital investments to maintain or expand the Company's asset base. Free cash flow is limited and not all of the Company's free cash flow is available for discretionary spending, as the Company may have mandatory debt payments and other cash requirements that must be deducted from its cash available for future use. Free cash flow is not a substitute for GAAP liquidity measures. Instead, management believes that this measurement provides an additional metric to compare cash generated by operations on a consistent basis and to provide insight into the cash flow available to fund items such as share repurchases, dividends, mandatory and discretionary debt reduction and acquisitions or other strategic investments.

