

Pitney Bowes Inc.

Consolidated Statements of Operations

(Unaudited; in thousands, except per share amounts)

	Three months ended June 30		Six months ended June 30	
	2024	2023	2024	2023
Revenue:				
Business services	\$ 506,666	\$ 473,497	\$ 1,042,263	\$ 996,988
Support services	94,012	103,315	190,345	208,599
Financing	67,539	66,702	135,202	133,751
Equipment sales	72,753	79,451	150,156	162,061
Supplies	35,509	36,505	72,230	75,340
Rentals	16,691	17,011	33,483	34,280
Total revenue	<u>793,170</u>	<u>776,481</u>	<u>1,623,679</u>	<u>1,611,019</u>
Costs and expenses:				
Cost of business services	429,756	410,638	876,123	856,955
Cost of support services	31,664	35,018	64,719	71,858
Financing interest expense	15,965	14,763	32,568	29,299
Cost of equipment sales	50,314	56,180	102,873	113,351
Cost of supplies	10,358	10,884	20,553	22,109
Cost of rentals	4,433	5,142	9,117	10,570
Selling, general and administrative	220,008	222,549	436,205	464,669
Research and development	9,108	10,274	18,589	20,767
Restructuring charges	31,843	22,443	36,158	26,042
Goodwill impairment	-	118,599	-	118,599
Interest expense, net	28,767	22,920	56,533	45,262
Other components of net pension and postretirement income	(382)	(1,751)	(769)	(3,461)
Other income	-	(228)	-	(3,064)
Total costs and expenses	<u>831,834</u>	<u>927,431</u>	<u>1,652,669</u>	<u>1,772,956</u>
Loss before taxes	(38,664)	(150,950)	(28,990)	(161,937)
Benefit for income taxes	(13,797)	(9,415)	(1,238)	(12,665)
Net loss	<u>\$ (24,867)</u>	<u>\$ (141,535)</u>	<u>\$ (27,752)</u>	<u>\$ (149,272)</u>
Net loss per share:				
Basic	<u>\$ (0.14)</u>	<u>\$ (0.81)</u>	<u>\$ (0.16)</u>	<u>\$ (0.85)</u>
Diluted	<u>\$ (0.14)</u>	<u>\$ (0.81)</u>	<u>\$ (0.16)</u>	<u>\$ (0.85)</u>
Weighted-average shares used in diluted earnings per share	<u>178,696</u>	<u>175,695</u>	<u>177,872</u>	<u>175,094</u>

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

Assets	June 30, 2024	December 31, 2023
Current assets:		
Cash and cash equivalents	\$ 590,147	\$ 601,053
Short-term investments	21,852	22,166
Accounts and other receivables, net	266,172	342,236
Short-term finance receivables, net	541,957	563,536
Inventories	76,500	70,053
Current income taxes	7,850	564
Other current assets and prepayments	101,263	92,309
Total current assets	<u>1,605,741</u>	<u>1,691,917</u>
Property, plant and equipment, net	359,452	383,628
Rental property and equipment, net	22,334	23,583
Long-term finance receivables, net	625,734	653,085
Goodwill	727,613	734,409
Intangible assets, net	54,339	62,250
Operating lease assets	297,638	309,958
Noncurrent income taxes	58,063	60,995
Other assets	327,488	352,360
Total assets	<u>\$ 4,078,402</u>	<u>\$ 4,272,185</u>
Liabilities and stockholders' deficit		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 843,148	\$ 875,476
Customer deposits at Pitney Bowes Bank	628,711	640,323
Current operating lease liabilities	61,143	60,069
Current portion of long-term debt	57,290	58,931
Advance billings	86,339	89,087
Current income taxes	1,556	6,523
Total current liabilities	<u>1,678,187</u>	<u>1,730,409</u>
Long-term debt	2,065,034	2,087,101
Deferred taxes on income	193,835	211,477
Tax uncertainties and other income tax liabilities	14,538	19,091
Noncurrent operating lease liabilities	263,758	277,981
Other noncurrent liabilities	290,939	314,702
Total liabilities	<u>4,506,291</u>	<u>4,640,761</u>
Stockholders' deficit:		
Common stock	270,338	270,338
Retained earnings	2,948,959	3,077,988
Accumulated other comprehensive loss	(865,523)	(851,245)
Treasury stock, at cost	(2,781,663)	(2,865,657)
Total stockholders' deficit	<u>(427,889)</u>	<u>(368,576)</u>
Total liabilities and stockholders' deficit	<u>\$ 4,078,402</u>	<u>\$ 4,272,185</u>

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

	Three months ended June 30			Six months ended June 30		
	2024	2023	% Change	2024	2023	% Change
Sending Technology Solutions						
Revenue, as reported	\$ 320,155	\$ 328,325	(2%)	\$ 647,592	\$ 663,320	(2%)
Impact of currency on revenue	1,420			1,345		
Revenue, constant currency	<u>\$ 321,575</u>	<u>\$ 328,325</u>	<u>(2%)</u>	<u>\$ 648,937</u>	<u>\$ 663,320</u>	<u>(2%)</u>
Presort Services						
Revenue, as reported	\$ 146,858	\$ 143,107	3%	\$ 316,665	\$ 302,009	5%
Global Ecommerce						
Revenue, as reported	\$ 326,157	\$ 305,049	7%	\$ 659,422	\$ 645,690	2%
Impact of currency on revenue	(73)			(789)		
Revenue, constant currency	<u>\$ 326,084</u>	<u>\$ 305,049</u>	<u>7%</u>	<u>\$ 658,633</u>	<u>\$ 645,690</u>	<u>2%</u>
Consolidated						
Revenue, as reported	\$ 793,170	\$ 776,481	2%	\$ 1,623,679	\$ 1,611,019	1%
Impact of currency on revenue	1,347			556		
Revenue, constant currency	<u>\$ 794,517</u>	<u>\$ 776,481</u>	<u>2%</u>	<u>\$ 1,624,235</u>	<u>\$ 1,611,019</u>	<u>1%</u>

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

	Three months ended June 30							
	2024			2023			% 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
Sending Technology Solutions	\$ 100,967	\$ 9,697	\$ 110,664	\$ 96,848	\$ 9,381	\$ 106,229	4%	4%
Presort Services	27,048	8,955	36,003	20,429	8,337	28,766	32%	25%
Global Ecommerce	(30,935)	14,122	(16,813)	(37,483)	14,622	(22,861)	17%	26%
Segment total	<u>\$ 97,080</u>	<u>\$ 32,774</u>	<u>\$ 129,854</u>	<u>\$ 79,794</u>	<u>\$ 32,340</u>	<u>\$ 112,134</u>	<u>22%</u>	<u>16%</u>

Reconciliation of Segment Adjusted EBITDA to Net Loss:

Interest expense, net	(44,732)	(37,683)
Benefit for income taxes	13,797	9,415
Segment depreciation and amortization	(32,774)	(32,340)
Unallocated corporate expenses	(51,275)	(47,709)
Restructuring charges	(31,843)	(22,443)
Goodwill impairment	-	(118,599)
Foreign currency gain on intercompany loans	712	-
CEO and Board transition costs	(2,631)	-
Strategic Review costs	(5,975)	-
Proxy solicitation fees	-	(4,538)
Gain on debt redemption	-	228
Net loss	<u>\$ (24,867)</u>	<u>\$ (141,535)</u>

	Six months ended June 30							
	2024			2023			% 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
Sending Technology Solutions	202,245	19,693	221,938	192,485	18,831	211,316	5%	5%
Presort Services	67,377	17,713	85,090	47,334	16,860	64,194	42%	33%
Global Ecommerce	\$ (66,362)	\$ 28,155	\$ (38,207)	\$ (70,655)	\$ 29,053	\$ (41,602)	6%	8%
Segment total	<u>\$ 203,260</u>	<u>\$ 65,561</u>	<u>\$ 268,821</u>	<u>\$ 169,164</u>	<u>\$ 64,744</u>	<u>\$ 233,908</u>	<u>20%</u>	<u>15%</u>

Reconciliation of Segment EBITDA to Net Loss:

Interest expense, net	(89,101)	(74,562)
Benefit for income taxes	1,238	12,665
Segment depreciation and amortization	(65,561)	(64,744)
Unallocated corporate expenses	(101,045)	(104,058)
Restructuring charges	(36,158)	(26,042)
Goodwill impairment	-	(118,599)
Foreign currency gain on intercompany loans	5,350	-
CEO and Board transition costs	(2,631)	-
Strategic Review costs	(8,665)	-
Proxy solicitation fees	-	(10,905)
Gain on debt redemption	-	3,064
Net loss	<u>\$ (27,752)</u>	<u>\$ (149,273)</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 June 30		Six months ended June 30	
	2024	2023	2024	2023
Reconciliation of reported net loss to adjusted EBIT and adjusted EBITDA				
Net loss	\$ (24,867)	\$ (141,535)	\$ (27,752)	\$ (149,272)
Provision (benefit) for income taxes	(13,797)	(9,415)	(1,238)	(12,665)
Income (loss) before taxes	(38,664)	(150,950)	(28,990)	(161,937)
Restructuring charges	31,843	22,443	36,158	26,042
Goodwill impairment	-	118,599	-	118,599
Foreign currency gain on intercompany loans	(712)	-	(5,350)	-
CEO and Board transition costs	2,631	-	2,631	-
Strategic Review costs	5,975	-	8,665	-
Proxy solicitation fees	-	4,538	-	10,905
Gain on debt redemption	-	(228)	-	(3,064)
Adjusted net income before tax	1,073	(5,598)	13,114	(9,455)
Interest, net	44,732	37,683	89,101	74,561
Adjusted EBIT	45,805	32,085	102,215	65,106
Depreciation and amortization	40,734	39,873	81,613	79,770
Adjusted EBITDA	\$ 86,539	\$ 71,958	\$ 183,828	\$ 144,876

Reconciliation of reported diluted loss per share to adjusted diluted loss per share				
Diluted loss per share	\$ (0.14)	\$ (0.81)	\$ (0.16)	\$ (0.85)
Restructuring charges	0.14	0.09	0.16	0.11
Goodwill impairment	-	0.67	-	0.67
Foreign currency gain on intercompany loans	-	-	(0.02)	-
CEO and Board transition costs	0.01	-	0.01	-
Strategic Review costs	0.02	-	0.04	-
Proxy solicitation fees	-	0.02	-	0.05
Gain on debt redemption	-	-	-	(0.01)
Adjusted diluted loss per share	\$ 0.03	\$ (0.02)	\$ 0.03	\$ (0.04)

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	\$ 92,854	\$ (44)	\$ 80,329	\$ (39,758)
Capital expenditures	(21,136)	(25,980)	(41,093)	(54,646)
Restructuring payments	11,708	8,242	26,697	12,883
Proxy solicitation fees paid	-	7,244	-	10,282
Free cash flow	\$ 83,426	\$ (10,538)	\$ 65,933	\$ (71,239)