

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

(Unaudited; in thousands, except per share amounts)

	Three months ended December 31,		Twelve months ended December 31,	
	2023	2022	2023	2022
Revenue:				
Business services	\$ 564,094	\$ 582,674	\$ 2,045,069	\$ 2,249,941
Support services	100,280	112,572	410,734	438,191
Financing	68,874	67,424	271,197	274,508
Equipment sales	84,973	92,150	323,739	354,960
Supplies	36,674	37,425	147,709	154,186
Rentals	16,683	16,446	67,900	66,256
Total revenue	<u>871,578</u>	<u>908,691</u>	<u>3,266,348</u>	<u>3,538,042</u>
Costs and expenses:				
Cost of business services	477,545	500,732	1,756,616	1,934,206
Cost of support services	32,486	37,366	137,676	148,829
Financing interest expense	17,169	13,962	63,281	51,789
Cost of equipment sales	57,454	65,662	223,757	253,843
Cost of supplies	10,740	10,704	43,347	43,778
Cost of rentals	4,755	6,053	19,614	25,105
Selling, general and administrative	223,175	226,571	897,260	905,570
Research and development	10,276	11,257	41,405	43,657
Restructuring charges	18,965	6,043	61,585	18,715
Goodwill impairment	220,585	-	339,184	-
Interest expense, net	28,401	23,164	100,445	89,980
Other components of net pension and postretirement (income) cost	(2,112)	1,079	(8,256)	4,308
Other income, net	-	(1,319)	(3,064)	(21,618)
Total costs and expenses	<u>1,099,439</u>	<u>901,274</u>	<u>3,672,850</u>	<u>3,498,162</u>
(Loss) income before taxes	(227,861)	7,417	(406,502)	39,880
(Benefit) provision for income taxes	(4,025)	1,121	(20,875)	2,940
Net (loss) income	<u>\$ (223,836)</u>	<u>\$ 6,296</u>	<u>\$ (385,627)</u>	<u>\$ 36,940</u>
(Loss) earnings per share:				
Basic	<u>\$ (1.27)</u>	<u>\$ 0.04</u>	<u>\$ (2.20)</u>	<u>\$ 0.21</u>
Diluted	<u>\$ (1.27)</u>	<u>\$ 0.04</u>	<u>\$ (2.20)</u>	<u>\$ 0.21</u>
Weighted-average shares used in diluted earnings per share	<u>176,342</u>	<u>177,999</u>	<u>175,640</u>	<u>177,252</u>

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

Assets	December 31, 2023	December 31, 2022
Current assets:		
Cash and cash equivalents	\$ 601,053	\$ 669,981
Short-term investments	22,166	11,172
Accounts and other receivables, net	342,236	343,557
Short-term finance receivables, net	563,536	564,972
Inventories	70,053	83,720
Current income taxes	564	8,790
Other current assets and prepayments	98,802	115,824
Total current assets	1,698,410	1,798,016
Property, plant and equipment, net	383,628	420,672
Rental property and equipment, net	23,583	27,487
Long-term finance receivables, net	653,085	627,124
Goodwill	734,409	1,066,951
Intangible assets, net	62,250	77,944
Operating lease assets	309,958	296,129
Noncurrent income taxes	60,995	46,613
Other assets	352,360	380,419
Total assets	<u>\$ 4,278,678</u>	<u>\$ 4,741,355</u>
Liabilities and stockholders' (deficit) equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 881,969	\$ 907,083
Customer deposits at Pitney Bowes Bank	640,323	628,072
Current operating lease liabilities	60,069	52,576
Current portion of long-term debt	58,931	32,764
Advance billings	89,087	105,207
Current income taxes	6,523	2,101
Total current liabilities	1,736,902	1,727,803
Long-term debt	2,087,101	2,172,502
Deferred taxes on income	211,477	263,131
Tax uncertainties and other income tax liabilities	19,091	23,841
Noncurrent operating lease liabilities	277,981	265,696
Other noncurrent liabilities	314,702	227,729
Total liabilities	4,647,254	4,680,702
Stockholders' (deficit) equity:		
Common stock	270,338	323,338
Retained earnings	3,077,988	5,125,677
Accumulated other comprehensive loss	(851,245)	(835,564)
Treasury stock, at cost	(2,865,657)	(4,552,798)
Total stockholders' (deficit) equity	(368,576)	60,653
Total liabilities and stockholders' (deficit) equity	<u>\$ 4,278,678</u>	<u>\$ 4,741,355</u>

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

	Three months ended December 31,			Twelve months ended December 31,		
	2023	2022	% Change	2023	2022	% Change
Global Ecommerce						
Revenue, as reported	\$ 381,020	\$ 409,725	(7%)	\$ 1,355,326	\$ 1,576,348	(14%)
Impact of change in revenue presentation		-			(115,171)	
Impact of Borderfree divestiture		-			(22,550)	
Comparable revenue before currency	381,020	409,725	(7%)	1,355,326	1,438,627	(6%)
Impact of currency on revenue	(955)			1,300		
Comparable revenue	\$ 380,065	\$ 409,725	(7%)	\$ 1,356,626	\$ 1,438,627	(6%)
Presort Services						
Revenue, as reported	\$ 163,139	\$ 157,714	3%	\$ 617,599	\$ 602,016	3%
Sending Technology Solutions						
Revenue, as reported	\$ 327,419	\$ 341,252	(4%)	\$ 1,293,423	\$ 1,359,678	(5%)
Impact of change in revenue presentation		-			(12,916)	
Comparable revenue before currency	327,419	341,252	(4%)	1,293,423	1,346,762	(4%)
Impact of currency on revenue	(1,745)			1,719		
Comparable revenue	\$ 325,674	\$ 341,252	(5%)	\$ 1,295,142	\$ 1,346,762	(4%)
Consolidated						
Revenue, as reported	\$ 871,578	\$ 908,691	(4%)	\$ 3,266,348	\$ 3,538,042	(8%)
Impact of change in revenue presentation		-			(128,087)	
Impact of Borderfree divestiture		-			(22,550)	
Comparable revenue before currency	871,578	908,691	(4%)	3,266,348	3,387,405	(4%)
Impact of currency on revenue	(2,700)			3,019		
Comparable revenue	\$ 868,878	\$ 908,691	(4%)	\$ 3,269,367	\$ 3,387,405	(3%)

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

	Three months ended December 31,							
	2023			2022			% 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
Global Ecommerce	\$ (19,700)	\$ 16,758	\$ (2,942)	\$ (22,906)	\$ 17,390	\$ (5,516)	14%	47%
Presort Services	34,454	8,470	42,924	29,386	7,438	36,824	17%	17%
Sending Technology Solutions	113,435	7,661	121,096	105,535	7,330	112,865	7%	7%
Segment total	<u>\$ 128,189</u>	<u>\$ 32,889</u>	<u>161,078</u>	<u>\$ 112,015</u>	<u>\$ 32,158</u>	<u>144,173</u>	<u>14%</u>	<u>12%</u>

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

Segment depreciation and amortization	(32,889)	(32,158)
Unallocated corporate expenses	(65,169)	(62,748)
Restructuring charges	(18,965)	(6,043)
Goodwill impairment	(220,585)	-
Foreign currency loss on intercompany loans	(5,761)	-
Gain on sale of businesses, including transaction costs	-	1,319
Interest expense, net	(45,570)	(37,126)
Benefit (provision) for income taxes	4,025	(1,121)
Net (loss) income	<u>\$ (223,836)</u>	<u>\$ 6,296</u>

	Twelve months ended December 31,							
	2023			2022			% change	
	EBIT ⁽¹⁾	D&A	EBITDA	EBIT ⁽¹⁾	D&A	EBITDA	EBIT	EBITDA
Global Ecommerce	\$ (133,733)	\$ 66,664	\$ (67,069)	\$ (100,308)	\$ 78,296	\$ (22,012)	(33%)	>(100%)
Presort Services	110,912	33,642	144,554	82,430	28,039	110,469	35%	31%
Sending Technology Solutions	405,347	30,005	435,352	400,909	29,489	430,398	1%	1%
Segment total	<u>\$ 382,526</u>	<u>\$ 130,311</u>	<u>512,837</u>	<u>\$ 383,031</u>	<u>\$ 135,824</u>	<u>518,855</u>	<u>(0%)</u>	<u>(1%)</u>

Reconciliation of Segment EBITDA to Net (Loss) Income:

Segment depreciation and amortization	(130,311)	(135,824)
Unallocated corporate expenses	(210,931)	(204,251)
Restructuring charges	(61,585)	(18,715)
Goodwill impairment	(339,184)	-
Gain (loss) on debt redemption	3,064	(4,993)
Foreign currency loss on intercompany loans	(5,761)	-
Proxy solicitation fees	(10,905)	-
Gain on sale of assets	-	14,372
Gain on sale of businesses, including transaction costs	-	12,205
Interest expense, net	(163,726)	(141,769)
Benefit (provision) for income taxes	20,875	(2,940)
Net (loss) income	<u>\$ (385,627)</u>	<u>\$ 36,940</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 December 31,		Twelve months ended December 31,	
	2023	2022	2023	2022
Reconciliation of reported net (loss) income to adjusted EBIT and adjusted EBITDA				
Net (loss) income	\$ (223,836)	\$ 6,296	\$ (385,627)	\$ 36,940
(Benefit) provision for income taxes	(4,025)	1,121	(20,875)	2,940
(Loss) income before taxes	(227,861)	7,417	(406,502)	39,880
Restructuring charges	18,965	6,043	61,585	18,715
Goodwill impairment	220,585	-	339,184	-
(Gain) loss on debt redemption	-	-	(3,064)	4,993
Foreign currency loss on intercompany loans	5,761	-	5,761	-
Proxy solicitation fees	-	-	10,905	-
Gain on sale of assets	-	-	-	(14,372)
Gain on sale of businesses, including transaction costs	-	(1,319)	-	(12,205)
Adjusted net income before tax	17,450	12,141	7,869	37,011
Interest, net	45,570	37,126	163,726	141,769
Adjusted EBIT	63,020	49,267	171,595	178,780
Depreciation and amortization	40,398	39,064	160,430	163,816
Adjusted EBITDA	\$ 103,418	\$ 88,331	\$ 332,025	\$ 342,596
Reconciliation of reported diluted (loss) earnings per share to adjusted diluted earnings per share				
Diluted (loss) earnings per share	\$ (1.27)	\$ 0.04	\$ (2.20)	\$ 0.21
Restructuring charges	0.08	0.03	0.26	0.08
Goodwill impairment	1.24	-	1.91	-
(Gain) loss on debt redemption	-	-	(0.01)	0.02
Foreign currency loss on intercompany loans	0.02	-	0.02	-
Proxy solicitation fees	-	-	0.05	-
Gain on sale of assets	-	-	-	(0.06)
Gain on sale of businesses, including transaction costs	-	(0.01)	-	(0.09)
Adjusted diluted earnings per share ⁽¹⁾	\$ 0.07	\$ 0.06	\$ 0.04	\$ 0.15
⁽¹⁾ 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	\$ 93,921	\$ 166,754	\$ 79,468	\$ 175,983
Capital expenditures	(25,280)	(27,307)	(102,878)	(124,840)
Restructuring payments	9,291	3,645	34,443	15,406
Proxy solicitation fees paid	-	-	10,905	-
Transaction costs paid	-	379	-	5,779
Free cash flow	\$ 77,932	\$ 143,471	\$ 21,938	\$ 72,328