

# Pitney Bowes Inc.

## Consolidated Statements of Operations

(Unaudited; in thousands, except per share amounts)

	Three months ended March 31,	
	2022	2021
Revenue:		
Business services	\$ 597,384	\$ 570,454
Support services	110,352	118,697
Financing	72,029	77,812
Equipment sales	89,296	86,803
Supplies	41,061	42,224
Rentals	16,820	19,207
Total revenue	<u>926,942</u>	<u>915,197</u>
Costs and expenses:		
Cost of business services	503,215	499,534
Cost of support services	37,134	36,717
Financing interest expense	11,602	11,886
Cost of equipment sales	63,771	61,840
Cost of supplies	11,517	11,211
Cost of rentals	5,309	6,447
Selling, general and administrative	242,785	238,102
Research and development	11,334	11,316
Restructuring charges	4,184	2,889
Interest expense, net	22,124	25,158
Other components of net pension and postretirement expense	844	350
Other (income) expense, net	(11,901)	51,394
Total costs and expenses	<u>901,918</u>	<u>956,844</u>
Income (loss) from continuing operations before taxes	25,024	(41,647)
Provision (benefit) for income taxes	4,203	(13,992)
Income (loss) from continuing operations	<u>20,821</u>	<u>(27,655)</u>
Loss from discontinued operations, net of tax	-	(3,886)
Net income (loss)	<u>\$ 20,821</u>	<u>\$ (31,541)</u>
Basic earnings (loss) per share (1):		
Continuing operations	\$ 0.12	\$ (0.16)
Discontinued operations	-	(0.02)
Net income (loss)	<u>\$ 0.12</u>	<u>\$ (0.18)</u>
Diluted earnings (loss) per share (1):		
Continuing operations	\$ 0.12	\$ (0.16)
Discontinued operations	-	(0.02)
Net income (loss)	<u>\$ 0.12</u>	<u>\$ (0.18)</u>
Weighted-average shares used in diluted earnings per share	<u>178,034</u>	<u>172,856</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>March 31, 2022</b>	<b>December 31, 2021</b>
Current assets:		
Cash and cash equivalents	\$ 622,575	\$ 732,480
Short-term investments	11,383	14,440
Accounts and other receivables, net	297,713	334,630
Short-term finance receivables, net	564,835	560,680
Inventories	87,661	78,588
Current income taxes	12,778	13,894
Other current assets and prepayments	145,167	157,341
Total current assets	1,742,112	1,892,053
Property, plant and equipment, net	430,498	429,162
Rental property and equipment, net	33,849	34,774
Long-term finance receivables, net	588,040	587,427
Goodwill	1,129,027	1,135,103
Intangible assets, net	124,739	132,442
Operating lease assets	236,477	208,428
Noncurrent income taxes	66,208	68,398
Other assets	436,114	471,084
Total assets	<u>\$ 4,787,064</u>	<u>\$ 4,958,871</u>
<b>Liabilities and stockholders' equity</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 876,645	\$ 922,543
Customer deposits at Pitney Bowes Bank	619,103	632,062
Current operating lease liabilities	41,600	40,299
Current portion of long-term debt	24,746	24,739
Advance billings	102,289	99,280
Current income taxes	2,864	9,017
Total current liabilities	1,667,247	1,727,940
Long-term debt	2,199,833	2,299,099
Deferred taxes on income	286,536	286,445
Tax uncertainties and other income tax liabilities	31,358	31,935
Noncurrent operating lease liabilities	220,614	192,092
Other noncurrent liabilities	288,594	308,728
Total liabilities	<u>4,694,182</u>	<u>4,846,239</u>
Stockholders' equity:		
Common stock	323,338	323,338
Additional paid-in-capital	-	2,485
Retained earnings	5,141,636	5,169,270
Accumulated other comprehensive loss	(800,330)	(780,312)
Treasury stock, at cost	(4,571,762)	(4,602,149)
Total stockholders' equity	<u>92,882</u>	<u>112,632</u>
Total liabilities and stockholders' equity	<u>\$ 4,787,064</u>	<u>\$ 4,958,871</u>

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

	<b>Three months ended March 31,</b>		
	<b>2022</b>	<b>2021</b>	<b>% Change</b>
Global Ecommerce	\$ 418,527	\$ 413,086	1%
Presort Services	160,544	143,126	12%
Sending Technology Solutions	347,871	358,985	(3%)
<b>Total revenue - GAAP</b>	<b>926,942</b>	<b>915,197</b>	<b>1%</b>
Currency impact on revenue	3,992	-	
Revenue, at constant currency	<u>\$ 930,934</u>	<u>\$ 915,197</u>	<u>2%</u>

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

	Three months ended March 31,							
	2022			2021			% change	
	EBIT (1)	D&A	EBITDA	EBIT (1)	D&A	EBITDA	EBIT	EBITDA
Global Ecommerce	\$ (13,696)	\$ 21,444	\$ 7,748	\$ (26,376)	\$ 18,176	\$ (8,200)	48%	>100%
Presort Services	19,632	6,418	26,050	19,051	7,499	26,550	3%	(2%)
Sending Technology Solutions	104,575	7,003	111,578	114,470	7,604	122,074	(9%)	(9%)
Segment total	<u>\$ 110,511</u>	<u>\$ 34,865</u>	<u>145,376</u>	<u>\$ 107,145</u>	<u>\$ 33,279</u>	<u>140,424</u>	<u>3%</u>	<u>4%</u>

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

Segment depreciation and amortization	(34,865)	(33,279)
Unallocated corporate expenses	(57,834)	(57,465)
Restructuring charges	(4,184)	(2,889)
Gain on sale of assets	14,372	-
Gain on sale of business	2,522	-
Loss on debt redemption/refinancing	(4,993)	(51,394)
Transaction costs	(1,644)	-
Interest, net	(33,726)	(37,044)
(Provision) benefit for income taxes	(4,203)	13,992
Income (loss) from continuing operations	<u>20,821</u>	<u>(27,655)</u>
Loss from discontinued operations, net of tax	-	(3,886)
Net income (loss)	<u>\$ 20,821</u>	<u>\$ (31,541)</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 a \$3 million increase in Global Ecommerce EBIT and corresponding decrease in Presort Services EBIT.

## Pitney Bowes Inc.

### Reconciliation of Reported Consolidated Results to Adjusted Results

(Unaudited; in thousands, except per share amounts)

	<b>Three months ended March 31,</b>	
	<b>2022</b>	<b>2021</b>
<b>Reconciliation of reported net income (loss) to adjusted EBIT and EBITDA</b>		
Net income (loss)	\$ 20,821	\$ (31,541)
Loss from discontinued operations, net of tax	-	3,886
Provision (benefit) for income taxes	4,203	(13,992)
Income (loss) from continuing operations before taxes	25,024	(41,647)
Restructuring charges	4,184	2,889
Gain on sale of assets	(14,372)	-
Gain on sale of business	(2,522)	-
Loss on debt redemption/refinancing	4,993	51,394
Transaction costs	1,644	-
Adjusted net income before tax	18,951	12,636
Interest, net	33,726	37,044
Adjusted EBIT	52,677	49,680
Depreciation and amortization	42,002	39,594
Adjusted EBITDA	<u>\$ 94,679</u>	<u>\$ 89,274</u>
<b>Reconciliation of reported diluted earnings (loss) per share to adjusted diluted earnings per share</b>		
Diluted earnings (loss) per share	\$ 0.12	\$ (0.18)
Loss from discontinued operations, net of tax	-	0.02
Restructuring charges	0.02	0.01
Gain on sale of assets	(0.06)	-
Gain on sale of business	(0.02)	-
Loss on debt redemption/refinancing	0.02	0.22
Transaction costs	0.01	-
Adjusted diluted earnings per share <sup>(1)</sup>	<u>\$ 0.08</u>	<u>\$ 0.07</u>
<b>Reconciliation of reported net cash from operating activities to free cash flow</b>		
Net cash from operating activities	\$ 10,562	\$ 65,923
Capital expenditures	(32,555)	(43,328)
Restructuring payments	3,285	3,955
Change in customer deposits at PB Bank	(12,959)	(27,794)
Transaction costs paid	2,132	-
Free cash flow	<u>\$ (29,535)</u>	<u>\$ (1,244)</u>

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