

**Pitney Bowes Inc.****Consolidated Statements of Operations**

(Unaudited; in thousands, except per share amounts)

	Three months ended September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
Revenue:				
Business services	\$ 483,987	\$ 518,405	\$ 1,480,975	\$ 1,667,267
Support services	101,855	107,642	310,454	325,619
Financing	68,572	67,757	202,323	207,084
Equipment sales	76,705	83,528	238,766	262,810
Supplies	35,695	37,455	111,035	116,761
Rentals	16,937	16,127	51,217	49,810
Total revenue	<u>783,751</u>	<u>830,914</u>	<u>2,394,770</u>	<u>2,629,351</u>
Costs and expenses:				
Cost of business services	419,859	452,715	1,276,814	1,433,474
Cost of support services	35,589	36,618	107,447	111,463
Financing interest expense	16,813	13,692	46,112	37,827
Cost of equipment sales	52,952	60,595	166,303	188,181
Cost of supplies	10,498	10,529	32,607	33,074
Cost of rentals	4,289	6,270	14,859	19,052
Selling, general and administrative	209,416	209,576	674,085	678,999
Research and development	10,362	9,812	31,129	32,400
Restructuring charges and asset impairments	16,578	4,264	42,620	12,672
Goodwill impairment	-	-	118,599	-
Interest expense, net	26,782	23,685	72,044	66,816
Other components of net pension and postretirement (income) cost	(2,683)	1,427	(6,144)	3,229
Other income, net	-	(8,398)	(3,064)	(20,299)
Total costs and expenses	<u>800,455</u>	<u>820,785</u>	<u>2,573,411</u>	<u>2,596,888</u>
(Loss) income before taxes	(16,704)	10,129	(178,641)	32,463
(Benefit) provision for income taxes	(4,185)	4,642	(16,850)	1,819
Net (loss) income	<u>\$ (12,519)</u>	<u>\$ 5,487</u>	<u>\$ (161,791)</u>	<u>\$ 30,644</u>
(Loss) earnings per share:				
Basic	<u>\$ (0.07)</u>	<u>\$ 0.03</u>	<u>\$ (0.92)</u>	<u>\$ 0.18</u>
Diluted	<u>\$ (0.07)</u>	<u>\$ 0.03</u>	<u>\$ (0.92)</u>	<u>\$ 0.17</u>
Weighted-average shares used in diluted earnings per share	<u>176,099</u>	<u>176,966</u>	<u>175,428</u>	<u>177,418</u>

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

<b>Assets</b>	<b>September 30, 2023</b>	<b>December 31, 2022</b>
Current assets:		
Cash and cash equivalents	\$ 557,696	\$ 669,981
Short-term investments	21,732	11,172
Accounts and other receivables, net	288,592	343,557
Short-term finance receivables, net	550,152	564,972
Inventories	83,781	83,720
Current income taxes	6,392	8,790
Other current assets and prepayments	109,189	115,824
Total current assets	1,617,534	1,798,016
Property, plant and equipment, net	391,649	420,672
Rental property and equipment, net	24,652	27,487
Long-term finance receivables, net	641,251	627,124
Goodwill	945,418	1,066,951
Intangible assets, net	66,111	77,944
Operating lease assets	309,995	296,129
Noncurrent income taxes	55,378	46,613
Other assets	370,716	380,419
Total assets	<u>\$ 4,422,704</u>	<u>\$ 4,741,355</u>
<b>Liabilities and stockholders' (deficit) equity</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 793,609	\$ 907,083
Customer deposits at Pitney Bowes Bank	642,556	628,072
Current operating lease liabilities	58,270	52,576
Current portion of long-term debt	56,533	32,764
Advance billings	87,739	105,207
Current income taxes	1,819	2,101
Total current liabilities	1,640,526	1,727,803
Long-term debt	2,101,595	2,172,502
Deferred taxes on income	238,391	263,131
Tax uncertainties and other income tax liabilities	21,386	23,841
Noncurrent operating lease liabilities	279,920	265,696
Other noncurrent liabilities	265,995	227,729
Total liabilities	<u>4,547,813</u>	<u>4,680,702</u>
Stockholders' (deficit) equity:		
Common stock	323,338	323,338
Retained earnings	4,872,439	5,125,677
Accumulated other comprehensive loss	(838,071)	(835,564)
Treasury stock, at cost	(4,482,815)	(4,552,798)
Total stockholders' (deficit) equity	<u>(125,109)</u>	<u>60,653</u>
Total liabilities and stockholders' (deficit) equity	<u>\$ 4,422,704</u>	<u>\$ 4,741,355</u>

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

	Three months ended September 30,			Nine months ended September 30,		
	2023	2022	% Change	2023	2022	% Change
<b>Global Ecommerce</b>						
Revenue, as reported	\$ 313,161	\$ 354,326	(12%)	\$ 974,306	\$ 1,166,623	(16%)
Impact of change in revenue presentation		(39,795)			(115,171)	
Impact of Borderfree divestiture		-			(22,550)	
Comparable revenue before currency	313,161	314,531	(0%)	974,306	1,028,902	(5%)
Impact of currency on revenue	(1,023)			2,255		
Comparable revenue	\$ 312,138	\$ 314,531	(1%)	\$ 976,561	\$ 1,028,902	(5%)
<b>Presort Services</b>						
Revenue, as reported	\$ 152,451	\$ 144,824	5%	\$ 454,460	\$ 444,302	2%
<b>Sending Technology Solutions</b>						
Revenue, as reported	\$ 318,139	\$ 331,764	(4%)	\$ 966,004	\$ 1,018,426	(5%)
Impact of change in revenue presentation		(4,373)			(12,916)	
Comparable revenue before currency	318,139	327,391	(3%)	966,004	1,005,510	(4%)
Impact of currency on revenue	(2,106)			3,463		
Comparable revenue	\$ 316,033	\$ 327,391	(3%)	\$ 969,467	\$ 1,005,510	(4%)
<b>Consolidated</b>						
Revenue, as reported	\$ 783,751	\$ 830,914	(6%)	\$ 2,394,770	\$ 2,629,351	(9%)
Impact of change in revenue presentation		(44,168)			(128,087)	
Impact of Borderfree divestiture		-			(22,550)	
Comparable revenue before currency	783,751	786,746	(0%)	2,394,770	2,478,714	(3%)
Impact of currency on revenue	(3,129)			5,718		
Comparable revenue	\$ 780,622	\$ 786,746	(1%)	\$ 2,400,488	\$ 2,478,714	(3%)

**Pitney Bowes Inc.**  
**Adjusted Segment EBIT & EBITDA**  
(Unaudited; in thousands)

	Three months ended September 30,							
	2023			2022			% change	
	Adjusted Segment EBIT <sup>(1)</sup>	D&A	Adjusted Segment EBITDA	Adjusted Segment EBIT <sup>(1)</sup>	D&A	Adjusted Segment EBITDA	Adjusted Segment EBIT	Adjusted Segment EBITDA
Global Ecommerce	\$ (41,712)	\$ 16,872	\$ (24,840)	\$ (34,881)	\$ 17,982	\$ (16,899)	(20%)	(47%)
Presort Services	29,124	8,313	37,437	20,561	7,182	27,743	42%	35%
Sending Technology Solutions	97,761	7,494	105,255	95,234	7,248	102,482	3%	3%
Segment total	<u>\$ 85,173</u>	<u>\$ 32,679</u>	<u>117,852</u>	<u>\$ 80,914</u>	<u>\$ 32,412</u>	<u>113,326</u>	<u>5%</u>	<u>4%</u>

**Reconciliation of Segment Adjusted EBITDA to Net (Loss) Income:**

Segment depreciation and amortization	(32,679)	(32,412)
Unallocated corporate expenses	(41,704)	(42,908)
Restructuring charges and asset impairments	(16,578)	(4,264)
Gain on sale of businesses, including transaction costs	-	13,764
Interest expense, net	(43,595)	(37,377)
Benefit (provision) for income taxes	4,185	(4,642)
Net (loss) income	<u>\$ (12,519)</u>	<u>\$ 5,487</u>

	Nine months ended September 30,							
	2023			2022			% change	
	EBIT (1)	D&A	EBITDA	EBIT (1)	D&A	EBITDA	EBIT	EBITDA
Global Ecommerce	\$ (114,033)	\$ 49,906	\$ (64,127)	\$ (77,402)	\$ 60,906	\$ (16,496)	(47%)	>(100%)
Presort Services	76,458	25,172	101,630	53,044	20,601	73,645	44%	38%
Sending Technology Solutions	291,912	22,344	314,256	295,374	22,159	317,533	(1%)	(1%)
Segment total	<u>\$ 254,337</u>	<u>\$ 97,422</u>	<u>351,759</u>	<u>\$ 271,016</u>	<u>\$ 103,666</u>	<u>374,682</u>	<u>(6%)</u>	<u>(6%)</u>

**Reconciliation of Segment EBITDA to Net (Loss) Income:**

Segment depreciation and amortization	(97,422)	(103,666)
Unallocated corporate expenses	(145,762)	(141,537)
Restructuring charges and asset impairments	(42,620)	(12,672)
Goodwill impairment	(118,599)	-
Gain (loss) on debt redemption	3,064	(4,993)
Proxy solicitation fees	(10,905)	-
Gain on sale of assets	-	14,372
Gain on sale of businesses, including transaction costs	-	10,920
Interest expense, net	(118,156)	(104,643)
Benefit (provision) for income taxes	16,850	(1,819)
Net (loss) income	<u>\$ (161,791)</u>	<u>\$ 30,644</u>

(1) Adjusted segment EBIT excludes interest, taxes, general corporate expenses, restructuring charges, goodwill impairment, 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 September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
<b>Reconciliation of reported net (loss) income to adjusted EBIT and adjusted EBITDA</b>				
Net (loss) income	\$ (12,519)	\$ 5,487	\$ (161,791)	\$ 30,644
(Benefit) provision for income taxes	(4,185)	4,642	(16,850)	1,819
(Loss) income before taxes	(16,704)	10,129	(178,641)	32,463
Restructuring charges and asset impairments	16,578	4,264	42,620	12,672
Goodwill impairment	-	-	118,599	-
(Gain) loss on debt redemption	-	-	(3,064)	4,993
Proxy solicitation fees	-	-	10,905	-
Gain on sale of assets	-	-	-	(14,372)
Gain on sale of businesses, including transaction costs	-	(13,764)	-	(10,920)
Adjusted net (loss) income before tax	(126)	629	(9,581)	24,836
Interest, net	43,595	37,377	118,156	104,643
Adjusted EBIT	43,469	38,006	108,575	129,479
Depreciation and amortization	40,262	39,280	120,032	124,752
Adjusted EBITDA	\$ 83,731	\$ 77,286	\$ 228,607	\$ 254,231
<b>Reconciliation of reported diluted (loss) earnings per share to adjusted diluted (loss) earnings per share</b>				
Diluted (loss) earnings per share	\$ (0.07)	\$ 0.03	\$ (0.92)	\$ 0.17
Restructuring charges and asset impairments	0.07	0.02	0.18	0.05
Goodwill impairment	-	-	0.67	-
(Gain) loss on debt redemption	-	-	(0.01)	0.02
Proxy solicitation fees	-	-	0.05	-
Gain on sale of assets	-	-	-	(0.06)
Gain on sale of businesses, including transaction costs	-	(0.05)	-	(0.09)
Adjusted diluted (loss) earnings per share <sup>(1)</sup>	\$ 0.00	\$ (0.00)	\$ (0.04)	\$ 0.10
<sup>(1)</sup> The sum of the earnings per share amounts may not equal the totals due to rounding.				
<b>Reconciliation of reported net cash from operating activities to free cash flow</b>				
Net cash from operating activities	\$ 25,305	\$ (36,465)	\$ (14,453)	\$ 9,229
Capital expenditures	(22,952)	(33,359)	(77,598)	(97,533)
Restructuring payments	12,269	3,506	25,152	11,761
Proxy solicitation fees paid	623	-	10,905	-
Transaction costs paid	-	3,268	-	5,400
Free cash flow	\$ 15,245	\$ (63,050)	\$ (55,994)	\$ (71,143)