UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2025 or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

COMMISSION FILE NUMBER 001-35872

EVERTEC, Inc.
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

Puerto Rico	**66-0783622**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. employer identification number)**
Cupey Center Building, Road 176, Kilometer 1.3, San Juan, Puerto Rico	**00926**
(Address of principal executive offices)	**(Zip Code)**

(787) 759-9999
(Registrant's telephone number, including area code)

Not applicable
(Former name, former address and former fiscal year, if changed since last report)

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, $0.01 par value per share	EVTC	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer", "accelerated filer", "smaller reporting company", and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
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. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Indicate the number of shares outstanding of each of the issuer’s classes of common stock, as of the latest practicable date.

At May 1, 2025, there were 63,614,077 outstanding shares of common stock of EVERTEC, Inc.

TABLE OF CONTENTS

FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q (this "Report") contains "forward-looking statements" within the meaning of, and subject to the protection of, the Private Securities Litigation Reform Act of 1995. We intend such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). All statements other than statements of historical fact contained in this Report, including, without limitation, statements regarding our position as a leader within our industry; our future results of operations and financial position; our business strategies; objectives of management for future operations, including, among others, statements regarding our expected growth, international expansion and future capital expenditures; the impact of market conditions and other macroeconomic factors on our business, financial condition and results of operations; the timing and declaration of future dividends; the sufficiency of our cash and cash equivalents; our future capital expenditures and debt service obligations; and the expectations, anticipated benefits of and costs associated with acquisitions, are forward-looking statements.

Words such as "believes," "expects," "anticipates," "intends," "projects," "estimates," and "plans" and similar expressions of future or conditional verbs such as "will," "should," "would," "may," and "could" or the negatives of these terms or variations of them or similar terminology are generally forward-looking in nature and not historical facts. Readers are cautioned that any such forward-looking statements are not guarantees of future performance and may involve significant risks and uncertainties, and that actual results may vary materially from those in the forward-looking statements as a result of various factors. Among the factors that significantly impact our business and could impact our business in the future are:

- our reliance on our relationship with Popular, Inc. ("Popular") for a significant portion of our revenues pursuant to our second Amended and Restated Master Services Agreement ("A&R MSA") with them, and as it may impact our ability to grow our business;
- our ability to renew our client contracts on terms favorable to us, including but not limited to the current term and any extension of the A&R MSA with Popular and Amended and Restated Independent Sales Organization Sponsorship and Services Agreement (the "A&R ISO Agreement") with Banco Popular;
- our reliance on our information technology systems, employees and certain suppliers and counterparties, and certain failures or disruptions in those systems or chains could materially adversely affect our operations;
- the risk of security breaches or other confidential data theft from our systems;
- our ability to recruit, retain and develop qualified personnel;
- fraud by merchants or others;
- the credit risk of our merchant clients, for which we may also be liable;
- our use of artificial intelligence ("AI") and machine learning tools and the evolving regulatory framework governing such technology;
- a decreased client base due to consolidations and/or failures in the financial services industry;
- our ability to comply with existing and future rules and regulations in the jurisdictions in which we operate;
- a reduction in consumer confidence, whether as a result of a global economic downturn or otherwise, which leads to a decrease in consumer spending;
- our dependence on payment card network or other network rules, standards or fees;
- the geographical concentration of our business in Puerto Rico, including our business with the government of Puerto Rico and its instrumentalities, which are facing fiscal challenges and the effects of potential natural disasters;
- risks associated with our presence in international markets, including global political, social and economic instability;
- operating an international business in Latin America, Puerto Rico and the Caribbean, in jurisdictions with potential political and economic instability;
- the impact of exposure to foreign exchange fluctuations and capital controls on our costs, earnings and the value of some of our assets; our ability to protect our intellectual property rights against infringement and to defend ourselves against potential intellectual property infringement claims and the potential impact on our business of such claims, whether or not correct;
- the possibility that we could lose our preferential tax rate in Puerto Rico;

- the possibility that we may not realize the anticipated benefits of our merger with Sinqia;
- the effect of purchases of our common stock pursuant to our stock repurchase plan on the value of our common stock; and
- the impact of our leverage on our ability to raise additional capital, that our leverage may limit our ability to react to changes in the economy or our industry, expose us to interest rate risk and prevent us from meeting our obligations with respect to our substantial indebtedness, and that we and our subsidiaries may be able to incur significant additional indebtedness, which could further increase such risks.

The forward-looking statements in this Report are only predictions. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our business, financial condition and results of operations. These forward-looking statements are subject to a number of important factors that could cause actual results to differ materially from those in the forward-looking statements, and should, therefore, be considered in light of various factors, including those set forth under Part 1, Item 1A. "Risk Factors," in our Annual Report on Form 10-K for the year ended December 31, 2024 filed with the Securities and Exchange Commission (the "SEC") on March 3, 2025 and in Part I, Item 2."Management's Discussion and Analysis of Financial Condition and Results of Operations" and elsewhere in this Report, as may be updated in our subsequent filings with the SEC. These forward-looking statements speak only as of the date of this Report, and, except as may be required by law, we do not undertake any obligation to publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date of this Report or to reflect the occurrence of unanticipated events. Additionally, certain information we may disclose (either herein or elsewhere) is informed by the expectations of various stakeholders or third-party frameworks and, as such, may not necessarily be material for purposes of our filings under U.S. federal securities laws, even if we use "material" or similar language in discussing such matters.

WHERE YOU CAN FIND MORE INFORMATION

All reports we file with the SEC are available free of charge via the Electronic Data Gathering Analysis and Retrieval (EDGAR) System on the SEC's website at www.sec.gov. We also provide copies of our SEC filings at no charge upon request and make electronic copies of our reports available for download through our website at www.evertecinc.com as soon as reasonably practicable after filing such material with the SEC.

EVERTEC, Inc. Unaudited Condensed Consolidated Balance Sheets
(In thousands, except share information)

	March 31, 2025	December 31, 2024
Assets		
Current Assets:		
Cash and cash equivalents	$ 265,864	$ 273,645
Restricted cash	24,198	24,594
Accounts receivable, net	159,237	137,501
Settlement assets	33,572	31,942
Prepaid expenses and other assets	72,214	61,383
Total current assets	555,085	529,065
Debt securities available-for-sale, at fair value	816	913
Equity securities, at fair value	5,251	4,976
Investments in equity investees	30,966	29,472
Property and equipment, net	64,156	62,059
Operating lease right-of-use asset	10,394	10,131
Goodwill	752,626	726,901
Other intangible assets, net	437,104	430,885
Deferred tax asset	39,097	33,877
Derivative asset	1,728	4,338
Other long-term assets	20,278	24,994
Total assets	$ 1,917,501	$ 1,857,611
Liabilities and stockholders' equity		
Current Liabilities:		
Accrued liabilities	$ 111,604	$ 124,553
Accounts payable	69,197	58,729
Contract liability	21,720	25,274
Income tax payable	13,701	8,981
Current portion of long-term debt	23,867	23,867
Current portion of operating lease liability	5,834	6,229
Settlement liabilities	33,648	32,027
Total current liabilities	279,571	279,660
Long-term debt	919,957	925,062
Deferred tax liability	44,833	44,810
Contract liability - long term	56,231	55,003
Operating lease liability - long-term	5,711	4,924
Derivative liability	3,870	1,351
Other long-term liabilities	22,212	27,540
Total liabilities	1,332,385	1,338,350
Commitments and contingencies (Note 14)		
Redeemable non-controlling interests	40,022	43,460
Stockholders' equity		
Preferred stock, par value $0.01; 2,000,000 shares authorized; none issued	—	—
Common stock, par value $0.01; 206,000,000 shares authorized; 64,028,083 shares issued and outstanding as of March 31, 2025 (December 31, 2024 - 63,614,077)	640	636
Additional paid-in capital	4,322	7,003
Accumulated earnings	629,130	599,608
Accumulated other comprehensive loss, net of tax	(91,996)	(134,723)
Total stockholders' equity	542,096	472,524
Non-redeemable non-controlling interest	2,998	3,277
Total equity	545,094	475,801
Total liabilities and equity	$ 1,917,501	$ 1,857,611

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

EVERTEC, Inc. Unaudited Condensed Consolidated Statements of Income and Comprehensive Income (Loss)
(In thousands, except per share information)

	Three months ended March 31,	
	2025	2024
Revenues	$ 228,792	$ 205,318
Operating costs and expenses		
Cost of revenues, exclusive of depreciation and amortization	114,609	102,448
Selling, general and administrative expenses	36,210	35,626
Depreciation and amortization	28,473	34,441
Total operating costs and expenses	179,292	172,515
Income from operations	49,500	32,803
Non-operating income (expenses)		
Interest income	3,251	3,360
Interest expense	(16,988)	(19,939)
Loss on foreign currency remeasurement	(833)	(4,456)
Earnings from equity investees	2,077	1,071
Other income, net	220	3,840
Total non-operating expenses	(12,273)	(16,124)
Income before income taxes	37,227	16,679
Income tax expense	4,136	292
Net income	33,091	16,387
Less: Net income attributable to non-controlling interest	388	408
Net income attributable to EVERTEC, Inc.'s common stockholders	32,703	15,979
Other comprehensive income (loss), net of tax of $(1,194), and $157		
Foreign currency translation adjustments	46,711	(26,476)
(Loss) gain on cash flow hedges	(3,992)	2,348
Unrealized gain (loss) on change in fair value of debt securities available-for-sale	8	(3)
Other comprehensive income (loss), net of tax	$ 42,727	$ (24,131)
Total comprehensive income (loss) attributable to EVERTEC, Inc.'s common stockholders	$ 75,430	$ (8,152)
Net income per common share - basic attributable to EVERTEC, Inc.'s common stockholders	$ 0.51	$ 0.25
Net income per common share - diluted attributable to EVERTEC, Inc.'s common stockholders	$ 0.50	$ 0.24

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

EVERTEC, Inc. Unaudited Condensed Consolidated Statements of Changes in Stockholders' Equity
(In thousands, except share information)

	Number of Shares of Common Stock	Common Stock	Additional Paid-in Capital	Accumulated Earnings	Accumulated Other Comprehensive Income (loss)	Non-Controlling Interest (excluding Redeemable Non-Controlling Interest)	Total Stockholders' Equity
Balance at December 31, 2024	63,614,077	$ 636	$ 7,003	$ 599,608	$ (134,723)	$ 3,277	$ 475,801
Share-based compensation recognized	—	—	7,249	—	—	—	7,249
Restricted stock units delivered	414,006	4	(8,710)	—	—	—	(8,706)
Net income (loss)	—	—	—	32,703	—	(120)	32,583
Cash dividends on common stock, $0.05 per share	—	—	—	(3,181)	—	—	(3,181)
Adjustment of redeemable noncontrolling interest to redemption value	—	—	(1,220)	—	—	—	(1,220)
Other comprehensive income (loss)	—	—	—	—	42,727	(159)	42,568
Balance at March 31, 2025	64,028,083	$ 640	$ 4,322	$ 629,130	$ (91,996)	$ 2,998	$ 545,094

	Number of Shares of Common Stock	Common Stock	Additional Paid-in Capital	Accumulated Earnings	Accumulated Other Comprehensive Income (loss)	Non-Controlling Interest (excluding Redeemable Non-Controlling Interest)	Total Stockholders' Equity
Balance at December 31, 2023	65,450,799	$ 654	$ 36,527	$ 538,903	$ 18,209	$ 4,115	$ 598,408
Share-based compensation recognized	—	—	7,349	—	—	—	7,349
Repurchase of common stock	(1,516,793)	(15)	(30,943)	(39,042)	—	—	(70,000)
Restricted stock units delivered	474,953	5	(9,761)	—	—	—	(9,756)
Net income	—	—	—	16,497	—	(110)	16,387
Cash dividends on common stock, $0.05 per share	—	—	—	(3,273)	—	—	(3,273)
Adjustment of redeemable noncontrolling interest to redemption value	—	—	(3,172)	—	—	—	(3,172)
Excise tax on repurchase of common stock	—	—	—	(550)	—	—	(550)
Other comprehensive income	—	—	—	—	(24,131)	(23)	(24,154)
Balance at March 31, 2024	64,408,959	$ 644	$ —	$ 512,535	$ (5,922)	$ 3,982	$ 511,239

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

EVERTEC, Inc. Unaudited Condensed Consolidated Statements of Cash Flows (In thousands)

	Three months ended March 31,	
	2025	2024
Cash flows from operating activities		
Net income	33,091	16,387
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	28,473	34,441
Amortization of debt issue costs and accretion of discount	1,113	1,874
Operating lease amortization	1,736	1,810
Unrealized loss (gain) on change in fair value of equity securities	163	(2,325)
Deferred tax benefit	(5,482)	(5,720)
Share-based compensation	7,249	7,349
Earnings of equity investees	(2,077)	(1,071)
Loss on foreign currency remeasurement	833	4,456
Other, net	(1,662)	797
(Increase) decrease in assets:		
Accounts receivable, net	(18,465)	(14,756)
Prepaid expenses and other assets	(9,403)	130
Other long-term assets	5,072	(1,484)
(Decrease) increase in liabilities:		
Accrued liabilities and accounts payable	(2,468)	(6,304)
Income tax payable	4,039	(3,347)
Contract liability	(3,354)	8,721
Operating lease liabilities	(1,398)	(4)
Other long-term liabilities	183	(252)
Total adjustments	4,552	24,315
Net cash provided by operating activities	37,643	40,702
Cash flows from investing activities		
Additions to software and other intangible assets	(15,868)	(16,494)
Property and equipment acquired	(6,407)	(5,389)
Purchase of equity securities	(49)	(111)
Net cash used in investing activities	(22,324)	(21,994)
Cash flows from financing activities		
Acquisition of redeemable non-controlling interest	(5,167)	—
Withholding taxes paid on share-based compensation	(8,706)	(9,756)
Net borrowings under Revolving Facility	—	80,000
Dividends paid	(3,181)	(3,273)
Repurchase of common stock	—	(70,000)
Repayment of long-term debt	(5,967)	(5,967)
Settlement activity, net	1,146	(4,727)
Other financing activities, net	(5,670)	(7,354)
Net cash used in financing activities	(27,545)	(21,077)
Effect of foreign exchange rate on cash, cash equivalents and restricted cash	5,195	(3,768)
Net decrease in cash, cash equivalents, restricted cash and cash included in settlement assets	(7,031)	(6,137)
Cash, cash equivalents, restricted cash and cash included in settlement assets at the beginning of the period	314,649	343,724
Cash, cash equivalents, restricted cash, and cash included in settlement assets at end of the period	$ 307,618	$ 337,587

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

Notes to Unaudited Condensed Consolidated Financial Statements

Note 1 – The Company and Basis of Presentation

The Company

EVERTEC, Inc. and its subsidiaries (collectively the "Company" or "EVERTEC") is a leading full-service transaction processing business and financial technology provider in Latin America and the Caribbean. The Company is based in Puerto Rico and provides a broad range of merchant acquiring, payment processing and business process management services across 26 countries in the region. EVERTEC owns and operates the ATH network, which we believe is one of the leading personal identification number ("PIN") debit networks in the Caribbean and Latin America. In addition, EVERTEC provides a comprehensive suite of services for core bank processing and cash processing in Puerto Rico and technology outsourcing in the regions the Company serves. EVERTEC serves a broad and diversified customer base of leading financial institutions, merchants, corporations, and government agencies with solutions that are essential to their operations, enabling them to issue, process and accept transactions securely.

Basis of Presentation

The unaudited condensed consolidated financial statements of EVERTEC have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") and in accordance with the instructions to Form 10-Q and Article 10 of Regulation S-X. The preparation of the accompanying unaudited condensed consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the unaudited condensed consolidated financial statements. Actual results could differ from these estimates.

Certain information and note disclosures normally included in the financial statements prepared in accordance with GAAP have been condensed or omitted from these statements pursuant to the rules and regulations of the Securities and Exchange Commission and, accordingly, these unaudited condensed consolidated financial statements should be read in conjunction with the Audited Consolidated Financial Statements of the Company for the year ended December 31, 2024, included in the Company's 2024 Annual Report on Form 10-K. In the opinion of management, the accompanying unaudited condensed consolidated financial statements, prepared in accordance with GAAP, contain all adjustments necessary for a fair presentation. Intercompany accounts and transactions are eliminated in consolidation. Certain amounts from prior periods have been reclassified to conform to the current period presentation.

Change in presentation

During the second quarter of 2024, the Company elected to change the manner in which it presents cash flows associated with settlement activities from operating activities to financing activities within the condensed consolidated statements of cash flows. In connection with this change, the Company reclassified comparative amounts for the three-month period ended March 31, 2024. Settlement cash and cash equivalents represents cash received from agents, payment networks, bank partners, merchants or direct consumers. In certain cases, the amounts may be invested into short-term, highly liquid investments from the time the funds are collected until payments are made to the applicable recipients. This change does not have an impact on the condensed consolidated balance sheet, the condensed consolidated statement of income and comprehensive income (loss) or on the condensed consolidated statement of changes in stockholders' equity.

The following table presents the effects of the change in presentation within the condensed consolidated statements of cash flows:

	For the three months ended March 31, 2024		
(In Thousands)	As Previously Reported	Adjustment	As Adjusted
Cash flows from operating activities:			
Accrued liabilities and accounts payable	(11,031)	4,727	(6,304)
Net cash provided by operating activities	35,975	4,727	40,702
Cash flows from financing activities:			
Settlement activities, net	—	(4,727)	(4,727)
Net cash used in financing activities	(16,350)	(4,727)	(21,077)

Note 2 – Business Acquisition

On October 31, 2024, the Company signed and closed an agreement to acquire 100% of the share capital of Grandata, Inc ("Grandata"). Grandata is a data analytics company operating in Mexico that specializes in leveraging behavioral data to provide credit risk insights, with a focus on underbanked populations. The aggregate purchase price was $33.3 million and the acquisition enhances the Company's existing product offerings. The Company accounted for this transaction as a business combination and, in accordance with ASC 805-10-25-15, the Company is allowed a period, not to exceed 12 months from the acquisition date, to adjust the provisional amounts recognized for a business combination. The preliminary purchase price allocation is as follows:

(In thousands)	**Assets/Liabilities (at fair value)**
Cash and cash equivalents	9,862
Accounts receivable, net	2,701
Prepaid expenses and other assets	836
Preliminary goodwill	13,771
Other intangible assets, net	18,310
Total assets acquired	45,480
Accounts payable	5,676
Accrued liabilities	604
Income tax payable	837
Deferred tax liability	5,044
Total liabilities assumed	12,161
Additional paid-in capital	33,319
Total liabilities and equity	45,480

The following table details the major groups of intangible assets acquired and the weighted average amortization period for these assets:

(Dollar amounts in thousands)		**Amount**	**Weighted-average life**
Customer relationships	$	11,900	15
Trademark		1,440	3
Software packages		4,970	5
Total	$	18,310	11

On November 19, 2024, the Company signed and closed an agreement to acquire 100% of the share capital of Nubity, Inc ("Nubity"). Nubity is a cloud services provider based in Mexico, specializing in AWS cloud infrastructure management, DevOps, and cloud-native application solutions for clients across Latin America. The aggregate purchase price was $11.0 million and the acquisition enhances the Company's existing product offering.

The Company accounted for this transaction as a business combination and, in accordance with ASC 805-10-25-15, the Company is allowed a period, not to exceed 12 months from the acquisition date, to adjust the provisional amounts recognized for a business combination. The Company received net assets with a value of $0.3 million and identified intangible assets other than goodwill for which a portion of the purchase price must be allocated. The purchase price was allocated to the following intangible assets: $4.4 million to customer relationships and $0.4 million to trademarks. Goodwill in connection with this transaction is preliminarily estimated at approximately $7.4 million, after recording deferred tax liabilities of approximately $1.4 million in connection with the intangible assets recognized.

The following table details the major groups of intangible assets acquired and the weighted average amortization period for these assets:

(Dollar amounts in thousands)	Amount	Weighted-average life
Customer relationships	$ 4,370	15
Trademark	365	3
Total	$ 4,735	14

Goodwill in connection with both acquisitions is attributable to the Latin America Payments and Solutions segment, refer to Note 4- *Goodwill and Other Intangible Assets* for further details. None of the goodwill is deductible for income tax purposes.

The results of operations for both Grandata and Nubity were not material to the Company's consolidated statement of income and comprehensive income (loss) for the quarter ended March 31, 2025.

Note 3 – Property and Equipment, net

Property and equipment, net consisted of the following:

(Dollar amounts in thousands)	Useful life in years	March 31, 2025	December 31, 2024
Buildings	30	$ 2,174	$ 2,105
Data processing equipment	3 - 5	196,362	189,172
Furniture and equipment	3 - 10	10,917	10,413
Leasehold improvements	5 -10	5,238	5,059
		214,691	206,749
Less - accumulated depreciation and amortization		(152,059)	(146,185)
Depreciable assets, net		62,632	60,564
Land		1,524	1,495
Property and equipment, net		$ 64,156	$ 62,059

Depreciation and amortization expense related to property and equipment for the three month period ended March 31, 2025 amounted to $5.4 million, compared to $5.7 million for the corresponding period in 2024.

Note 4 – Goodwill and Other Intangible Assets

The changes in the carrying amount of goodwill, allocated by reporting unit, were as follows (see Note 15):

(In thousands)	Payment Services - Puerto Rico & Caribbean	Latin America Payments and Solutions	Merchant Acquiring, net	Business Solutions	Total
Balance at December 31, 2024	$ 160,972	$ 387,798	$ 138,121	$ 40,010	$ 726,901
Measurement period adjustment for prior year acquisitions	—	519	—	—	519
Foreign currency translation adjustments	—	25,206	—	—	25,206
Balance at March 31, 2025	$ 160,972	$ 413,523	$ 138,121	$ 40,010	$ 752,626

Goodwill is tested for impairment on an annual basis as of August 31, or more often if events or changes in circumstances indicate there may be impairment. The Company may test for goodwill impairment using a qualitative or a quantitative analysis. In a qualitative analysis, the Company assesses whether it is "more likely than not" that the fair value of a reporting unit is less than its carrying amount. In the quantitative analysis, the Company compares the estimated fair value of the reporting units to their carrying values, including goodwill. The Company performed as of August 31, 2024 a quantitative assessment for the Latin America Payments and Solutions reporting unit and a qualitative assessment for the Payments Services - Puerto Rico & Caribbean, Merchant Acquiring, net and Business Solutions reporting units. No impairment losses were recognized based on the assessment performed for the periods ended March 31, 2025 or 2024.

The carrying amount of other intangible assets at March 31, 2025 and December 31, 2024 was as follows:

(Dollar amounts in thousands)	Useful life in years	March 31, 2025 Gross amount	Accumulated amortization	Net carrying amount
Customer relationships	5 - 20	$ 545,873	$ (384,878)	$ 160,995
Trademarks	3 - 15	86,998	(51,265)	$ 35,733
Software packages	3 - 10	532,546	(294,697)	$ 237,849
Non-compete agreement	5	3,431	(904)	$ 2,527
Other intangible assets, net		$ 1,168,848	$ (731,744)	$ 437,104

(Dollar amounts in thousands)	Useful life in years	December 31, 2024 Gross amount	Accumulated amortization	Net carrying amount
Customer relationships	5 - 20	$ 533,203	$ (374,474)	$ 158,729
Trademarks	3 - 15	84,008	(48,204)	35,804
Software packages	3 - 10	515,404	(281,550)	233,854
Non-compete agreement	5	3,194	(696)	2,498
Other intangible assets, net		$ 1,135,809	$ (704,924)	$ 430,885

Amortization expense related to other intangibles for the three month period ended March 31, 2025 amounted to $23.0 million, compared to $28.8 million corresponding period in 2024.

The estimated amortization expense of the other intangible balances outstanding at March 31, 2025, for the remainder of 2025 and the years thereafter is as follows:

(In thousands)	
Remaining 2025	$ 62,692
2026	84,226
2027	73,326
2028	57,571
2029	42,722
Thereafter	116,567

Note 5 – Debt and Short-Term Borrowings

Debt at March 31, 2025 and December 31, 2024 was as follows:

(In thousands)	March 31, 2025	December 31, 2024
2027 Term A Loan bearing interest at a variable interest rate (SOFR plus applicable margin[1][2])	$ 420,889	$ 426,602
2030 Term B Loan bearing interest at a variable interest rate (SOFR plus applicable margin[1][3])	522,935	522,327
Deferred consideration from business combinations	6,189	9,895
Note payable due on September 1, 2030[1]	6,637	6,519
Total debt	$ 956,650	$ 965,343

(1) Net of unaccreted discount and unamortized debt issue costs, as applicable.
(2) Subject to a minimum rate ("SOFR floor") of 0.00% plus applicable margin of 2.00% at March 31, 2025 and December 31, 2024.
(3) Subject to a SOFR floor of 0.50% plus applicable margin of 2.75% at March 31, 2025 and December 31, 2024.

Secured Credit Facilities

On December 1, 2022, EVERTEC and EVERTEC Group, entered into a credit agreement with a syndicate of lenders and Truist Bank, as administrative agent and collateral agent, providing for a $415.0 million term loan A facility (the "TLA Facility") that matures on December 1, 2027, and a $200.0 million revolving credit facility (the "Revolving Facility") that matures on December 1, 2027 (the "Credit Agreement"). On October 30, 2023, EVERTEC and EVERTEC Group entered into a first amendment to the Credit Agreement with a syndicate of lenders and Truist, as administrative agent and collateral agent, providing for (i) additional term A loans in the amount of $60.0 million and a new tranche of term loan B commitments in the amount of $600.0 million maturing October 30, 2030 (the "TLB Facility"). On May 16, 2024 and November 26, 2024, EVERTEC and EVERTEC Group entered into second and third amendments to its Credit Agreement, each providing for a pricing reduction to its TLB Facility. Unless otherwise indicated, the terms and conditions detailed below apply to both TLA Facility and TLB Facility (together, the "Term Loan Facilities").

At March 31, 2025, the unpaid principal balance of the TLA Facility and TLB Facility were $423.6 million and $540.0 million, respectively. The additional borrowing capacity for the Revolving Facility at March 31, 2025 was $193.9 million, considering letters of credit issued. The Company issues letters of credit against the Revolving Facility which reduce the additional borrowing capacity of the Revolving Facility.

Deferred Consideration from Business Combinations

As part of the Company's merger and acquisition activities, the Company may enter into agreements by which a portion of the purchase price is financed directly by the seller. At March 31, 2025 and December 31, 2024, the unpaid principal balance of these agreements amounted to $6.2 million and $9.9 million, respectively. Obligations bear interest at rates ranging from 6.2% to 12.95% with maturities ranging from October 2025 through March 2027. The current portion of the deferred consideration is included in accounts payable and the long-term portion is included in other long-term liabilities on the Company's unaudited condensed consolidated balance sheet.

Note Payable

In September 2023, EVERTEC Group entered into a non-interest bearing financing agreement amounting to $10.1 million to purchase software and maintenance which the Company recorded on a discounted basis using an implied interest of 6.9%. As of March 31, 2025, the outstanding principal balance of the note payable on a discounted basis was $6.5 million. The current portion of the note is included in accounts payable and the long-term portion is included in other long-term liabilities on the Company's unaudited condensed consolidated balance sheet.

Interest Rate Swaps

As of March 31, 2025, the Company has three interest rate swap agreements which convert a portion of the interest rate payments on the Company's Facilities from variable to fixed. The interest rate swaps are used to hedge the market risk from changes in interest rates corresponding with the Company's variable rate debt. The interest rate swaps are designated as cash flow hedges and are considered highly effective. Cash flows from the interest rate swaps are included in the accrued liabilities and accounts payable line item in the Company's unaudited condensed consolidated statements of cash flows. Changes in the fair value of the interest rate swaps are recognized in other comprehensive income (loss) until the gains or losses are reclassified to earnings. Gains or losses reclassified to earnings are presented within interest expense in the accompanying condensed consolidated statements of income and comprehensive income (loss).

Swap Agreement	Effective date	Maturity Date	Notional Amount	Variable Rate	Fixed Rate
2023 Swap	November 2024	December 2027	$250 million	1-month SOFR	3.375%
2024 Swap	March 2024	October 2027	$150 million	1-month SOFR	4.182%
2024 Swap	March 2024	October 2027	$150 million	1-month SOFR	4.172%

At March 31, 2025, the carrying amount of the derivatives included on the Company's unaudited condensed consolidated balance sheet was an asset of $1.7 million and a liability of $3.9 million. At December 31, 2024, the carrying amount of the derivatives was an asset of $4.3 million and a liability of $1.4 million. The fair value of these derivatives are estimated using Level 2 inputs in the fair value hierarchy on a recurring basis. Refer to Note 8 - *Equity* for disclosure of gains (losses) recorded on cash flow hedging activities.

During the three month period ended March 31, 2025, the Company reclassified gains of $0.7 million, from accumulated other comprehensive income (loss) into interest expense compared to gains of $1.7 million for the corresponding period in 2024. Based on expected SOFR rates, the Company expects to reclassify losses of $0.9 million from accumulated other comprehensive loss into interest expense over the next 12 months.

Note 6 – Financial Instruments and Fair Value Measurements

Recurring Fair Value Measurements

The following table presents assets and liabilities measured at fair value on a recurring basis at March 31, 2025 and December 31, 2024:

	March 31, 2025				December 31, 2024			
(In thousands)	Level 2	Level 3	Measured at NAV	Total	Level 2	Level 3	Measured at NAV	Total
Financial assets:								
Debt securities AFS	$ 1,815	$ —	$ —	$ 1,815	$ 1,807	$ —	$ —	$ 1,807
Equity securities	—	—	5,251	5,251	—	—	4,976	4,976
Interest rate swaps	1,728	—	—	1,728	4,338	—	—	4,338
Financial liabilities:								
Interest rate swaps	3,870	—	—	3,870	1,351	—	—	1,351

Debt Securities Available for Sale ("AFS")

Costa Rica government obligations are held by a trust in the Costa Rica National Bank as a collateral requirement for settlement activities. The Company may substitute securities as needed but must maintain certain levels of collateral based on transaction volumes. No debt securities were purchased, sold or matured during the three month periods ended March 31, 2025 or 2024. A provision for credit losses was not required for either March 31, 2025 or 2024.

The fair value of debt securities is estimated based on observable inputs through corroboration with market data at the measurement date, therefore classified as a Level 2 asset within the fair value hierarchy.

Interest rate swaps

The fair value of the Company's interest rate swaps are estimated using Level 2 inputs under the fair value hierarchy. Refer to Note 5 - *Debt and Short-term Borrowings* for additional information related to the derivative instruments.

Equity Securities Measured at Net Asset Value (NAV)

At March 31, 2025 and 2024, the Company holds mutual funds classified as equity securities on the Company's unaudited condensed consolidated balance sheet that are measured at fair value using the NAV per share, or its equivalent, as a practical expedient. Mutual funds consist of investments in venture capital strategies and start-ups with a focus on privately held technology companies. The NAV is based on the fair value of the underlying net assets owned by the mutual funds and the relative interest of each participating investor in the fair value of the underlying assets.

Financial assets and liabilities not measured at fair value

The following table presents the carrying value and estimated fair value for financial instruments at March 31, 2025 and December 31, 2024:

	March 31, 2025		December 31, 2024	
(In thousands)	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial liabilities:				
2027 Term A Loan Facility	$ 420,889	$ 424,663	$ 426,602	$ 433,890
2030 Term B Loan Facility	$ 522,935	$ 541,350	$ 522,327	$ 545,400

The fair value of the term loans at March 31, 2025 and December 31, 2024 was obtained using prices provided by third party service providers. Their pricing is based on various inputs such as market quotes, recent trading activity in a non-active market or imputed prices. These inputs are considered Level 3 inputs under the fair value hierarchy. Also, the pricing may include the use of an algorithm that could take into account movements in the general high yield market, among other variants. The secured term loans are not accounted for at fair value in the balance sheet.

Note 7 – Redeemable Noncontrolling Interests

At March 31, 2025, redeemable noncontrolling interests ("RNCI") consist of interests in consolidated subsidiaries for which the Company has entered into separate option contracts by which the Company has the right to purchase the remaining non-controlling interests through a call option and the non-controlling interest holder has the right to sell the non-controlling interest to the Company through a put option.

The following table summarizes the terms of the issued options:

	Percentage of redeemable noncontrolling interest	Earliest exercise date	Formula of redemption value
Rosk Software S.A.	49%	March 15, 2026	Variable multiple of gross sales dependent upon EBITDA margin attained times percentage of ownership
Compliasset Software e Solucoes Digitais LTDA.	40%	March 15, 2026	Variable multiple of net sales dependent upon EBITDA margin attained plus working capital, plus net debt times percentage of ownership
Lote45 Participacoes S.A.	48%	January 1, 2027	Variable multiple of net sales dependent upon EBITDA margin attained plus net debt minus BRL$10.0 million times percentage of ownership

Given certain provisions within the option contracts, the Company has classified the RNCI as mezzanine equity on the Company's unaudited condensed consolidated balance sheets. RNCI are adjusted quarterly, if necessary, to their estimated redemption value. Adjustments to the redemption value impact stockholders' equity. The following table presents changes in RNCI:

(In thousands)	Redeemable noncontrolling interests	
	March 31, 2025	December 31, 2024
Beginning balance	$ 43,460	$ 36,968
Net income attributable non-controlling interests	510	2,535
Acquisition of shares from non-controlling interest	(7,276)	—
Adjustment of redeemable non-controlling interests to redemption value	3,329	6,596
Dividends declared on redeemable non-controlling interests	—	(2,898)
Distributions from redeemable non-controlling interests	—	(294)
Foreign currency translation adjustments	(1)	553
Ending balance	$ 40,022	$ 43,460

During the quarter ended March 31, 2025, the Company purchased the remaining interest of approximately 40% in Homie Do Brasil Informatica. This transaction did not result in a change in control and was accounted for as an equity transaction, with a $1.0 million increase to additional paid-in capital reflected on the Company's condensed consolidated balance sheet for the difference between the carrying value of the redeemable noncontrolling interest at the date of purchase and the consideration paid. The payment of $5.2 million for the acquisition of the redeemable noncontrolling interest is classified as financing activity within the condensed consolidated statements of cash flows.

Note 8 – Equity

Accumulated Other Comprehensive Loss

The following table provides a summary of the changes in the balances of accumulated other comprehensive loss for the three months ended March 31, 2025:

(In thousands)	Foreign Currency Translation Adjustments	Cash Flow Hedges	Unrealized Gains (Losses) on Debt Securities AFS	Total
Balance - December 31, 2024, net of tax	$ (138,004)	$ 3,262	$ 19	$ (134,723)
Other comprehensive income (loss) before reclassifications	46,711	(3,260)	8	43,459
Effective portion reclassified to net income	—	(732)	—	(732)
Balance - March 31, 2025, net of tax	$ (91,293)	$ (730)	$ 27	$ (91,996)

Share Repurchase

On March 6, 2024, the Company entered into an accelerated share repurchase agreement (the "ASR") with Bank of America, N.A. to repurchase an aggregate of $70 million of the Company's common stock, par value $0.01 per share. In connection with the launch of the ASR, on March 8, 2024, the Company paid Bank of America, N.A., an aggregate of $70 million and received approximately 1.5 million shares of the Company's common stock. On July 9, 2024, the Company completed the ASR transaction. In connection with the settlement of the ASR, the Company received 467,362 shares, in addition to the 1,516,793 shares received in March of 2024. No cash was exchanged as part of the settlement of the ASR. All of the shares received as part of the ASR were retired.

Note 9 – Share-based Compensation

Long-term Incentive Plan ("LTIP")

During the three months ended March 31, 2023, 2024 and 2025, the Compensation Committee (the "Compensation Committee") of the Company's Board of Directors ("Board") approved grants of restricted stock units ("RSUs") to executives and certain employees pursuant to the 2023 LTIP, 2024 LTIP and 2025 LTIP, respectively, all under the terms of the Company's 2022 Equity Incentive Plan. Under the LTIPs, the Company granted RSUs to eligible participants as time-based awards and/or performance-based awards.

The vesting of the RSUs is dependent upon service and/or performance conditions as defined in the award agreements. Employees that received time-based awards with service conditions are entitled to receive a specific number of shares of the Company's common stock on the vesting date if the employee provides services to the Company through the vesting date. Time-based awards generally vest over a period of three years in substantially equal installments commencing on the grant date and ending on February 24 of each year for the 2023 LTIP, February 28 of each year for the 2024 LTIP and February 28 of each year for the 2025 LTIP. In 2023, the Company also granted time-based awards with a three year service vesting period which will cliff vest on February 24, 2026.

For the performance-based awards under the 2023 LTIP, 2024 LTIP, and 2025 LTIP, the Compensation Committee established adjusted earnings before interest, income taxes, depreciation and amortization ("Adjusted EBITDA") as the primary performance measure while maintaining focus on total shareholder return through the use of a market-based total shareholder return ("TSR") performance modifier. The Adjusted EBITDA measure is based on annual Adjusted EBITDA targets and can result in a payout between 0% and 200%, depending on the performance level. The TSR modifier adjusts the shares earned based on the Adjusted EBITDA performance upwards or downwards (+/- 25%) based on the Company's relative TSR at the end of the three-year performance period as compared to the companies in the Russell 2000 Index. The Adjusted EBITDA performance measure will be calculated for the one-year period commencing on January 1 of the year of the grant and ending on December 31 of the same year, relative to the goals set by the Compensation Committee for this same period. The shares earned will be subject to an additional two-year service vesting period and will vest on February 24, 2026 for the 2023 LTIP and February 28, 2027 for the 2024 LTIP and February 28, 2028 for the 2025 LTIP. Unless otherwise specified in the award agreement, or in an employment agreement, awards are forfeited if the employee voluntarily ceases to be employed by the Company prior to vesting.

The following table summarizes nonvested RSUs activity for the three months ended March 31, 2025:

Nonvested RSUs	Shares	Weighted-average grant date fair value
Nonvested at December 31, 2024	2,004,264	$ 38.71
Granted	791,002	39.50
Vested	(643,710)	40.24
Forfeited	(44,881)	40.46
Nonvested at March 31, 2025	2,106,675	$ 38.51

For the three months ended March 31, 2025, the Company recognized $7.2 million of share-based compensation expense, compared with $7.3 million for the corresponding period in 2024.

As of March 31, 2025, the maximum unrecognized cost for RSUs was $61.2 million. The cost is expected to be recognized over a weighted average period of 2.1 years.

Note 10 – Revenues

Disaggregation of Revenue

The Company disaggregates revenue from contracts with customers into primary geographical markets, nature of the products and services, and timing of transfer of goods and services. The Company's operating segments are determined by the nature of the products and services the Company provides and the primary geographical markets in which the Company operates. Revenue disaggregated by segment is discussed in Note 15 - *Segment Information.*

In the following tables, revenue for each segment, excluding intersegment revenues, is disaggregated by timing of revenue recognition for the periods indicated.

	Three months ended March 31, 2025				
(In thousands)	Payment Services - Puerto Rico & Caribbean	Latin America Payments and Solutions	Merchant Acquiring, net	Business Solutions	Total
Timing of revenue recognition					
Products and services transferred at a point in time	$ 58	$ 1,766	$ —	$ 4,260	$ 6,084
Products and services transferred over time	37,241	76,514	47,649	61,304	$ 222,708
	$ 37,299	$ 78,280	$ 47,649	$ 65,564	$ 228,792

	Three months ended March 31, 2024				
(In thousands)	Payment Services - Puerto Rico & Caribbean	Latin America Payments and Solutions	Merchant Acquiring, net	Business Solutions	Total
Timing of revenue recognition					
Products and services transferred at a point in time	$ 32	$ 557	$ —	$ 2,475	$ 3,064
Products and services transferred over time	33,912	69,590	43,099	55,653	202,254
	$ 33,944	$ 70,147	$ 43,099	$ 58,128	$ 205,318

Revenue concentration with a single customer, Popular, as a percentage of total revenues for the quarters ended March 31, 2025 and 2024 was approximately 31% for both periods. Accounts receivable from Popular at March 31, 2025 and December 31, 2024 amounted to $46.4 million and $37.5 million, respectively.

Contract Balances

Contract assets of the Company arise when the Company has a contract with a customer for which revenue has been recognized (i.e., goods or services have been transferred), but the customer payment is subject to a future event (i.e., satisfaction of additional performance obligations). Contract assets will be considered a receivable when the rights to consideration of the Company become unconditional (i.e., the Company has a present right to payment). Contract assets at March 31, 2025 and December 31, 2024 amounted to $11.5 million and $11.4 million, respectively. The current portion of contract assets is recorded as part of prepaid expenses and other assets, and the long-term portion is included in other long-term assets in the unaudited condensed consolidated balance sheets.

Contract liability and Contract liability- long term, at March 31, 2025 amounted to $21.7 million and $56.2 million, respectively. Contract liability and Contract liability- long term, at December 31, 2024 amounted to $25.3 million and $55.0 million, respectively. Contract liability is mainly comprised of upfront fees for implementation or set up activities, including fees invoiced in pre-production periods in connection with hosting services, as well as amounts related to contracts entered into concurrently with the close of the sale to Popular of certain assets in exchange for 4.6 million shares of EVERTEC common stock in fiscal year 2022. Contract liability may also arise when consideration is received or due in advance from customers prior to performance. During the three month period ended March 31, 2025, the Company recognized revenue of $10.4 million that was included in the contract liability at December 31, 2024. During the three month period ended March 31, 2024, the Company recognized revenue of $7.8 million that was included in the contract liability at December 31, 2023.

Transaction price allocated to the remaining performance obligations

Revenues from recurring transaction-based and processing services represent the majority of the Company's total revenue. The Company recognizes revenues from recurring transaction-based and processing services over time at the amounts in which the Company has right to invoice, which corresponds directly to the value to the customer of the Company's performance completed to date.

The Company has elected to apply the practical expedient permitted under ASC 606, when applicable. Under this practical expedient, the Company is not required to disclose information about remaining performance obligations if the performance obligation is part of a contract with an original expected duration of one year or less or if the Company recognizes revenue at the amount to which it has a right to invoice. The Company also applies the practical expedient for variable consideration when the variable consideration is allocated entirely to a wholly unsatisfied performance obligation or to a wholly unsatisfied promise to transfer a distinct good or service that forms part of a single performance obligation.

For contracts excluded from the application of the practical expedients noted above, the estimated aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially satisfied at March 31, 2025 was $711.8 million, which is expected to be recognized over the next 5 years.

Note 11 – Current Expected Credit Losses

Allowance for Current Expected Credit Losses

Trade receivables from contracts with customers are financial assets analyzed by the Company under the expected credit loss model. To measure expected credit losses, trade receivables are grouped based on shared risk characteristics (i.e., the relevant industry sector and customer's geographical location) and days past due (i.e., delinquency status), while considering the following:

- Customers in the same geographical location share similar risk characteristics associated with the macroeconomic environment of their country.
- The Company has two main industry sectors: private and governmental. The private pool is comprised mainly of leading financial institutions, merchants and corporations, while the governmental pool is comprised of government agencies. The governmental customers possess different risk characteristics than private customers because although all invoices are due 30 days after issuance, governmental customers usually pay within 60 to 90 days after issuance.
- The expected credit loss rate is likely to increase as receivables move to older aging buckets. The Company used the following aging categories to estimate the risk of delinquency status: (i) 0 days past due; (ii) 1-30 days past due; (iii) 31-60 days past due; (iv) 61-90 days past due; and (v) over 90 days past due.

The credit losses of the Company's trade receivables have been historically low and most balances are collected within one year. Therefore, the Company determined that the expected loss rates should be calculated using the historical loss rates adjusted by macroeconomic factors. The historical rates are calculated for each of the aging categories used for pooling trade receivables. To determine the collected portion of each bucket, the collection time of each trade receivable is identified, to estimate the proportion of outstanding balances per aging bucket that ultimately will not be collected. This is used to determine the expectation of losses based on the history of uncollected trade receivables once the specific past due period is surpassed. The historical rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of customers to settle the receivables by applying a country risk premium as the forward-looking macroeconomic factor. Specific reserves are established for certain customers for which collection is doubtful.

Rollforward of the Allowance for Expected Current Credit Losses

The following table provides information about the allowance for expected current credit losses on trade receivables for the three months ended March 31, 2025 and the year ended December 31, 2024:

(In thousands)	March 31, 2025	December 31, 2024
Balance at beginning of period	$ 2,856	$ 4,010
Current period provision for expected credit losses	317	921
Write-offs	(53)	(2,088)
Recoveries of amounts previously written-off	—	13
Balance at end of period	$ 3,120	$ 2,856

The Company does not have a delinquency threshold for writing-off trade receivables. The Company has a formal process for the review and approval of write-offs.

Impairment losses on trade receivables are presented as net impairment losses within cost of revenue, exclusive of depreciation and amortization in the unaudited condensed consolidated statements of income and comprehensive income (loss). Subsequent recoveries of amounts previously written-off, when applicable, are credited against the allowance for expected current credit losses within accounts receivable, net on the unaudited condensed consolidated balance sheets.

Note 12 – Income Tax

The components of income tax expense for the three months ended March 31, 2025 and 2024, respectively, consisted of the following:

	Three months ended March 31,	
(In thousands)	2025	2024
Current tax provision	$ 9,618	$ 6,012
Deferred tax benefit	(5,482)	(5,720)
Income tax expense	$ 4,136	$ 292

The Company conducts operations in Puerto Rico, the United States, and certain countries in Latin America. As a result, the income tax expense includes the effect of taxes paid to the government of Puerto Rico as well as foreign jurisdictions. The following table presents the components of income tax expense for the three months ended March 31, 2025 and 2024, and its segregation based on location of operations:

(In thousands)	Three months ended March 31, 2025	2024
Current tax provision		
Puerto Rico	$ 1,193	$ 606
United States	504	90
Foreign countries	7,921	5,316
Total current tax provision	$ 9,618	$ 6,012
Deferred tax benefit		
Puerto Rico	$ (3,346)	$ (3,659)
United States	(84)	(9)
Foreign countries	(2,052)	(2,052)
Total deferred tax benefit	$ (5,482)	$ (5,720)

Taxes payable to foreign countries by EVERTEC's subsidiaries are paid by such subsidiary and the corresponding liability and expense will be presented in EVERTEC's consolidated financial statements.

As of March 31, 2025, the Company had $172.8 million of unremitted earnings from foreign subsidiaries, compared to $165.2 million as of December 31, 2024. The Company has not recognized a deferred tax liability on undistributed earnings for the Company's foreign subsidiaries because these earnings are intended to be indefinitely reinvested.

As of March 31, 2025, the gross deferred tax asset amounted to $84.8 million and the gross deferred tax liability amounted to $84.1 million, compared to $74.3 million and $79.9 million, respectively, as of December 31, 2024. As of March 31, 2025, and December 31, 2024, there is a valuation allowance against the gross deferred tax asset of approximately $6.5 million and $5.3 million, respectively.

The Company estimates that it is reasonably possible that the liability for uncertain tax position created from acquisitions in foreign jurisdictions will decrease by approximately $2.4 million in the next 12 months as a result of the expiration of the statute of limitations.

Income tax expense differs from the amount computed by applying the Puerto Rico statutory income tax rate to the income before income taxes as a result of the following:

(In thousands)	Three months ended March 31, 2025	2024
Computed income tax at statutory rates	$ 13,960	$ 6,260
Differences in tax rates due to multiple jurisdictions	154	1,419
Effect of income subject to tax-exemption grant	(10,129)	(8,252)
Unrecognized tax expense	92	142
Excess tax benefits on share-based compensation	99	(526)
Other, net	(40)	1,249
Income tax expense	$ 4,136	$ 292

Note 13 – Net Income Per Common Share

The reconciliation of the numerator and the denominator of net income per common share is as follows:

(In thousands, except per share information)	Three Months Ended March 31, 2025	2024
Net income available to EVERTEC, Inc.'s common shareholders	$ 32,703	$ 15,979
Weighted average common shares outstanding	63,737,480	65,179,965
Weighted average potential dilutive common shares (1)	1,099,102	1,156,714
Weighted average common shares outstanding - assuming dilution	64,836,582	66,336,679
Net income per common share - basic	$ 0.51	$ 0.25
Net income per common share - diluted	$ 0.50	$ 0.24

(1) Potential common shares consist of common stock issuable under RSUs awards using the treasury stock method.

On February 20, 2025, the Company's Board declared quarterly cash dividends of $0.05 per share of common stock, which was paid on March 21, 2025 to stockholders of record as of March 3, 2025.

Note 14 – Commitments and Contingencies

EVERTEC is a defendant in a number of legal proceedings arising in the ordinary course of business. Based on the opinion of legal counsel and other factors, management believes that the final disposition of these matters will not have a material adverse effect on the business, results of operations, financial condition, or cash flows of the Company. The Company has identified certain claims in which a loss may be incurred, but in the aggregate the loss would be inconsequential. For other claims, where the proceedings are in an initial phase, the Company is unable to estimate the range of possible loss, if any, at this time, but management believes that any loss related to such claims will not be material.

Note 15 – Segment Information

The Company operates in four operating and reportable business segments: Payment Services - Puerto Rico & Caribbean, Latin America Payments and Solutions, Merchant Acquiring, and Business Solutions based upon organization of the Company by the nature of products and services provided to customers and geography.

The Payment Services - Puerto Rico & Caribbean segment revenues are comprised of revenues related to providing access to the ATH debit network and other card networks to financial institutions, including related services such as authorization, processing, management and recording of ATM and point of sales (POS) transactions, and ATM management and monitoring. The segment revenues also include revenues from card processing services (such as credit and debit card processing, authorization and settlement and fraud monitoring and control to debit or credit issuers), payment processing services (such as payment and billing products for merchants, businesses and financial institutions), ATH Movil (person-to-person) and ATH Business (person-to-merchant) digital transactions and EBT (which principally consist of services to the government of Puerto Rico for the delivery of benefits to participants). For ATH debit network and processing services, revenues are primarily driven by the number of transactions processed. Revenues are derived primarily from network fees, transaction switching and processing fees, and the leasing of POS devices. For card issuer processing, revenues are primarily dependent upon the number of cardholder accounts on file, transactions and authorizations processed, the number of cards embossed and other processing services. For EBT services, revenues are primarily derived from the number of beneficiaries on file.

The Latin America Payments and Solutions segment payment revenues consist of revenues related to providing access to the ATH network of ATMs and other card networks to financial institutions, including related services such as authorization, processing, management and recording of ATM and POS transactions, and ATM management and monitoring. The segment revenues also include revenues from card processing services (such as credit and debit card processing, authorization and settlement and fraud monitoring and control to debit or credit issuers), payment processing services (such as payment and billing products for merchants, businesses and financial institutions), as well as licensed software solutions for risk and fraud management and card payment processing. For network and processing services, revenues are primarily driven by the number of transactions processed. Revenues are derived primarily from transaction switching, processing fees, and the leasing of POS devices. For card issuer processing, revenues are primarily dependent upon the number of cardholder accounts on file, transactions and authorizations processed, the number of cards embossed, and other processing services. Solutions revenues consist of (a) licensing, support and maintenance ("subscription"), implementation and customization of software used to provide financial products in areas such as core banking, credit, investments, payments, foreign exchange, mutual funds, pension funds and consortium, in addition to software used to execute processes such as digital onboarding, digital signature and digital collection; and (b) outsourcing of mission critical IT services. Revenues are based on monthly fixed fees and, in several cases, variable fees based on usage.

The Merchant Acquiring segment consists of revenues from services that allow merchants to accept electronic methods of payment. In the Merchant Acquiring segment, revenues include a discount fee and membership fees charged to merchants, debit network fees and rental fees from POS devices and other equipment, net of credit card interchange and assessment fees charged by credit cards associations (such as VISA or MasterCard) or payment networks. The discount fee is generally a percentage of the transaction value. EVERTEC also charges merchants for other services that are unrelated to the number of transactions or the transaction value.

The Business Solutions segment consists of revenues from a full suite of business process management solutions in various product areas such as core bank processing, network hosting, managed services and managed security services, IT professional services, business process outsourcing, item processing, cash processing, and fulfillment. Core bank processing and network services revenues are derived in part from a recurrent fixed fee and from fees based on the number of accounts on file (i.e., savings or checking accounts, loans, etc.), server capacity usage or computer resources utilized. Revenues from other processing services within the Business Solutions segment are generally volume-based and depend on factors such as the number of accounts processed. In addition, EVERTEC is a reseller of hardware and software products and these resale transactions are generally non-recurring.

The Company's Chief Operating Decision Maker ("CODM") is the President and Chief Executive Officer ("CEO"). The CODM uses revenue and Segment Adjusted EBITDA to evaluate segment performance and allocate resources, and regularly reviews performance at the segment level against budget and forecast when making decisions about the allocation of resources to each segment. Segment Adjusted EBITDA reviewed by the CODM is calculated as EBITDA further adjusted to exclude certain non-cash unrealized items and unusual expenses such as: share-based compensation, restructuring related expenses, fees and expenses from corporate transactions such as M&A activity and financing, equity investment income net of dividends received, and the impact from non-cash unrealized gains and losses on foreign currency remeasurement for assets and liabilities in non-functional currency. Segment Adjusted EBITDA is presented in conformity with ASC Topic 280, *Segment Reporting*, given that it is used by the CODM for purposes of evaluating performance and allocating resources.

Expense information that is regularly provided to the CODM on a consolidated financial statement basis include personnel costs, professional fees, equipment expenses and cost of sales, adjusted primarily for the impact of share-based compensation, restructuring related expenses, and fees and expenses from corporate transactions such as M&A activity and financing.

The Company does not report assets or other balance sheet information to the CODM on a segment basis as the Company's CODM does not assess performance, make strategic decisions, or allocate resources based on this information. No segment expense information is regularly provided to the CODM and therefore the Company does not report significant segment expenses.

The following tables set forth information about the Company's operations by its four reportable segments for the periods indicated:

(In thousands)	Three Months Ended March 31, 2025 Payment Services - Puerto Rico & Caribbean	Latin America Payments and Solutions	Merchant Acquiring, net	Business Solutions	Total Reportable Segments
Total revenues	$ 37,299	$ 78,280	$ 47,649	$ 65,564	$ 228,792
Intersegment revenues	17,858	5,495	—	—	23,353
Total segment revenues(1)	55,157	83,775	47,649	65,564	252,145
Less: Other segment items(2)	(23,719)	(58,880)	(27,290)	(43,353)	(153,242)
Segment Adjusted EBITDA	$ 31,438	$ 24,895	$ 20,359	$ 22,211	$ 98,903

(1) Total segment revenues include intersegment revenues eliminated on a consolidated basis. Intersegment revenue eliminations predominantly reflect the $14.4 million processing fee from Payments Services - Puerto Rico & Caribbean to Merchant Acquiring, intercompany software developments and transaction-processing of $5.5 million from Latin America Payments and Solutions to both Payment Services- Puerto Rico & Caribbean and Business Solutions, and transaction-processing and monitoring fees of $3.5 million from Payment Services - Puerto Rico & Caribbean to Latin America Payments and Solutions.

(2) For each reportable segment, other segment items category includes: cost of revenues and selling, general and administrative expenses, exclusive of depreciation and amortization. These amounts are adjusted to exclude certain items such as: share-based compensation costs, severance payments, equity investment income net of dividends received, foreign currency remeasurement for assets and liabilities in non-functional currency, and expenses from corporate transactions as defined in the Credit Agreement to determine Segment Adjusted EBITDA.

(In thousands)	Three Months Ended March 31, 2024 Payment Services - Puerto Rico & Caribbean	Latin America Payments and Solutions	Merchant Acquiring, net	Business Solutions	Total Reportable Segments
Total revenues	$ 33,944	$ 70,147	$ 43,099	$ 58,128	$ 205,318
Intersegment revenues	19,088	4,069	—	—	23,157
Total segment revenues(1)	53,032	74,216	43,099	58,128	228,475
Less: Other segment items(2)	(22,680)	(57,919)	(26,879)	(35,089)	(142,567)
Segment Adjusted EBITDA	30,352	16,297	16,220	23,039	85,908

(1) Total segment revenues include intersegment revenues eliminated on a consolidated basis. Intersegment revenue eliminations predominantly reflect the $14.6 million processing fee from Payments Services - Puerto Rico & Caribbean to Merchant Acquiring, intercompany software developments and transaction-processing of $4.1 million from Latin America Payments and Solutions to both Payment Services - Puerto Rico & Caribbean and Business Solutions, and transaction-processing and monitoring fees of $4.5 million from Payment Services - Puerto Rico & Caribbean to Latin America Payments and Solutions.

(2) For each reportable segment, other segment items category includes: cost of revenues and selling, general and administrative expenses, exclusive of depreciation and amortization. These amounts are adjusted to exclude certain items such as: share-based compensation costs, severance payments, equity investment income net of dividends received, foreign currency remeasurement for assets and liabilities in non-functional currency, and expenses from corporate transactions as defined in the Credit Agreement to determine Segment Adjusted EBITDA.

The reconciliation of Segment Adjusted EBITDA to consolidated income before income taxes is as follows:

(In thousands)	Three months ended March 31, 2025	2024
Segment Adjusted EBITDA	$ 98,903	$ 85,908
Elimination of intersegment revenues	(23,353)	(23,157)
Other corporate expenses[1]	13,889	15,426
Compensation and benefits[2]	(11,620)	(7,990)
Transaction, refinancing and other fees[3]	374	897
Earnings of equity method investments, net of dividends received	2,077	1,071
Loss on foreign currency remeasurement[4]	(833)	(4,456)
Interest income	3,251	3,360
Interest expense	(16,988)	(19,939)
Depreciation and amortization	(28,473)	(34,441)
Income before income taxes	$ 37,227	$ 16,679

(1) The other corporate expenses category consists of corporate overhead expenses and other non-operating expenses that are not included in the reportable segment, as well as intersegment eliminations.
(2) Primarily represents share-based compensation and severance payments.
(3) Primarily represents fees and expenses associated with corporate transactions as defined in the Credit Agreement and the elimination of unrealized earnings from equity investments, net of dividends received.
(4) Represents non-cash unrealized gains (losses) on foreign currency remeasurement for assets and liabilities denominated in non-functional currencies.

Note 16 – Supplemental Statement of Cash Flows Information

Supplemental statement of cash flows information is as follows:

(In thousands)	Three months ended March 31, 2025	2024
Supplemental disclosure of cash flow information:		
Cash paid for interest	$ 15,966	$ 18,924
Cash paid for income taxes	5,692	4,250
Supplemental disclosure of non-cash activities:		
Payable due to vendor related to equipment and software acquired	5,979	5,550
Right-of-use assets obtained in exchange for operating lease liabilities	1,715	2,693

Reconciliation of cash, cash equivalents, restricted cash and cash included in settlement assets as presented on the cash flow statement was as follows:

(In thousands)	March 31, 2025	2024
Cash and cash equivalents	$ 265,864	$ 293,666
Restricted cash	24,198	23,597
Cash and cash equivalents included in settlement assets	17,556	20,324
Cash, cash equivalents, restricted cash and cash included in settlement assets	307,618	337,587

Note 17 – Subsequent Events

On May 2, 2025, the Board declared a regular quarterly cash dividend of $0.05 per share on the Company's outstanding shares of common stock. The dividend is expected to be paid on June 6, 2025 to stockholders of record as of the close of business on May 13, 2025. The Board anticipates declaring this dividend in future quarters on a regular basis; however future declarations of dividends are subject to the Board's approval and may be adjusted as business needs or market conditions change.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") covers: (i) the results of operations for the three month period ended March 31, 2025 and 2024 and (ii) the financial condition as of March 31, 2025. You should read the following discussion and analysis in conjunction with the audited consolidated financial statements (the "Audited Consolidated Financial Statements") and related notes for the year ended December 31, 2024, included in the Company's Annual Report on Form 10-K as filed with the SEC on March 3, 2025 and with the unaudited condensed consolidated financial statements (the "Unaudited Condensed Consolidated Financial Statements") and related notes appearing elsewhere herein. This MD&A contains forward-looking statements that involve risks and uncertainties. Our actual results may differ from those indicated in the forward-looking statements. See "Forward-Looking Statements" for a discussion of the risks, uncertainties and assumptions associated with these statements.

Except as otherwise indicated or unless the context otherwise requires, (a) the terms "EVERTEC," "we," "us," "our," "our Company" and "the Company" refer to EVERTEC, Inc. and its subsidiaries on a consolidated basis and, (b) the term "EVERTEC Group" refers to EVERTEC Group, LLC and its predecessor entities and their subsidiaries on a consolidated basis. EVERTEC Inc.'s subsidiaries include EVERTEC Group; ; EVERTEC Intermediate Holdings, LLC; EVERTEC Dominicana, SAS; Evertec Chile Holdings SpA; Evertec Chile SpA; Evertec Chile Global SpA; Evertec Chile Servicios Profesionales SpA; Tecnopago España SL; Paytrue S.A.; Caleidon; S.A.; Evertec Brasil Solutions Informática S.A. ("EVERTEC BR"); EVERTEC Panamá, S.A.; EVERTEC Costa Rica, S.A. ("EVERTEC CR"); Zunify Payments Ltda; EVERTEC Guatemala, S.A.; Evertec Colombia, SAS;, EVERTEC USA, LLC; OPG Technology Corp.; Evertec Placetopay, SAS ("PlacetoPay"); BBR Chile, SpA and BBR Perú, S.A.C.,(collectively "BBR"); Paysmart Pagamentos Eletronicos Ltda, Issuer Holding Ltda. and Issuer Instituição de Pagamentos Ltda (collectively "paySmart"); EVERTEC México Servicios de Procesamiento, S.A. de C.V.; Sinqia S.A.,Torq. Inovação Digital Ltda, Sinqia Tecnologia Ltda., Homie do Brasil Informática S.A., Rosk Software S.A., Lote 45 Participações S.A., and Compliasset S.A. (collectively "Sinqia"); Grandata, Inc., Grandata Mexico, S.A. de C.V., Grandata USA, Inc. and Big Data Analytics SA (collectively "Grandata"); and Nubity S.R.L., Nubity Inc. and Nubity Cloud, S.A.P.I. de C.V. (collectively "Nubity"). Neither EVERTEC nor EVERTEC Intermediate Holdings, LLC conducts any operations other than with respect to its indirect or direct ownership of EVERTEC Group.

Overview

EVERTEC is a leading full-service transaction-processing business and financial technology provider in Latin America, Puerto Rico and the Caribbean, providing a broad range of merchant acquiring, payment services and business solutions. We believe we are one of the largest merchant acquirers in Latin America based on total number of transactions and we also believe we are the largest merchant acquirer in the Caribbean. We serve 26 countries out of 24 offices, including our headquarters in Puerto Rico. We own and operate the ATH network, which we believe is one of the leading debit networks in Brazil. We process over ten billion transactions annually through a system of electronic payment networks in Puerto Rico and Latin America and provide a comprehensive suite of services for core banking, cash processing, fulfillment in Puerto Rico and a "one stop shop" set of access to products for the financial sector in Latin America, which includes solutions such as core banking, investments, asset management, pension funds and consortium. Additionally, we offer managed services, managed security services and payment transactions fraud monitoring to all the regions where we do business. We serve a diversified customer base of leading financial institutions, merchants, corporations, and government agencies with "mission-critical" technology solutions that enable them to issue, process and accept transactions securely. We believe our business is well-positioned to continue to expand across the fast-growing Latin America region.

We are differentiated, in part, by our diversified business model, which enables us to provide our varied customer base with a broad range of transaction-processing services from a single source across numerous channels and geographic markets. We believe this capability provides several competitive advantages that will enable us to continue to penetrate our existing customer base with complementary new services, gain new customers, develop new sales channels, and enter new markets. We believe these competitive advantages include:

- Our ability to provide competitive products;
- Our ability to provide in one package a range of services that traditionally had to be sourced from different vendors;
- Our ability to serve customers with disparate operations in several geographies with technology solutions that enable them to manage their business as one enterprise; and
- Our ability to capture and analyze data across the transaction-processing value chain and use that data to provide value-added services that are differentiated from those offered by pure-play vendors that serve only one portion of the transaction-processing value chain (such as only merchant acquiring or only payment services).

Our broad suite of services spans the entire payment processing value chain and includes a range of front-end customer-facing solutions such as the electronic capture and authorization of transactions at the point-of-sale for both card present transactions and card-not-present transactions, as well as back-end support services such as the clearing and settlement of transactions and account reconciliation for card issuers. These include: (i) merchant acquiring services, which enable point of sales ("POS") and e-commerce merchants to accept and process electronic methods of payment such as debit, credit, prepaid and electronic benefit transfer ("EBT") cards; (ii) payment processing services, which enable financial institutions and other issuers to manage, support and facilitate the processing for credit, debit, prepaid, automated teller machines ("ATM") and EBT card programs; and (iii) business process management solutions, which provide "mission-critical" technology solutions such as core bank processing, as well as IT outsourcing and cash management services to financial institutions, corporations and governments. We provide these services through scalable, end-to-end technology platforms that we manage and operate in-house and that generate significant operating efficiencies that enable us to maximize profitability.

We sell and distribute our services primarily through a proprietary direct sales force with established customer relationships. We continue to pursue joint ventures and merchant acquiring alliances. We benefit from an attractive business model, the hallmarks of which are recurring revenue, scalability, significant operating margins and moderate capital expenditure requirements. Our revenue is predominantly recurring in nature because of the mission-critical and embedded nature of the services we provide. In addition, we generally enter into multi-year contracts with our customers. We believe our business model should enable us to continue to grow our business organically in the primary markets we serve without significant incremental capital expenditures.

Factors and Trends Affecting the Results of Our Operations

The ongoing migration from cash and paper methods of payment to electronic payments continues to benefit the transaction- processing industry globally. We continue to believe that the penetration of electronic payments in the markets in which we operate is significantly lower relative to the U.S. market, which, together with the ongoing shift from cash and paper methods of payment to electronic payments will continue to generate growth opportunities for our business. For example, currently the adoption of banking products, including electronic payments, in the Latin America and Caribbean region is lower relative to the mature U.S. and European markets. We believe that the unbanked and underbanked population in our markets will continue to shrink, and therefore drive incremental penetration and growth of electronic payments in Puerto Rico and other Latin America regions. We also benefit from the outsourcing of technology systems and processes trend for financial institutions and government. Many medium- and small-size institutions in the Latin American markets in which we operate have outdated systems and updating these IT legacy systems is financially and logistically challenging, which presents a business opportunity for us.

In recent years, consumer preference has accelerated its shift away from cash and paper payment methods, noting increased demand for omni-channel payment services that facilitate cashless and contactless transactions. The ongoing migration to digital payment methods continues to benefit the transaction-processing industry globally. Technologies such as contactless payments, QR codes, tap to pay, mobile commerce, "e-wallets" and advanced and smart POS devices continue to drive the shift away from cash and other traditional payment methods. The Company has benefited from an increase in transaction volumes for these types of payment solutions. As consumers and merchants increase demand for contactless and mobility-based solutions, the Company has continued to innovate and invest, expanding the footprint and functionality of digital solutions such as Placetopay, our e-commerce gateway platform, our wallet ATH Movil and ATH Business, and Paystudio our issuing and acquiring processing platform. Additionally, aligned with this trend, the Company has also developed PIX 2.0 to take advantage of Brazil's fastest instant money transfer system, PIX. We believe that the ongoing shift to digital payments will continue to generate substantial growth opportunities for our business.

Our payment businesses also generally experience moderate increased activity during the traditional holiday shopping periods and around other nationally recognized holidays, which follow consumer spending patterns.

Finally, our financial condition and results of operations are, in part, dependent on the economic and general conditions of the geographies in which we operate. Rising interest rates, inflationary pressures, foreign currency fluctuations, new or increased tariffs or the imposition of other trade barriers and economic uncertainty in the markets in which we operate may affect consumer confidence, which could result in a decrease in consumer spending and an impact to our financial results.

Relationship with Popular

On September 30, 2010, EVERTEC Group entered into a 15-year Master Service Agreement ("MSA"), and several related agreements with Popular. On July 1, 2022, we modified and extended the main commercial agreements with Popular, including obtaining a 10-year extension of the Merchant Acquiring Independent Sales Organization Agreement, a 5-year extension of the ATH Network Participation Agreement and a 3-year extension of the MSA (as amended, the "A&R ISO Agreement"). The A&R ISO Agreement, which defines our merchant acquiring relationship with Popular, now includes revenue sharing provisions with Popular. The MSA modifications also include the elimination of the exclusivity requirement, the inclusion of annual MSA minimums through September 30, 2028, a 10% discount on certain MSA services beginning in October of 2025 and adjustments to the CPI pricing escalator clause. On the same date, we also sold to Popular certain assets in exchange for 4.6

million shares of EVERTEC common stock owned by Popular (collectively with the contract amendments, the "Popular Transaction"). On August 15, 2022, through a secondary offering, Popular sold its remaining shares of EVERTEC common stock. EVERTEC is no longer deemed a subsidiary of Popular under the Bank Holding Company Act. Popular continues to be the Company's largest customer and for the three months ended March 31, 2025 approximately 31% of our revenues were generated from this relationship.

Results of Operations

Comparison of the three months ended March 31, 2025 and 2024

In thousands	Three months ended March 31, 2025	Three months ended March 31, 2024	Variance	
Revenues	$ 228,792	$ 205,318	$ 23,474	11 %
Operating costs and expenses				
Cost of revenues, exclusive of depreciation and amortization	114,609	102,448	12,161	12 %
Selling, general and administrative expenses	36,210	35,626	584	2 %
Depreciation and amortization	28,473	34,441	(5,968)	(17)%
Total operating costs and expenses	179,292	172,515	6,777	4 %
Income from operations	$ 49,500	$ 32,803	$ 16,697	51 %

Revenues

Total revenue for the three months ended March 31, 2025 was $228.8 million, an increase of 11% compared with $205.3 million in the prior year period, as a result of organic growth across all of the Company's segments and the contribution from the acquisitions completed in the fourth quarter of 2024. Merchant acquiring revenue benefited from an improvement in spread and sales volume growth. Payments Puerto Rico revenue benefited from increased revenues from ATH Movil and transaction growth. Latin America revenues are being positively impacted by the contribution from acquisitions completed in the prior year, continued organic growth across the region, and the benefit from pricing initiatives. Business Solutions revenue increased as a result of projects completed throughout the prior year as well as an increase in hardware and software sales.

Cost of Revenues

Cost of revenues, exclusive of depreciation and amortization, for the three months ended March 31, 2025 amounted to $114.6 million, an increase of $12.2 million or 12% when compared to the same period in the prior year. This increase was primarily related to the increase in cost of sales in connection with hardware and software sales, an increase in personnel costs, partially due to the increased headcount from acquisitions completed in the fourth quarter of the prior year, higher professional fees related to strategic projects and an increase in cloud services, partially offset by the reversal of a contingency accrual in the prior year quarter.

Selling, General and Administrative Expenses

Selling, general and administrative expenses for the three months ended March 31, 2025 amounted to $36.2 million, an increase of $0.6 million or 2% when compared to the same period in the prior year. This increase was mainly driven by an increase in personnel costs, partially offset by lower professional fees.

Depreciation and Amortization

Depreciation and amortization expense for the three months ended March 31, 2025 amounted to $28.5 million, a decrease of $6.0 million or 17% when compared to the same period in the prior year. The decrease was primarily driven by intangible assets that became fully amortized during the prior year.

Non-Operating Expenses

In thousands	Three months ended March 31, 2025	2024	Variance	
Interest income	$ 3,251	$ 3,360	$ (109)	(3)%
Interest expense	(16,988)	(19,939)	2,951	(15)%
Loss on foreign currency remeasurement	(833)	(4,456)	3,623	(81)%
Earnings from equity investees	2,077	1,071	1,006	94 %
Other income, net	220	3,840	(3,620)	(94)%
Total non-operating expenses	$ (12,273)	$ (16,124)	$ 3,851	(24)%

Non-operating expenses for the three months ended March 31, 2025 decreased by $3.9 million to $12.3 million when compared to the same period in the prior year. The decrease was mainly related to decrease in foreign currency remeasurement loss of $3.6 million, a decrease in interest expense of $3.0 million driven by a lower interest rate and the debt repricing completed in the prior year and an increase in earnings from equity method investments of $1.0 million. This impact was partially offset by a decrease in Other income, net as the prior year included unrealized gains of $2.8 million on the change in fair value of equity securities while no gains were recognized in the current year.

Income Tax Expense

In thousands	Three months ended March 31, 2025	2024	Variance	
Income tax expense (benefit)	$ 4,136	$ 292	$ 3,844	1,316 %

Income tax expense for the three months ended March 31, 2025 amounted to $4.1 million, compared to an income tax benefit in the prior year quarter of $0.3 million. The effective tax rate for the period was 11.1%, compared with 1.8% in the prior year period. The increase in the effective tax rate was primarily driven by growth in Latin America jurisdictions, which have higher tax rates, lower interest expense driven by a lower interest rate and the debt repricing completed in the prior year, and a non-recurring discrete item recorded during the quarter.

Segment Results of Operations

The Company has four operating and reportable business segments: Payment Services - Puerto Rico & Caribbean, Latin America Payments and Solutions, Merchant Acquiring, and Business Solutions based upon organization of the Company by the nature of products and services provided to customers and geography.

The Payment Services - Puerto Rico & Caribbean segment revenues are comprised of revenues related to providing access to the ATH debit network and other card networks to financial institutions, including related services such as authorization, processing, management and recording of ATM and POS transactions, and ATM management and monitoring. The segment revenues also include revenues from card processing services (such as credit and debit card processing, authorization and settlement and fraud monitoring and control to debit or credit issuers), payment processing services (such as payment and billing products for merchants, businesses and financial institutions), ATH Movil (person-to-person) and ATH Business (person-to-merchant) digital transactions and EBT (which principally consist of services to the government of Puerto Rico for the delivery of benefits to participants). For ATH debit network and processing services, revenues are primarily driven by the number of transactions processed. Revenues are derived primarily from network fees, transaction switching and processing fees, and the leasing of POS devices. For card issuer processing, revenues are primarily dependent upon the number of cardholder accounts on file, transactions and authorizations processed, the number of cards embossed and other processing services. For EBT services, revenues are primarily derived from the number of beneficiaries on file.

The Latin America Payments and Solutions segment payment revenues consist of revenues related to providing access to the ATH network of ATMs and other card networks to financial institutions, including related services such as authorization, processing, management and recording of ATM and POS transactions, and ATM management and monitoring. The segment revenues also include revenues from card processing services (such as credit and debit card processing, authorization and settlement and fraud monitoring and control to debit or credit issuers), payment processing services (such as payment and billing products for merchants, businesses and financial institutions), as well as licensed software solutions for risk and fraud management and card payment processing. For network and processing services, revenues are primarily driven by the number of transactions processed. Revenues are derived primarily from transaction switching, processing fees, and the leasing of POS devices. For card issuer processing, revenues are primarily dependent upon the number of cardholder accounts on file, transactions and authorizations processed, the number of cards embossed, and other processing services. Solutions revenues consist of (a) licensing, support and maintenance ("subscription"), implementation and customization of software used to provide financial products in areas such as core banking, credit, investments, payments, foreign exchange, mutual funds, pension funds and consortium, in addition to software used to execute processes such as digital onboarding, digital signature and digital collection; and (b) outsourcing of mission critical IT services. Revenues are based on monthly fixed fees and, in several cases, variable fees based on usage.

The Merchant Acquiring segment consists of revenues from services that allow merchants to accept electronic methods of payment. In the Merchant Acquiring segment, revenues include a discount fee and membership fees charged to merchants, debit network fees and rental fees from POS devices and other equipment, net of credit card interchange and assessment fees charged by credit cards associations (such as VISA or MasterCard) or payment networks. The discount fee is generally a percentage of the transaction value. EVERTEC also charges merchants for other services that are unrelated to the number of transactions or the transaction value.

The Business Solutions segment consists of revenues from a full suite of business process management solutions in various product areas such as core bank processing, network hosting, managed services and managed security services, IT professional services, business process outsourcing, item processing, cash processing, and fulfillment. Core bank processing and network services revenues are derived in part from a recurrent fixed fee and from fees based on the number of accounts on file (i.e., savings or checking accounts, loans, etc.), server capacity usage or computer resources utilized. Revenues from other processing services within the Business Solutions segment are generally volume-based and depend on factors such as the number of accounts processed. In addition, EVERTEC is a reseller of hardware and software products and these resale transactions are generally non-recurring.

The Company's Chief Operating Decision Maker ("CODM") is the President and Chief Executive Officer ("CEO"). The CODM uses revenue and Segment Adjusted EBITDA to evaluate segment performance and allocate resources, and regularly reviews performance at the segment level against budget and forecast when making decisions about the allocation of resources to each segment. Segment Adjusted EBITDA reviewed by the CODM is calculated as EBITDA further adjusted to exclude certain non-cash unrealized items and unusual expenses such as: share-based compensation, restructuring related expenses, fees and expenses from corporate transactions such as M&A activity and financing, equity investment income net of dividends received, and the impact from non-cash unrealized gains and losses on foreign currency remeasurement for assets and liabilities in non-functional currency. Segment Adjusted EBITDA is presented in conformity with ASC Topic 280, *Segment Reporting*, given that it is used by the CODM for purposes of evaluating performance and allocating resources.

Expense information that is regularly provided to the CODM on a consolidated financial statement basis include personnel costs, professional fees, equipment expenses and cost of sales, adjusted primarily for the impact of share-based compensation, restructuring related expenses, and fees and expenses from corporate transactions such as M&A activity and financing.

The Company does not report assets or other balance sheet information to the CODM on a segment basis as the Company's CODM does not assess performance, make strategic decisions, or allocate resources based on this information. No segment expense information is regularly provided to the CODM and therefore the Company does not report significant segment expenses.

The following tables set forth information about the Company's operations by its four reportable segments for the periods indicated below.

Comparison of the three months ended March 31, 2025 and 2024

Payment Services - Puerto Rico & Caribbean

In thousands	Three months ended March 31, 2025	2024
Revenues	$55,157	$53,031
Segment Adjusted EBITDA	31,438	30,352
Segment Adjusted EBITDA Margin	57.0 %	57.2 %

Payment Services - Puerto Rico & Caribbean segment revenues for the three months ended March 31, 2025 increased by $2.1 million to $55.2 million when compared to the same period in the prior year. The increase in revenues was primarily driven by continued growth from ATH Movil, primarily ATH Business, as well as transaction growth partially offset by lower revenue from services provided to the Latin America Payments and Solutions segment. Segment Adjusted EBITDA increased by $1.1 million to $31.4 million, driven by revenue growth, which was partially offset by higher infrastructure and programming expenses.

Latin America Payments and Solutions

In thousands	Three months ended March 31, 2025	2024
Revenues	$83,775	$74,216
Segment Adjusted EBITDA	24,895	16,297
Segment Adjusted EBITDA Margin	29.7 %	22.0 %

Latin America Payments and Solutions segment revenues for the three months ended March 31, 2025 increased by $9.6 million to $83.8 million when compared to the same period in the prior year, driven by organic revenue growth, which benefited from pricing initiatives, the contribution from acquisitions completed in the fourth quarter of 2024, which are contributing at a higher margin, and non-recurring revenue recognized in the quarter. Segment Adjusted EBITDA increased by $8.6 million primarily driven by the increase in revenues and a lower provision for operational losses.

Merchant Acquiring

In thousands	Three months ended March 31, 2025	2024
Revenues	$47,649	$43,099
Segment Adjusted EBITDA	20,359	16,220
Segment Adjusted EBITDA Margin	42.7 %	37.6 %

Merchant Acquiring segment revenues for the three months ended March 31, 2025 increased by $4.6 million to $47.6 million when compared to the same period in the prior year. The revenue increase was primarily driven by an improvement in spread and sales volume growth. Segment Adjusted EBITDA increased by $4.1 million to $20.4 million driven by the increase in revenues, partially offset by an increase in revenue sharing expense as well as processing costs from the higher transactions.

Business Solutions

In thousands	Three months ended March 31, 2025	2024
Revenues	$65,564	$58,128
Segment Adjusted EBITDA	22,211	23,039
Segment Adjusted EBITDA Margin	33.9 %	39.6 %

Business Solutions segment revenues for the three months ended March 31, 2025 increased by $7.4 million to $65.6 million as compared to the prior year period. This increase was primarily driven by projects completed in the prior year, mainly for Popular, and an increase in hardware and software sales. Segment Adjusted EBITDA decreased by $0.8 million as compared to the prior year period primarily due to an increase in cost of sales as a result of the hardware and software sales and incremental professional fees for strategic projects.

Liquidity and Capital Resources

As of March 31, 2025, there were no material changes to our primary short-term and long-term requirements for liquidity and capital resources as disclosed in Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operation" of our Annual Report on Form 10-K for the year ended December 31, 2024, filed with the SEC on March 3, 2025. Our principal source of liquidity is cash generated from operations, and our primary liquidity requirements are the funding of working capital needs, capital expenditures, acquisitions, dividend payments, share repurchases and debt service. We also have a $200.0 million Revolving Facility, of which $193.9 million was available for borrowing as of March 31, 2025. The Company issues letters of credit against our Revolving Facility which reduce our availability of funds to be drawn.

As of March 31, 2025, we had cash and cash equivalents of $265.9 million, of which $214.0 million resides in our subsidiaries located outside of Puerto Rico for purposes of (i) funding the respective subsidiary's current business operations and (ii) funding potential future investment outside of Puerto Rico. We intend to reinvest these funds outside of Puerto Rico, and based on our liquidity forecast, we will not need to repatriate this cash to fund the Puerto Rico operations or to meet debt-service obligations. However, if in the future we determine that we no longer need to maintain cash balances within our foreign subsidiaries, we may elect to distribute such cash to the Company in Puerto Rico. Distributions from the foreign subsidiaries to Puerto Rico may be subject to tax withholding and other tax consequences. Additionally, our credit agreement imposes certain restrictions on the distribution of dividends from subsidiaries.

Our primary use of cash is for operating expenses, working capital requirements, capital expenditures, acquisitions, dividend payments, share repurchases, debt service, and other transactions as opportunities present themselves.

Based on our current level of operations, we believe our existing cash flows from operations and the available secured Revolving Facility will be adequate to meet our liquidity needs for at least the next twelve months from the date of this Report. However, our ability to fund future operating expenses, dividend payments, capital expenditures, mergers and acquisitions, and our ability to make scheduled payments of interest, to pay principal on or refinance our indebtedness and to satisfy any other of our present or future debt obligations will depend on our future operating performance, which may be affected by general economic, financial and other factors beyond our control.

	Three months ended March 31,	
(In thousands)	2025	2024
Cash provided by operating activities	$ 37,643	$ 40,702
Cash used in investing activities	(22,324)	(21,994)
Cash used in financing activities	(27,545)	(21,077)
Effect of foreign exchange rate on cash, cash equivalents and restricted cash	5,195	(3,768)
Net decrease in cash, cash equivalents and restricted cash	$ (7,031)	$ (6,137)

Net cash provided by operating activities for the three months ended March 31, 2025 was $37.6 million compared to $40.7 million for the same period in the prior year, driven by working capital requirements.

Net cash used in investing activities for the three months ended March 31, 2025 was $22.3 million compared to $22.0 million for the same period in the prior year and a result of an increase of $0.4 million in additions to software and purchases of property, plant and equipment.

Net cash used in financing activities for the three months ended March 31, 2025 was $27.5 million compared to $21.1 million for the same period in the prior year, as the prior year included cash drawn from the Revolving Facility of $80.0 million of which $70.0 million were used to fund the accelerated share repurchase program. During the current year period, the Company exercised the right to acquire the remaining non-controlling interest in a company in Brazil for $5.2 million. Partially offsetting this was a decrease in cash used for settlement activities of $5.9 million, a $1.1 million decrease in withholding taxes paid on share-based compensation and $1.7 million decrease in other financing activities.

Capital Resources

Our principal capital expenditures are for hardware and computer software (purchased and internally developed) and additions to our property and equipment. During the three months ended March 31, 2025 and 2024, we invested approximately $22.3

million and $21.9 million in our capital resources, respectively. Generally, we fund capital expenditures with cash generated from operations and, if necessary, borrowings under our Revolving Facility.

Dividend Payments

On February 20, 2025, the Company's Board declared quarterly cash dividends of $0.05 per share of common stock, which was paid on March 21, 2025 to stockholders' of record on March 3, 2025. On May 2, 2025, our Board declared a regular quarterly cash dividend of $0.05 per share on the Company’s outstanding shares of common stock. The dividend is expected to be paid on June 6, 2025 to stockholders of record as of the close of business on May 13, 2025. The Board anticipates declaring this dividend in future quarters on a regular basis; however future declarations of dividends are subject to the Board’s approval and may be adjusted as business needs or market conditions change.

Financial Obligations

Secured Credit Facilities

On December 1, 2022, EVERTEC and EVERTEC Group, entered into a credit agreement with a syndicate of lenders and Truist Bank, as administrative agent and collateral agent, providing for a $415.0 million term loan A facility (the “TLA Facility”) that matures on December 1, 2027, and a $200.0 million revolving credit facility (the “Revolving Facility”) that matures on December 1, 2027 (the “Credit Agreement”). On October 30, 2023, EVERTEC and EVERTEC Group entered into a first amendment to the Credit Agreement with a syndicate of lenders and Truist, as administrative agent and collateral agent, providing for (i) additional term A loans in the amount of $60.0 million and a new tranche of term loan B commitments in the amount of $600.0 million maturing October 30, 2030 (the “TLB Facility”). On May 16, 2024 and November 26, 2024, EVERTEC and EVERTEC Group entered into second and third amendments to its Credit Agreement, each providing for a pricing reduction to its TLB Facility. Unless otherwise indicated, the terms and conditions detailed below apply to both TLA Facility and TLB Facility (together, the “Term Loan Facilities”).

At March 31, 2025, the unpaid principal balance of the TLA Facility and TLB Facility were $423.6 million and $540.0 million, respectively. The additional borrowing capacity for the Revolving Facility at March 31, 2025 was $193.9 million, considering letters of credit issued. The Company issues letters of credit against the Revolving Facility which reduce the additional borrowing capacity of the Revolving Facility.

Deferred Consideration from Business Combinations

As part of the Company’s merger and acquisition activities, the Company may enter into agreements by which a portion of the purchase price is financed directly by the seller. At March 31, 2025 and December 31, 2024, the unpaid principal balance of these agreements amounted to $6.2 million and $9.9 million, respectively. Obligations bear interest at rates ranging from 6.2% to 12.95% with maturities ranging from October 2025 through March 2027. The current portion of the deferred consideration is included in accounts payable and the long-term portion is included in other long-term liabilities on the Company's unaudited condensed consolidated balance sheet.

Note Payable

In September 2023, EVERTEC Group entered into a non-interest bearing financing agreement amounting to $10.1 million to purchase software and maintenance which the Company recorded on a discounted basis using an implied interest of 6.9%. As of March 31, 2025, the outstanding principal balance of the note payable on a discounted basis was $6.5 million. The current portion of the note is included in accounts payable and the long-term portion is included in other long-term liabilities on the Company's unaudited condensed consolidated balance sheet.

Interest Rate Swaps

As of March 31, 2025, the Company has three interest rate swap agreements which convert a portion of the interest rate payments on the Company's Term Loan Facilities from variable to fixed. The interest rate swaps are used to hedge the market risk from changes in interest rates corresponding with the Company's variable rate debt. The interest rate swaps are designated as cash flow hedges and are considered highly effective. Cash flows from the interest rate swaps are included in the accrued liabilities and accounts payable line item in the Company's unaudited condensed consolidated statements of cash flows. Changes in the fair value of the interest rate swaps are recognized in other comprehensive income (loss) until the gains or losses are reclassified to earnings. Gains or losses reclassified to earnings are presented within interest expense in the accompanying condensed consolidated statements of income and comprehensive income (loss).

Swap Agreement	Effective date	Maturity Date	Notional Amount	Variable Rate	Fixed Rate
2023 Swap	November 2024	December 2027	$250 million	1-month SOFR	3.375%
2024 Swap	March 2024	October 2027	$150 million	1-month SOFR	4.182%
2024 Swap	March 2024	October 2027	$150 million	1-month SOFR	4.172%

At March 31, 2025, the carrying amount of the derivatives included on the Company's unaudited condensed consolidated balance sheet was an asset of $1.7 million and a liability of $3.9 million. At December 31, 2024, the carrying amount of the derivatives was an asset of $4.3 million and a liability of $1.4 million. The fair value of these derivatives are estimated using Level 2 inputs in the fair value hierarchy on a recurring basis. Refer to Note 8 for disclosure of gains (losses) recorded on cash flow hedging activities.

During the three month period ended March 31, 2025, the Company reclassified gains of $0.7 million, from accumulated other comprehensive income (loss) into interest expense compared to gains of $1.7 million for the corresponding period in 2024. Based on expected SOFR rates, the Company expects to reclassify losses of $0.9 million from accumulated other comprehensive (loss) income into interest expense over the next 12 months.

Covenant Compliance

As of March 31, 2025, the total secured net leverage ratio was 2.04 to 1.00. As of the date of filing of this Report, no event has occurred that constitutes an Event of Default or Default.

In this Report, we refer to the term “Adjusted EBITDA” to mean EBITDA as so defined and calculated in a substantially consistent manner for purposes of determining compliance with the total secured net leverage ratio based on the financial information for the last twelve months at the end of each quarter.

Net Income Reconciliation to EBITDA, Adjusted EBITDA, Adjusted Net Income and Adjusted Earnings per common share (Non-GAAP Measures)

The non-GAAP measures referenced in this Report are supplemental measures of the Company’s performance and are not required by, or presented in accordance with, accounting principles generally accepted in the United States of America (“GAAP”). They are not measurements of the Company’s financial performance under GAAP and should not be considered as alternatives to total revenue, net income or any other performance measures derived in accordance with GAAP or as alternatives to cash flows from operating activities, as indicators of operating performance or as measures of the Company’s liquidity. In addition to GAAP measures, management uses these non-GAAP measures to focus on the factors the Company believes are pertinent to the daily management of the Company’s operations and believes that they are also frequently used by analysts, investors and other stakeholders to evaluate companies in our industry. These measures have certain limitations in that they do not include the impact of certain expenses that are reflected in our condensed consolidated statements of operations that are necessary to run our business. Other companies, including other companies in our industry, may not use these measures or may calculate these measures differently than as presented herein, limiting their usefulness as comparative measures.

Reconciliations of the non-GAAP measures to the most directly comparable GAAP measure are included below. These non-GAAP measures include EBITDA, Adjusted EBITDA, Adjusted Net Income and Adjusted Earnings per common share, each as defined below.

EBITDA is defined as earnings before interest, taxes, depreciation and amortization.

Adjusted EBITDA is defined as EBITDA further adjusted to exclude certain non-cash items and unusual expenses such as: share-based compensation, restructuring related expenses, fees and expenses from corporate transactions such as M&A activity and financing, equity investment income net of dividends received, and the impact from unrealized gains and losses on foreign currency remeasurement for assets and liabilities in non-functional currency. Segment Adjusted EBITDA which is the measure reported to the chief operating decision maker for purposes of making decisions about allocating resources to the segments and assessing their performance, is presented in conformity with Accounting Standards Codification 280, *Segment Reporting*, and for this reason is excluded from the definition of non-GAAP financial measures under the Securities and Exchange Commission's Regulation G and Item 10(e) of Regulation S-K. See Note 15 – *Segment Information* for further information. The Company’s presentation of Adjusted EBITDA is substantially consistent with the equivalent measurements that are contained in the secured credit facilities in testing EVERTEC Group’s compliance with covenants therein such as the secured leverage ratio. Adjusted EBITDA Margin is defined as Adjusted EBITDA as a percentage of total revenues.

Adjusted Net Income is defined as Adjusted EBITDA less: operating depreciation and amortization expense, defined as GAAP Depreciation and amortization less amortization of intangibles related to acquisitions such as customer relationships, trademarks; cash interest expense defined as GAAP interest expense, less GAAP interest income adjusted to exclude non-cash amortization of debt issue costs, premium and accretion of discount; income tax expense which is calculated on adjusted pre-tax income using the applicable GAAP tax rate, adjusted for uncertain tax positions, tax true-ups, windfall from share-based compensation, unrealized gains and losses from foreign currency remeasurement, among others; and non-controlling interests, net of amortization for intangibles created as part of the purchase.

Adjusted Earnings per common share is defined as Adjusted Net Income divided by diluted shares outstanding.

The Company uses Adjusted Net Income to measure the Company's overall profitability because the Company believes it better reflects the comparable operating performance by excluding the impact of the non-cash amortization and depreciation that was created as a result of merger and acquisition activity. In addition, in evaluating EBITDA, Adjusted EBITDA, Adjusted Net Income and Adjusted Earnings per common share, you should be aware that in the future the Company may incur expenses such as those excluded in calculating them.

A reconciliation of net income to EBITDA, Adjusted EBITDA, Adjusted Net Income and Adjusted Earnings per common share is provided below:

	Three months ended March 31,		Twelve months ended
(In thousands, except per share information)	2025	2024	March 31, 2025
Net income	**$ 33,091**	**$ 16,387**	**$ 131,483**
Income tax expense	4,136	292	8,691
Interest expense, net	13,737	16,579	58,559
Depreciation and amortization	28,473	34,441	121,878
EBITDA	**79,437**	**67,699**	**320,611**
Equity income [1]	(2,077)	(1,071)	(2,276)
Compensation and benefits [2]	11,620	7,990	35,274
Transaction, refinancing and other [3]	(374)	(897)	(3,692)
Loss on foreign currency remeasurement [4]	833	4,456	1,575
Adjusted EBITDA	**89,439**	**78,177**	**351,492**
Operating depreciation and amortization [5]	(16,620)	(14,795)	(63,292)
Cash interest expense, net [6]	(12,964)	(15,419)	(54,476)
Income tax expense [7]	(3,197)	462	(10,030)
Non-controlling interest [8]	(398)	(421)	(2,194)
Adjusted net income	**$ 56,260**	**$ 48,004**	**$ 221,500**
Net income per common share (GAAP):			
Diluted	$ 0.50	$ 0.24	
Adjusted Earnings per common share (Non-GAAP):			
Diluted	$ 0.87	$ 0.72	
Shares used in computing adjusted earnings per common share:			
Diluted	64,836,582	66,336,679	

1) Represents the elimination of non-cash equity earnings from our equity investments, net of dividends received.
2) Primarily represents share-based compensation and severance payments.
3) Represents fees and expenses associated with corporate transactions as defined in the Credit Agreement, recorded as part of selling, general and administrative expenses and the elimination of realized gains from the change in fair market value of equity securities.
4) Represents non-cash unrealized gains (losses) on foreign currency remeasurement for assets and liabilities denominated in non-functional currencies.

5) Represents operating depreciation and amortization expense, which excludes amounts generated as a result of merger and acquisition activity.
6) Represents interest expense, less interest income, as they appear on the condensed consolidated statements of income and comprehensive income (loss), adjusted to exclude non-cash amortization of the debt issue costs, premium and accretion of discount.
7) Represents income tax expense calculated on adjusted pre-tax income using the applicable GAAP tax rate, adjusted for certain discrete items.
8) Represents the non-controlling equity interests, net of amortization for intangibles created as part of the purchase.

Critical Accounting Estimates

Our consolidated financial statements are prepared in accordance with GAAP. In connection with the preparation of our financial statements, we are required to make estimates and assumptions about future events and apply judgments that affect the reported amounts of certain assets and liabilities, and in some instances, the reported amounts of revenues and expenses during the period. We base our assumptions, estimates, and judgments on historical experience, current events, and other factors that management believes to be relevant at the time our condensed consolidated financial statements are prepared. However, because future events are inherently uncertain and their effects cannot be determined with certainty, actual results could differ from our assumptions and estimates, and such differences could be material. For a description of the Company's critical accounting estimates, refer to "Part II—Item 7-Management's Discussion and Analysis of Financial Condition and Results of Operations-Critical Accounting Estimates" in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2024 filed with the SEC on March 3, 2025.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We are exposed to market risks arising from our normal business activities. These market risks principally involve the possibility of changes in interest rates that will adversely affect the value of our financial assets and liabilities or future cash flows and earnings, foreign currency exchange risk that may result in unfavorable foreign currency translation adjustments and inflation. Market risk is the potential loss arising from adverse changes in market rates and prices. The following analysis provides quantitative and qualitative information regarding these risks.

Interest Rate Risks

Interest rate risk is highly sensitive due to many factors, including U.S. monetary and tax policies, U.S. and international economic factors and other factors beyond our control.

We issued floating-rate debt which is subject to fluctuations in interest rates. Our secured credit facilities accrue interest at variable rates and are subject to a floor or a minimum rate. Based upon a sensitivity analysis of our outstanding debt on March 31, 2025, a hypothetical 100 basis point increase in interest rates over our floor on our debt balances outstanding as of March 31, 2025, under the secured credit facilities, would increase our annual interest expense by approximately $4.1 million. The impact on future interest expense as a result of future changes in interest rates will depend largely on the gross amount of our borrowings at that time.

As of March 31, 2025, the Company has three interest rate swap agreements which convert a portion of the interest rate payments on the Company's Term Loan Facilities from variable rate debt to fixed.

The interest rate swap exposes us to credit risk in the event that the counterparty to the swap agreement does not or cannot meet its obligations. The notional amount is used to measure interest to be paid or received and does not represent the amount of exposure to credit loss. The loss would be limited to the amount that would have been received, if any, over the remaining life of the swap. The counterparties to the swaps are major U.S. based financial institutions and we expect all counterparties to be able to perform its obligations under the swaps. We use derivative financial instruments for hedging purposes only and not for trading or speculative purposes.

See Note 5 of the Unaudited Condensed Consolidated Financial Statements appearing elsewhere in this report for additional information related to the secured credit facilities.

Foreign Exchange Risk

We conduct business in certain countries in Latin America for which we have determined that the functional currency is other than the U.S. dollar. Given this, our operating results are exposed to volatility due to fluctuations in exchange rates for the countries' functional currencies. Non-functional currency transactions are remeasured into the functional currency which results in a foreign exchange gain or loss recorded through Other income (expenses). For the three months ended March 31, 2025, the Company recognized non-cash unrealized foreign currency remeasurement losses of $0.8 million compared to losses of $4.5 million for the same period in 2024. For subsidiaries whose functional currency is other than the U.S. dollar, their assets and liabilities are translated into U.S. dollars at exchange rates at the balance sheet date, and revenues and expenses are translated using average exchange rates in effect during the period. The resulting foreign currency translation adjustments are reported in accumulated other comprehensive (loss) income in the condensed consolidated balance sheets. As of March 31, 2025, the Company had $91.3 million in an unfavorable foreign currency translation adjustment as part of accumulated other comprehensive income (loss) compared with an unfavorable foreign currency translation adjustment of $138.0 million as of December 31, 2024.

Inflation Risk

While it is difficult to accurately measure the impact of inflation on our results of operations and financial condition, we believe the effects of inflation, if any, on our historical results of operations and financial condition have been immaterial. General inflation in the geographies in which we operate has risen to levels that have not been experienced in recent years, however, inflation has historically had a minimal net effect on our operating results given that overall inflation has been offset by sales and cost reduction actions. Rising prices for input costs, including wages and benefits, occupancy and general administrative costs, could potentially have a negative impact on our results of operations and financial condition which may not be readily recoverable from our customers. In addition, inflation has driven a rising interest rate environment, which has had an adverse effect on our cost of funding, as well as led to enhanced volatility on foreign currency exchange rates. While we proactively try to mitigate these rising costs, we may not be able to fully offset these impacts, which could result in negative effect on our results of operation. Thus, we cannot assure you that our results of operations and financial condition will not be materially impacted by inflation in the future.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of the Chief Executive Officer and the Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures (as such term is defined in Rule 13a-15(e) and Rule 15d-15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”)) as of the end of the period covered by this Report. Based upon their evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that as of March 31, 2025, the Company’s disclosure controls and procedures were effective.

Changes in Internal Control Over Financial Reporting

There were no changes in the Company’s internal control over financial reporting (as such term is defined in Rule 13a -15(f) and Rule 15d-15(f) under the Exchange Act) that occurred during the fiscal quarter ended March 31, 2025 that have materially affected, or are reasonably likely to materially affect, the Company’s internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

We are, from time to time, party to various claims and legal proceedings arising in the ordinary course of our business. See Part I, Item 1 “Financial Statements (Unaudited) - Note 14, Commitments and Contingencies,” incorporated herein by reference, for a discussion of material legal proceedings.

Item 1A. Risk Factors

There have been no material changes to the risk factors described in our Annual Report on Form 10-K for the year ended December 31, 2024 filed with the SEC on March 3, 2025. For a discussion of the potential risks and uncertainties related to us, see "Item 1A. Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2024.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

(a) Disclosure in lieu of reporting on a Current Report on Form 8-K.
None.

(b) Material changes to the procedures by which security holders may recommend nominees to the board of directors.

None.

(c) Insider trading arrangements and policies.

During the three months ended March 31, 2025, no director or officer of the Company, as defined in Rule 16a-1(f) of the Exchange Act, adopted or terminated a “Rule 10b5-1 trading arrangement” intended to satisfy the affirmative defense of Rule 10b5-1(c) or a “non-Rule 10b5-1 trading arrangement,” as each term is defined in Item 408(a) of Regulation S-K.

Item 6. Exhibits

10.1*+	Form of Restricted Stock Unit Award Agreement for grant of restricted stock units for Executive Officers under the EVERTEC, Inc. 2022 Incentive Award Plan, dated February 28, 2025.
31.1*	CEO Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	CFO Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1**	CEO Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2**	CFO Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS XBRL*	Inline 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*	Inline XBRL Taxonomy Extension Schema Document
101.CAL XBRL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF XBRL*	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB XBRL*	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE XBRL*	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104*	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* Filed herewith.
** Furnished herewith.
\+ This exhibit is a management contract or a compensatory plan or arrangement.

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.

	EVERTEC, Inc. (Registrant)	
Date: May 8, 2025	By:	/s/ Morgan Schuessler
		Morgan Schuessler Chief Executive Officer (Principal Executive Officer)
Date: May 8, 2025	By:	/s/ Joaquin A. Castrillo-Salgado
		Joaquin A. Castrillo-Salgado Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)

EXHIBIT 10.1

EVERTEC, INC.
2022 EQUITY INCENTIVE PLAN
RESTRICTED STOCK UNIT AWARD AGREEMENT - EXECUTIVES

THIS RESTRICTED STOCK UNIT AWARD AGREEMENT (together with the Vesting Schedule (defined below), this "***Agreement***") is made as of this 28th day of February, 2025 (the "***Date of Grant***"), by and between EVERTEC, Inc. (the "***Company***") and you (the "***Participant***"). Defined terms used but not otherwise defined herein will have the meanings attributed to them in the Plan (defined below).

W I T N E S S E T H

WHEREAS, the Company maintains the EVERTEC, Inc. 2022 Equity Incentive Plan (the "***Plan***"); and

WHEREAS, the Participant may be a senior executive of the Company who is subject to the Evertec Group, LLC Executive Severance Policy in effect as of the date of this Agreement (if applicable, the "***Policy***"), which Policy has been approved and authorized by the Compensation Committee or the Board of Directors of the Company; and

WHEREAS, the Participant may be a senior executive of the Company who has a valid employment agreement as of the date hereof that has been approved and authorized by the Compensation Committee or the Board of Directors of the Company (if applicable, the "***Executive Employment Agreement***"); and

WHEREAS, in connection with the Participant's service as an employee of the Company or any of its Affiliates and Subsidiaries (the "***Employment***"), the Company desires to grant Restricted Stock Units ("***RSUs***") to the Participant (the "***Award***"), subject to the terms and conditions of the Plan and this Agreement; and

WHEREAS, such RSUs could be time-based RSUs ("***Time-Based RSUs***"), which vest on a future specified date or dates, as specified in Exhibit A; and

WHEREAS, such RSUs could also be performance-based RSUs ("***Performance-Based RSUs***"), which vest on a future specified date or dates and are subject to certain performance metrics, as specified in Exhibit A.

NOW, THEREFORE, in consideration of the covenants and agreements contained herein and for other good and valuable consideration, the parties agree as follows:

1. **Grant of RSUs**. In consideration of the Employment, the Company will grant to the Participant the number of RSUs set forth in the vesting schedule attached hereto as Exhibit A (the "***Vesting Schedule***"). Each RSU represents the unfunded and unsecured promise of the Company to deliver to the Participant one share of common stock, par value $.01 per share, of the Company (the "***Common Stock***") on the Settlement Date (as defined in Section 6 hereof).

2. **Purchase Price**. The purchase price of the RSUs shall be deemed to be zero U.S. Dollars ($0) per share.

3. **Vesting**. The RSUs shall vest and become non-forfeitable on the dates established in the Vesting Schedule (each such date, a "***Vesting Date***"), provided that the Participant is actively carrying out his or her duties in connection with the Employment at all times from the Date of Grant through each respective Vesting Date.

4. **Termination**. For purposes of this Section 4, "***Termination Date***" is the date the Participant's Employment is terminated or terminates. This Section 4 shall govern the treatment of the RSUs granted under this Agreement upon the Participant's termination of Employment; provided, however, that if the Participant's Executive Employment Agreement addresses the treatment of RSUs upon termination, then the provisions of such Executive Employment Agreement shall govern instead of this Section 4. Defined terms used but not otherwise defined in this Section 4 or in the Plan will have the meanings attributed to them in the Policy.

(a) In the event that the Employment is terminated in a Qualifying Termination (as defined in the Policy) other than within 24 months following a Change in Control (as defined in the Policy), then:

(i) Unvested RSUs that are Time-Based shall vest on a pro-rata basis as of the Termination Date and the Termination Date shall be deemed to be the Vesting Date under this Agreement; and

(ii) Unvested RSUs that are Performance-Based, shall vest and be settled following the end of the performance period based on actual performance determined at the end of the performance period on a pro-rata basis.

(iii) For purposes of clauses 4(a)(i) and (ii), the pro-rata portion of the award that will become vested shall be determined by multiplying the total number of RSUs subject to the award, by a fraction, the numerator of which is the number of completed months in which the Participant was employed from the Date of Grant to the Termination Date, and the denominator of which is the number of months required for the award to vest in full under the Vesting Schedule, and then reducing therefrom the number of RSUs that have previously been vested, if any.

(b) In the event that the Employment is terminated in a Qualifying Termination within 24 months following a Change in Control, then, subject to the Participant's compliance with Section 11:

(i) Unvested RSUs that are Time-based shall become fully vested and the Termination Date shall be deemed to be the Vesting Date under this Agreement; and

(ii) Unvested RSUs that are Performance-based, shall become fully vested upon the Qualifying Termination (x) based on actual level of performance achieved as of the Change in Control (to the extent the performance period with respect to the relevant goal was completed as of the Change in Control date) and (y) at the target level of performance (to the extent the performance period with respect to the relevant goal was not complete as of the Change in Control date) and the Termination Date shall be deemed to be the Vesting Date under this Agreement. For the avoidance of doubt, it is understood that there may be circumstances where a component of an unearned performance award is valued based on actual performance and a separate component is valued based on target performance. The Company, in its sole discretion, shall determine the number of RSUs that vest pursuant to this provision, if any.

(c) For the avoidance of doubt, in no event shall the Participant become entitled to accelerated vesting of the Participant's RSUs under both Sections 4(a) and 4(b).

(d) In the event of the Employment's termination due to Participant's death or Disability (defined below), then as of the Termination Date all of the unvested Time-Based RSUs shall become fully vested and all unvested Performance-Based RSUs shall become fully vested (x) based on actual level of performance achieved as of the Termination Date (to the extent the performance period with respect to the relevant goal was completed as of the Termination Date) and (y) at the target level of performance (to the extent the performance period with respect to the relevant goal was not complete as of the Termination Date). For the avoidance of doubt, it is understood that there may be circumstances where a component of an unearned performance award(s) is valued based on actual performance and a separate component is valued based on target performance.

(e) "Disability" has the following meaning: the Participant's inability to perform the Employment by reason of any medically determinable physical or mental impairment for a period of 6 months or more in any 12 month period.

(f) In the event the Employment is terminated or terminates other than in a Qualifying Termination, all of the RSUs (both Time-Based and Performance-Based) that have not become vested as of the Termination Date shall automatically be forfeited as of the Termination Date.

(g) Release Requirement. As a condition to the acceleration of vesting (or the continued vesting post-termination of Performance-based RSUs based on the achievement of Company business performance) pursuant to Section 4(a), (b) or (d) of this Agreement, the Participant, if legally capable at such time, or his estate, beneficiaries or legal representatives, if Participant is deceased or legally incapable at such time, shall be obligated to execute a separation agreement and general release of all claims in favor of the Company, their current and former affiliates, subsidiaries and stockholders, and their current and former directors, officers, employees, insurers and agents, in a form reasonably determined by the Company; provided, however, that, if such release is not executed within the time required by the Company, or is revoked within 7 days of execution, the Company shall not have any obligation to provide the benefits under Section 4(a), (b) or (d) under this Agreement.

5. **Dividend Equivalents**. If the Company pays an ordinary cash dividend on its outstanding Common Stock at any time between the Date of Grant and the Settlement Date (as defined in Section 6 below) -- provided that the date on which stockholders of record are determined for purposes of paying a cash dividend on issued and outstanding shares of the Common Stock falls after the Date of Grant -- the Participant shall receive on the Settlement Date or at the next payroll payment (but in no event more than 75 days after the Vesting Date) either: (a) a number of Shares (as defined in Section 6 below) having a Fair Market Value (as defined below) on the Vesting Date equal to the aggregate amount of the cash dividends paid by the Company on a single share of the Common Stock, multiplied by the number of RSUs that are settled on the Settlement Date; or (b) a lump sum cash payment equal to the aggregate amount of the cash dividends paid by the Company on a single share of the Common Stock, multiplied by the number of RSUs that are settled on the Settlement Date ((a) or (b) as applicable, the "***Dividend Payment***"); provided, however, that in the case of (a), any partial Share resulting from the calculation will be paid in cash.

For purposes of this Agreement, "***Fair Market Value***" means the closing price of the Company's Common Stock at the close of business of the applicable date.

6. **Settlement**. Within 75 days following the day any RSUs are vested in accordance with the terms and conditions of this Agreement (the *"**Settlement Date**"*), the Company shall (a) issue and deliver to the Participant one share of Common Stock for each vested RSU (the "***Shares***") and enter the Participant's name as a shareholder of record or beneficial owner with respect to the Shares on the books of the Company; and (b) calculate the Dividend Payment. The Participant agrees that the Company may deduct from the Dividend Payment any amounts owed by the Participant to the Company with respect to any whole Share issued by the Company to the Participant to cover any partial Share resulting from the settlement process.

7. **Restrictive Covenants**. The Participant hereby acknowledges that he or she is subject to all of the requirements and conditions in his or her Executive Employment Agreement or in the Restatement of Confidentiality and Non-Compete Agreements, as applicable, (the "***Covenant Agreements***") previously executed by him or her and that he or she will continue to comply with such Covenant Agreements. Furthermore, the Participant acknowledges that the RSUs granted hereunder serve as sufficient consideration for the reaffirmation of the Covenant Agreements contained herein.

8. **Taxes**. Unless otherwise required by applicable law, on the Settlement Date, (a) the Shares and the Dividend Payment will be considered ordinary income for tax purposes and subject to all applicable payroll taxes; (b) the Company shall report such income to the appropriate taxing authorities as it determines to be necessary and appropriate; (c) the Participant shall be responsible for payment of any taxes due in respect of the Shares and the Dividend Payment; and (d) the Company shall withhold taxes in respect of the Shares and the Dividend Payment (a "***Tax Payment***"). In order to satisfy the Participant's obligation to pay the Tax Payment, the Company will withhold from any Shares otherwise to be delivered to the Participant, a number of whole shares of Common Stock having a Fair Market Value equal to the Tax Payment (i.e., a "***cashless exercise***"); provided, however, that the Participant may elect to satisfy his or her obligation to pay the Tax Payment through a non-cashless exercise, by notifying the Company within at least 5 business days before the Settlement Date. If the Participant does not provide such notification within the established timeframe, the Company will proceed with the default method of the cashless exercise. If the Participant fails to pay any required Tax Payment, the Company may, in its discretion, deduct any Tax Payments from any amount then or thereafter payable by the Company to the Participant and take such other action as deemed necessary to satisfy all obligations for the Tax Payment (including reducing the number of Shares delivered on the Settlement Date). The Participant agrees to pay the Company in the form of a check or cashier's check any overage of the Tax Payment paid by the Company as a result of making whole any partial Share issued through a cashless exercise. Furthermore, the Participant acknowledges and agrees that the Participant will be solely responsible for making any Tax Payment directly to the appropriate taxing authorities should the Participant opt not to satisfy his or her Tax Payment through a cashless exercise.

9. **Rights as Stockholder**. Upon and following the Settlement Date (but not before), the Participant shall be the record or beneficial owner of the Shares unless and until such Shares are sold or otherwise disposed of, and, if a record owner, shall be entitled to all rights of a stockholder of the Company (including voting rights).

10. **Section 409A**. Although the Company does not guarantee the tax treatment of any payments under this Agreement, the intent of the Company is that the payments under this Agreement be exempt from Section 409A of the Internal Revenue Code of 1986, as amended, and all Treasury Regulations and guidance promulgated thereunder ("***Code Section 409A***") under the "short-term deferral exception" and to the maximum extent permitted the Agreement shall be limited, construed and interpreted in accordance with such intent. The Company intends that the performance conditions applicable to the Performance-Based RSUs relate to the Company's business activities and/or organizational goals within the meaning of Treas. Reg. 1.409A-1(d)(1). In no event whatsoever shall the Company or its affiliates or their respective officers, directors, employees or agents be liable for any additional tax, interest or penalties that may be imposed on

the Participant by Code Section 409A or damages for failing to comply with Code Section 409A. Notwithstanding the foregoing or any other provision of this Agreement to the contrary, if at the time of the Participant's separation from service (as defined in Code Section 409A), the Participant is a "Specified Employee," then the Company will defer the payment or commencement of any nonqualified deferred compensation subject to Code Section 409A payable upon separation from service (without any reduction in such payments or benefits ultimately paid or provided to the Participant) until the date that is 6 months following separation from service or, if earlier, the earliest other date as is permitted under Code Section 409A (and any amounts that otherwise would have been paid during this deferral period will be paid in a lump sum on the day after the expiration of the 6 month period or such shorter period, if applicable). The Participant will be a "Specified Employee" for purposes of this Agreement if, on the date of the Participant's separation from service, the Participant is an individual who is, under the method of determination adopted by the Company designated as, or within the category of employees deemed to be, a "Specified Employee" within the meaning and in accordance with Treasury Regulation Section 1.409A-1(i). The Company shall determine in its sole discretion all matters relating to who is a "Specified Employee" and the application of and effects of the change in such determination.

11. **Governing Law**. This Agreement shall be construed and interpreted in accordance with the laws of the Commonwealth of Puerto Rico applicable to contracts to be performed therein.
12. **Notice**. Every notice or other communication relating to this Agreement shall be made in writing and the notice, request or other communication shall be deemed to be received upon receipt by the party entitled thereto. Any notice, request or other communication by the Participant should be delivered to the Company's Chief Legal Officer.
13. **Miscellaneous**. This Agreement, the Plan and the Covenant Agreements contain the entire agreement between the parties hereto with respect to the subject matter contained herein and supersede all prior communications, representations, and negotiations in respect thereto. No change, modification, or waiver of any provision of this Agreement shall be valid unless in writing and signed by the parties hereto. This Agreement shall be binding upon and inure to the benefit of any successor or successors of the Company and any person or persons who shall, upon the death of the Participant, acquire any rights hereunder in accordance with this Agreement or the Plan. The terms and provisions of the Plan and the Vesting Schedule are incorporated herein by reference, and the Participant hereby acknowledges receiving a copy of the Plan. In the event of a conflict or inconsistency between the terms and provisions of the Plan and the provisions of this Agreement, the Plan shall govern and control.

By clicking "I Accept" in the checkbox below, the Participant is hereby agreeing to the terms and conditions of this Agreement as of the Date of Grant set forth above, and that he or she has read the same, including the Vesting Schedule.

Exhibit A – Vesting Schedule

Number of Time-Based RSUs to vest	**Vesting Date**
[*****]	02/28/2026
[*****]	02/28/2027
[*****]	02/28/2028

Number of Performance-Based RSU to vest	**Vesting Date**
[*****]	02/28/2028

Participant's Performance-Based RSUs are governed by the following terms and conditions:

I. Defined Terms. All capitalized terms used, but not defined in this Exhibit A, shall have the meanings attributed to them in the Agreement.

a) "***Accumulated Shares***" means, for a given trading day, the sum of (a) one (1) share and (b) a cumulative number of shares of a company's common stock purchased with dividends declared on a company's common stock, assuming same day reinvestment of the dividends in the common stock of the company at the closing price on the ex-dividend date, for ex-dividend dates during the Opening Average Period or between the Date of Grant and the Vesting Date, as applicable.
b) "***Adjusted EBITDA***" means the Company's earnings before interest, taxes, depreciation and amortization, after all typical and applicable adjustments made by the Company.
c) "***Closing Average Period***" means the last 20 trading days of the Relative TSR Performance Period.
d) "***Closing Average Share Value***" means the average, over the trading days in the Closing Average Period, of the closing price of a company's stock multiplied by the Accumulated Shares for each trading day during the Closing Average Period.
e) "***Adjusted EBITDA Performance Period***" means the one-year period commencing on January 1, 2025 and ending on December 31, 2025, consistent with the Company's fiscal year.
f) "***Grant Date Fair Value***" means a value arrived at by projecting future stock prices for the Company and the Peer Companies while allowing for greater flexibility and customization of the assumptions and plan design parameters which is necessary to value the Adjusted EBITDA RSUs with a Relative TSR Multiplier.
g) "***Opening Average Period***" means the 20 trading days immediately preceding the first day of the Relative TSR Performance Period.
h) "***Opening Average Share Value***" means the average, over the trading days in the Opening Average Period, of the closing price of a company's stock multiplied by the Accumulated Shares for each trading day during the Opening Average Period.
i) "***Peer Companies***" means the constituents of the Russell 2000 Index as of January 1, 2025.
j) "***Performance Period***" means the 3-year period commencing on the Date of Grant and ending on the third-anniversary of the Date of Grant.
k) "***Relative TSR***" is a performance metric that compares the Company's TSR to the TSR of each of the Peer Companies using the methodology set forth herein.
l) "***Relative TSR Multiplier***" is the multiplier that will be applied to the Adjusted EBITDA RSUs at the end of the Relative TSR Performance Period.
m) "***Relative TSR Performance Period***" means the Performance Period for which the TSR metrics for Performance-Based RSUs will be measured.
n) "***TSR***" (Total Shareholder Return) means the change in fair market value over a specified period of time, expressed as a percentage, which will be calculated by dividing (a) the Closing Average Share Value by (b) the Opening Average Share Value and subtracting one from the quotient.

II. Metrics for Performance-Based RSUs

The Company will use the following metrics and criteria for calculating the Performance-Based RSUs:

a) The target number of Performance-Based RSUs that the Participant is granted has been allocated to Adjusted EBITDA RSUs and will be subject to the Relative TSR Multiplier. The actual number of

Performance-Based Adjusted EBITDA RSUs with a Relative TSR Multiplier was determined by dividing this portion of the Award's value by the Grant Date Fair Value.

b) The Adjusted EBITDA RSUs will be based on the Company's actual one-year Adjusted EBITDA measured over the Adjusted EBITDA Performance Period relative to the goals established below.

Performance Level	**Adjusted 1-Year EBITDA (millions)**	**Earned Percentage**
Maximum	$390.3	200%
Target	$354.8	100%
Threshold	$337.1	60%
Less Than	$337.1	0%

c) The number of RSUs that are eligible to vest may be greater or less than the resulting number of earned Adjusted EBITDA RSUs depending on the level of attainment of Relative TSR over the Relative TSR Performance Period based on the following percentile approach.

Performance Level	**Percentile Rank vs. Peer Companies**	**Relative TSR Multiplier**
Maximum	75th Percentile or Above	1.25
Target	50th Percentile	1.00
Threshold	≤ 35th Percentile	0.75

d) The total number of Performance-Based RSUs that will actually vest will be equal to: Target EBITDA RSUs * Earned Percentage * Relative TSR Multiplier.

e) The actual level of the Earned Percentage and Relative TSR Multiplier will be based on a linear interpolation between threshold and target and between target and maximum levels.

f) In the event of a payout percentage level above 100%, the Participant will be awarded additional RSUs so that the total number of RSUs which vest as of the Vesting Date equals the RSU amount as calculated in item (d) above. In the event of a payout percentage level below 100%, the original RSU Award amount will be reduced to the extent necessary to provide that the total number of RSUs which vest as of the Vesting Date equals the RSU amount as calculated in item (d) above (any such reduced RSUs to be considered forfeited). This same method will apply to the calculation of dividend equivalents and any shares of Common Stock issued as a result thereof.

g) Relative TSR will be determined by ranking the Company and the Peer Companies from highest to lowest according to their respective TSRs. After this ranking, the percentile performance of the Company relative to the Peer Companies will be determined as follows:

$$P = 1 - \frac{R - 1}{N - 1}$$

P = the percentile performance (rounded to the nearest whole percentile)
N = the number of Peer Companies, plus the Company
R = the Company's ranking among the Peer Companies

Example: if there are 24 Peer Companies, and Evertec ranked 7th, the performance would be at the 75th percentile:

$$.75 = 1 - ((7-1)/(25-1))$$

h) The Peer Companies may be changed if any of the following events occur during the Relative TSR Performance Period:

1. In the event of a merger, acquisition or business combination transaction of a Peer Company with another Peer Company, the surviving entity shall remain a Peer Company.

2. In the event of a merger, acquisition or business combination transaction of a Peer Company with an entity that is not a Peer Company, where the Peer Company is the surviving entity and remains publicly traded, the surviving entity shall remain a Peer Company.

3. In the event of a merger or acquisition or business combination transaction of a Peer Company with an entity that is not a Peer Company, where the Peer Company is not the surviving entity or is otherwise no longer publicly traded, the Peer Company shall be removed from the list of Peer Companies.

4. In the event of a bankruptcy of a Peer Company, or if a Peer Company is delisted, such Peer Company shall remain a Peer Company, but will be allocated a TSR at the lowest position in the final calculation of the percentile rankings.

5. In the event of a stock distribution from a Peer Company consisting of the shares of a new publicly-traded company (a "***spin-off***"), the Peer Company shall remain a Peer Company and the stock distribution shall be treated as a dividend from the Peer Company based on the closing price of the shares of the spun-off company on its first day of trading. The performance of the shares of the spun-off company shall not thereafter be tracked for purposes of calculating TSR.

EXHIBIT 31.1

Certification of Chief Executive Officer Pursuant to Rule 13a-14(a) or 15d-14(a)

I, Morgan Schuessler, certify that:

1. I have reviewed this report on Form 10-Q of EVERTEC, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures, and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 8, 2025

/s/ Morgan Schuessler

Morgan Schuessler
Chief Executive Officer

EXHIBIT 31.2

Certification of Chief Financial Officer Pursuant to Rule 13a-14(a) or 15d-14(a)

I, Joaquin A. Castrillo-Salgado, certify that:

1. I have reviewed this report on Form 10-Q of EVERTEC, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant’s disclosure controls and procedures, and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: May 8, 2025

/s/ Joaquin A. Castrillo-Salgado

Joaquin A. Castrillo-Salgado
Chief Financial Officer

EXHIBIT 32.1

Certification Pursuant to 18 U.S.C. Section 1350
As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002 , the undersigned officer of EVERTEC, Inc. (the "Company"), does hereby certify, to such officer's knowledge, that:

The Quarterly Report on Form 10-Q for the quarter ended September 30, 2024 (the "Form 10-Q") of the Company fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 and information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 8, 2025

/s/ Morgan Schuessler
Morgan Schuessler
Chief Executive Officer

EXHIBIT 32.2

Certification Pursuant to 18 U.S.C. 1350
As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Pursuant to 18 U.S.C. 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of EVERTEC, Inc. (the "Company"), does hereby certify, to such officer's knowledge, that:

The Quarterly Report on Form 10-Q for the quarter ended September 30, 2024 (the "Form 10-Q") of the Company fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 and information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 8, 2025

/s/ Joaquin A. Castrillo-Salgado

Joaquin A. Castrillo-Salgado
Chief Financial Officer