

## Pitney Bowes Inc.

### Consolidated Statements of Operations

(Unaudited; in thousands, except per share amounts)

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
<b>Revenue:</b>				
Business services	\$ 518,405	\$ 551,384	\$ 1,667,267	\$ 1,688,860
Support services	107,642	113,413	325,619	347,266
Financing	67,757	71,936	207,084	223,201
Equipment sales	83,528	83,234	262,810	256,304
Supplies	37,455	38,211	116,761	119,090
Rentals	16,127	17,271	49,810	55,128
Total revenue	<u>830,914</u>	<u>875,449</u>	<u>2,629,351</u>	<u>2,689,849</u>
<b>Costs and expenses:</b>				
Cost of business services	452,715	472,216	1,433,474	1,454,564
Cost of support services	36,618	38,250	111,463	112,646
Financing interest expense	13,692	11,710	37,827	35,369
Cost of equipment sales	60,595	62,221	188,181	185,622
Cost of supplies	10,529	10,705	33,074	32,383
Cost of rentals	6,270	6,480	19,052	18,940
Selling, general and administrative	209,576	225,024	678,999	699,316
Research and development	9,812	10,621	32,400	32,996
Restructuring charges	4,264	3,701	12,672	11,434
Interest expense, net	23,685	24,312	66,816	73,816
Other components of net pension and postretirement expense	1,427	46	3,229	708
Other (income) expense, net	(8,398)	3,193	(20,299)	40,941
Total costs and expenses	<u>820,785</u>	<u>868,479</u>	<u>2,596,888</u>	<u>2,698,735</u>
Income (loss) from continuing operations before taxes	10,129	6,970	32,463	(8,886)
Provision (benefit) for income taxes	4,642	(1,525)	1,819	(10,602)
Income from continuing operations	5,487	8,495	30,644	1,716
Income (loss) from discontinued operations, net of tax	-	572	-	(4,334)
Net income (loss)	<u>\$ 5,487</u>	<u>\$ 9,067</u>	<u>\$ 30,644</u>	<u>\$ (2,618)</u>
<b>Basic earnings (loss) per share:</b>				
Continuing operations	\$ 0.03	\$ 0.05	\$ 0.18	\$ 0.01
Discontinued operations	-	-	-	(0.02)
Net income (loss)	<u>\$ 0.03</u>	<u>\$ 0.05</u>	<u>\$ 0.18</u>	<u>\$ (0.02)</u>
<b>Diluted earnings (loss) per share:</b>				
Continuing operations	\$ 0.03	\$ 0.05	\$ 0.17	\$ 0.01
Discontinued operations	-	-	-	(0.02)
Net income (loss)	<u>\$ 0.03</u>	<u>\$ 0.05</u>	<u>\$ 0.17</u>	<u>\$ (0.02)</u>
Weighted-average shares used in diluted earnings per share	<u>176,966</u>	<u>179,409</u>	<u>177,418</u>	<u>178,949</u>

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

<b>Assets</b>	<b>September 30, 2022</b>	<b>December 31, 2021</b>
Current assets:		
Cash and cash equivalents	\$ 596,647	\$ 732,480
Short-term investments	10,014	14,440
Accounts and other receivables, net	287,751	334,630
Short-term finance receivables, net	551,476	560,680
Inventories	89,946	78,588
Current income taxes	27,442	13,894
Other current assets and prepayments	146,636	157,341
Total current assets	1,709,912	1,892,053
Property, plant and equipment, net	427,958	429,162
Rental property and equipment, net	28,451	34,774
Long-term finance receivables, net	597,198	587,427
Goodwill	1,045,940	1,135,103
Intangible assets, net	79,399	132,442
Operating lease assets	259,248	208,428
Noncurrent income taxes	56,339	68,398
Other assets	388,704	471,084
Total assets	<u>\$ 4,593,149</u>	<u>\$ 4,958,871</u>
<b>Liabilities and stockholders' equity</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 766,170	\$ 922,543
Customer deposits at Pitney Bowes Bank	663,420	632,062
Current operating lease liabilities	45,761	40,299
Current portion of long-term debt	27,133	24,739
Advance billings	94,100	99,280
Current income taxes	2,051	9,017
Total current liabilities	1,598,635	1,727,940
Long-term debt	2,189,566	2,299,099
Deferred taxes on income	273,455	286,445
Tax uncertainties and other income tax liabilities	31,566	31,935
Noncurrent operating lease liabilities	239,788	192,092
Other noncurrent liabilities	268,415	308,728
Total liabilities	<u>4,601,425</u>	<u>4,846,239</u>
Stockholders' equity:		
Common stock	323,338	323,338
Additional paid-in-capital	-	2,485
Retained earnings	5,128,030	5,169,270
Accumulated other comprehensive loss	(905,453)	(780,312)
Treasury stock, at cost	(4,554,191)	(4,602,149)
Total stockholders' (deficit) equity	<u>(8,276)</u>	<u>112,632</u>
Total liabilities and stockholders' equity	<u>\$ 4,593,149</u>	<u>\$ 4,958,871</u>

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

	Three months ended September 30,			Nine months ended September 30,		
	2022	2021	% Change	2022	2021	% Change
Global Ecommerce	\$ 354,326	\$ 398,011	(11%)	\$ 1,166,623	\$ 1,229,526	(5%)
Presort Services	144,824	139,296	4%	444,302	417,041	7%
Sending Technology Solutions	331,764	338,142	(2%)	1,018,426	1,043,282	(2%)
<b>Total revenue - GAAP</b>	<b>830,914</b>	<b>875,449</b>	<b>(5%)</b>	<b>2,629,351</b>	<b>2,689,849</b>	<b>(2%)</b>
Currency impact on revenue	13,354	-		28,123	-	
Revenue, at constant currency	\$ 844,268	\$ 875,449	(4%)	\$ 2,657,474	\$ 2,689,849	(1%)

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

	Three months ended September 30,								
	2022			2021			% change		
	EBIT <sup>(1)</sup>	D&A	EBITDA	EBIT <sup>(1)</sup>	D&A	EBITDA	EBIT	EBITDA	
Global Ecommerce	\$ (34,881)	\$ 17,982	\$ (16,899)	\$ (20,950)	\$ 20,935	\$ (15)	(66%)	>(100%)	
Presort Services	20,561	7,182	27,743	21,062	6,235	27,297	(2%)	2%	
Sending Technology Solutions	95,234	7,248	102,482	98,950	7,694	106,644	(4%)	(4%)	
Segment total	<u>\$ 80,914</u>	<u>\$ 32,412</u>	<u>113,326</u>	<u>\$ 99,062</u>	<u>\$ 34,864</u>	<u>133,926</u>	<u>(18%)</u>	<u>(15%)</u>	

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

Segment depreciation and amortization	(32,412)	(34,864)
Unallocated corporate expenses	(42,908)	(49,176)
Restructuring charges	(4,264)	(3,701)
Gain on sale of businesses	13,764	-
Loss on debt refinancing	-	(3,193)
Interest, net	(37,377)	(36,022)
(Provision) benefit for income taxes	(4,642)	1,525
Income from continuing operations	5,487	8,495
Income from discontinued operations, net of tax	-	572
Net income	<u>\$ 5,487</u>	<u>\$ 9,067</u>

	Nine months ended September 30,								
	2022			2021			% change		
	EBIT <sup>(1)</sup>	D&A	EBITDA	EBIT <sup>(1)</sup>	D&A	EBITDA	EBIT	EBITDA	
Global Ecommerce	\$ (77,402)	\$ 60,906	\$ (16,496)	\$ (58,157)	\$ 58,171	\$ 14	(33%)	>(100%)	
Presort Services	53,044	20,601	73,645	56,247	20,532	76,779	(6%)	(4%)	
Sending Technology Solutions	295,374	22,159	317,533	320,541	22,835	343,376	(8%)	(8%)	
Segment Total	<u>\$ 271,016</u>	<u>\$ 103,666</u>	<u>374,682</u>	<u>\$ 318,631</u>	<u>\$ 101,538</u>	<u>420,169</u>	<u>(15%)</u>	<u>(11%)</u>	

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

Segment depreciation and amortization	(103,666)	(101,538)
Unallocated corporate expenses	(141,537)	(162,957)
Restructuring charges	(12,672)	(11,434)
Gain on sale of assets	14,372	1,434
Gain on sale of businesses, including transaction costs	10,920	10,201
Loss on debt redemption/refinancing	(4,993)	(55,576)
Interest, net	(104,643)	(109,185)
(Provision) benefit for income taxes	(1,819)	10,602
Income from continuing operations	30,644	1,716
Loss from discontinued operations, net of tax	-	(4,334)
Net income (loss)	<u>\$ 30,644</u>	<u>\$ (2,618)</u>

(1) Segment EBIT excludes interest, taxes, general corporate expenses, restructuring charges, and other items that are not allocated to a particular business segment. In 2022, we refined the methodology for allocating transportation costs between Global Ecommerce and Presort Services, resulting in an increase in Global Ecommerce EBIT and a corresponding decrease in Presort Services EBIT of \$3 million and \$9 million for the three and nine months ended September 30, 2022, respectively.

## 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,	
	2022	2021	2022	2021
<b>Reconciliation of reported net income (loss) to adjusted EBIT and EBITDA</b>				
Net income (loss)	\$ 5,487	\$ 9,067	\$ 30,644	\$ (2,618)
(Income) loss from discontinued operations, net of tax	-	(572)	-	4,334
Provision (benefit) for income taxes	4,642	(1,525)	1,819	(10,602)
Income (loss) from continuing operations before taxes	10,129	6,970	32,463	(8,886)
Restructuring charges	4,264	3,701	12,672	11,434
Gain on sale of assets	-	-	(14,372)	(1,434)
Gain on sale of businesses, including transaction costs	(13,764)	-	(10,920)	(10,201)
Loss on debt redemption/refinancing	-	3,193	4,993	55,576
Adjusted net income before tax	629	13,864	24,836	46,489
Interest, net	37,377	36,022	104,643	109,185
Adjusted EBIT	38,006	49,886	129,479	155,674
Depreciation and amortization	39,280	41,809	124,752	121,225
Adjusted EBITDA	\$ 77,286	\$ 91,695	\$ 254,231	\$ 276,899
<b>Reconciliation of reported diluted earnings (loss) per share to adjusted diluted earnings per share</b>				
Diluted earnings (loss) per share	\$ 0.03	\$ 0.05	\$ 0.17	\$ (0.02)
Loss from discontinued operations, net of tax	-	-	-	0.02
Restructuring charges	0.02	0.02	0.05	0.05
Gain on sale of assets	-	-	(0.06)	(0.01)
Gain on sale of businesses, including transaction costs	(0.05)	-	(0.09)	(0.02)
Loss on debt redemption/refinancing	-	0.01	0.02	0.23
Adjusted diluted earnings per share <sup>(1)</sup>	\$ (0.00)	\$ 0.08	\$ 0.10	\$ 0.26
<b>Reconciliation of reported net cash from operating activities to free cash flow</b>				
Net cash from operating activities	\$ (36,465)	\$ 71,446	\$ 9,229	\$ 216,174
Capital expenditures	(33,359)	(57,204)	(97,533)	(140,907)
Restructuring payments	3,506	6,023	11,761	14,847
Change in customer deposits at PB Bank	47,271	9,879	31,359	25,512
Transaction costs paid	3,268	-	5,400	-
Free cash flow	\$ (15,779)	\$ 30,144	\$ (39,784)	\$ 115,626

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