



Pitney Bowes Analyst Day 2018

March 6, 2018



AGENDA

Presenter	Title
Marc Lautenbach	President and Chief Executive Officer
Jason Dies	Executive Vice President and President, Small and Medium Business Solutions
Chris Johnson	Vice President and President, Global Financial Services
Bob Guidotti	Executive Vice President and President, Software Solutions
Lila Snyder	Executive Vice President and President, Commerce Services
Break	
Stan Sutula	Executive Vice President and Chief Financial Officer
Marc Lautenbach	President and Chief Executive Officer
Q&A Session	

Forward-Looking Statements

This document contains “forward-looking statements” about the Company’s expected or potential future business and financial performance. Forward-looking statements include, but are not limited to, statements about its future revenue and earnings guidance and other statements about future events or conditions, including statements about the potential outcome of the Board’s exploration of strategic alternatives and the impact of Tax Legislation. Forward-looking statements are not guarantees of future performance and involve risks and uncertainties that could cause actual results to differ materially from those projected. These risks and uncertainties include, but are not limited to: declining physical mail volumes; competitive factors, including pricing pressures, technological developments, the introduction of new products and services by competitors; our success in developing new products and services, including digital-based products and services, obtaining regulatory approvals, if needed, of new products, and the market’s acceptance of these new products and services; our ability to fully utilize the enterprise business platform in North America, and successfully deploy it in major international markets without significant disruptions to existing operations; a breach of security, including a cyberattack or other comparable event; the continued availability and security of key information technology systems and the cost to comply with information security requirements and privacy laws; changes in postal or banking regulations; changes in, or loss of, our contractual relationships with the United States Postal Service; the risk of losing large clients in the Global Ecommerce segment; macroeconomic factors, including global and regional business conditions that adversely impact customer demand, foreign currency exchange rates, interest rates, fuel prices and labor conditions; capital market disruptions or credit rating downgrades that adversely impact our ability to access capital markets at reasonable costs; management of outsourcing arrangements; integrating newly acquired businesses, including operations and product and service offerings; management of customer credit risk; any potential impact from the announcement that the Board is conducting a review of strategic alternatives and other factors beyond its control as more fully outlined in the Company’s 2017 Form 10-K and other reports filed with the Securities and Exchange Commission. Pitney Bowes assumes no obligation to update any forward-looking statements contained in this document as a result of new information, events or developments.

Use of Non-GAAP Measures

The Company's financial results are reported in accordance with generally accepted accounting principles (GAAP); however, in our disclosures we use certain non-GAAP measures, such as adjusted earnings before interest and taxes (EBIT), adjusted earnings per share (EPS), revenue growth on a constant currency basis, free cash flow and Segment EBIT.

The Company reports measures such as adjusted EBIT and adjusted EPS and adjusted net income to exclude the impact of special items like restructuring charges, tax adjustments, goodwill and asset write-downs, and costs related to dispositions and acquisitions. While these are actual Company expenses, they can mask underlying trends associated with its business. Such items are often inconsistent in amount and frequency and as such, the adjustments allow an investor greater insight into the current underlying operating trends of the business.

In addition, revenue growth is presented on a constant currency basis to exclude the impact of changes in foreign currency exchange rates since the prior period under comparison. Constant currency measures are intended to help investors better understand the underlying revenue performance of the business excluding the impacts of shifts in currency exchange rates over the period. Constant currency is calculated by converting our current period reported revenue using the prior year's exchange rate for the comparable period. A reconciliation of reported revenue to constant currency revenue can be found on the Company's Investor Relations website.

Use of Non-GAAP Measures

The Company reports free cash flow in order to provide investors insight into the amount of cash that management could have available for other discretionary uses. Free cash flow adjusts GAAP cash from operations for capital expenditures, restructuring payments, unusual tax settlements, contributions to the Company's pension fund and cash used for other special items. A reconciliation of GAAP cash from operations to free cash flow can be found in the Company's attached financial schedules.

In addition, Management uses segment EBIT to measure profitability and performance at the segment level and believes that it provides a useful measure of operating performance and underlying trends of the businesses. Segment EBIT is determined by deducting from segment revenue the related costs and expenses attributable to the segment. Segment EBIT excludes interest, taxes, general corporate expenses, restructuring charges and other items which are not allocated to a particular business segment. A reconciliation of Segment EBIT to the Company's total net income can be found in the Company's attached financial schedules.

Pitney Bowes has provided a quantitative reconciliation to GAAP in supplemental schedules. This information may also be found at the Company's web site www.pb.com/investorrelations



Creating A Different Company

Marc B. Lautenbach
President and Chief Executive Officer

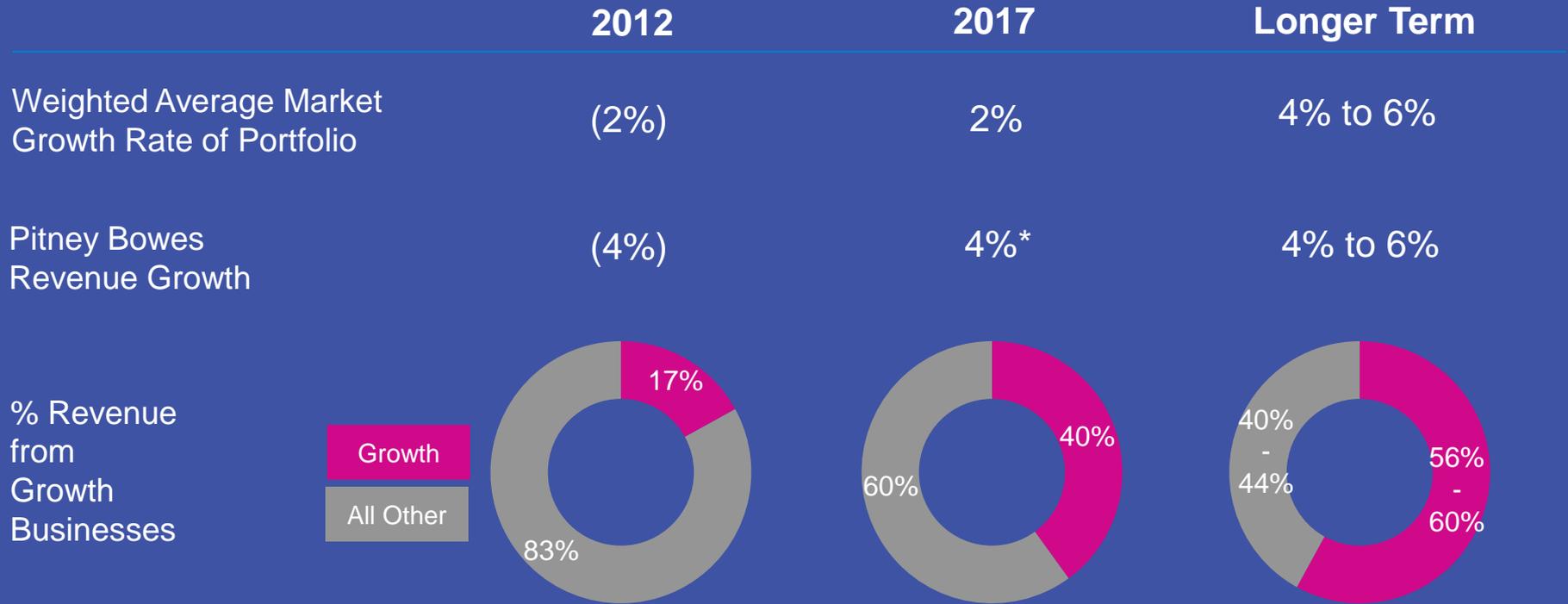


Characteristics of a Transformation*

1. **Few succeed**
2. **Change in Leadership
High Performance Culture**
3. **Quick Wins To Fund**
4. **Balance Short Term and Long Term**
5. **Continue to Invest in Business**
6. **Revenue Growth is the
Biggest Factor in Success**

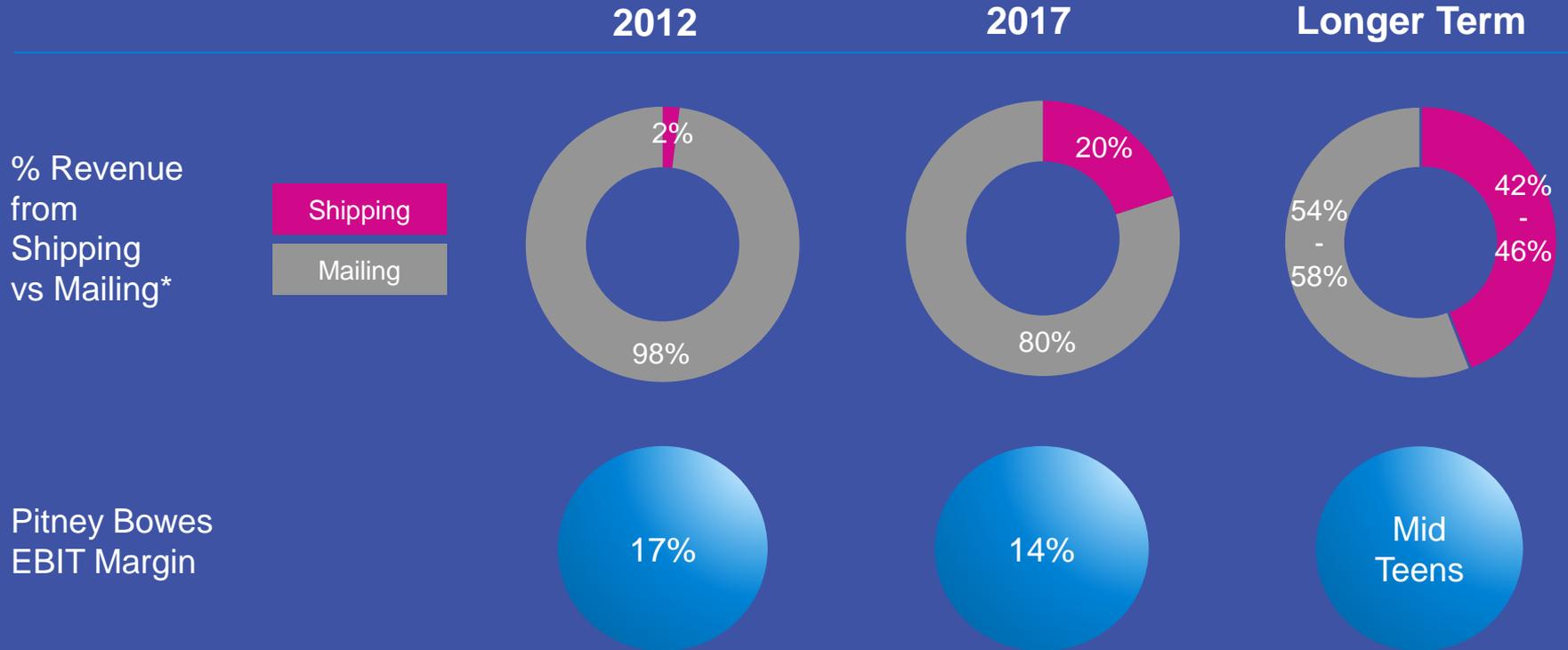
*The Boston Consulting Group; "The Comeback Kids"

A Different Company that has Moved to Growth



* 2017 revenue flat to prior year excluding Newgistics

A Different Company that has Moved to Growth



* Revenue excludes Software Solutions

A Different Company that has Moved to Growth

A portfolio that has moved to growth and growing

Reduced debt by ~\$500MM with ~\$500MM further reduction using repatriated cash

Reduced gross inventory by over \$100MM

Took out nearly \$300MM of SG&A with \$200MM more of gross spend identified

Invested in brand, platform, processes and products

Returned more than \$1B of capital to shareholders

Strategy

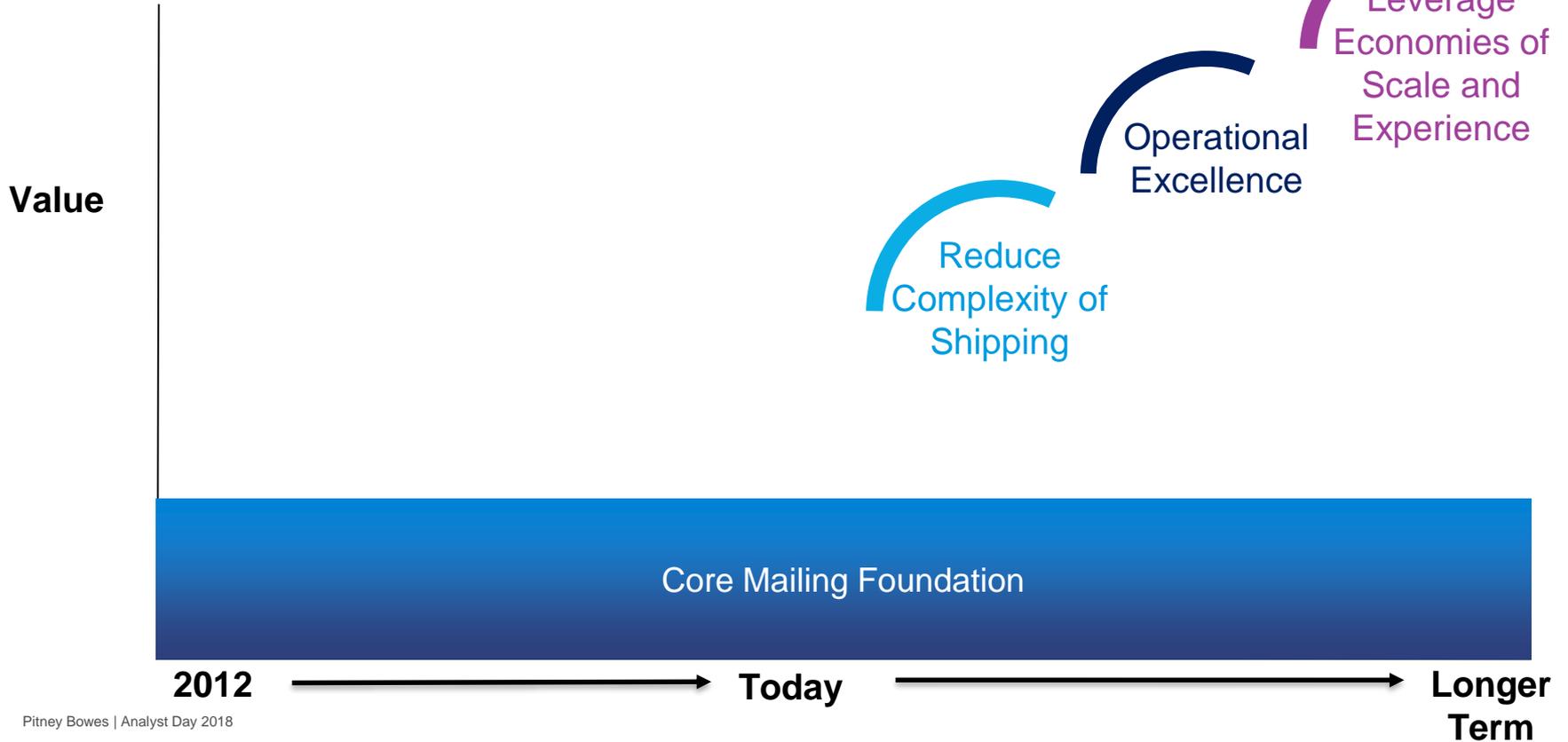
Value



Strategy



Strategy 2018+



Strategy 2018+

Value

Reduce Complexity of Shipping

- Domestic and cross-border
- Outbound and returns
- Multi-carrier solutions
- Spend and delivery time optimization
- End-to-end tracking visibility

Operational Excellence

- Network efficiency and scalability
- Balance sheet
- Expense optimization
- Client experience

Leverage Economies of Scale and Experience

- Technology
- Expand commerce cloud capabilities
- Data / Data Management – including addresses
- Client
- Mailing / Shipping services
- Expanded financing services
- Postal / Carrier relationships

Core Mailing Foundation

Today



Longer Term

Stakeholder Management



Investors



Community



Clients



Employees

Investment Thesis

2013

Near term value
driven by **productivity** and
dividend with option for growth

Investment Thesis

Go Forward

End Markets
with **Stronger Growth**

Portfolio Balanced in
Growth and **Profitability**

Continued
Operational Excellence
for Profit Leverage

Balanced Investment
in Growth and
Shareholder Return

Capital Allocation

Organic Investment in Shipping and Related Capabilities

Continued Portfolio Evolution

Deleverage the Balance Sheet

Optimize Shareholder Return

A Different Company

Logical Adjacency

Long Term Value



Small and Medium Business Solutions

Jason Dies
Executive Vice President and
President, Pitney Bowes SMB Solutions

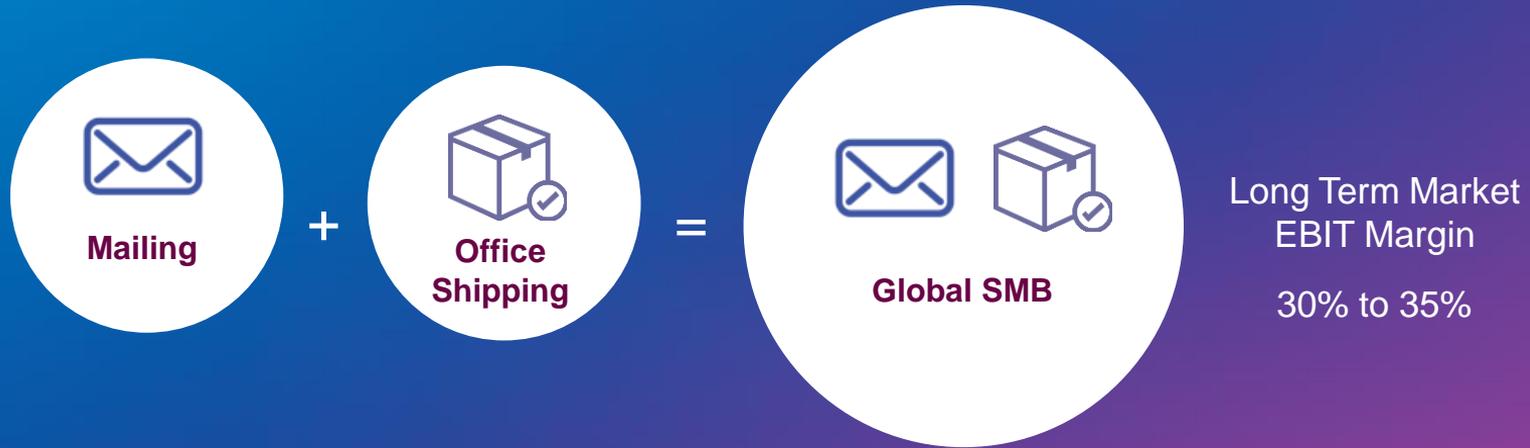
**Small and Medium Business (SMB)
Solutions is a business with new
possibilities delivering greater
client value**

SMB is in Our DNA

Clients want cost effective, innovative solutions, tailored to small businesses, that help them take the complexity out of their business



Expanding Our Portfolio into the Growing Office Shipping Market



Addressable Market

~ \$3B market

~ \$1B market

\$3 - \$4B

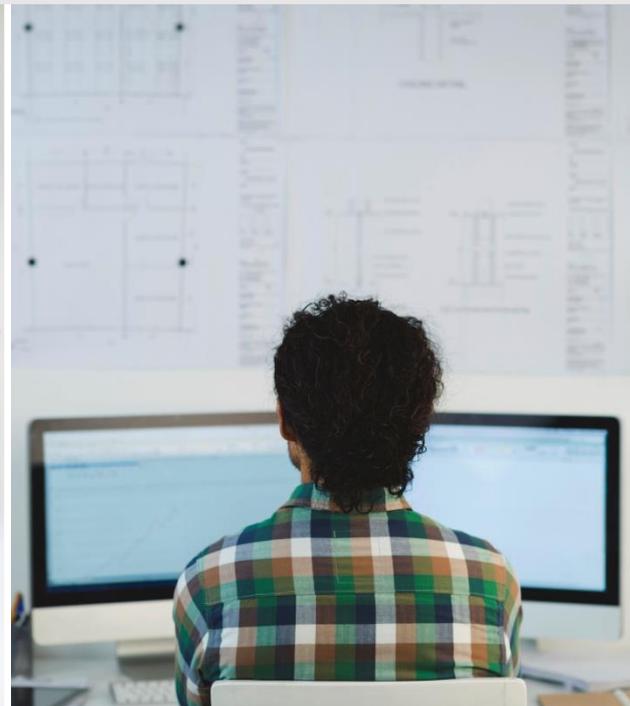
Long Term Market
Growth Rate

(4%) to (3%)

3% to 5%

(4%) to (2%)

The Pitney Bowes Commerce Cloud is a commerce enabler, providing access to solutions, analytics and APIs across the full commerce continuum



We've Enjoyed Early Success.... But Our Greatest Opportunity is Still Ahead of Us

Equipment sales
grew
in North America
in 2017

Launched
SendPro
in UK

100K
clients
enrolled in
SendPro
SaaS

Moved
350,000
clients from
analog to digital
connectivity

'Your Account'
registrations
grew 149%
last year

25K
SendPro C-Series
shipped in 6 months

Digital Relationships are Dramatically Improving the Client Experience

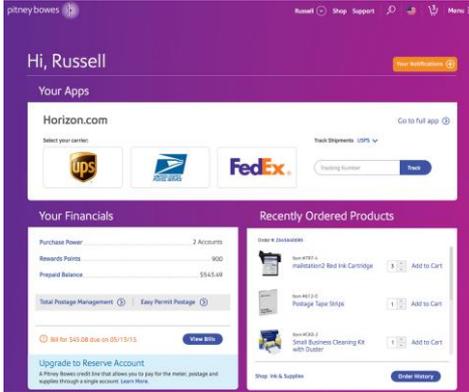
Before Digital



Digital Relationships are Dramatically Improving the Client Experience

Now

Pitney Bowes
Commerce Cloud



SMARTLINK



Delivering Additional Value with the SendPro™ Family of Products



Delivering Additional Value with the SendPro™ Family of Products



SendPro C-Series

- Shipping and Mailing
- Digitally Connected
- Open Platform
- Increased Lease Terms
- Increased Monthly Payments
- High Attach Rate
- 4-5% Penetration

SMB Partner Program



New Ecosystem of SMB Partners

Unlocking New Value with Developers – Global SMB Hackathon

PB Commerce Cloud
Fusion platform

3Mn+

Developers Outreach



2000+

Developers Registered



20+

Partnerships Forged



65

Ideas Submitted

Ecommerce, Shipping and Mailing,
Hyperlocal, Information Management,
Marketing and Analytics



SMB is creating new
opportunities to create
value for our clients

SMB Shipping Ecosystem

Pre-Shipping



pitney bowes 

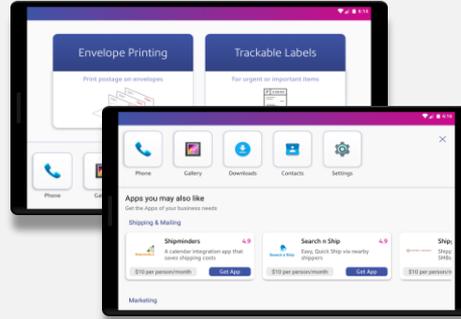


Post-Shipping


Address
Management


Scheduler


Insurance




Tracking


Customer
Support


Reporting
& Analytics

Small & Medium Business (SMB) Solutions

We are a business with new possibilities, extending our value proposition into shipping

We can offer new opportunities to our small and medium business clients through a digitally connected, open platform that leverages partnerships with other innovative companies

We have created a dramatically improved client experience and our greatest opportunity is still ahead of us



Global Financial Services

Chris Johnson
Vice President and
President, Pitney Bowes Global Financial Services

**Global Financial Services (GFS)
helps Pitney Bowes create new
possibilities to accelerate growth,
deliver greater client value
and expand margins**

Leveraging Economies of Experience to Enable Enterprise Growth Opportunities

- **Unique set of market leading capabilities**
- **Broader set of enterprise opportunities**
- **Growing customer demand for capital**
- **Strategic relevance and connectedness to the shipping experience**
- **Rich history and track record of performance**

Global Financial Services Overview

Who we are...



Captive financier



State chartered bank



Deposit taking &  Insured



Lending institution



Issuer & merchant servicer



One of select few operating Industrial Loan Companies (ILCs)

Our heritage...

- ✓ 30+ years captive financing experience
- ✓ 20+ years bank operating performance
- ✓ Global expertise + local market knowledge
- ✓ \$2B+ assets and deposits under management
- ✓ Above market returns
- ✓ With below market default rate

Competitive Differentiator and Catalyst for Growth with Deep Domain Expertise

GFS Offerings and Strategic Relevance

Broad Solution Capability...



Equipment Financing



Revolving Lines of Credit



Interest Bearing Bank Accounts



Credit Card Issuer

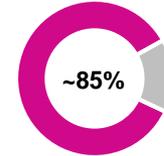


Payment Processor

With Critical Relevance to Pitney Bowes

1

Purchase Enabler:



Equipment Finance Penetration

2

Long-Term Client Relationships:



3

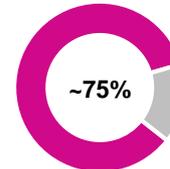
Profitability Enhancer:



Financed vs. Non-financed Sales

4

Postage Utilization Facilitator:



of postage utilized by PB customers enabled by GFS

Delivering a Strong Client Value Proposition

Growth capital to help meet our clients needs

**Top Drivers of
Small to
Medium Size
Business
Financing**

↑ Liquidity



- Access to capital
- Purchasing power

↑ Flexibility



- e.g. Financial terms
- e.g. Consolidated payment capability

↑ Cash Flow



- e.g. Lower operating expense

Compelling market differentiation tailored to our clients

Disciplined Business Model

Deep Industry Expertise



- ✓ Direct origination
- ✓ Industry domain
- ✓ Asset valuation

Strong Risk & Asset Management



- ✓ Underwrite to hold
- ✓ Secured & perfected
- ✓ Dedicated risk management

Specialized Operational Management



- ✓ Known borrowers
- ✓ Long standing relationships
- ✓ Independence Governance

With a focused mission

- ✓ Expand the Pitney Bowes value proposition
- ✓ Facilitate sales & client utilization
- ✓ Generate incremental margin / income
- ✓ Build embedded annuity base
- ✓ World class risk management

Unique Moment in Time - Opportunity to Grow

Compelling Rationale...

1

Unique access to large, proprietary small & medium size client base

2

Long standing customer relationships ... data driven insights

3

Growing customer need for capital

4

Excess Deposit Base ... capacity to lend

5

Broader portfolio possibilities with expansion of Pitney Bowes product set

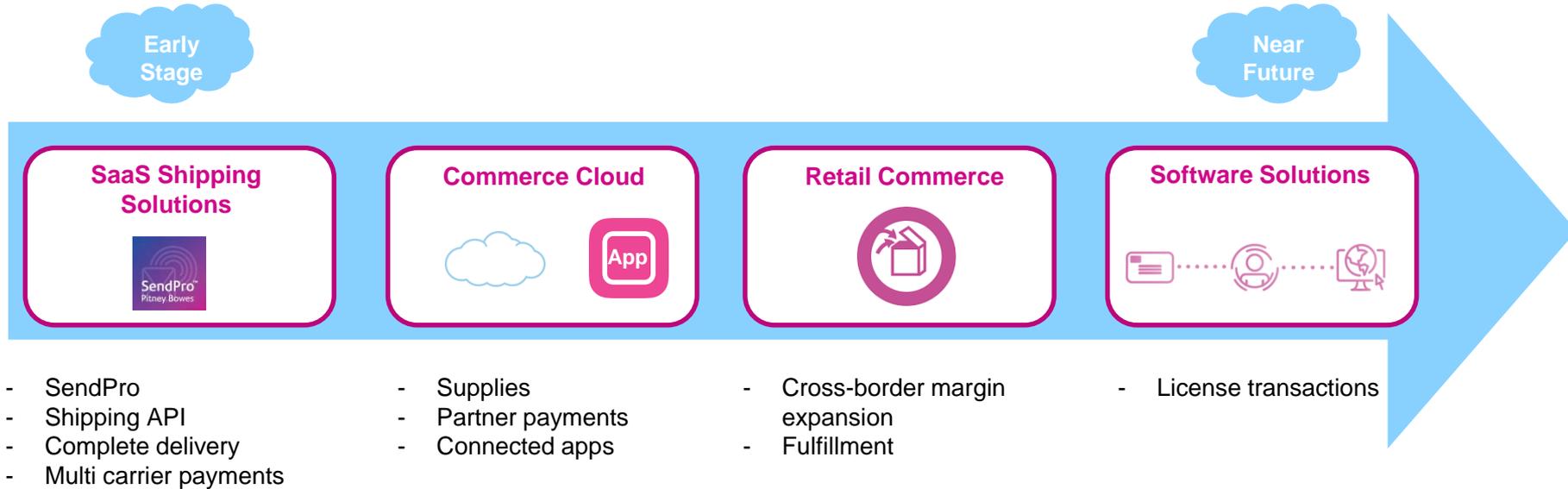
- Shipping
- Software as a Service
- Commerce Cloud

6

Attractive risk adjusted return profile

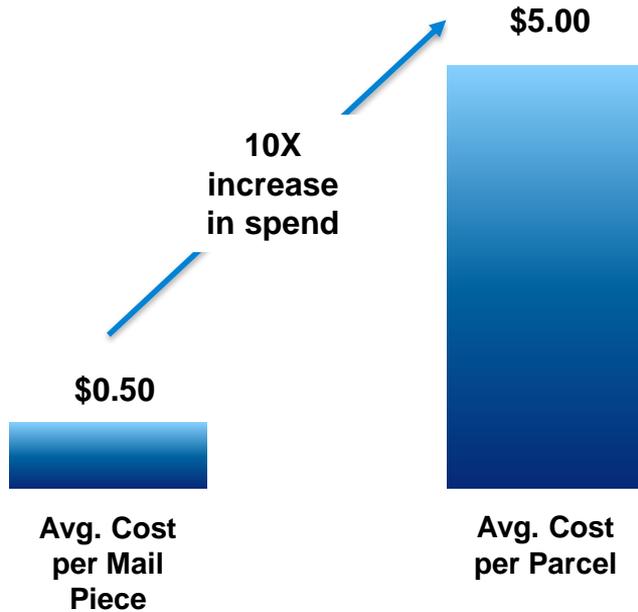
... and compelling valuation driver

Leveraging Enterprise Opportunities to Expand Growth Potential



Pursuing Smart Adjacencies

Launched shipping & parcel finance...



Carrier agnostic payment capability

Avg. customer spend with shipping



Avg. Revenue Yield with Shipping



Shipping Driving a Diverse Monetization Opportunity

Postage Spend Profile Examples:

Small Consulting Company

- \$3,200 annual mail postage user

Added Shipping Label Financing:

- USPS Sender
- Send: 12 packages / month
- Average: ~\$8 / package
- Shipping Spend: ~\$100 / month
- Needed: 14 day terms

Parts Retailer

- \$4,200 annual mail postage user

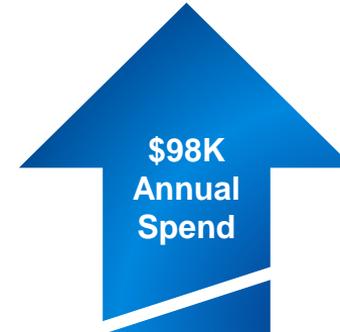
Added Shipping Label Financing:

- Multi Carrier Sender
- Send: 216 packages / month
- Average: \$38 / package
- Shipping Spend: ~\$8,200 / month
- Needed: 28 day terms

Shipping Impact:



~38% Increase in
Customer Financing

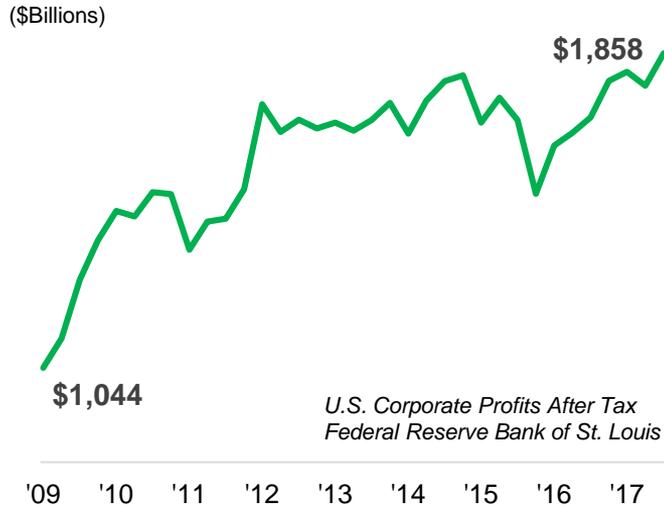


23X Increase in
Customer Financing

All delivered customer growth opportunities as we monetize shipping spend

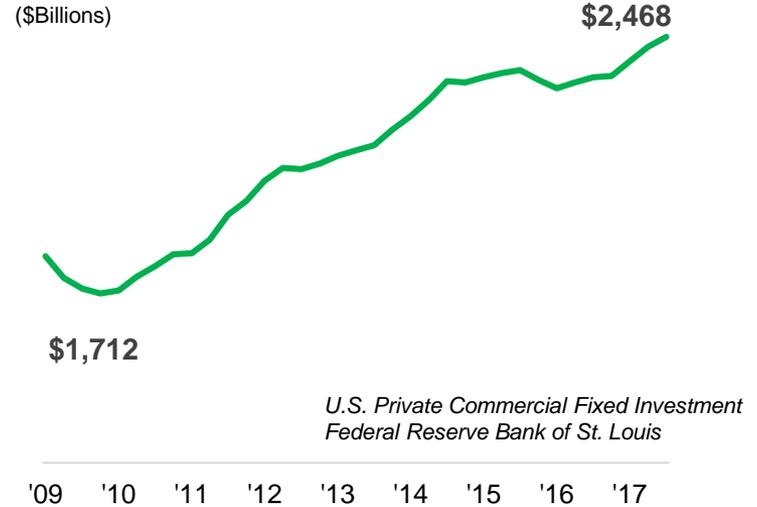
Growing with Our Clients

Corporate profits have continued to expand...



Healthy customer base

Fueling an increase in company fixed investment...



**Appreciating need for capital to support
business commerce beyond mail**

2018 Opportunity: Third Party Equipment Finance

Deposit-based, PB Bank funded financing activity inside our existing small & medium size client base to support customer acquisition of 3rd party (non-PB) manufacturing equipment



- Select / targeted existing U.S. customers
- With proven credit history
- PB Bank deposit-based funding
- Critical use assets / specific collateral types
- Stable residual values
- 100% secured and perfected financing
- Non-competitive PB equipment
- Asset based underwriting approach

Continued Safe & Secure Approach



With Specific Relevance

- 1** ↑ **Share of Wallet ...**
PB relevancy & differentiation
- 2** ↑ **Client Growth Capital ...**
Client success = PB success
- 3** ↑ **Retention**
- 4** ↑ **Growth**

Important source of growth capital for small to medium-sized businesses on “Main St.” USA

At GFS we...

Facilitate Pitney Bowes capability / go to market

Provide client capacity

Enable strong fundamentals

Create differentiation and competitiveness

Deliver above market risk adjusted returns

**GFS is a core part of the fabric of the PB Value Proposition
and a critical Shareholder Value enabler**



Software Solutions

Bob Guidotti
Executive Vice President and
President, Pitney Bowes Software Solutions

Software Solutions is focused on leveraging our address and data quality expertise, and growing these areas through the channel

We Are a Leading Software & Data Provider

24
out of the
top 25
Insurers

17
out of the
top 25
Telecoms

Uniform Data
Specifications
Across
250 Geographies

1000s of
Data Sets
to Understand
Customer
Segments
and Risk

30+ Years
of Experience
Processing Billions
of Names and
Addresses

22
out of the
top 25
Healthcare
Companies

16
out of the
top 25
Commercial
Banks

We Are Focusing on a \$6B Segment within a \$21-23B Addressable Market Opportunity



**CUSTOMER
INFORMATION**



**LOCATION
INTELLIGENCE**



**CUSTOMER
ENGAGEMENT**



DATA

~ \$5 Billion Focus Market

~ \$1 Billion

8% - 10% Long-Term Market Growth Rate

15% - 20% Long-Term Market EBIT Margin

Software and Data is Leveraging Our Expertise in **Addresses and Data Quality** and Building on Market Success



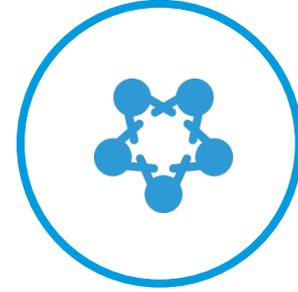
Leveraging Core Pitney Bowes

- Decades of Name and Address Expertise
- Billions of Verified Addresses
- Data Quality



Focusing on our Strategic Portfolio

- Data Monetization
- Customer Information
- Location Intelligence
- Digital Customer Engagement



Growing with Partners

- Global and Regional Systems Integrators Partners participating in nearly half our new business opportunities

Pitney Bowes Core: **Addresses** and **Data Quality**

Location Intelligence Data:

- Worldwide coverage
- Helps organizations make decisions with confidence
- Thousands of data sets to understand customer segments and risk
- Identify boundaries, demographics, points of interest, streets

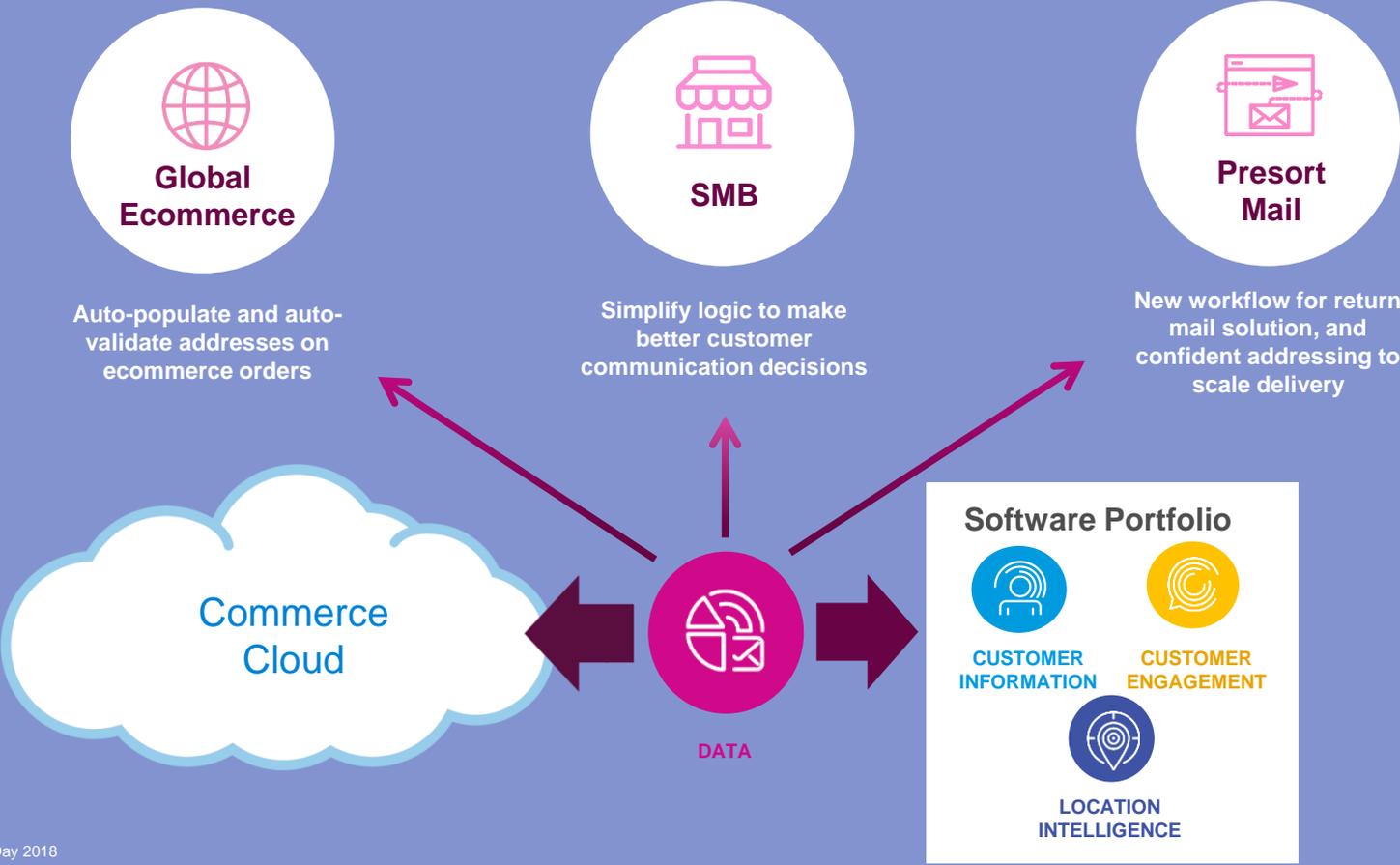
Addressing and Enrichment Data:

- Worldwide coverage
- Premiere data for over 180MM North American addresses
- Easily enrich customer data with high-value information through the pbKey
- Contextual location data including demographics, insurance risk, and property attribution

Software and Data Marketplace:

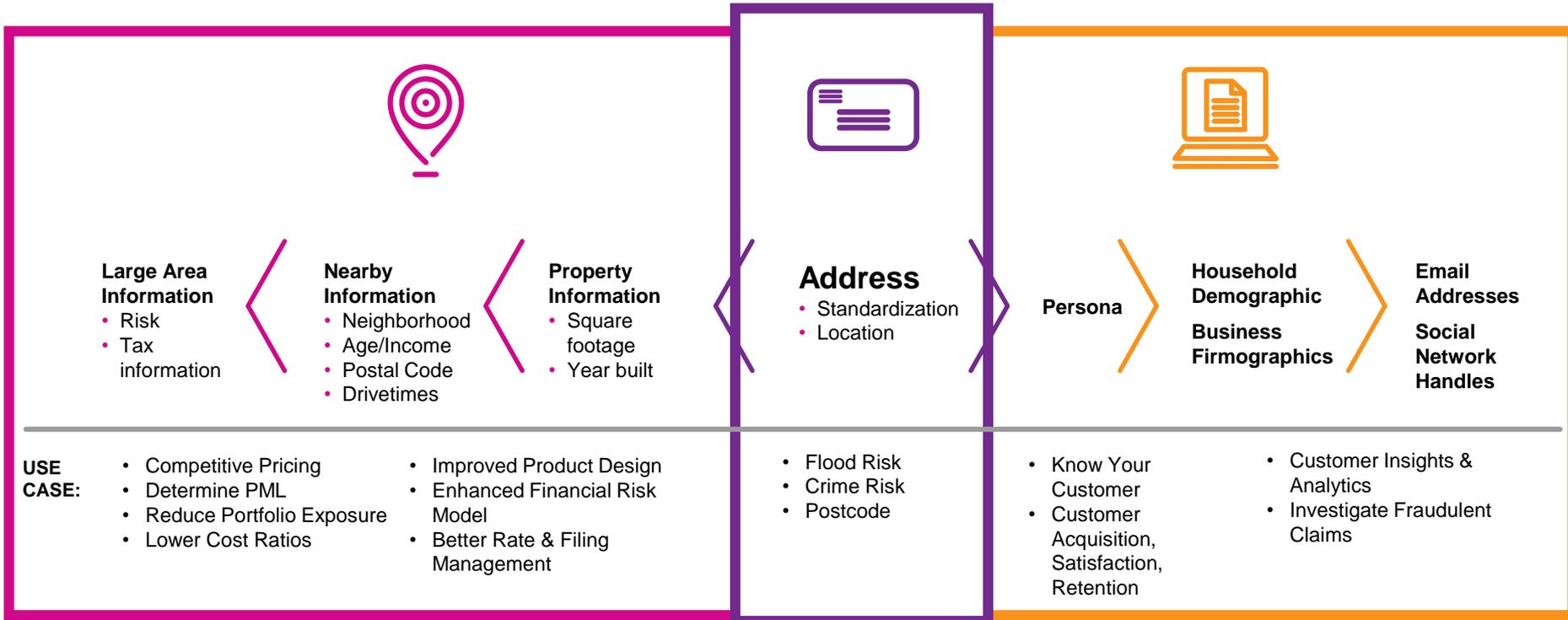
- Improved client experience through modernized digital data delivery
- Increased revenue through online sales of data products
- Improved client awareness through on-demand data visualization and exploration
- New client insights through product usage and client behavior insights

Our Verified Data is Driving Value Back into Pitney Bowes



Strategic Portfolio: Data

We are evolving our data portfolio to link **address knowledge** to location and digital information in order to connect people, places and things



Strategic Portfolio: Customer Information & Location Intelligence

Next-gen risk analysis using integrated location intelligence and information management

Top 10 Reinsurance Company

- Analysis of risk exposure based on location
- International geocoding and data quality capabilities for cross-border comparison
- Cross-check customer-supplied data
- Geocoding analysis reduced from 8 hours to 1 hour
- Visualize client risk exposure through maps
- Reliable catastrophe modeling and precise risk estimation





Large Motor Insurance Company

84% Viewers who said the video helped them learn about the policy

12% Higher renewal rate among customers who viewed the video

74% Of watchers now feel that Geoffrey Insurance cares for them

20% Increase in net promoter score with new customers

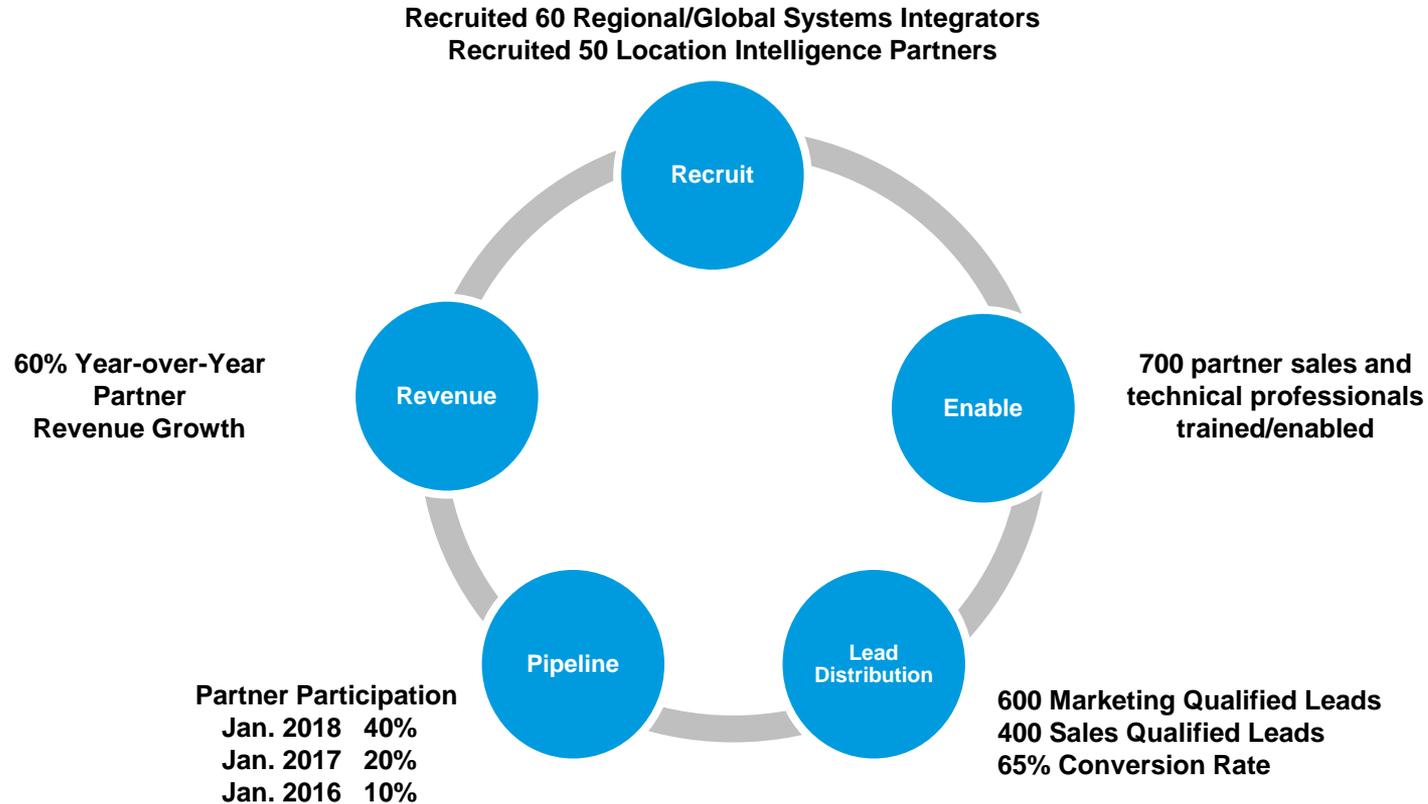
39% Increase in net promoter score with renewal customers



Evolving our Go-to-Market Strategy through the Channel



Partner Program Results



Partner Program Results



We Bring Value to our Partners, our Clients, and Pitney Bowes

Benefit to our Partners:

- Leader in Address Verification
- Data as a Product
- Services Opportunity
- Established Install Base
- Channel Program

Benefit to our Clients:

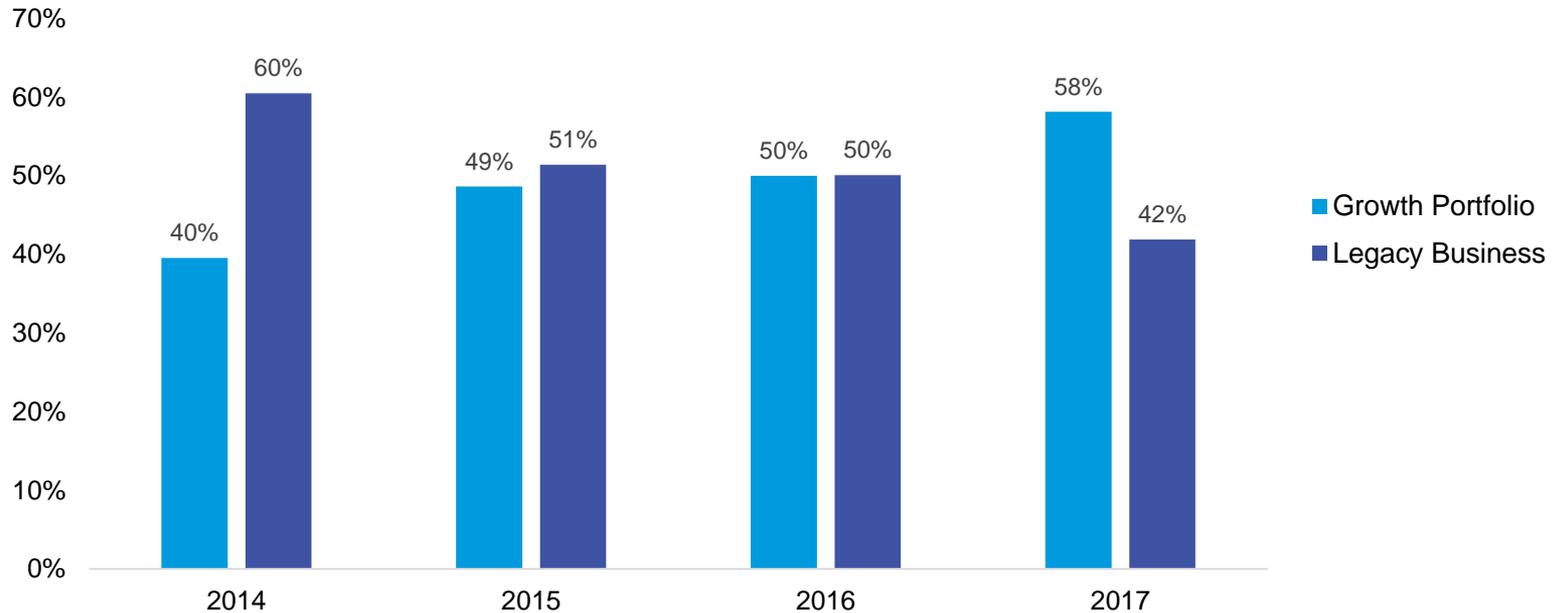
- Access to diverse capabilities
- Support across two organizations
- Greater opportunity for innovation
- More quality data offerings

Benefit to Pitney Bowes:

- Access to more markets
- Broader brand recognition
- Increase revenue with lower operational costs

We Are Shifting Our Business to Growth Areas of the Market

Portfolio Contribution to Total Software Business*



* Represents Software License, Data and SaaS revenues

Major focus areas to drive growth:

Leveraging Core Pitney Bowes

Focusing on Growth Portfolio

Winning with Partners



Commerce Services

Lila Snyder
Executive Vice President and
President, Pitney Bowes Commerce Services



**The new
Commerce Services group
positions us for success
in a larger, growing market**



47%

frustrated by
holiday
post-purchase
experience

Consumers have raised the bar on

**E2E EXPERIENCE
SHIPPING
RETURNS
DOMESTIC
CROSS-BORDER**

Opportunity for Pitney Bowes to:

- Provide tailored solutions for retailers and marketplaces of all sizes to compete in a “fast and free” world – globally
- Use our technology, data, and client experience as differentiators
- Bring more value to our 700+ retailers and marketplaces, 3,000+ Presort clients, and dozens of partners

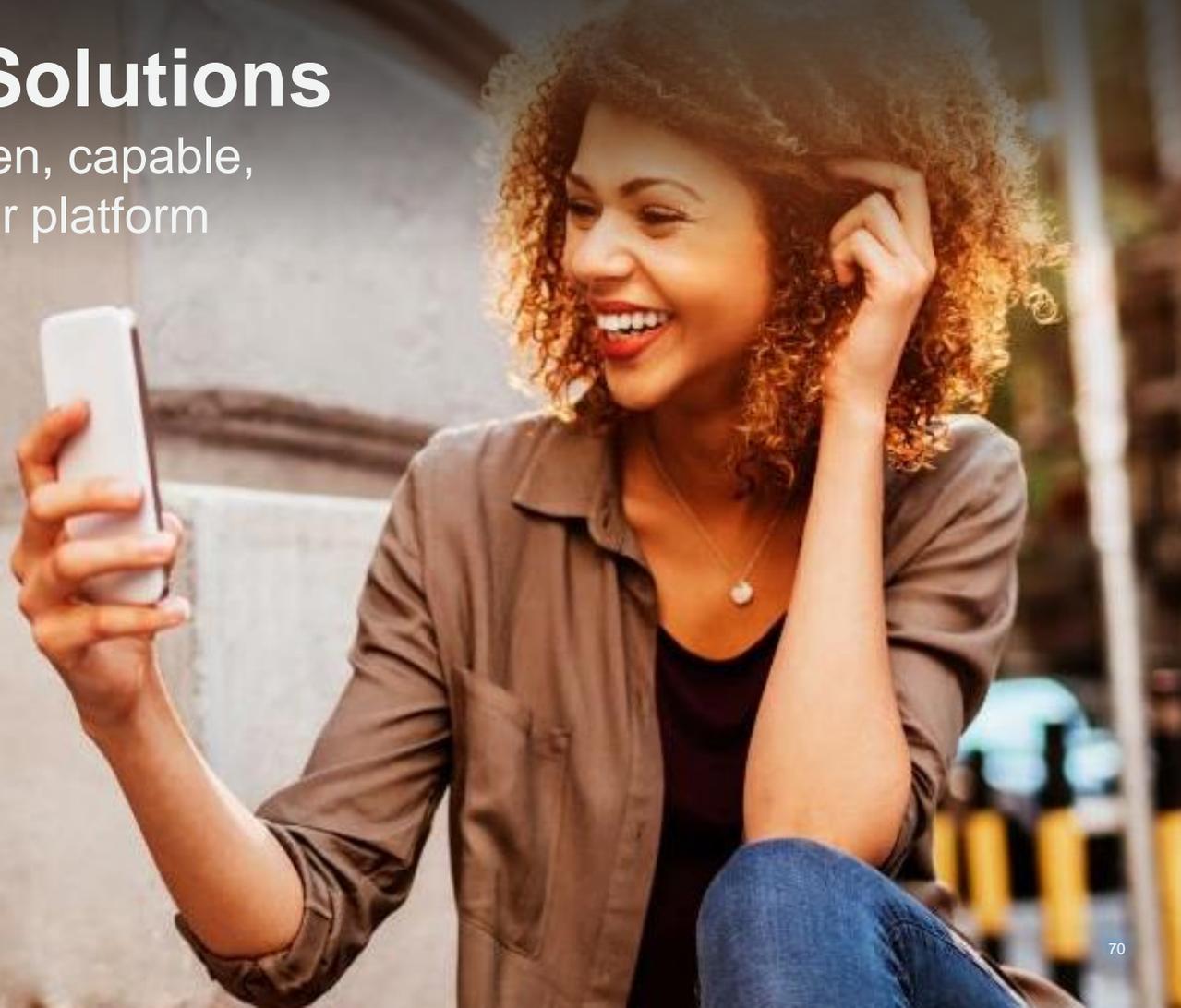


Introducing Pitney Bowes Commerce Services



Cross-border Solutions

The industry's most proven, capable,
and scalable cross-border platform





Shipping Solutions

Unlocking the secret to better shipping for retailers of all sizes



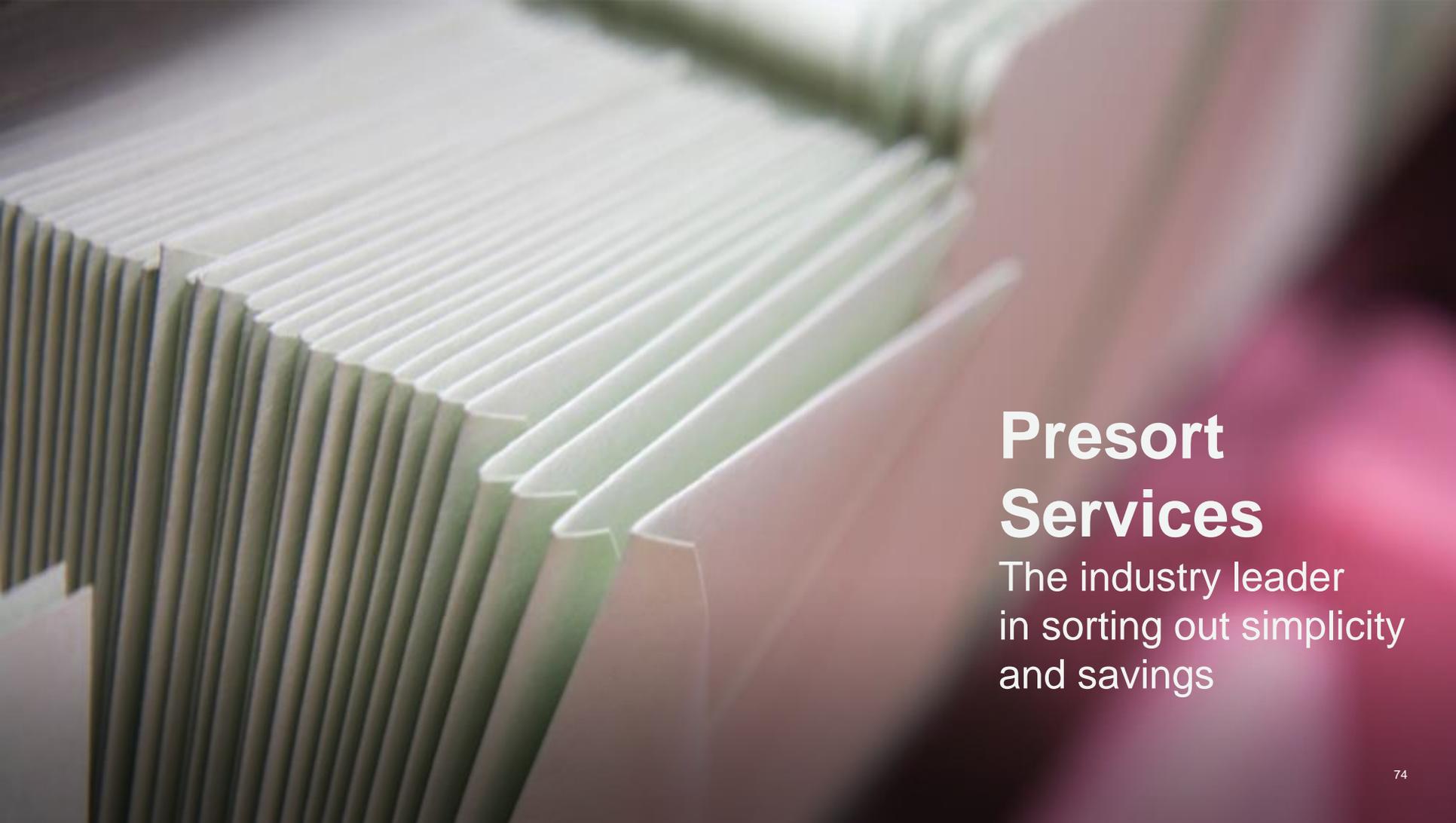
Fulfillment & Delivery Services

A post-purchase experience that enhances your brand promise



Returns Services

Turning customer returns
into returning customers



Presort Services

The industry leader
in sorting out simplicity
and savings

Commerce Services



**Cross-border
Solutions**



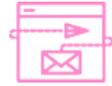
**Shipping
Solutions**



**Fulfillment
& Delivery
Services**



**Returns
Services**



**Presort
Services**

BETTER TOGETHER

- Common technology and platforms
- Unparalleled client base
- Operating efficiencies
- Postal and carrier relationships

Commerce Services Participates in Attractive Markets

Global Ecommerce

\$18-20B

Growth Rate: 11-13%
EBIT: 10-15%

Presort Services

\$3-4B

Growth Rate: Flat-2%
EBIT: 15%+

Commerce Services Priorities



Grow

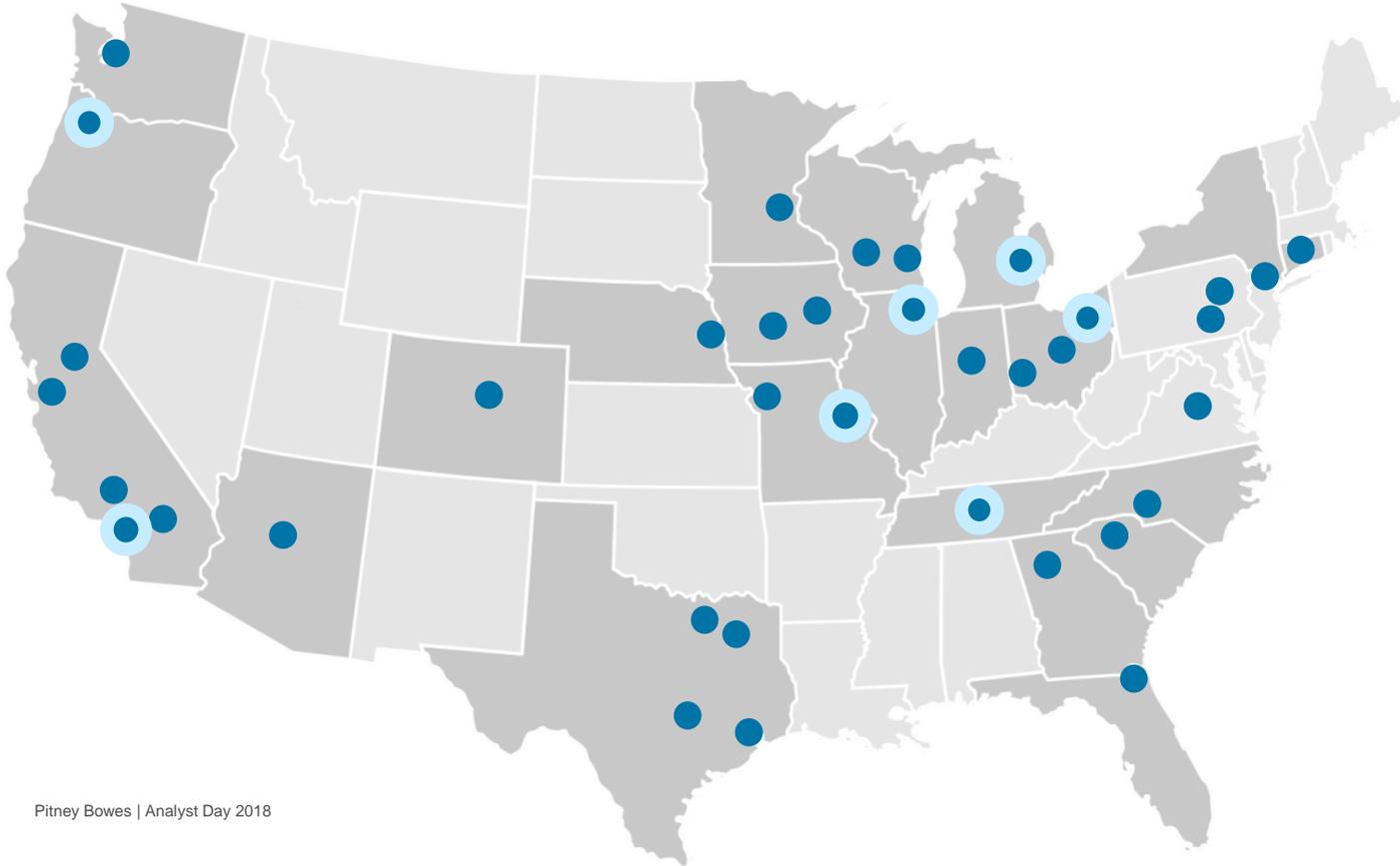


Expand margins



Capture synergies

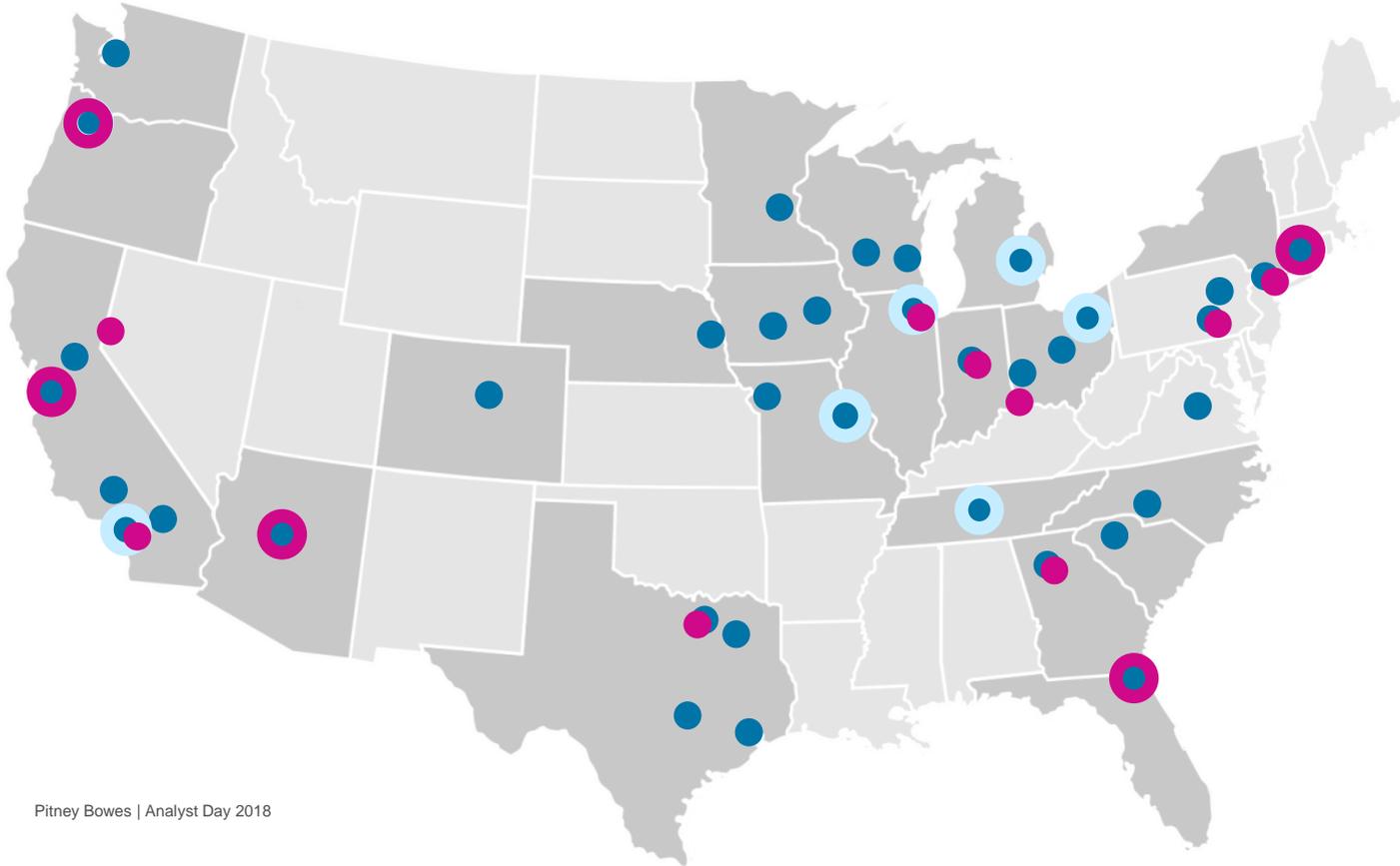
Geographic Expansion Driving Growth and Margin



New Presort Operating Centers Since 2015

- Opens up new client opportunities
- Enhances operational efficiencies

Geographic Expansion Driving Growth and Margin



New Presort Operating Centers Since 2015

- Opens up new client opportunities
- Enhances operational efficiencies

Planned Newgistics Expansion in 2018

- Rapid Deployment
- Logistics Leverage
- Access to new clients

Targeted Automation Improves Margins and Accelerates Scale

Palletizer



Auto Sleever



Automated Fulfillment



Significant Cross-Sell Opportunity

250+ PB Retail and Marketplace Clients



500+ Newgistics Clients



Significant Cross-Sell Opportunity

700+ Retail and Marketplace Clients for Cross-Sell



Driving Margin Benefit By Increasing Cross-Border Payment Efficiency

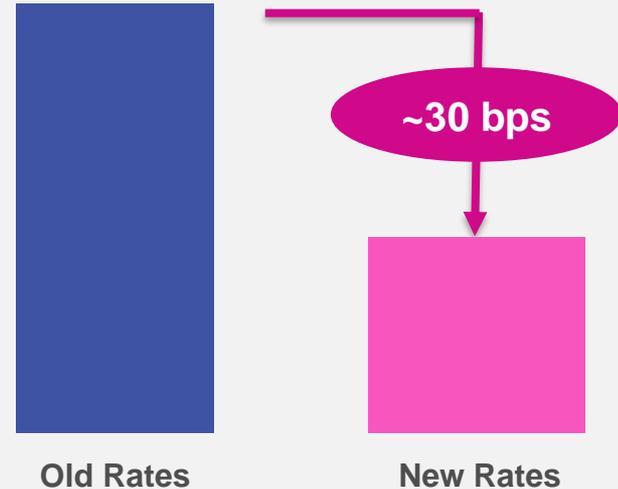
Cost Savings

- Payment Processing
- FX/Cash Management
- Settlement & Remittances

Better Acceptance Rates

More Client Differentiation

Phase 1 Impact in Q4



Participating in China's Rapid Ecommerce Growth



**Helping U.S. Retailers Reach
Chinese Consumers**

**Providing Delivery Solutions
for Chinese Merchants to
Reach U.S. Consumers**

Leveraging the Commerce Cloud to Move Faster and Expand Margins

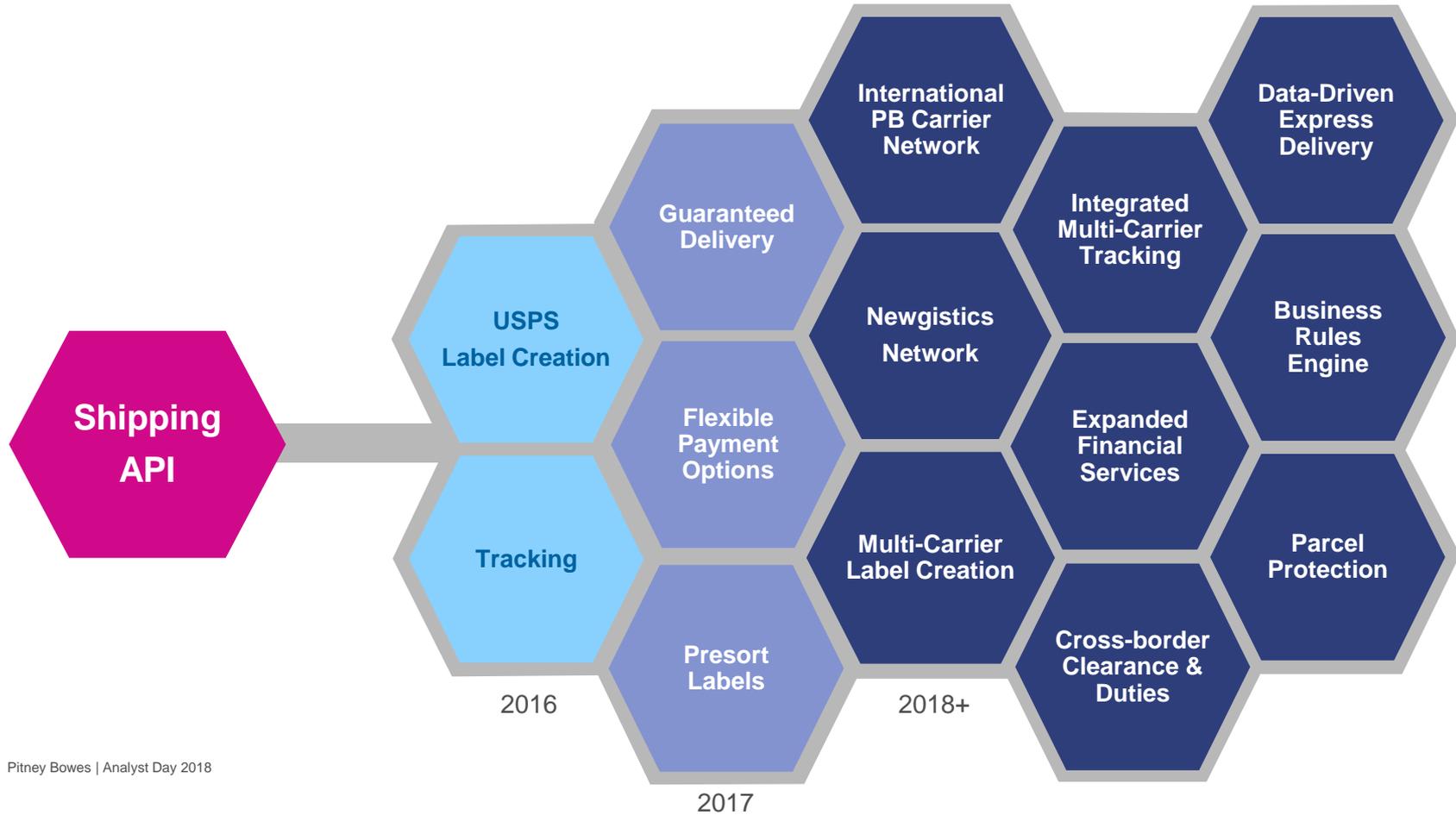
- Carrier Library
- Label Creation
- Multi-Carrier Tracking
- Data



- API Platform
- Cloud Services
- Design System
- DevOps
- Data
- Data Science Practice Group
- Address Validation
- Location Intelligence APIs

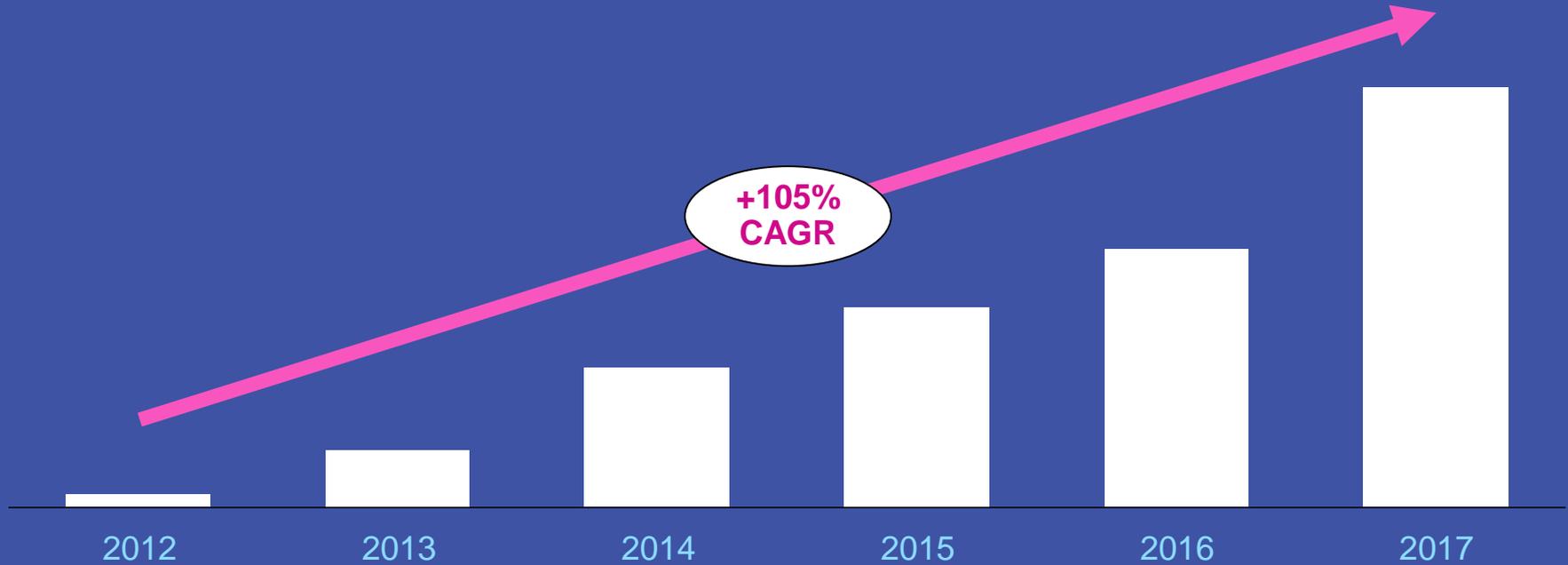
Commerce Services

Shipping APIs – Gateway to Growing Set of Shipping Solutions



The path to sustainable profitability

Global Ecommerce Has a Track Record of Delivering Growth



Following a Proven Formula for Margin Expansion

Presort Services

	Then	→	Now
Operating Centers	12		37
Mail Volumes	2.5B		16B
EBIT %	8%		20%

Proven Formula

- Network Expansion
- Volume Growth
- Client Experience Focus
- Operational Excellence

Path to Profitability for Global Ecommerce

Growth



Economies of Scale



Economies of Experience



Continued Investment

- Go-to-market execution
- Cross-sell
- New services and solutions

- Spread investments and fixed costs
- Transportation costs
- Capacity utilization

- Commerce Cloud
- Financial Services
- USPS/Carrier relationships
- Presort Playbook

- Scalability (Network + Tech)
- Operational improvements
- Expanded service offerings
- Go-to-market
- Automation

Path to Profitability for Global Ecommerce

Growth + **Economies of Scale** + **Economies of Experience** - **Continued Investment**

Long Term Target = 10-15% EBIT; 15-20% EBITDA

We are in attractive markets where we have proven we can win

Focused on growth, expanding margins and capturing synergies

The path to profitability is clear



Financial Update

Stan Sutula

Executive Vice President and Chief Financial Officer

Pitney Bowes Longer Term Model Reflects Evolving Portfolio

	% Portfolio	Year-to-Year Change		EBIT %
		Revenue	EBIT \$	
Commerce Services	47% to 51%	Low double digit growth	Mid teen growth	Low double digit
SMB	31% to 35%	Low single digit decline	Low single digit decline	30% to 35%
Software Solutions	8% to 10%	Mid to high single digit growth	Low double digit growth	Mid teens
Production Mail	8% to 10%	Flat	Flat	Low double digit
Pitney Bowes		Mid Single Digit Growth	Low to Mid Single Digit Growth	Mid Teens

Active Portfolio Management Combined with Organic Investments

2013

2014

2015

2016

2017

Portfolio Actions



Organic Investments

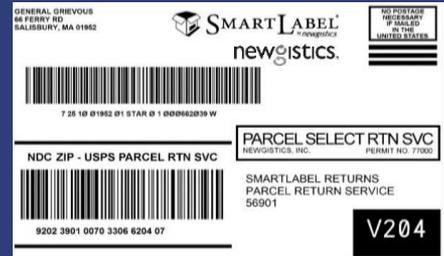


Investments Position Us to Capitalize on Macroeconomic Trends and Address Clients Changing Needs

	Investments	Macro Trend	Client Needs
Commerce Services	<ul style="list-style-type: none"> • Cross-border expansion • Shipping APIs • Commerce Cloud • Acquisitions 	<ul style="list-style-type: none"> • Parcel volume growth • Ecommerce growth • Competition: platforms, marketplaces, brands & retailers 	<ul style="list-style-type: none"> • Retailers cost competitiveness • Logistics, warehousing and returns • Simplify global regulations
SMB	<ul style="list-style-type: none"> • SendPro product family • Relay • Commerce Cloud • Digital Relationship • Partners 	<ul style="list-style-type: none"> • First class mail volumes • Parcel volume growth • Physical and digital offerings 	<ul style="list-style-type: none"> • All-in-one mail and parcels • Flexible payment offerings • Manage costs and cash flow
Software Solutions	<ul style="list-style-type: none"> • Acquisitions • Data • Commerce Cloud • Indirect Channel 	<ul style="list-style-type: none"> • Location data and analytics • Integrated communications • Digital transformation • Single view of the client 	<ul style="list-style-type: none"> • Omni-channel engagement • Analytics → Master Data Management • Third party data
Production Mail	<ul style="list-style-type: none"> • Epic Inserter system • Transactional Print • Parcel Sortation 	<ul style="list-style-type: none"> • Transaction mail volumes • Parcel volume growth • Transactional print 	<ul style="list-style-type: none"> • Speed • Customization • Automation and productivity • Innovation

Organic and inorganic investments in the portfolio lead us to the next chapter...

Reducing the complexity of shipping for our clients



While remaining focused on Operational Excellence to drive efficiencies and synergies



Client Experience



Network Efficiency & Scale



Expense Optimization
& Balance Sheet

With a Portfolio that is Leveraging Economies of Scale and Economies of Experience to Deliver Greater Value



With a Portfolio that is Leveraging Economies of Scale and Economies of Experience to Deliver Greater Value

Economies
of
Scale



Economies
of
Experience

Pitney Bowes Portfolio

Reorganized Businesses in a Way that Best Positions Pitney Bowes to Capitalize on Growth Opportunities and Synergies

Prior Reporting Structure

Digital Commerce Solutions
Software Solutions
Global Ecommerce

Small & Medium Business
North America Mailing
International Mailing

Enterprise Business Solutions
Production Mail
Presort Services

Current Reporting Structure

Commerce Services
Global Ecommerce
Presort Services

Small & Medium Business
North America Mailing
International Mailing

Software Solutions

Production Mail

Market Size and Growth Rates Present Opportunity for Continued Growth

	Addressable Market Size (\$B)	Long Term Market Growth Rate	Long Term Market EBIT Margin %
Commerce Services			
Global Ecommerce	\$18 to \$20	11% to 13%	10% to 15%
Presort Services	\$3 to \$4	Flat to 2%	15%+
SMB			
Mailing	~\$3	(4%) to (3%)	30% to 35%
Shipping	~\$1	3% to 5%	
Software Solutions	\$21 to \$23	8% to 10%	15% to 20%
Production Mail	\$2 to \$3	2% to 4%	10% to 15%

Pitney Bowes' Portfolio is Evolving Around Shipping

SMB

SendPro to stabilize equipment sales; Streams to follow over time; SMB will continue to generate strong cash



Software Solutions

Revenue growth through data, including addresses, along with indirect channel will also drive earnings



Commerce Services

Revenue growth and scale through reducing complexity of shipping for clients



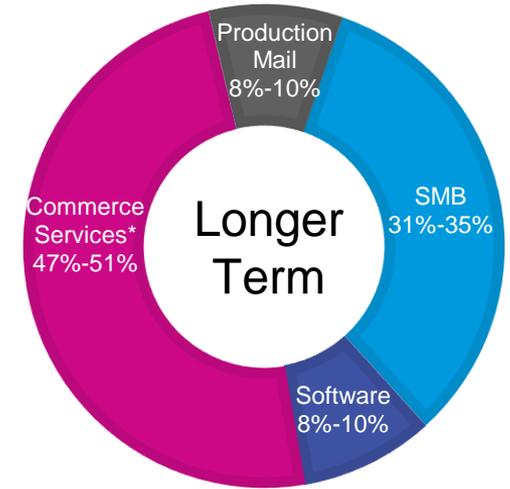
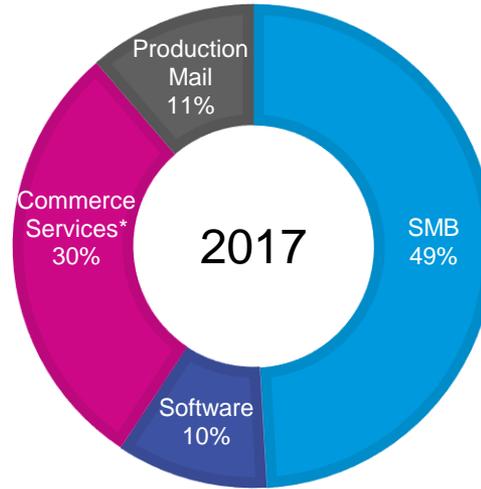
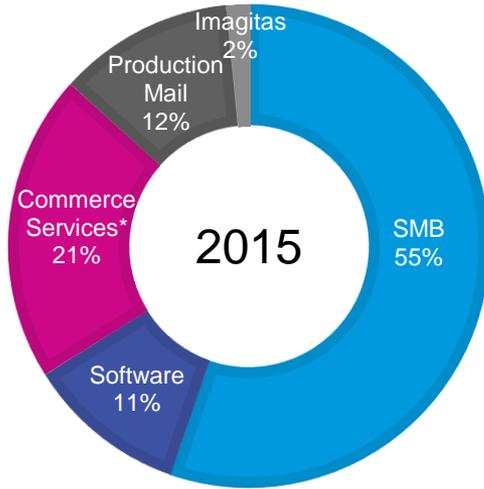
Production Mail

Growth opportunity in parcel sortation



Financial Profile

Portfolio is Shifting to Higher Growth Markets



Market Growth (1%)**

+2%

+4% to 6%

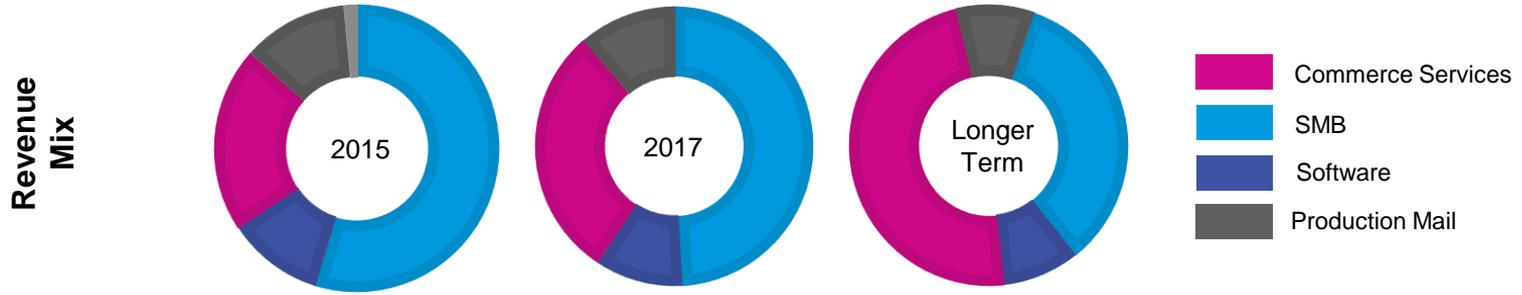
* Commerce Services includes Global Ecommerce and Presort Services for all years; includes Newgistics beginning 4Q 2017

** Market growth rate based on weighting of portfolio and long-term market growth rates during the stated period

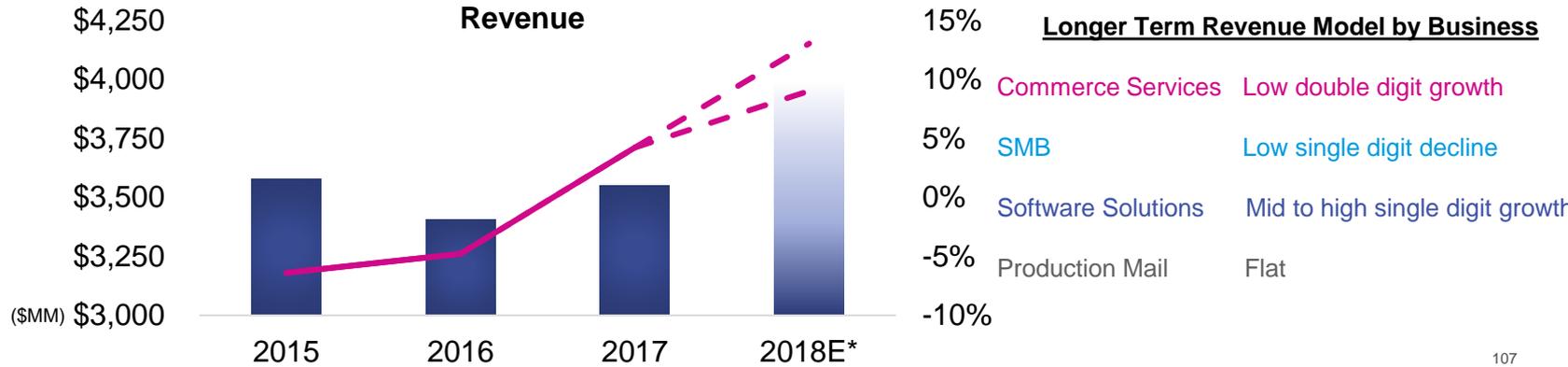
Note - Amounts may not sum due to rounding

PBI Total Portfolio: Revenue

PBI	2017	Longer Term Model
Revenue	\$3.5 billion	Mid single digit growth



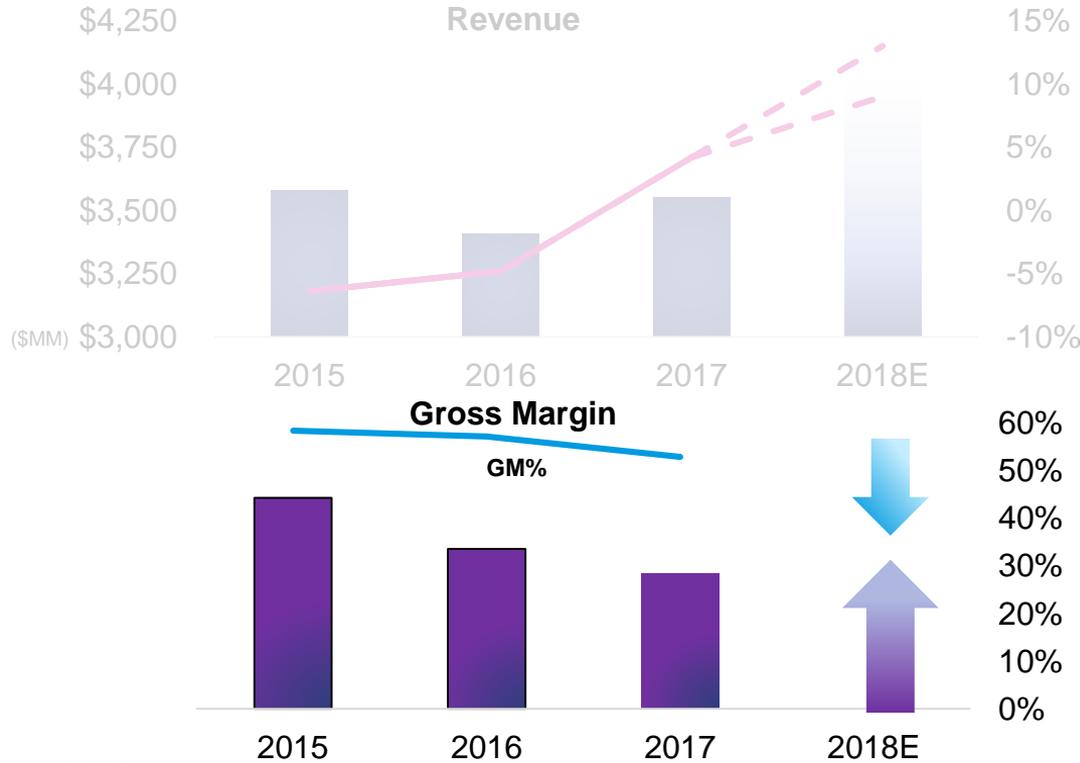
Organic revenue growth continues; 2018 driven by acquisition and organic Commerce Services growth



* Based on Company's current 2018 guidance of revenue growth of 9% to 13% at constant currency

PBI Total Portfolio: Gross Margin

	2017	Longer Term Model
Revenue	\$3.5 billion	Mid single digit growth
Gross Margin \$	\$1.9 billion	Growth
Gross Margin %	52.9%	Decline

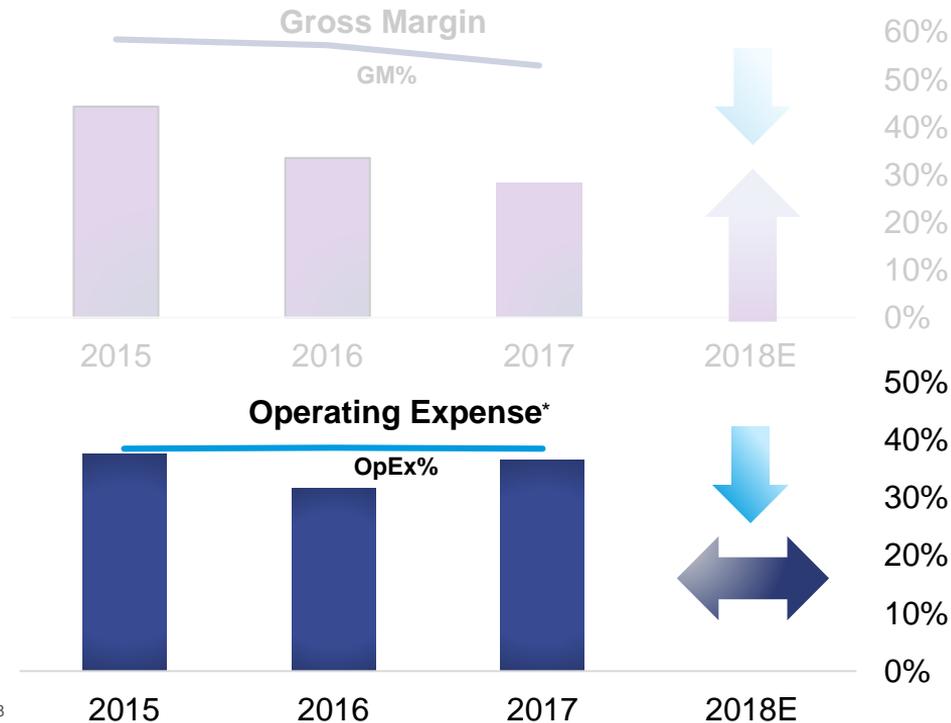


Gross Margin dollar growth driven by revenue

Gross Margin percent will decline due to Newgistics acquisition along with the portfolio mix

PBI Total Portfolio: Operating Expense

	2017	Longer Term Model
Revenue	\$3.5 billion	Mid single digit growth
Gross Margin \$	\$1.9 billion	Growth
Gross Margin %	52.9%	Decline
OpEx Margin %	38.4%	Improve



\$200MM gross spend reduction 2018 – 2019

Of the \$200MM,
~60% recognized in 2018
~ 50% will be reinvested into business

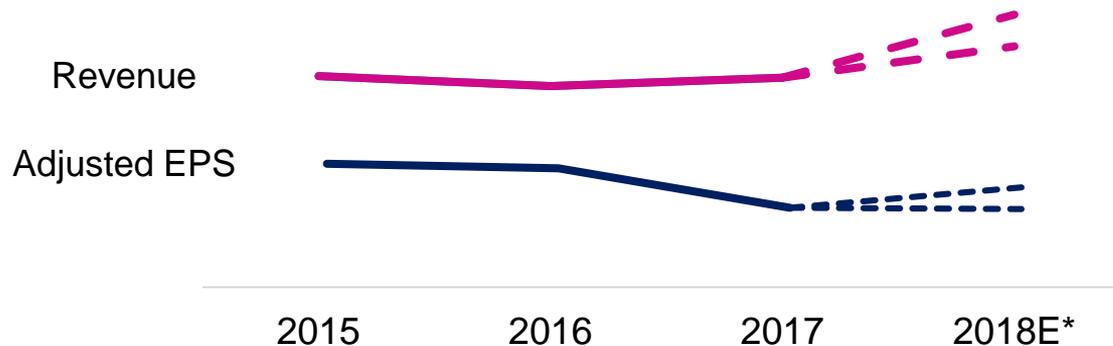
2018 includes full year OpEx for Newgistics

OpEx includes amortization of intangibles related to Borderfree and Newgistics of ~\$34MM / annual

* Operating Expense includes S,G&A and R&D

PBI Total Portfolio

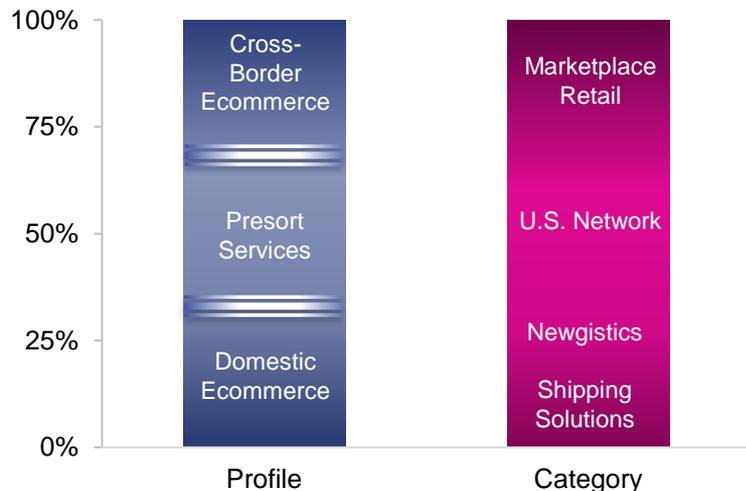
	2017	Trajectory	Longer Term Model
Revenue	\$3.5 billion	↑	Mid single digit growth
Gross Margin \$	\$1.9 billion	↑	Growth
Gross Margin %	52.9%	↓	Decline
OpEx Margin %	38.4%	↓	Improve
EBIT \$	\$514 million	↑	Low to mid single digit growth
EBIT %	14.5%	↔	Mid teens



* Based on Company's current 2018 guidance of revenue growth of 9% to 13% at constant currency and adjusted EPS of \$1.40 to \$1.55

Shift of portfolio to higher growth markets

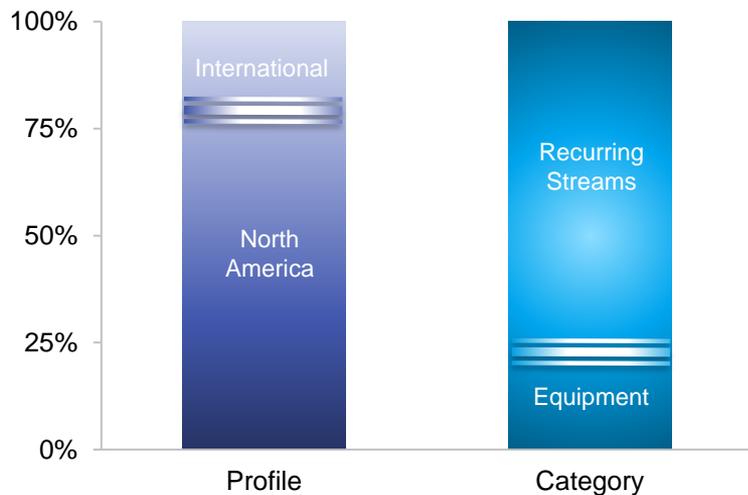
Commerce Services – Cross Sell Opportunities, Operational Synergies and Overall Market Expansion; Competitive Offerings and Continued Investment for Growth



Commerce Services	2017	Longer Term Model
Revenue	\$1.05 billion	Low double digit growth
EBIT \$	\$80 million	Mid teen growth
EBIT %	7.6%	Low double digit
EBITDA \$	\$143 million	Mid teen growth
EBITDA %	13.6%	Mid teens

Margin improvement with scale and synergies

SMB – SendPro Provides Opportunity for Near Term Stable Equipment Sales Leading to Longer Term Improved Recurring Streams

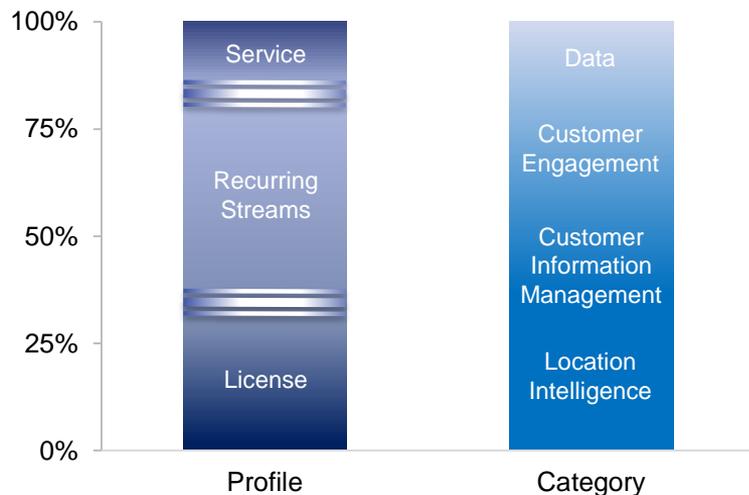


SMB	2017	Longer Term Model
Revenue	\$1.7 billion	Low single digit decline
EBIT \$	\$546 million	Low single digit decline
EBIT %	31.4%	30% to 35%

* Recurring Streams include Rentals, Financing, Supplies and Support Services revenues

Revenue and EBIT margin stabilize as recurring streams improve

Software Solutions – Indirect Channel Engagement and Enablement will Drive Improved Revenue; Data, including Addresses, Provide Growth Opportunities

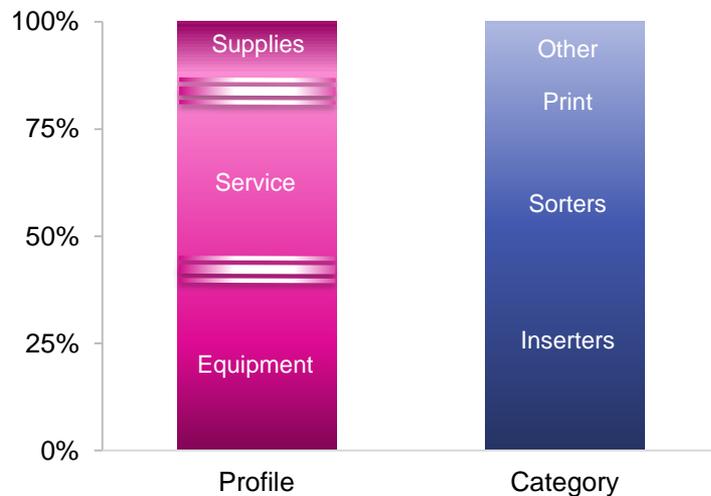


Software	2017	Longer Term Model
Revenue	\$352 million	Mid to high single digit growth
EBIT \$	\$42 million	Low double digit growth
EBIT %	11.8%	Mid teens

* Recurring Streams include SaaS, Maintenance and Subscription revenues

Revenue growth will drive profitability

Production Mail – Large Base Drives Recurring Services and Supplies; Parcel Sortation Presents Growth Opportunity



Production Mail	2017	Longer Term Model
Revenue	\$407 million	Flat
EBIT \$	\$51 million	Flat
EBIT %	12.4%	Low double digit

Innovation drives performance

Pitney Bowes Longer Term Model Reflects Evolving Portfolio

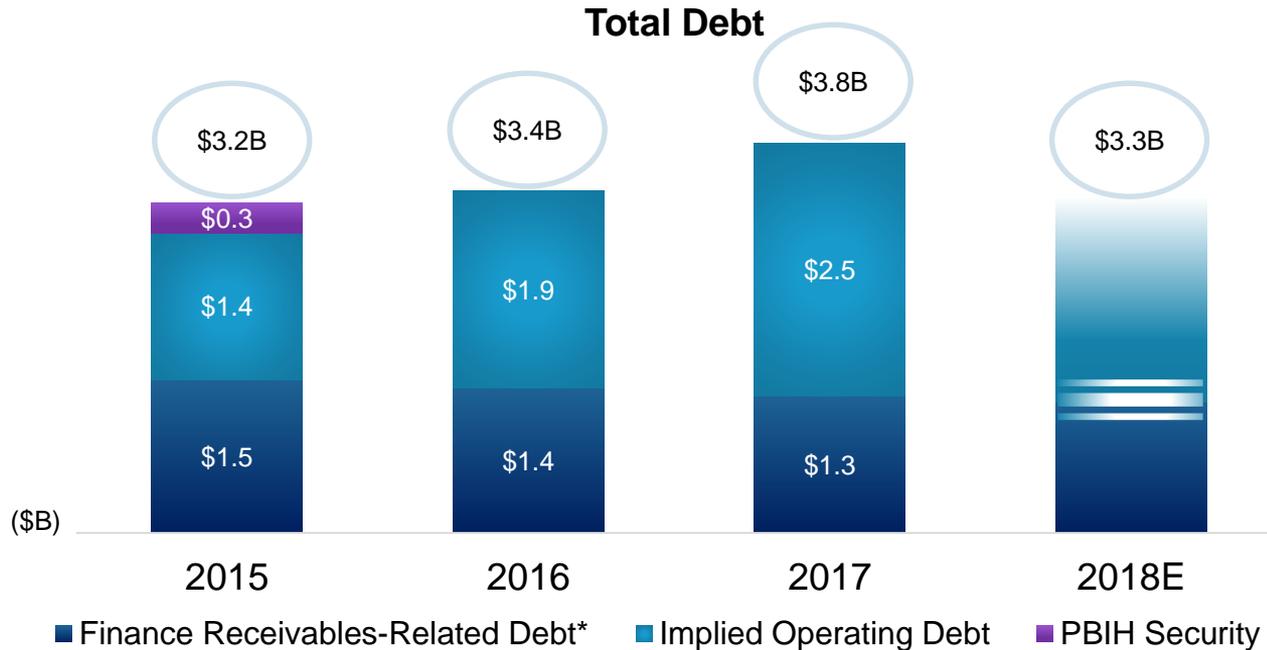
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		Revenue	EBIT \$	
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Capital Allocation Strategy

Maintain Balanced Capital Allocation Strategy While Supporting Portfolio Transformation

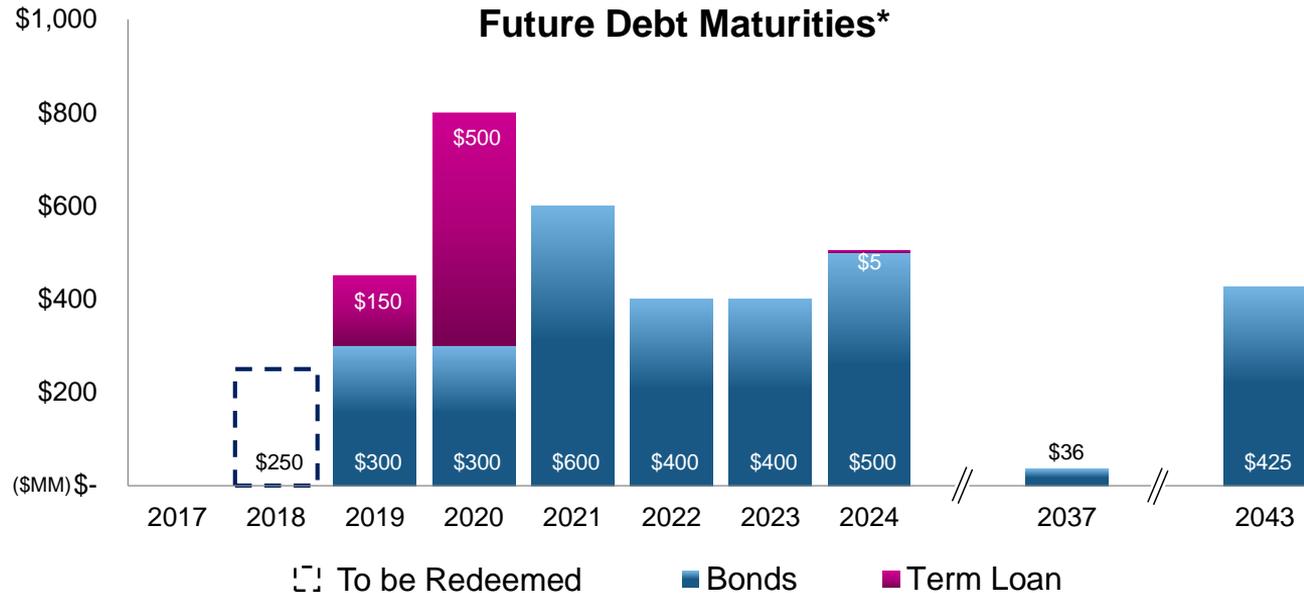
	2013	2014	2015	2016	2017
Dividends Paid to Stockholders	\$189MM	\$152MM	\$150MM	\$141MM	\$139MM
Share Repurchase	\$0	\$50MM	\$132MM	\$197MM	\$0
Debt	Reduced \$681MM	Reduced \$94MM	Reduced \$278MM	Increased \$118MM	Increased \$465MM

2017 Debt Levels Reflect Funding of Newgistics Acquisition; 2018 Reflects Anticipated Pay Down of \$0.5B using Repatriated Cash



* Debt allocated to finance receivables assumes 10:1 debt to equity ratio for 2015; 2016 - 2018 assumes 8:1 debt to equity ratio per change in rating agency methodology

Company will use \$0.5B from Repatriated Cash to Delever Balance Sheet

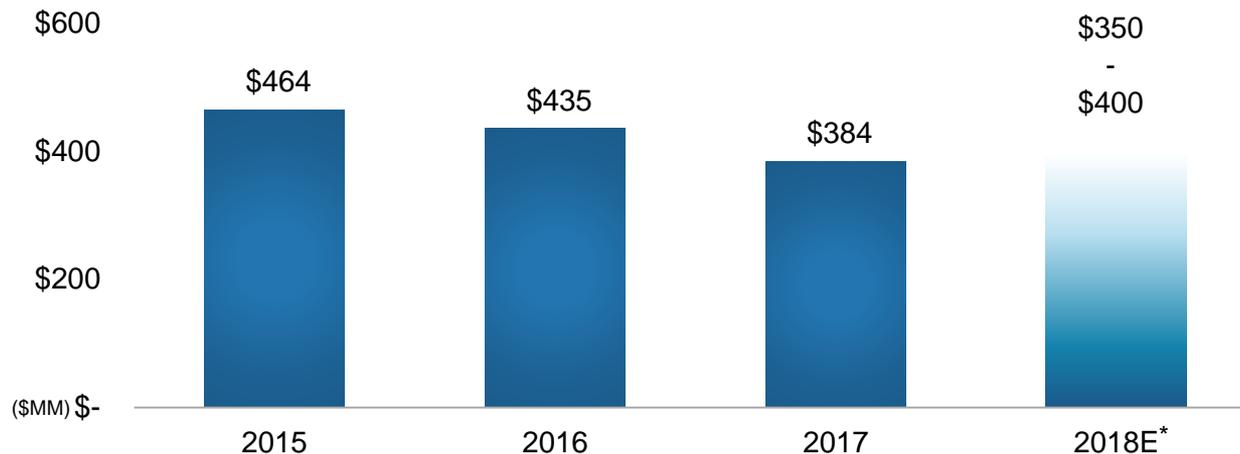


* Debt maturities as of December 31, 2017; numbers above exclude term loan principal amortization of \$20 million, \$50 million and \$55 million in 2018, 2019 and 2020, respectively

Of \$0.5B repatriated cash, \$0.25B March 2018 to be addressed;
balance will be used for near-term maturities

Free Cash Flow will Align with Earnings and a Changing Portfolio Profile

Free Cash Flow

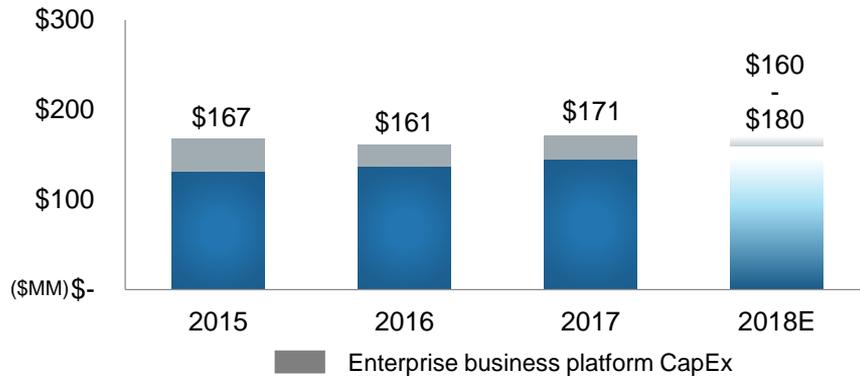


FCF	\$464	\$435	\$384	\$350 - \$400
Common Dividend	\$150	\$141	\$139	\$135 - \$140
Available FCF	\$314	\$294	\$245	\$215 - \$260

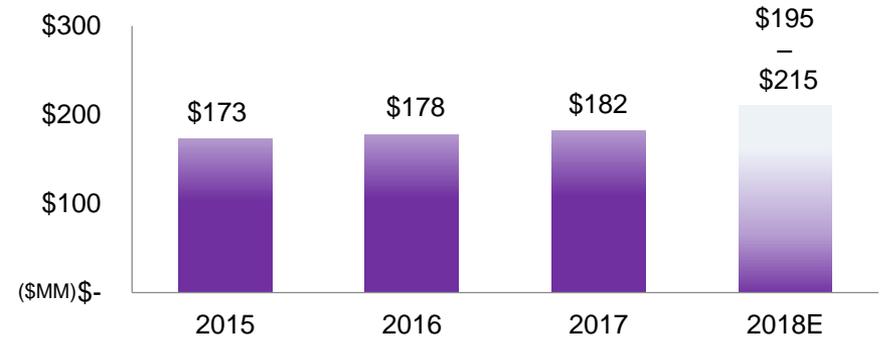
* Based on Company's current 2018 guidance of \$350 million to \$400 million; common dividend assumes 2017 year-end share count and no change to current dividend payment

Capital Expenditures Reflect Investments for Growth and the Enterprise Business Platform

Capital Expenditures



Depreciation & Amortization



2017 - 2018 includes incremental
CapEx and D&A related to Newgistics

Capital Allocation

- Organic Investment in Shipping and Related Capabilities
- Continued Portfolio Evolution
- Deleverage the Balance Sheet
- Optimize Shareholder Return

Pitney Bowes Transformation

Portfolio mix is shifting to higher growth areas

Growth in profitability

Strong free cash flow

Balanced capital allocation approach



Creating A Different Company

Marc B. Lautenbach
President and Chief Executive Officer



A Different Company

From

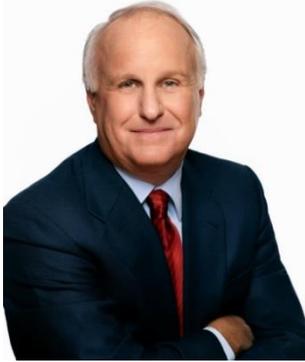
A core Mailing
business with the
option to grow Digital
Commerce Solutions

To

A Commerce
Services growth
company with the
option to expand
our opportunity with
our SMB client
base

Executive Bios





Marc B. Lautenbach

President and Chief Executive Officer

Marc was appointed President and CEO in December 2012, and is a member of the Board of Directors.

Before joining Pitney Bowes, Marc spent 27 years at IBM. Marc's tenure at IBM included senior positions, leading the consulting and systems integration business in North America, sales in the Americas, and leading the small and medium business globally. In addition, Marc held senior executive positions in IBM Asia Pacific.

Marc was elected to the Campbell's Soup Company Board of Directors in June 2014. He is also a Board member of Catalyst, Inc., and a member of the Board of Trustees at Denison University.

Marc graduated magna cum laude and Phi Beta Kappa at Denison University in 1983 and went on to receive an MBA from the Kellogg Graduate School of Management at Northwestern University in 1985.



Stan Sutula

Executive Vice President and Chief Financial Officer

As Chief Financial Officer, Stan is responsible for the financial operations of the company on a global basis, which includes treasury, audit, investor relations and tax functions.

Before joining Pitney Bowes in 2017, Stan spent 28 years at IBM Corporation. His tenure includes financial management experience of increasing responsibility, most recently serving as its Vice President and Controller. Stan is a skilled and experienced executive who has led large, global, corporate and business unit teams and brings an extensive background in finance, accounting, treasury, financial planning and analysis, audit, risk and compliance.

Stan graduated from Northeastern University with a Bachelor of Science degree in Finance and Management. He went on to receive a Masters of Business Administration in Finance from the Fordham Gabelli School of Business.

Stan serves on the Board of Directors for Avaya Holdings Corporation.



Jason Dies

*Executive Vice President and
President, Small and Medium Business Solutions*

As the leader of SMB Solutions, Jason is responsible for growing Pitney Bowes' SMB business and accelerating the reinvention of the mailing business globally. SMB Solutions helps clients save time and money by taking the complexity out of office mailing and shipping. Through its new SendPro family of solutions, expanding partner ecosystem and flexible payment solutions, SMB Solutions delivers new and unique value for its clients to drive efficiency of their mail and shipping operations and beyond.

Previously, Jason led the company's global Production Mail business for enterprise-level clients, including some of the world's largest banks, insurers and telecom companies.

Prior to joining Pitney Bowes, Jason was General Manager, Public Sector for IBM Global Technology Services, North America where he was responsible for driving revenue, profit, sales, delivery and customer satisfaction for clients in the State & Local Government, Healthcare, and Education industries focusing on IT strategic outsourcing.

During his career at IBM, Jason led teams in North America, Europe and Asia, and held leadership roles across diverse business units including services, hardware, client relationship management, marketing and business partner organizations.

Jason graduated from Cornell University with a Bachelor of Arts in Government, and holds a Masters of Arts in Political Science from the University of Pennsylvania.



Bob Guidotti

*Executive Vice President and
President, Software Solutions*

As the global leader of Software Solutions, Bob is helping the company expand its global footprint as it rolls out a new suite of vertical software solutions. Built on the company's leading customer engagement, location intelligence and data quality technologies, the new solutions address common business challenges – including fraud management, compliance, network optimization and customer communication – shared by clients across various industries. Bob is responsible for the overall strategy, sales and development of the company's software solutions business.

Bob came to Pitney Bowes with more than 20 years of experience in the software business. Most recently, Bob was General Manager, Software Sales at IBM, where he was responsible for sales, technical sales, and channels for the Software portfolio worldwide. Bob held a series of executive positions including head of IBM software sales in North America, where he managed and directed a team of more than 7,000 people and more than \$8 Billion of revenue in annual sales and services.

Bob earned his undergraduate degree in marketing from Pace University.



Chris Johnson

Vice President

President, Global Financial Services

As the leader of Global Financial Services (GFS), Chris has accountability for all aspects of the business including strategy, growth and operations. This includes strategic analysis in global markets, assessing current capabilities against future opportunities, determining priorities for investment, organizational development and business culture. In this role he is also responsible for payments and shipping finance for the enterprise.

Chris has held multiple business leadership and C-level roles at leading companies and has a proven track record of developing effective business strategies to accelerate growth. Prior to joining Pitney Bowes in April of 2016, he was President, Terex Financial Services, a global captive financial services company with multi-billion dollar assets under management in over 30 countries. Before that, Chris spent 15 years with GE in both the industrial and financial segments of their business. For 11 years of his tenure, he was with GE Capital holding a number of executive leadership positions in their international commercial and consumer banking organizations. Most notably he was Managing Director, GE Capital and Head of Trade and Supply Chain Finance. Prior to GE, he also held M&A, corporate and business development roles of increasing responsibility at Lincoln Financial Group and Markowitz & McNaughton.

Chris has a BA from Georgetown University. He also completed the executive professional development series at GE's Jack Welch Executive Leadership Institute.



Lila Snyder

*Executive Vice President and
President, Commerce Services*

As the leader of Commerce Services, Lila is responsible for the company's overall international ecommerce, domestic and cross-border shipping business, Presort Services, and the integration of the company's recent acquisition of Newgistics, Inc.

Prior to this role, Lila was the president of the company's global production mail business for enterprise-level clients, including some of the world's largest banks, insurers and telecom companies. This business focused on the creation of high-value, relevant, timely and targeted customer communications, as well as driving client insight through data and analytics.

Before joining Pitney Bowes in November 2013, Lila was a partner at McKinsey & Company, Inc. In this role, she led McKinsey's Stamford, CT office and focused on serving clients in the technology, media and communications sectors. Her work spanned strategy, operations, marketing and sales, working with clients to drive sustainable performance and build capabilities.

Lila holds S.M. and Ph.D. degrees in mechanical engineering from the Massachusetts Institute of Technology and a B.S. degree in mechanical engineering from the University of Miami.



Adam David

Vice President, Investor Relations

As the Vice President of Investor Relations, Adam is focused on managing the company's communications with its investment community.

Prior to this role, Adam was Vice President, Office of the CEO. He reported to Marc Lautenbach and supported Marc and the Senior Management Team in executing on the Pitney Bowes strategy.

Before assuming the Office of the CEO role in 2015, Adam David was Vice President of Finance. In this role, he led the decision support efforts for the company, which drew on his extensive experience in finance and accounting, coupled with a successful track record of consistently driving toward financial targets and building strong teams to set and meet business objectives.

Prior to taking on this responsibility in 2013, Adam had served as Vice President, Group Financial Officer, for both Pitney Bowes Communications Solutions and Pitney Bowes Management Services. Under his leadership, the decision support team brought greater focus on the profitability and operations of these two groups.

Adam joined Pitney Bowes in 2007 from IBM where he most recently served as Director of Finance, IBM Americas Global Technology Services, responsible for finance and planning of this \$14 billion business unit. He began his career with IBM in 1996 in Corporate Finance and rose to positions of increasing responsibility in the Global Financing business.

Prior to joining IBM, Adam held positions with Readers Digest Association, PepsiCo and Price Waterhouse Coopers.

He is a Certified Public Accountant and has a B.S. in accounting from Iona College.

Appendix

Reconciliation of Reported Operating Expenses to Adjusted Operating Expenses

	Year ended December 31, 2017
(\$ millions)	
Revenue	<u>\$3,550</u>
<i>Operating expenses - GAAP</i>	
Selling, general and administrative	\$1,238
Research and development	130
<i>Adjustments</i>	
Gain on sale of technology	6
Transaction costs	(9)
Operating expenses - adjusted	<u>\$1,365</u>
Operating expense margin %	<u>38.4%</u>

Reconciliation of Reported Net Income to Adjusted EBIT

(\$ millions)

	Year ended December 31, 2017
Net income	\$261
Restructuring charges and asset impairments, net	40
Gain on sale of technology	(6)
Transaction costs	6
Loss on extinguishment of debt	2
Tax legislation	(38)
Net income, as adjusted	265
Interest, net	164
Provision for income taxes, as adjusted	85
EBIT, as adjusted	\$514

Reconciliation of EBIT to Net Income

(\$ millions)

	2017 (1)								
	Global Ecommerce	Presort Services	Commerce Services	North America Mailing	International Mailing	Small & Medium Business Solutions	Software	Production Mail	Total
Revenue, as reported	\$552	\$498	\$1,050	\$1,357	\$384	\$1,740	\$352	\$407	\$3,550
Segment EBITDA	\$19	\$124	\$143	\$563	\$67	\$629	\$51	\$53	\$876
Segment depreciation and amortization	37	27	63	65	19	83	9	3	158
Segment EBIT	(\$18)	\$98	\$80	\$498	\$48	\$546	\$42	\$51	718
Unallocated corporate expenses									(204)
EBIT									514
EBIT margin									14.5%
Reconciling items:									
Interest, net									(164)
Restructuring charges and asset impairments, net									(59)
Gain on sale of technology									6
Transaction costs									(9)
Loss on extinguishment of debt									(4)
Income from continuing operations									283
Provision for income taxes									22
Net income									\$261
Segment EBITDA margin (2)	3.4%	24.9%	13.6%	41.5%	17.4%	36.2%	14.4%	13.1%	
Segment EBIT margin (3)	-3.2%	19.6%	7.6%	36.7%	12.6%	31.4%	11.8%	12.4%	

(1) Amounts may not sum due to rounding

(2) Segment EBITDA margin is defined as Segment EBITDA divided by segment revenue, as reported

(3) Segment EBIT margin is defined as Segment EBIT divided by segment revenue, as reported

Reconciliation of Reported Cash Flow from Operating Activities to Free Cash Flow

(\$ millions)

	2015	2016	2017
Cash Flow from Operating Activities	\$523	\$496	\$496
Capital expenditures	(167)	(161)	(171)
Restructuring payments	62	65	41
Payments related to investment divestiture	21	-	-
Pension plan contribution	-	37	-
Reserve account deposits	(24)	(2)	11
Acquisition and disposition related expenses	10	-	-
Tax payment related to sale of Imagitas	21	-	-
Cash transactions fees	18	-	7
Free Cash Flow	\$464	\$435	\$384

Thank You