

Pitney Bowes Inc.

Consolidated Statements of Operations

(Unaudited; in thousands, except per share amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Revenue:				
Services	\$284,517	\$290,423	\$591,087	\$608,855
Products	87,523	90,880	176,173	184,070
Financing and other	79,458	80,606	161,651	162,404
Total revenue	451,498	461,909	928,911	955,329
Costs and expenses:				
Cost of services	155,356	144,240	311,511	300,113
Cost of products	41,442	54,487	90,122	105,406
Cost of financing and other	12,424	15,656	25,219	33,163
Selling, general and administrative	128,746	170,542	262,123	336,457
Research and development	3,383	3,601	7,177	8,364
Restructuring charges	3,337	13,806	8,449	15,206
Interest expense, net	28,580	24,937	54,572	49,207
Other components of net pension and postretirement cost	12,256	1,947	23,290	3,801
Other expense	483	(6,578)	483	17,609
Total costs and expenses	386,007	422,638	782,946	869,326
Income before taxes	65,491	39,271	145,965	86,003
Provision for income taxes	15,583	9,296	37,919	20,606
Net income	\$49,908	\$29,975	\$108,046	\$65,397
Basic earnings per share	\$0.37	\$0.17	\$0.76	\$0.36
Diluted earnings per share	\$0.36	\$0.17	\$0.75	\$0.36
Weighted-average shares used in diluted earnings per share	139,043	181,005	143,864	182,708

Pitney Bowes Inc.

Consolidated Balance Sheets

(Unaudited; in thousands)

<u>Assets</u>	<u>June 30, 2026</u>	<u>December 31, 2025</u>
Current assets:		
Cash and cash equivalents	\$266,833	\$284,887
Short-term investments	11,920	12,232
Accounts and other receivables, net	147,898	168,099
Short-term finance receivables, net	468,702	496,446
Inventories	62,880	66,241
Current income taxes	2,419	3,143
Other current assets and prepayments	79,223	69,451
Total current assets	1,039,875	1,100,499
Property, plant and equipment, net	175,555	185,913
Rental property and equipment, net	22,526	24,054
Long-term finance receivables, net	550,602	605,129
Goodwill	740,417	746,687
Intangible assets, net	12,949	14,741
Operating lease assets	103,268	106,996
Noncurrent income taxes	89,953	95,412
Other assets	284,440	289,520
Total assets	<u>\$3,019,585</u>	<u>\$3,168,951</u>
<u>Liabilities and stockholders' deficit</u>		
Current liabilities:		
Accounts payable and accrued liabilities	\$743,248	\$845,378
Customer deposits at Pitney Bowes Bank	546,503	582,630
Current operating lease liabilities	29,935	28,396
Current portion of long-term debt	23,138	17,150
Advance billings	71,689	69,075
Current income taxes	3,122	5,210
Total current liabilities	1,417,635	1,547,839
Long-term debt	2,010,756	1,975,888
Deferred taxes on income	97,581	72,665
Tax uncertainties and other income tax liabilities	161	278
Noncurrent operating lease liabilities	93,825	99,757
Noncurrent customer deposits at Pitney Bowes Bank	71,000	71,000
Other noncurrent liabilities	191,906	203,884
Total liabilities	<u>3,882,864</u>	<u>3,971,311</u>
Stockholders' deficit:		
Common stock	270,338	270,338
Retained earnings	2,698,586	2,655,703
Accumulated other comprehensive loss	(790,426)	(789,132)
Treasury stock, at cost	(3,041,777)	(2,939,269)
Total stockholders' deficit	<u>(863,279)</u>	<u>(802,360)</u>
Total liabilities and stockholders' deficit	<u>\$3,019,585</u>	<u>\$3,168,951</u>

PITNEY BOWES INC.

STATEMENTS OF CASH FLOWS

(Unaudited; in thousands)

	Six Months Ended June 30,	
	2026	2025
Cash Flows From Operating Activities:		
Net income	\$108,046	\$65,397
<i>Adjustments to reconcile net income to net cash provided by operating activities:</i>		
Depreciation and amortization	49,328	57,086
Allowance for credit losses	4,529	5,161
Change in allowance for DIP Facility	-	(8,024)
Stock-based compensation	13,072	12,287
Amortization of debt fees	3,977	3,599
Loss on debt redemption/refinancing	1,116	24,364
Restructuring charges	8,449	15,206
Restructuring payments	(28,898)	(21,518)
Loss on disposal of fixed assets	6,750	5,430
(Gain) loss on revaluation of intercompany loans	(5,771)	24,624
Other, net	9,818	(11,556)
<i>Changes in operating assets and liabilities, net of acquisitions:</i>		
Accounts and other receivables	17,602	4,820
Finance receivables	71,746	71,202
Inventories	3,124	(17,705)
Other current assets and prepayments	(8,622)	(5,356)
Accounts payable and accrued liabilities	(84,114)	(142,328)
Current and noncurrent income taxes	23,654	8,706
Advance billings	3,266	3,314
Net cash from operating activities	197,072	94,709
Cash Flows From Investing Activities:		
Capital expenditures	(34,331)	(30,230)
Purchases of investment securities	(7,041)	(7,603)
Proceeds from sales/maturities of investment securities	11,060	18,530
Net investment in loans receivables	3,362	(61,650)
DIP Facility reimbursement	-	8,024
Acquisition	-	(2,200)
Other investing activities, net	233	1,029
Net cash from investing activities	(26,717)	(74,100)
Cash Flows From Financing Activities:		
Proceeds from issuance of long-term debt	396,700	775,000
Payments to redeem long-term debt	(356,073)	(804,442)
Change in customer deposits at PB Bank	(36,127)	(42,923)
Dividends paid to stockholders	(26,891)	(23,606)
Premium and fees paid to redeem/refinance debt	(5,651)	(20,598)
Proceeds from stock option exercise	36,384	7,344
Common stock repurchases	(188,446)	(90,274)
Other financing activities	(7,403)	(8,993)
Net cash from financing activities	(187,507)	(208,492)
Effect of exchange rate changes on cash and cash equivalents	(902)	3,334
Change in cash and cash equivalents	(18,054)	(184,549)
Cash and cash equivalents at beginning of period	284,887	469,726
Cash and cash equivalents at end of period	\$266,833	\$285,177

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

	Three Months Ended June 30,			Six Months Ended June 30,		
	2026	2025	% Change	2026	2025	% Change
SendTech Solutions	\$308,930	\$311,716	(1%)	\$622,877	\$627,322	(1%)
Presort Services	142,568	150,193	(5%)	306,034	328,007	(7%)
Total revenue	<u>\$451,498</u>	<u>\$461,909</u>	<u>(2%)</u>	<u>\$928,911</u>	<u>\$955,329</u>	<u>(3%)</u>

Pitney Bowes Inc.

Adjusted Segment EBIT & EBITDA

(Unaudited; in thousands)

	Three Months Ended June 30,							
	2026			2025			% change	
	Adjusted Segment EBIT ⁽¹⁾	D&A	Adjusted Segment EBITDA	Adjusted Segment EBIT ⁽¹⁾	D&A	Adjusted Segment EBITDA	Adjusted Segment EBIT	Adjusted Segment EBITDA
SendTech Solutions	\$122,678	\$9,859	\$132,537	\$101,255	\$11,731	\$112,986	21%	17%
Presort Services	20,006	8,855	28,861	35,940	9,139	45,079	(44%)	(36%)
Total reportable segments	<u>\$142,684</u>	<u>\$18,714</u>	<u>161,398</u>	<u>\$137,195</u>	<u>\$20,870</u>	<u>158,065</u>	<u>4%</u>	<u>2%</u>

Reconciliation of Adjusted Segment EBITDA to income before taxes:

Depreciation and amortization - reportable segments	(18,714)	(20,870)
Interest expense, net	(37,608)	(37,499)
Corporate expenses	(26,631)	(34,902)
Restructuring charges	(3,337)	(13,806)
(Loss) gain on debt redemption/refinancing	(1,116)	282
Foreign currency gain (loss) on intercompany loans	889	(17,029)
Pension expense of plans to be terminated	(8,422)	-
Transaction and strategic review costs	(1,601)	(1,266)
Charge/Benefit in connection with Ecommerce Restructuring	633	6,296
Income before taxes	<u>\$65,491</u>	<u>\$39,271</u>

	Six Months Ended June 30,							
	2026			2025			% change	
	Adjusted Segment EBIT ⁽¹⁾	D&A	Adjusted Segment EBITDA	Adjusted Segment EBIT ⁽¹⁾	D&A	Adjusted Segment EBITDA	Adjusted Segment EBIT	Adjusted Segment EBITDA
SendTech Solutions	\$ 236,208	\$ 19,734	\$ 255,942	\$ 198,282	\$ 23,412	\$ 221,694	19%	15%
Presort Services	59,184	17,591	76,775	90,719	18,408	109,127	(35%)	(30%)
Total reportable segments	<u>\$ 295,392</u>	<u>\$ 37,325</u>	<u>332,717</u>	<u>\$ 289,001</u>	<u>\$ 41,820</u>	<u>330,821</u>	<u>2%</u>	<u>1%</u>

Reconciliation of Adjusted Segment EBITDA to income before taxes:

Depreciation and amortization - reportable segments	(37,325)	(41,820)
Interest expense, net	(73,183)	(75,384)
Corporate expenses	(48,962)	(67,019)
Restructuring charges	(8,449)	(15,206)
Loss on debt redemption/refinancing	(1,116)	(24,364)
Foreign currency gain (loss) on intercompany loans	5,771	(24,624)
Pension expense of plans to be terminated	(15,976)	-
Transaction and Strategic review costs	(8,145)	(3,156)
Benefit in connection with Ecommerce Restructuring	633	6,755
Income before taxes	<u>\$ 145,965</u>	<u>\$ 86,003</u>

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,	
	2026	2025	2026	2025
Reconciliation of net income to adjusted net income, adjusted EBIT and adjusted EBITDA				
Net income - GAAP	\$49,908	\$29,975	\$108,046	\$65,397
Provision for income taxes	15,583	9,296	37,919	20,606
Income before taxes	65,491	39,271	145,965	86,003
Restructuring charges	3,337	13,806	8,449	15,206
Foreign currency (gain) loss on intercompany loans	(889)	17,029	(5,771)	24,624
Loss (gain) on debt activities	1,116	(282)	1,116	24,364
Pension expense of plans to be terminated	8,422	-	15,976	-
Transaction and strategic review costs	1,601	1,266	8,145	3,156
Benefit in connection with Ecommerce Restructuring	(633)	(6,296)	(633)	(6,755)
Adjusted net income before tax	78,445	64,794	173,247	146,598
Adjusted tax provision	18,696	15,718	44,556	35,831
Adjusted net income	<u>\$59,749</u>	<u>\$49,076</u>	<u>\$128,691</u>	<u>\$110,767</u>
Adjusted income before tax	\$78,445	\$64,794	\$173,247	\$146,598
Interest expense, including financing interest	37,608	37,499	73,183	75,384
Adjusted EBIT	116,053	102,293	246,430	221,982
Depreciation and amortization	23,687	28,762	49,328	57,086
Adjusted EBITDA	<u>\$139,740</u>	<u>\$131,055</u>	<u>\$295,758</u>	<u>\$279,068</u>
Reconciliation of diluted earnings per share to adjusted diluted earnings per share				
Diluted earnings per share - GAAP	\$0.36	\$0.17	\$0.75	\$0.36
Restructuring charges	0.02	0.06	0.04	0.06
Foreign currency (gain) loss on intercompany loans	(0.01)	0.07	(0.03)	0.10
Pension expense of plans to be terminated	0.04	-	0.08	-
Loss (gain) on debt activities	0.01	-	0.01	0.10
Transaction and strategic review costs	0.01	0.01	0.04	0.01
Benefit in connection with Ecommerce Restructuring	-	(0.03)	-	(0.03)
Adjusted diluted earnings per share	<u>\$0.43</u>	<u>\$0.27</u>	<u>\$0.90</u>	<u>\$0.61</u>
The sum of the earnings per share amounts may not equal the total due to rounding.				
Reconciliation of net cash from operating activities to free cash flow				
Net cash from operating activities	\$152,916	\$111,388	\$197,072	\$94,709
Capital expenditures	(18,485)	(13,343)	(34,331)	(30,230)
Restructuring payments	13,697	8,412	28,898	21,518
Adjusted Free cash flow	<u>\$148,128</u>	<u>\$106,457</u>	<u>\$191,639</u>	<u>\$85,997</u>