

Pitney Bowes

Sidoti & Company – Small Cap Conference

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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 at a Glance



101 years of operations



Processed 175 million domestic ecommerce parcels in 2021 through 17 warehouses



40+ Presort sorting facilities processed over 17 billion pieces of mail in 2021



Installed base of 1 million postage meters



700k+ SendTech clients and 400+ Global Ecommerce clients

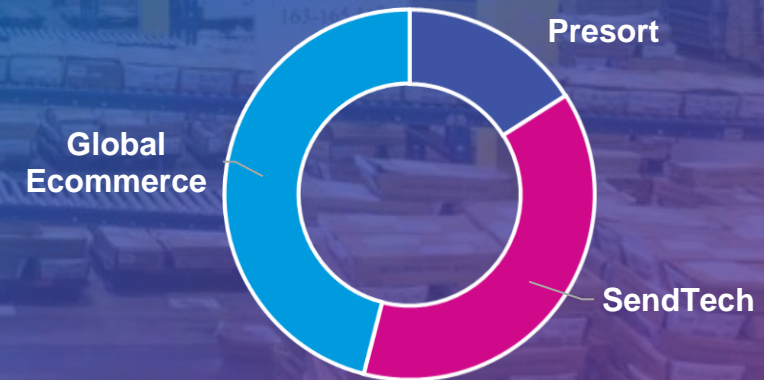


\$1.1 billion book value of net financing receivables



2021 Revenue of \$3.7 billion and Consolidated EBITDA of \$366 million ⁽¹⁾⁽²⁾

2021 Revenue by Segment (\$ Million)



2021 Free Cash Flow (\$ Million)⁽³⁾



(1) See Appendix for a reconciliation of the non-GAAP measure to comparable measure; (2) EBITDA includes \$181 million of unallocated expenses; (3) Other includes adjustments from restructuring payments, change in customer deposits at PB Bank, and transaction costs paid

Pitney Bowes is a global technology company that provides digital, physical and financing capabilities to facilitate the sending of parcels and mail



Presort Services

Sorting: First Class Mail | Marketing Mail | Flats



\$573 Million
16%
of 2021 revenue



SendTech

Digital & Physical: Ship | Mail | Analytics



\$1.40 Billion
38%
of 2021 revenue



Global Ecommerce

Domestic Parcel | Cross-Border | Digital








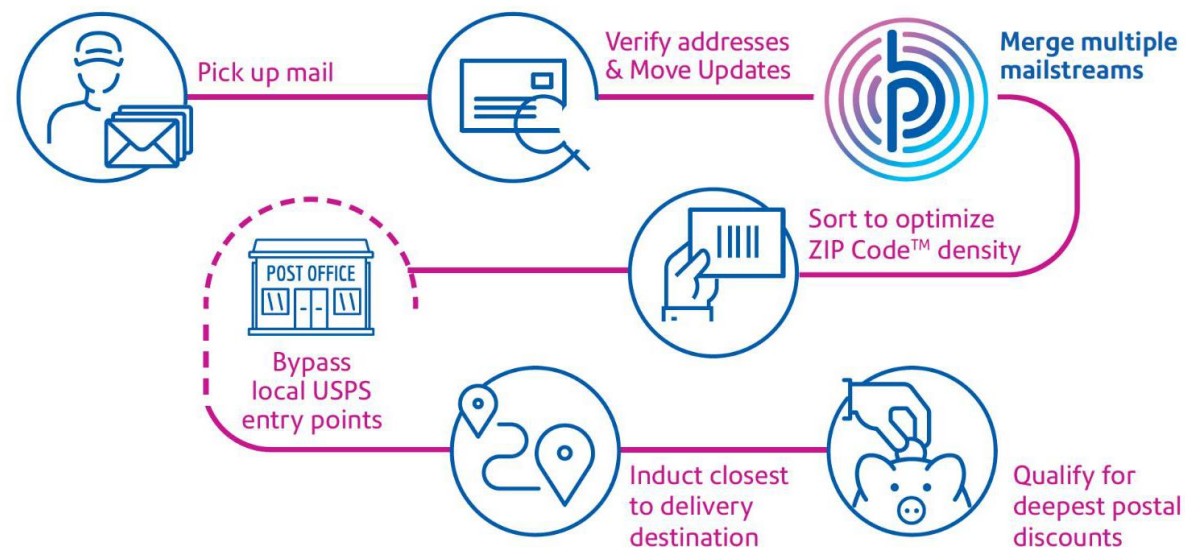
\$1.70 Billion
46%
of 2021 revenue

Financing Solutions Across Portfolio

Presort Services

Scaled and market-leading business with a predictable financial profile

-  **Largest workshare partner of the USPS** with network of **40+ 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
-  **2018-2021 revenue CAGR of 3.6%** despite secular headwinds facing mail
-  **Operating at long-term EBIT margin profile of approx. 15%**



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

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



SendPro Online



Enterprise & Government
Shipping



Receiving & Parcel
Management



Global installed base of **~1 million postage meters**



700k+ clients with average relationship of **8+ years** and retention rate of **~90%**



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**)

Global Ecommerce

Global Ecommerce is well positioned to pursue a large and rapidly growing market opportunity



2018-2021 Revenue CAGR of 18.5%



Network of 17 logistics hubs processed 175 million domestic parcels in 2021



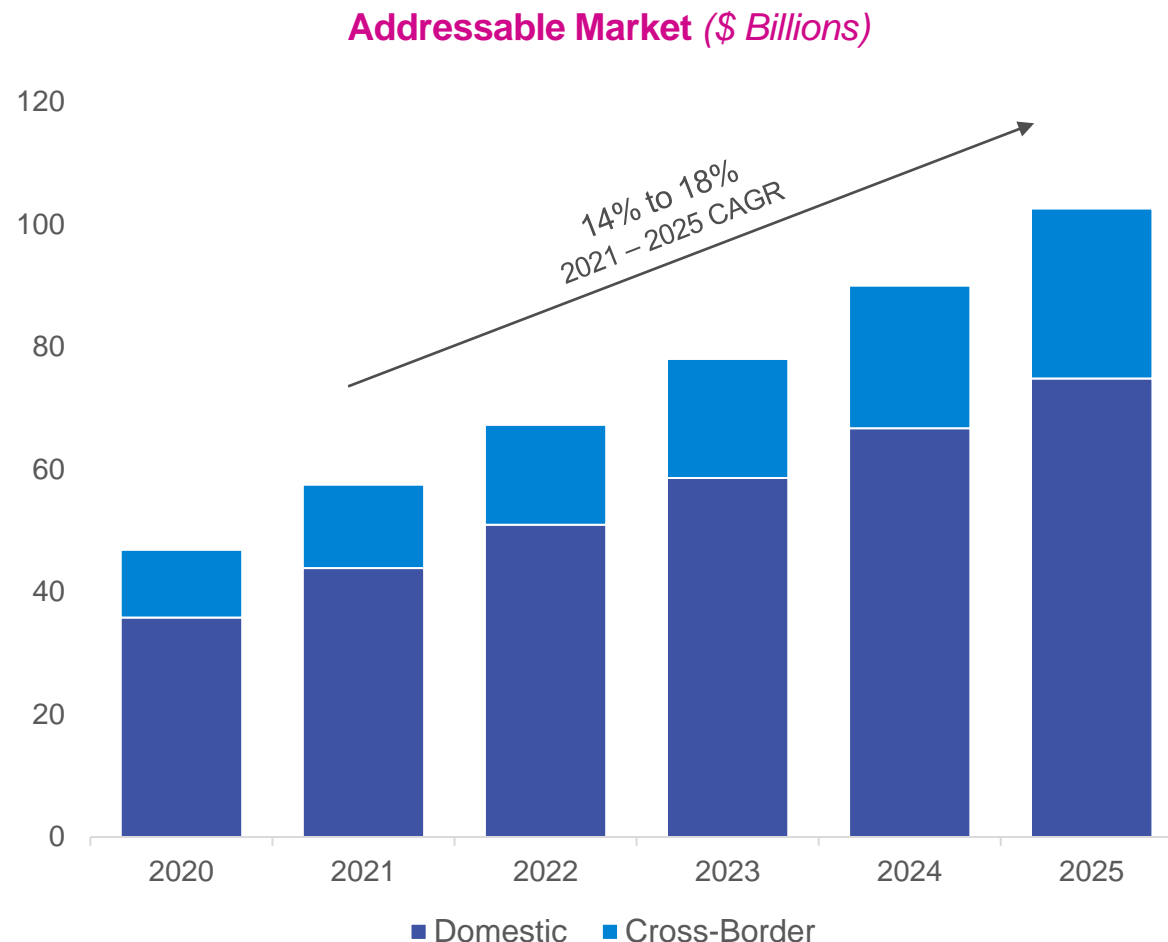
Shipping lanes to 200+ countries with 70+ currencies supported



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

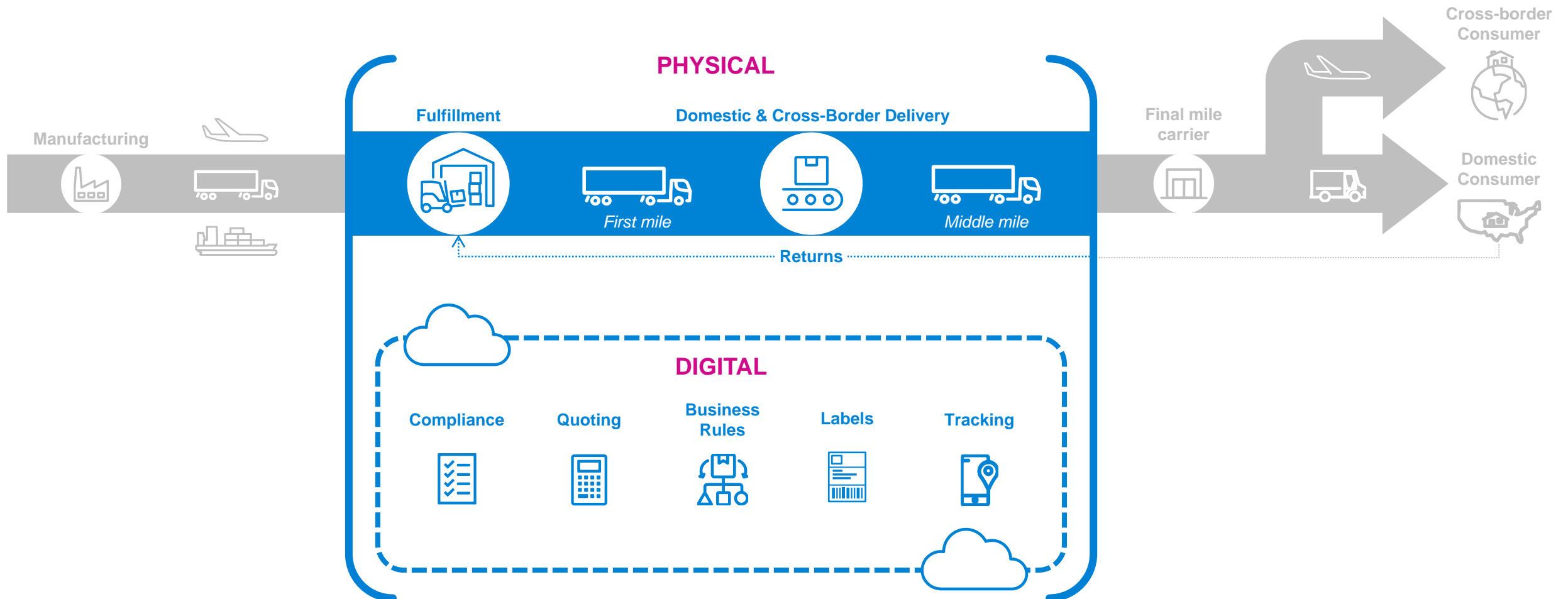


Current management priority on improving profitability with long-term EBIT margin profile of 8%+



Global Ecommerce (Continued)

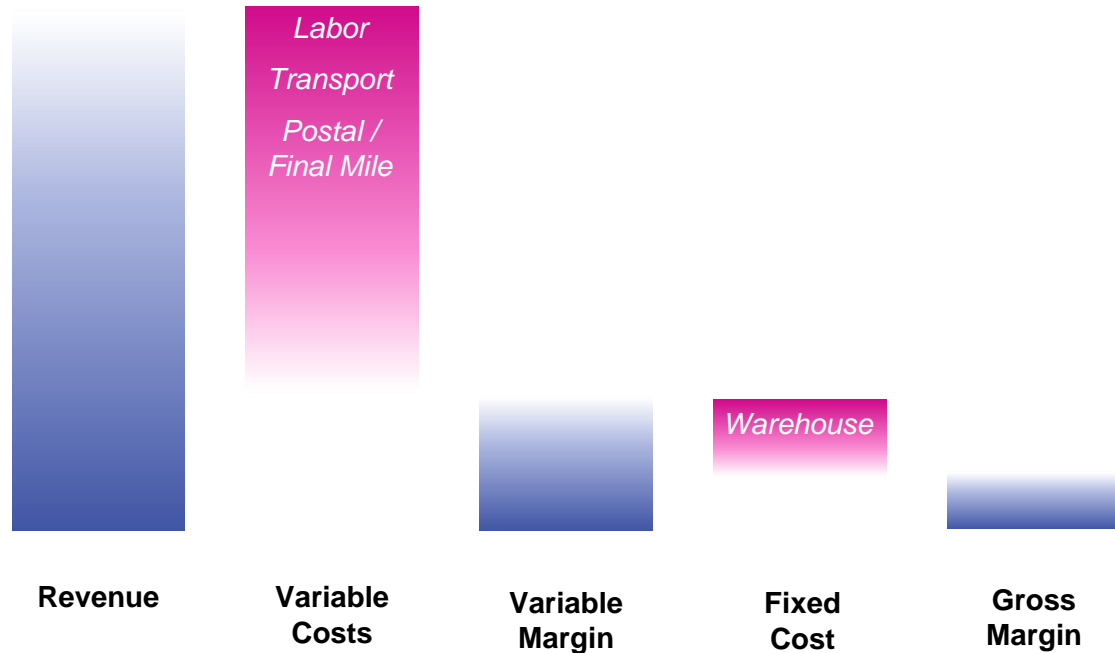
Pitney Bowes is pursuing this growing market with a tech-enabled and asset-light model



Global Ecommerce (Continued)

Margin expansion in Domestic Parcel will drive segment profitability

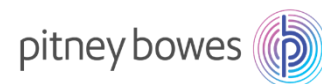
Domestic Parcel Unit Economics







Five Levers Driving Domestic Parcel Profitability

- **Volume:** Drives operating leverage across all cost inputs
- **Rate:** Expect improvement in line with industry trends
- **Transportation:** Operational efficiency to be gained with better resource utilization, network optimization, and fleet investment
- **Warehouse:** Fixed cost operating leverage as volumes grow; driven largely by existing warehouse footprint
- **Labor:** Enhance operating leverage from new labor management systems, additional automation, and advanced robotic/AI capabilities

Pitney Bowes Growth & Margin Profile

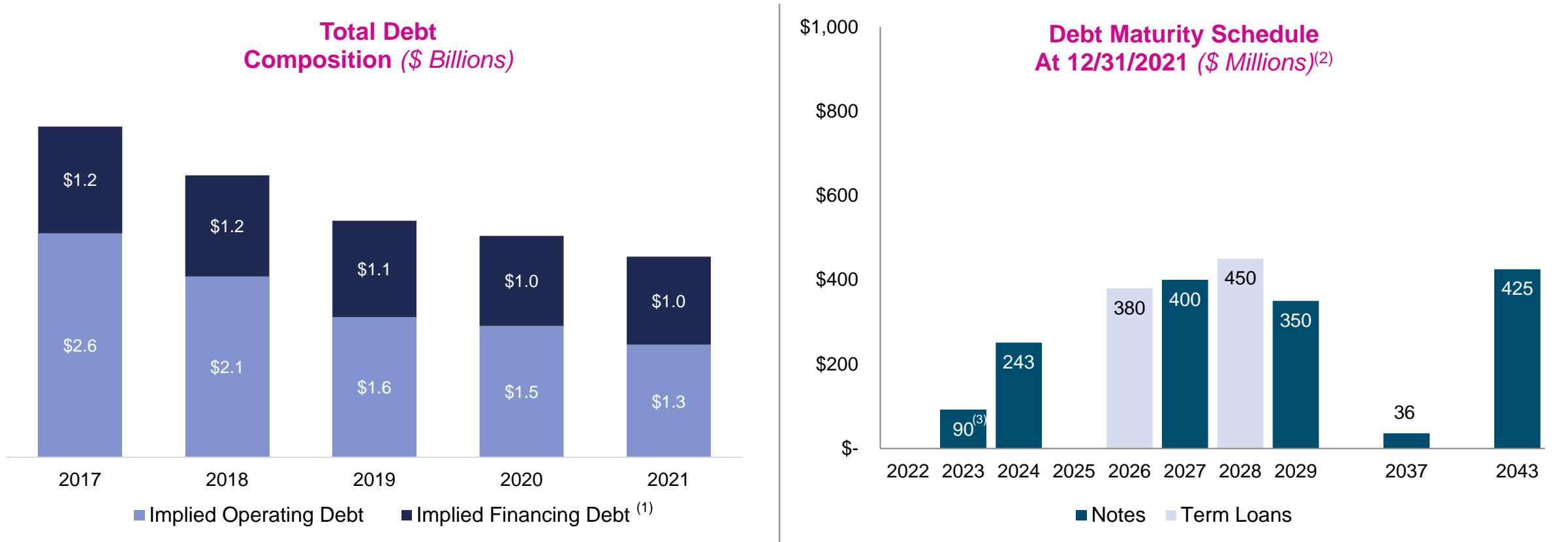


| | Presort Services | SendTech Solutions | Global Ecommerce | Total |
|--|---|---|---|---|
| 2021 Revenues (% of total revenue) |  \$573MM |  \$1,398MM |  \$1,703MM |  \$3,674MM |
| 2018 – 2021 Revenue CAGR | 3.6% | (5.8%) | 18.5% | 4.6%⁽¹⁾ |
| 2021 – 2025 market growth rate estimate | (6.0%) to (2.0%) | <div> <div> (7.5%) to (5.5%) <i>Mailing</i> </div> <div> 6.0% to 8.0% <i>Shipping</i> </div> </div> | 14.0% to 18.0% | Mid-single digits |
| 2021 EBITDA (Margin) | \$107MM 18.7% | \$459MM 32.9% | (\$20MM) (1.1%) | \$366MM⁽²⁾ 10.0% |
| Long-term EBIT margin | 15%+ | 30%+ | 8%+ | High-single digits to low-double digits |

(1) Historical revenue figures exclude contribution from DMT and Software businesses, which were divested in 2018 and 2019

(2) Total EBITDA includes \$181 million of corporate expenses

Pitney Bowes Debt Profile



- Reduced debt balance each of the last four years with \$1.5 billion in total reduction
- 2021 capital structure / refinancing actions extended duration of maturities
- Redeemed remaining \$90 million of 2023 notes in March 2022

(1) Total Finance Receivables at 10:1 debt:equity ratio for 2017-2018 and 8:1 for 2019-2021
(2) Does not reflect Term Loan principal amortization
(3) Redeemed entirety of 2023 Notes on March 7, 2022, via make whole

Investment Thesis



SendTech and Presort have leading market positions



Global Ecommerce is now poised for profitability following period of rapid growth



Recurring cashflow with manageable debt profile



Deep and experienced management team

CONNECTION

SendTech and Presort provide a strong foundation with upside opportunity from Global Ecommerce

Appendix

Pitney Bowes Inc.

Consolidated Statements of Operations

(Unaudited; in thousands, except per share amounts)

| | Three months ended December 31, | | Twelve months ended December 31, | |
|---|---------------------------------|------------|----------------------------------|--------------|
| | 2021 | 2020 | 2021 | 2020 |
| Revenue: | | | | |
| Business services | \$ 645,814 | \$ 666,983 | \$ 2,334,674 | \$ 2,191,306 |
| Support services | 113,622 | 119,972 | 460,888 | 473,292 |
| Financing | 71,217 | 80,276 | 294,418 | 341,034 |
| Equipment sales | 93,834 | 101,200 | 350,138 | 314,882 |
| Supplies | 40,348 | 41,165 | 159,438 | 159,282 |
| Rentals | 18,877 | 18,821 | 74,005 | 74,279 |
| Total revenue | 983,712 | 1,028,417 | 3,673,561 | 3,554,075 |
| Costs and expenses: | | | | |
| Cost of business services | 579,913 | 592,137 | 2,034,477 | 1,904,078 |
| Cost of support services | 37,060 | 35,856 | 149,706 | 149,988 |
| Financing interest expense | 11,690 | 12,108 | 47,059 | 48,162 |
| Cost of equipment sales | 66,292 | 69,821 | 251,914 | 235,153 |
| Cost of supplies | 11,597 | 10,928 | 43,980 | 41,679 |
| Cost of rentals | 5,487 | 7,145 | 24,427 | 25,600 |
| Selling, general and administrative | 224,847 | 242,441 | 924,163 | 963,323 |
| Research and development | 13,781 | 9,546 | 46,777 | 38,384 |
| Restructuring charges | 7,569 | 8,207 | 19,003 | 20,712 |
| Goodwill impairment | - | - | - | 198,169 |
| Interest expense, net | 23,070 | 26,249 | 96,886 | 105,753 |
| Other components of net pension and postretirement expense (income) | 302 | (1,834) | 1,010 | (1,708) |
| Other expense (income), net | 633 | (1,636) | 41,574 | 8,151 |
| Total costs and expenses | 982,241 | 1,010,968 | 3,680,976 | 3,737,444 |
| Income (loss) from continuing operations before taxes | 1,471 | 17,449 | (7,415) | (183,369) |
| (Benefit) provision for income taxes | (320) | (350) | (10,922) | 7,122 |
| Income (loss) from continuing operations | 1,791 | 17,799 | 3,507 | (190,491) |
| (Loss) income from discontinued operations, net of tax | (524) | 2,467 | (4,858) | 10,115 |
| Net income (loss) | \$ 1,267 | \$ 20,266 | \$ (1,351) | \$ (180,376) |
| Basic earnings (loss) per share (1): | | | | |
| Continuing operations | \$ 0.01 | \$ 0.10 | \$ 0.02 | \$ (1.11) |
| Discontinued operations | - | 0.01 | (0.03) | 0.06 |
| Net income (loss) | \$ 0.01 | \$ 0.12 | \$ (0.01) | \$ (1.05) |
| Diluted earnings (loss) per share (1): | | | | |
| Continuing operations | \$ 0.01 | \$ 0.10 | \$ 0.02 | \$ (1.11) |
| Discontinued operations | - | 0.01 | (0.03) | 0.06 |
| Net income (loss) | \$ 0.01 | \$ 0.11 | \$ (0.01) | \$ (1.05) |
| Weighted-average shares used in diluted earnings per share | 179,506 | 176,835 | 179,105 | 171,519 |

(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)

| | December 31, 2021 | December 31, 2020 |
|--|----------------------|----------------------|
| <u>Assets</u> | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 732,480 | \$ 921,450 |
| Short-term investments | 14,440 | 18,974 |
| Accounts and other receivables, net | 334,630 | 389,240 |
| Short-term finance receivables, net | 560,680 | 568,050 |
| Inventories | 78,588 | 71,480 |
| Current income taxes | 13,894 | 23,219 |
| Other current assets and prepayments | 154,165 | 120,145 |
| Total current assets | 1,888,877 | 2,112,558 |
| Property, plant and equipment, net | 429,162 | 391,280 |
| Rental property and equipment, net | 34,774 | 38,435 |
| Long-term finance receivables, net | 587,427 | 605,292 |
| Goodwill | 1,135,103 | 1,152,285 |
| Intangible assets, net | 132,442 | 159,839 |
| Operating lease assets | 208,428 | 201,916 |
| Noncurrent income taxes | 68,398 | 71,244 |
| Other assets | 471,084 | 491,514 |
| Total assets | <u>\$ 4,955,695</u> | <u>\$ 5,224,363</u> |
| <u>Liabilities and stockholders' equity</u> | | |
| Current liabilities: | | |
| Accounts payable and accrued liabilities | \$ 919,367 | \$ 880,616 |
| Customer deposits at Pitney Bowes Bank | 632,062 | 617,200 |
| Current operating lease liabilities | 40,299 | 39,182 |
| Current portion of long-term debt | 24,739 | 216,032 |
| Advance billings | 99,280 | 114,550 |
| Current income taxes | 9,017 | 2,880 |
| Total current liabilities | 1,724,764 | 1,870,460 |
| Long-term debt | 2,299,099 | 2,348,361 |
| Deferred taxes on income | 286,445 | 279,451 |
| Tax uncertainties and other income tax liabilities | 31,935 | 38,163 |
| Noncurrent operating lease liabilities | 192,092 | 180,292 |
| Other noncurrent liabilities | 308,728 | 437,015 |
| Total liabilities | <u>4,843,063</u> | <u>5,153,742</u> |
| Stockholders' equity: | | |
| Common stock | 323,338 | 323,338 |
| Additional paid-in-capital | 2,485 | 68,502 |
| Retained earnings | 5,169,270 | 5,205,421 |
| Accumulated other comprehensive loss | (780,312) | (839,131) |
| Treasury stock, at cost | (4,602,149) | (4,687,509) |
| Total stockholders' equity | <u>112,632</u> | <u>70,621</u> |
| Total liabilities and stockholders' equity | <u>\$ 4,955,695</u> | <u>\$ 5,224,363</u> |

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

| | Three months ended December 31, | | | Twelve months ended December 31, | | |
|-------------------------------|---------------------------------|---------------------|-------------|----------------------------------|---------------------|-----------|
| | 2021 | 2020 | % Change | 2021 | 2020 | % Change |
| Global Ecommerce | \$ 473,054 | \$ 518,140 | (9%) | \$ 1,702,580 | \$ 1,618,897 | 5% |
| Presort Services | 156,439 | 134,660 | 16% | 573,480 | 521,212 | 10% |
| Sending Technology Solutions | 354,219 | 375,617 | (6%) | 1,397,501 | 1,413,966 | (1%) |
| Total revenue - GAAP | 983,712 | 1,028,417 | (4%) | 3,673,561 | 3,554,075 | 3% |
| Currency impact on revenue | (317) | - | | (27,910) | - | |
| Revenue, at constant currency | <u>\$ 983,395</u> | <u>\$ 1,028,417</u> | <u>(4%)</u> | <u>\$ 3,645,651</u> | <u>\$ 3,554,075</u> | <u>3%</u> |

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

| | Three months ended December 31, | | | | | | | | |
|------------------------------|---------------------------------|------------------|-------------|-------------------|------------------|----------|--------------|--------------|--|
| | 2021 | | | 2020 | | | % change | | |
| | EBIT (1) | D&A | EBITDA | EBIT (1) | D&A | EBITDA | EBIT | EBITDA | |
| Global Ecommerce | \$ (40,516) | \$ 20,957 | \$ (19,559) | \$ (14,768) | \$ 17,490 | \$ 2,722 | >(100%) | >(100%) | |
| Presort Services | 23,474 | 6,711 | 30,185 | 13,041 | 8,107 | 21,148 | 80% | 43% | |
| Sending Technology Solutions | 108,874 | 7,116 | 115,990 | 119,506 | 8,545 | 128,051 | (9%) | (9%) | |
| Segment total | <u>\$ 91,832</u> | <u>\$ 34,784</u> | 126,616 | <u>\$ 117,779</u> | <u>\$ 34,142</u> | 151,921 | <u>(22%)</u> | <u>(17%)</u> | |

Reconciliation of Segment EBITDA to Net Income:

| | | |
|--|-----------------|------------------|
| Segment depreciation and amortization | (34,784) | (34,142) |
| Unallocated corporate expenses | (44,817) | (53,766) |
| Restructuring charges | (7,569) | (8,207) |
| Loss on debt refinancing | (633) | - |
| Transaction costs | (2,582) | - |
| Interest, net | (34,760) | (38,357) |
| Benefit for income taxes | 320 | 350 |
| Income from continuing operations | 1,791 | 17,799 |
| (Loss) income from discontinued operations, net of tax | (524) | 2,467 |
| Net income | <u>\$ 1,267</u> | <u>\$ 20,266</u> |

| | Twelve months ended December 31, | | | | | | | |
|------------------------------|----------------------------------|------------|-------------|-------------|------------|-------------|----------|--------|
| | 2021 | | | 2020 | | | % change | |
| | EBIT (1) | D&A | EBITDA | EBIT (1) | D&A | EBITDA | EBIT | EBITDA |
| Global Ecommerce | \$ (98,673) | \$ 79,128 | \$ (19,545) | \$ (82,894) | \$ 69,676 | \$ (13,218) | (19%) | (48%) |
| Presort Services | 79,721 | 27,243 | 106,964 | 55,799 | 31,769 | 87,568 | 43% | 22% |
| Sending Technology Solutions | 429,415 | 29,951 | 459,366 | 442,648 | 34,316 | 476,964 | (3%) | (4%) |
| Segment Total | \$ 410,463 | \$ 136,322 | 546,785 | \$ 415,553 | \$ 135,761 | 551,314 | (1%) | (1%) |

Reconciliation of Segment EBITDA to Net Loss:

| | | |
|--|-------------------|---------------------|
| Segment depreciation and amortization | (136,322) | (135,761) |
| Unallocated corporate expenses | (207,774) | (200,406) |
| Restructuring charges | (19,003) | (20,712) |
| Gain on sale of assets/business | 11,635 | 11,908 |
| Loss on debt refinancing | (56,209) | (36,987) |
| Goodwill impairment | - | (198,169) |
| Transaction costs | (2,582) | (641) |
| Interest, net | (143,945) | (153,915) |
| Benefit (provision) for income taxes | 10,922 | (7,122) |
| Income (loss) from continuing operations | 3,507 | (190,491) |
| (Loss) income from discontinued operations, net of tax | (4,858) | 10,115 |
| Net loss | <u>\$ (1,351)</u> | <u>\$ (180,376)</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 December 31, | | Twelve months ended December 31, | |
|---|---------------------------------|------------|----------------------------------|--------------|
| | 2021 | 2020 | 2021 | 2020 |
| Reconciliation of reported net income (loss) to adjusted EBIT and EBITDA | | | | |
| Net income (loss) | \$ 1,267 | \$ 20,266 | \$ (1,351) | \$ (180,376) |
| Loss (income) from discontinued operations, net of tax | 524 | (2,467) | 4,858 | (10,115) |
| (Benefit) provision for income taxes | (320) | (350) | (10,922) | 7,122 |
| Income (loss) from continuing operations before taxes | 1,471 | 17,449 | (7,415) | (183,369) |
| Restructuring charges | 7,569 | 8,207 | 19,003 | 20,712 |
| Gain on sale of assets/business | - | - | (11,635) | (11,908) |
| Loss on debt refinancing | 633 | - | 56,209 | 36,987 |
| Goodwill impairment | - | - | - | 198,169 |
| Transaction costs | 2,582 | - | 2,582 | 641 |
| Adjusted net income before tax | 12,255 | 25,656 | 58,744 | 61,232 |
| Interest, net | 34,760 | 38,357 | 143,945 | 153,915 |
| Adjusted EBIT | 47,015 | 64,013 | 202,689 | 215,147 |
| Depreciation and amortization | 41,634 | 40,222 | 162,859 | 160,625 |
| Adjusted EBITDA | \$ 88,649 | \$ 104,235 | \$ 365,548 | \$ 375,772 |
| Reconciliation of reported diluted earnings (loss) per share to adjusted diluted earnings per share ⁽¹⁾ | | | | |
| Diluted earnings (loss) per share | \$ 0.01 | \$ 0.11 | \$ (0.01) | \$ (1.05) |
| Loss (income) from discontinued operations, net of tax | - | (0.01) | 0.03 | (0.06) |
| Restructuring charges | 0.03 | 0.04 | 0.08 | 0.09 |
| Gain on sale of assets/business | - | - | (0.03) | (0.05) |
| Loss on debt refinancing | - | - | 0.24 | 0.16 |
| Goodwill impairment | - | - | - | 1.13 |
| Tax on surrender of investment securities | - | - | - | 0.07 |
| Transaction costs | 0.01 | - | 0.01 | - |
| Adjusted diluted earnings per share | \$ 0.06 | \$ 0.14 | \$ 0.32 | \$ 0.31 |
| Reconciliation of reported net cash from operating activities to free cash flow | | | | |
| Net cash provided by operating activities | \$ 85,341 | \$ 110,806 | \$ 301,515 | \$ 301,972 |
| Net cash (provided by) used in operating activities - discontinued operations | - | (511) | - | 37,912 |
| Capital expenditures | (43,135) | (24,200) | (184,042) | (104,987) |
| Restructuring payments | 7,143 | 4,145 | 21,990 | 20,014 |
| Change in customer deposits at PB Bank | (10,650) | 6,618 | 14,862 | 26,082 |
| Transaction costs paid | - | - | - | 2,117 |
| Free cash flow | \$ 38,699 | \$ 96,858 | \$ 154,325 | \$ 283,110 |

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