

Pitney Bowes Inc.

Consolidated Statements of Loss

(Unaudited; in thousands, except per share amounts)

	Three months ended March 31,	
	2021	2020
Revenue:		
Business services	\$ 570,454	\$ 444,379
Support services	118,697	122,015
Financing	77,812	89,078
Equipment sales	86,803	76,273
Supplies	42,224	45,709
Rentals	19,207	18,814
Total revenue	<u>915,197</u>	<u>796,268</u>
Costs and expenses:		
Cost of business services	499,534	374,665
Cost of support services	36,717	39,760
Financing interest expense	11,886	12,489
Cost of equipment sales	61,840	57,359
Cost of supplies	11,211	12,240
Cost of rentals	6,447	6,378
Selling, general and administrative	238,102	248,633
Research and development	11,316	12,116
Restructuring charges	2,889	3,817
Goodwill impairment	-	198,169
Interest expense, net	25,158	25,883
Other components of net pension and postretirement expense (income)	350	(151)
Other expense, net	51,394	33,487
Total costs and expenses	<u>956,844</u>	<u>1,024,845</u>
Loss from continuing operations before taxes	(41,647)	(228,577)
Benefit for income taxes	(13,992)	(10,030)
Loss from continuing operations	(27,655)	(218,547)
(Loss) income from discontinued operations, net of tax	(3,886)	10,064
Net loss	<u>\$ (31,541)</u>	<u>\$ (208,483)</u>
Basic loss per share (1):		
Continuing operations	\$ (0.16)	\$ (1.28)
Discontinued operations	(0.02)	0.06
Net loss	<u>\$ (0.18)</u>	<u>\$ (1.22)</u>
Diluted loss per share (1):		
Continuing operations	\$ (0.16)	\$ (1.28)
Discontinued operations	(0.02)	0.06
Net loss	<u>\$ (0.18)</u>	<u>\$ (1.22)</u>
Weighted-average shares used in diluted earnings per share	<u>172,856</u>	<u>170,912</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)

<u>Assets</u>	<u>March 31, 2021</u>	<u>December 31, 2020</u>
Current assets:		
Cash and cash equivalents	\$ 680,727	\$ 921,450
Short-term investments	16,200	18,974
Accounts and other receivables, net	327,755	389,240
Short-term finance receivables, net	551,061	568,050
Inventories	63,680	65,845
Current income taxes	44,288	23,219
Other current assets and prepayments	124,394	120,145
Total current assets	<u>1,808,105</u>	<u>2,106,923</u>
Property, plant and equipment, net	405,226	391,280
Rental property and equipment, net	37,708	38,435
Long-term finance receivables, net	597,012	605,292
Goodwill	1,144,064	1,152,285
Intangible assets, net	152,265	159,839
Operating lease assets	196,843	201,916
Noncurrent income taxes	68,732	72,653
Other assets	531,226	491,514
Total assets	<u>\$ 4,941,181</u>	<u>\$ 5,220,137</u>
 <u>Liabilities and stockholders' equity</u>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 820,286	\$ 880,616
Customer deposits at Pitney Bowes Bank	589,406	617,200
Current operating lease liabilities	39,587	39,182
Current portion of long-term debt	19,972	216,032
Advance billings	118,166	114,550
Current income taxes	6,839	2,880
Total current liabilities	<u>1,594,256</u>	<u>1,870,460</u>
Long-term debt	2,418,885	2,348,361
Deferred taxes on income	282,192	279,451
Tax uncertainties and other income tax liabilities	37,936	38,163
Noncurrent operating lease liabilities	174,798	180,292
Other noncurrent liabilities	413,951	437,015
Total liabilities	<u>4,922,018</u>	<u>5,153,742</u>
Stockholders' equity:		
Common stock	323,338	323,338
Additional paid-in-capital	15,269	68,502
Retained earnings	5,161,029	5,201,195
Accumulated other comprehensive loss	(847,538)	(839,131)
Treasury stock, at cost	(4,632,935)	(4,687,509)
Total stockholders' equity	<u>19,163</u>	<u>66,395</u>
Total liabilities and stockholders' equity	<u>\$ 4,941,181</u>	<u>\$ 5,220,137</u>

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

	Three months ended March 31,		
	2021	2020	% Change
Global Ecommerce	\$ 413,086	\$ 292,323	41%
Presort Services	143,126	140,720	2%
Sending Technology Solutions	358,985	363,225	(1%)
Total revenue - GAAP	915,197	796,268	15%
Currency impact on revenue	(8,803)	-	
Revenue, at constant currency	<u>\$ 906,394</u>	<u>\$ 796,268</u>	<u>14%</u>

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

	Three months ended March 31,								
	2021			2020			% change		
	EBIT (1)	D&A	EBITDA	EBIT (1)	D&A	EBITDA	EBIT	EBITDA	
Global Ecommerce	\$ (26,376)	\$ 18,176	\$ (8,200)	\$ (29,475)	\$ 18,065	\$ (11,410)	11%	28%	
Presort Services	19,051	7,499	26,550	15,695	7,774	23,469	21%	13%	
Sending Technology Solutions	114,470	7,604	122,074	106,562	9,039	115,601	7%	6%	
Segment total	<u>\$ 107,145</u>	<u>\$ 33,279</u>	140,424	<u>\$ 92,782</u>	<u>\$ 34,878</u>	127,660	<u>15%</u>	<u>10%</u>	

Reconciliation of Segment EBITDA to Net Income:

Segment depreciation and amortization	(33,279)	(34,878)
Unallocated corporate expenses	(57,465)	(43,722)
Restructuring charges	(2,889)	(3,817)
Interest, net	(37,044)	(38,372)
Goodwill impairment	-	(198,169)
Loss on debt refinancing	(51,394)	(36,987)
Transaction costs	-	(292)
Benefit for income taxes	13,992	10,030
Loss from continuing operations	(27,655)	(218,547)
(Loss) income from discontinued operations, net of tax	(3,886)	10,064
Net loss	<u>\$ (31,541)</u>	<u>\$ (208,483)</u>

(1) Segment EBIT excludes interest, taxes, general corporate expenses, restructuring charges, 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 March 31,	
	2021	2020
Reconciliation of reported net loss to adjusted EBIT and EBITDA		
Net loss	\$ (31,541)	\$ (208,483)
Loss (income) from discontinued operations, net of tax	3,886	(10,064)
Benefit for income taxes	(13,992)	(10,030)
Loss from continuing operations before taxes	(41,647)	(228,577)
Restructuring charges	2,889	3,817
Goodwill impairment	-	198,169
Loss on debt refinancing	51,394	36,987
Transaction costs	-	292
Adjusted net income before tax	12,636	10,688
Interest, net	37,044	38,372
Adjusted EBIT	49,680	49,060
Depreciation and amortization	39,594	40,719
Adjusted EBITDA	<u>\$ 89,274</u>	<u>\$ 89,779</u>
Reconciliation of reported diluted loss per share to adjusted diluted earnings per share		
Diluted loss per share	\$ (0.18)	\$ (1.22)
Loss (income) from discontinued operations, net of tax	0.02	(0.06)
Restructuring charges	0.01	0.02
Goodwill impairment	-	1.15
Loss on debt refinancing	0.22	0.16
Adjusted diluted earnings per share ⁽¹⁾	<u>\$ 0.07</u>	<u>\$ 0.05</u>
Reconciliation of reported net cash from operating activities to free cash flow		
Net cash provided by (used in) operating activities	\$ 65,924	\$ (67,355)
Net cash used in operating activities - discontinued operations	-	37,805
Capital expenditures	(43,328)	(25,778)
Restructuring payments	3,955	6,047
Change in customer deposits at PB Bank	(27,794)	(888)
Transaction costs paid	-	1,740
Free cash flow	<u>\$ (1,243)</u>	<u>\$ (48,429)</u>

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