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**PAR reports solid 3Q 2024 results with ~25% organic ARR growth and the achievement of adj. EBITDA positivity; closed the sale of Rome Research during the quarter, which completes the divestiture of PAR Government resulting in the company becoming a pure-play restaurant technology platform; close coverage, as of today's market bell**

- This morning, before the market open, PAR reported ~41% top-line growth to ~\$96.8 million (compared with consensus of ~\$92.1 million), including ~25% organic annual recurring revenue (ARR) growth (which, on annualized basis, now stands at ~\$248 million). More importantly, the company achieved a key milestone/inflection point in its journey to profitability by generating adj. EBITDA of \$2.4 million (as compared with a \$6.6 million loss in the prior period and consensus of \$0.6 million) in 3Q 2024. Adjusted EPS improved to a loss of \$0.09 (from a \$0.35 loss in 3Q 2023 and the consensus loss forecast of \$0.21).
- Notably, the company also closed the sale of Rome Research Corp. (announced in June 2024 along with the sale of its PGSC to Booz Allen Hamilton), which completes the divestiture of PAR's Government segment.
- In that context, with shares trading toward the higher-end of our bull/bear valuation scenarios in today's trading (see Exhibit #1 on page 2) and the company's transformation into a pure-play restaurant technology platform now complete we prefer to maintain a disciplined approach and focus our attention on names that better fit our broader "value plus catalyst" approach.
- As such, we will close coverage of PAR Technology Corp. (PAR), as of today's market close.
- For context, shares of PAR have appreciated ~41% (outperforming the S&P 500 by ~10% and the Russell 2000 by ~29.5%) since our initial recommendation in December 2021.

## UPDATE

### PAR Technology Corporation NYSE: PAR

Publication Date:  
November 8, 2024

Price: \$66.53/share

Market capitalization: ~\$2.5B

Restaurant/Retail: \$72/share

Recurring: \$69/share  
Non-recurring: \$3/share

**Government: Sold for \$102 million or ~\$3 per share in June 2024**

Net Debt & Other: (\$7/share)

**SOTP: \$62/share \***

\*SOTP may not add due to rounding

*(See the report dated 12/21/2021 and updates from 5/11/2022, 5/11/2023, 10/5/2023 and 6/10/2024 for more info.)*

NOTE: This publication could be considered as advocating for corporate restructurings. Authors select companies for this report based on the potential for a future value-unlocking transaction. In many cases, these companies have or could come under activist investor pressure, media scrutiny, or general market speculation that a spin-off or asset sale is possible.



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# Exhibit #1 PAR Technology: Sum-of-the-Parts Fair Value Estimate

(\$ in millions, except per share figures)

	<u>Restaurant/ Retail</u>	<u>Government</u>	<u>Enterprise Value</u>	<u>Net Debt</u>	<u>Market Cap</u>
<b>2025E Revenue</b>	<b>\$404.2</b>	-			
Revenue growth est.	17.2%	-			
<b>2026E Revenue</b>	<b>\$473.9</b>	-			
EBITDA margin	<u>39.4%</u>	=			
<b>2025E EBITDA</b>	<b>\$25.2</b>	-		<b>(\$350.9)</b>	
Applied multiple	<u>5.5x</u>	=		<b>1.0x</b>	
<b>Enterprise value</b>	<b>\$2,623.1</b>	-	<b>\$2,623.1</b>	<b>(\$350.9)</b>	<b><u>\$2,272.2</u></b>
Diluted shares	<u>36.6</u>	=		<u>36.6</u>	<u>36.6</u>
<b>Per share basis</b>	<b>\$71.60</b>	-		<b>(\$9.58)</b>	<b>\$62.02</b>
Bull	\$84.54	-		(\$9.58)	\$74.96
Base	\$71.60	-		(\$9.58)	\$62.02
Bear	\$58.67	-		(\$9.58)	\$49.09

Source: Company reports, Bloomberg, and Institutional Research Group estimates.