

Pitney Bowes Inc.

Consolidated Statements of Operations

(Unaudited; in thousands, except per share amounts)

	Three months ended December 31		Year ended December 31	
	2024	2023	2024	2023
Revenue:				
Business services	\$ 234,652	\$ 218,931	\$ 886,041	\$ 857,646
Support services	93,270	100,281	374,571	410,734
Financing	66,077	68,874	269,893	271,197
Equipment sales	71,026	84,973	287,600	323,739
Supplies	35,587	36,674	143,245	147,709
Rentals	15,509	16,683	65,248	67,900
Total revenue	<u>516,121</u>	<u>526,416</u>	<u>2,026,598</u>	<u>2,078,925</u>
Costs and expenses:				
Cost of business services	129,002	135,978	515,533	560,640
Cost of support services	28,670	32,486	123,506	137,676
Financing interest expense	14,937	17,170	63,600	63,281
Cost of equipment sales	51,665	57,454	203,613	223,757
Cost of supplies	9,981	10,740	40,585	43,347
Cost of rentals	4,265	4,754	17,461	19,614
Selling, general and administrative	148,269	198,437	717,894	781,609
Research and development	9,492	8,106	31,957	29,486
Restructuring charges	12,056	17,645	76,915	52,412
Goodwill impairment	-	80,365	-	123,574
Interest expense, net	26,771	27,947	110,094	98,769
Other components of net pension and postretirement income	90,774	(2,112)	89,044	(8,256)
Other expense (income)	38,436	-	88,723	(3,064)
Total costs and expenses	<u>564,318</u>	<u>588,970</u>	<u>2,078,925</u>	<u>2,122,845</u>
(Loss) income before taxes	(48,197)	(62,554)	(52,327)	(43,920)
(Benefit) provision for income taxes	(6,134)	(984)	(154,829)	17,347
(Loss) income from continuing operations	(42,063)	(61,570)	102,502	(61,267)
Income (loss) from discontinued operations, net of tax	4,690	(162,268)	(306,099)	(324,360)
Net loss	<u>\$ (37,373)</u>	<u>\$ (223,838)</u>	<u>\$ (203,597)</u>	<u>\$ (385,627)</u>
Basic earnings (loss) per share				
Continuing operations	\$ (0.23)	\$ (0.35)	\$ 0.57	\$ (0.35)
Discontinued operations	0.03	(0.92)	(1.71)	(1.85)
Net loss	<u>\$ (0.21)</u>	<u>\$ (1.27)</u>	<u>\$ (1.13)</u>	<u>\$ (2.20)</u>
Diluted earnings (loss) per share:				
Continuing operations	\$ (0.23)	\$ (0.35)	\$ 0.56	\$ (0.35)
Discontinued operations	0.03	(0.92)	(1.68)	(1.85)
Net loss	<u>\$ (0.21)</u>	<u>\$ (1.27)</u>	<u>\$ (1.12)</u>	<u>\$ (2.20)</u>
Weighted-average shares used in diluted earnings per share	<u>182,006,126</u>	<u>176,341,606</u>	<u>182,525,719</u>	<u>175,639,669</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)

Assets	December 31, 2024	December 31, 2023
Current assets:		
Cash and cash equivalents	\$ 469,726	\$ 600,054
Short-term investments	16,374	22,166
Accounts and other receivables, net	159,951	200,242
Short-term finance receivables, net	535,608	563,536
Inventories	59,836	63,048
Current income taxes	10,429	564
Other current assets and prepayments	66,030	76,039
Assets held for sale	-	532,441
Total current assets	<u>1,317,954</u>	<u>2,058,090</u>
Property, plant and equipment, net	218,657	254,078
Rental property and equipment, net	24,587	23,583
Long-term finance receivables, net	610,316	653,085
Goodwill	721,003	734,409
Intangible assets, net	15,780	20,400
Operating lease assets	113,357	126,492
Noncurrent income taxes	99,773	60,995
Other assets	276,089	341,053
Total assets	<u>\$ 3,397,516</u>	<u>\$ 4,272,185</u>
<u>Liabilities and stockholders' deficit</u>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 873,626	\$ 829,419
Customer deposits at Pitney Bowes Bank	645,860	640,323
Current operating lease liabilities	26,912	29,882
Current portion of long-term debt	53,250	58,931
Advance billings	70,131	76,258
Current income taxes	2,948	6,523
Liabilities of assets held for sale	-	257,106
Total current liabilities	<u>1,672,727</u>	<u>1,898,442</u>
Long-term debt	1,866,458	2,087,101
Deferred taxes on income	49,187	211,477
Tax uncertainties and other income tax liabilities	13,770	19,091
Noncurrent operating lease liabilities	100,804	126,568
Noncurrent customer deposits at Pitney Bowes Bank	57,977	73,972
Other noncurrent liabilities	215,026	224,110
Total liabilities	<u>3,975,949</u>	<u>4,640,761</u>
Stockholders' deficit:		
Common stock	270,338	270,338
Retained earnings	2,671,868	3,077,988
Accumulated other comprehensive loss	(839,171)	(851,245)
Treasury stock, at cost	(2,681,468)	(2,865,657)
Total stockholders' deficit	<u>(578,433)</u>	<u>(368,576)</u>
Total liabilities and stockholders' deficit	<u>\$ 3,397,516</u>	<u>\$ 4,272,185</u>

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

	Three months ended December 31			Year ended December 31		
	2024	2023	% Change	2024	2023	% Change
Sending Technology Solutions	\$ 319,511	\$ 337,512	(5%)	\$ 1,279,866	\$ 1,327,873	(4%)
Presort Services	179,555	163,139	10%	662,587	617,599	7%
Total reportable segments	499,066	500,651	(0%)	1,942,453	1,945,472	(0%)
Other operations	17,055	25,765	(34%)	84,145	133,453	(37%)
Total revenue, as reported	516,121	526,416	(2%)	2,026,598	2,078,925	(3%)
Impact of currency on revenue	438			419		
Total revenue, constant currency	\$ 516,559	\$ 526,416	(2%)	\$ 2,027,017	\$ 2,078,925	(3%)

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

	Three months ended December 31							
	2024			2023			% 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
Sending Technology Solutions	\$ 95,327	\$ 10,713	\$ 106,040	\$ 116,386	\$ 9,652	\$ 126,038	(18%)	(16%)
Presort Services	52,228	9,103	61,331	34,464	8,470	42,934	52%	43%
Total reportable segments	<u>\$ 147,555</u>	<u>\$ 19,816</u>	167,371	<u>\$ 150,850</u>	<u>\$ 18,122</u>	168,972	<u>(2%)</u>	<u>(1%)</u>

Reconciliation of Adjusted Segment EBITDA to Income from continuing operations:

Other operations (2)		593		653
Depreciation and amortization - reportable segments		(19,816)		(18,122)
Interest expense, net		(41,708)		(45,117)
Corporate expenses		(33,710)		(65,169)
Restructuring charges		(12,056)		(17,645)
Goodwill impairment		-		(80,365)
Pension settlement		(91,339)		-
Foreign currency gain (loss) on intercompany loans		23,724		(5,761)
Strategic review costs		(2,820)		-
Charges in connection with the Ecommerce Restructuring		(29,686)		-
Loss on debt refinancing		(8,750)		-
Loss from continuing operations before taxes		<u>\$ (48,197)</u>		<u>\$ (62,554)</u>

	Year ended December 31							
	2024			2023			% 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
Sending Technology Solutions	\$ 401,800	\$ 39,993	\$ 441,793	\$ 408,091	\$ 37,981	\$ 446,072	(2%)	(1%)
Presort Services	165,784	35,825	201,609	110,997	33,642	144,639	49%	39%
Total reportable segments	<u>\$ 567,584</u>	<u>\$ 75,818</u>	643,402	<u>\$ 519,088</u>	<u>\$ 71,623</u>	590,711	<u>9%</u>	<u>9%</u>

Reconciliation of Adjusted Segment EBITDA to Income from continuing operations:

Other operations (2)		(4,232)		(439)
Depreciation and amortization - reportable segments		(75,818)		(71,623)
Interest expense, net		(173,694)		(162,050)
Corporate expenses		(178,141)		(210,931)
Restructuring charges		(76,915)		(52,412)
Pension settlement		(91,339)		-
Goodwill impairment		-		(123,574)
Foreign currency gain (loss) on intercompany loans		10,243		(5,761)
Strategic Review costs		(17,110)		-
Asset impairment charge		(10,000)		-
Charges in connection with the GEC Exit		(67,831)		-
(Loss) gain on debt refinancing		(10,892)		3,064
Proxy solicitation fees		-		(10,905)
Loss from continuing operations before taxes		<u>\$ (52,327)</u>		<u>\$ (43,920)</u>

(1) Adjusted segment EBIT excludes interest, taxes, general corporate expenses, restructuring charges, impairment charges, foreign currency gains and losses from the revaluation of intercompany loans and other items that are not allocated to a business segment.

(2) Other operations includes the revenue and related expenses of our former Global Ecommerce business that did not qualify for discontinued operations treatment. These operations represent previous operations that were dissolved or sold, shared services functions and a cross-border services contract.

Pitney Bowes Inc.

Reconciliation of Reported Consolidated Results to Adjusted Results

(Unaudited; in thousands, except per share amounts)

	Three months ended December		Year ended December 31	
	2024	2023	2024	2023
Reconciliation of reported net loss to adjusted EBIT and adjusted EBITDA				
Net loss	\$ (37,373)	\$ (223,838)	\$ (203,597)	\$ (385,627)
(Income) loss from discontinued operations, net of tax	(4,690)	162,268	306,099	324,360
(Benefit) provision for income taxes	(6,134)	(984)	(154,829)	17,347
Loss before taxes	(48,197)	(62,554)	(52,327)	(43,920)
Restructuring charges	12,056	17,645	76,915	52,412
Pension settlement	91,339	-	91,339	-
Foreign currency (gain) loss on intercompany loans	(23,724)	5,761	(10,243)	5,761
Strategic review costs	2,820	-	17,110	-
Asset impairment charge	-	-	10,000	-
Charges in connection with the Ecommerce Restructuring	29,686	-	67,831	-
Goodwill impairment	-	80,365	-	123,574
Loss (gain) on debt refinancing	8,750	-	10,892	(3,064)
Proxy solicitation fees	-	-	-	10,905
Adjusted net income before tax	72,730	41,217	211,517	145,668
Interest, net	41,708	45,117	173,694	162,050
Adjusted EBIT	114,438	86,334	385,211	307,718
Depreciation and amortization	28,588	28,224	114,485	112,724
Adjusted EBITDA	\$ 143,026	\$ 114,558	\$ 499,696	\$ 420,442

Reconciliation of reported diluted loss per share to adjusted diluted earnings per share

Diluted loss per share	\$ (0.21)	\$ (1.27)	\$ (1.12)	\$ (2.20)
(Income) loss from discontinued operations, net of tax	(0.03)	0.92	1.68	1.85
Restructuring charges	0.05	0.08	0.32	0.22
Pension settlement	0.37	-	0.37	-
Foreign currency (gain) loss on intercompany loans	(0.10)	0.02	(0.04)	0.02
Strategic review costs	0.01	-	0.07	-
Asset impairment charge	-	-	0.06	-
Charges in connection with the Ecommerce Restructuring	0.12	-	0.28	-
Tax benefit from affiliate reorganization	-	-	(0.90)	-
Tax on settlement of investment securities	0.05	-	0.05	-
Goodwill impairment	-	0.45	-	0.68
Loss (gain) on debt refinancing	0.04	-	0.05	(0.01)
Proxy solicitation fees	-	-	-	0.05
Adjusted diluted earnings per share	\$ 0.32	\$ 0.20	\$ 0.82	\$ 0.61

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 - continuing operations	\$ 131,837	\$ 162,714	\$ 276,453	\$ 234,596
Capital expenditures	(19,088)	(20,241)	(72,403)	(78,109)
Restructuring payments	32,104	9,291	86,023	34,443
Proxy solicitation fees paid	-	-	-	10,905
Free cash flow	\$ 144,853	\$ 151,764	\$ 290,073	\$ 201,835