

# **Pitney Bowes**

## Sidoti Small-Cap Conference March 22-23, 2023

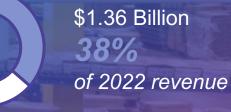
## **Forward Looking Statements**

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. While conditions related to the COVID-19 pandemic have improved, the pandemic continues to be dynamic, and nearterm challenges across the economy remain and the effects that they may have on our, and our clients' businesses remain uncertain. Other factors which could cause future financial performance to differ materially from expectations 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, United States Postal Service (USPS) commercial programs, or our contractual relationships with the USPS or their performance under those contracts; our ability to continue to grow volumes, gain additional economies of scale and improve profitability within our Global Ecommerce segment; the impacts of inflation and rising prices, higher interest rates and a slow-down in economic activity, including a global recession, to the company, our clients and retail consumers, and the loss of some of our larger clients in our Global Ecommerce and Presort Services segments; and other factors as more fully outlined in the Company's 2022 Form 10-K Annual Report and other reports filed with the Securities and Exchange Commission during 2022. 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, and financial services to businesses of all sizes – which reduce the complexity of sending mail and parcels



**SendTech** Digital & Physical: Ship | Mail | Analytics





Presort Services Commingled: First Class & Marketing Mail | Flats \$602 Million

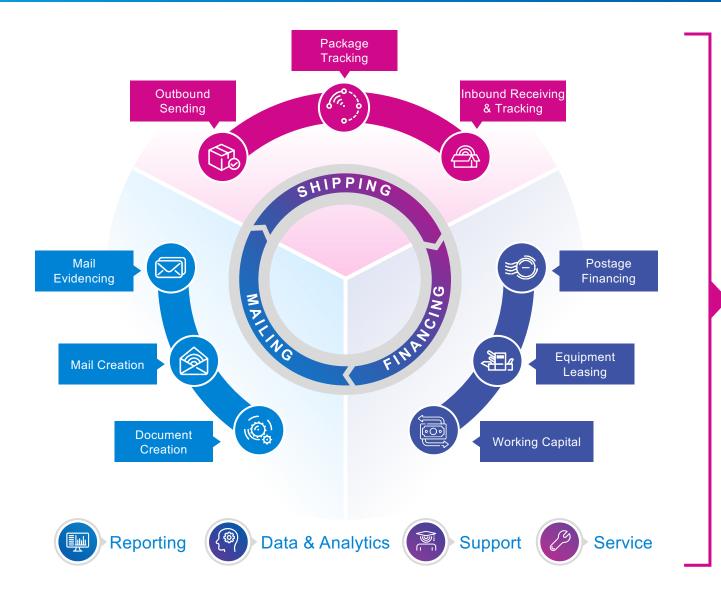
of 2022 revenue



**Global Ecommerce** Domestic and Cross-Border Parcel Services \$1.58 Billion 45% of 2022 revenue

## **Financing Solutions Across Our Business Portfolio**

# SendTech – Global technology solutions provider that simplifies shipping and mailing



- Global leader in capturing metered postage spend
- Outperforming market in both core and growth businesses
- 900K+ sending devices and SaaS solutions
- 600K+ clients with 8+ years average relationship and 90% retention rate
- \$1.2BN equipment financing and lending portfolio
- ~\$1.4BN business with 65-70% recurring revenue and ~30% EBIT margins
- Growth initiatives growing at 20%+ and expected to comprise ~30% of total revenue by 2026

SendTech – Shipping is a natural extension of our world-class mailing franchise; complementary, recurring-revenue business model that expands our TAM

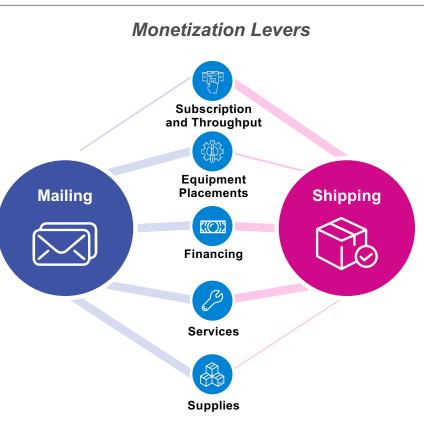
### **Mailing Highlights**

Equipment sales provide ~25% of Total Revenue

**~\$1.2BN Finance Receivables,** providing **~20% of segment revenue** For equipment sales average lease of ~4.5 years

Professional Services provide ~35% of Total Revenue Solution implementation and workflow optimization

> Supplies sales provide ~10% of Total Revenue Over 75% of clients buy supplies via PB



### **Shipping Highlights**

### ~150K Paid SaaS Subscriptions; growing at 20%+

Subscription fees for SaaS based sending products; ~470K total subscriptions incl. free

### 2022 Shipping volume of ~\$180M; growing in mid-teens %

Partner income from carrier rebates

### 3,300+ Enterprise clients with Shipping solutions integrated into their complex workflows

\$3.7BN addressable market size growing at 5% p.a.

**Growing Recurring** 

Revenue

High Margin Cash Flow



A durable business model with predictable & recurring cash flow

5

## SendTech – Key Takeaways



## Presort – Scaled and market-leading business with a predictable financial profile



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



Processed over 16 billion pieces of mail in 2022, making the Presort segment the 2<sup>nd</sup> largest mail handler in the world

600,
SOP

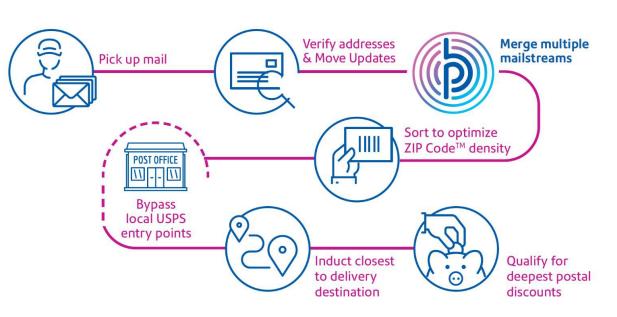
**Diversified client base of 2,500+ in verticals including** financial services, mail/marketing service, non-profit, and education



2019-22 revenue CAGR of 4.4% despite secular headwinds

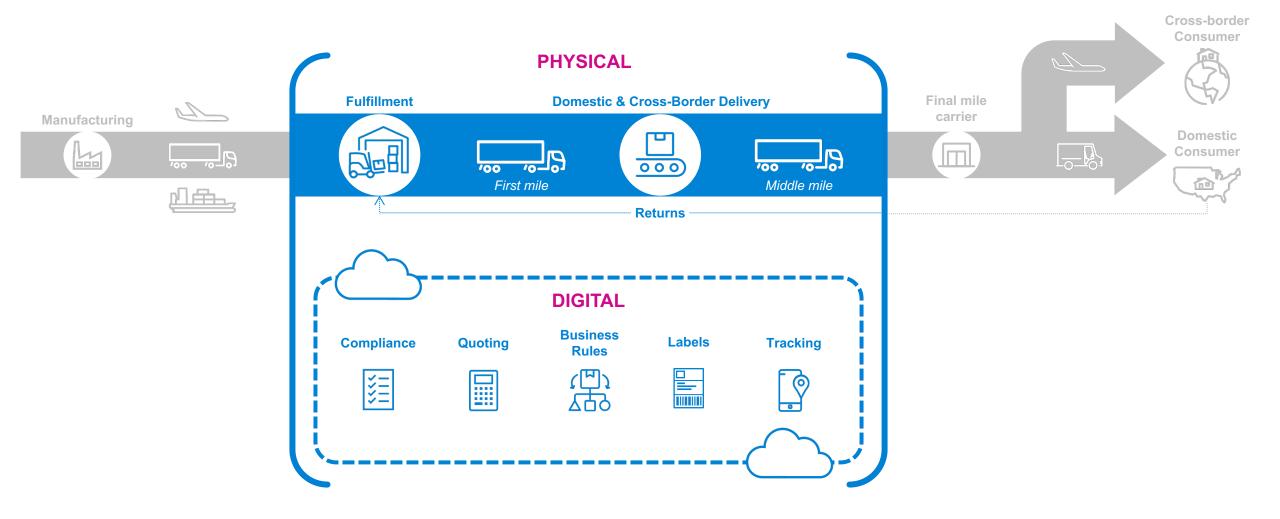


Attractive long-term EBIT margin profile of ~15%



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

# Global Ecommerce logistics services – powered by best-in-class technology and data science



## Global Ecommerce – What's changed and why are we optimistic?

- The two core platforms Domestic Parcel Services and Cross Border Services are powered by best-inclass 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 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

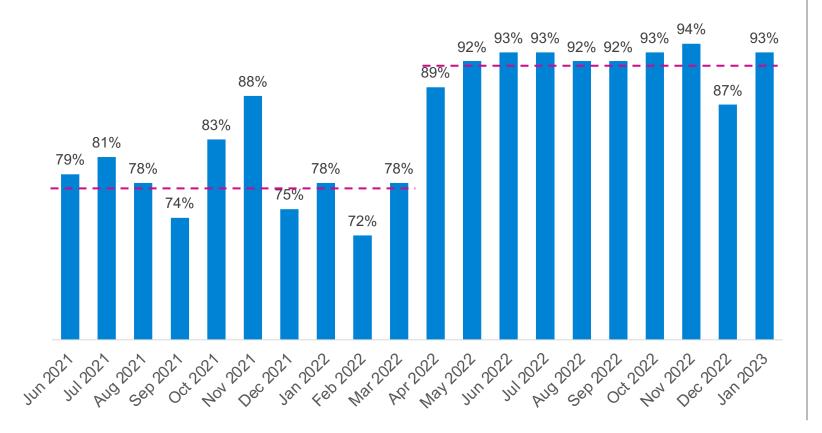
# Global Ecommerce – The completion of our Domestic Parcel network and improvements achieved in 2022 position us well for growth and margin expansion

### **Domestic Parcel – On Time Delivery**

**Domestic Parcel Highlights** 

\$0.34 unit gross profit improvement

2022 vs. 2021



23 point improvement in NPS score 2022 vs. 2021

> 8% revenue churn in 2022 vs. 17% in 2021

90+ new contract signings in 2022

2.0 days faster average domestic delivery time 2022 vs. 2021

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

## Global Ecommerce – Path Forward

## Improvements in Domestic Parcel service levels, volumes, and efficiency expected to drive positive EBITDA for GEC in 2023; Long-term EBIT margins of 6% to 8%

- Overall financial performance for the segment is expected to be driven by improvements in Domestic Parcel volumes and margin expansion
  - Run-rate volumes exiting 2022 were ~200 million; additional uplift expected in 2023 from existing implementation
    pipeline and new client additions
  - We expect Domestic Parcel gross margin improvement of up to 400 basis points in 2023, driven by:
    - Incremental volumes, increasing operating leverage
    - Improved volume mix towards higher yielding parcels
    - Continued transportation efficiency
- International macroeconomic weakness and cross-border business conditions expected to present near-term challenges
- 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

## Fourth Quarter 2022 Financial Results

### **Financial and Business Highlights**

- Revenue in the guarter was \$909 million, a decrease of 8 percent on a reported basis and flat on a comparable basis
- GAAP EPS was \$0.04 and Adjusted EPS was \$0.06 in the guarter ٠ versus \$0.01 and \$0.06, respectively, in fourth quarter 2021
- SendTech revenue was flat on comparable Y/Y basis with . growth in equipment sales and service revenues offset by declines in financing revenue and supplies sales
  - Shipping-related revenues grew 30% and now represent 14% of total SendTech revenue
- Presort revenue grew 1% on a Y/Y basis and improved EBIT . margins by 440 basis points vs. Q3 2022
  - Revenue growth from better revenue per piece and new client additions; partially offset by lower volumes from existing clients
  - Margin improvement from higher revenue per piece and productivity gains from investments in automation
- Within Global Ecommerce, continued improvement in Domestic Parcel was offset by weakness in Cross-border
  - Domestic Parcel volumes grew 16% Y/Y to 54 million in the \_ quarter
  - Domestic Parcel unit gross margin improved \$0.21 versus third guarter 2022; although a higher-than-expected mix of light weight parcels contributed to lower-than-expected profitability

### Segment Financials (\$ Millions)<sup>(1)</sup>

Segment Revenue	Q4 2022 Revenue	Y/Y % Change Reported	Y/Y % Change Comparable Basis
SendTech	\$341	(4%)	0%
Presort	\$158	1%	1%
Global Ecommerce	\$410	(13%)	0%

Segment EBITDA	Q4 2022 EBITDA	Y/Y % Change Reported	Y/Y % Change Comparable Basis
SendTech	\$113	(3%)	
Presort	\$37	22%	
Global Ecommerce	(\$6)	72%	

Segment EBIT	Q4 2022 EBIT	Y/Y % Change Reported	Y/Y % Change Comparable Basis
SendTech	\$106	(3%)	
Presort	\$29	25%	
Global Ecommerce	(\$23)	43%	

# In 2022, we made progress against initiatives in each of our business units that are key to our long-term objectives

Business Highlights	<b>2022 Financial Highlights</b> (\$ Millions)			
<ul> <li>SendTech delivered solid performance with equipment sales and shipping revenue growth offsetting the impact of install base decline</li> </ul>	Revenue:	\$3,538		
<ul> <li>Equipment sales grew 4% constant currency versus prior year; growth in 7 of last 8 quarters</li> </ul>		<i><b>4</b>0,000</i>		
<ul> <li>Introduced Shipping 360 Platform and PitneyShip Pro, which helped grow shipping- related revenue 22%; now comprise 14% of segment revenue</li> </ul>	EBITDA:	\$343		
<ul> <li>Global Ecommerce made strides in Domestic Parcel with higher service levels and better economics; macro headwinds, especially in Cross-Border, offset Domestic Parcel gains</li> </ul>	EBITDA Margin:	9.7%		
<ul> <li>Domestic Parcel improved service levels from high 70s to low 90s</li> </ul>				
<ul> <li>Run-rate annual volumes exited 2022 at ~200 million</li> </ul>	Capex:	\$125		
<ul> <li>Domestic Parcel expanded unit margins by \$0.34 vs. prior year</li> </ul>				
<ul> <li>Presort grew annual revenue above \$600 million for the first time and substantially improved productivity</li> </ul>	Free Cash Flow:	\$68		
<ul> <li>Investment in automation and sorter refresh resulted in better productivity and drove EBIT improvement, especially in H2</li> </ul>				

- Increased Finance Receivables by \$44 million to \$1.2 billion
- Reduced debt by \$124 million during the year

## Significantly improved and manageable debt profile

\$3.8 \$3.3 \$1.1 \$2.7 \$2.6 \$1.2 \$2.3 \$2.2 \$1.1 \$1.1 \$1.0 \$1.1 \$2.7 \$2.1 \$1.6 \$1.5 \$1.3 \$1.1 12/31/2017 12/31/2018 12/31/2019 12/31/2020 12/31/2021 12/31/2022

**Total Debt Composition** (\$ Billions)

### Capital Structure as of 12/31/2022 (\$ Millions)

	Interest Rate	12/31/2021	12/31/2022
Cash & S/T Investments		\$746.9	\$681.2
Revolver - (\$500mm)		0.0	0.0
Term Loan A due March 2026	SOFR + 2.00%	370.5	351.5
Term Loan B due March 2028	SOFR + 4.00%	446.6	442.1
Subtotal: Secured Debt		817.1	793.6
Notes due April 2023	6.20%	90.3	0.0
Notes due March 2024	4.625%	242.6	236.7
Notes due March 2027	6.875%	400.0	396.8
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	2.4
Subtotal: Unsecured Debt		1,547.4	1,446.8
Principal Debt <sup>(2)</sup>		\$2,364.5	\$2,240.4
Net Debt <sup>(2)</sup>		\$1,617.6	\$1,559.3

Reduced our principal debt by ~\$380 million over the past two years and by ~\$1.6 billion over the past five years

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

Implied Operating Debt

(2) Excludes \$41 million and \$35 million of unamortized costs, net as of 12/31/2021 and 12/31/2022, respectively

Implied Financing Debt <sup>(1)</sup>

## Compelling Debt and Equity Investment Thesis









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

Global Ecommerce expected to achieve meaningful margin improvement in 2023

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 Statements of Operations**

(Unaudited; in thousands, except per share amounts)

	Three months ended			er 31,	Tw	elve months end	ded December 31,		
	20	)22	2	021	2	022	2	2021	
Revenue:									
Business services	\$	582,674	\$	645,814	\$	2,249,941	\$	2,334,674	
Support services		112,572		113,622		438,191		460,888	
Financing		67,424		71,217		274,508		294,418	
Equipment sales		92,150		93,834		354,960		350,138	
Supplies		37,425		40,348		154,186		159,438	
Rentals		16,446		18,877		66,256		74,005	
Total revenue		908,691		983,712		3,538,042		3,673,561	
Costs and expenses:									
Cost of business services		500,732		579,913		1,934,206		2,034,477	
Cost of support services		37,366		37,060		148,829		149,706	
Financing interest expense		13,962		11,690		51,789		47,059	
Cost of equipment sales		65,662		66,292		253,843		251,914	
Cost of supplies		10,704		11,597		43,778		43,980	
Cost of rentals		6,053		5,487		25,105		24,427	
Selling, general and administrative		226,571		224,847		905,570		924,163	
Research and development		11,257		13,781		43,657		46,777	
Restructuring charges		6,043		7,569		18,715		19,003	
Interest expense, net		23,164		23,070		89,980		96,886	
Other components of net pension and postretirement expense		1,079		302		4,308		1,010	
Other (income) expense, net		(1,319)		633		(21,618)		41,574	
Total costs and expenses		901,274		982,241		3,498,162		3,680,976	
Income (loss) from continuing operations before taxes		7,417		1,471		39,880		(7,415)	
Provision (benefit) for income taxes		1,121		(320)		2,940		(10,922)	
Income from continuing operations		6,296		1,791		36,940		3,507	
Loss from discontinued operations, net of tax		-		(524)		-		(4,858)	
Net income (loss)	\$	6,296	\$	1,267	\$	36,940	\$	(1,351)	
Basic earnings (loss) per share:									
Continuing operations	\$	0.04	\$	0.01	\$	0.21	\$	0.02	
Discontinued operations				-		-		(0.03)	
Net income (loss)	\$	0.04	\$	0.01	\$	0.21	\$	(0.01)	
Diluted earnings (loss) per share:									
Continuing operations	\$	0.04	\$	0.01	\$	0.21	\$	0.02	
Discontinued operations		-		-		-		(0.03)	
Net income (loss)	\$	0.04	\$	0.01	\$	0.21	\$	(0.01)	
Weighted-average shares used in diluted earnings per share		177,999		179,506		177,252		179,105	

### **Consolidated Balance Sheets**

(Unaudited; in thousands)

Current sessels         S         680.891         S         722.480           Cash and cash and cash equivalents         33.557         344.630           Accounts and other meavables, net         33.557         344.630           Shord-term finance receivables, net         83.720         78.668           Current finance receivables, net         17.68.07         42.43.182           Property, plant and equipment, net         22.74.97         43.747           Cash and cash and cash and cash propagments         77.7444         132.242           Operating lease assets         226.129         20.66.398           Noncurrent finonent taxes         28.07.97         47.662           Operating lease assets         28.07.92         47.662           Operating lease assets         28.07.92         47.68.29           Current topenting lease liabilities         5         90.70.83         5         92.26.29           Current topenting lease liabilities         25.76         40.299         47.10.24           Current topenting lease liabilities         <	Assets	December 31, 2022	December 31, 2021
Shot-tem investments         11,12         14,440           Accounts and other receivables, net         343,557         348,630           Shot-tem funce receivables, net         564,972         560,680           Other current assets         8,760         13,884           Other current assets         8,760         13,884           Total current assets         17,980,016         1,892,053           Property, plant and equipment, net         420,672         429,162           Cang-tem funce receivables, net         627,124         587,713           Goodwill         1,066,351         1,132,44           Cong-tem funce receivables, net         627,124         587,873           Goodwill         1,066,351         1,135,103           Inlangble asset, net         627,124         58,376           Other consets         247,682         68,378           Other assets         340,419         441,924           Total assets         340,419         441,926           Current lop-time taxes         340,419         44,958,971           Total assets         340,419         44,958,971           Current lop-time taxes         340,419         44,958,971           Current lop-time tasset labilities         32,764	Current assets:	¢ 660.004	¢ 700.400
Accounts and other receivables, net         343,557         334,630           Short-ferm finance receivables, net         564,972         560,680           Inventories         83,720         78,583           Current income taxes         8,790         13,894           Other current assets and prepayments         117,820,16         1,829,053           Property, plint and equipment, net         220,672         423,162           Antal property rate adjumment, net         21,748         34,773           Goodwill         106,0651         1,728,016         1,328,442           Operating rescavables, net         226,128         208,428           Operating lease assets         226,129         208,428           Other assets         340,419         441,029           Operating lease assets         340,419         441,029           Operating lease assets         340,419         441,029           Operating lease assets         340,419         441,029           Current liabilities:         \$ 4,762,049         \$ 938,871           Current liabilities:         \$ 907,063         \$ 922,543           Current liabilities:         \$ 907,063         \$ 922,643           Current liabilities:         \$ 922,643         \$ 922,643			
Short-tem finance receivables, net         564, 572         560, 860           Current income taxes         8,790         13,894           Other current assets and propayments         115,824         157,341           Total current assets         1,798,016         1,892,053           Property, jain and equipment, net         420,672         429,162           Rantal proparty and equipment, net         627,724         347,747           Condvill         1,066,051         1,135,003           Intangible assets, net         627,724         0,87,427           Gondvill         1,066,051         1,135,103           Operating lease assets         296,129         208,428           Operating lease assets         296,129         208,428           Operating lease assets         393,494         34,398           Operating lease assets         286,129         208,428           Operating lease assets         286,129         263,208           Otar assets         \$ 907,083         \$ 92,643           Current noperating lease liabilities         32,764         24,739           Accounts payable and accrued tabilities         32,376         40,299           Current noperating lease liabilities         32,52,761         40,299 <td< td=""><td></td><td></td><td></td></td<>			
Inventories         83,720         78,580           Current income taxes         115,824         157,341           Total current assets         1,738,016         1,852,053           Property, plant and equipment, net         420,072         429,162           Long-term finance receivables, net         627,124         587,427           Corrent plant and equipment, net         627,124         587,427           Corrent plant and equipment, net         627,124         587,427           Corrent plant and equipment, net         627,124         587,427           Operating less easts         77,944         132,442           Operating less easts         77,943         132,442           Operating less easts         340,419         44,968,27           Other assets         340,419         4,968,27           Coursent plant and equipment easts         628,072         628,072           Labilities and atochholders' equity         5,976         40,988,27           Current habilities:         5,977,083         \$ 922,453           Current plant and equipment east         628,072         628,072           Current plant and equipment east         628,072         628,072           Current plant east labilities         32,764         42,938      <			
Current income taxes         8,790         13,844           Othor current assets         115,824         157,341           Total current assets         1,798,016         1,892,053           Properby, plant and equipment, net         27,487         34,774           Condvill         1066,951         1,155,104           Long-term finance receivables, net         627,124         567,427           Goodwill         1,066,951         1,155,103           Unarget         296,129         208,428           Noncurrent income taxes         296,129         208,428           Operating less easets         380,419         471,084           Other assets         380,419         471,084           Current labilities:         \$ 097,063         \$ 922,543           Customer deposits at Pitney Bowes Bank         628,072         628,072           Current labilities:         \$ 097,063         \$ 922,543           Current portion of long-term debt         52,576         40,298           Current abilities:         \$ 097,063         \$ 922,543           Current portion plasse labilities         \$ 038,047         \$ 032,057           Current portion of long-term debt         \$ 22,776         \$ 022,95,03           Current abilibilitis			
Other current assets and propayments         115,824         157,241           Total current assets         1798,016         1.882,053           Property, plant and equipment, net         27,447         34,374           Long-term finance receivables, net         627,124         587,427           Godwill         1.066,6951         1.135,103           Intanglible assets, net         77,944         1.32,442           Operating flease assets         276,672         688,398           Noncurrent income taxes         47,662         688,398           Other assets         30,419         44,1958,571           Current liabilities         30,419         44,1958,571           Current liabilities         30,419         4,958,571           Current liabilities         907,083         \$ 922,543           Customer deposits at Priney Borwes Bank         628,072         632,072           Current portion of long-term debt         22,756         40,293           Current portion of long-term debt         31,150         90,172           Current portion glease liabilities         31,160         90,172           Current income taxes         31,150         90,172           Current income taxes         31,150         90,172           Curen			
Total current assets         1,798,016         1,892,053           Proprety, jant and equipment, net         27,487         34,774           Long-term finance receivables, net         27,487         34,774           Goodwill         1,066,951         1,135,103           Intangible assets, net         7,73,44         132,442           Operating lease assets         226,129         208,428           Noncurrent income taxes         47,662         68,393           Other assets         380,419         471,084           Total assets         380,419         471,084           Current labilities         \$ 907,083         \$ 922,543           Current labilities         \$ 907,083         \$ 922,543           Current labilities         \$ 907,083         \$ 922,543           Current portant peaks labilities         \$ 907,083         \$ 922,543           Current portant opeaks labilities         \$ 92,764         \$ 92,920           Current portant peaks labilities         \$ 1,525,757         \$ 92,920			
Property, plant and equipment, net         420,672         429,162           Rental property and equipment, net         27,487         34,774           Long-term finance resultables, net         627,124         587,427           Goodwill         1,066,961         1,135,103           Intangible assets, net         77,944         132,442           Operating flases assets         296,129         286,428           Noncurrent income taxes         47,662         68,398           Other assets         380,019         471,084           Total assets         \$ 4,742,404         \$ 4,958,871           Libilities and stocholders' equity         \$ 620,72         632,824           Current assets         \$ 907,083         \$ 922,543           Current operating lease liabilities         \$ 907,083         \$ 922,543           Current operating lease liabilities         \$ 907,083         \$ 922,543           Current operating lease liabilities         \$ 922,543         \$ 922,543           Current operating lease liabilities         \$ 907,083         \$ 922,543           Current operating lease liabilities         \$ 92,263         \$ 922,643           Current operating lease liabilities         \$ 92,263         \$ 92,263           Current operating lease liabilities <t< td=""><td></td><td></td><td></td></t<>			
Rental property and equipment, net         27,487         34,774           Long-term fineme receivables, net         627,124         657,427           Godwill         1,066,951         1,135,103           Intangible assets, net         296,129         208,428           Operating base assets         300,419         471,084           Other assets         300,419         471,084           Other assets         300,419         471,084           Total assets         300,419         471,084           Libilities and stockholders' equity         \$ 4,742,044         \$ 4,998,871           Current libilities:         \$ 907,063         \$ 22,643           Current logentaring lease libilities         \$ 907,063         \$ 22,643           Current operating lease liabilities         \$ 22,764         4,739           Current operating lease liabilities         \$ 22,764         4,739           Current operating lease liabilities         \$ 907,063         \$ 92,943           Current income taxes         \$ 907,063         \$ 92,943           Current operating lease liabilities         \$ 907,063         \$ 92,943           Current operating lease liabilities         \$ 907,063         \$ 92,943           Current operating lease liabilities         \$ 92,840			
Long-term finance receivables, net         627,124         587,427           Goodwil         1,066,951         1,135,103           Intangible assets, net         77,944         1122,423           Operating lease assets         296,129         208,428           Noncurrent lonome taxes         380,419         477,062           Other assets         380,419         477,062           Catal assets         380,419         477,062           Labilities and stockholders' equity         \$ 4,742,040         \$ 4,958,871           Current liabilities         \$ 007,083         \$ 922,543           Current liabilities         \$ 007,083         \$ 922,543           Current portion of long-term debt         \$ 22,764         247,393           Current operating lease liabilities         \$ 007,083         \$ 922,543           Current portion of long-term debt         \$ 22,764         247,393           Current portion of long-term debt         \$ 21,727         99,280           Current income taxes         \$ 3,150         \$ 0,0177           Total aurent liabilities         \$ 1,72,862         1,172,940           Current income taxes         \$ 2,814         31,935           Noncurrent income taxes         \$ 2,814         31,935           N			
Goodwill         1,066,961         1,135,103           Intangible assets, net         296,129         208,428           Noncurrent income taxes         380,419         471,084           Total assets         380,419         471,084           Total assets         380,419         471,084           Current liabilities:         \$ 4,762,044         \$ 4,956,871           Liabilities and stockholders' equity           Current liabilities:         \$ 907,083         \$ 922,543           Current liabilities:         628,072         632,062           Current operating lease liabilities         \$ 22,576         40,299           Current operating lease liabilities         \$ 22,764         24,793           Current operating lease liabilities         \$ 22,764         24,793           Current operating lease liabilities         \$ 1,52,07         99,280           Current income taxes         \$ 1,728,852         1,227,940           Current income taxes         \$ 2,7764         24,794           Deferred taxes on income         \$ 23,151         \$ 286,453           Noncurrent inabilities         \$ 2,784         \$ 2,784           Noncurrent liabilities         \$ 2,764         \$ 2,793,90           Current income taxiabilities <td< td=""><td></td><td></td><td></td></td<>			
Intangble assets, net         77,944         132,442           Operating lease assets         296,129         268,29           Noncurrent income taxes         380,419         471,084           Otlar assets         380,419         471,084           Labilities and stockholders' equity         \$ 4,742,404         \$ 4,956,271           Current liabilities:         \$ 907,083         \$ 922,543           Current operating lease liabilities         \$ 930,062         \$ 25,756         \$ 402,092           Current operating lease liabilities         \$ 105,207         \$ 92,909         \$ 9,017           Total current liabilities and otheri income taxe			
Operating lease assets         296,129         208,428           Noncurrent income taxes         380,419         471,084           Total assets         380,419         471,084           Total assets         \$ 4,742,404         \$ 4,898,971           Liabilities:         \$ 007,083         \$ 922,543           Current liabilities:         628,072         628,072           Coursent apprise and accrued liabilities         \$ 207,083         \$ 922,543           Coursent apprise and accrued liabilities         \$ 207,083         \$ 922,543           Coursent apprise and accrued liabilities         \$ 207,083         \$ 922,543           Current tabilities:         \$ 22,576         40,299           Current notion of long-term debt         \$ 22,576         40,299           Current income taxes         \$ 31,500         90,101           Total current liabilities         \$ 1,728,852         1,727,902           Coursen income taxes         \$ 23,441         31,935           Tax uncertainties and other income tax liabilities         \$ 286,696         192,922           Other noncurrent liabilities         \$ 23,841         31,935           Noncurrent liabilities         \$ 286,696         192,922           Total unotrainties and other income tax liabilities         \$ 28			
Noncurrent income taxes         47,662         68,389           Other assets         380,419         471,084           Italiassets         \$ 4,742,404         \$ 4,959,871           Labilities and stockholders' equity         \$ 4,742,404         \$ 4,959,871           Current liabilities:         \$ 907,083         \$ 922,543           Customer deposits at Pitney Bowes Bank         628,072         633,082           Current operating lease liabilities         \$ 5,276         40,299           Current operating lease liabilities         \$ 2,2543         323,2764           Current operating lease liabilities         \$ 2,2764         24,739           Current portion of long-term debt         \$ 3,150         90,179           Current income taxes         \$ 3,150         9,017           Total current liabilities         \$ 2,172,502         2,290,099           Deferred taxes on income         \$ 23,381         31,935           Noncurrent liabilities         \$ 24,729         300,728           Total itabilities         \$ 24,729         300,728           Other noncurrent liabilities         \$ 3,150         \$ 9,017           Total current liabilities         \$ 2,172,502         \$ 2,290,099           Deferrend taxes on income         \$ 233,131         \$ 28			
Other assets         380,419         471,084           Total assets         \$ 4,742,404         \$ 4,958,871           Labilities and stockholders' equity         \$ 907,083         \$ 922,543           Current labilities:         \$ 907,083         \$ 922,543           Current portion of long-term debt         \$ 52,576         40,229           Current portion of long-term debt         \$ 22,764         \$ 24,739           Advance billings         \$ 105,207         \$ 992,843           Current portion of long-term debt         \$ 2,172,502         \$ 2,299,099           Current ibbilities         \$ 1,727,940         \$ 2,990,99           Deferred taxes on income         \$ 23,841         31,935           Total current liabilities         \$ 23,841         31,935           Noncurrent operating lease liabilities         \$ 227,729         300,922           Other noncurrent liabilities         \$ 227,729         300,923           Stockholders' equity:         \$ 23,338         \$ 223,338           Corrent liabilities         \$ 23,338         \$ 23,338           Additional paid-in-capital         \$ 24,652,739         \$ 24,652,739           Total current liabilities         \$ 23,338         \$ 223,338           Stockholders' equity:         \$ 23,338         \$ 2			) -
Total assets         \$ 4,742,404         \$ 4,956,871           Labilities and stockholders' equity         Current liabilities         \$ 907,083         \$ 922,543           Customer deposite at Ptiney Bowes Bank         628,072         632,062           Current operating lease liabilities         \$ 22,576         402,099           Current portion of long-term debt         32,764         24,739           Advance billings         31,550         90,112           Current income taxes         31,550         90,9017           Total current liabilities         22,7724         22,290,909           Deferred taxes on income         233,131         286,445           Tax uncertainties and other income tax liabilities         22,77,29         308,728           Noncurrent liabilities         227,729         308,728           Total liabilities         4,686,151         4,646,239           Chorder sequity:         31,850         4,686,239           Common stock         323,338         323,338           Additional paid-in-capital         -         2,485           Retained earnings         5,125,677         5,169,279           Additional paid-in-capital         -         2,485           Retained earnings         (4,552,789)         (4,602,149) <td>Noncurrent income taxes</td> <td></td> <td></td>	Noncurrent income taxes		
Liabilities and stockholders' equity         Current liabilities:         Accounts payable and accrued liabilities         Current operating lease liabilities         Current income taxes         Current debt         Contrent debt         Contrent debt         Current liabilities         Current debt         Contrent operating lease liabilities         Contrent operating lease liabilities         Tax uncertainties and other income tax liabilities         Noncurrent operating lease liabilities         Stockholders' equity:         Common stock         Common stock         Additional paid-in-capital         Accurulated other comprehensive loss         Additional paid-in-capital         Common stock         Additional paid-in-capital         Common stock         Additional paid-in-capital         Retained earnings         Accurted other comprehensive loss         (4402,749)         (4402,749)         (4402,749)	Other assets		
Current liabilities:         \$ 907,083         \$ 922,543           Accounts payable and accrued liabilities         628,072         632,062           Current operating lease liabilities         52,576         40,299           Current option of long-term debt         32,764         24,739           Advance bilings         32,764         24,739           Current portion of long-term debt         32,764         24,739           Advance bilings         105,207         99,280           Current liabilities         3,150         9,017           Total current liabilities         1,727,940         2,99,099           Deferred taxes on income         2,813         268,445           Tax uncertainties and other income tax liabilities         2,813         31,935           Noncurrent operating lease liabilities         265,696         1492,092           Other noncurrent liabilities         227,729         33,8728           Total current liabilities         227,729         33,8728           Stockholders' equity:         -         24,845           Retained earnings         5,125,677         5,169,270           Additional paid-in-capital         -         2,485           Retained earnings         5,125,677         5,169,270	Total assets	\$ 4,742,404	\$ 4,958,871
Accounts payable and accrued liabilities         \$ 907,083         \$ 922,543           Customer deposits at Pitney Bowes Bank         628,072         632,062           Current operating lease liabilities         52,576         40,299           Current operating lease liabilities         32,764         24,739           Advance billings         105,207         99,280           Current income taxes         31,50         90,177           Total current liabilities         1,728,852         1,727,940           Long-term debt         2,172,502         2,299,099           Deferred taxes on income         263,131         286,445           Tax uncertainties and other income tax liabilities         23,841         31,935           Noncurrent logal liabilities         225,676         192,092           Other noncurrent liabilities         226,696         192,092           Stockholders' equity:         227,729         323,338         323,338           Additional paid-in-capital         -         2,485           Retained earnings         5,125,677         5,169,270           Accounted to ther comprehensive loss         (4,552,798)         (4,602,149)           Total liabilities         5,125,677         5,169,270           Retained earnings         5,12			
Customer deposits at Pitney Bowes Bank         628,072         632,062           Current operating lease liabilities         52,576         40,299           Current operating lease liabilities         32,764         24,739           Advance billings         105,207         99,280           Current income taxes         3,150         9,017           Total current liabilities         1,728,852         1,727,940           Long-term debt         2,172,502         2,299,099           Deferred taxes on income         23,841         31,935           Noncurrent operating lease liabilities         265,696         192,092           Other noncurrent liabilities         265,696         192,092           Other noncurrent liabilities         265,696         192,092           Stockholders' equity:         2,0000         2,007,29         308,728           Total liabilities         4,861,751         4,846,239           Stockholders' equity:         2,007,29         308,728         323,338           Additional paid-in-capital         -         2,485           Retained earnings         5,125,677         5,189,270           Accumulated other comprehensive loss         (635,564)         (780,312,149)           Total stockholders' equity         (4,60	Current liabilities:		
Current operating lease liabilities         52,576         40,299           Current portion of long-term debt         32,764         24,739           Advance billings         105,207         99,280           Current income taxes         3,150         9,017           Total current liabilities         1,728,852         1,727,940           Long-term debt         2,172,502         2,289,009           Deferred taxes on income         2,63,131         286,445           Tax uncertainties and other income tax liabilities         23,841         31,935           Noncurrent operating lease liabilities         265,696         192,092           Other noncurrent liabilities         268,415         31,935           Total liabilities         227,729         308,728           Other noncurrent liabilities         227,729         308,728           Total liabilities         227,729         308,728           Stockholders' equity:         323,338         323,338           Common stock         323,338         323,338           Additional paid-in-capital         -         2,485           Retained earnings         5,125,677         5,169,270           Accumulated other comprehensive loss         (835,564)         (780,312)           Tre	Accounts payable and accrued liabilities	\$ 907,083	\$ 922,543
Current portion of long-term debt         32,764         24,739           Advance billings         105,207         99,280           Current income taxes         3,150         9,017           Total current liabilities         1,728,852         1,727,940           Long-term debt         2,172,502         2,299,099           Deferred taxes on income         23,341         31,395           Tax uncertainties and other income tax liabilities         23,841         31,395           Noncurrent operating lease liabilities         265,696         192,092           Other noncurrent liabilities         227,729         308,728           Total liabilities         323,338         323,338           Additional paid-in-capital         -         2,485           Retained earnings         5,125,677         5,169,270           Accumulated other comprehensive loss         ((335,564)         (780,312)           Treasury stock, at cost         (4,602,149)         (4,602,149)           Total stockholders' equify         60,6653         112,632	Customer deposits at Pitney Bowes Bank	628,072	632,062
Advance billings         105,207         99,280           Current income taxes         3,150         9,017           Total current liabilities         1,728,852         1,727,940           Long-term debt         2,172,502         2,299,099           Deferred taxes on income         263,131         286,445           Tax uncertainties and other income tax liabilities         23,841         31,935           Noncurrent operating lease liabilities         227,729         308,728           Other noncurrent liabilities         227,729         308,728           Total liabilities         227,729         308,728           Total liabilities         23,338         323,338           Additional paid-in-capital         -         2,485           Retained earnings         5,125,677         5,169,270           Accumulated other comprehensive loss         (835,564)         (780,312)           Treasury stock, at cost         (835,564)         (780,312)           Total stockholders' equity         6,6653         112,632	Current operating lease liabilities	52,576	40,299
Advance billings         105,207         99,280           Current income taxes         3,150         9,017           Total current liabilities         1,728,852         1,727,940           Long-term debt         2,172,502         2,299,099           Deferred taxes on income         263,131         286,445           Tax uncertainties and other income tax liabilities         23,841         31,935           Noncurrent operating lease liabilities         227,729         308,728           Other noncurrent liabilities         227,729         308,728           Total liabilities         227,729         308,728           Total liabilities         23,338         323,338           Additional paid-in-capital         -         2,485           Retained earnings         5,125,677         5,169,270           Accumulated other comprehensive loss         (835,564)         (780,312)           Treasury stock, at cost         (835,564)         (780,312)           Total stockholders' equity         6,6653         112,632	Current portion of long-term debt	32,764	24,739
Current income taxes         3,150         9,017           Total current liabilities         1,728,852         1,727,940           Long-term debt         2,172,502         2,299,099           Deferred taxes on income         263,131         286,445           Tax uncertainties and other income tax liabilities         23,841         31,935           Noncurrent operating lease liabilities         2265,696         192,092           Other noncurrent liabilities         227,729         308,728           Total liabilities         4,681,751         4,846,239           Stockholders' equity:         -         2,485           Retained earnings         5,125,677         5,169,270           Accumulated other comprehensive loss         (835,564)         (780,312)           Total stockholders' equity         -         2,485           Total stockholders' equity         -         2,485           Common stock         323,338         323,338           Additional paid-in-capital         -         2,485           Retained earnings         5,125,677         5,169,270           Accumulated other comprehensive loss         (835,564)         (780,312)           Total stockholders' equity         -         60,653         112,32		105,207	99,280
Total current liabilities       1,728,852       1,727,940         Long-term debt       2,172,502       2,299,099         Deferred taxes on income       263,131       286,445         Tax uncertainties and other income tax liabilities       23,841       31,935         Noncurrent operating lease liabilities       265,696       192,092         Other noncurrent liabilities       227,729       308,728         Total liabilities       223,338       323,338         Stockholders' equity:       323,338       323,338         Common stock       323,338       323,338         Additional paid-in-capital       -       2,485         Retained earnings       5,125,677       5,169,270         Accumulated other comprehensive loss       (4,552,798)       (4,602,149)         Total stockholders' equity       60,653       112,632			
Long-term debt         2,172,502         2,299,099           Deferred taxes on income         263,131         286,445           Tax uncertainties and other income tax liabilities         23,841         31,935           Noncurrent operating lease liabilities         265,696         192,092           Other noncurrent liabilities         227,729         308,728           Total liabilities         227,729         308,728           Stockholders' equity:         4,681,751         4,846,239           Stockholders' equity:         -         2,485           Common stock         323,338         323,338           Additional paid-in-capital         -         2,485           Retained earnings         5,125,677         5,169,270           Accumulated other comprehensive loss         (4,552,798)         (4,602,149)           Total stockholders' equity         (4,602,149)         (4,602,149)	Total current liabilities		
Deferred taxes on income         263,131         286,445           Tax uncertainties and other income tax liabilities         23,841         31,935           Noncurrent operating lease liabilities         265,696         192,092           Other noncurrent liabilities         227,729         308,728           Total liabilities         4,681,751         4,846,239           Stockholders' equity:         323,338         323,338           Additional paid-in-capital         -         2,485           Retained earnings         5,125,677         5,169,270           Accumulated other comprehensive loss         (4,552,798)         (4,602,149)           Total stockholders' equity         -         -           Treasury stock, at cost         (4,552,798)         (4,602,149)			
Tax uncertainties and other income tax liabilities23,84131,935Noncurrent operating lease liabilities265,696192,092Other noncurrent liabilities227,729308,728Total liabilities4,681,7514,846,239Stockholders' equity:323,338323,338Common stock323,338323,338Additional paid-in-capital-2,485Retained earnings5,125,6775,169,270Accumulated other comprehensive loss(780,372)Treasury stock, at cost(4,552,798)(4,602,149)Total stockholders' equity60,653112,632	•		
Noncurrent operating lease liabilities265,696192,092Other noncurrent liabilities227,729308,728Total liabilities4,681,7514,846,239Stockholders' equity:323,338323,338Common stock323,338323,338Additional paid-in-capital-2,485Retained earnings5,125,6775,169,270Accumulated other comprehensive loss(835,564)(780,312)Treasury stock, at cost(4,552,798)(4,602,149)Total stockholders' equity60,653112,632			) -
Other noncurrent liabilities227,729309,728Total liabilities4,681,7514,846,239Stockholders' equity: Common stock Additional paid-in-capital Retained earnings Accumulated other comprehensive loss Treasury stock, at cost323,338323,338Additional paid-in-capital (835,564)-2,485Retained earnings (835,564)5,125,6775,169,270Accumulated other comprehensive loss Treasury stock, at cost(835,564)(780,312)Total stockholders' equity60,653112,632			
Total liabilities4,681,7514,846,239Stockholders' equity:323,338323,338Common stock323,338323,338Additional paid-in-capital-2,485Retained earnings5,125,6775,169,270Accumulated other comprehensive loss(835,564)(780,312)Treasury stock, at cost(4,552,798)(4,602,149)Total stockholders' equity60,653112,632			
Stockholders' equity:Common stock323,338Additional paid-in-capital-Retained earnings5,125,677Accumulated other comprehensive loss(835,564)Treasury stock, at cost(4,552,798)Total stockholders' equity60,653			
Common stock         323,338         323,338           Additional paid-in-capital         -         2,485           Retained earnings         5,125,677         5,169,270           Accumulated other comprehensive loss         (835,564)         (780,312)           Treasury stock, at cost         (4,552,798)         (4,602,149)           Total stockholders' equity         60,653         112,632			1,010,200
Additional paid-in-capital-2,485Retained earnings5,125,6775,169,270Accumulated other comprehensive loss(835,564)(780,312)Treasury stock, at cost(4,552,798)(4,602,149)Total stockholders' equity60,653112,632			
Retained earnings         5,125,677         5,169,270           Accumulated other comprehensive loss         (835,564)         (780,312)           Treasury stock, at cost         (4,552,798)         (4,602,149)           Total stockholders' equity         60,653         112,632		323,338	
Accumulated other comprehensive loss         (835,564)         (780,312)           Treasury stock, at cost         (4,552,798)         (4,602,149)           Total stockholders' equity         60,653         112,632		-	
Treasury stock, at cost         (4,552,798)         (4,602,149)           Total stockholders' equity         60,653         112,632	0		
Total stockholders' equity 60,653 112,632	Accumulated other comprehensive loss		
	Treasury stock, at cost	(4,552,798)	(4,602,149)
	Total stockholders' equity	60,653	112,632
		\$ 4,742,404	\$ 4,958,871

### **Business Segment Revenue**

(Unaudited; in thousands)

		Three m	onths en	ded Decembe	er 31,		er 31,		
	2	022	2	021	% Change		2022	 2021	% Change
Global Ecommerce					_				
Revenue, as reported	\$	409,725	\$	473,054	(13%)	\$	1,576,348	\$ 1,702,580	(7%)
Impact of change in revenue presentation		,		(44,228)	· · ·			(44,228)	ζ,
Impact of Borderfree divestiture				(16,384)	_			(30,024)	
Comparable revenue before currency <sup>(1)</sup>		409,725		412,442	(1%)		1,576,348	 1,628,328	(3%)
Impact of currency on revenue		4,726					12,643		. ,
Comparable revenue	\$	414,451	\$	412,442	0%	\$	1,588,991	\$ 1,628,328	(2%)
Presort Services									
Revenue, as reported	\$	157,714	\$	156,439	1%	\$	602,016	\$ 573,480	5%
Impact of currency on revenue								 	
Revenue at constant currency	\$	157,714	\$	156,439	1%		602,016	\$ 573,480	5%
Sending Technology Solutions									
Revenue, as reported	\$	341,252	\$	354,219	(4%)	\$	1,359,678	\$ 1,397,501	(3%)
Impact of change in revenue presentation				(3,102)				 (3,102)	
Comparable revenue before currency <sup>(1)</sup>		341,252		351,117	(3%)		1,359,678	1,394,399	(2%)
Impact of currency on revenue		8,311					28,517		
Comparable revenue	\$	349,563	\$	351,117	(0%)	\$	1,388,195	\$ 1,394,399	(0%)
Consolidated									
Revenue, as reported	\$	908,691	\$	983,712	(8%)	\$	3,538,042	\$ 3,673,561	(4%)
Impact of change in revenue presentation				(47,330)	_			(47,330)	
Impact of Borderfree divestiture				(16,384)				 (30,024)	
Comparable revenue before currency <sup>(1)</sup>		908,691		919,998	(1%)		3,538,042	3,596,207	(2%)
Impact of currency on revenue		13,037					41,160	 	
Comparable revenue	\$	921,728	\$	919,998	0%	\$	3,579,202	\$ 3,596,207	(0%)

(1) Revenue on a comparable basis before currency for 2021 excludes the impact of the change in revenue presentation for certain services from a gross basis to net basis for the fourth quarter of 2021 and the revenue from the Borderfree business for the third and fourth quarters of 2021.

#### Business Segment EBIT & EBITDA

(Unaudited; in thousands)

	Three months ended December 31,								
	2022				2021		% change		
	EBIT <sup>(1)</sup>	D&A	EBITDA	EBIT <sup>(1)</sup>	D&A	EBITDA	EBIT	EBITDA	
Global Ecommerce	\$ (22,906)	\$ 17,390	\$ (5,516)	\$ (40,516)	\$ 20,957	\$ (19,559)	43%	72%	
Presort Services	29,386	7,438	36,824	23,474	6,711	30,185	25%	22%	
Sending Technology Solutions	105,535	7,330	112,865	108,874	7,116	115,990	(3%)	(3%)	
Segment total	\$ 112,015	<u>\$ 32,158</u>	144,173	\$ 91,832	\$ 34,784	126,616	22%	14%	
Reconciliation of Segment EBITDA to Net Income:									
Segment depreciation and amortization			(32,158)			(34,784)			
Unallocated corporate expenses			(62,748)			(44,817)			
Restructuring charges			(6,043)			(7,569)			
Gain (loss) on sale of businesses, including transaction costs			1,319			(2,582)			
Loss on debt redemption/refinancing			-			(633)			
Interest, net			(37,126)			(34,760)			
(Provision) benefit for income taxes		_	(1,121)		_	320			
Income from continuing operations		_	6,296		-	1,791			
Loss from discontinued operations, net of tax		_			_	(524)			
Net income		=	\$ 6,296		=	\$ 1,267			

	Twelve months ended December 31,								
	2022				2021		% change		
	EBIT <sup>(1)</sup>	D&A	EBITDA	EBIT <sup>(1)</sup>	D&A	EBITDA	EBIT	EBITDA	
Global Ecommerce	\$ (100,308)	\$ 78,296	\$ (22,012)	\$ (98,673)	\$ 79,128	\$ (19,545)	(2%)	(13%)	
Presort Services	82,430	28,039	110,469	79,721	27,243	106,964	3%	3%	
Sending Technology Solutions	400,909	29,489	430,398	429,415	29,951	459,366	(7%)	(6%)	
Segment Total	\$ 383,031	<u>\$ 135,824</u>	518,855	\$ 410,463	\$ 136,322	546,785	(7%)	(5%)	
Reconciliation of Segment EBITDA to Net Income (Loss):									
Segment depreciation and amortization			(135,824)			(136,322)			
Unallocated corporate expenses			(204,251)			(207,774)			
Restructuring charges			(18,715)			(19,003)			
Gain on sale of assets			14,372			1,434			
Gain on sale of business, including transaction costs			12,205			7,619			
Loss on debt redemption/refinancing			(4,993)			(56,209)			
Interest, net			(141,769)			(143,945)			
(Provision) benefit for income taxes			(2,940)		_	10,922			
Income from continuing operations		_	36,940			3,507			
Loss from discontinued operations, net of tax		_	-			(4,858)			
Net income (loss)		-	\$ 36,940			\$ (1,351)			

(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 an increase in Global Ecommerce EBIT and a corresponding decrease in Presort Services EBIT of \$1 million and \$10 million for the three and twelve months ended December 31, 2022, respectively.

### Reconciliation of Reported Consolidated Results to Adjusted Results

(Unaudited; in thousands, except per share amounts)

	Three	e months end	led Decembe	r 31,	Twelv	e months en	ded Decemb	ed December 31,	
	202	22	202	21	202	22	20	21	
Reconciliation of reported net income (loss) to adjusted EBIT and EBITDA									
Net income (loss)	\$	6,296	\$	1,267	\$	36,940	\$	(1,351)	
Loss from discontinued operations, net of tax		-		524		-		4,858	
Provision (benefit) for income taxes		1,121		(320)		2,940		(10,922)	
Income (loss) from continuing operations before taxes		7,417		1,471		39,880		(7,415)	
Restructuring charges		6,043		7,569		18,715		19,003	
Gain on sale of assets		-		-		(14,372)		(1,434)	
(Gain) loss on sale of businesses, including transaction costs		(1,319)		2,582		(12,205)		(7,619)	
Loss on debt redemption/refinancing		-		633		4,993		56,209	
Adjusted net income before tax		12,141		12,255		37,011		58,744	
Interest, net		37,126		34,760		141,769		143,945	
Adjusted EBIT		49,267		47,015		178,780		202,689	
Depreciation and amortization		39,064		41,634		163,816		162,859	
Adjusted EBITDA	\$	88,331	\$	88,649	\$	342,596	\$	365,548	
Reconciliation of reported diluted earnings (loss) per share to adjusted diluted									
earnings per share									
Diluted earnings (loss) per share	\$	0.04	\$	0.01	\$	0.21	\$	(0.01)	
Restructuring charges	Ψ	0.03	Ψ	0.03	Ψ	0.08	Ψ	0.08	
Gain on sale of assets		-		-		(0.06)		(0.01)	
(Gain) loss on sale of businesses, including transaction costs		(0.01)		0.01		(0.09)		(0.01)	
Loss on debt redemption/refinancing		(0.01)		0.01		0.02		0.24	
Loss from discontinued operations, net of tax		_		_		0.02		0.03	
Adjusted diluted earnings per share <sup>(1)</sup>	•	0.06	٩	0.06	¢	0.15	¢	0.00	
Adjusted diluted earnings per snare V	<u> </u>	0.00	Φ	0.00	⊅	0.15	Φ	0.32	
<sup>(1)</sup> 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	\$	166,754	\$	85,341	\$	175,983	\$	301,515	
Capital expenditures	*	(27,307)	4	(43,135)	Ŷ	(124,840)	Ŷ	(184,042)	
Restructuring payments		3,645		7,143		15,406		21,990	
Change in customer deposits at PB Bank		(35,349)		(10,650)		(3,990)		14,862	
Transaction costs paid		(33,343) 379		(10,000)		(3,330) 5,779			
Free cash flow	\$	108,122	\$	38,699	\$	68,338	\$	154,325	
	Ψ	100,122	Ψ	30,033	Ψ	00,000	Ψ	104,020	