

# Pitney Bowes Inc.

## Consolidated Statements of Operations

(Unaudited; in thousands, except per share amounts)

	Three months ended March 31,	
	2024	2023
Revenue:		
Business services	\$ 535,597	\$ 523,491
Support services	96,333	105,284
Financing	67,663	67,049
Equipment sales	77,403	82,610
Supplies	36,721	38,835
Rentals	16,792	17,269
Total revenue	<u>830,509</u>	<u>834,538</u>
Costs and expenses:		
Cost of business services	446,367	446,317
Cost of support services	33,055	36,840
Financing interest expense	16,603	14,536
Cost of equipment sales	52,559	57,171
Cost of supplies	10,195	11,225
Cost of rentals	4,684	5,428
Selling, general and administrative	216,197	242,120
Research and development	9,481	10,493
Restructuring charges	4,315	3,599
Interest expense, net	27,766	22,342
Other components of net pension and postretirement income	(387)	(1,710)
Other income	-	(2,836)
Total costs and expenses	<u>820,835</u>	<u>845,525</u>
Income (loss) before taxes	9,674	(10,987)
Provision (benefit) for income taxes	12,559	(3,250)
Net loss	<u>\$ (2,885)</u>	<u>\$ (7,737)</u>
Net loss per share:		
Basic	<u>\$ (0.02)</u>	<u>\$ (0.04)</u>
Diluted	<u>\$ (0.02)</u>	<u>\$ (0.04)</u>
Weighted-average shares used in diluted earnings per share	<u>176,997</u>	<u>174,626</u>

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

<b>Assets</b>	<b>March 31, 2024</b>	<b>December 31, 2023</b>
Current assets:		
Cash and cash equivalents	\$ 516,092	\$ 601,053
Short-term investments	21,859	22,166
Accounts and other receivables, net	307,201	342,236
Short-term finance receivables, net	547,235	563,536
Inventories	78,683	70,053
Current income taxes	987	564
Other current assets and prepayments	110,041	92,309
Total current assets	<u>1,582,098</u>	<u>1,691,917</u>
Property, plant and equipment, net	370,110	383,628
Rental property and equipment, net	22,580	23,583
Long-term finance receivables, net	638,380	653,085
Goodwill	729,291	734,409
Intangible assets, net	58,277	62,250
Operating lease assets	304,939	309,958
Noncurrent income taxes	58,884	60,995
Other assets	338,488	352,360
Total assets	<u>\$ 4,103,047</u>	<u>\$ 4,272,185</u>
<b>Liabilities and stockholders' deficit</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 784,020	\$ 875,476
Customer deposits at Pitney Bowes Bank	599,976	640,323
Current operating lease liabilities	60,087	60,069
Current portion of long-term debt	58,111	58,931
Advance billings	89,014	89,087
Current income taxes	34,212	6,523
Total current liabilities	<u>1,625,420</u>	<u>1,730,409</u>
Long-term debt	2,076,054	2,087,101
Deferred taxes on income	199,769	211,477
Tax uncertainties and other income tax liabilities	19,054	19,091
Noncurrent operating lease liabilities	272,024	277,981
Other noncurrent liabilities	303,081	314,702
Total liabilities	<u>4,495,402</u>	<u>4,640,761</u>
Stockholders' deficit:		
Common stock	270,338	270,338
Retained earnings	3,027,030	3,077,988
Accumulated other comprehensive loss	(863,811)	(851,245)
Treasury stock, at cost	(2,825,912)	(2,865,657)
Total stockholders' deficit	<u>(392,355)</u>	<u>(368,576)</u>
Total liabilities and stockholders' deficit	<u>\$ 4,103,047</u>	<u>\$ 4,272,185</u>

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

	<b>Three months ended March 31,</b>		
	<b>2024</b>	<b>2023</b>	<b>% Change</b>
<b>Global Ecommerce</b>			
Revenue, as reported	\$ 333,265	\$ 340,641	<b>(2%)</b>
Impact of currency on revenue	(719)		
Revenue, constant currency	<u>\$ 332,546</u>	<u>\$ 340,641</u>	<u><b>(2%)</b></u>
<b>Presort Services</b>			
Revenue, as reported	<u>\$ 169,807</u>	<u>\$ 158,902</u>	<u><b>7%</b></u>
<b>Sending Technology Solutions</b>			
Revenue, as reported	\$ 327,437	\$ 334,995	<b>(2%)</b>
Impact of currency on revenue	(72)		
Revenue, constant currency	<u>\$ 327,365</u>	<u>\$ 334,995</u>	<u><b>(2%)</b></u>
<b>Consolidated</b>			
Revenue, as reported	\$ 830,509	\$ 834,538	<b>(0%)</b>
Impact of currency on revenue	(791)		
Revenue, constant currency	<u>\$ 829,718</u>	<u>\$ 834,538</u>	<u><b>(1%)</b></u>

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

	Three months ended March 31,								
	2024			2023			% change		
	Adjusted Segment EBIT <sup>(1)</sup>	D&A	Adjusted Segment EBITDA	Adjusted Segment EBIT <sup>(1)</sup>	D&A	Adjusted Segment EBITDA	Adjusted Segment EBIT	Adjusted Segment EBITDA	
Global Ecommerce	\$ (35,427)	\$ 14,033	\$ (21,394)	\$ (33,172)	\$ 14,431	\$ (18,741)	(7%)	(14%)	
Presort Services	40,329	8,758	49,087	26,905	8,523	35,428	50%	39%	
Sending Technology Solutions	101,278	9,996	111,274	95,637	9,450	105,087	6%	6%	
Segment total	<u>\$ 106,180</u>	<u>\$ 32,787</u>	<u>138,967</u>	<u>\$ 89,370</u>	<u>\$ 32,404</u>	<u>121,774</u>	<u>19%</u>	<u>14%</u>	

**Reconciliation of Segment Adjusted EBITDA to Net Loss:**

Segment depreciation and amortization	(32,787)	(32,404)
Interest expense, net	(44,369)	(36,878)
Unallocated corporate expenses	(49,770)	(56,349)
Restructuring charges	(4,315)	(3,599)
Foreign currency gain on intercompany loans	4,638	-
Transaction costs	(2,690)	-
Proxy solicitation fees	-	(6,367)
Gain on debt redemption	-	2,836
Benefit (provision) for income taxes	<u>(12,559)</u>	<u>3,250</u>
Net loss	<u>\$ (2,885)</u>	<u>\$ (7,737)</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.

**Pitney Bowes Inc.**

**Reconciliation of Reported Consolidated Results to Adjusted Results**

(Unaudited; in thousands, except per share amounts)

	Three months ended March 31,	
	2024	2023
<b>Reconciliation of reported net loss to adjusted EBIT and adjusted EBITDA</b>		
Net loss	\$ (2,885)	\$ (7,737)
Provision (benefit) for income taxes	12,559	(3,250)
Income (loss) before taxes	9,674	(10,987)
Restructuring charges	4,315	3,599
Foreign currency gain on intercompany loans	(4,638)	-
Gain on debt redemption	-	(2,836)
Transaction costs	2,690	-
Proxy solicitation fees	-	6,367
Adjusted net income before tax	12,041	(3,857)
Interest, net	44,369	36,878
Adjusted EBIT	56,410	33,021
Depreciation and amortization	40,879	39,897
Adjusted EBITDA	<u>\$ 97,289</u>	<u>\$ 72,918</u>
<b>Reconciliation of reported diluted loss per share to adjusted diluted loss per share</b>		
Diluted loss per share	\$ (0.02)	\$ (0.04)
Restructuring charges	0.02	0.01
Foreign currency gain on intercompany loans	(0.02)	-
Gain on debt redemption	-	(0.01)
Transaction costs	0.01	-
Proxy solicitation fees	-	0.03
Adjusted diluted loss per share	<u>\$ (0.01)</u>	<u>\$ (0.01)</u>
The sum of the earnings per share amounts may not equal the totals due to rounding.		
<b>Reconciliation of reported net cash from operating activities to free cash flow</b>		
Net cash from operating activities	\$ (12,525)	\$ (39,714)
Capital expenditures	(19,957)	(28,666)
Restructuring payments	14,989	4,641
Proxy solicitation fees paid	-	3,038
Free cash flow	<u>\$ (17,493)</u>	<u>\$ (60,701)</u>