Priority Technology Holdings, Inc. Announces Successful Completion of Debt Refinance

May 21, 2024

ALPHARETTA, Ga.--(BUSINESS WIRE)--May 21, 2024-- Priority Technology Holdings, Inc. (NASDAQ: PRTH) ("Priority" or the "Company"), the platform for unified commerce that delivers integrated payments and banking services at scale, today announced the successful completion of its debt refinance. The refinancing included the payoff of approximately $170 million of preferred equity and reduces the cost of the outstanding debt by 100 basis points.

As part of the transaction, Priority issued a new $835 million term loan and established a new $70 million revolving line of credit. The loan proceeds were used to refinance and reprice its existing $653 million term loan due April 2027 and redeem approximately $170 million of preferred equity leaving $110 million of preferred equity outstanding. The refinancing transaction was completed through a new credit agreement. Following this transaction, PRTH anticipates having a net leverage ratio of approximately 4.5x based.

Tim O'Leary, Chief Financial Officer, commented, "We are pleased with the overwhelmingly positive response from our existing lenders as well as new lenders who supported Priority in our refinancing. We achieved a 100 basis point reduction in our borrowing rate while diversifying our investor base and extending the term loan maturity to May 2031. The net effect of the refinancing and preferred equity redemption will increase our free cash flow by over $5.5 million while increasing net income available to common shareholders by nearly $20 million on an annualized basis. The new debt agreement also provides flexibility for Priority to continue to execute on our Unified Commerce vision with a goal of delivering strong shareholder value."

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Source: Priority Technology Holdings, Inc.