

Pitney Bowes Inc.

Consolidated Statements of Operations

(Unaudited; in thousands, except per share amounts)

	Three months ended September 30		Nine months ended September 30	
	2024	2023	2024	2023
Revenue:				
Business services	\$ 221,791	\$ 203,269	\$ 651,389	\$ 638,714
Support services	90,956	101,855	281,301	310,454
Financing	68,614	68,572	203,816	202,323
Equipment sales	66,418	76,705	216,574	238,766
Supplies	35,428	35,695	107,658	111,035
Rentals	16,256	16,937	49,739	51,217
Total revenue	<u>499,463</u>	<u>503,033</u>	<u>1,510,477</u>	<u>1,552,509</u>
Costs and expenses:				
Cost of business services	128,573	130,141	386,531	424,661
Cost of support services	30,117	33,332	94,836	105,190
Financing interest expense	16,095	16,813	48,663	46,112
Cost of equipment sales	49,075	52,952	151,948	166,303
Cost of supplies	10,051	10,498	30,604	32,607
Cost of rentals	4,079	4,289	13,196	14,859
Selling, general and administrative	189,989	182,744	569,625	583,174
Research and development	7,580	7,715	22,465	21,380
Restructuring charges	30,694	13,942	64,859	34,768
Goodwill impairment	-	-	-	43,209
Interest expense, net	27,764	26,363	83,323	70,822
Other components of net pension and postretirement income	(961)	(2,683)	(1,730)	(6,144)
Other expense (income)	50,287	-	50,287	(3,064)
Total costs and expenses	<u>543,343</u>	<u>476,106</u>	<u>1,514,607</u>	<u>1,533,877</u>
(Loss) income before taxes	(43,880)	26,927	(4,130)	18,632
(Benefit) provision for income taxes	(166,466)	9,115	(148,695)	18,331
Income from continuing operations	122,586	17,812	144,565	301
Loss from discontinued operations, net of tax	(261,058)	(30,331)	(310,789)	(162,092)
Net loss	<u>\$ (138,472)</u>	<u>\$ (12,519)</u>	<u>\$ (166,224)</u>	<u>\$ (161,791)</u>
Basic earnings (loss) per share				
Continuing operations	\$ 0.68	\$ 0.10	\$ 0.81	\$ 0.00
Discontinued operations	(1.45)	(0.17)	(1.74)	(0.92)
Net loss	<u>\$ (0.77)</u>	<u>\$ (0.07)</u>	<u>\$ (0.93)</u>	<u>\$ (0.92)</u>
Diluted earnings (loss) per share:				
Continuing operations	\$ 0.67	\$ 0.10	\$ 0.79	\$ 0.00
Discontinued operations	(1.42)	(0.17)	(1.70)	(0.90)
Net loss	<u>\$ (0.75)</u>	<u>\$ (0.07)</u>	<u>\$ (0.91)</u>	<u>\$ (0.90)</u>
Weighted-average shares used in diluted earnings per share	<u>183,837,894</u>	<u>180,368,768</u>	<u>182,444,815</u>	<u>179,582,154</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)

	September 30, 2024	December 31, 2023
Assets		
Current assets:		
Cash and cash equivalents	\$ 561,538	\$ 600,054
Short-term investments	13,972	22,166
Accounts and other receivables, net	188,794	200,242
Short-term finance receivables, net	530,698	563,536
Inventories	71,642	63,048
Current income taxes	19,730	564
Other current assets and prepayments	99,778	76,039
Assets held for sale	-	532,441
Total current assets	1,486,152	2,058,090
Property, plant and equipment, net	228,826	254,078
Rental property and equipment, net	23,664	23,583
Long-term finance receivables, net	622,378	653,085
Goodwill	737,281	734,409
Intangible assets, net	17,014	20,400
Operating lease assets	121,533	126,492
Noncurrent income taxes	90,832	60,995
Other assets	320,036	341,053
Total assets	<u>\$ 3,647,716</u>	<u>\$ 4,272,185</u>
Liabilities and stockholders' deficit		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 852,566	\$ 829,419
Customer deposits at Pitney Bowes Bank	670,678	640,323
Current operating lease liabilities	29,218	29,882
Current portion of long-term debt	56,466	58,931
Advance billings	74,153	76,258
Current income taxes	1,471	6,523
Liabilities of assets held for sale	-	257,106
Total current liabilities	1,684,552	1,898,442
Long-term debt	2,052,298	2,087,101
Deferred taxes on income	56,563	211,477
Tax uncertainties and other income tax liabilities	12,898	19,091
Noncurrent operating lease liabilities	117,812	126,568
Noncurrent customer deposits at Pitney Bowes Bank	58,977	73,972
Other noncurrent liabilities	183,495	224,110
Total liabilities	4,166,595	4,640,761
Stockholders' deficit:		
Common stock	270,338	270,338
Retained earnings	2,748,407	3,077,988
Accumulated other comprehensive loss	(820,870)	(851,245)
Treasury stock, at cost	(2,716,754)	(2,865,657)
Total stockholders' deficit	(518,879)	(368,576)
Total liabilities and stockholders' deficit	<u>\$ 3,647,716</u>	<u>\$ 4,272,185</u>

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

	Three months ended September 30			Nine months ended September 30		
	2024	2023	% Change	2024	2023	% Change
Sending Technology Solutions	\$ 312,763	\$ 327,041	(4%)	\$ 960,355	\$ 990,361	(3%)
Presort Services	166,367	152,451	9%	483,032	454,460	6%
Total reportable segments	479,130	479,492	(0%)	1,443,387	1,444,821	(0%)
Other operations	20,333	23,541	(14%)	67,090	107,688	(38%)
Total revenue, as reported	499,463	503,033	(1%)	1,510,477	1,552,509	(3%)
Impact of currency on revenue	(574)			(18)		
Total revenue, constant currency	\$ 498,889	\$ 503,033	(1%)	\$ 1,510,459	\$ 1,552,509	(3%)

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

	Three months ended September 30							
	2024			2023			% change	
	Adjusted Segment EBIT ⁽¹⁾	D&A	Adjusted Segment EBITDA	Adjusted Segment EBIT ⁽¹⁾	D&A	Adjusted Segment EBITDA	Adjusted Segment EBIT	Adjusted Segment EBITDA
Sending Technology Solutions	\$ 104,228	\$ 9,587	\$ 113,815	\$ 99,220	\$ 9,499	\$ 108,719	5%	5%
Presort Services	46,179	9,008	55,187	29,124	8,311	37,435	59%	47%
Total reportable segments	<u>\$ 150,407</u>	<u>\$ 18,595</u>	169,002	<u>\$ 128,344</u>	<u>\$ 17,810</u>	146,154	<u>17%</u>	<u>16%</u>

Reconciliation of Adjusted Segment EBITDA to Income from continuing operations:

Other operations (2)		(4,236)		(2,595)
Depreciation and amortization - reportable segments		(18,595)		(17,810)
Interest expense, net		(43,859)		(43,176)
Corporate expenses		(43,386)		(41,704)
Restructuring charges		(30,694)		(13,942)
Foreign currency loss on intercompany loans		(18,831)		-
Strategic review costs		(2,994)		-
Asset impairment charge		(10,000)		-
Charges in connection with the Ecommerce Restructuring		(38,145)		-
Loss on debt refinancing		(2,142)		-
Income from continuing operations before taxes		<u>\$ (43,880)</u>		<u>\$ 26,927</u>

	Nine months ended September 30							
	2024			2023			% change	
	Adjusted Segment EBIT ⁽¹⁾	D&A	Adjusted Segment EBITDA	Adjusted Segment EBIT ⁽¹⁾	D&A	Adjusted Segment EBITDA	Adjusted Segment EBIT	Adjusted Segment EBITDA
Sending Technology Solutions	\$ 306,473	\$ 29,280	\$ 335,753	\$ 291,705	\$ 28,330	\$ 320,035	5%	5%
Presort Services	113,556	26,722	140,278	76,458	25,172	101,630	49%	38%
Total reportable segments	<u>\$ 420,029</u>	<u>\$ 56,002</u>	476,031	<u>\$ 368,163</u>	<u>\$ 53,502</u>	421,665	<u>14%</u>	<u>13%</u>

Reconciliation of Adjusted Segment EBITDA to Income from continuing operations:

Other operations (2)		(4,824)		(1,017)
Depreciation and amortization - reportable segments		(56,002)		(53,502)
Interest expense, net		(131,986)		(116,934)
Corporate expenses		(144,431)		(145,762)
Restructuring charges		(64,859)		(34,768)
Goodwill impairment		-		(43,209)
Foreign currency loss on intercompany loans		(13,481)		-
Strategic Review costs		(14,291)		-
Asset impairment charge		(10,000)		-
Charges in connection with the GEC Exit		(38,145)		-
(Loss) gain on debt refinancing		(2,142)		3,064
Proxy solicitation fees		-		(10,905)
Income from continuing operations before taxes		<u>\$ (4,130)</u>		<u>\$ 18,632</u>

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

(2) Other operations includes the revenue and related expenses of our former Global Ecommerce business that did not qualify for discontinued operations treatment. These operations represent previous operations that were dissolved or sold, shared services functions that are expected to winddown by the end of 2024 and a cross-border services contract.

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	
	2024	2023	2024	2023
Reconciliation of reported net loss to adjusted EBIT and adjusted EBITDA				
Net loss	\$ (138,472)	\$ (12,519)	\$ (166,224)	\$ (161,791)
Loss from discontinued operations, net of tax	261,058	30,331	310,789	162,092
Provision (benefit) for income taxes	(166,466)	9,115	(148,695)	18,331
Income (loss) before taxes	(43,880)	26,927	(4,130)	18,632
Restructuring charges	30,694	13,942	64,859	34,768
Foreign currency gain on intercompany loans	18,831	-	13,481	-
Strategic review costs	2,994	-	14,291	-
Asset impairment charge	10,000	-	10,000	-
Charges in connection with the Ecommerce Restructuring	38,145	-	38,145	-
Goodwill impairment	-	-	-	43,209
Loss (gain) on debt refinancing	2,142	-	2,142	(3,064)
Proxy solicitation fees	-	-	-	10,905
Adjusted net income before tax	58,926	40,869	138,788	104,450
Interest, net	43,859	43,176	131,986	116,934
Adjusted EBIT	102,785	84,045	270,774	221,384
Depreciation and amortization	28,564	28,068	85,897	84,500
Adjusted EBITDA	\$ 131,349	\$ 112,113	\$ 356,671	\$ 305,884

Reconciliation of reported diluted loss per share to adjusted diluted earnings per share				
Diluted loss per share	\$ (0.75)	\$ (0.07)	\$ (0.91)	\$ (0.90)
Loss from discontinued operations, net of tax	1.42	0.17	1.70	0.90
Restructuring charges	0.13	0.06	0.27	0.15
Foreign currency gain on intercompany loans	0.08	-	0.06	-
Strategic review costs	0.01	-	0.06	-
Asset impairment charge	0.05	-	0.06	-
Charges in connection with the Ecommerce Restructuring	0.16	-	0.16	-
Tax benefit from affiliate reorganization	(0.89)	-	(0.90)	-
Goodwill impairment	-	-	-	0.24
Loss (gain) on debt refinancing	0.01	-	0.01	(0.01)
Proxy solicitation fees	-	-	-	0.05
Adjusted diluted earnings per share	\$ 0.21	\$ 0.16	\$ 0.50	\$ 0.42

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

Reconciliation of reported net cash from operating activities to free cash flow				
Net cash from operating activities - continuing operations	\$ 65,721	\$ 54,225	\$ 144,616	\$ 71,882
Capital expenditures	(19,518)	(15,914)	(50,221)	(50,226)
Restructuring payments	29,216	17,486	53,919	25,152
Proxy solicitation fees paid	-	623	-	10,905
Free cash flow	\$ 75,419	\$ 56,420	\$ 148,314	\$ 57,713