



Pitney Bowes

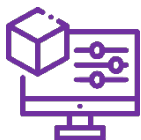
Sidoti Small Cap Conference
June 14, 2023



Forward Looking Statements

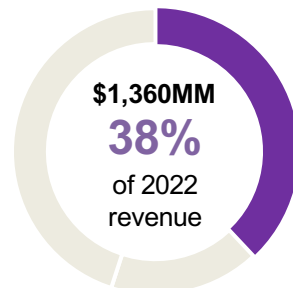
This document contains “forward-looking statements” about the Company’s expected or potential future business and financial performance. Forward-looking statements include, but are not limited to, statements about future revenue and earnings guidance and future events or conditions. Forward-looking statements are not guarantees of future performance and involve risks and uncertainties that could cause actual results to differ materially from those projected. While conditions related to the COVID-19 pandemic have improved, the pandemic continues to be dynamic, and near-term challenges across the economy remain and the effects that they may have on our, and our clients' businesses remain uncertain. Other factors which could cause future financial performance to differ materially from expectations include, without limitation, declining physical mail volumes; changes in postal regulations or the operations and financial health of posts in the U.S. or other major markets or changes to the broader postal or shipping markets; our ability to continue to grow and manage unexpected fluctuations in volumes, gain additional economies of scale and improve profitability within our Global Ecommerce segment; the loss of some of our larger clients in our Global Ecommerce and Presort Services segments; the loss of, or significant changes to, United States Postal Service (USPS) commercial programs, or our contractual relationships with the USPS or their performance under those contracts; the impacts of inflation and rising prices, higher interest rates and a slow-down in economic activity, including a global recession, to the company, our clients and retail consumers; and other factors as more fully outlined in the Company's 2022 Form 10-K Annual Report and other reports filed with the Securities and Exchange Commission during 2023. Pitney Bowes assumes no obligation to update any forward-looking statements contained in this document as a result of new information, events or developments.

Pitney Bowes provides technology, logistics, and financial services to businesses of all sizes



SendTech

Digital and physical: Shipping / mail / analytics

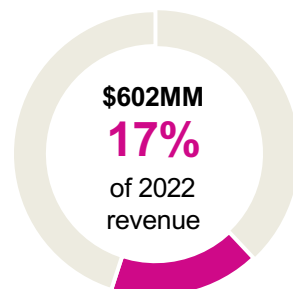


- **#1** global mailing and shipping hardware device provider
- **65-70%** recurring revenue
- **900K+** sending devices and SaaS solutions with **150K+ paid SaaS subscribers**
- **600K+** clients with **~90%** retention rate
- Growth initiatives increasing at **20%+** annually



Presort services

Commingled: First Class Letter, Marketing Mail, and Flats

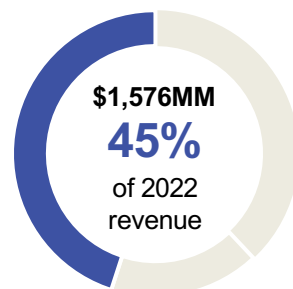


- **#1** workshare partner of the USPS
- **16BN** pieces of mail processed in 2022
- Volumes grew at **19% since 2008 vs. (39%) for USPS** total mail volumes
- **2,500+** clients across diversified verticals



Global Ecommerce (GEC)

Domestic and cross-border parcel and technology services



- Platform **purpose-built** for Business-to- Consumer (**B2C**) **ecommerce**
- **~200MM** parcel volume exit rate in 2022
- **16** integrated national shipping hubs
- **600+** clients, incl. leading retailers and brands
- **~\$45BN** current TAM with projected **14% CAGR** (2022–2026)¹

Our segments are squarely focused on simplifying the complexity of mailing and shipping, often accompanied by supporting financing offerings

SendTech is a global technology solutions provider that simplifies shipping and mailing and is the leader in capturing postage market spend worldwide

Unrivalled end-to-end mailing and shipping value proposition



Key segment highlights

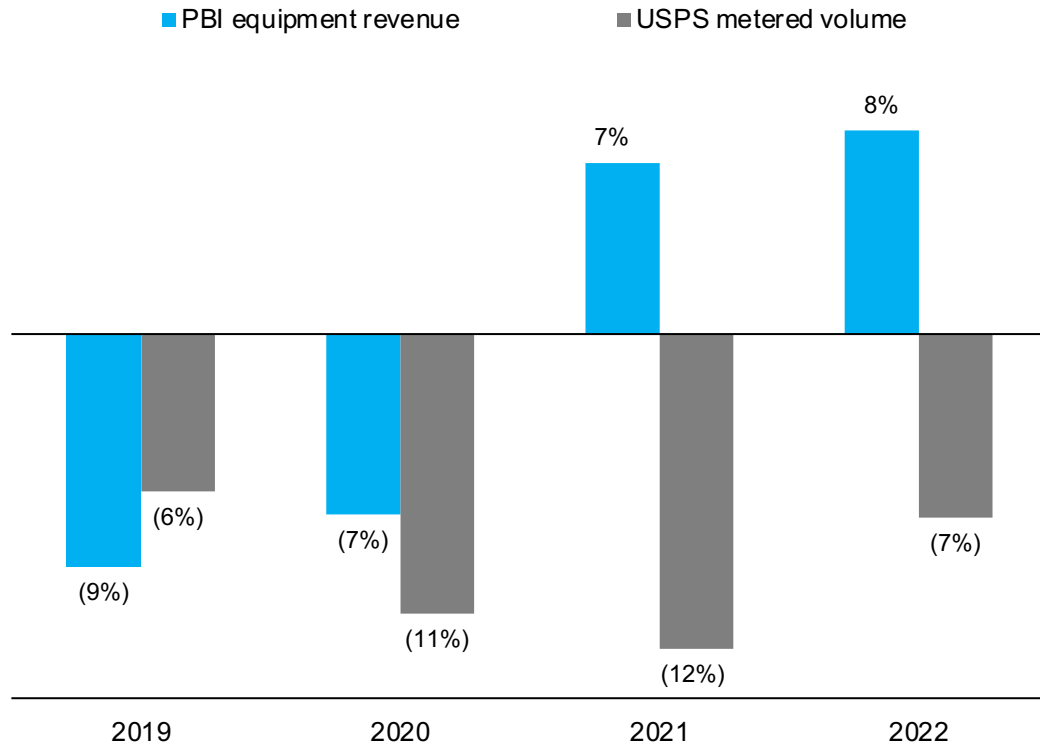
- ✓ #1 global sending devices market provider
- ✓ Market leader in capturing U.S. metered postage spend with 65-70% recurring revenue
- ✓ 900K+ sending devices and SaaS solutions with 150K+ paid SaaS subscribers
- ✓ 600K+ SendTech clients including large enterprises, Government and Fortune 500 companies
- ✓ 8+ years average customer relationship and ~90% retention rate
- ✓ 80%+ of transactions generated through tele / web sales channel
- ✓ \$1.2BN finance receivables portfolio

SendTech is a proven, high-margin and recurring revenue business with a durable client base and adjacent growth opportunity in shipping

SendTech's successful repositioning has fueled its profitable growth, despite declines in the traditional mailing industry

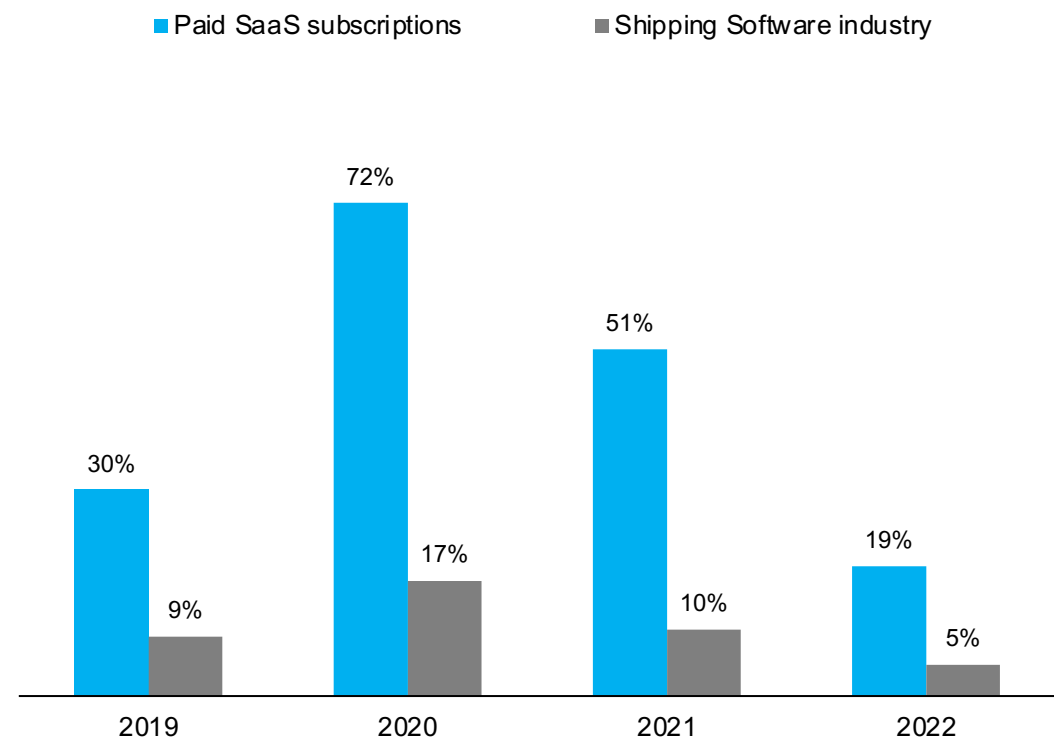
Product refresh has provided stability to our mailing portfolio

YoY growth %



Our SaaS offerings drive consistent above-market growth

YoY growth %



4%
YoY '22 growth
in finance receivables

45+
Product launches
since 2019

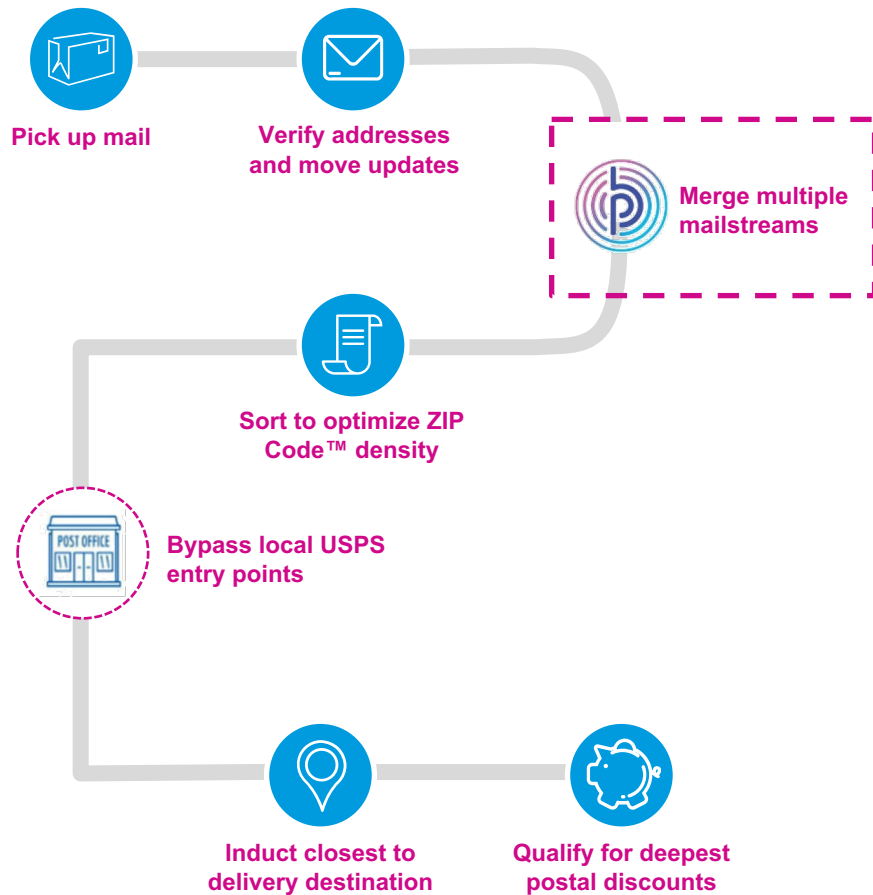
150k+
Paid SaaS cloud users

~2.5x
Above market growth
in shipping software sales

~500bps
Reduction in SG&A
as % of sales between '17-22

Our Presort segment is the largest USPS workshare partner and the only national outsourced mail network

Maximize mailing speed and density by zip code to minimize cost



Key segment highlights

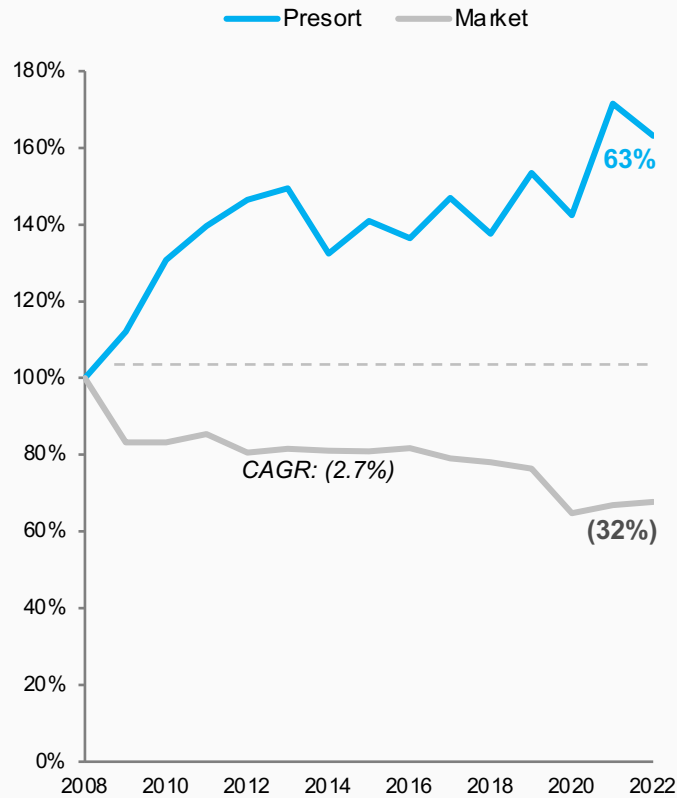
- ✓ #1 workshare partner of the USPS
- ✓ Only national network with 35 sortation facilities
- ✓ 16BN pieces of mail processed in 2022 with volumes maintained in the face of overall mail volume declines
- ✓ 2,500+ clients across resilient verticals
- ✓ Simplifies USPS compliance process

Presort revenues have grown in 9 of the last 10 years despite secular headwinds (2020 was the only declining year due to COVID-driven impact), underlining the strength and resiliency of our national network

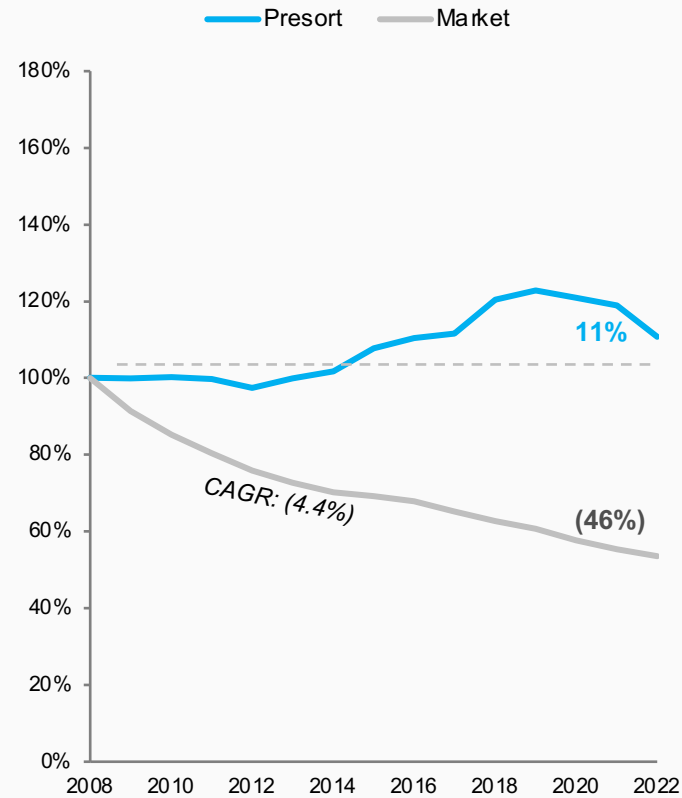
Market leading position in Presort with growing revenue base despite secular challenges

Pitney Bowes Presort vs. USPS mail volumes since 2008 (rebased to 100)

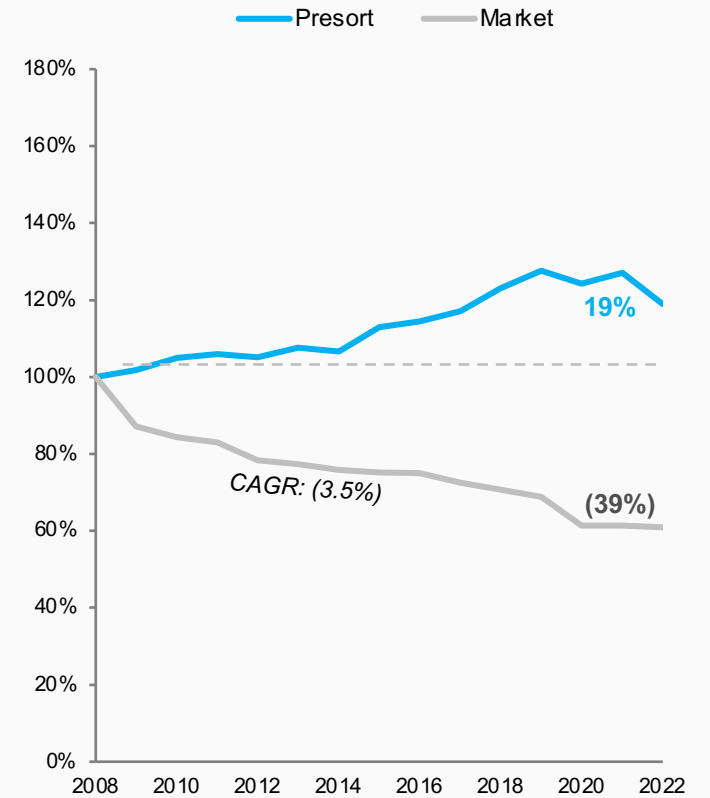
Marketing mail volumes



First class mail volumes



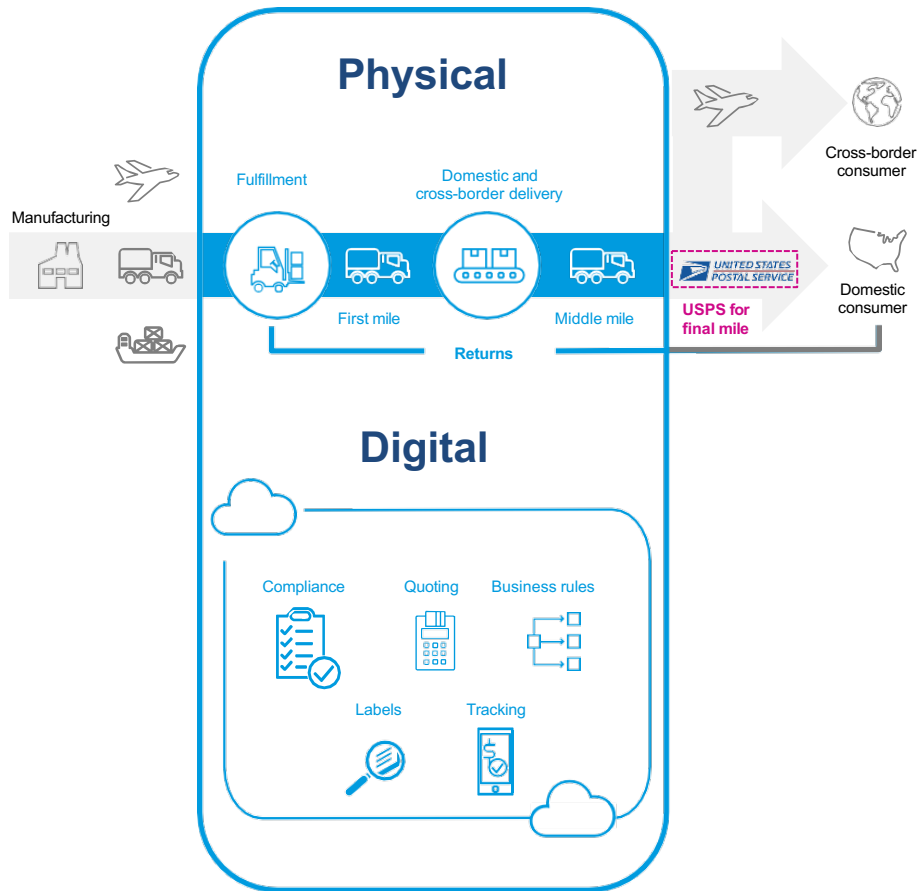
Total mail volumes



- We have invested \$73MM in 12 tuck-ins and \$231MM of capex into Presort since December 2012, with 3 tuck-ins in 2022
- Our organic and inorganic investments into Presort's network have helped grow market share and remain the largest USPS workshare partner with the only national network

GEC is a leading ecommerce logistics player which leverages USPS connectivity for nationwide coverage

Critical presence in the logistics supply chain



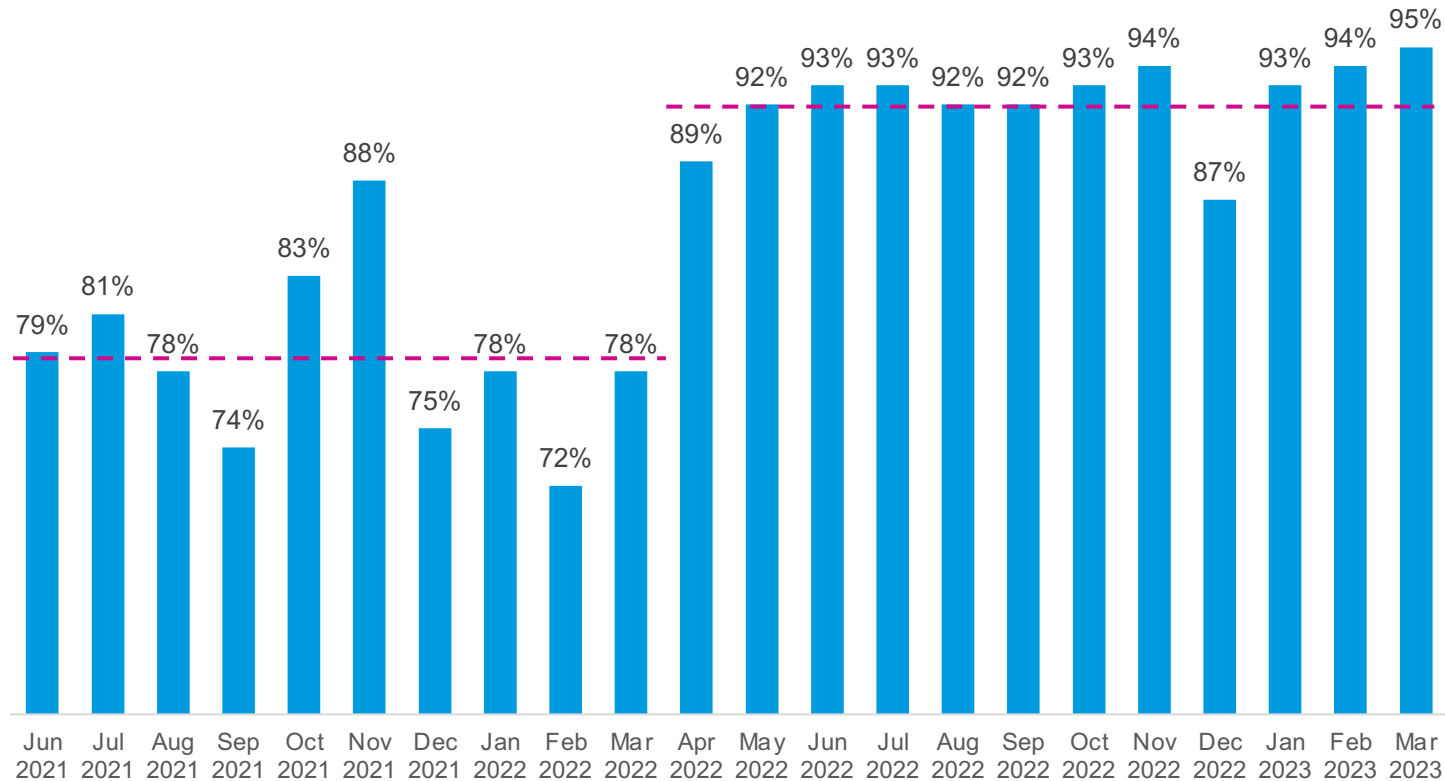
Key segment highlights

- ✓ ~\$45BN current industry TAM projected to grow at ~14% annually⁽¹⁾
- ✓ Domestic, cross-border and digital solutions
- ✓ Full range of delivery, fulfilment and return services
- ✓ Critical fulfilment to middle-mile presence
- ✓ USPS relationship leveraged for capex-heavy final mile
- ✓ 600+ clients, incl. leading retailers and brands
- ✓ ~200MM domestic parcels exit rate in 2022

GEC is a leader in purpose-built solutions for B2C clients with fulfilment through middle-mile presence and partnership with USPS for the capex heavy final mile – creating an end-to-end ecommerce logistics player

The completion of our Domestic Parcel network and improvements achieved in 2022 position us well for growth and margin expansion

Domestic Parcel – On Time Delivery



Domestic Parcel Highlights

\$0.34 unit gross profit improvement
2022 vs. 2021

23 point improvement in NPS score
2022 vs. 2021

8% revenue churn
in 2022 vs. 17% in 2021

90+ new contract signings
in 2022

2.0 days faster average domestic delivery time
2022 vs. 2021

With our network now operating with predictable cost and reliable service, we are well positioned for growth and margin expansion as volumes increase

First Quarter 2023 Financial Results

Business and Financial Highlights

- Revenue in the quarter was \$835 million, a decrease of 10 percent on a reported basis and 4 percent on a comparable basis versus prior year
- GAAP EPS was a loss of \$0.04 and Adjusted EPS was a loss of \$0.01 in the quarter versus GAAP EPS of \$0.12 and Adjusted EPS of \$0.08 in first quarter of 2022
- Global Ecommerce processed 50 million domestic parcels in the quarter, up 22 percent from 41 million in first quarter 2022
- Global Ecommerce on-time delivery performance remains excellent, and is now in the mid-90 percent range
- Presort grew Adjusted Segment EBIT margins by nearly 500 basis points in the quarter versus prior year
- SendTech shipping-related revenues grew 8 percent in the quarter; SaaS subscription revenues grew 24 percent

Segment Financial Results (in \$ Millions)

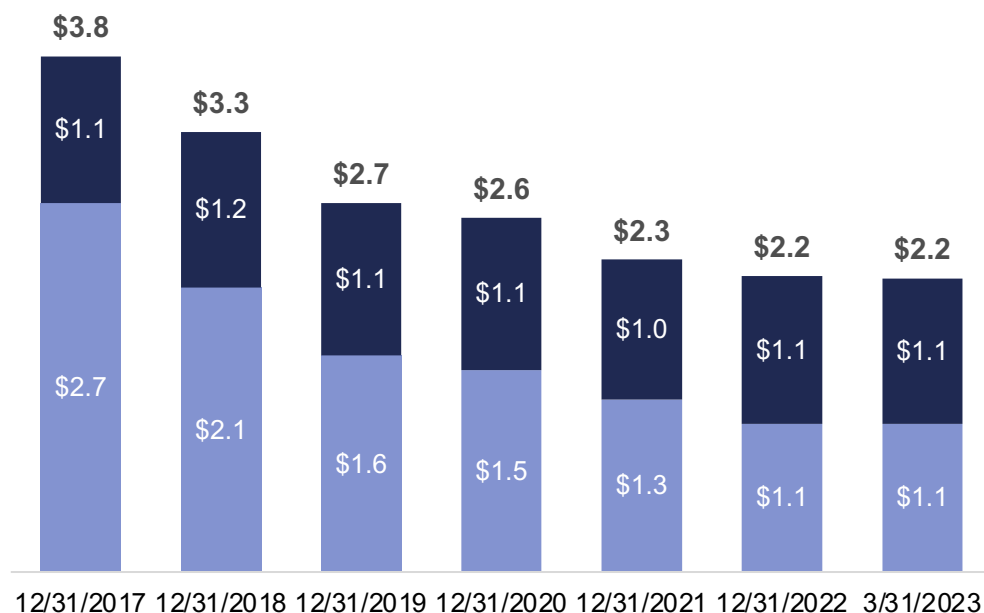
<i>Segment Revenue</i>	Q1 2023 Revenue	Y/Y % Change Reported	Y/Y % Change Comparable Basis
SendTech	\$348	(17%)	(5%)
Presort	\$159	(1%)	(1%)
Global Ecommerce	\$327	(6%)	(4%)

<i>Adjusted Segment EBITDA</i>	Q1 2023 EBITDA	Y/Y % Change Reported	Y/Y % Change Comparable Basis
SendTech	\$104	(7%)	
Presort	\$35	36%	
Global Ecommerce	(\$18)	>(100%)	

<i>Adjusted Segment EBIT</i>	Q1 2023 EBIT	Y/Y % Change Reported	Y/Y % Change Comparable Basis
SendTech	\$97	(8%)	
Presort	\$27	37%	
Global Ecommerce	(\$34)	>(100%)	

Significantly improved and manageable debt profile

Total Debt Composition (in \$ Billions)



■ Implied Operating Debt ■ Implied Financing Debt ⁽¹⁾

Capital Structure as of 3/31/2023 (in \$ Millions)

	Interest Rate	3/31/2023	12/31/2022
Cash & S/T Investments		\$527.4	\$681.2
Revolver - (\$500mm)		0.0	0.0
Term Loan A due March 2026 ⁽²⁾	SOFR + 2.00%	345.5	351.5
Term Loan B due March 2028	SOFR + 4.00%	441.0	442.1
Subtotal: Secured Debt		786.5	793.6
Notes due March 2024	4.625%	227.1	236.7
Notes due March 2027	6.875%	380.0	396.8
Notes due March 2029	7.25%	350.0	350.0
Notes due January 2037	5.25%	35.8	35.8
Notes due March 2043	6.70%	425.0	425.0
Other debt		2.1	2.4
Subtotal: Unsecured Debt		1,420.0	1,446.8
Principal Debt⁽³⁾		\$2,206.6	\$2,240.4
Net Debt⁽³⁾		\$1,679.1	\$1,559.3

Reduced our principal debt by ~\$380 million over the past two years and by ~\$1.6 billion over the past five years

(1) Total Finance Receivables at 10:1 debt:equity ratio for 2017-2018 and 8:1 for 2019-2022

(2) Interest rate increased to SOFR + 225 basis points effective June 6, 2023, through year-end 2024

(3) Excludes \$35 million and \$34 million of unamortized costs, net as of 12/31/2022 and 3/31/2023, respectively

Compelling Debt and Equity Investment Thesis



SendTech and Presort have leading market positions with tangible avenues for growth



Global Ecommerce expected to achieve margin improvement in 2023



Solid cash flow generation and healthy liquidity provide excellent credit support



Deep and experienced management team

SendTech and Presort provide a strong foundation with upside opportunity from Global Ecommerce

Appendix

Consolidated Statements of Operations

(Unaudited; in thousands, except per share amounts)

	Three months ended March 31,	
	2023	2022
Revenue:		
Business services	\$ 523,491	\$ 597,384
Support services	105,284	110,352
Financing	67,049	72,029
Equipment sales	82,610	89,296
Supplies	38,835	41,061
Rentals	17,269	16,820
Total revenue	<u>834,538</u>	<u>926,942</u>
Costs and expenses:		
Cost of business services	446,317	503,215
Cost of support services	36,840	37,134
Financing interest expense	14,536	11,602
Cost of equipment sales	57,171	63,771
Cost of supplies	11,225	11,517
Cost of rentals	5,428	5,309
Selling, general and administrative	242,120	242,785
Research and development	10,493	11,334
Restructuring charges	3,599	4,184
Interest expense, net	22,342	22,124
Other components of net pension and postretirement (income) cost	(1,710)	844
Other income, net	(2,836)	(11,901)
Total costs and expenses	<u>845,525</u>	<u>901,918</u>
(Loss) income before taxes	(10,987)	25,024
(Benefit) provision for income taxes	(3,250)	4,203
Net (loss) income	<u>\$ (7,737)</u>	<u>\$ 20,821</u>
(Loss) earnings per share:		
Basic	<u>\$ (0.04)</u>	<u>\$ 0.12</u>
Diluted	<u>\$ (0.04)</u>	<u>\$ 0.12</u>
Weighted-average shares used in diluted earnings per share	<u>174,626</u>	<u>178,034</u>

Consolidated Balance Sheets

(Unaudited; in thousands)

Assets

Current assets:

Cash and cash equivalents
Short-term investments
Accounts and other receivables, net
Short-term finance receivables, net
Inventories
Current income taxes
Other current assets and prepayments

Total current assets

Property, plant and equipment, net

Rental property and equipment, net

Long-term finance receivables, net

Goodwill

Intangible assets, net

Operating lease assets

Noncurrent income taxes

Other assets

Total assets

March 31, 2023

December 31, 2022

\$	511,761	\$	669,981
	15,614		11,172
	271,496		343,557
	551,348		564,972
	94,016		83,720
	19,318		8,790
	125,746		115,824
	1,589,299		1,798,016
	411,793		420,672
	26,955		27,487
	636,518		627,124
	1,069,660		1,066,951
	74,028		77,944
	287,703		296,129
	44,595		46,613
	390,298		380,419
\$	4,530,849	\$	4,741,355

Liabilities and stockholders' equity

Current liabilities:

Accounts payable and accrued liabilities
Customer deposits at Pitney Bowes Bank
Current operating lease liabilities
Current portion of long-term debt
Advance billings
Current income taxes

Total current liabilities

Long-term debt

Deferred taxes on income

Tax uncertainties and other income tax liabilities

Noncurrent operating lease liabilities

Other noncurrent liabilities

Total liabilities

Stockholders' equity:

Common stock
Retained earnings
Accumulated other comprehensive loss
Treasury stock, at cost

Total stockholders' equity

Total liabilities and stockholders' equity

\$	800,050	\$	907,083
	594,546		628,072
	53,848		52,576
	262,439		32,764
	86,802		105,207
	981		2,101
	1,798,666		1,727,803
	1,910,529		2,172,502
	268,193		263,131
	23,778		23,841
	256,158		265,696
	213,561		227,729
	4,470,885		4,680,702
	323,338		323,338
	5,060,852		5,125,677
	(819,978)		(835,564)
	(4,504,248)		(4,552,798)
	59,964		60,653
\$	4,530,849	\$	4,741,355

Business Segment Revenue

(Unaudited; in thousands)

	Three months ended March 31,		
	2023	2022	% Change
Global Ecommerce			
Revenue, as reported	\$ 348,391	\$ 418,527	(17%)
Impact of change in revenue presentation		(37,586)	
Impact of Borderfree divestiture		(11,730)	
Comparable revenue before currency	348,391	369,211	(6%)
Impact of currency on revenue	2,841		
Comparable revenue	\$ 351,232	\$ 369,211	(5%)
Presort Services			
Revenue, as reported	\$ 158,902	\$ 160,544	(1%)
Sending Technology Solutions			
Revenue, as reported	\$ 327,245	\$ 347,871	(6%)
Impact of change in revenue presentation		(3,690)	
Comparable revenue before currency	327,245	344,181	(5%)
Impact of currency on revenue	4,844		
Comparable revenue	\$ 332,089	\$ 344,181	(4%)
Consolidated			
Revenue, as reported	\$ 834,538	\$ 926,942	(10%)
Impact of change in revenue presentation		(41,276)	
Impact of Borderfree divestiture		(11,730)	
Comparable revenue before currency	834,538	873,936	(5%)
Impact of currency on revenue	7,685		
Comparable revenue	\$ 842,223	\$ 873,936	(4%)

Adjusted Segment EBIT & EBITDA

(Unaudited; in thousands)

	Three months ended March 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	\$ (34,206)	\$ 16,414	\$ (17,792)	\$ (13,696)	\$ 21,444	\$ 7,748	>(100%)	>(100%)
Presort Services	26,905	8,523	35,428	19,632	6,418	26,050	37%	36%
Sending Technology Solutions	96,671	7,467	104,138	104,575	7,003	111,578	(8%)	(7%)
	<u>\$ 89,370</u>	<u>\$ 32,404</u>	121,774	<u>\$ 110,511</u>	<u>\$ 34,865</u>	145,376	<u>(19%)</u>	<u>(16%)</u>

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

Segment depreciation and amortization	(32,404)	(34,865)
Unallocated corporate expenses	(56,349)	(57,834)
Restructuring charges	(3,599)	(4,184)
Gain (loss) on debt redemption/refinancing	2,836	(4,993)
Proxy solicitation fees	(6,367)	-
Gain on sale of assets	-	14,372
Gain on sale of business	-	2,522
Transaction costs	-	(1,644)
Interest, net	(36,878)	(33,726)
Benefit (provision) for income taxes	3,250	(4,203)
Net (loss) income	<u>\$ (7,737)</u>	<u>\$ 20,821</u>

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

Reconciliation of Reported Consolidated Results to Adjusted Results

(Unaudited; in thousands, except per share amounts)

Reconciliation of reported net (loss) income to adjusted EBIT and adjusted EBITDA

Net (loss) income
 (Benefit) provision for income taxes
 (Loss) income before taxes
 Restructuring charges
 Proxy solicitation fees
 (Gain) loss on debt redemption/refinancing
 Gain on sale of assets
 Gain on sale of business
 Transaction costs
 Adjusted net (loss) income before tax
 Interest, net
 Adjusted EBIT
 Depreciation and amortization
 Adjusted EBITDA

Three months ended March 31,		
	2023	2022
	\$ (7,737)	\$ 20,821
	(3,250)	4,203
	(10,987)	25,024
	3,599	4,184
	6,367	-
	(2,836)	4,993
	-	(14,372)
	-	(2,522)
	-	1,644
	(3,857)	18,951
	36,878	33,726
	33,021	52,677
	39,897	42,002
	\$ 72,918	\$ 94,679

Reconciliation of reported diluted (loss) earnings per share to adjusted diluted (loss) earnings per share

Diluted (loss) earnings per share
 Restructuring charges
 (Gain) loss on debt redemption/refinancing
 Proxy solicitation fees
 Gain on sale of assets
 Gain on sale of businesses
 Transaction costs
 Adjusted diluted (loss) earnings per share ⁽¹⁾

	\$ (0.04)	\$ 0.12
	0.01	0.02
	(0.01)	0.02
	0.03	-
	-	(0.06)
	-	(0.02)
	-	0.01
	\$ (0.01)	\$ 0.08

⁽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
 Capital expenditures
 Restructuring payments
 Proxy solicitation fees paid
 Transaction costs paid
 Free cash flow

	\$ (39,714)	\$ 10,562
	(28,666)	(32,555)
	4,641	3,285
	3,038	-
	-	2,132
	\$ (60,701)	\$ (16,576)