

## Pitney Bowes Inc.

### Consolidated Statements of Operations

(Unaudited; in thousands, except per share amounts)

	Three months ended June 30,		Six months ended June 30,	
	2021	2020	2021	2020
Revenue:				
Business services	\$ 567,022	\$ 528,990	\$ 1,137,476	\$ 973,369
Support services	115,156	113,786	233,853	235,801
Financing	73,453	85,462	151,265	174,540
Equipment sales	86,267	57,837	173,070	134,110
Supplies	38,655	32,773	80,879	78,482
Rentals	18,650	18,644	37,857	37,458
Total revenue	<u>899,203</u>	<u>837,492</u>	<u>1,814,400</u>	<u>1,633,760</u>
Costs and expenses:				
Cost of business services	482,814	454,311	982,348	828,976
Cost of support services	37,679	36,725	74,396	76,485
Financing interest expense	11,773	11,939	23,659	24,428
Cost of equipment sales	61,561	47,920	123,401	105,279
Cost of supplies	10,467	8,379	21,678	20,619
Cost of rentals	6,013	6,022	12,460	12,400
Selling, general and administrative	236,190	233,631	474,292	482,264
Research and development	11,059	7,467	22,375	19,583
Restructuring charges	4,844	4,922	7,733	8,739
Goodwill impairment	-	-	-	198,169
Interest expense, net	24,346	26,446	49,504	52,329
Other components of net pension and postretirement cost	312	386	662	235
Other (income) expense	(13,646)	(17,375)	37,748	16,112
Total costs and expenses	<u>873,412</u>	<u>820,773</u>	<u>1,830,256</u>	<u>1,845,618</u>
Income (loss) from continuing operations before taxes	25,791	16,719	(15,856)	(211,858)
Provision (benefit) for income taxes	4,915	17,016	(9,077)	6,986
Income (loss) from continuing operations	20,876	(297)	(6,779)	(218,844)
(Loss) income from discontinued operations, net of tax	(1,020)	(3,032)	(4,906)	7,032
Net income (loss)	<u>\$ 19,856</u>	<u>\$ (3,329)</u>	<u>\$ (11,685)</u>	<u>\$ (211,812)</u>
Basic earnings (loss) per share (1):				
Continuing operations	\$ 0.12	\$ -	\$ (0.04)	\$ (1.28)
Discontinued operations	(0.01)	(0.02)	(0.03)	0.04
Net income (loss)	<u>\$ 0.11</u>	<u>\$ (0.02)</u>	<u>\$ (0.07)</u>	<u>\$ (1.24)</u>
Diluted earnings (loss) per share (1):				
Continuing operations	\$ 0.12	\$ -	\$ (0.04)	\$ (1.28)
Discontinued operations	(0.01)	(0.02)	(0.03)	0.04
Net income (loss)	<u>\$ 0.11</u>	<u>\$ (0.02)</u>	<u>\$ (0.07)</u>	<u>\$ (1.24)</u>
Weighted-average shares used in diluted earnings per share	<u>178,979</u>	<u>171,478</u>	<u>173,367</u>	<u>171,167</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)

<b>Assets</b>	<b>June 30, 2021</b>	<b>December 31, 2020</b>
Current assets:		
Cash and cash equivalents	\$ 799,470	\$ 921,450
Short-term investments	14,904	18,974
Accounts and other receivables, net	309,177	389,240
Short-term finance receivables, net	552,858	568,050
Inventories	67,538	65,845
Current income taxes	37,384	23,219
Other current assets and prepayments	117,425	120,145
Total current assets	1,898,756	2,106,923
Property, plant and equipment, net	429,785	391,280
Rental property and equipment, net	38,814	38,435
Long-term finance receivables, net	588,602	605,292
Goodwill	1,130,164	1,152,285
Intangible assets, net	144,692	159,839
Operating lease assets	205,584	201,916
Noncurrent income taxes	69,150	72,653
Other assets	507,748	491,514
Total assets	<u>\$ 5,013,295</u>	<u>\$ 5,220,137</u>
<b>Liabilities and stockholders' equity</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 820,065	\$ 880,616
Customer deposits at Pitney Bowes Bank	632,833	617,200
Current operating lease liabilities	41,835	39,182
Current portion of long-term debt	97,015	216,032
Advance billings	119,645	114,550
Current income taxes	5,844	2,880
Total current liabilities	1,717,237	1,870,460
Long-term debt	2,330,698	2,348,361
Deferred taxes on income	286,338	279,451
Tax uncertainties and other income tax liabilities	37,155	38,163
Noncurrent operating lease liabilities	182,746	180,292
Other noncurrent liabilities	405,751	437,015
Total liabilities	4,959,925	5,153,742
Stockholders' equity:		
Common stock	323,338	323,338
Additional paid-in-capital	5,903	68,502
Retained earnings	5,172,185	5,201,195
Accumulated other comprehensive loss	(831,303)	(839,131)
Treasury stock, at cost	(4,616,753)	(4,687,509)
Total stockholders' equity	53,370	66,395
Total liabilities and stockholders' equity	<u>\$ 5,013,295</u>	<u>\$ 5,220,137</u>

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

	Three months ended June 30,			Six months ended June 30,		
	2021	2020	% Change	2021	2020	% Change
Global Ecommerce	\$ 418,429	\$ 398,453	5%	\$ 831,515	\$ 690,776	20%
Presort Services	134,619	118,127	14%	277,745	258,847	7%
Sending Technology Solutions	346,155	320,912	8%	705,140	684,137	3%
<b>Total revenue - GAAP</b>	<b>899,203</b>	<b>837,492</b>	<b>7%</b>	<b>1,814,400</b>	<b>1,633,760</b>	<b>11%</b>
Currency impact on revenue	(13,521)	-		(22,324)	-	
Revenue, at constant currency	<u>\$ 885,682</u>	<u>\$ 837,492</u>	<u>6%</u>	<u>\$ 1,792,076</u>	<u>\$ 1,633,760</u>	<u>10%</u>

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

	Three months ended June 30,								
	2021			2020			% change		
	EBIT (1)	D&A	EBITDA	EBIT (1)	D&A	EBITDA	EBIT	EBITDA	
Global Ecommerce	\$ (10,831)	\$ 19,060	\$ 8,229	\$ (18,894)	\$ 17,297	\$ (1,597)	43%	>100%	
Presort Services	16,134	6,798	22,932	12,582	7,857	20,439	28%	12%	
Sending Technology Solutions	107,121	7,537	114,658	104,268	8,776	113,044	3%	1%	
Segment total	<u>\$ 112,424</u>	<u>\$ 33,395</u>	<u>145,819</u>	<u>\$ 97,956</u>	<u>\$ 33,930</u>	<u>131,886</u>	<u>15%</u>	<u>11%</u>	

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

Segment depreciation and amortization	(33,395)	(33,930)
Unallocated corporate expenses	(56,316)	(49,489)
Restructuring charges	(4,844)	(4,922)
Gain on sale of business	10,201	-
Gain on sale of assets	1,434	-
Loss on debt refinancing	(989)	-
Gain on sale of equity investment	-	11,908
Transaction costs	-	(349)
Interest, net	(36,119)	(38,385)
Provision for income taxes	(4,915)	(17,016)
Income (loss) from continuing operations	<u>20,876</u>	<u>(297)</u>
Loss from discontinued operations, net of tax	<u>(1,020)</u>	<u>(3,032)</u>
Net income (loss)	<u>\$ 19,856</u>	<u>\$ (3,329)</u>

	Six months ended June 30,								
	2021			2020			% change		
	EBIT (1)	D&A	EBITDA	EBIT (1)	D&A	EBITDA	EBIT	EBITDA	
Global Ecommerce	\$ (37,207)	\$ 37,236	\$ 29	\$ (48,369)	\$ 35,363	\$ (13,006)	23%	>100%	
Presort Services	35,185	14,297	49,482	28,277	15,631	43,908	24%	13%	
Sending Technology Solutions	221,591	15,140	236,731	210,830	17,815	228,645	5%	4%	
Segment Total	<u>\$ 219,569</u>	<u>\$ 66,673</u>	<u>286,242</u>	<u>\$ 190,738</u>	<u>\$ 68,809</u>	<u>259,547</u>	<u>15%</u>	<u>10%</u>	

**Reconciliation of Segment EBITDA to Net Loss:**

Segment depreciation and amortization	(66,673)	(68,809)
Unallocated corporate expenses	(113,781)	(93,211)
Restructuring charges	(7,733)	(8,739)
Loss on debt refinancing	(52,383)	(36,987)
Gain on sale of business	10,201	-
Gain on sale of assets	1,434	-
Goodwill impairment	-	(198,169)
Gain on sale of equity investment	-	11,908
Transaction costs	-	(641)
Interest, net	(73,163)	(76,757)
Benefit (provision) for income taxes	<u>9,077</u>	<u>(6,986)</u>
Loss from continuing operations	<u>(6,779)</u>	<u>(218,844)</u>
(Loss) income from discontinued operations, net of tax	<u>(4,906)</u>	<u>7,032</u>
Net loss	<u>\$ (11,685)</u>	<u>\$ (211,812)</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 June 30,		Six months ended June 30,	
	2021	2020	2021	2020
<b>Reconciliation of reported net income (loss) to adjusted EBIT and EBITDA</b>				
Net income (loss)	\$ 19,856	\$ (3,329)	\$ (11,685)	\$ (211,812)
Loss (income) from discontinued operations, net of tax	1,020	3,032	4,906	(7,032)
Provision (benefit) for income taxes	4,915	17,016	(9,077)	6,986
Income (loss) from continuing operations before taxes	25,791	16,719	(15,856)	(211,858)
Restructuring charges	4,844	4,922	7,733	8,739
Gain on sale of business	(10,201)	-	(10,201)	-
Gain on sale of assets	(1,434)	-	(1,434)	-
Loss on debt refinancing	989	-	52,383	36,987
Goodwill impairment	-	-	-	198,169
Gain on sale of equity investment	-	(11,908)	-	(11,908)
Transaction costs	-	349	-	641
Adjusted net income before tax	19,989	10,082	32,625	20,770
Interest, net	36,119	38,385	73,163	76,757
Adjusted EBIT	56,108	48,467	105,788	97,527
Depreciation and amortization	39,822	41,068	79,416	81,787
Adjusted EBITDA	\$ 95,930	\$ 89,535	\$ 185,204	\$ 179,314
<b>Reconciliation of reported diluted earnings (loss) per share to adjusted diluted earnings per share <sup>(1)</sup></b>				
Diluted earnings (loss) per share	\$ 0.11	\$ (0.02)	\$ (0.07)	\$ (1.24)
Loss (income) from discontinued operations, net of tax	0.01	0.02	0.03	(0.04)
Restructuring charges	0.02	0.02	0.03	0.03
Gain on sale of business	(0.02)	-	(0.02)	-
Gain on sale of assets	(0.01)	-	(0.01)	-
Loss on debt refinancing	-	-	0.22	0.16
Goodwill impairment	-	-	-	1.14
Gain on sale of equity investment	-	(0.05)	-	(0.05)
Tax on surrender of company owned life insurance policies	-	0.07	-	0.07
Adjusted diluted earnings per share	\$ 0.11	\$ 0.04	\$ 0.19	\$ 0.09
<b>Reconciliation of reported net cash from operating activities to free cash flow</b>				
Net cash from operating activities	\$ 78,805	\$ 153,777	\$ 144,729	\$ 86,422
Net cash used in operating activities - discontinued operations	-	618	-	38,423
Capital expenditures	(40,375)	(34,176)	(83,703)	(59,954)
Restructuring payments	4,870	5,318	8,825	11,365
Change in customer deposits at PB Bank	43,427	23,219	15,633	22,331
Transaction costs paid	-	377	-	2,117
Free cash flow	\$ 86,727	\$ 149,133	\$ 85,484	\$ 100,704

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