

## Pitney Bowes Inc.

### Consolidated Statements of Operations

(Unaudited; in thousands, except per share amounts)

	Three months ended September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
Revenue:				
Business services	\$ 551,384	\$ 550,954	\$ 1,688,860	\$ 1,524,323
Support services	113,413	117,519	347,266	353,320
Financing	71,936	86,218	223,201	260,758
Equipment sales	83,234	79,572	256,304	213,682
Supplies	38,211	39,635	119,090	118,117
Rentals	17,271	18,000	55,128	55,458
Total revenue	<u>875,449</u>	<u>891,898</u>	<u>2,689,849</u>	<u>2,525,658</u>
Costs and expenses:				
Cost of business services	472,216	482,965	1,454,564	1,311,941
Cost of support services	38,250	37,647	112,646	114,132
Financing interest expense	11,710	11,626	35,369	36,054
Cost of equipment sales	62,221	59,766	185,622	165,045
Cost of supplies	10,705	10,132	32,383	30,751
Cost of rentals	6,480	6,055	18,940	18,455
Selling, general and administrative	225,024	238,618	699,316	720,882
Research and development	10,621	9,255	32,996	28,838
Restructuring charges	3,701	3,766	11,434	12,505
Goodwill impairment	-	-	-	198,169
Interest expense, net	24,312	27,175	73,816	79,504
Other components of net pension and postretirement expense (income)	46	(109)	708	126
Other expense (income), net	3,193	(6,325)	40,941	9,787
Total costs and expenses	<u>868,479</u>	<u>880,571</u>	<u>2,698,735</u>	<u>2,726,189</u>
Income (loss) from continuing operations before taxes	6,970	11,327	(8,886)	(200,531)
(Benefit) provision for income taxes	(1,525)	554	(10,602)	7,540
Income (loss) from continuing operations	8,495	10,773	1,716	(208,071)
Income (loss) from discontinued operations, net of tax	572	616	(4,334)	7,648
Net income (loss)	<u>\$ 9,067</u>	<u>\$ 11,389</u>	<u>\$ (2,618)</u>	<u>\$ (200,423)</u>
Basic earnings (loss) per share (1):				
Continuing operations	\$ 0.05	\$ 0.06	\$ 0.01	\$ (1.21)
Discontinued operations	-	-	(0.02)	0.04
Net income (loss)	<u>\$ 0.05</u>	<u>\$ 0.07</u>	<u>\$ (0.02)</u>	<u>\$ (1.17)</u>
Diluted earnings (loss) per share (1):				
Continuing operations	\$ 0.05	\$ 0.06	\$ 0.01	\$ (1.21)
Discontinued operations	-	-	(0.02)	0.04
Net income (loss)	<u>\$ 0.05</u>	<u>\$ 0.07</u>	<u>\$ (0.02)</u>	<u>\$ (1.17)</u>
Weighted-average shares used in diluted earnings per share	<u>179,409</u>	<u>174,704</u>	<u>178,949</u>	<u>171,388</u>

(1) The sum of the earnings per share amounts may not equal the totals due to rounding.

**Pitney Bowes Inc.**  
**Consolidated Balance Sheets**  
(Unaudited; in thousands)

<b>Assets</b>	<b>September 30, 2021</b>	<b>December 31, 2020</b>
Current assets:		
Cash and cash equivalents	\$ 729,149	\$ 921,450
Short-term investments	14,060	18,974
Accounts and other receivables, net	313,765	389,240
Short-term finance receivables, net	556,985	568,050
Inventories	69,496	65,845
Current income taxes	32,290	23,219
Other current assets and prepayments	127,513	120,145
Total current assets	1,843,258	2,106,923
Property, plant and equipment, net	467,396	391,280
Rental property and equipment, net	36,461	38,435
Long-term finance receivables, net	582,352	605,292
Goodwill	1,124,705	1,152,285
Intangible assets, net	137,118	159,839
Operating lease assets	212,028	201,916
Noncurrent income taxes	67,049	72,653
Other assets	484,247	491,514
Total assets	<u>\$ 4,954,614</u>	<u>\$ 5,220,137</u>
<b>Liabilities and stockholders' equity</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 871,798	\$ 880,616
Customer deposits at Pitney Bowes Bank	642,712	617,200
Current operating lease liabilities	41,347	39,182
Current portion of long-term debt	24,733	216,032
Advance billings	104,094	114,550
Current income taxes	4,078	2,880
Total current liabilities	1,688,762	1,870,460
Long-term debt	2,314,151	2,348,361
Deferred taxes on income	283,395	279,451
Tax uncertainties and other income tax liabilities	35,380	38,163
Noncurrent operating lease liabilities	193,861	180,292
Other noncurrent liabilities	390,402	437,015
Total liabilities	4,905,951	5,153,742
Stockholders' equity:		
Common stock	323,338	323,338
Additional paid-in-capital	2,463	68,502
Retained earnings	5,172,527	5,201,195
Accumulated other comprehensive loss	(841,230)	(839,131)
Treasury stock, at cost	(4,608,435)	(4,687,509)
Total stockholders' equity	48,663	66,395
Total liabilities and stockholders' equity	<u>\$ 4,954,614</u>	<u>\$ 5,220,137</u>

**Pitney Bowes Inc.**  
**Business Segment Revenue**  
(Unaudited; in thousands)

	Three months ended September 30,			Nine months ended September 30,		
	2021	2020	% Change	2021	2020	% Change
Global Ecommerce	\$ 398,011	\$ 409,981	(3%)	\$ 1,229,526	\$ 1,100,757	12%
Presort Services	139,296	127,705	9%	417,041	386,552	8%
Sending Technology Solutions	338,142	354,212	(5%)	1,043,282	1,038,349	0%
<b>Total revenue - GAAP</b>	<b>875,449</b>	<b>891,898</b>	<b>(2%)</b>	<b>2,689,849</b>	<b>2,525,658</b>	<b>7%</b>
Currency impact on revenue	(5,268)	-		(27,593)	-	
Revenue, at constant currency	<u>\$ 870,181</u>	<u>\$ 891,898</u>	<u>(2%)</u>	<u>\$ 2,662,256</u>	<u>\$ 2,525,658</u>	<u>5%</u>

**Pitney Bowes Inc.**  
**Business Segment EBIT & EBITDA**

(Unaudited; in thousands)

	Three months ended September 30,								
	2021			2020			% change		
	EBIT (1)	D&A	EBITDA	EBIT (1)	D&A	EBITDA	EBIT	EBITDA	
Global Ecommerce	\$ (20,950)	\$ 20,935	\$ (15)	\$ (19,757)	\$ 16,824	\$ (2,933)	(6%)	>100%	
Presort Services	21,062	6,235	27,297	14,481	8,031	22,512	45%	21%	
Sending Technology Solutions	98,950	7,694	106,644	112,599	7,955	120,554	(12%)	(12%)	
Segment total	<u>\$ 99,062</u>	<u>\$ 34,864</u>	<u>133,926</u>	<u>\$ 107,323</u>	<u>\$ 32,810</u>	<u>140,133</u>	<u>(8%)</u>	<u>(4%)</u>	

**Reconciliation of Segment EBITDA to Net Income:**

Segment depreciation and amortization	(34,864)	(32,810)
Unallocated corporate expenses	(49,176)	(53,429)
Restructuring charges	(3,701)	(3,766)
Loss on debt refinancing	(3,193)	-
Interest, net	(36,022)	(38,801)
Benefit (provision) for income taxes	1,525	(554)
Income from continuing operations	8,495	10,773
Income from discontinued operations, net of tax	572	616
Net income	<u>\$ 9,067</u>	<u>\$ 11,389</u>

	Nine months ended September 30,								
	2021			2020			% change		
	EBIT (1)	D&A	EBITDA	EBIT (1)	D&A	EBITDA	EBIT	EBITDA	
Global Ecommerce	\$ (58,157)	\$ 58,171	\$ 14	\$ (68,126)	\$ 52,187	\$ (15,939)	15%	>100%	
Presort Services	56,247	20,532	76,779	42,758	23,662	66,420	32%	16%	
Sending Technology Solutions	320,541	22,835	343,376	323,429	25,771	349,200	(1%)	(2%)	
Segment Total	<u>\$ 318,631</u>	<u>\$ 101,538</u>	<u>420,169</u>	<u>\$ 298,061</u>	<u>\$ 101,620</u>	<u>399,681</u>	<u>7%</u>	<u>5%</u>	

**Reconciliation of Segment EBITDA to Net Loss:**

Segment depreciation and amortization	(101,538)	(101,620)
Unallocated corporate expenses	(162,957)	(146,640)
Restructuring charges	(11,434)	(12,505)
Loss on debt refinancing	(55,576)	(36,987)
Gain on sale of business	10,201	-
Gain on sale of assets	1,434	11,908
Goodwill impairment	-	(198,169)
Transaction costs	-	(641)
Interest, net	(109,185)	(115,558)
Benefit (provision) for income taxes	10,602	(7,540)
Income (loss) from continuing operations	1,716	(208,071)
(Loss) income from discontinued operations, net of tax	(4,334)	7,648
Net loss	<u>\$ (2,618)</u>	<u>\$ (200,423)</u>

(1) Segment EBIT excludes interest, taxes, general corporate expenses, restructuring charges, and other items that are not allocated to a particular business segment.

**Pitney Bowes Inc.**

**Reconciliation of Reported Consolidated Results to Adjusted Results**

(Unaudited; in thousands, except per share amounts)

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2021	2020	2021	2020
<b>Reconciliation of reported net income (loss) to adjusted EBIT and EBITDA</b>				
Net income (loss)	\$ 9,067	\$ 11,389	\$ (2,618)	\$ (200,423)
(Income) loss from discontinued operations, net of tax	(572)	(616)	4,334	(7,648)
(Benefit) provision for income taxes	(1,525)	554	(10,602)	7,540
Income (loss) from continuing operations before taxes	6,970	11,327	(8,886)	(200,531)
Restructuring charges	3,701	3,766	11,434	12,505
Loss on debt refinancing	3,193	-	55,576	36,987
Goodwill impairment	-	-	-	198,169
Gain on sale of business	-	-	(10,201)	-
Gain on sale of assets	-	-	(1,434)	(11,908)
Transaction costs	-	-	-	641
Adjusted net income before tax	13,864	15,093	46,489	35,863
Interest, net	36,022	38,801	109,185	115,558
Adjusted EBIT	49,886	53,894	155,674	151,421
Depreciation and amortization	41,809	38,616	121,225	120,403
Adjusted EBITDA	\$ 91,695	\$ 92,510	\$ 276,899	\$ 271,824
<b>Reconciliation of reported diluted earnings (loss) per share to adjusted diluted earnings per share <sup>(1)</sup></b>				
Diluted earnings (loss) per share	\$ 0.05	\$ 0.07	\$ (0.02)	\$ (1.17)
Loss (income) from discontinued operations, net of tax	-	-	0.02	(0.04)
Restructuring charges	0.02	0.02	0.05	0.05
Loss on debt refinancing	0.01	-	0.23	0.16
Goodwill impairment	-	-	-	1.14
Gain on sale of business	-	-	(0.02)	-
Gain on sale of assets	-	-	(0.01)	(0.05)
Tax on surrender of company owned life insurance policies	-	-	-	0.07
Adjusted diluted earnings per share	\$ 0.08	\$ 0.08	\$ 0.26	\$ 0.17
<b>Reconciliation of reported net cash from operating activities to free cash flow</b>				
Net cash provided by operating activities	\$ 71,446	\$ 104,744	\$ 216,174	\$ 191,166
Net cash used in operating activities - discontinued operations	-	-	-	38,423
Capital expenditures	(57,204)	(20,833)	(140,907)	(80,787)
Restructuring payments	6,023	4,504	14,847	15,869
Change in customer deposits at PB Bank	9,879	(2,867)	25,512	19,464
Transaction costs paid	-	377	-	2,117
Free cash flow	\$ 30,144	\$ 85,925	\$ 115,626	\$ 186,252

<sup>(1)</sup> The sum of the earnings per share amounts may not equal the totals due to rounding.