



Pitney Bowes Investor Day 2019

May 29, 2019



Pitney Bowes

Investor Day Agenda

Presenter	Title
Marc Lautenbach	President and Chief Executive Officer
Jason Dies	Executive Vice President and President, SMB Solutions
Christopher Johnson	Senior Vice President and President, Financial Services
Bob Guidotti	Executive Vice President and President, Software and Data Solutions
Lila Snyder	Executive Vice President and President, Commerce Services
Stan Sutula	Executive Vice President and Chief Financial Officer
Q&A	

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 its future revenue and earnings guidance and other statements about 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. These risks and uncertainties include, but are not limited to: declining physical mail volumes; changes in, or loss of, our contractual relationships with the U.S. Postal Service or posts in other major markets; changes in postal regulations; competitive factors, including pricing pressures, technological developments and the introduction of new products and services by competitors; the United Kingdom's potential exit from the European Union (Brexit); our success in developing and marketing new products and services, and obtaining regulatory approvals, if required; changes in banking regulations or the loss of our Industrial Bank charter; changes in labor conditions and transportation costs; macroeconomic factors, including global and regional business conditions that adversely impact customer demand, foreign currency exchange rates and interest rates; changes in global political conditions and international trade policies, including the imposition or expansion of trade tariffs and other factors as more fully outlined in the Company's 2018 Form 10-K Annual Report and other reports filed with the Securities and Exchange Commission. Pitney Bowes assumes no obligation to update any forward-looking statements contained in this document as a result of new information, events or developments.

Use of Non-GAAP Measures

The Company's financial results are reported in accordance with generally accepted accounting principles (GAAP); however, in its disclosures the Company uses certain non-GAAP measures, such as adjusted earnings before interest and taxes (EBIT), adjusted earnings before interest, taxes, depreciation and amortization (EBITDA), adjusted earnings per share (EPS), revenue growth on a constant currency basis and free cash flow.

The Company reports measures such as adjusted EBIT, adjusted EPS and adjusted net income to exclude the impact of special items like restructuring charges, tax adjustments, goodwill and asset write-downs, and costs related to dispositions and acquisitions. While these are actual Company expenses, they can mask underlying trends associated with its business. Such items are often inconsistent in amount and frequency and as such, the adjustments allow an investor greater insight into the current underlying operating trends of the business.

In addition, current period and future revenue growth is presented on a constant currency basis to exclude the impact of changes in foreign currency exchange rates since the prior period under comparison. Constant currency measures are intended to help investors better understand the underlying operational performance of the business excluding the impacts of shifts in currency exchange rates over the period. Constant currency is calculated by converting our current reported results using the prior year's exchange rate for the comparable period. This comparison allows an investor insight into the underlying revenue performance of the business and true operational performance from a comparable basis to prior period.

Use of Non-GAAP Measures

The Company reports free cash flow in order to provide investors insight into the amount of cash that management could have available for other discretionary uses. Free cash flow adjusts GAAP cash from operations for capital expenditures, restructuring payments, unusual tax settlements, special contributions to the Company's pension fund and cash used for other special items.

Segment EBIT is the primary measure of profitability and operational performance at the segment level. Segment EBIT is determined by deducting from segment revenue the related costs and expenses attributable to the segment. Segment EBIT excludes interest, taxes, general corporate expenses not allocated to a particular business segment, restructuring charges and goodwill and asset impairments, which are recognized on a consolidated basis. The Company has also included segment EBITDA as a useful measure for profitability and operational performance, and an additional way to look at the economics of the segments, especially in light of some of the Company's more recent, larger acquisitions. Segment EBITDA further excludes depreciation and amortization expense for the segment.

Note: Consolidated statements of income; revenue, EBIT and EBITDA by business segment; and reconciliation of GAAP to non-GAAP measures can be found in the appendix of this presentation. This information can also be found at the Company's web site www.pb.com/investorrelations



Leading for the Long Term

Marc Lautenbach
President and Chief Executive Officer

Key Messages for the Day

Taking necessary actions to build long-term value

Revenue growth will improve as the portfolio continues to shift to growth markets

Global Ecommerce will be profitable in 2020

SMB EBIT will be flat or better year-over-year in 2021

Earnings and free cash flow expansion

First Quarter 2019

First Quarter 2019 results were disappointing

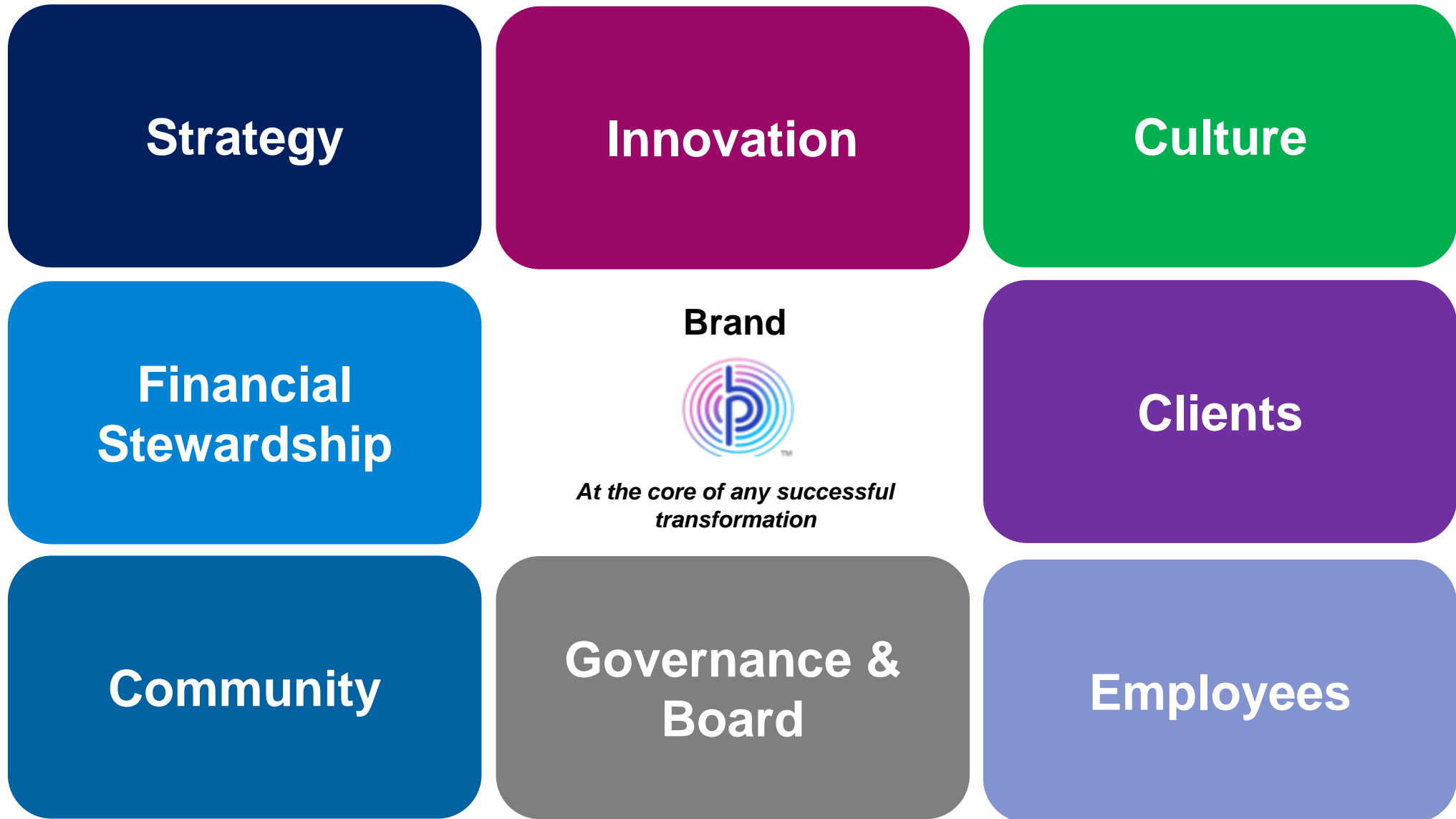
First Quarter impacted by unusual events; execution items being addressed

Long-term opportunity and strategic outlook remain attractive

Characteristics of a Transformation*

- ✓ Few succeed
- ✓ Change in leadership
- ✓ High performance culture
- ✓ Quick wins to fund
- ✓ Balance short term and long term
- ✓ Continue to invest in business
- ✓ Revenue growth is the biggest factor in success

The Critical Components for Building Long-Term Value



Strategy

Reduce complexity of mailing and shipping

Operational excellence

Leverage economies of scale and experience



Innovation

"It's amazing to see **this iconic American enterprise transforming** itself into a **digital, 21st century company**"



- Marc Benioff,
Chairman and CEO Salesforce

Today, we generate 20% of revenue from new products, up from 5% in 2012

Enterprise Business Platform delivers best-of-breed operational performance

Commerce Cloud enables new products and services

Launch new products across the Enterprise in 2019



Winner: Best Business
Transformation award



Leader in The Forrester
Wave™: Location
Intelligence Platforms,
2018



Culture

Value-driven, high-performance culture

Steady progress in employee engagement – improved all metrics since 2013

Narrowing the gap or surpassing high-performance companies

Clients

Net Promoter Scores improved across all Business Units in 2018

Net Satisfaction Score for pb.com at record high in 2018

Global SMB – 750K+ clients benefit from new value add services

Global Ecommerce – 700+ clients today vs 1 client and capability in 2012



Employees

~\$18MM invested in annual wages of majority of hourly U.S. employees in 2018

56% open role opportunities filled by internal candidates

42% of global workforce female; 28% senior executives are female

47% people of color in U.S. workforce



Governance and Board

Independent CEO and Board Chairman roles

40% of the Board of Directors are women

Executive compensation redesigned to align with Company's performance

Community

Dedication to Education program remains a priority

Last year, Pitney Bowes Foundation served 155K students, 4K teachers and 4.3MM hours of student enrichment

1,800+ organizations globally were supported through Matching Gifts program



Financial Stewardship

Total Shareholder Return (TSR) lagging

2 years of consecutive revenue growth

\$0.4 billion reduction in operating expense

70% reduction in gross inventory

\$1+ billion reduction in debt-related obligations

\$1.3 billion returned to shareholders

Key Takeaways – Long-Term Strategy

We have taken holistic actions to set the foundation to drive long-term value

We are building off of our core capabilities and have expanded into natural adjacencies

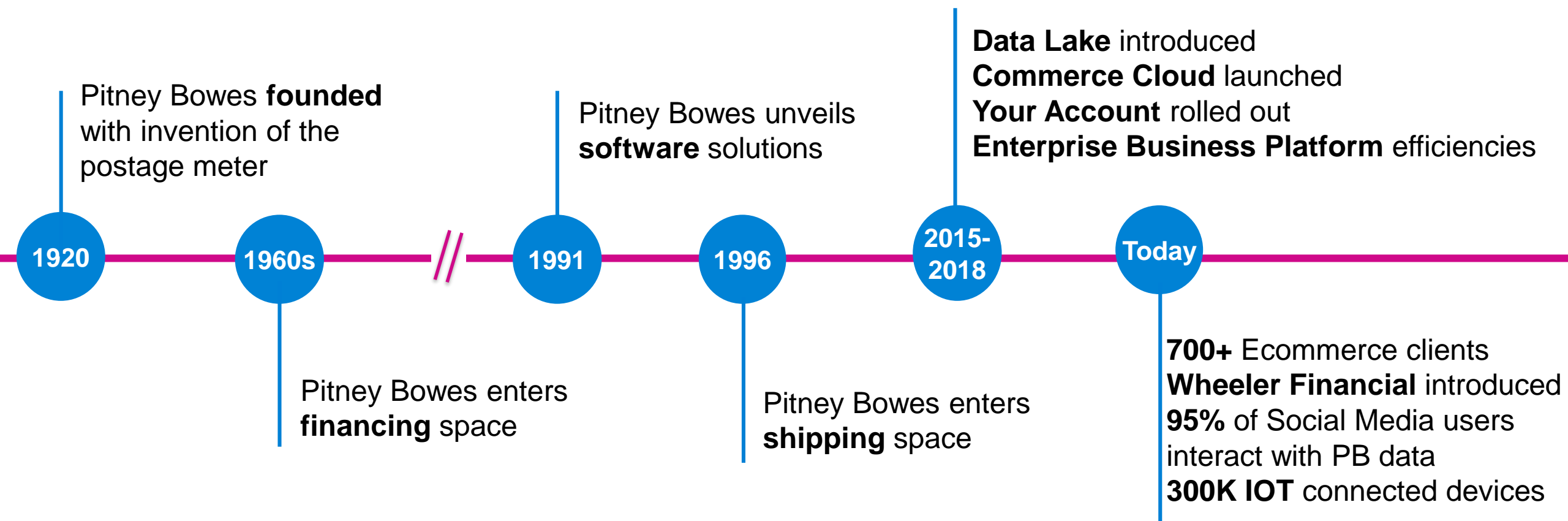
Revenue growth is an important step and affirmation, which will drive future earnings expansion

Small & Medium Business (SMB) Solutions

Jason Dies
Executive Vice President and President
SMB Solutions



The Pitney Bowes Evolution



The Evolution of SMB

- 1 We are redefining our opportunity through natural adjacencies
- 2 SMB's evolution is not aspirational...it's happening
- 3 SMB has a path to growth...EBIT flat or better year-over-year in 2021

Evolving Our SMB Portfolio

Mailing to Mailing & Shipping



Over 80K
SendPro C in
Market



130K
Shipping
Clients

Hardware to Physical & Digital



300K IOT
Connected
Devices



New SaaS &
Analytics
Offerings

New Value Adjacencies and Ecosystem

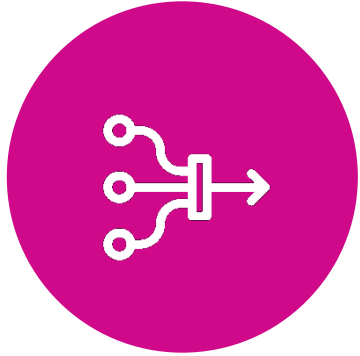


Apps Roll
Out to
80K Devices



3rd Party
Integrations

Key 2019 Strategic Priorities



1

**Simplifying &
Repositioning
the Portfolio**



2

**Creating New
Offerings in SMB
Shipping**



3

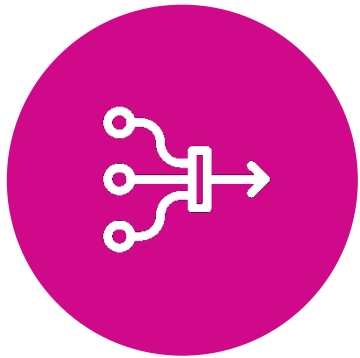
**Accelerating Speed of
Innovation Globally**



4

**Driving New Value
Beyond Sending**

Key 2019 Strategic Priorities



1

**Simplifying &
Repositioning
the Portfolio**



2

**Creating New
Offerings in SMB
Shipping**



3

**Accelerating Speed of
Innovation Globally**



4

**Driving New Value
Beyond Sending**

Simplifying and Repositioning the Portfolio



“Companies like Ticketmaster and Pitney Bowes are **driving innovation.**”

John Rethans
Digital Transformation Strategy Lead,
Google



“It’s amazing to see this iconic American enterprise **transforming itself into a digital, 21st century company.**”

Marc Beinhoff
Chairman and CEO, Salesforce



Design Excellence Award
Alongside Tesla, Nest and Google



Best Business Transformation Award

SendPro+

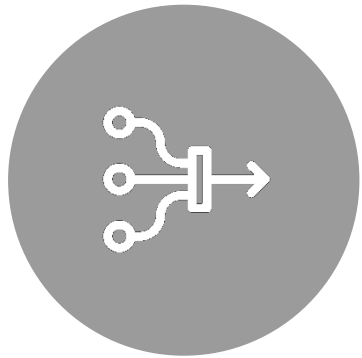


Simplifying and Repositioning the Portfolio



- ✓ **Expanded value via a simplified portfolio**
- ✓ **Mailing + Shipping**
- ✓ **Open platform**
- ✓ **IOT connected**
- ✓ **Reduced complexity and cost**

Key 2019 Strategic Priorities



1

Simplifying &
Repositioning
the Portfolio



2

**Creating New
Offerings in SMB
Shipping**



3

Accelerating Speed of
Innovation Globally



4

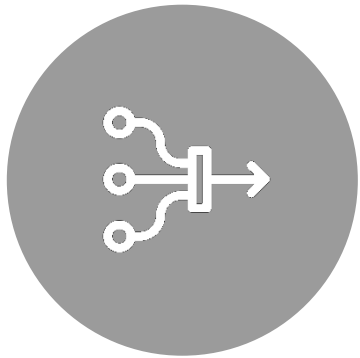
Driving New Value
Beyond Sending

Creating New Offerings in SMB Shipping



- ✓ Capitalizing on natural adjacencies
- ✓ Leverages economies of scale and experience
- ✓ Multi-channel – mobile, desktop, or sending device
- ✓ New offerings and new clients

Key 2019 Strategic Priorities



1

Simplifying &
Repositioning
the Portfolio



2

Creating New
Offerings in SMB
Shipping



3

**Accelerating Speed of
Innovation Globally**



4

Driving New Value
Beyond Sending

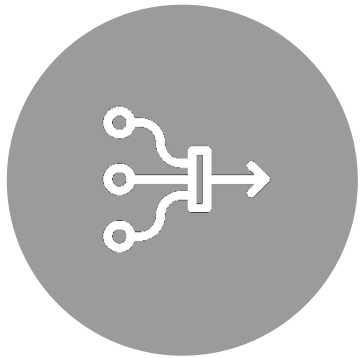
Accelerating Speed of Innovation Globally

20+ Product Launches



- ✓ **Shipping enabled in all markets**
- ✓ **Increased speed of innovation and learning**
- ✓ **Local expertise**
- ✓ **New partnerships**

Key 2019 Strategic Priorities



1

Simplifying &
Repositioning
the Portfolio



2

Creating New
Offerings in SMB
Shipping



3

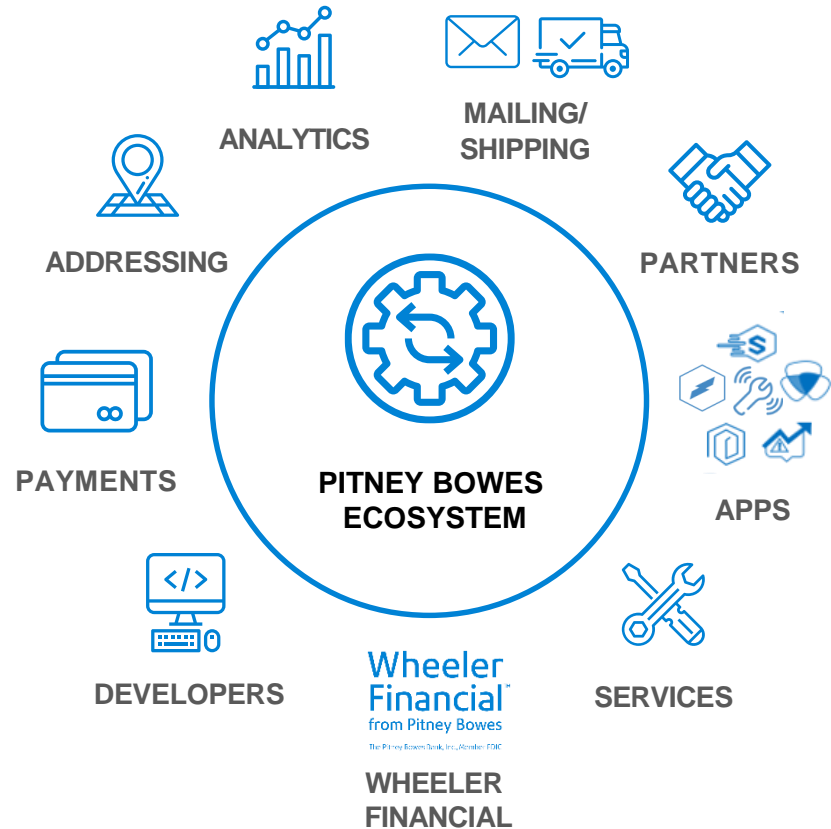
Accelerating Speed of
Innovation Globally



4

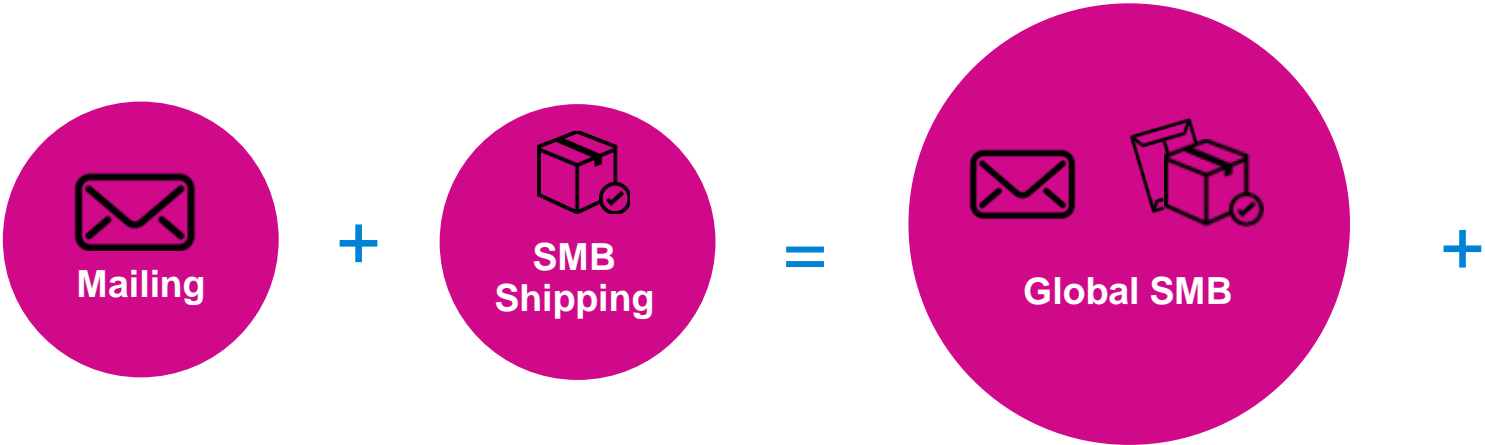
**Driving New Value
Beyond Sending**

Driving New Value Beyond Sending



- ✓ **Financial Services**
- ✓ **Data & analytics offerings**
- ✓ **Growing ecosystem of partners**
- ✓ **Expanding developer community**
- ✓ **Strengthening activation and consumption capabilities**

Expanding our Market Opportunity



Addressable Market	\$2 - \$3Bn	\$2 - \$3Bn	\$4 - \$6Bn
Long-Term Market Growth Rate	(6%) - (5%)	9% - 11%	2% - 3%

- 3rd Party Financing
- Apps & Adjacencies
- Partner Ecosystem

Sustaining and Expanding the Franchise

Client Base **+** **Retention through Integration of New Value** **+** **New Market Opportunities** **+** **Reprioritized Investments**

Value-added Lending and Financial Services
Client Services

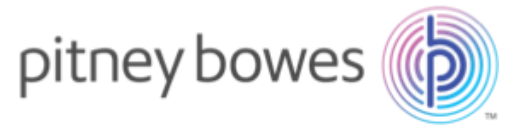
Long-Term Target = 30% - 35% EBIT Margin with Stable Cash Generation

Key Takeaways – Small & Medium Business (SMB) Solutions

We are redefining our opportunity through natural adjacencies

SMB's evolution is not aspirational...it's happening

SMB has a path to growth...EBIT flat or better year-over-year in 2021



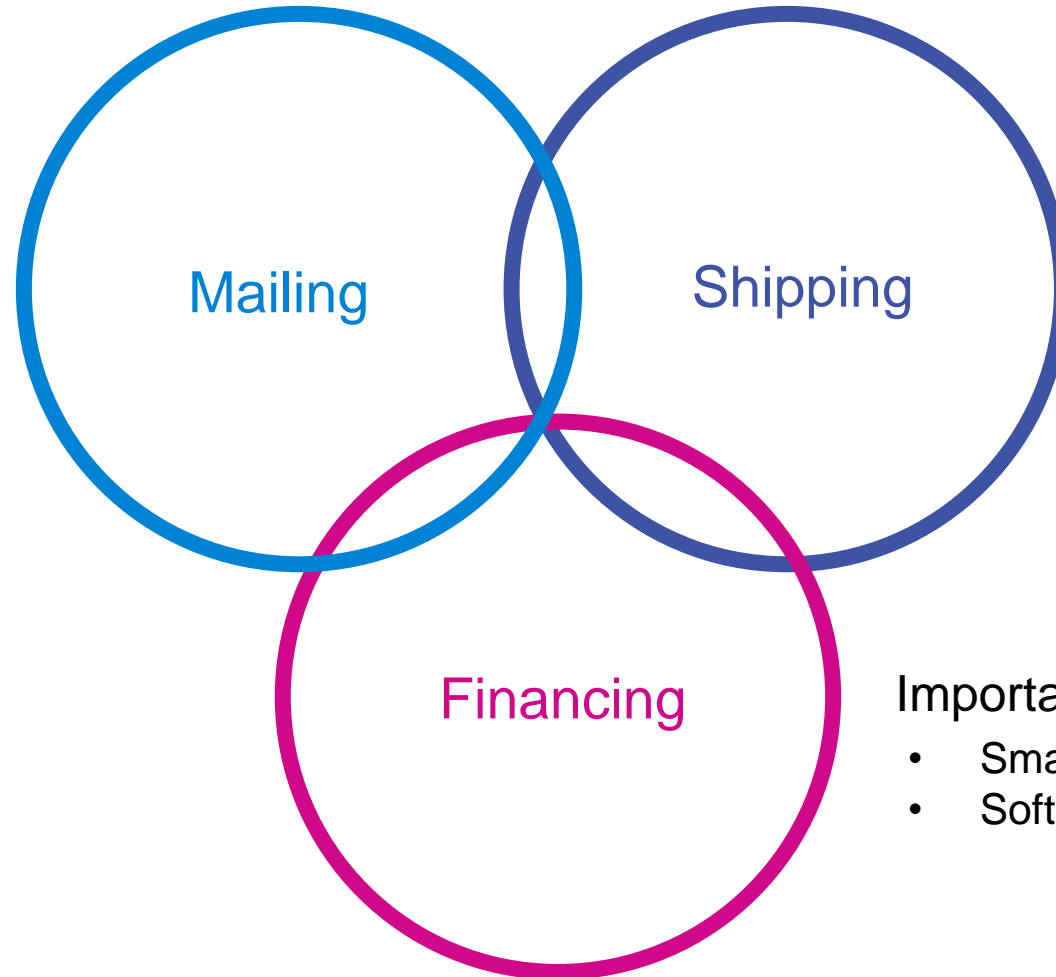
Financial Services

Christopher Johnson
Senior Vice President and President,
Financial Services

Essential Enabler of the Pitney Bowes Franchise

Essential to Core Mailing

- Captive Financing
- Working Capital
- Partner Payments
- Deposits



Critical Commerce Enabler

- Shipping and Logistics
- Multi-Carrier Payments
- Deposits
- Payment Processing
- Fraud Prevention

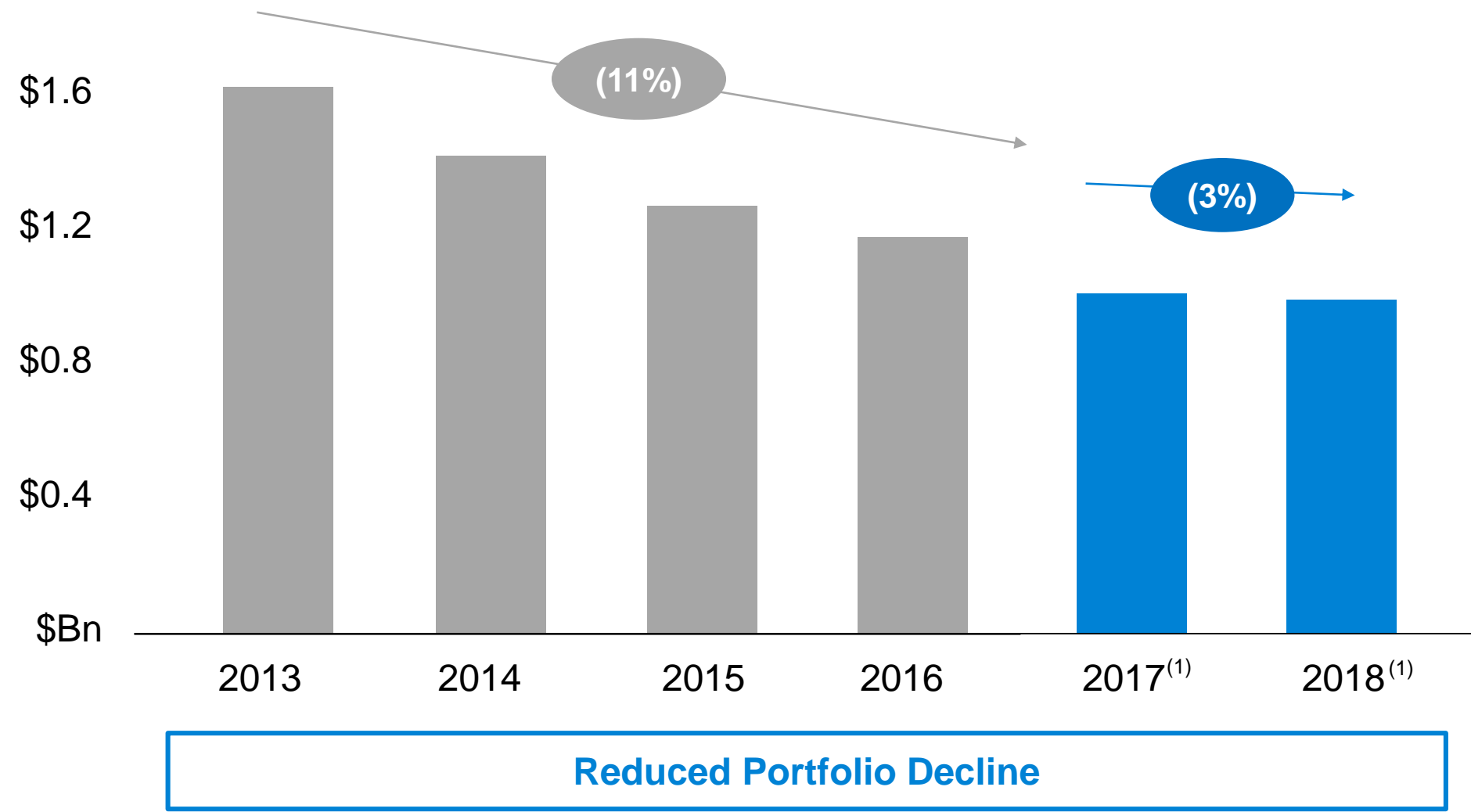
Important Organic Growth Driver

- Small Business Equipment Finance
- Software as a Potential Market

Creating Value for Pitney Bowes

- 1 **Improved Captive Finance Business**
- 2 Launched Wheeler Financial from Pitney Bowes
- 3 Enabled Growth in Commerce Services and SMB

Stabilized Lease Net Finance Receivables



(1) 2017 and 2018 finance receivables recast to reflect new Lease Accounting Standard (ASC 842)

Creating Value for Pitney Bowes

- 1 Improved Captive Finance Business
- 2 Launched Wheeler Financial from Pitney Bowes**
- 3 Enabled Growth in Commerce Services and SMB

Launched New Offering to Drive Growth and Invest in SMB Clients



**Wheeler
FinancialTM**
from Pitney Bowes

The Pitney Bowes Bank, Inc., Member FDIC

Committed to the Main Street Economy

Building on Our Client Knowledge and Sector Experience

Business Services



Examples include:

- Document Management Systems
- Telecom Systems
- Printers & Copiers

Technology



Examples include:

- Network & Server solutions
- Data Storage Solutions
- Software Systems

Manufacturing & Industrial



Examples include:

- Material Handling Equipment
- Forklifts
- Machine Tools

Construction



Examples include:

- Loaders
- Generators
- Backhoes

Wholesale & Retail Trade



Examples include:

- POS Systems
- WMS Systems
- Palletizers

Healthcare

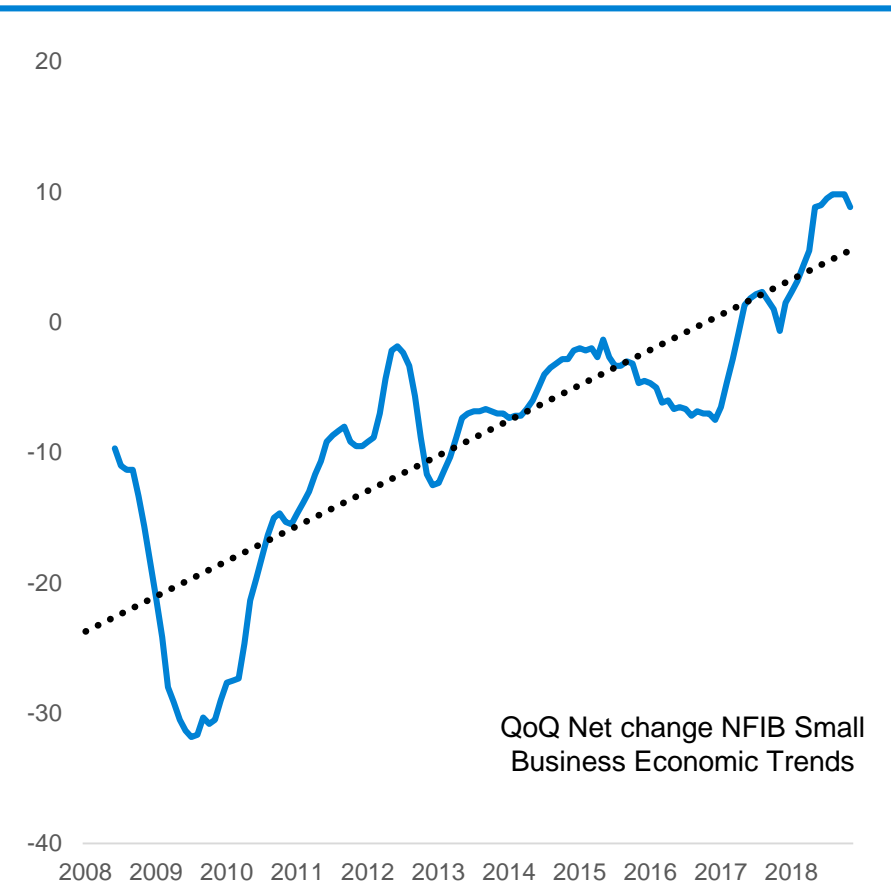


Examples include:

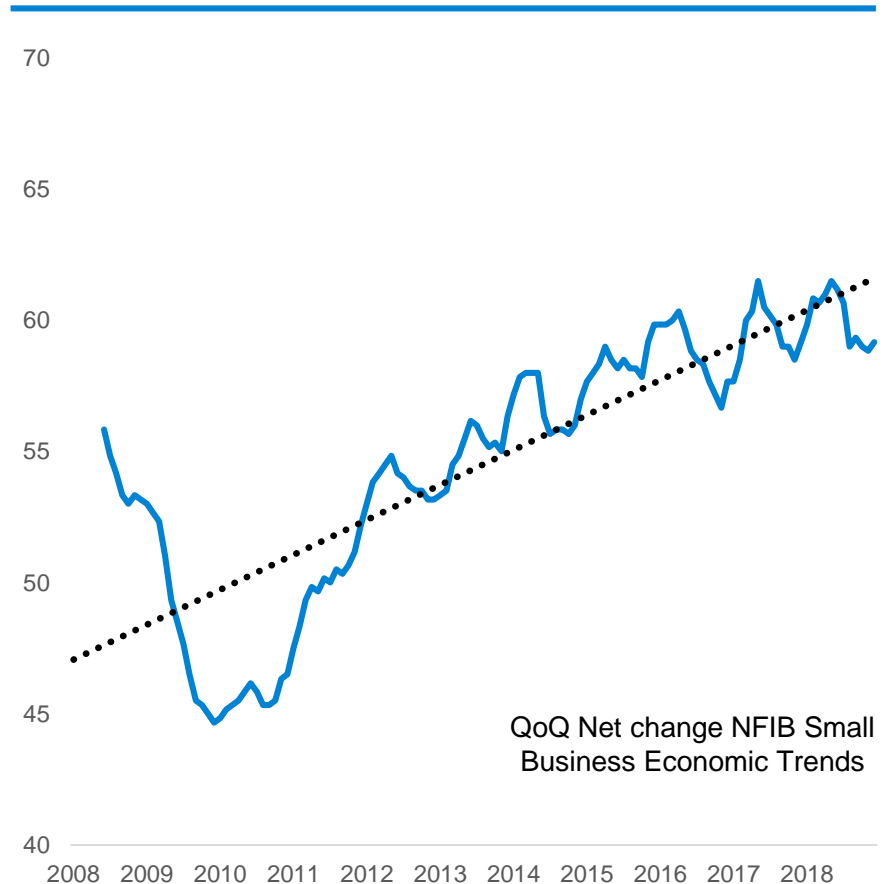
- Imaging Equipment
- Dental Equipment
- Medical Lasers

Small Businesses are Growing and Investing

**Small Business
Net Percent Change in Sales**

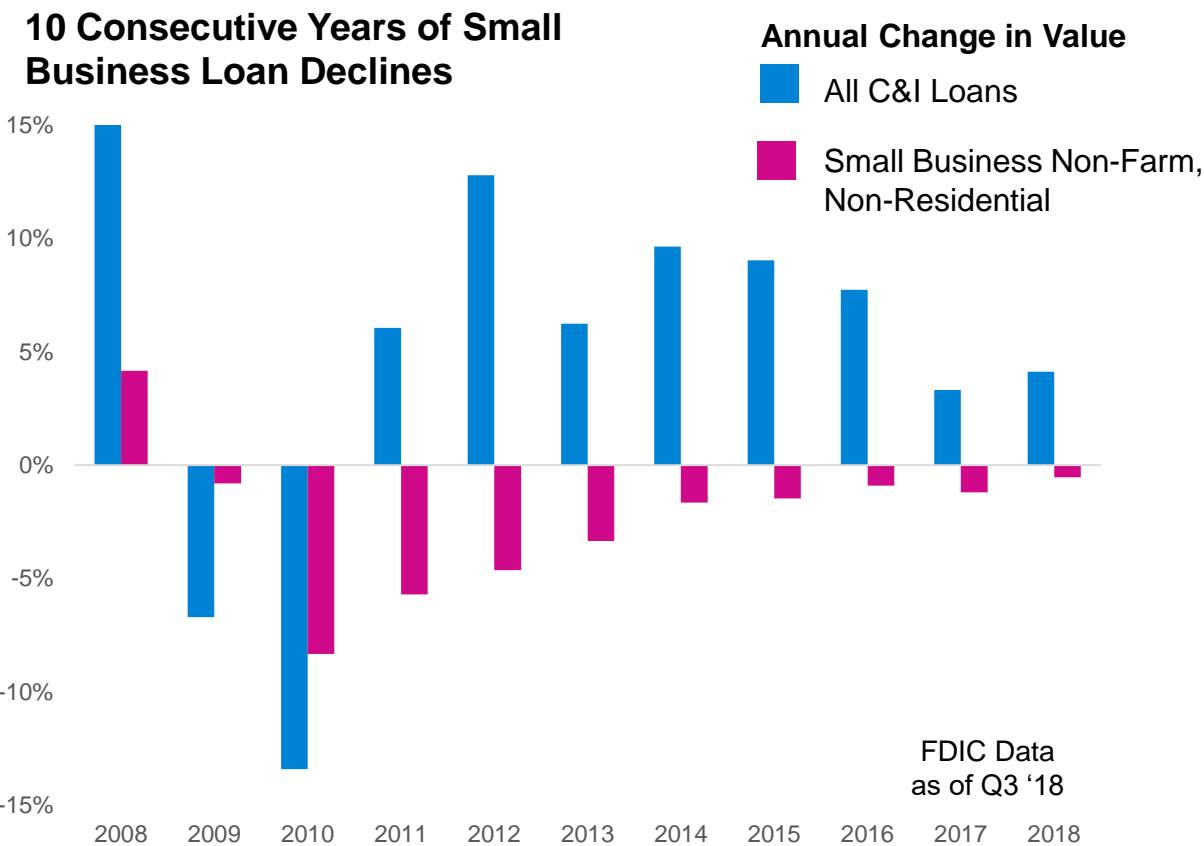


**Percent of Small Business
Investing in Capital Expenditures**

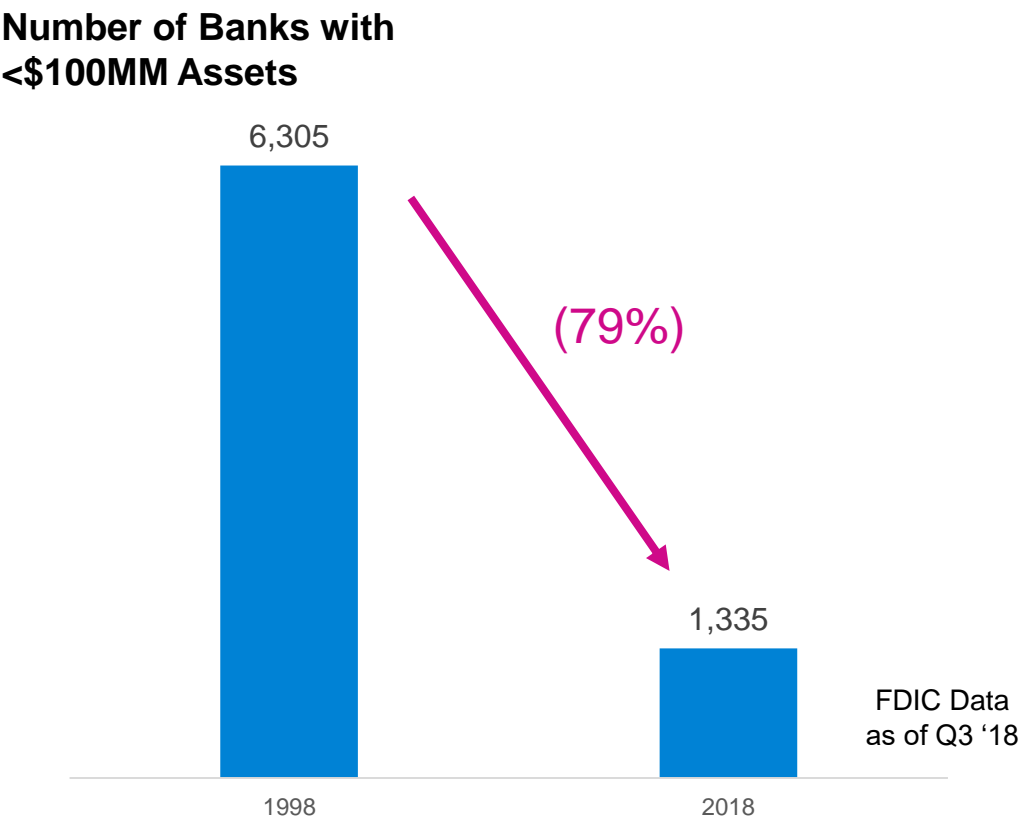


A Large Underserved Market

Small Businesses Need Access to Capital



Primarily Driven by a Lack of Capital Sources



Wheeler Financial's Unique Advantages



A Trusted Brand Forged with ~100 Years of Commitment to SMBs

Operating a Safe and Secure, Sustainable Business

Core Asset Principles

- 1 Diversified portfolio to minimize concentrations
- 2 Avoid large single asset types / niche equipment
- 3 Transparent, stable and predictable asset values
- 4 Proven secondary markets / ability to remarket

And Solid Credit Fundamentals

Select Customers and Access to

- Proprietary knowledge with companion external data
- Select, B+ equivalent targets in specific industries

Proven Credit Underwriting Approach

- Underwrite to hold mindset, asset-based underwriting
- Principally existing customers - intrinsic credit insights
- Capital markets to affirm credit decisions and manage portfolio

Market Backed Residual Management

- Majority loans, not leases
- Collateral audit leveraging external data / specialized resources

Ensuring Operational Excellence

Replicating What We've Been Doing for 30+ Years

CORE PROCESSES

- 1 Originate and structure deal
- 2 Underwrite customer credit and underlying industry dynamics
- 3 Assess asset values and manage residuals
- 4 Price and document transaction
- 5 Manage portfolio – bill, service and collect

And Spent 1 Year+ Augmenting Capabilities

- ✓ Built best-in-class dedicated management team
- ✓ Recruited key industry operational specialists
- ✓ Staffed veteran commercial team in 13+ markets
- ✓ Built & implemented specific liquidity plan
- ✓ Implemented technology and operational infrastructure
 - Partnered with best-of-breed tech platforms
 - Upgraded credit and banking platforms

World Class Operations Designed to Meet the Small Business Market

Accretive Funding Approach

- ✓ Bank balance sheet driven
- ✓ Deposit-based funding in 2019
- ✓ ~\$350MM of competitively priced excess deposits
- ✓ Ability to access more liquidity through capital markets & incremental bank deposits



Wheeler Financial Business Financial Profile



**\$50MM -
\$70MM
in 2019**



**“Well
Capitalized,”
Double-Digit
Designation**



**Highly
Accretive**



**Above
Industry
Average
Performance**

Attractive, Ultra Competitive, and Accretive Business Outline

Creating Value for Pitney Bowes

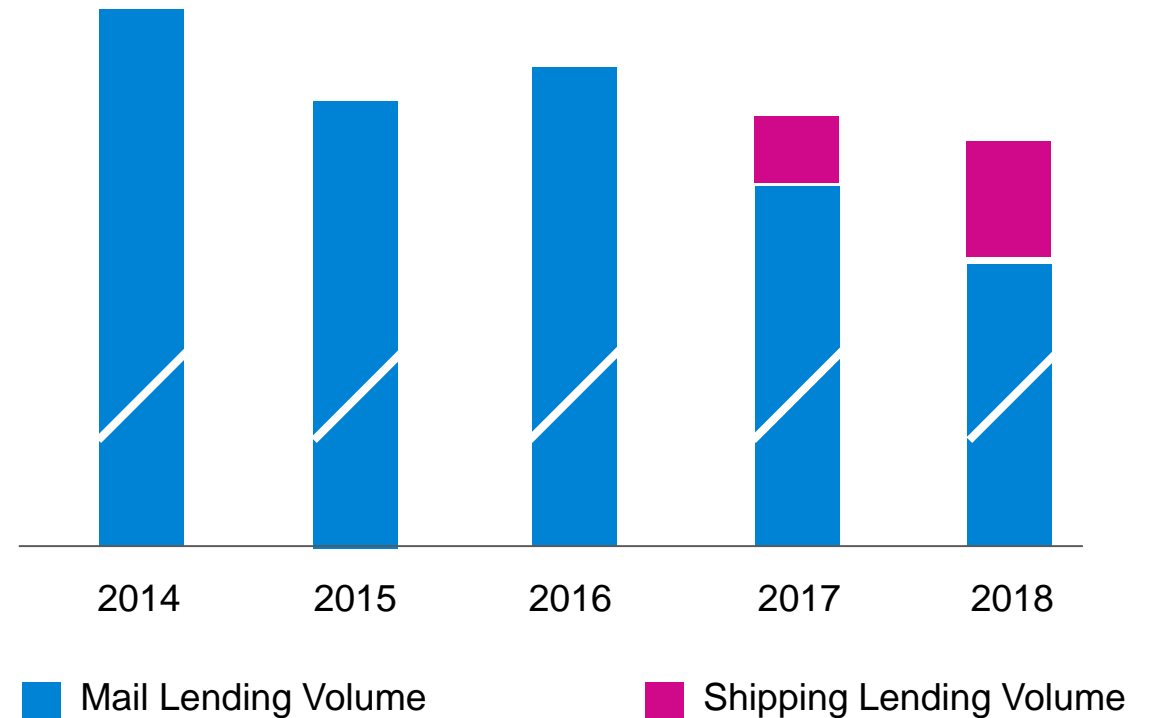
- 1 Improved Captive Finance Business
- 2 Launched Wheeler Financial from Pitney Bowes
- 3 Enabled Growth in Commerce Services and SMB**

Credit Expansion Accelerating Shipping Growth Across Pitney Bowes

- 1 9 consecutive quarters of shipping lending growth
- 2 >85% of API Shipping Solutions & SMB shipping volume enabled via financial services
- 3 Over \$165MM credit extended to customers for shipping
- = **Impact:** Greater shipping adoption and growth

Financed Postage Volume

- Mailing finance volume performance in line with market (~5% - 6%)
- With shipping, total volume CAGR (2.5%)



Strategic Enabler and Differentiator for Pitney Bowes

Key Takeaways – Financial Services

Reduced rate of asset decline in existing captive finance business

Pursuing growth in expanding market adjacencies

Fueling competitive differentiation and profitable growth

Building a sustainable, safe and secure business

Software and Data Solutions

Bob Guidotti
Executive Vice President & President,
Software and Data Solutions

Maintain Strategic Focus and Build on Market Success



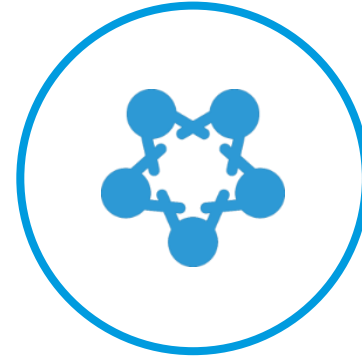
Leveraging Core Pitney Bowes

- Decades of Name and Address Expertise
- Billions of Verified Addresses
- Data Quality



Focusing on our Strategic Portfolio

- Data Monetization
- Customer Information
- Location Intelligence
- Digital Customer Engagement



Generating Incremental Lift with Partners

- Global and Regional Systems Integrators Partners participating in nearly half of our new business opportunities

2018 was a Year of Accomplishments Against that Strategy

YoY EBITDA Growth
of 32%

Over 60% YoY Growth
in Partner Lift

Over 70 Net-new
Partner Logos

55% Rolling Pipeline is
Channel LIFT Opportunity

Software & Data
Marketplace Launch

30% Total Revenue Attributed to
the Channel

Two Consecutive Years of
Revenue Growth

Nearly \$20M in Digitally Identified Opportunities for Data

Over 10% YoY Growth in
SaaS Products

70% of Fortune 100 companies
use Pitney Bowes Data

Continue to Focus on a \$6 Billion Segment within a \$23 - \$25 Billion Addressable Market Opportunity



**CUSTOMER
INFORMATION**



**LOCATION
INTELLIGENCE**



**CUSTOMER
ENGAGEMENT**



DATA

~ \$5 Billion Focus Market

~ \$1 Billion

9% - 11% Long-Term Market Growth Rate

15% - 20% Long-Term Market EBIT Margin

Vertical Focus on FinServ, Telco, Government, Retail, Insurance, Tech

Deepening our Market Differentiation Across Four Lines of Business



- Customer Data Management
- Data Quality and Address Matching
- Time to Value



- Geocoding
- GeoEnrichment
- Big Data



- Omni-channel
- Seamless Experience
- Interactive Video



- Coverage
- Breadth
- Accessibility
- Ease of Use

More Emphasis on Data and Partner Channel

1

Data

2

Partner Channel

Aggregating Data in Multiple Forms

**Large Area
Information**



**Nearby
Information**



**Property
Information**



**Customer
Persona**



**Household /
Business**



**Email &
Social Handle**

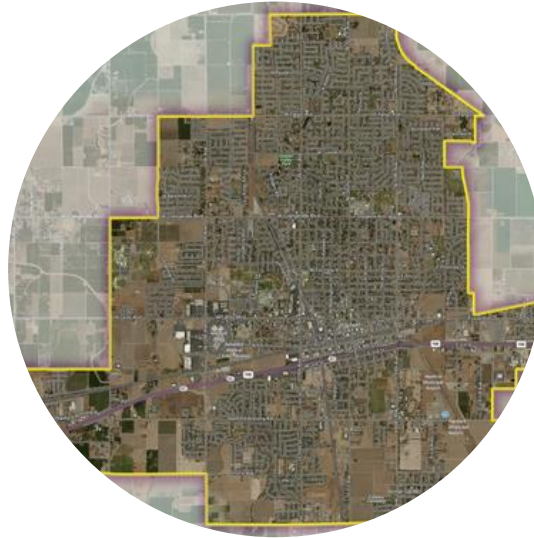


Largest Portfolio of Address-Centric Data Products

Addressing & Enrichment



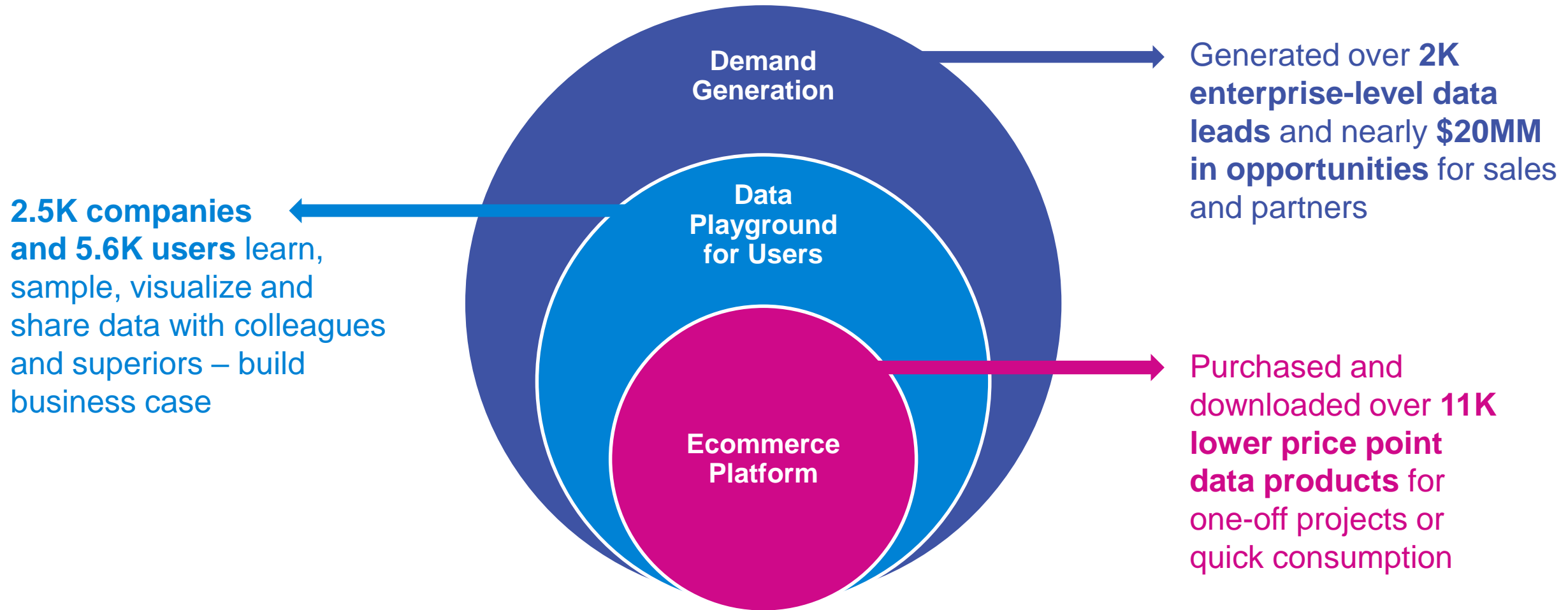
Location Intelligence



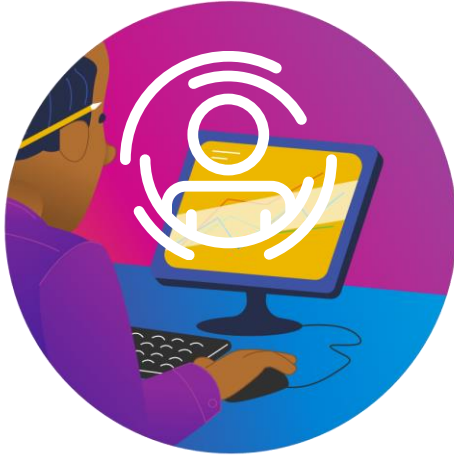
Social Enhancement



Launched the Software and Data Marketplace in 2018



Partner Channel



Capabilities and Experience

- New technology training available to take sales and technical skills to the next level



Geographic and Industry Presence

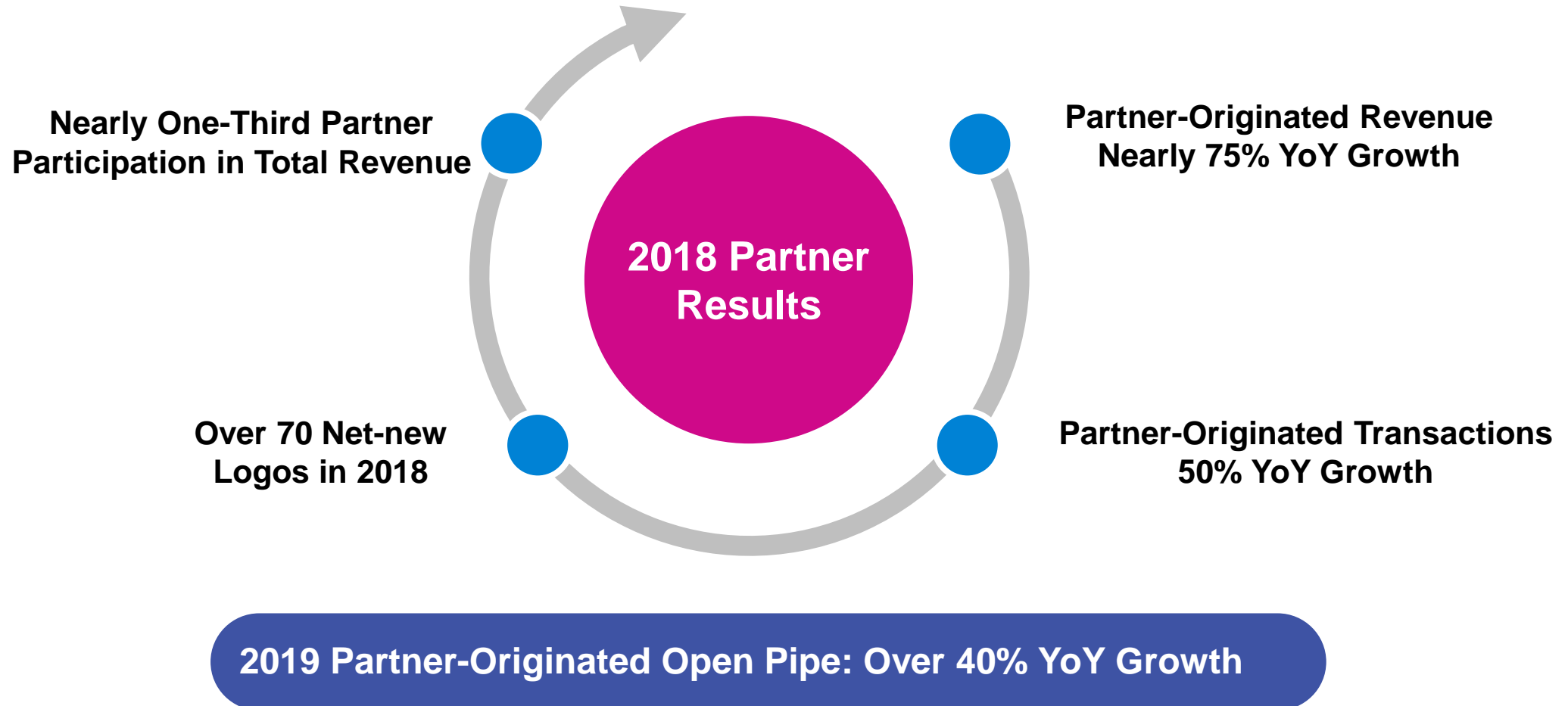
- Vertical “Swim lanes” determine marketing support by region



Lift (or New Clients)

- Solution development for vertical industries: FinTech / FinServ, Retail, Insurance, Healthcare, Data Analytics
- Industry hackathons driving new customer opportunities

Ended 2018 Strong, but with More Work to do Around Lift Revenue



Our Momentum in the Channel is Growing



Key Takeaways – Software and Data Solutions

Revenue demonstrated two-years of consecutive growth

Our results confirm that a vertical-focused strategy is working

Sustaining our momentum for data and the channel is key

2019 is pivotal for lift revenue in our channel

Commerce Services

Lila Snyder
Executive Vice President and President,
Commerce Services

Key Takeaways – Commerce Services

1 **Commerce Services continues to win in attractive markets**

2 Global Ecommerce will be profitable in 2020

Commerce Services - Four Core Platforms



Presort Services

The industry leader in presorting mail to lower costs and complexity



Cross-border Solutions

The most proven and scalable cross-border platform



Shipping Solutions

Unlocking the secret to better shipping for retailers of all sizes



Domestic Parcel

A post-purchase experience that enhances the retailer's brand promise



Global Ecommerce

We Participate in Attractive Markets

Presort Services

\$3 - \$4Bn

Growth Rate: (2%) - Flat

Long-Term EBIT Margin: 15%+



Global Ecommerce

\$40 - \$44Bn

Growth Rate: 12% - 14%

Long-Term EBIT Margin: 8% - 12%

Presort Services has a Strong Track Record

Proof Points

- ✓ Above industry margins
- ✓ Growing, in a declining market
- ✓ Best-in-class client satisfaction scores
- ✓ Largest workshare partner of the USPS



Presort Services Transformation

Transformation Built on Data-Driven Decision Making



Standardize operating model

Modernized
and standardized
processes



Staff according to mail volume

Optimized labor
management



Optimize transportation network

Optimized
logistics



Align price to value

Improvements to the
services and value we
provide to our clients






















Global Ecommerce is Fueling the Company's Return to Growth

Proof Points

- ✓ Above industry growth rates
- ✓ Processing 125+ million physical parcels and touching 400+ million parcels digitally
- ✓ Added over \$1 billion in revenue over 6 years



Clients are Validating our Strategy and Capabilities

L.L.Bean	★ macy's	ebay™	Harrods	HD Hysan 希慎	easyship	JUSTFAB™	bebe
	VICTORIA'S SECRET	STARCREST®			American Apparel		GILT
			ROCKETS OF AWESOME			RALPH LAUREN 	EILEEN FISHER
 KENDRA SCOTT	 DERMSTORE	THE  TOT			Crate&Barrel		DECKERS — BRANDS —
	REBECCA MINKOFF	BUGATCHI	sass & bide	 THE BEARD CLUB		 OrderCup™	

Why Pitney Bowes is Winning with Clients?

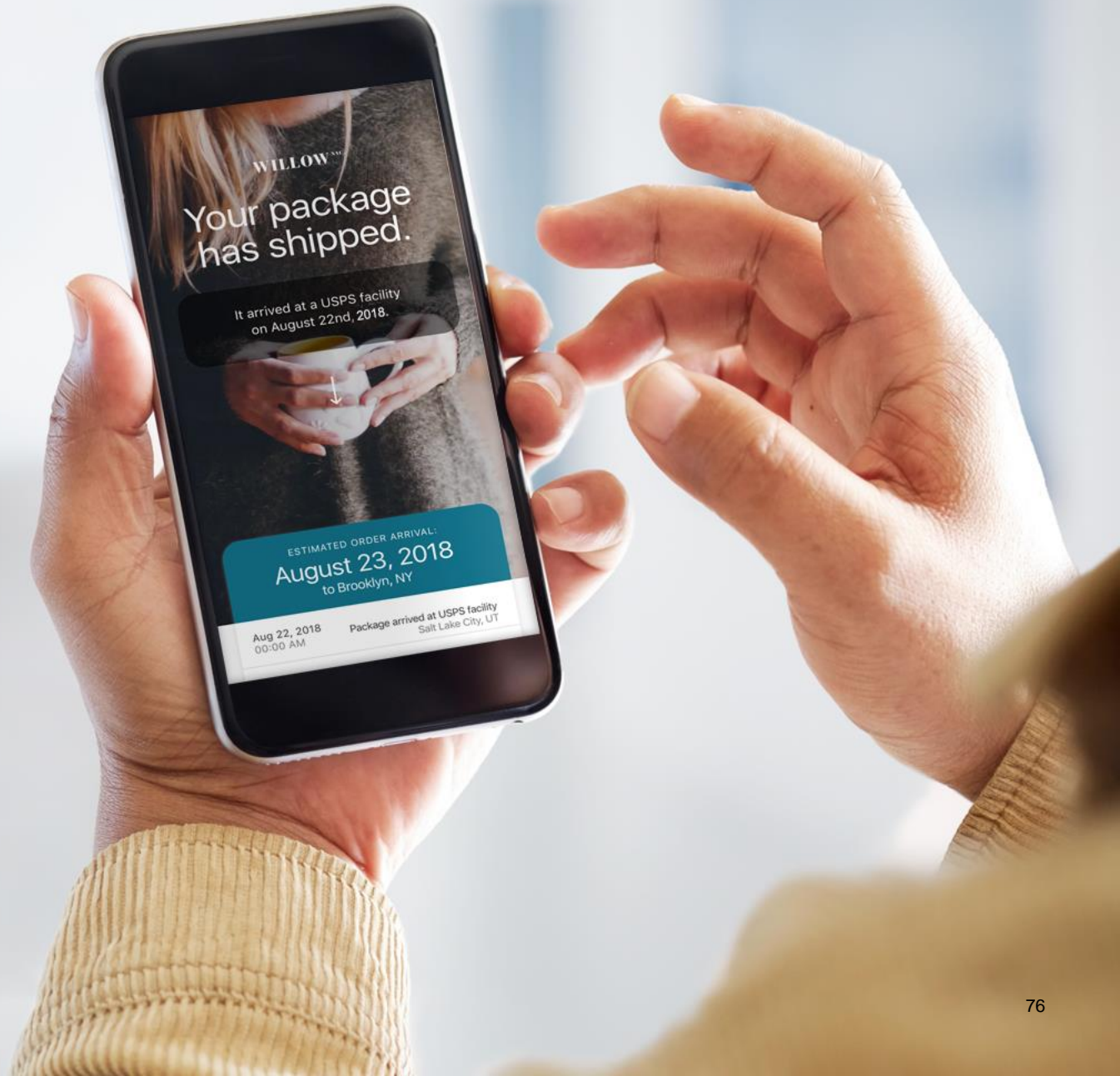
Our services are purpose-built to solve for rising consumer expectations

We make our clients' brands the hero

We use technology and data science to solve old problems, in new ways

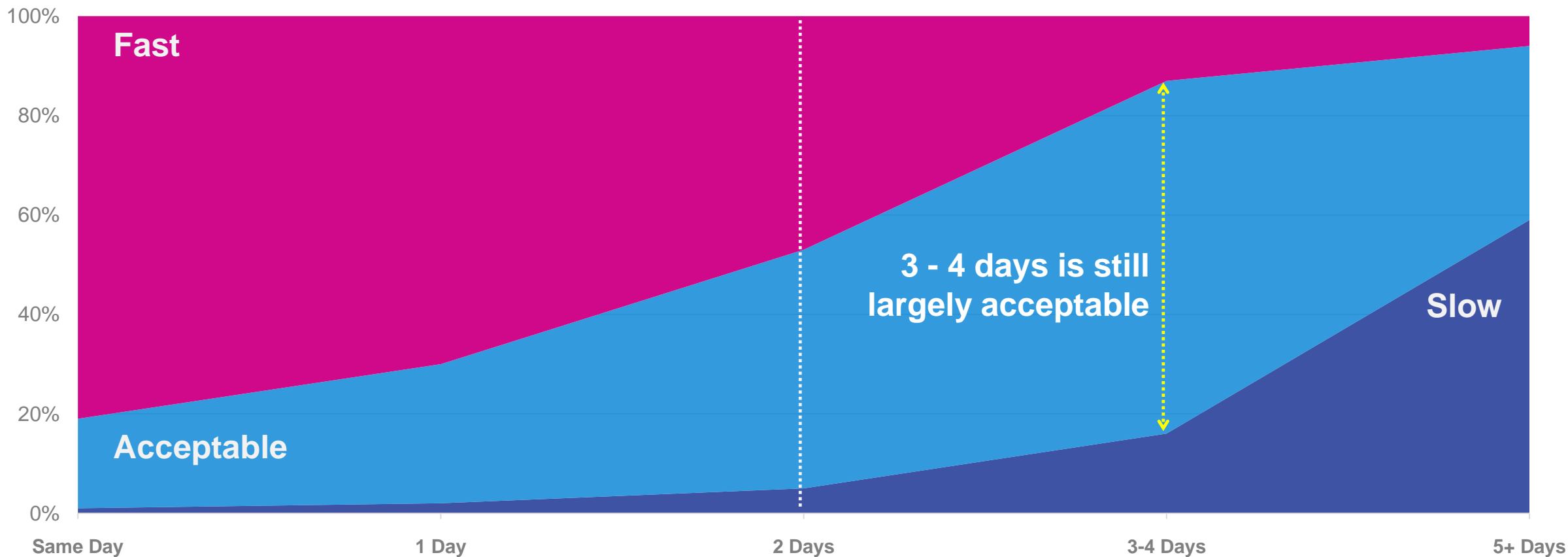
Introducing Consumer Connect

Engage with shoppers
throughout the entire
post-purchase journey



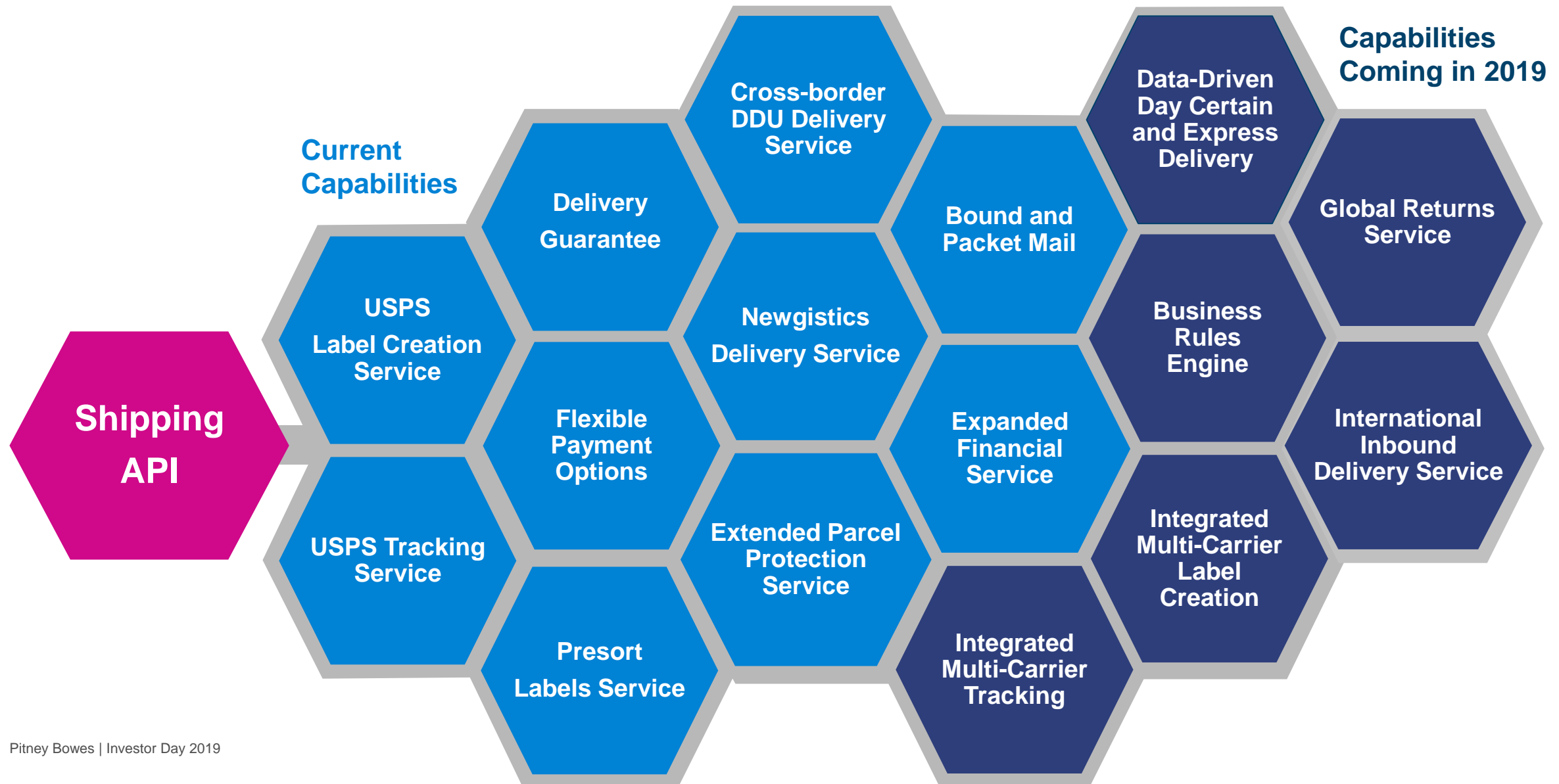
3-Day Guaranteed Delivery in the U.S.

Consumer expectations continue to rise, and retailers need new options for faster, date-certain shipping that they can afford to offer consumers for “free”



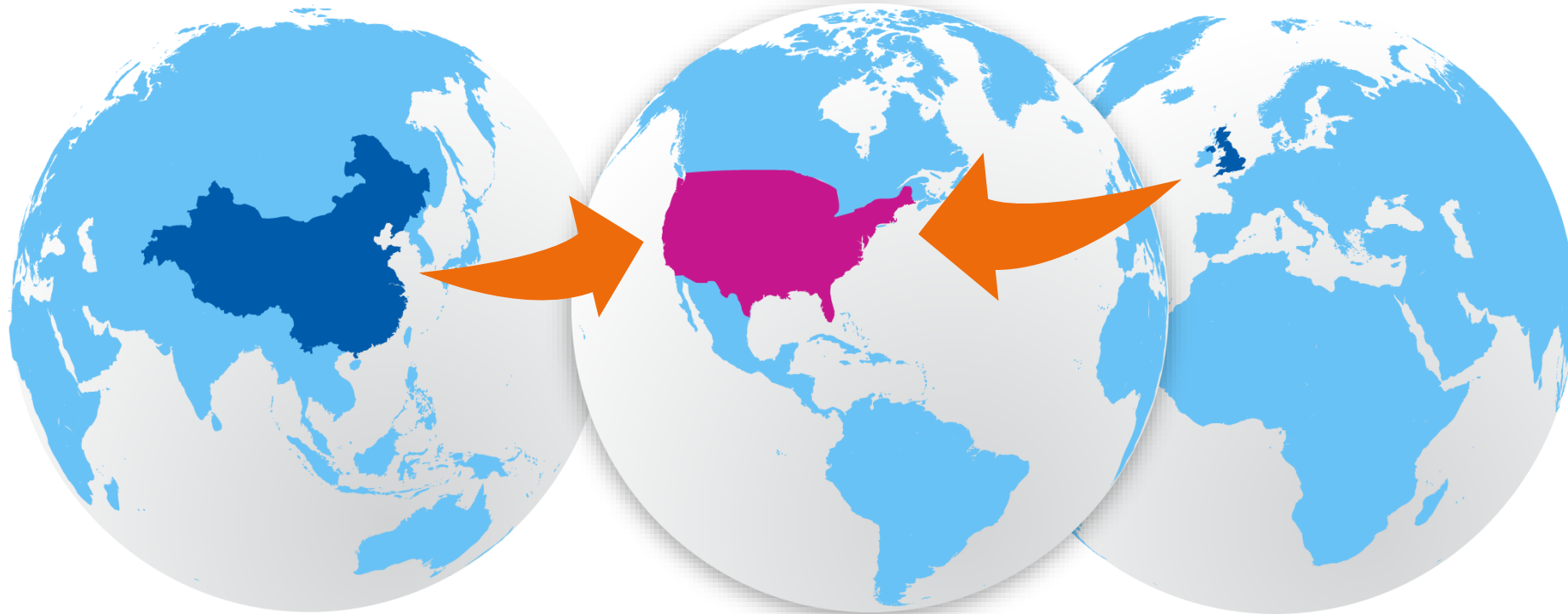
Source: PB Global Ecommerce Study 2018

A Single Technology Platform for Clients



International Inbound to U.S.

Significant ecommerce volume originates in international markets for delivery to U.S. consumers, with China alone shipping 1.6 billion parcels into the U.S. per year

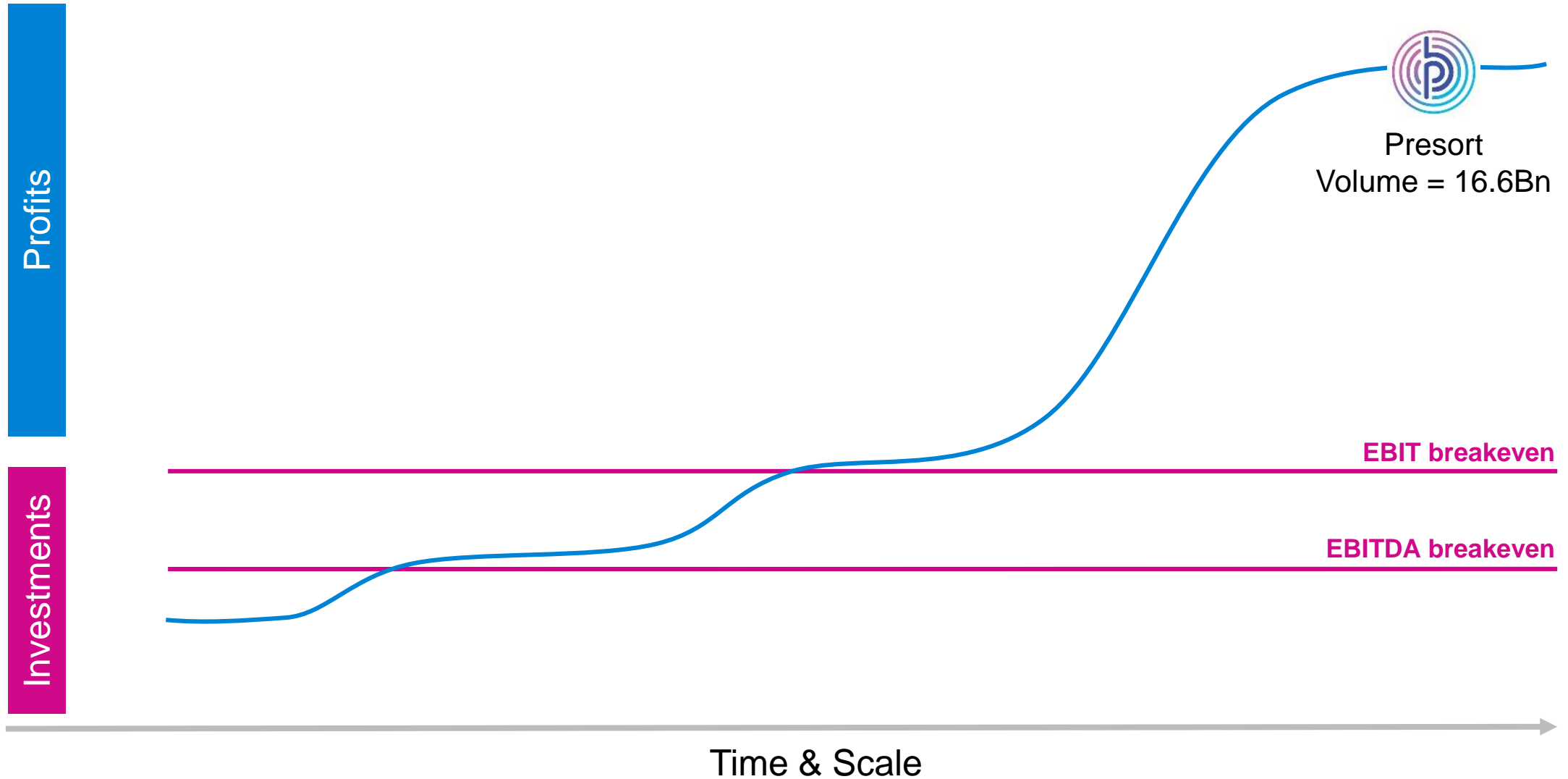


Key Takeaways – Commerce Services

1 Commerce Services continues to win in attractive markets

2 **Global Ecommerce will be profitable in 2020**

Typical Profitability Maturity Curve for a Platform Business

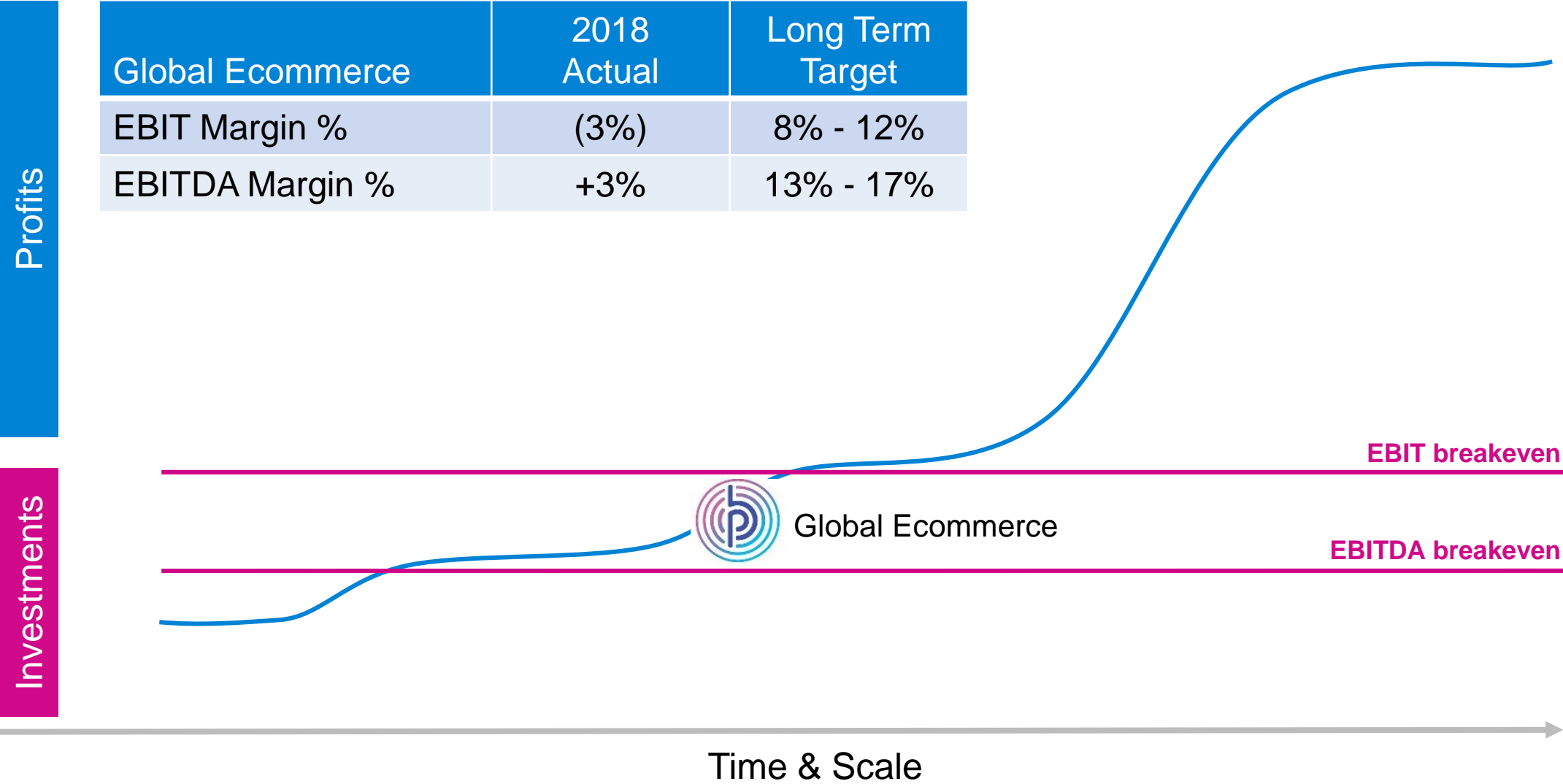


Following a Proven Formula for Margin Expansion

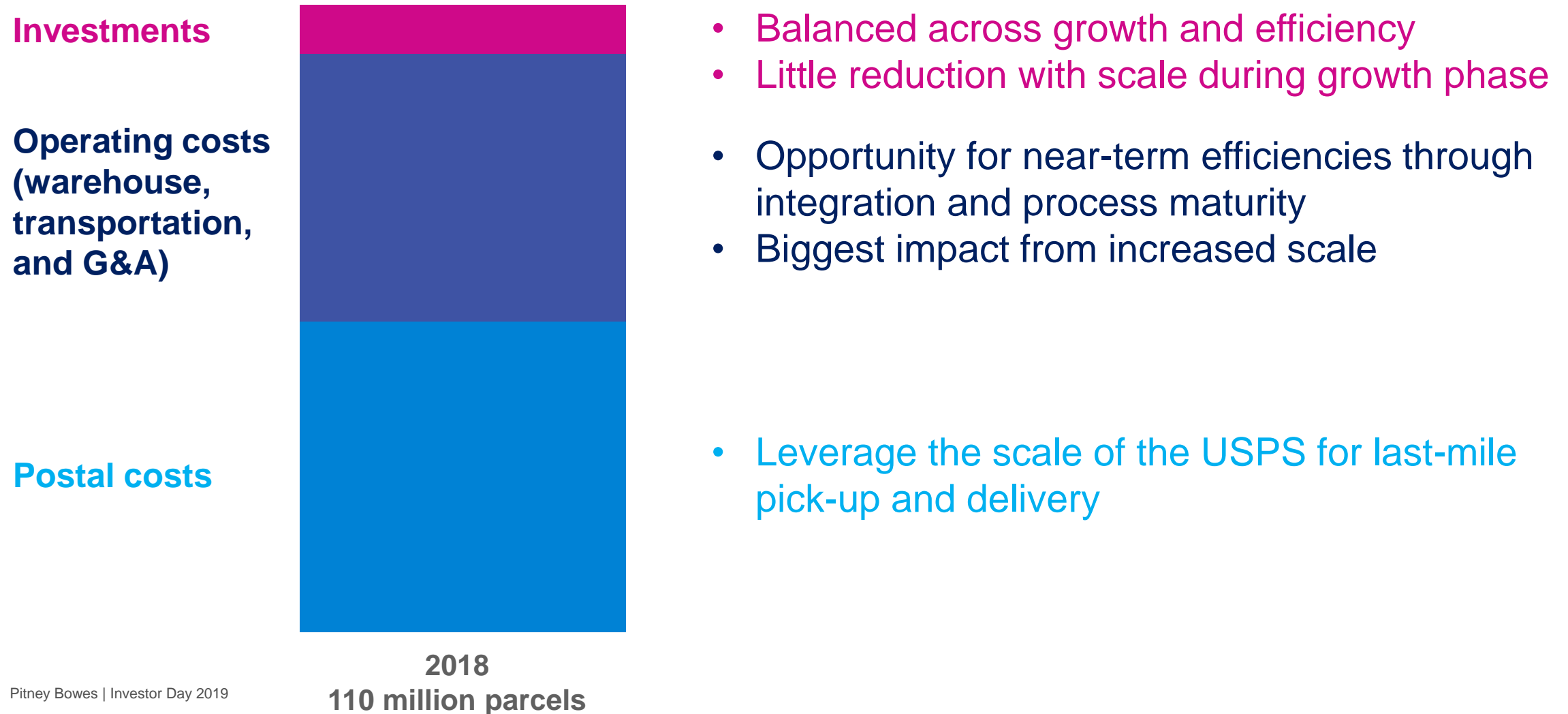
Presort Services		
	Sub-Scale	→ At Scale
Operating Centers	12	38
Mail Volumes	2.5Bn	16.6Bn
EBIT Margin %	8%	15%+

- Proven Formula
- Network Expansion
 - Volume Growth
 - Client Experience Focus
 - Operational Excellence

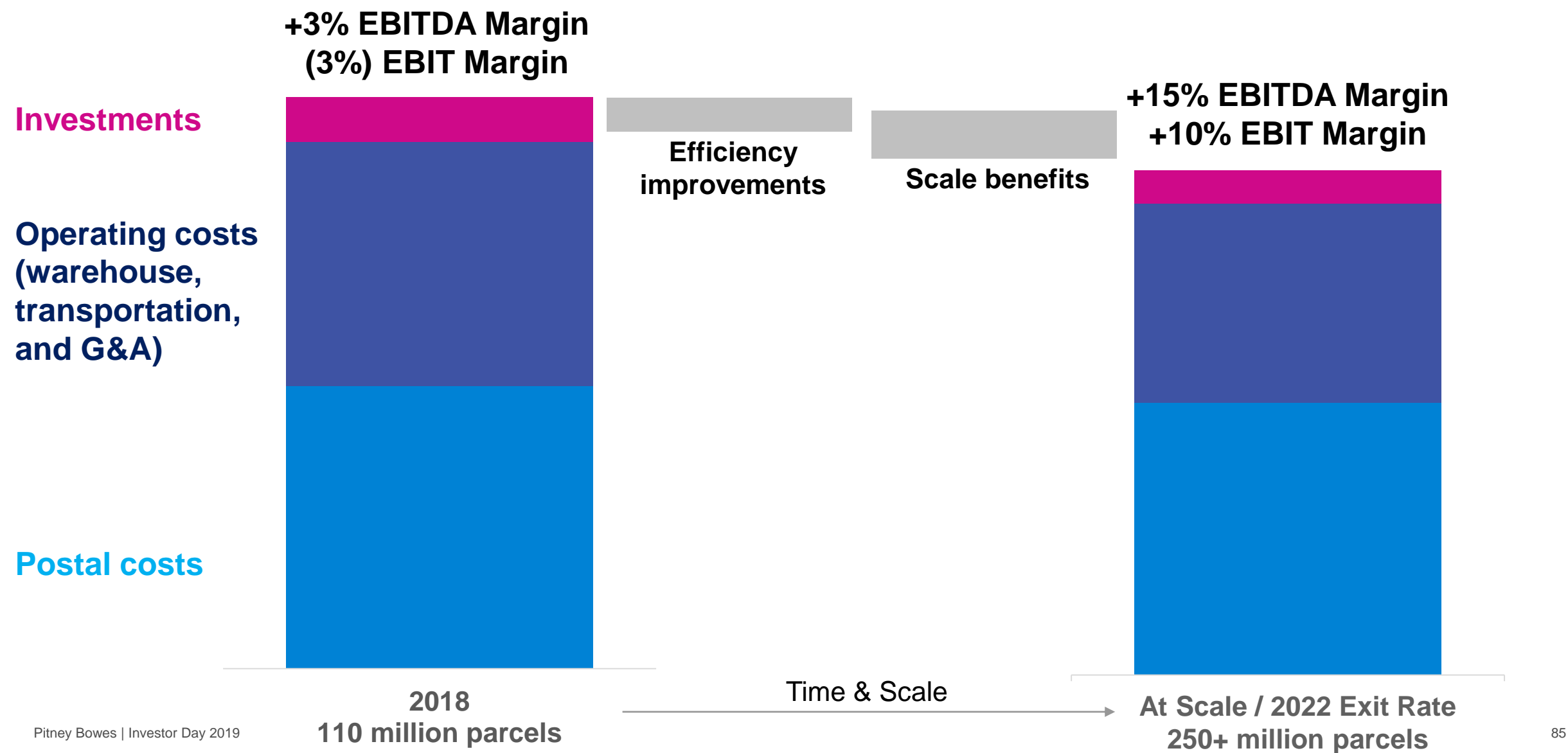
Global Ecommerce is Progressing Along the Maturity Curve as the Business Grows and Builds Scale



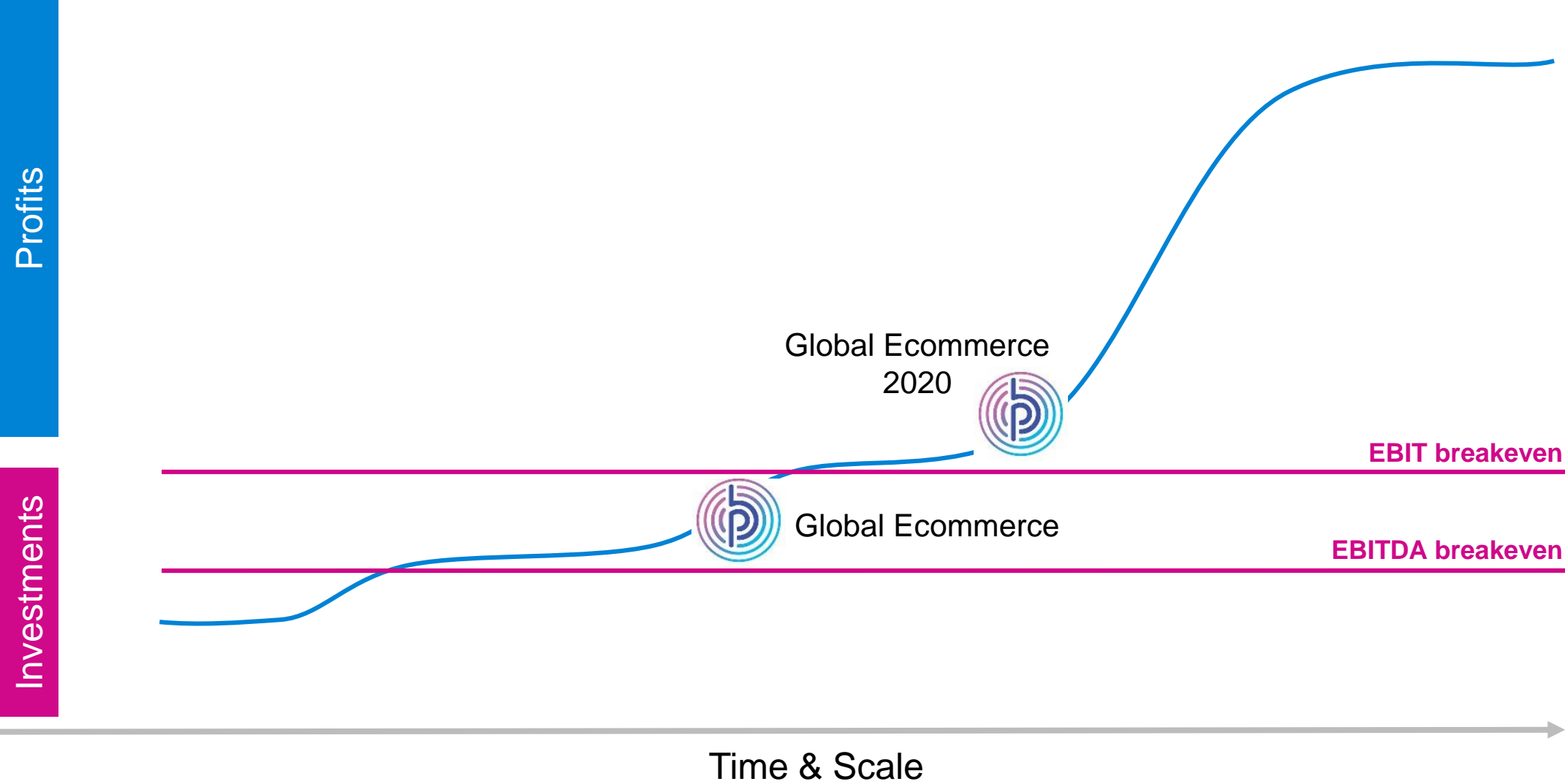
Domestic Parcel Unit Economics



Domestic Parcel Unit Economics: Evolution with Time and Scale



Global Ecommerce will Cross Over to Profitability in 2020



Key Takeaways – Commerce Services

- 1 Commerce Services continues to win in attractive markets
- 2 Global Ecommerce will be profitable in 2020



Financial Update

Stan Sutula

Executive Vice President and Chief Financial Officer

Pitney Bowes Financial Update

- 1 Business model continues to shift to growing markets
- 2 Revenue growth and spend optimization contribute to long-term earnings and free cash flow expansion
- 3 Flexible capital allocation strategy supports evolving business profile

Pitney Bowes Financial Update

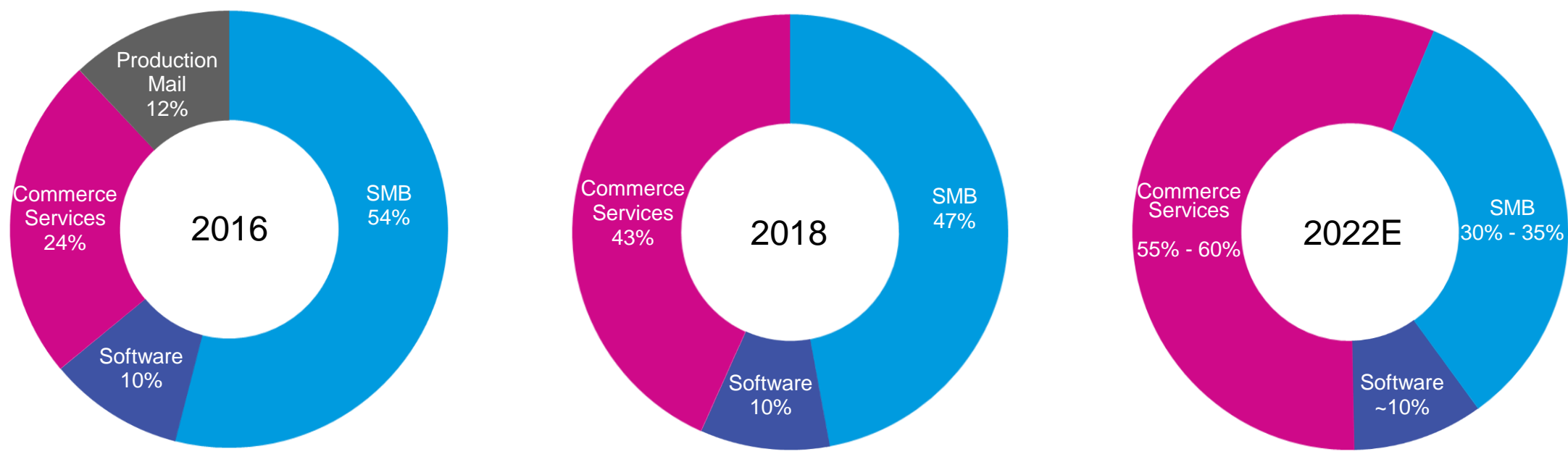
- 1 Business model continues to shift to growing markets
- 2 Revenue growth and spend optimization contribute to long-term earnings and free cash flow expansion
- 3 Flexible capital allocation strategy supports evolving business profile

Business Model Continues to Shift to Growing Markets

Market Size and Long-Term Market Growth Rates	Addressable Market Size (\$Bn)	Long-Term Market Growth Rate	Long-Term Market EBIT Margin %
Commerce Services			
Global Ecommerce	\$40 - \$44	12% - 14%	8% - 12%
Presort Services	\$3 - \$4	(2%) - Flat	15%+
Software Solutions			
	\$23 - \$25	9% - 11%	15% - 20%
SMB			
Mailing	\$2 - \$3	(6%) - (5%)	} 30% - 35%
Shipping	\$2 - \$3	9% - 11%	

Third-party financing initiatives create additional market opportunity longer term

Revenue Growth Continues as Portfolio Shifts to Higher-Growth Businesses



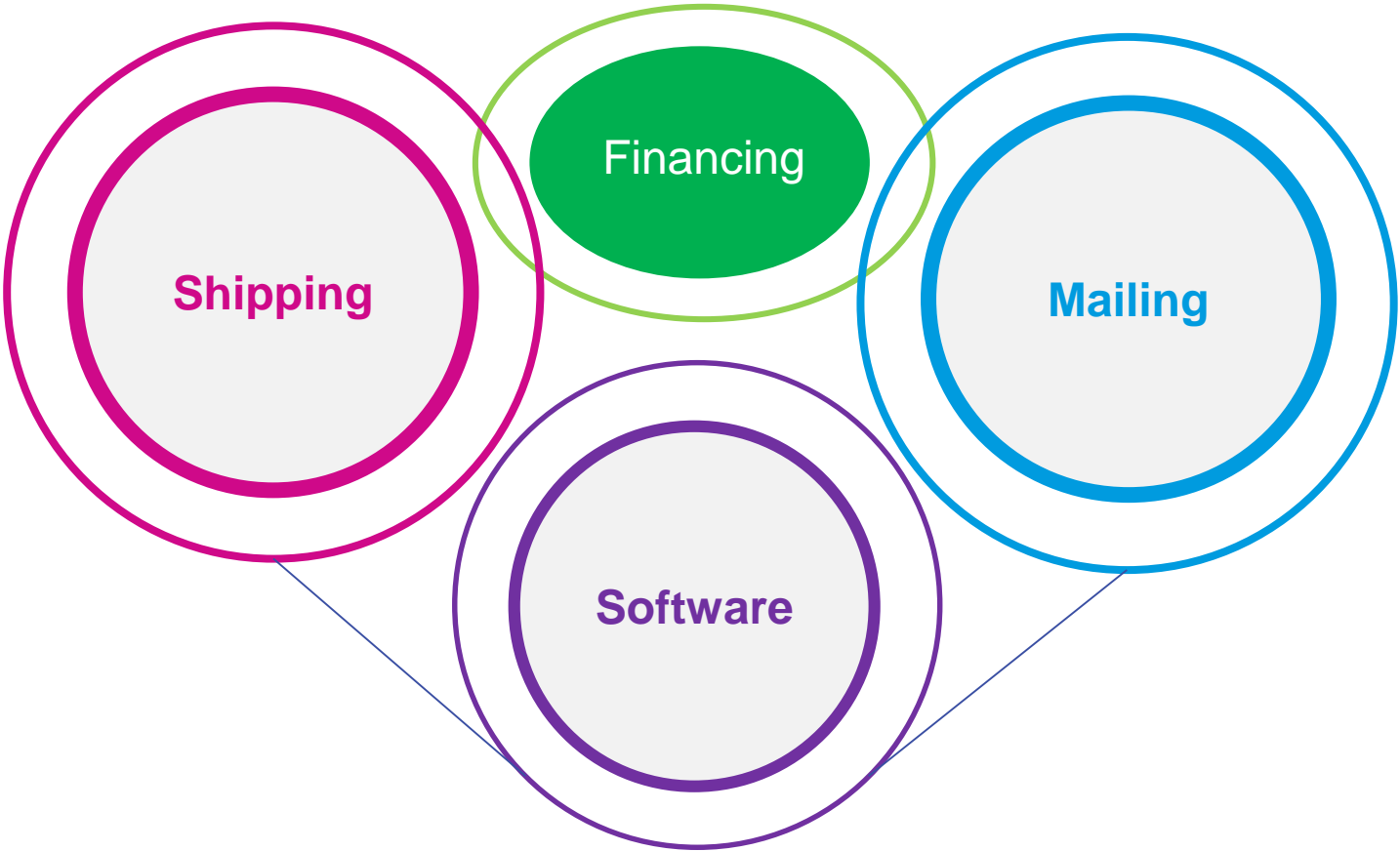
Pitney Bowes Growth ⁽¹⁾	(5%)	3%	5% - 7%
Market Growth ⁽²⁾	(1%)	2%	5%

(1) Annual revenue growth rate versus prior year. 2016 reflects revenue as reported prior to new Leasing Accounting Standard (ASC842). 2018 revenue growth rate reflects Newgistics in full year results for 2017; 2018 reported revenue grew 14%.

(2) Market growth rate based on weighting of portfolio and current long-term market growth rates

92

A Business Model Grounded in a Combination of Synergistic Services



Natural Adjacencies	Embedded Software Capabilities	Core Competencies	Shared USPS and Carrier Relationships	Integrated Commerce Cloud
---------------------	--------------------------------	-------------------	---------------------------------------	---------------------------

Pitney Bowes Financial Update

- 1 Business model continues to shift to growing markets
- 2 Revenue growth and spend optimization contribute to long-term earnings and free cash flow expansion
- 3 Flexible capital allocation strategy supports evolving business profile

Portfolio Shift Creates Sustainable Revenue Growth and Earnings Expansion

1

**Commerce Services
Growth and
Profitability**

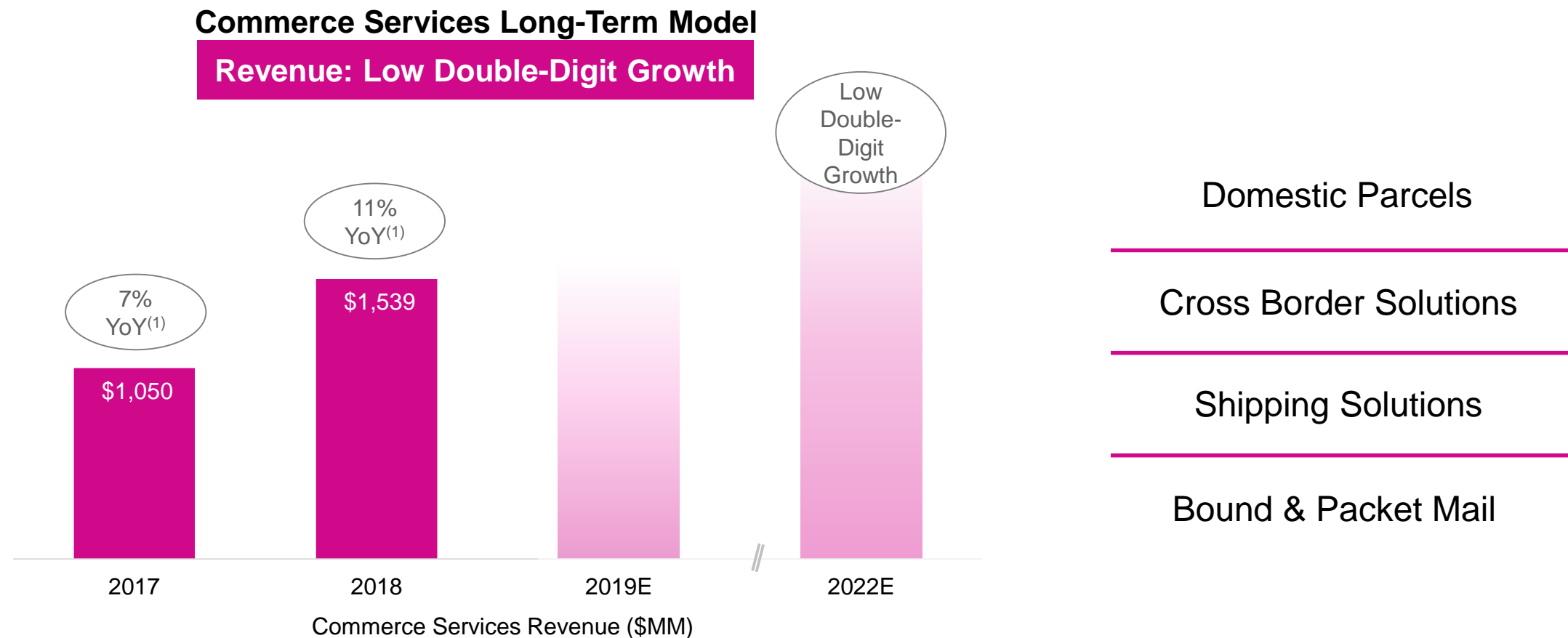
2

**SMB
New Client Value**

3

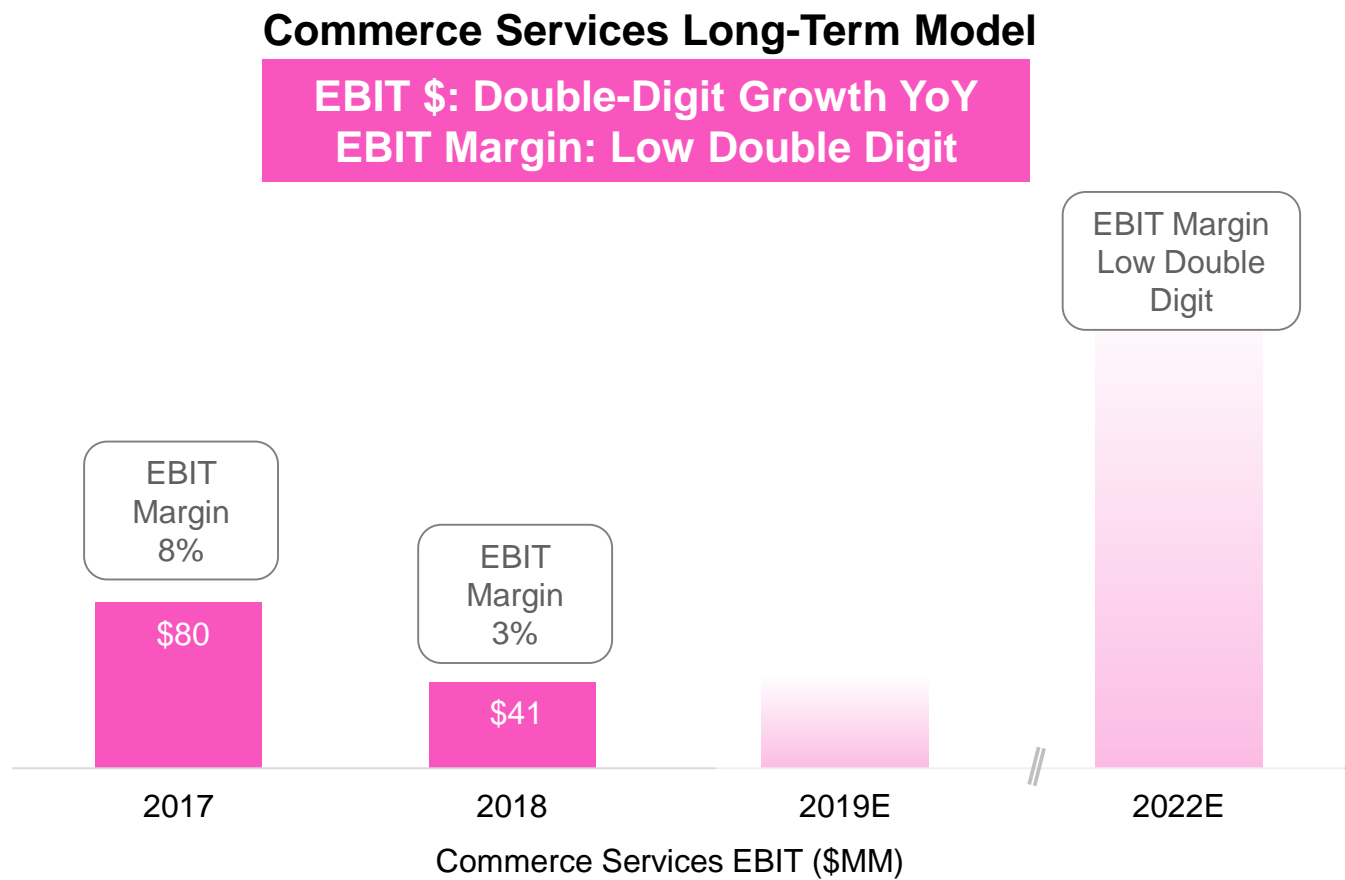
**Software Partner
Channel
Contribution**

Commerce Services Revenue Fuels Top-Line Growth for Pitney Bowes



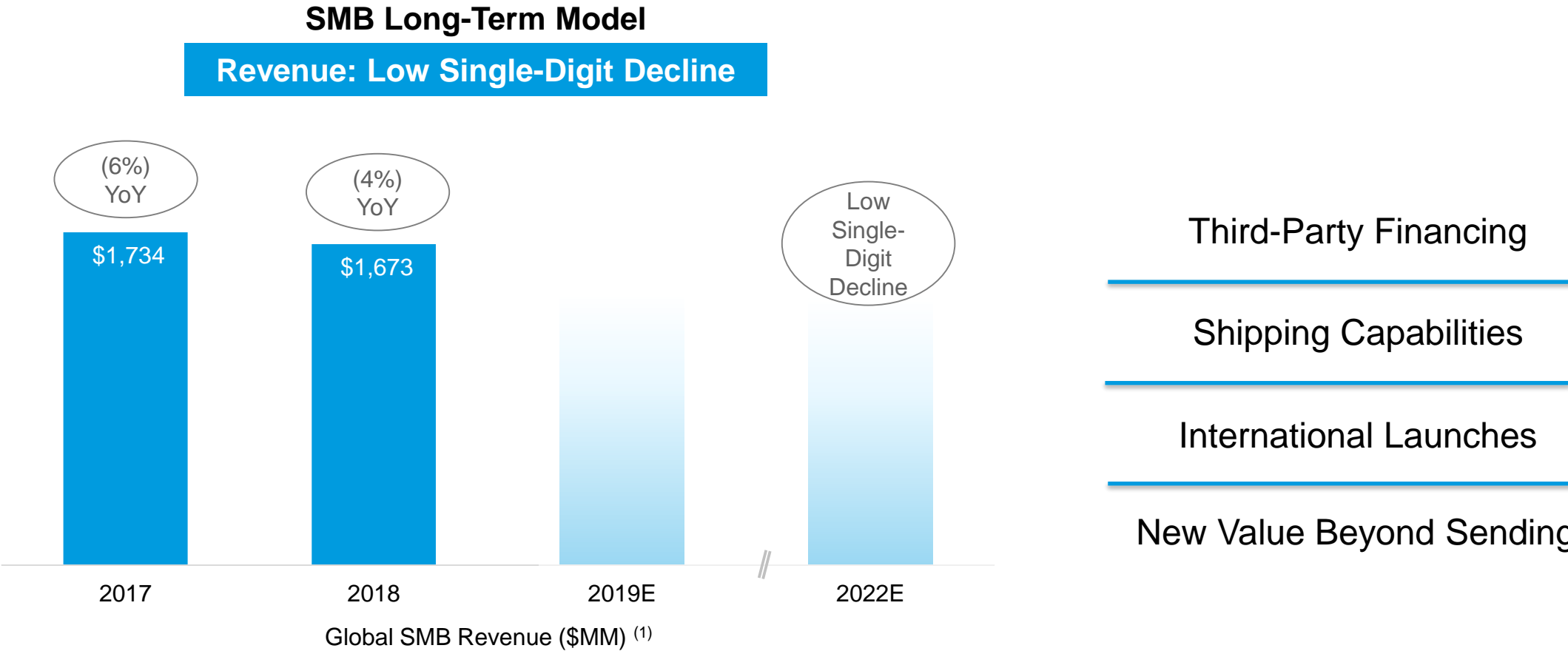
(1) Year-over-year revenue growth rate reflects Newgistics in full year results for 2016 & 2017. 2017 & 2018 reported revenue growth rates of 29% and 47%, respectively

Commerce Services EBIT Growth Driven by Scale and Operational Efficiency



- Global Ecommerce EBIT Profitable in 2020
- Parcel Volume / Scale
- Network Expansion / Optimization
- Operational Efficiency
- Client Experience Focus

SMB Revenue Decline Moderates Driven by Growth in Shipping and Third Party Financing

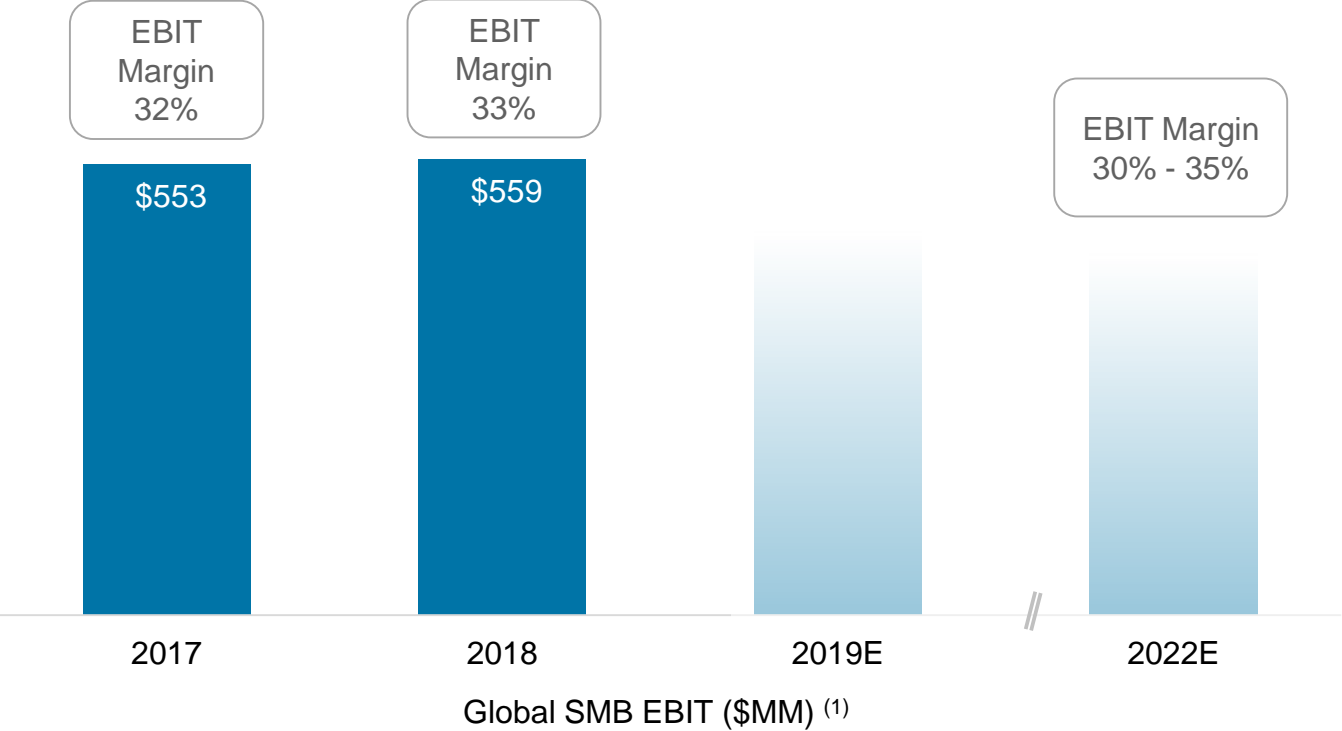


(1) 2017 & 2018 SMB revenue recast to reflect new Lease Accounting Standard (ASC 842)

SMB EBIT Dollars Flat or Better Year-over-Year in 2021

SMB Long-Term Model

EBIT \$: Flat to Low Single-Digit Growth YoY
EBIT Margin: 30% - 35%



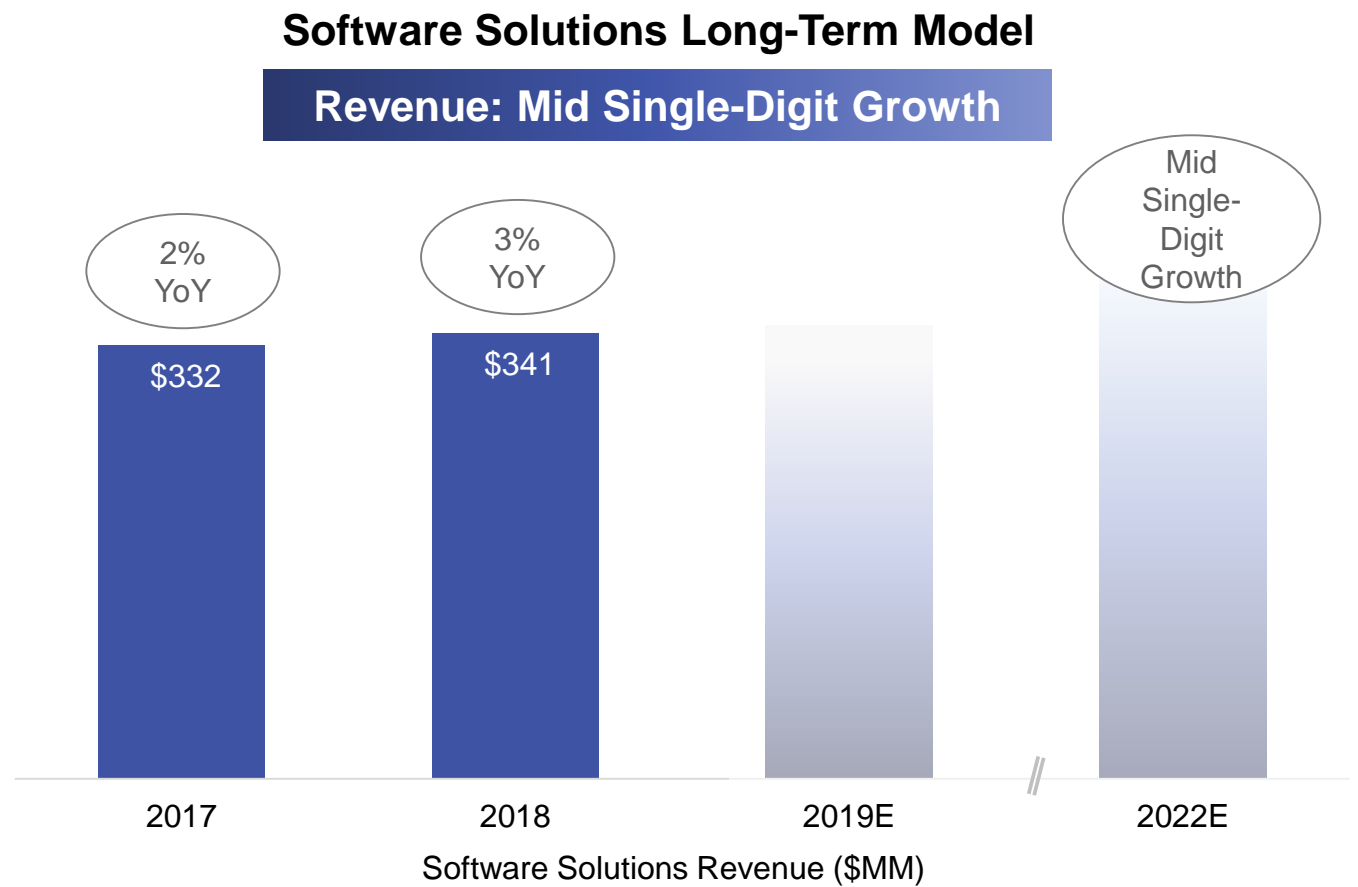
Shipping Capabilities

New Client Value

More Efficient Go-to-Market

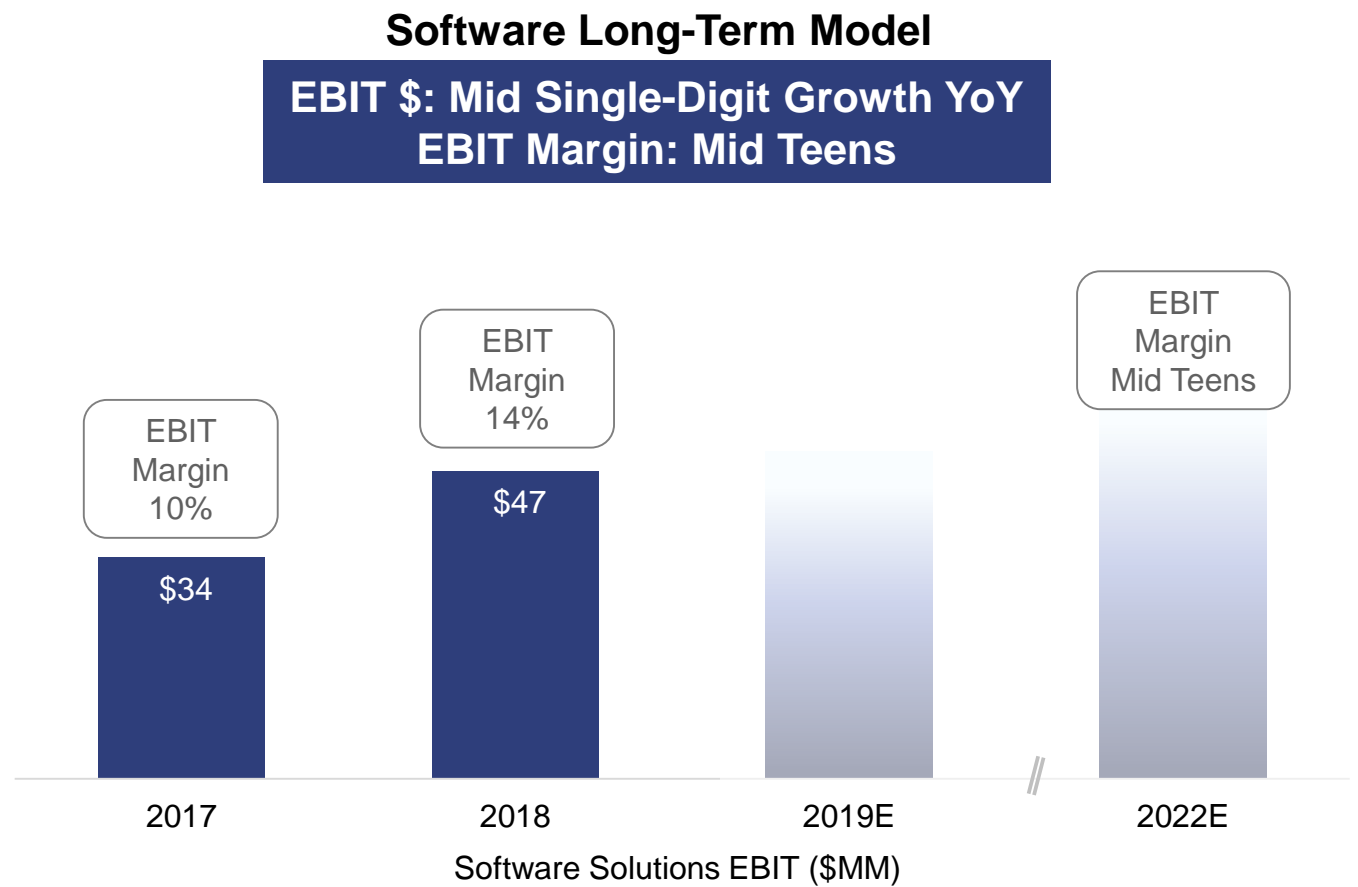
(1) 2017 & 2018 SMB EBIT recast to reflect new Lease Accounting Standard (ASC 842)

Software Solutions Revenue Benefits from Partner Channel and Data



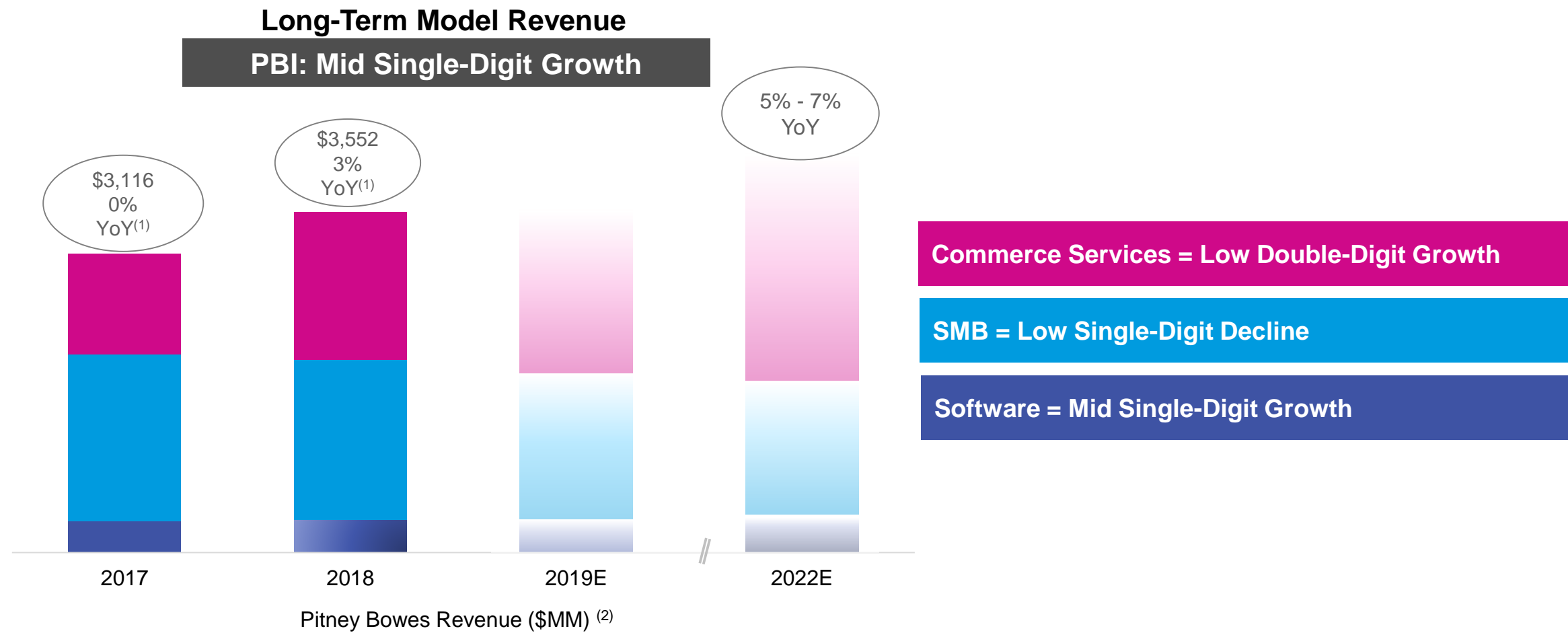
- Customer Information
- Location Intelligence
- Stand Alone Data
- Customer Engagement
- Partner Channel

Software Solutions EBIT Benefits from Partner Channel and Data



- Customer Information
- Location Intelligence
- Stand Alone Data
- Customer Engagement
- Partner Channel

Portfolio Shift to Higher Growth Markets Coupled with New Client Value Offerings Drives Overall Sustainable Revenue Growth



(1) Year-over-year revenue growth rate reflects Newgistics in full year results for 2016 & 2017. 2017 & 2018 reported revenue growth rates of 5% and 14%, respectively

(2) 2017 & 2018 revenue recast to reflect new Lease Accounting Standard (ASC 842)

SG&A Percent of Revenue Improves 500+ basis points from 2018 - 2022

1

**Revenue
Growth**

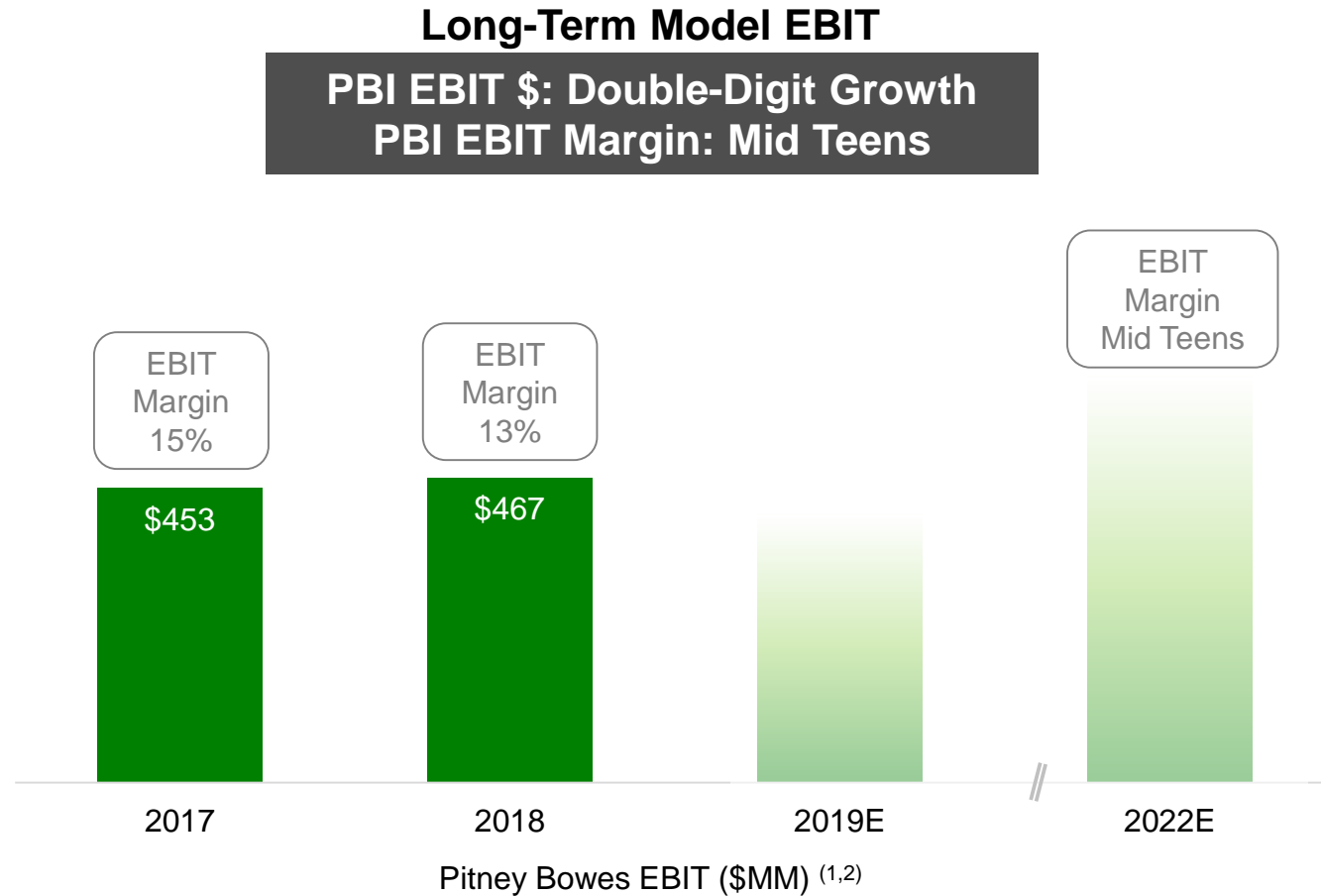
2

**Shared Services &
Corporate Structure**

3

**Simplification &
Optimization**

Revenue Growth and Spend Optimization to Drive Overall EBIT Growth



2022E PBI EBIT \$ YoY Drivers
Commerce Services = Double-Digit Growth
SMB = Flat to Low Single-Digit Growth
Software = Mid Single-Digit Growth

Long-Term Financial Model

2022 Year-over-Year Change

	% Portfolio	Revenue	EBIT \$	EBIT Margin %
Commerce Services	55% - 60%	Low double-digit growth	Double-digit growth	Low double-digit
SMB	30% - 35%	Low single-digit decline	Flat to Low single-digit growth	30% - 35%
Software Solutions	~10%	Mid single-digit growth	Mid single-digit growth	Mid teens
Pitney Bowes		Mid Single-Digit Growth	Double-Digit Growth	Mid Teens

Pitney Bowes Financial Update

- 1 Business model continues to shift to growing markets
- 2 Revenue growth and spend optimization contribute to long-term earnings and free cash flow expansion
- 3 Flexible capital allocation strategy supports evolving business profile

Flexible Capital Allocation Strategy Supports Evolving Business Profile

1

**Continued
Investment &
Portfolio Evolution**

2

**Balance Sheet
Focused**

3

**Return to
shareholders**

Revenue and Earnings Growth Supported by Continued Investment and Portfolio Evolution

Continued Investment

Shipping Capabilities

Third-Party Financing

Automation

Network Optimization

Portfolio Evolution

Inorganic Investment Criteria

Investments for long-term growth

Strategic coherency and synergistic

Drive acceptable ROI

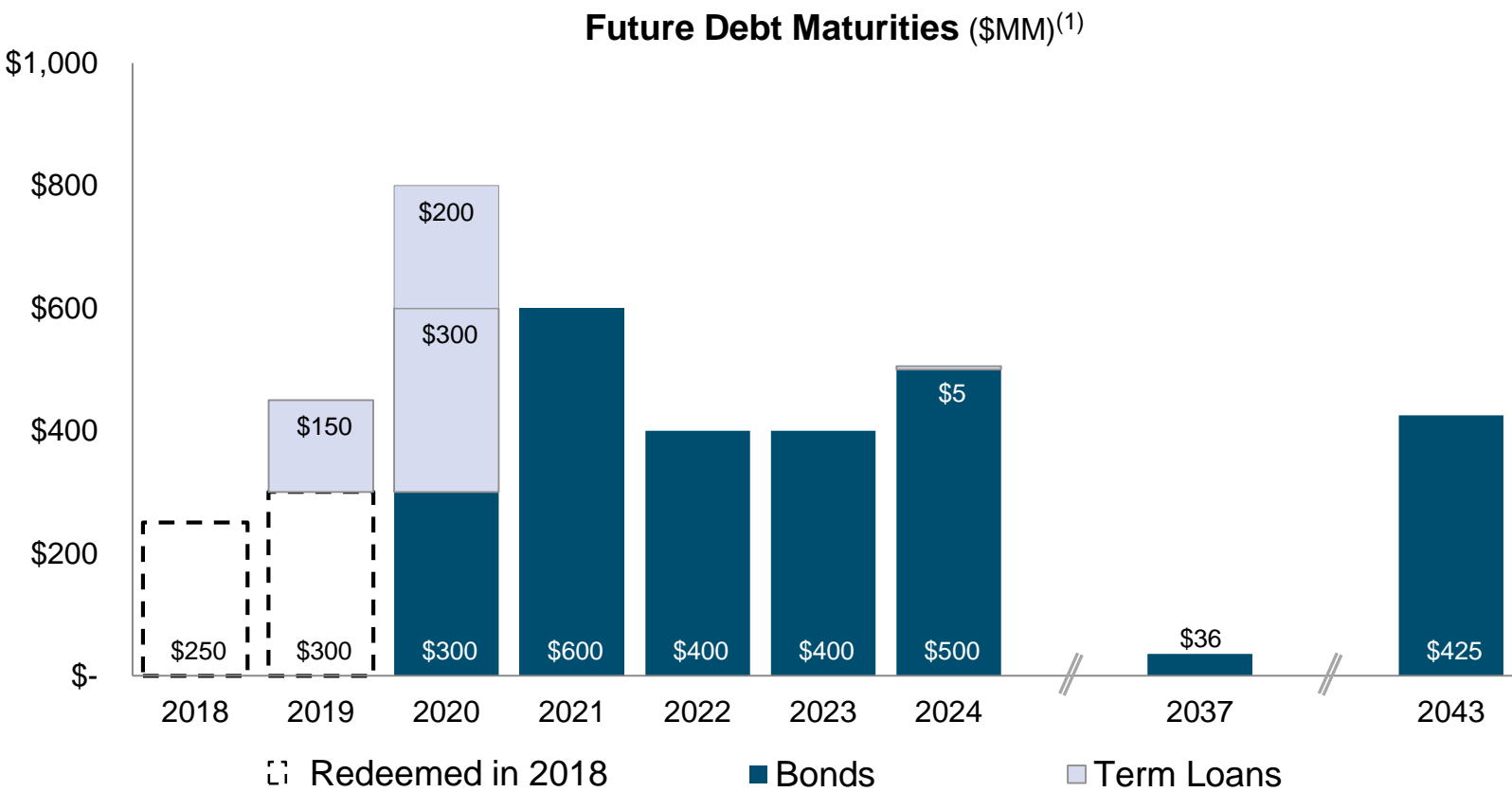
Portfolio Criteria

Strategic coherency

Market leader within respective market or a plan to become a market leader

Earn an acceptable return

Near-term Maturities to be Addressed through Refinancing and Free Cash Flow

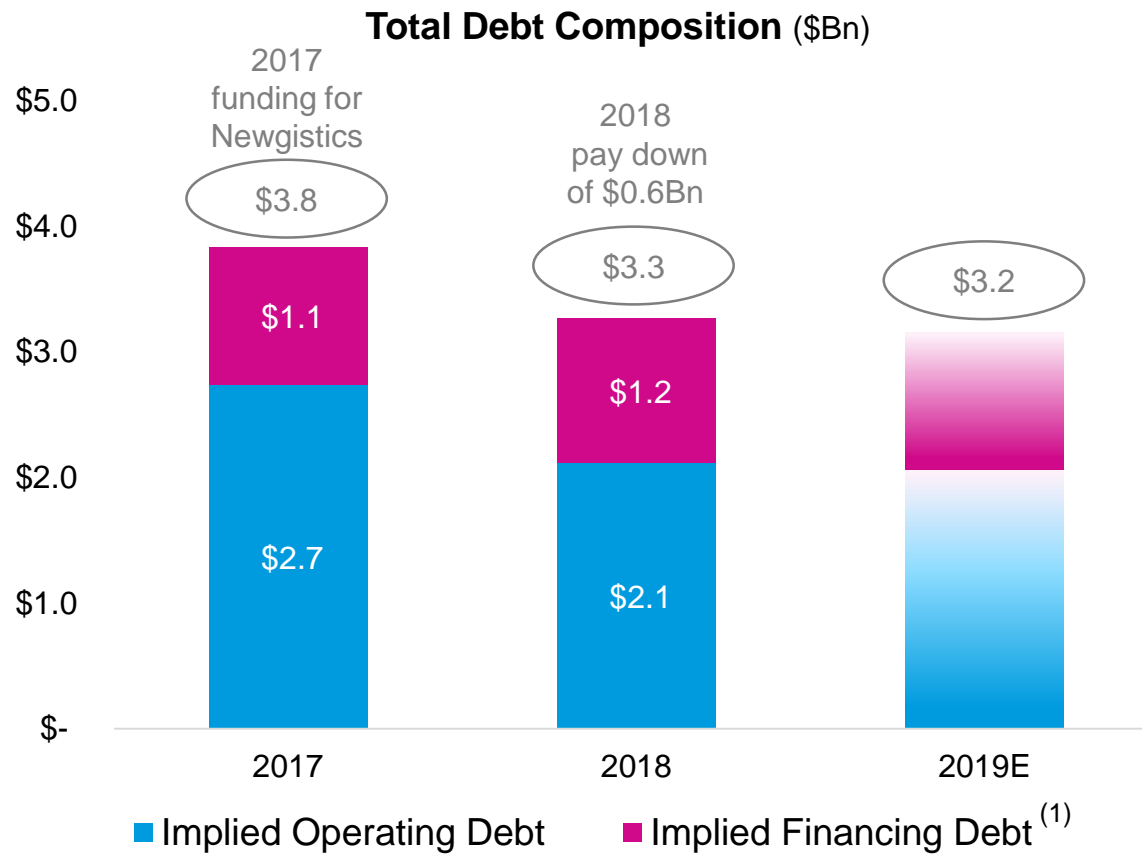


2018
Reduced \$570MM of debt

2019
Renegotiate Credit Facility

2019 – 2021
Refinance with term debt and bonds /
create warehouse capacity
for Wheeler Financial

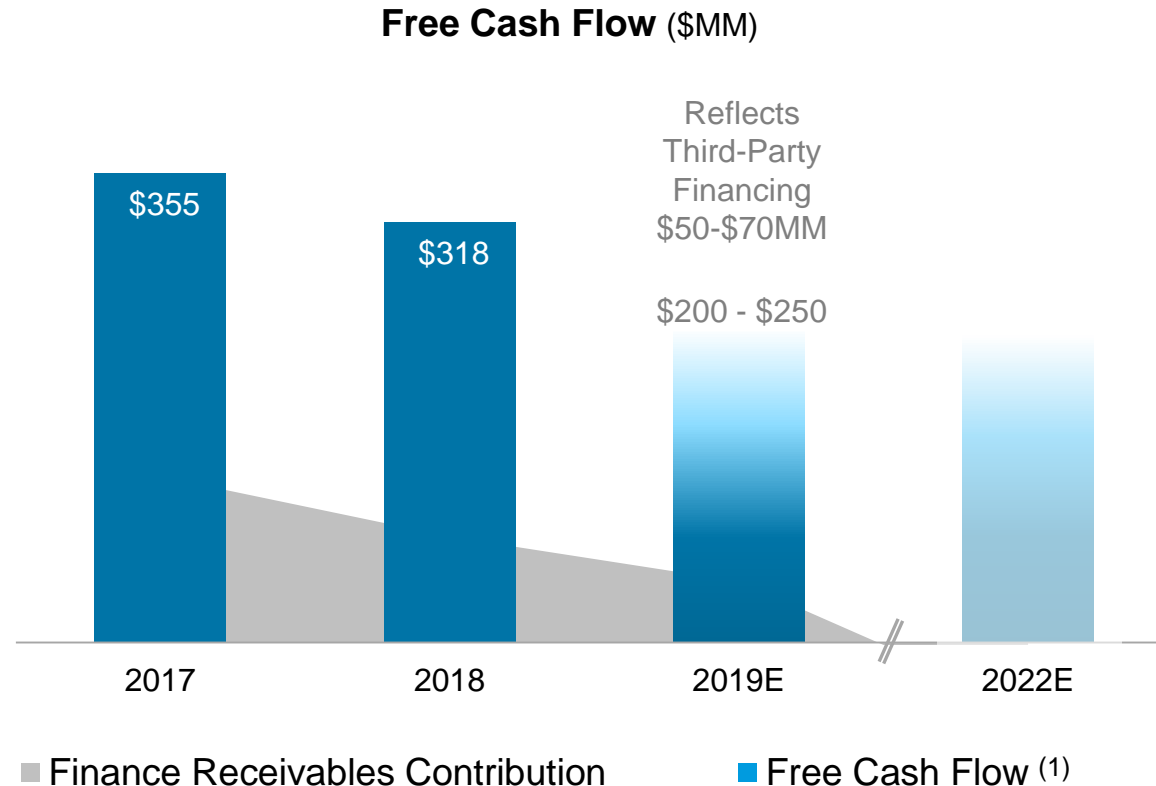
Debt Profile Reflects a Significant Investment in our Financing Business



Debt Composition, at 03/31/2019 (\$Bn)

Total Debt	\$ 3.3
- Implied Financing Related Debt ⁽¹⁾	- 1.1
Implied Operating Company Debt	\$ 2.2
- Cash & S/T Investments on Balance Sheet	- 0.9
Net Debt	\$ 1.3

Free Cash Flow will Return to Year-over-Year Growth in 2022



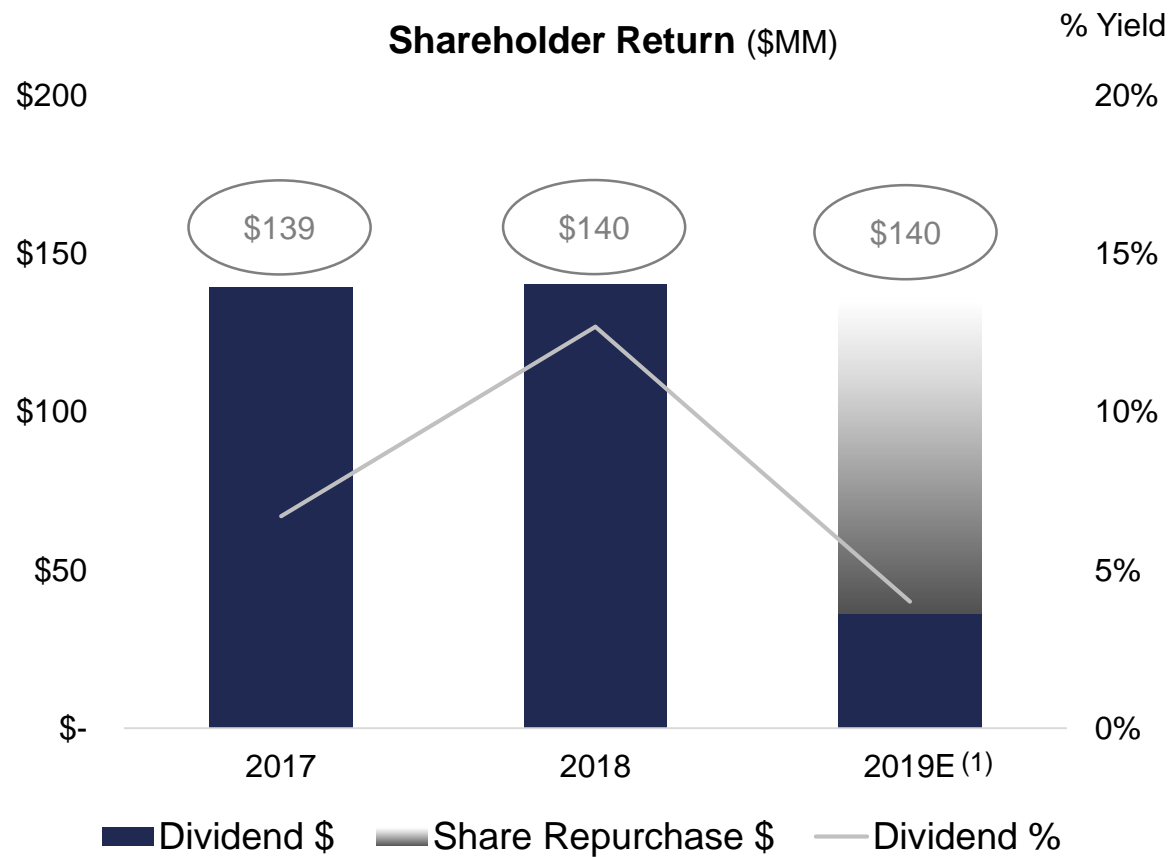
Sources of cash:

- Improved earnings performance from Business Units
- Improved working capital

Uses of cash:

- Third-Party Financing Initiatives as portfolio builds over next few years
- High-margin earning assets

Shareholder Return

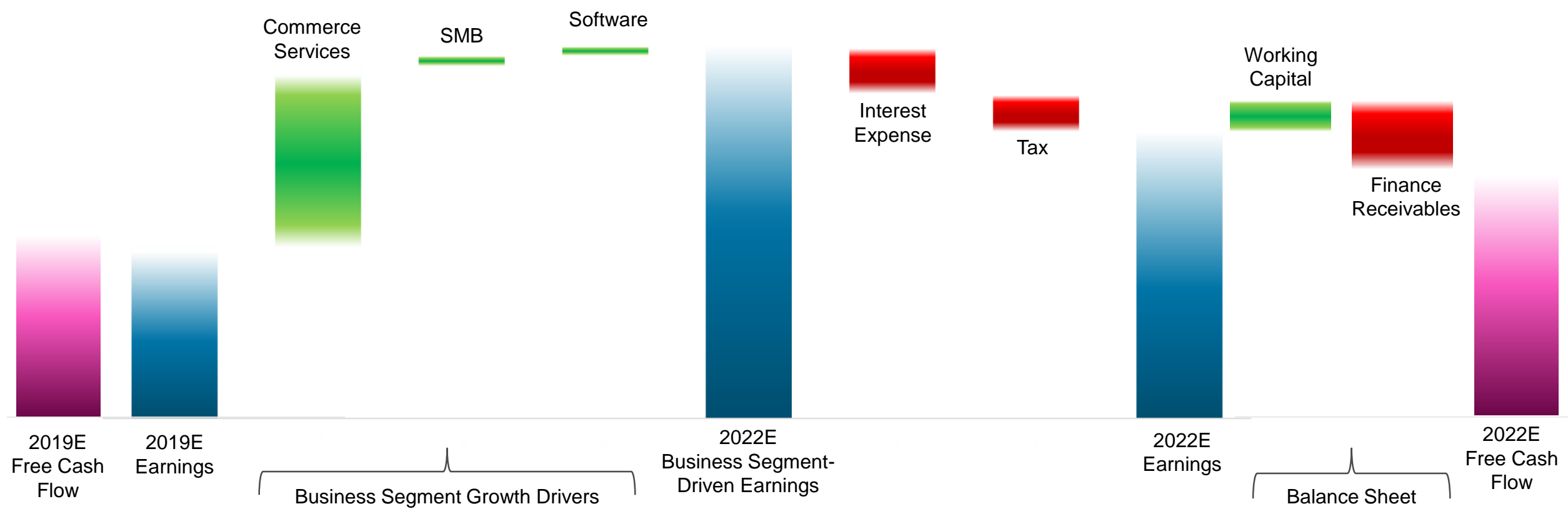


2019 shareholder return dollars unchanged; mix has changed

Maintain a competitive dividend yield

Current shareholder return mix provides further financial flexibility

Earnings and Free Cash Flow Expand Over the Period



Key Takeaways – Financials

Portfolio evolution delivers sustainable **revenue growth**

Portfolio balanced in **growth** and **improved profitability**

Continued **operational excellence**

Balanced investment in growth and deliver **competitive** shareholder return

Strategic flexibility to drive **valuation**

Executive Bios





Marc B. Lautenbach

President and Chief Executive Officer

Marc was appointed President and CEO in December 2012, and is a member of the Board of Directors.

Before joining Pitney Bowes, Marc spent 27 years at IBM. Marc's tenure at IBM included senior positions, leading the consulting and systems integration business in North America, sales in the Americas, and leading the small and medium business globally. In addition, Marc held senior executive positions in IBM Asia Pacific.

Marc was elected to the Campbell's Soup Company Board of Directors in June 2014. He is also a Board member of Catalyst, Inc., and a member of the Board of Trustees at Denison University.

Marc graduated magna cum laude and Phi Beta Kappa at Denison University in 1983 and went on to receive an MBA from the Kellogg Graduate School of Management at Northwestern University in 1985.



Jason Dies

Executive Vice President and President, Small and Medium Business Solutions

As the leader of SMB Solutions, Jason is responsible for growing Pitney Bowes' traditional SMB mailing business and creating new opportunities for growth in sending technology and other adjacent spaces. SMB Solutions helps clients save time and money by taking the complexity out of their businesses and by delivering new and unique value to drive efficiency of their mail and shipping operations and beyond.

Previously, Jason led the company's global Production Mail business for enterprise-level clients, including some of the world's largest banks, insurers and telecom companies.

Prior to joining Pitney Bowes, Jason spent 20 years at IBM working with clients across a range of industries and geographies. During his career at IBM, Jason worked and led teams in North America, Europe and Asia, and held leadership roles across large diverse business units including services, hardware, business process outsourcing and partner organizations.

Jason graduated from Cornell University with a Bachelor of Arts degree in Government, and holds a Masters of Arts in Political Science from the University of Pennsylvania.



Christopher Johnson

*Senior Vice President and
President, Financial Services*

As the leader of Financial Services, Christopher has accountability for all aspects of the business including strategy, growth and operations. This includes strategic analysis in global markets, assessing current capabilities against future opportunities, determining priorities for investment, organizational development and business culture. In this role he is also responsible for payments and shipping finance for the enterprise.

Christopher has held multiple business leadership and C-level roles at leading companies and has a proven track record of developing effective business strategies to accelerate growth. Prior to joining Pitney Bowes in April of 2016, he was President, Terex Financial Services, a global captive financial services company with multi-billion dollar assets under management in over 30 countries. Before that, he spent 15 years with GE in both the industrial and financial segments of their business. For 11 years of his tenure, he was with GE Capital holding a number of executive leadership positions in their international commercial and consumer banking organizations. Most notably he was Managing Director, GE Capital and Head of Trade and Supply Chain Finance. Prior to GE, he also held M&A, corporate and business development roles of increasing responsibility at Lincoln Financial Group and Markowitz & McNaughton.

Christopher has a Bachelor of Arts degree from Georgetown University. He also completed the executive professional development series at GE's Jack Welch Executive Leadership Institute.



Bob Guidotti

Executive Vice President and President, Software and Data Solutions

As the global leader of Software and Data Solutions, Bob is helping the company expand its global footprint as it rolls out a new suite of vertical software and data solutions. Built on the company's leading customer engagement, location intelligence, customer information management, and data quality technologies, the new solutions address common business challenges – including fraud management, compliance, network optimization and customer communication – shared by clients across various industries. Bob is responsible for the overall strategy, sales and development of the company's software and data solutions business.

Bob came to Pitney Bowes with more than 20 years of experience in the software business. Most recently, Bob was General Manager, Software Sales at IBM, where he was responsible for sales, technical sales, and channels for the Software portfolio worldwide. Bob held a series of executive positions including head of IBM software sales in North America, where he managed and directed a team of more than 7,000 people and more than \$8 Billion of revenue in annual sales and services.

Bob earned his undergraduate degree in marketing from Pace University.



Lila Snyder

Executive Vice President and President, Commerce Services

Lila Snyder is Executive Vice President and President, Commerce Services at Pitney Bowes Inc. In this role, she is responsible for the company's technology-enabled ecommerce and logistics businesses, including cross-border, presort, fulfillment, delivery and returns services. The Commerce Services business unit plays a critical role in the Pitney Bowes transformation strategy, serving more than 3,000 clients, including more than 700 retailers, and accounting for nearly \$1.5 billion in annual revenue.

Prior to this role, Lila was President of Pitney Bowes' global production mail business for enterprise-level clients, including some of the world's largest banks, insurers and telecom companies. Before joining Pitney Bowes in November 2013, Lila was a partner at McKinsey & Company, Inc. In this role, she led McKinsey's Stamford office and focused on serving clients in the technology, media and communications sectors. Her work spanned strategy, operations, marketing and sales, working with clients to drive sustainable performance and build capabilities.

Lila holds S.M. and Ph.D. degrees in mechanical engineering from the Massachusetts Institute of Technology and a Bachelor of Science degree in mechanical engineering from the University of Miami.



Stan Sutula

Executive Vice President and Chief Financial Officer

As Chief Financial Officer, Stan is responsible for the financial operations of the company on a global basis, which includes treasury, audit, investor relations and tax functions.

Before joining Pitney Bowes in 2017, Stan spent 28 years at IBM Corporation. His tenure includes financial management experience of increasing responsibility, most recently serving as its Vice President and Controller. Stan is a skilled and experienced executive who has led large, global, corporate and business unit teams and brings an extensive background in finance, accounting, treasury, financial planning and analysis, audit, risk and compliance.

Stan graduated from Northeastern University with a Bachelor of Science degree in Finance and Management. He went on to receive an MBA in Finance from the Fordham Gabelli School of Business.

Stan serves on the Board of Directors for Avaya Holdings Corporation.



Adam David

Vice President, Investor Relations

As the Vice President of Investor Relations, Adam is focused on managing the company's communications with its investment community.

Prior to this role, Adam was Vice President, Office of the CEO. He reported to Marc Lautenbach and supported Marc and the Senior Management Team in executing on the Pitney Bowes strategy.

Before assuming the Office of the CEO role in 2015, Adam David was Vice President of Finance. In this role, he lead the decision support efforts for the company, which drew on his extensive experience in finance and accounting, coupled with a successful track record of consistently driving toward financial targets and building strong teams to set and meet business objectives.

Prior to taking on this responsibility in 2013, Adam had served as Vice President, Group Financial Officer, for both Pitney Bowes Communications Solutions and Pitney Bowes Management Services. Under his leadership, the decision support team brought greater focus on the profitability and operations of these two groups.

Adam joined Pitney Bowes in 2007 from IBM where he most recently served as Director of Finance, IBM Americas Global Technology Services, responsible for finance and planning of this \$14 billion business unit. He began his career with IBM in 1996 in Corporate Finance and rose to positions of increasing responsibility in the Global Financing business.

Prior to joining IBM, Adam held positions with Readers Digest Association, PepsiCo and Price Waterhouse Coopers.

He is a Certified Public Accountant and has a Bachelor of Science degree in accounting from Iona College.

Appendix

Business Segment Reporting⁽¹⁾

(Unaudited; in thousands)

	2018 ANNUAL	2017 ANNUAL	2016 ANNUAL
<u>REVENUE</u>			
Global Ecommerce	\$ 1,022,862	\$ 552,242	\$ 339,320
Presort Services	515,795	497,901	475,582
Commerce Services	1,538,657	1,050,143	814,902
North America Mailing	1,307,477	1,357,912	1,429,027
International Mailing	365,388	375,952	412,244
Small & Medium Business Solutions	1,672,865	1,733,864	1,841,271
Software Solutions	340,855	331,627	325,150
Total Revenue	\$ 3,552,377	\$ 3,115,634	\$ 2,981,323
<u>EBIT</u>			
Global Ecommerce	\$ (32,379)	\$ (17,899)	\$ 3,043
Presort Services	73,768	97,506	95,258
Commerce Services	41,389	79,607	98,301
North America Mailing	\$ 495,779	\$ 506,826	\$ 594,723
International Mailing	63,180	46,440	45,408
Small & Medium Business Solutions	558,959	553,266	640,131
Software Solutions	47,094	33,818	22,119
Total Segment EBIT ⁽²⁾	\$ 647,442	\$ 666,691	\$ 760,551
<u>EBITDA</u>			
Global Ecommerce	\$ 28,667	\$ 18,763	\$ 33,650
Presort Services	100,606	124,047	123,187
Commerce Services	129,273	142,810	156,837
North America Mailing	526,105	536,441	654,789
International Mailing	71,956	56,185	64,839
Small & Medium Business Solutions	598,061	592,626	719,628
Software Solutions	56,635	42,796	36,740
Total Segment EBITDA ⁽³⁾	\$ 783,969	\$ 778,232	\$ 913,205

(1) Per GAAP reporting, 2017 and 2018 have been recast to reflect the new lease accounting standard (ASC842), effective January 1, 2019; 2016 has not been recast

(2) Segment EBIT excludes interest, taxes, general corporate expenses, restructuring charges and other items, which are not allocated to a particular business segment

(3) Segment EBITDA is calculated as Segment EBIT plus Segment depreciation and amortization expense

Consolidated Statements of Income⁽¹⁾

(Unaudited; in thousands)

	2018 ANNUAL	2017 ANNUAL	2016 ANNUAL
Revenue:			
Equipment sales	\$ 395,652	\$ 400,704	\$ 480,031
Supplies	218,304	231,412	241,950
Software	340,855	331,843	325,577
Rentals	93,412	103,011	410,241
Financing	394,557	406,395	366,424
Support services	543,127	571,248	329,424
Business services	1,566,470	1,071,021	827,676
Total revenue	3,552,377	3,115,634	2,981,323
Costs and expenses:			
Cost of equipment sales	236,160	238,088	203,220
Cost of supplies	60,960	66,302	65,509
Cost of software	102,006	94,964	96,151
Cost of rentals	37,178	33,741	74,457
Financing interest expense	44,376	46,178	55,241
Cost of support services	178,671	171,694	166,247
Cost of business services	1,233,105	770,018	568,509
Selling, general and administrative	1,153,583	1,179,143	1,140,100
Research and development	96,259	103,951	107,378
Goodwill impairment	-	-	148,181
Restructuring charges and asset impairments, net	26,603	56,223	60,295
Other components of net pension cost	22,425	5,413	5,276
Interest expense, net	115,381	117,984	88,970
Other expense	7,964	3,856	-
Total costs and expenses	3,314,671	2,887,555	2,779,534
Income before income taxes	237,706	228,079	201,789
Provision for income taxes	19,582	24,529	106,975
Income from continuing operations	218,124	203,550	94,814
Income from discontinued operations, net of tax	23,687	39,978	17,036
Net income	241,811	243,528	111,850
Less: Preferred stock dividends attributable to noncontrolling interests	-	-	19,045
Net income - Pitney Bowes Inc.	\$ 241,811	\$ 243,528	\$ 92,805

(1) Per GAAP reporting, 2017 and 2018 have been recast to reflect the new lease accounting standard (ASC842), effective January 1, 2019; 2016 has not been recast

Reconciliation of Reported Net Income to Adjusted EBIT and EBITDA⁽¹⁾

(Unaudited; in thousands)

	2018 ANNUAL	2017 ANNUAL	2016 ANNUAL
Net income	\$ 241,811	\$ 243,528	\$ 111,850
Less: Preferred stock dividends attributable to noncontrolling interests	-	-	19,045
Net income - Pitney Bowes Inc.	241,811	243,528	92,805
Income from discontinued operations, net of tax	(23,687)	(39,978)	(17,036)
Restructuring charges and asset impairments, net	20,586	37,409	40,522
Pension settlement	23,402	-	-
Tax legislation	(34,282)	(17,512)	-
Goodwill impairment	-	-	146,433
Impact of divestiture transactions	-	-	3,893
Gain on sale of technology	-	(5,605)	-
Other expense	5,933	2,375	-
Preferred stock redemption	-	-	6,430
Transaction costs	2,688	4,052	206
Net income, as adjusted	236,451	224,269	273,253
Interest, net	159,757	164,162	144,211
Provision for income taxes, as adjusted	70,755	64,188	127,718
Preferred stock dividends attributable to noncontrolling interests, as adjusted	-	-	15,415
Adjusted EBIT	466,963	452,619	560,597
Depreciation and amortization	158,003	135,227	174,065
Adjusted EBITDA	<u>\$ 624,966</u>	<u>\$ 587,846</u>	<u>\$ 734,662</u>

(1) Per GAAP reporting, 2017 and 2018 have been recast to reflect the new lease accounting standard (ASC842), effective January 1, 2019; 2016 has not been recast

Reconciliation of Reported Diluted Earnings per Share to Adjusted Diluted Earnings per Share⁽¹⁾ (Unaudited)

	2018 ANNUAL	2017 ANNUAL	2016 ANNUAL
Diluted earnings per share	\$ 1.28	\$ 1.30	\$ 0.49
Income from discontinued operations, net of tax	(0.13)	(0.21)	(0.09)
Restructuring charges and asset impairments, net	0.11	0.20	0.21
Pension settlement	0.12	-	-
Tax legislation	(0.18)	(0.09)	0.77
Goodwill impairment	-	-	0.02
Gain on sale of technology	-	(0.03)	-
Preferred stock redemption	-	-	0.03
Other expense	0.03	0.01	-
Transaction costs	0.01	0.02	-
Diluted earnings per share, as adjusted ⁽²⁾	<u>\$ 1.26</u>	<u>\$ 1.20</u>	<u>\$ 1.45</u>

(1) Per GAAP reporting, 2017 and 2018 have been recast to reflect the new lease accounting standard (ASC842), effective January 1, 2019; 2016 has not been recast

(2) 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⁽¹⁾

(Unaudited; in thousands)

	2018 ANNUAL	2017 ANNUAL	2016 ANNUAL
Net cash provided by operating activities	\$ 392,262	\$ 495,813	\$ 496,122
Cash used in (provided by) operating activities - discontinued operations	29,103	(29,004)	(93,213)
Net cash provided by operating activities - continuing operations	421,365	466,809	402,909
Capital expenditures	(191,444)	(168,097)	(159,232)
Restructuring payments	52,974	37,454	62,071
Reserve account deposits	21,008	10,954	(2,183)
Transaction costs paid	14,203	7,396	335
Pension plan contribution	-	-	36,731
Free Cash Flow	<u>\$ 318,106</u>	<u>\$ 354,516</u>	<u>\$ 340,631</u>

(1) Free Cash Flow was not impacted by the new lease accounting standard (ASC842). However, certain components of Free Cash Flow will be impacted but have not been reflected in the above reconciliation.

Thank You