

PEER BENCHMARKING

Northlake Payments, Inc.

NASDAQ: NLKP · Embedded Payments / Fintech

As of June 30, 2026

PEER BENCHMARKING · PAYMENTS · COMPARABLE-BASIS

Relative value

14.7x

EV / GROSS PROFIT

the comparable metric
vs 14.1x primary median

+4%

VS PRIMARY MEDIAN

on EV/Gross-Profit
cheapest growth-adjusted

54%

GROSS-VS-NET TRAP

Clarity 'cheaper' on EV/Rev
...1 turn apart on EV/GP

+4% / -9%

THE READ, A RANGE

with / without the
gross-reporting comp

Payments companies do not report revenue on the same basis. A **principal** grosses interchange and network fees it never keeps into revenue; an **agent** reports net. So **EV/Revenue is not comparable across this group** — it makes gross reporters look artificially cheap. **EV/Gross-Profit is basis-invariant** (interchange inflates revenue and cost of revenue equally, leaving gross profit untouched), so it is the metric we rank on. EV/Revenue is shown for context only, flagged where the basis differs.

Company	Basis	Rev (TTM)	Gross mgn	EV/Rev	EV/Gross Profit	Growth
Northlake Payments NLKP	Net	\$104M	58%	8.5x	14.7x	+18%
Pyramid Pay Holdings PYRA	Net	\$175M	62%	11.8x	19.0x	+22%
Clarity Payment Systems CLRT	Gross	\$255M	28%	3.9x	14.1x	+12%
Vantage Processing Group VNTG · closest analog	Net	\$46M	52%	7.0x	13.3x	+8%
Meridian Global Payments MERID · reference (excl. median)	Net	\$2,600M	62%	14.2x	23.0x	+9%
Harbor Financial HARBR · excluded	Bank	—	—	—	n/a	+6%

Primary-peer median EV/Gross-Profit 14.1x (Pyramid / Clarity / Vantage). Meridian is a reference large-cap — it sets the industry bar but is excluded from the median (you do not apply a \$37B processor's multiple to a \$0.9B company). Harbor is a bank charter with no gross-profit line, so no margin or EV/GP can be sourced — it is excluded rather than assigned a constructed number.

GROSS-TO-NET NORMALIZATION

The basis trap — why EV/Revenue lies here

Clarity looks 54% cheaper than Northlake on EV/Revenue (3.9x vs 8.5x) — and it is a mirage. Clarity reports as a **principal**, grossing interchange it never keeps into revenue, which inflates its denominator and collapses its optical multiple. Normalize to **EV/Gross-Profit** and the two are **within one turn** (14.1x vs 14.7x). The 'discount' was a revenue-recognition artifact, not value — which is exactly why the ranked column is EV/Gross-Profit.

ON THE COMPARABLE METRIC

Where Northlake screens

On **EV/Gross-Profit**, Northlake trades at **14.7x** — a **+4% premium to the 14.1x primary-peer median**. On the raw multiple it is roughly fairly valued, a shade rich. Two adjustments change the read. **(1) Growth**. Northlake grows net revenue 18% versus a 12% primary-peer median; on a growth-adjusted basis (EV/Gross-Profit per point of growth) it is the **cheapest of the set**. **(2) The premium comp**. Pyramid trades 19.0x — 4.3 turns richer — on faster growth (22%) and higher margin. The re-rate case is not that Northlake is mispriced today; it is **convergence toward Pyramid** as the integrated mix keeps lifting growth and margin. Each turn of EV/Gross-Profit is ~\$2.13/share; closing to Pyramid is ~\$9/share (~28%), roughly the analyst upside.

Robustness check	Result	The honest read
Primary median (3 peers)	14.1x	Northlake +4% — slight premium
Ex the gross reporter (Clarity)	16.2x	Northlake -9% — the gross reporter's derived gross profit is the least-certain input
EV/Revenue bridge	warr. 8.2x	median EV/GP x own margin = warranted EV/Rev; Northlake trades 8.5x, ~+4% — ties to the EV/GP read

The read, stated as a range: Northlake screens between a ~4% premium and a ~9% discount to its primary comps on EV/Gross-Profit, depending on whether the gross-reporting peer is included — i.e. roughly fairly valued, and the **cheapest of the set once you adjust for its faster growth**. The re-rate is earned by sustaining the mix shift toward Pyramid's profile, not by a discount waiting to close.

How to use this in a meeting: lead with the comparable metric, not the optical one. When a prospect points to a lower-EV/Revenue peer (Clarity), the answer is the gross-to-net bridge — on the metric that survives the basis difference, the gap is a turn, not a discount. Northlake is the cheapest *growth-adjusted* way to own high-margin integrated-payments compounding, on a clean balance sheet.

EXPENSE THE CAPITALIZED-SOFTWARE DEFERRAL BACK THROUGH

Forensic normalization — apples-to-apples

Reported EBITDA is not comparable until every name is on the same accounting. A peer that **capitalizes** software development defers that cost off the income statement, flattering EBITDA today; a peer that **expenses** it as incurred does not. Northlake capitalizes \$0 — the conservative baseline. Below, each peer's capitalized-software is expensed back through, and the flattered margins normalize down toward Northlake's honest, fully-expensed basis.

Company	Basis	Reported GM	Reported EBITDA mgn	Norm. EBITDA mgn	The read
Northlake Payments NLKP	Net	58%	21%	21%	Capitalizes \$0 — EBITDA unchanged; the conservative baseline
Pyramid Pay Holdings PYRA	Net	62%	24%	15%	\$15M cap. software expensed back: 24% → 15%
Clarity Payment Systems CLRT	Gross	28%	13%	9%	\$10M cap. software expensed back: 13% → 9%
Vantage Processing Group VNTG	Net	52%	20%	11%	\$4M cap. software expensed back: 20% → 11%
Meridian Global Payments MERID · reference	Net	62%	30%	26%	\$112M cap. software expensed back: 30% → 26% — still the margin leader
Harbor Financial HARBR · excluded	Bank	n/a	n/a	n/a	Bank charter — no gross-profit line to normalize

On reported EBITDA margin Northlake's ~21% looks middling — Pyramid 24%, Meridian 30%. But Northlake is the **only** name here that capitalizes nothing and reports on a net basis. Expense every peer's capitalized-software deferral back through and the ranking inverts: **Pyramid 24%→15.4%, Clarity 13%→9%, Vantage 20%→11%**, and only Meridian stays above Northlake. Northlake's 21% is not middling — it is a genuine, fully-expensed margin, and most of the peer 'edge' was an accounting deferral that evaporates after normalization.

SBC dilution flag. As a share of gross profit, stock-based comp runs Northlake 6.6%, Pyramid 11.0%, Clarity 11.3%, Vantage 20.8%, Meridian 3.7%. Northlake buys its growth with modestly **less** equity than its direct comps (behind only the mega-cap Meridian) — the normalized margin is not being rented from shareholders.

FIVE WEIGHTED EFFICIENCY RANKS, ONE 0-100 COMPOSITE

Capital efficiency & value scorecard (CFA lens)

90.0

COMPOSITE SCORE

of 100 · #1 of 5
most capital-efficient**3 of 5**

BEST-IN-SET RANKS

tops the growth-efficiency
trio (SBC · EV/GP · capex)**3.0x**

HEAVIEST WEIGHT

on growth per EV/GP turn
efficiency tied to price**GP / head**

SOFT SPOT

#3 of 5
the one lagging metric

A comp answers 'what multiple does the market pay?'; it does not answer 'is the company **earning** that multiple?' This scorecard ranks the non-excluded peers on five capital-efficiency ratios, weights them, and returns a single 0-100 composite. It is deliberately **rank-based** — the five inputs live on different scales, so each is put on the same 1-to-5 footing before the weights apply. It runs on the **normalized** EBITDA from the prior section, so the efficiency read is already apples-to-apples.

Company	Composite	EBITDA conversion	Gross profit / employee	Growth per \$M SBC	Growth per EV/GP turn	Volume growth per \$M capex
Northlake Payments NLKP	90.0	4	3	5	5	5
Pyramid Pay Holdings PYRA	67.5	2	4	4	4	2.5
Clarity Payment Systems CLRT	48.5	3	1	2	3	2.5
Meridian Global Payments MERID	48.0	5	5	1	1	1
Vantage Processing Group VNTG	46.0	1	2	3	2	4

Rank within the set on each metric (5 = best of 5; higher is better). Composite = weighted blend of the five ranks, normalized to 0-100. Weights — EBITDA conversion 2.0; Gross profit / employee 1.5; Growth per \$M SBC 2.0; Growth per EV/GP turn 3.0; Volume growth per \$M capex 1.5. Growth per EV/GP turn carries the heaviest weight because it is the one metric that ties efficiency directly to price.

The read: NLKP composite efficiency score: 90.0/100 — #1 of 5 after forensic normalization. It ranks best in the set on Growth per \$M SBC, Growth per EV/GP turn and Volume growth per \$M capex. Its weakest metric is Gross profit / employee. NLKP is the most capital-efficient name in the set; whether that efficiency is priced depends on where it trades relative to the group — the scorecard establishes the efficiency, the multiple table tests the price.

HOW THE SELL-SIDE ACTUALLY CLEARS THESE NAMES

Forward valuation — EV/Rev • EV/EBITDA • EV/EPS

The trailing snapshot values the business on what it has already earned; the Street clears a payments name on the **forward** numbers, because the whole thesis for an inflecting model is that next year does not look like last year. Same EV in the numerator, **consensus estimates** in the denominator, carried out two years. EV/Revenue carries the same gross-vs-net caveat as before — the earnings multiples are the ones that survive it.

Company	EV/Rev NTM	EV/EBITDA NTM	EV/EPS NTM	EV/Rev NTM+1	EV/EBITDA NTM+1	EV/EPS NTM+1
Northlake Payments NLKP	7.5x	34.2x	50.5x	6.6x	27.8x	40.1x
Pyramid Pay Holdings PYRA	9.9x	39.8x	33.5x	8.3x	32.3x	26.3x
Clarity Payment Systems CLRT	3.5x	26.3x	21.8x	3.2x	22.7x	17.6x
Vantage Processing Group VNTG	6.4x	32.0x	20.1x	5.9x	29.1x	17.0x
Meridian Global Payments MERID	13.1x	43.0x	33.9x	12.0x	38.9x	28.7x
Peer median	8.1x	35.9x	27.6x	7.1x	30.7x	22.0x
Northlake disc. / (prem.)	+7%	+5%	(83%)	+7%	+10%	(83%)

EV/EBITDA and EV/EPS are shown as **NM** (Not Meaningful) when forward earnings sit near break-even — there the ratio measures proximity to zero, not valuation, so it is withheld rather than printed as an absurd multiple. No name in this set trips that flag. Parentheses () denote a **premium** to the peer median; the peer median excludes Northlake and any NM value.

The read: NLKP trades at 7.5x NTM EV/Revenue against a peer median of 8.1x — a 7% discount on the cleanest forward comparable in the set (revenue is the one horizon no name here renders NM). This is the forward read the trailing snapshot cannot show. Where its earnings base IS meaningful: NTM EV/EBITDA 34.2x (5% discount); NTM+1 EV/EBITDA 27.8x (10% discount); NTM EV/EPS 50.5x (83% PREMIUM); NTM+1 EV/EPS 40.1x (83% PREMIUM). The EV/EPS premium is a low-earnings-base artefact, not a rich valuation: forward EPS sits near a growth-stage trough (D&A; and SBC fall below the EBITDA line), which is why EV/EPS looks dear while EV/EBITDA and EV/Revenue do not — weight the EBITDA and revenue reads over EV/EPS here. The discount holds roughly flat into NTM+1 (7% discount), so the forward catch-up is already largely reflected in the price.

THREE LENSES, READ TOGETHER

The one-line read

Northlake screens at a ~4% premium on trailing gross profit, a ~7% discount on forward (NTM) revenue, and #1 of 5 on capital efficiency. The three do not say the same thing — and that is the point. On the trailing multiple it is a shade rich; on the forward numbers the Street already hands it a discount; on how efficiently it converts capital into growth it is the best name in the set. The re-rate case rests on reading the three together — a fully-expensed, capital-efficient compounder the market has not yet paid for — not on any single multiple in isolation.