

Pitney Bowes

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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. In particular, we continue to navigate the impacts of the Covid-19 pandemic (Covid-19), and the effect that its unpredictability is having on our, and our client’s business, financial performance and results of operations. Other factors which could cause future financial performance to differ materially from expectations, and which may also be exacerbated by Covid-19 or a negative change in the economy, 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; the loss of, or significant changes to, our contractual relationships with the United States Postal Service (USPS) or USPS’ performance under those contracts; our ability to continue to grow and manage volumes, gain additional economies of scale and improve profitability within our Global Ecommerce segment; changes in labor and transportation availability and costs; and other factors as more fully outlined in the Company's 2021 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.

Pitney Bowes: *We provide technology, logistics, & financial services to businesses of all sizes – which reduce the complexity of sending mail and parcels*



SendTech

Digital & Physical: Ship | Mail | Analytics



\$1.40 Billion

38%
of 2021 revenue



Presort Services

Sorting: First Class & Marketing Mail | Flats



\$573 Million

16%
of 2021 revenue



Global Ecommerce

Domestic and Cross-Border Parcel Services



\$1.70 Billion

46%
of 2021 revenue

Financing Solutions Across Our Business Portfolio

Sending Technology Solutions (SendTech)

Market-leading business with high-margin, recurring revenue model

Core Solution Portfolio



SendPro MailStation



SendPro C-Series



SendPro P-Series

Shipping Solution Portfolio



PitneyShip



Enterprise & Government Shipping



Receiving & Parcel Management



Global installed base of **800k+** leveraging hardware and software for shipping and mailing



Eight-year average client relationship with a **90%+** retention rate



65-70% recurring revenue with **~30%** EBIT margins



75%+ of sales transactions via **low-cost GTM channels** (tele/web)



55% of **U.S. client base** is shipping capable (Multi-carrier / rate shopping)

Presort Services

Scaled and market-leading business with a predictable financial profile



Largest workshare partner of the USPS with network of 35 operating centers



Processed over **17 billion pieces of mail** in 2021, making Presort the **2nd largest mail handler in the world**



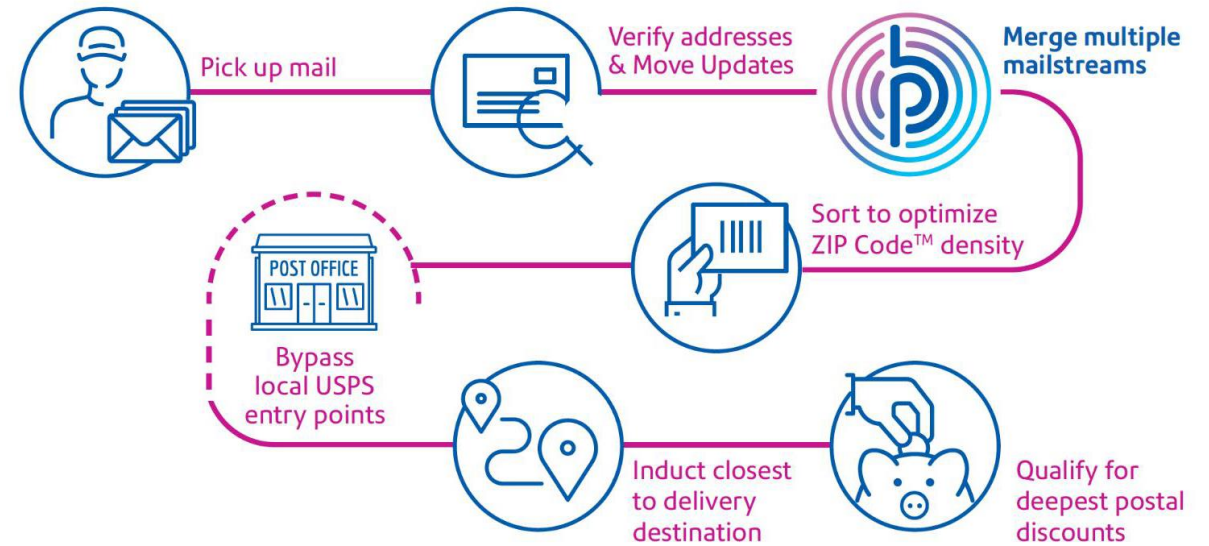
2,500+ clients in verticals including financial services, mail/marketing service, non-profit, and education



2018-21 revenue CAGR of 3.6% despite mailing headwinds



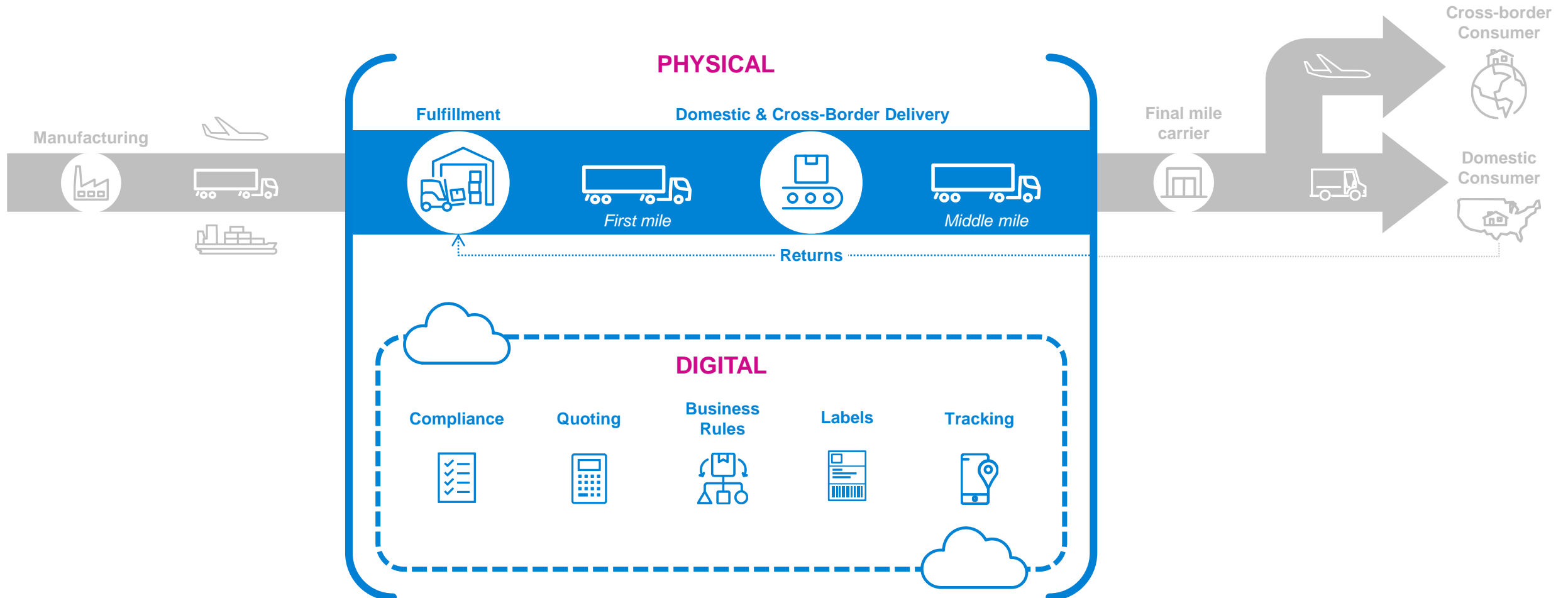
Attractive long-term EBIT margin profile of ~15%



Presort Services maximize mailing speed and mail density by zip code to minimize cost for shippers

Global Ecommerce – Overview

Capital efficient business model providing global ecommerce logistics services



Global Ecommerce – Overview (Cont'd)

Well positioned to pursue a large and rapidly growing market opportunity



2018-2021 Revenue CAGR of 18.5%



Network of 16 USA-based logistics hubs processed ~175 million parcels in 2021



Cross-border shipping lanes to 200+ countries

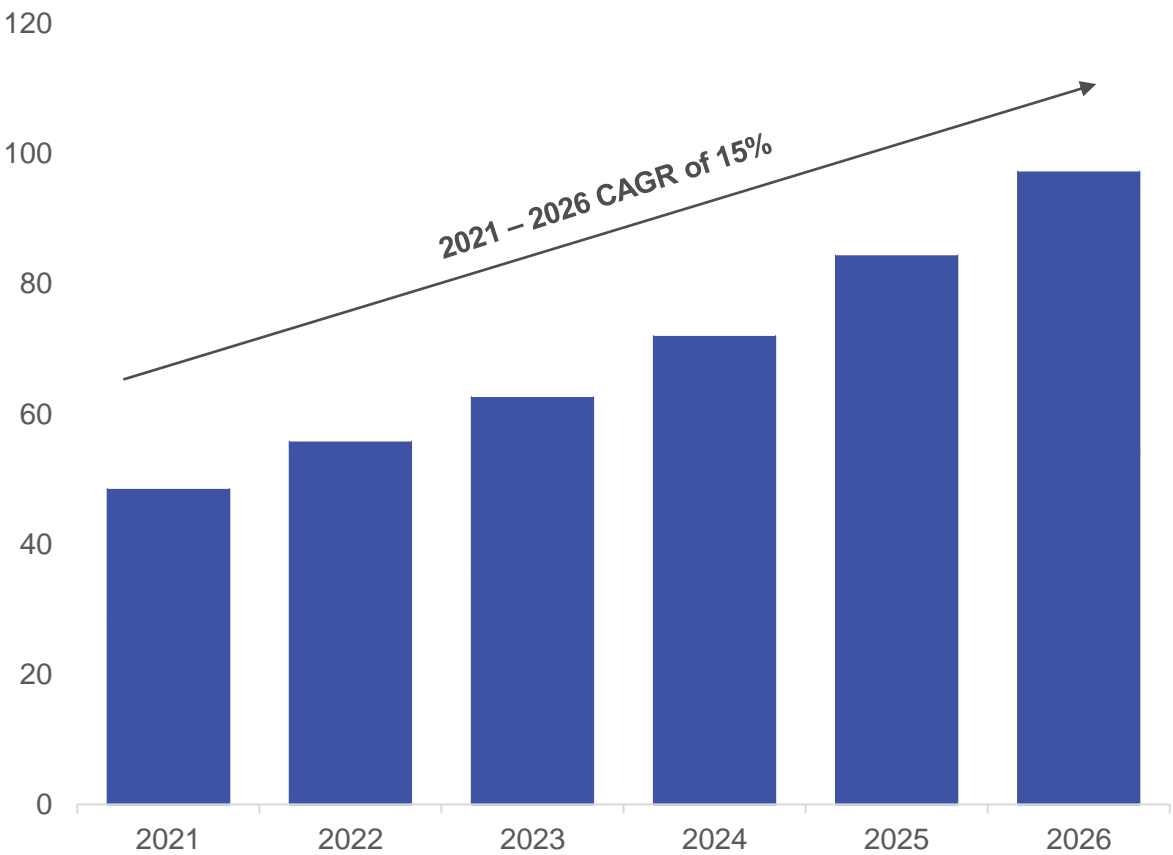


450+ clients consisting of enterprise retailers, mid-market retailers, ecommerce marketplaces, and logistics service providers



Opportunity for meaningful margin expansion via domestic parcel volume growth and additional network efficiencies

Addressable Market (\$ Billions)⁽¹⁾



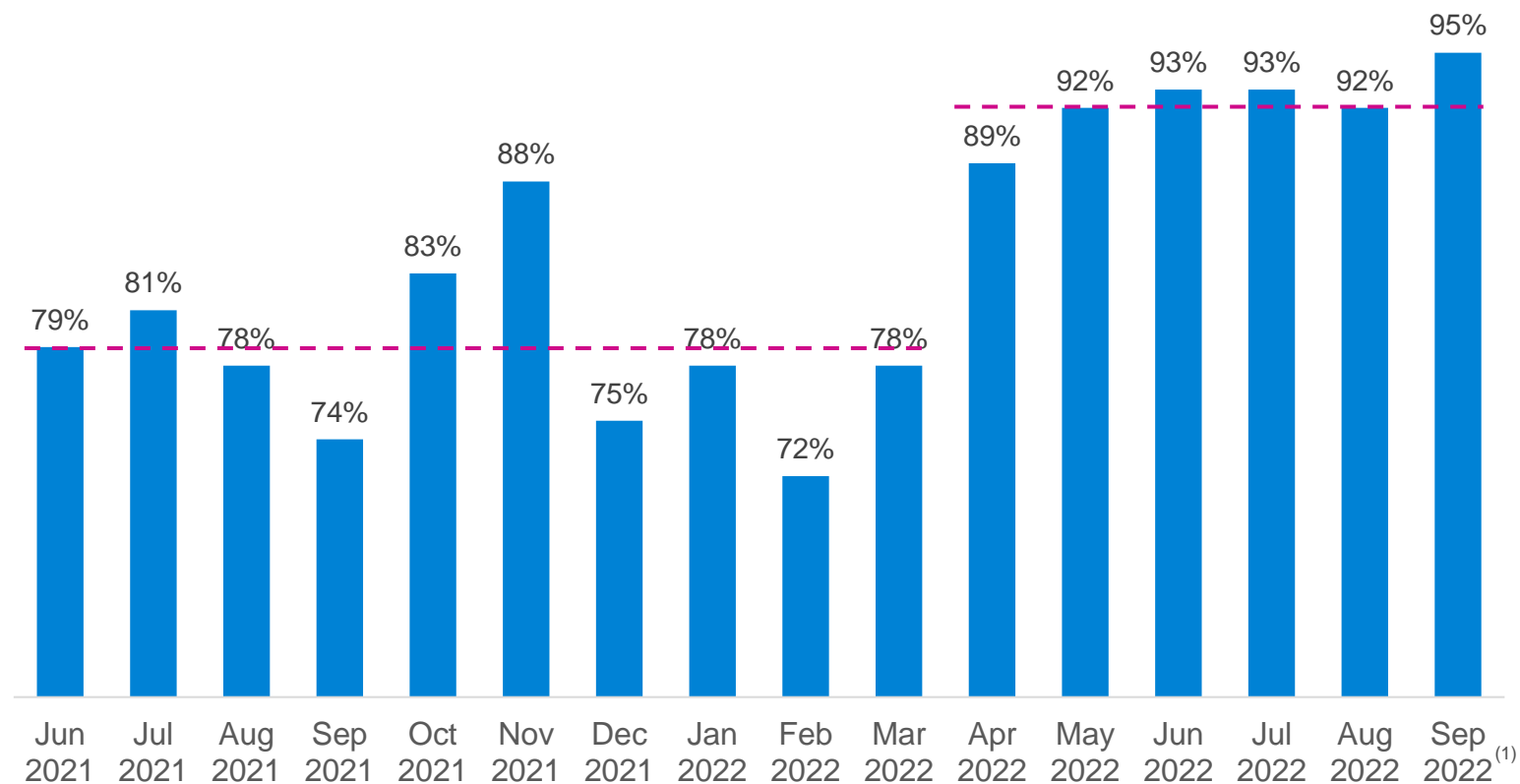
(1) Source: Pitney Bowes Market Intelligence

What's changed and why are we optimistic?

- The two core platforms – Domestic Parcel Services and Cross Border Services – are powered by best-in-class logistics technology and data science
- Post pandemic, both platforms are operating with predictable costs & reliable, market competitive service levels
- With the Domestic Network build-out largely complete, future investment will be focused on network optimization, transportation efficiencies and the development of new services
- Better service levels are driving much improved NPS scores, and lower client and volume churn
- Our consultative approach and flexible services, built for B2C ecommerce, differentiate us from competitors
- With stability around our core services, we are quickly bringing new services to market to meet client demand: Canada, Regional and Local US delivery services, and Guaranteed delivery services
- Investments in our operational management team and talent – has been crucial in driving improved operating performance

Domestic Parcel Operational Improvement

Domestic Parcel – On Time Delivery



Domestic Parcel Highlights

\$0.35 unit gross profit improvement
H1 2022 vs. H1 2021

46 point improvement in NPS score
H1 2022 vs. H1 2021

5% annualized revenue churn
in H1 2022 and vs. 18% in 2021

40+ new contract signings
in H1 2022

1.5+ days faster average domestic delivery time
1H 2022

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

(1) Month-to-date figure for first half of September

Global Ecommerce – Path Forward

We have revised our Global Ecommerce business plan and key points are as follows:

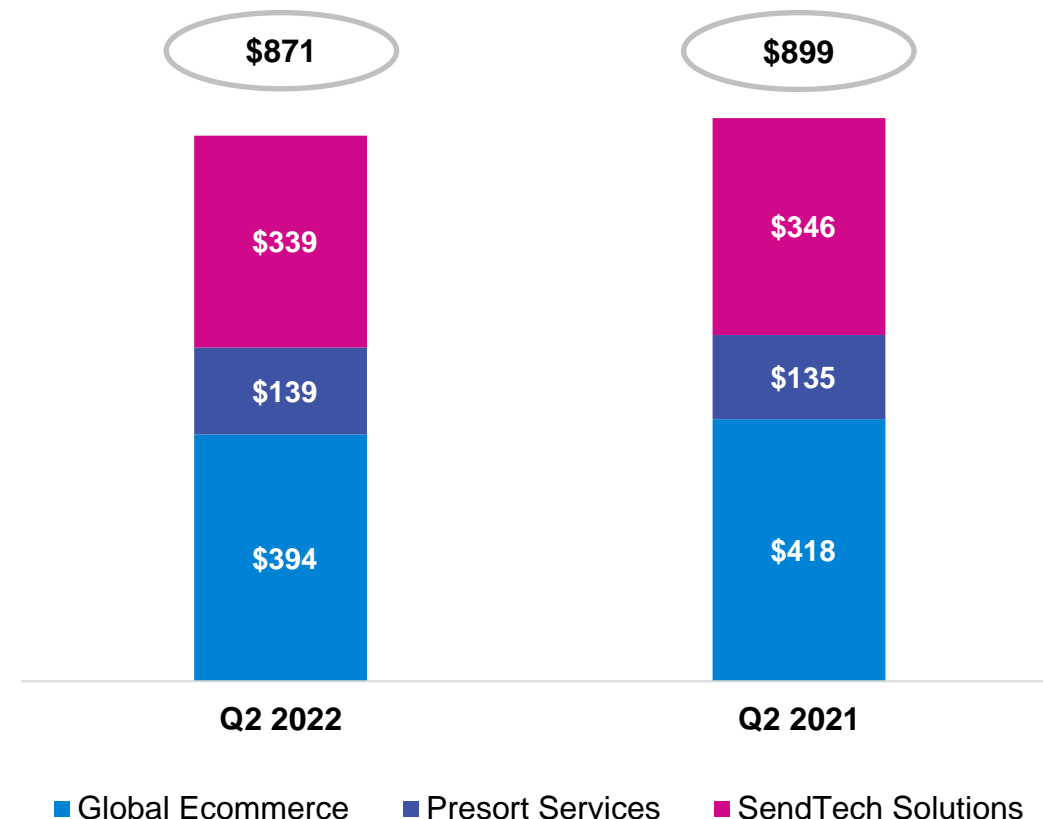
- Overall financial performance for the segment is expected to be driven by improvements in Domestic Parcel volumes and margin expansion
 - We expect 2022 exit-rate volumes of 195 to 200 million in the Domestic Parcel network
 - We expect Domestic Parcel gross margin improvement of up to 400 basis points in 2023
- Improvement in Domestic Parcel performance is expected to more than offset medium-term challenges in Cross-border stemming from U.S. Dollar strength and the current international macroeconomic weakness
- Longer-term we expect:
 - To achieve 6% to 8% EBIT margins in 2026 based on our current product mix
 - Capex levels to be approximately 20% of segment EBITDA

Second Quarter 2022 Financial Results

Financial and Business Highlights

- **Revenue of \$871 million**
 - 3% decline on a reported basis (2% decline constant currency) versus prior year
- **Adjusted EBIT of \$39 million versus \$56 million in 2Q21**
- **GAAP and Adjusted EPS of \$0.02 versus \$0.11 in 2Q21**
- **Presort and SendTech posted aggregate revenue growth (constant currency)**
 - Presort revenue growth driven by better revenue per piece
 - Stable SendTech revenue (CC) for the quarter; growth in shipping revenues and equipment sales was offset by lower financing and services revenues
 - Lower margins driven largely by revenue mix, higher labor and transportation costs
- **Significant “cross-currents” inside Global Ecommerce**
 - 6% Domestic Parcel revenue growth despite lower in-bound China volumes
 - Experienced meaningful improvement in domestic parcel unit margins -- as well as better SLA performance
 - Cross-border revenues down mid-teens as a result of stronger USD and challenging European macroeconomic conditions

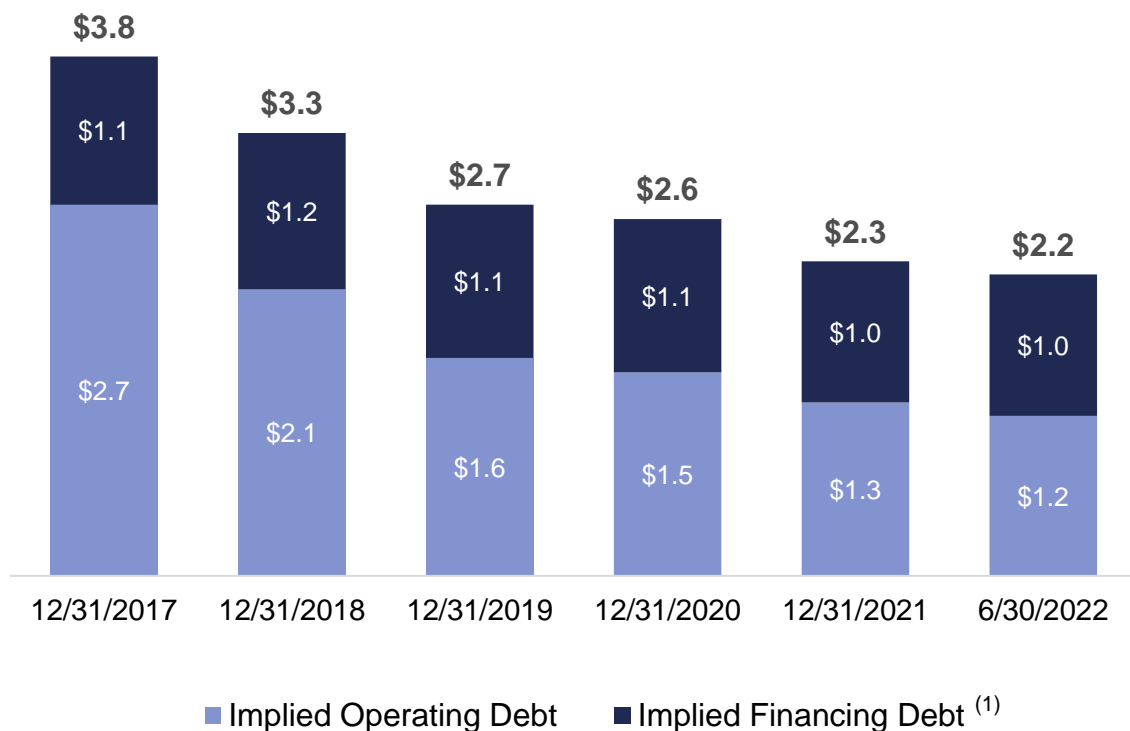
Firm-wide Revenue (\$ Millions)



Y/Y Revenue Growth	% Change Reported	% Change Ex Currency
SendTech	(2%)	0%
Presort	3%	3%
Global Ecommerce	(6%)	(5%)

Significantly Improved Credit Profile

Total Debt Composition (\$ Billions)



Capital Structure as of 6/30/2022 (\$ Millions)

	Interest Rate	12/31/2021	6/30/2022
Cash & S/T Investments		\$746.9	\$582.2
Revolver - (\$500mm)		0.0	0.0
Term Loan A due March 2026	LIBOR + 1.75%	370.5	361.0
Term Loan B due March 2028	LIBOR + 4.00%	446.6	444.4
Subtotal: Secured Debt		817.1	805.4
Notes due April 2023	6.20%	90.3	0.0
Notes due March 2024	4.625%	242.6	238.4
Notes due March 2027	6.875%	400.0	400.0
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		3.7	3.1
Subtotal: Unsecured Debt		1,547.4	1,452.4
Principal Debt⁽²⁾		\$2,364.5	\$2,257.7
Net Debt⁽²⁾		\$1,617.6	\$1,675.5

- Manageable debt profile; solid free cash flow generation
- Total debt reduction of \$1.4 billion over the last four years
- March 2021 refinancing meaningfully extended our maturity profile

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

(2) Excludes \$41 million and \$38 million of unamortized costs, net as of 12/31/2021 and 6/30/2022, respectively

Compelling Equity and Debt Investment Thesis



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



Global Ecommerce is now poised to achieve meaningful profitability



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 Statement of Operations *(in thousands, except per share amounts)*

	Three months ended June 30,		Twelve months ended December 31,	
	2022	2021	2021	2020
Revenue:				
Business services	\$ 551,478	\$ 567,022	\$ 2,334,674	\$ 2,191,306
Support services	107,625	115,156	460,888	473,292
Financing	67,298	73,453	294,418	341,034
Equipment sales	89,986	86,267	350,138	314,882
Supplies	38,245	38,655	159,438	159,282
Rentals	16,863	18,650	74,005	74,279
Total revenue	871,495	899,203	3,673,561	3,554,075
Costs and expenses:				
Cost of business services	477,544	482,814	2,034,477	1,904,078
Cost of support services	37,711	37,679	149,706	149,988
Financing interest expense	12,533	11,773	47,059	48,162
Cost of equipment sales	63,815	61,561	251,914	235,153
Cost of supplies	11,028	10,467	43,980	41,679
Cost of rentals	7,473	6,013	24,427	25,600
Selling, general and administrative	226,638	236,190	924,163	963,323
Research and development	11,254	11,059	46,777	38,384
Restructuring charges	4,224	4,844	19,003	20,712
Goodwill impairment	-	-	-	198,169
Interest expense, net	21,007	24,346	96,886	105,753
Other components of net pension and postretirement expense (income)	958	312	1,010	(1,708)
Other expense (income), net	-	(13,646)	41,574	8,151
Total costs and expenses	874,185	873,412	3,680,976	3,737,444
Income (loss) from continuing operations before taxes	(2,690)	25,791	(7,415)	(183,369)
(Benefit) provision for income taxes	(7,026)	4,915	(10,922)	7,122
Income (loss) from continuing operations	4,336	20,876	3,507	(190,491)
(Loss) income from discontinued operations, net of tax	-	(1,020)	(4,858)	10,115
Net income (loss)	\$ 4,336	\$ 19,856	\$ (1,351)	\$ (180,376)
Basic earnings (loss) per share ⁽¹⁾ :				
Continuing operations	\$ 0.02	\$ 0.12	\$ 0.02	\$ (1.11)
Discontinued operations	-	(0.01)	(0.03)	0.06
Net income (loss)	\$ 0.02	\$ 0.11	\$ (0.01)	\$ (1.05)
Diluted earnings (loss) per share ⁽¹⁾ :				
Continuing operations	\$ 0.02	\$ 0.12	\$ 0.02	\$ (1.11)
Discontinued operations	-	(0.01)	(0.03)	0.06
Net income (loss)	\$ 0.02	\$ 0.11	\$ (0.01)	\$ (1.05)
Weighted-average shares used in diluted earnings per share	176,969	178,979	179,105	171,519

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

Consolidated Balance Sheet *(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
Assets held for sale
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

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
Liabilities held for sale
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
Additional paid-in-capital
Retained earnings
Accumulated other comprehensive loss
Treasury stock, at cost

Total stockholders' equity

Total liabilities and stockholders' equity

	June 30, 2022	December 31, 2021
	\$	\$
Cash and cash equivalents	570,697	732,480
Short-term investments	11,519	14,440
Accounts and other receivables, net	268,722	334,630
Short-term finance receivables, net	557,571	560,680
Inventories	82,797	78,588
Current income taxes	15,875	13,894
Assets held for sale	108,677	36,394
Other current assets and prepayments	151,090	120,947
Total current assets	1,766,948	1,892,053
Property, plant and equipment, net	427,438	429,162
Rental property and equipment, net	30,889	34,774
Long-term finance receivables, net	592,928	587,427
Goodwill	1,060,452	1,135,103
Intangible assets, net	82,770	132,442
Operating lease assets	242,452	208,428
Noncurrent income taxes	62,849	68,398
Other assets	410,865	471,084
Total assets	\$ 4,677,591	\$ 4,958,871
Accounts payable and accrued liabilities	\$ 827,639	\$ 922,543
Customer deposits at Pitney Bowes Bank	616,150	632,062
Current operating lease liabilities	42,253	40,299
Current portion of long-term debt	24,752	24,739
Advance billings	96,573	99,280
Liabilities held for sale	18,700	-
Current income taxes	2,865	9,017
Total current liabilities	1,628,932	1,727,940
Long-term debt	2,194,767	2,299,099
Deferred taxes on income	268,416	286,445
Tax uncertainties and other income tax liabilities	31,643	31,935
Noncurrent operating lease liabilities	227,238	192,092
Other noncurrent liabilities	282,441	308,728
Total liabilities	4,633,437	4,846,239
Common stock	323,338	323,338
Additional paid-in-capital	-	2,485
Retained earnings	5,137,248	5,169,270
Accumulated other comprehensive loss	(850,053)	(780,312)
Treasury stock, at cost	(4,566,379)	(4,602,149)
Total stockholders' equity	44,154	112,632
Total liabilities and stockholders' equity	\$ 4,677,591	\$ 4,958,871

Business Segment Financials *(in thousands)*

	Three months ended June 30,			Twelve months ended December 31,		
	2022	2021	% Change	2021	2020	% Change
Segment Revenue						
Global Ecommerce	\$ 393,770	\$ 418,429	(6%)	\$ 1,702,580	\$ 1,618,897	5%
Presort Services	138,934	134,619	3%	573,480	521,212	10%
Sending Technology Solutions	338,791	346,155	(2%)	1,397,501	1,413,966	(1%)
Total revenue - GAAP	871,495	899,203	(3%)	3,673,561	3,554,075	3%
Currency impact on revenue	10,775	-		(27,910)	-	
Revenue, at constant currency	\$ 882,270	\$ 899,203	(2%)	\$ 3,645,651	\$ 3,554,075	3%

	Three months ended June 30,						Twelve months ended December 31,					
	2022			2021			2021			2020		
	EBIT ⁽¹⁾	D&A	EBITDA	EBIT ⁽¹⁾	D&A	EBITDA	EBIT ⁽¹⁾	D&A	EBITDA	EBIT ⁽¹⁾	D&A	EBITDA
Global Ecommerce	\$ (28,825)	\$ 21,480	\$ (7,345)	\$ (10,831)	\$ 19,060	\$ 8,229	\$ (98,673)	\$ 79,128	\$ (19,545)	\$ (82,894)	\$ 69,676	\$ (13,218)
Presort Services	12,851	7,000	19,851	16,134	6,798	22,932	79,721	27,243	106,964	55,799	31,769	87,568
Sending Technology Solutions	95,565	7,908	103,473	107,121	7,537	114,658	429,415	29,951	459,366	442,648	34,316	476,964
Segment Total	\$ 79,591	\$ 36,388	115,979	\$ 112,424	\$ 33,395	145,819	\$ 410,463	\$ 136,322	546,785	\$ 415,553	\$ 135,761	551,314

Reconciliation of Segment EBITDA to Net Income:

Segment depreciation and amortization	(36,388)	(33,395)	(136,322)	(135,761)
Unallocated corporate expenses	(40,761)	(56,316)	(207,774)	(200,406)
Restructuring charges	(4,224)	(4,844)	(19,003)	(20,712)
Gain on sale of assets/business	-	11,635	11,635	11,908
Loss on debt redemption/refinancing	-	(989)	(56,209)	(36,987)
Goodwill impairment	-	-	-	(198,169)
Transaction costs	(3,756)	-	(2,582)	(641)
Interest, net	(33,540)	(36,119)	(143,945)	(153,915)
Benefit (provision) for income taxes	7,026	(4,915)	10,922	(7,122)
Income (loss) from continuing operations	4,336	20,876	3,507	(190,491)
Income (loss) from discontinued operations, net of tax	-	(1,020)	(4,858)	10,115
Net income	\$ 4,336	\$ 19,856	\$ (1,351)	\$ (180,376)

(1) Segment EBIT excludes interest, taxes, general corporate expenses, restructuring charges, and other items that are not allocated to a particular business segment. In 2022, we refined the methodology for allocating transportation costs between Global Ecommerce and Presort Services, resulting in a \$3 million increase in Global Ecommerce EBIT and corresponding decrease in Presort Services EBIT

Reconciliation of Reported Consolidated Results to Adjusted Results *(in thousands)*

	Three months ended June 30,		Twelve months ended December 31,	
	2022	2021	2021	2020
Reconciliation of reported net income (loss) to adjusted EBIT and EBITDA				
Net income (loss)	\$ 4,336	\$ 19,856	\$ (1,351)	\$ (180,376)
Loss (income) from discontinued operations, net of tax	-	1,020	4,858	(10,115)
Provision (benefit) for income taxes	(7,026)	4,915	(10,922)	7,122
Income (loss) from continuing operations before taxes	(2,690)	25,791	(7,415)	(183,369)
Restructuring charges	4,224	4,844	19,003	20,712
Gain on sale of assets/business	-	(11,635)	(11,635)	(11,908)
Loss on debt refinancing	-	989	56,209	36,987
Goodwill impairment	-	-	-	198,169
Transaction costs	3,756	-	2,582	641
Adjusted net income before tax	5,290	19,989	58,744	61,232
Interest, net	33,540	36,119	143,945	153,915
Adjusted EBIT	38,830	56,108	202,689	215,147
Depreciation and amortization	43,470	39,822	162,859	160,625
Adjusted EBITDA	\$ 82,300	\$ 95,930	\$ 365,548	\$ 375,772
Reconciliation of reported diluted earnings (loss) per share to adjusted diluted earnings per share ⁽¹⁾				
Diluted earnings (loss) per share	\$ 0.02	\$ 0.11	\$ (0.01)	\$ (1.05)
Loss from discontinued operations, net of tax	-	0.01	0.03	(0.06)
Restructuring charges	0.02	0.02	0.08	0.09
Gain on sale of assets/business	-	(0.03)	(0.03)	(0.05)
Loss on debt refinancing	-	-	0.24	0.16
Goodwill impairment	-	-	-	1.13
Tax on surrender of investment securities	-	-	-	0.07
Tax benefit on sale of business	(0.03)	-	-	-
Transaction costs	0.02	-	0.01	-
Adjusted diluted earnings per share	\$ 0.02	\$ 0.11	\$ 0.32	\$ 0.31
Reconciliation of reported net cash from operating activities to free cash flow				
Net cash provided by operating activities	\$ 35,132	\$ 78,806	\$ 301,515	\$ 301,972
Net cash (provided by) used in operating activities - discontinued operations	-	-	-	37,912
Capital expenditures	(31,619)	(40,375)	(184,042)	(104,987)
Restructuring payments	4,970	4,870	21,990	20,014
Change in customer deposits at PB Bank	(2,953)	43,427	14,862	26,082
Transaction costs paid	-	-	-	2,117
Free cash flow	\$ 5,530	\$ 86,728	\$ 154,325	\$ 283,110

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