

Pitney Bowes

BofA Securities Leveraged Finance 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: *We provide technology, logistics, & financial services to businesses of all sizes – which reduce the complexity of sending mail and parcels*



SendTech

Digital & Physical: Ship | Mail | Analytics



\$1.40 Billion

38%

of 2021 revenue



Presort Services

Sorting: First Class & Marketing Mail | Flats



\$573 Million

16%

of 2021 revenue



Global Ecommerce

Domestic and Cross-Border Parcel Services



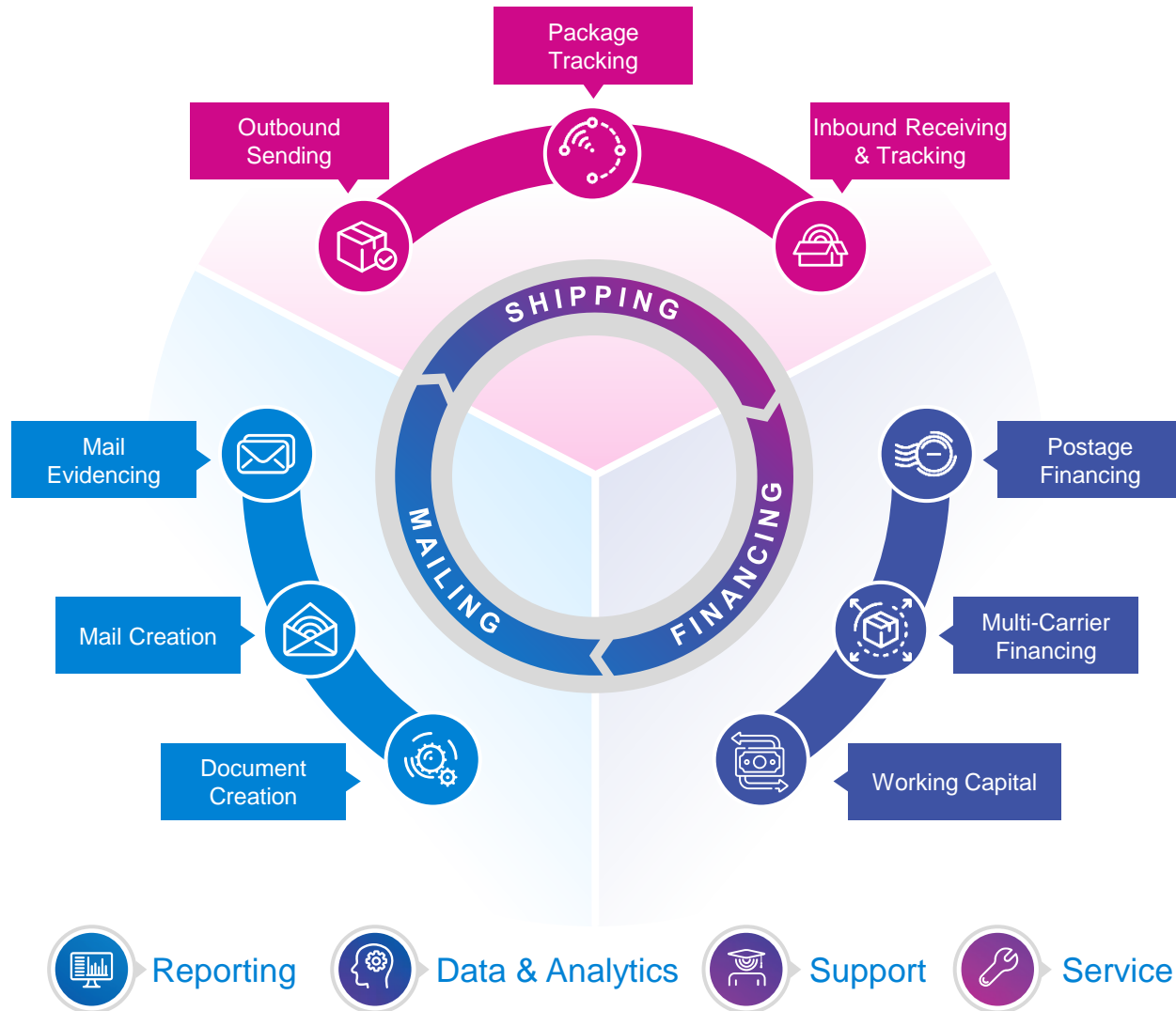
\$1.70 Billion

46%

of 2021 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
- ✓ \$1BN+ equipment financed with 90% leased through the PB Financial Services
- ✓ ~\$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 – Complementary Business Models with multiple monetization levers and recurring revenue streams

Mailing Highlights

Equipment sales provide
~25% of Total Revenue

\$1BN+ financed through captive leasing (~25% of Total 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

~145K Paid SaaS Subscriptions; growing at 20%+

*Subscription fees for SaaS based sending products;
~465K total subscriptions incl. free*

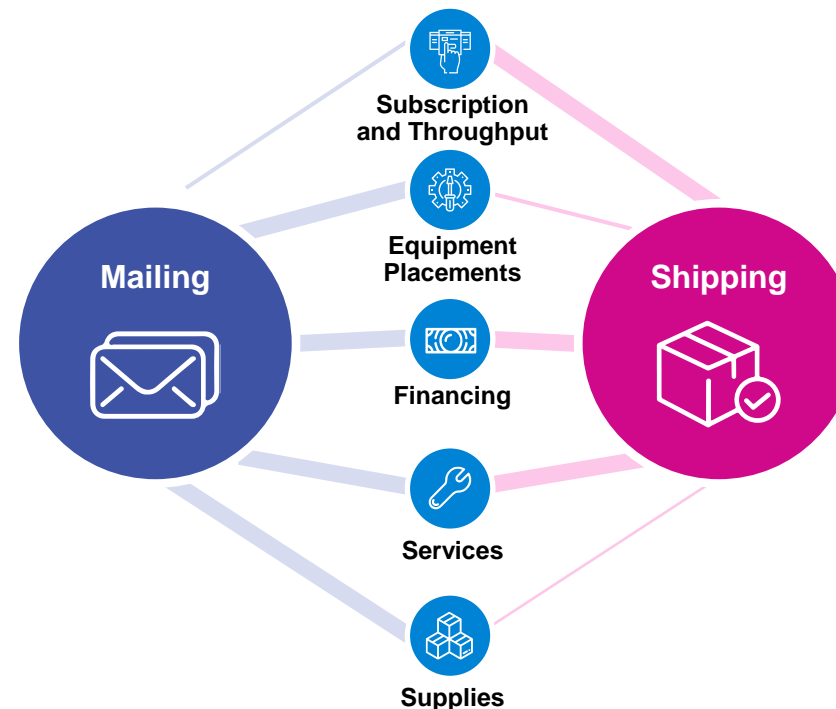
YTD Shipping volume of ~\$150M; growing in mid-teens %

Partner income from carrier rebates with USPS & UPS

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

~50% 2022 Total Revenue came from new solutions/products

Monetization Levers



High Margin Cash Flow



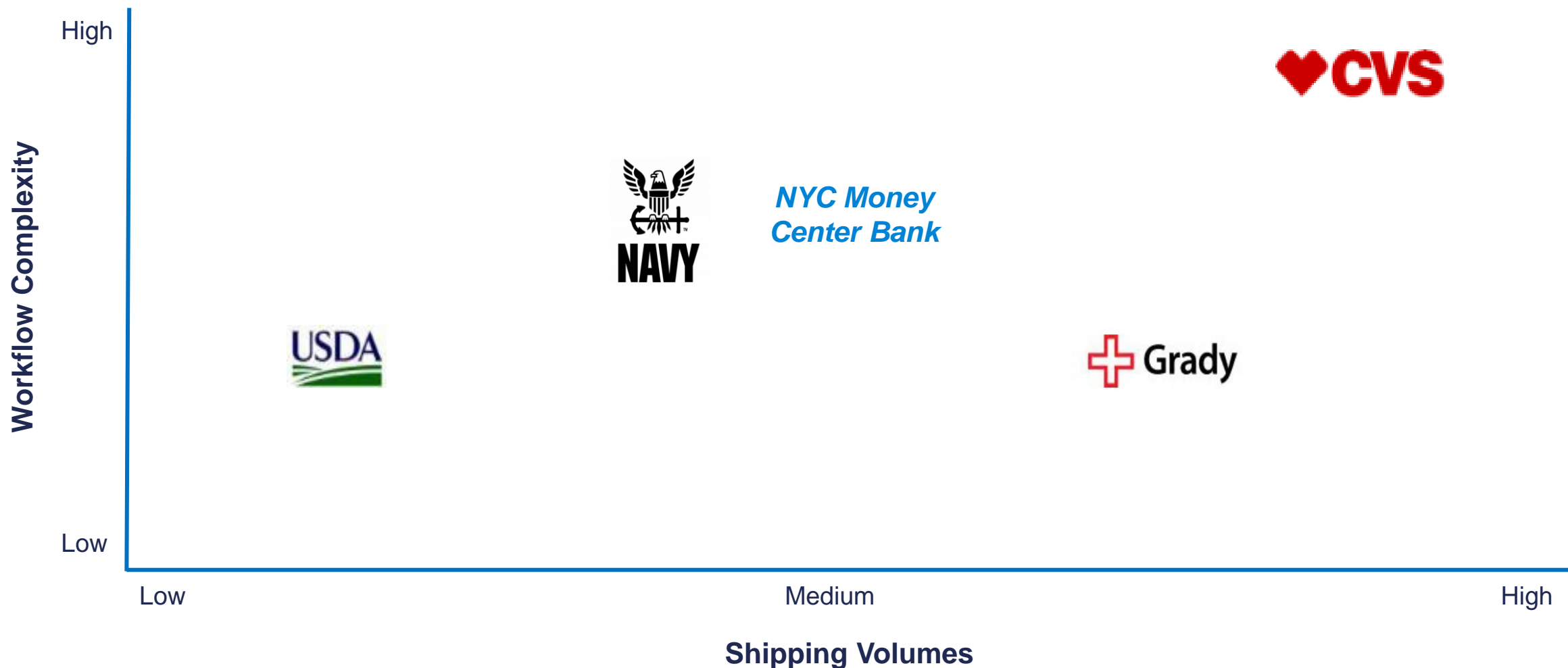
A durable business model with predictable & recurring cash flow



Growing Recurring Revenue

SendTech – Providing a comprehensive set of capabilities in targeted verticals with complex workflows to deliver differentiated value

Sample Client Workflows



SendTech – Key Take-aways



We are a proven business with exciting new possibilities (new growing markets, new value propositions)



We have a compelling and unrivalled end-to-end value proposition in our target markets



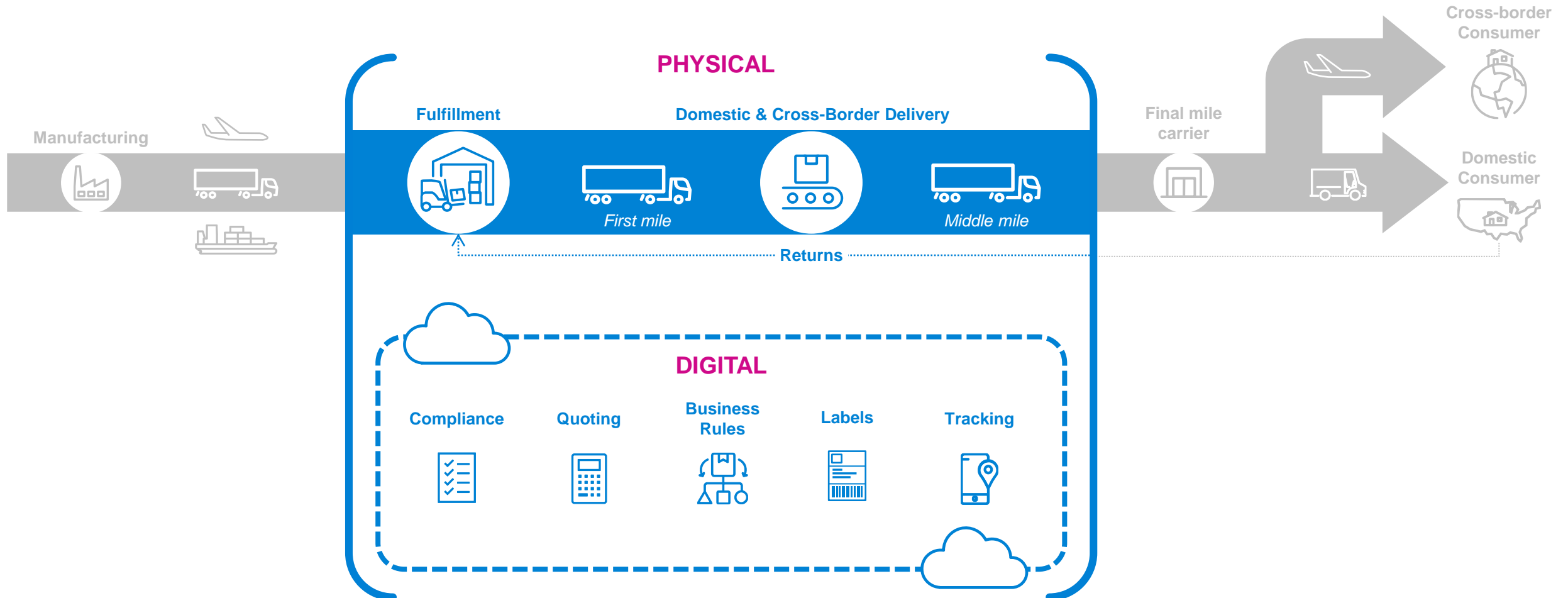
We have a durable and profitable business model; growth initiatives expected to be ~30% of segment revenue by 2026



Continued execution against the strategy means our greatest opportunity is still ahead of us

Global Ecommerce – Overview

Capital efficient business model providing global ecommerce logistics services



Global Ecommerce – Overview (Cont'd)

Well positioned to pursue a large and rapidly growing market opportunity



2018-2021 Revenue CAGR of 18.5%



Network of 16 USA-based logistics hubs processed ~175 million parcels in 2021



Cross-border shipping lanes to 200+ countries

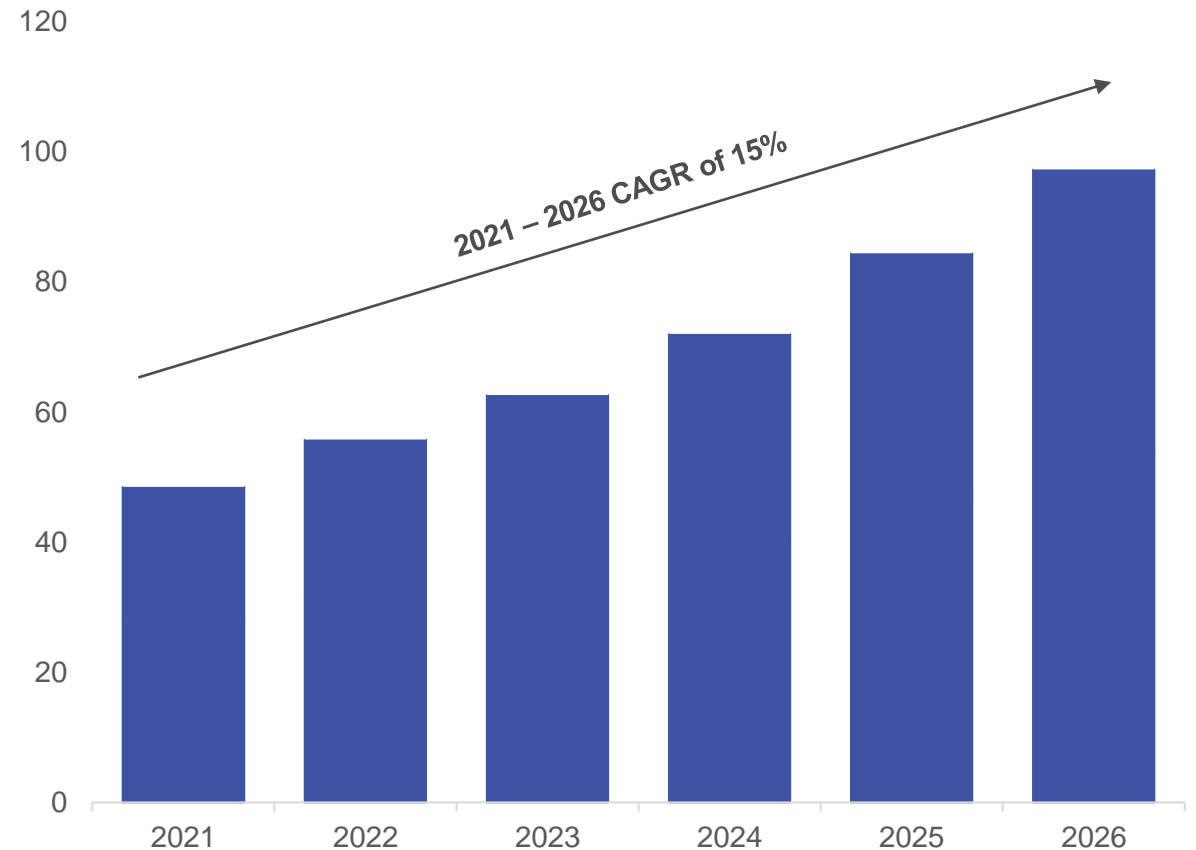


450+ clients consisting of enterprise retailers, mid-market retailers, ecommerce marketplaces, and logistics service providers



Opportunity for meaningful margin expansion via domestic parcel volume growth and additional network efficiencies

Addressable Market (\$ Billions)⁽¹⁾



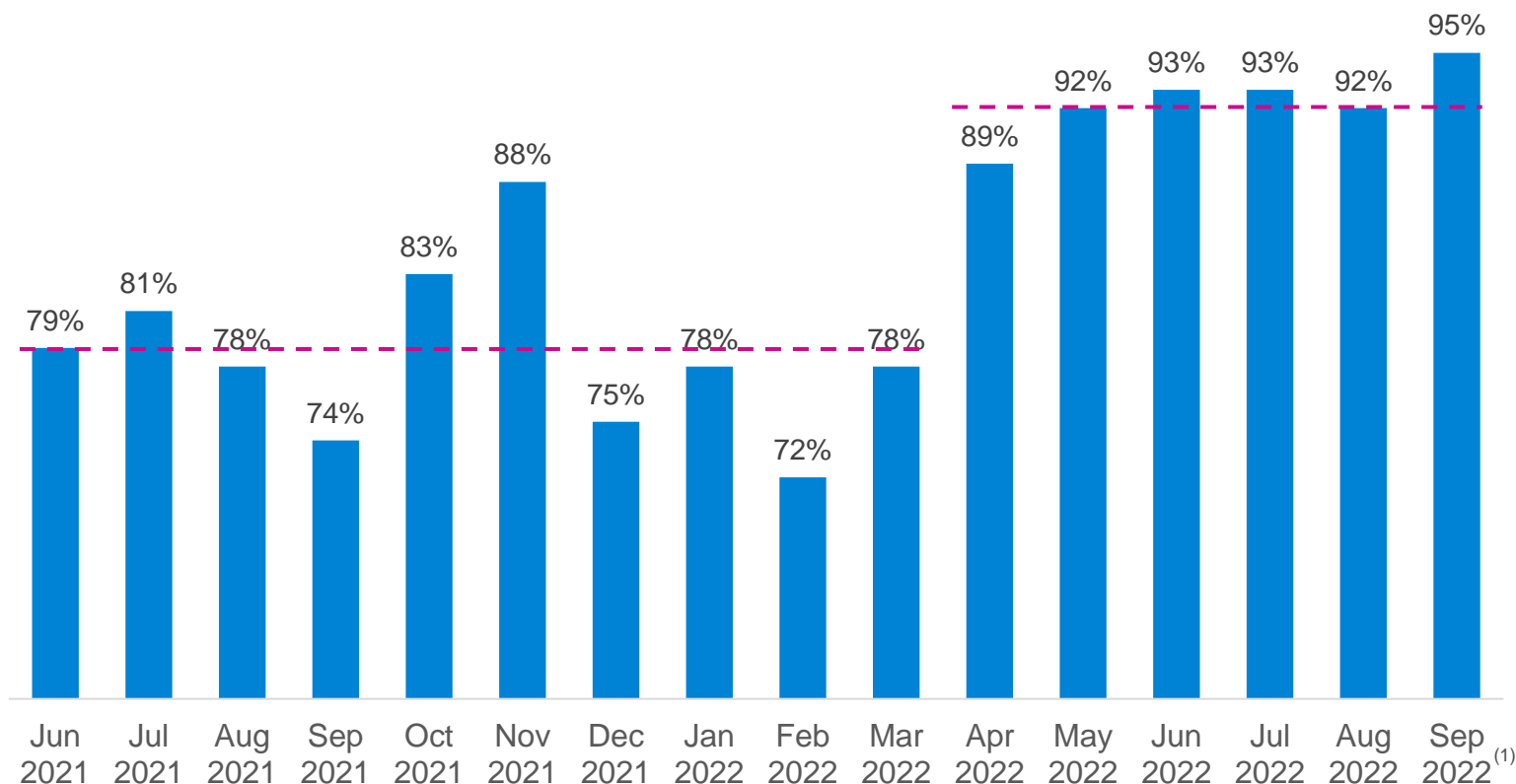
(1) Source: Pitney Bowes Market Intelligence

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-in-class 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 will be 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 – Domestic Parcel Operational Improvement

Domestic Parcel – On Time Delivery



Domestic Parcel Highlights

\$0.35 unit gross profit improvement
H1 2022 vs. H1 2021

46 point improvement in NPS score
H1 2022 vs. H1 2021

5% annualized revenue churn
in H1 2022 and vs. 18% in 2021

40+ new contract signings
in H1 2022

1.5+ days faster average domestic delivery time
1H 2022

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

(1) Month-to-date figure for first half of September

Global Ecommerce – Path Forward

We have revised our Global Ecommerce business plan and key points are as follows:

- Overall financial performance for the segment is expected to be driven by improvements in Domestic Parcel volumes and margin expansion
 - We expect 2022 exit-rate volumes of 195 to 200 million in the Domestic Parcel network; volume uplift in October continued into November
 - We expect Domestic Parcel gross margin improvement of up to 400 basis points in 2023
- Improvement in Domestic Parcel performance is expected to more than offset medium-term challenges in Cross-border stemming from U.S. Dollar strength and the current international macroeconomic weakness
- 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

Presort Services

Scaled and market-leading business with a predictable financial profile



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



Processed over **17 billion pieces of mail** in 2021, making Presort the **2nd largest mail handler in the world**



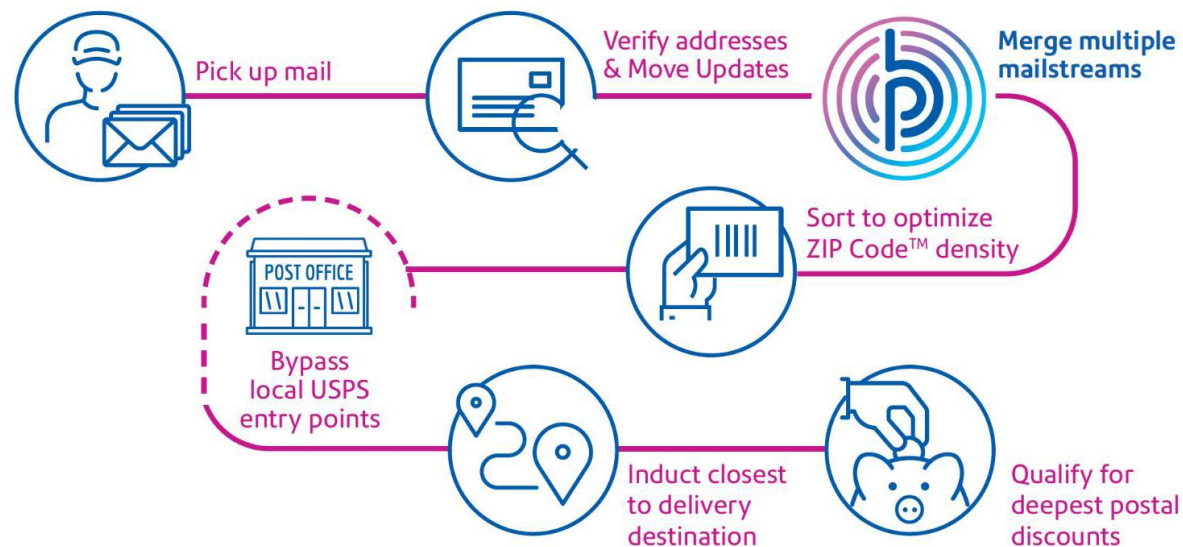
2,500+ clients in verticals including financial services, mail/marketing service, non-profit, and education



2018-21 revenue CAGR of 3.6% despite mailing headwinds



Attractive long-term **EBIT margin profile of ~15%**



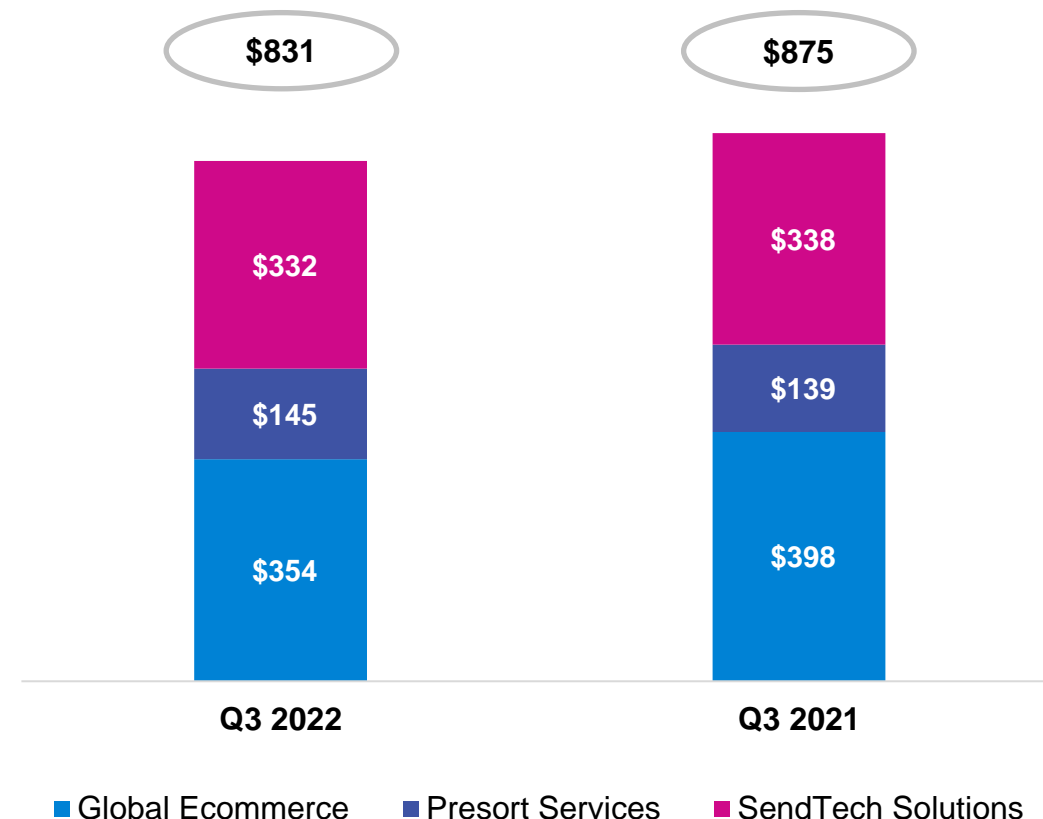
Presort Services maximize mailing speed and mail density by zip code to minimize cost for shippers

Third Quarter 2022 Financial Results

Financial and Business Highlights

- Revenue of \$831 million – a 5% decline on a reported basis (4% decline constant currency) versus prior year
- GAAP EPS was \$0.03 and Adjusted EPS was \$0.00 versus \$0.05 and \$0.08, respectively, in Q3 2021
- Adjusted EBIT of \$38 million versus \$39 million in Q2 2022 and \$50 million in Q3 2021
- SendTech revenue grew 1% on a Y/Y basis (constant currency) driven by equipment sales and shipping-related revenues
 - Shipping-related revenues grew at a Y/Y rate in the high-teens and now accounts for 12% of total SendTech revenue
- Presort revenue grew 4% on a Y/Y basis and improved EBIT margins by 500 basis points vs. Q2 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
- Significant “cross-currents” continue in Global Ecommerce
 - Constant currency revenue down 10% (7% ex. Borderfree)
 - Domestic Parcel grew with improved gross margins despite lower volumes
 - Cross-border revenues down as a result of stronger USD and challenging European macroeconomic conditions

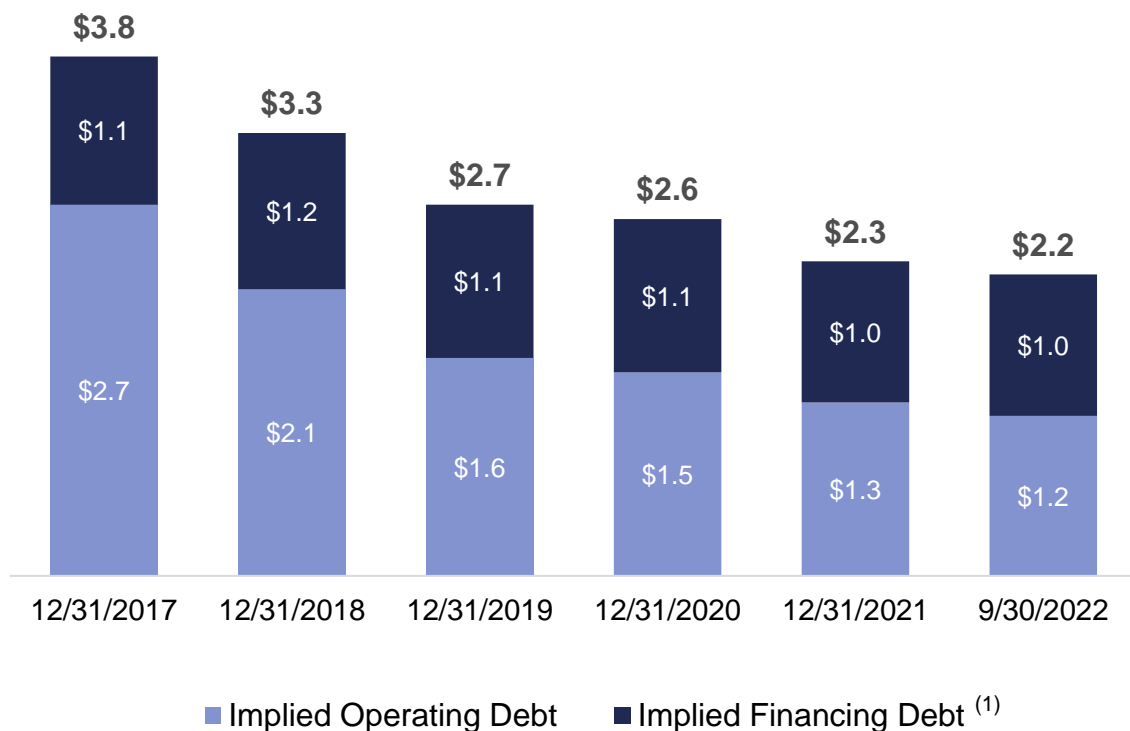
Firm-wide Revenue (\$ Millions)



Y/Y Revenue Growth	% Change Reported	% Change Ex Currency
SendTech	(2%)	1%
Presort	4%	4%
Global Ecommerce	(11%)	(10%)

Significantly Improved Credit Profile

Total Debt Composition (\$ Billions)



Capital Structure as of 9/30/2022 (\$ Millions)

	Interest Rate	12/31/2021	9/30/2022
Cash & S/T Investments		\$746.9	\$606.7
Revolver - (\$500mm)		0.0	0.0
Term Loan A due March 2026	LIBOR + 1.75%	370.5	356.3
Term Loan B due March 2028	LIBOR + 4.00%	446.6	443.3
Subtotal: Secured Debt		817.1	799.5
Notes due April 2023	6.20%	90.3	0.0
Notes due March 2024	4.625%	242.6	238.4
Notes due March 2027	6.875%	400.0	400.0
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	2.8
Subtotal: Unsecured Debt		1,547.4	1,452.0
Principal Debt⁽²⁾		\$2,364.5	\$2,251.5
Net Debt⁽²⁾		\$1,617.6	\$1,644.8

- Manageable debt profile; solid free cash flow generation
- Total debt reduction of \$1.4 billion over the last four years
- March 2021 refinancing meaningfully extended our maturity profile

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

(2) Excludes \$41 million and \$35 million of unamortized costs, net as of 12/31/2021 and 6/30/2022, respectively

Compelling Equity and Debt Investment Thesis



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



Global Ecommerce is now poised to achieve meaningful profitability



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 Statement of Operations *(in thousands, except per share amounts)*

	Three months ended September 30,		Twelve months ended December 31,	
	2022	2021	2021	2020
Revenue:				
Business services	\$ 518,405	\$ 551,384	\$ 2,334,674	\$ 2,191,306
Support services	107,642	113,413	460,888	473,292
Financing	67,757	71,936	294,418	341,034
Equipment sales	83,528	83,234	350,138	314,882
Supplies	37,455	38,211	159,438	159,282
Rentals	16,127	17,271	74,005	74,279
Total revenue	<u>830,914</u>	<u>875,449</u>	<u>3,673,561</u>	<u>3,554,075</u>
Costs and expenses:				
Cost of business services	452,715	472,216	2,034,477	1,904,078
Cost of support services	36,618	38,250	149,706	149,988
Financing interest expense	13,692	11,710	47,059	48,162
Cost of equipment sales	60,595	62,221	251,914	235,153
Cost of supplies	10,529	10,705	43,980	41,679
Cost of rentals	6,270	6,480	24,427	25,600
Selling, general and administrative	209,576	225,024	924,163	963,323
Research and development	9,812	10,621	46,777	38,384
Restructuring charges	4,264	3,701	19,003	20,712
Goodwill impairment	-	-	-	198,169
Interest expense, net	23,685	24,312	96,886	105,753
Other components of net pension and postretirement expense (income)	1,427	46	1,010	(1,708)
Other expense (income), net	(8,398)	3,193	41,574	8,151
Total costs and expenses	<u>820,785</u>	<u>868,479</u>	<u>3,680,976</u>	<u>3,737,444</u>
Income (loss) from continuing operations before taxes	10,129	6,970	(7,415)	(183,369)
(Benefit) provision for income taxes	<u>4,642</u>	<u>(1,525)</u>	<u>(10,922)</u>	<u>7,122</u>
Income (loss) from continuing operations	5,487	8,495	3,507	(190,491)
(Loss) income from discontinued operations, net of tax	-	572	(4,858)	10,115
Net income (loss)	<u>\$ 5,487</u>	<u>\$ 9,067</u>	<u>\$ (1,351)</u>	<u>\$ (180,376)</u>
Basic earnings (loss) per share ⁽¹⁾ :				
Continuing operations	\$ 0.03	\$ 0.05	\$ 0.02	\$ (1.11)
Discontinued operations	-	-	(0.03)	0.06
Net income (loss)	<u>\$ 0.03</u>	<u>\$ 0.05</u>	<u>\$ (0.01)</u>	<u>\$ (1.05)</u>
Diluted earnings (loss) per share ⁽¹⁾ :				
Continuing operations	\$ 0.03	\$ 0.05	\$ 0.02	\$ (1.11)
Discontinued operations	-	-	(0.03)	0.06
Net income (loss)	<u>\$ 0.03</u>	<u>\$ 0.05</u>	<u>\$ (0.01)</u>	<u>\$ (1.05)</u>
Weighted-average shares used in diluted earnings per share	<u>176,966</u>	<u>179,409</u>	<u>179,105</u>	<u>171,519</u>

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

Consolidated Balance Sheet *(in thousands)*

Assets

Current assets:

Cash and cash equivalents
Short-term investments
Accounts and other receivables, net
Short-term finance receivables, net
Inventories
Current income taxes
Other current assets and prepayments

Total current assets

Property, plant and equipment, net

Rental property and equipment, net

Long-term finance receivables, net

Goodwill

Intangible assets, net

Operating lease assets

Noncurrent income taxes

Other assets

Total assets

Liabilities and stockholders' equity

Current liabilities:

Accounts payable and accrued liabilities
Customer deposits at Pitney Bowes Bank
Current operating lease liabilities
Current portion of long-term debt
Advance billings
Current income taxes

Total current liabilities

Long-term debt

Deferred taxes on income

Tax uncertainties and other income tax liabilities

Noncurrent operating lease liabilities

Other noncurrent liabilities

Total liabilities

Stockholders' equity:

Common stock
Additional paid-in-capital
Retained earnings
Accumulated other comprehensive loss
Treasury stock, at cost

Total stockholders' (deficit) equity

Total liabilities and stockholders' equity

	September 30, 2022	December 31, 2021
	\$	\$
Cash and cash equivalents	596,647	732,480
Short-term investments	10,014	14,440
Accounts and other receivables, net	287,751	334,630
Short-term finance receivables, net	551,476	560,680
Inventories	89,946	78,588
Current income taxes	27,442	13,894
Other current assets and prepayments	146,636	157,341
Total current assets	1,709,912	1,892,053
Property, plant and equipment, net	427,958	429,162
Rental property and equipment, net	28,451	34,774
Long-term finance receivables, net	597,198	587,427
Goodwill	1,045,940	1,135,103
Intangible assets, net	79,399	132,442
Operating lease assets	259,248	208,428
Noncurrent income taxes	56,339	68,398
Other assets	388,704	471,084
Total assets	\$ 4,593,149	\$ 4,958,871
Current liabilities:		
Accounts payable and accrued liabilities	\$ 766,170	\$ 922,543
Customer deposits at Pitney Bowes Bank	663,420	632,062
Current operating lease liabilities	45,761	40,299
Current portion of long-term debt	27,133	24,739
Advance billings	94,100	99,280
Current income taxes	2,051	9,017
Total current liabilities	1,598,635	1,727,940
Long-term debt	2,189,566	2,299,099
Deferred taxes on income	273,455	286,445
Tax uncertainties and other income tax liabilities	31,566	31,935
Noncurrent operating lease liabilities	239,788	192,092
Other noncurrent liabilities	268,415	308,728
Total liabilities	4,601,425	4,846,239
Stockholders' equity:		
Common stock	323,338	323,338
Additional paid-in-capital	-	2,485
Retained earnings	5,128,030	5,169,270
Accumulated other comprehensive loss	(905,453)	(780,312)
Treasury stock, at cost	(4,554,191)	(4,602,149)
Total stockholders' (deficit) equity	(8,276)	112,632
Total liabilities and stockholders' equity	\$ 4,593,149	\$ 4,958,871

Business Segment Financials *(in thousands)*

	Three months ended September 30,			Twelve months ended December 31,		
	2022	2021	% Change	2021	2020	% Change
Segment Revenue						
Global Ecommerce	\$ 354,326	\$ 398,011	(11%)	\$ 1,702,580	\$ 1,618,897	5%
Presort Services	144,824	139,296	4%	573,480	521,212	10%
Sending Technology Solutions	331,764	338,142	(2%)	1,397,501	1,413,966	(1%)
Total revenue - GAAP	830,914	875,449	(5%)	3,673,561	3,554,075	3%
Currency impact on revenue	13,354	-		(27,910)	-	
Revenue, at constant currency	\$ 844,268	\$ 875,449	(4%)	\$ 3,645,651	\$ 3,554,075	3%

	Three months ended September 30,						Twelve months ended December 31,					
	2022			2021			2021			2020		
	EBIT ⁽¹⁾	D&A	EBITDA	EBIT ⁽¹⁾	D&A	EBITDA	EBIT ⁽¹⁾	D&A	EBITDA	EBIT ⁽¹⁾	D&A	EBITDA
Global Ecommerce	\$ (34,881)	\$ 17,982	\$ (16,899)	\$ (20,950)	\$ 20,935	\$ (15)	\$ (98,673)	\$ 79,128	\$ (19,545)	\$ (82,894)	\$ 69,676	\$ (13,218)
Presort Services	20,561	7,182	27,743	21,062	6,235	27,297	79,721	27,243	106,964	55,799	31,769	87,568
Sending Technology Solutions	95,234	7,248	102,482	98,950	7,694	106,644	429,415	29,951	459,366	442,648	34,316	476,964
Segment Total	\$ 80,914	\$ 32,412	113,326	\$ 99,062	\$ 34,864	133,926	\$ 410,463	\$ 136,322	546,785	\$ 415,553	\$ 135,761	551,314

Reconciliation of Segment EBITDA to Net Income (Loss):

Segment depreciation and amortization	(32,412)	(34,864)	(136,322)	(135,761)
Unallocated corporate expenses	(42,908)	(49,176)	(207,774)	(200,406)
Restructuring charges	(4,264)	(3,701)	(19,003)	(20,712)
Gain on sale of assets/business	13,764	-	11,635	11,908
Loss on debt redemption/refinancing	-	(3,193)	(56,209)	(36,987)
Goodwill impairment	-	-	-	(198,169)
Transaction costs	-	-	(2,582)	(641)
Interest, net	(37,377)	(36,022)	(143,945)	(153,915)
(Provision) benefit for income taxes	(4,642)	1,525	10,922	(7,122)
Income (loss) from continuing operations	5,487	8,495	3,507	(190,491)
Income (loss) from discontinued operations, net of tax	-	572	(4,858)	10,115
Net income (loss)	\$ 5,487	\$ 9,067	\$ (1,351)	\$ (180,376)

(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 a \$3 million increase in Global Ecommerce EBIT and corresponding decrease in Presort Services EBIT

Reconciliation of Reported Consolidated Results to Adjusted Results *(in thousands)*

	Three months ended September 30,		Twelve months ended December 31,	
	2022	2021	2021	2020
Reconciliation of reported net income (loss) to adjusted EBIT and EBITDA				
Net income (loss)	\$ 5,487	\$ 9,067	\$ (1,351)	\$ (180,376)
(Income) loss from discontinued operations, net of tax	-	(572)	4,858	(10,115)
Provision (benefit) for income taxes	4,642	(1,525)	(10,922)	7,122
Income (loss) from continuing operations before taxes	10,129	6,970	(7,415)	(183,369)
Restructuring charges	4,264	3,701	19,003	20,712
Gain on sale of assets/business	(13,764)	-	(11,635)	(11,908)
Loss on debt redemption/refinancing	-	3,193	56,209	36,987
Goodwill impairment	-	-	-	198,169
Transaction costs	-	-	2,582	641
Adjusted net income before tax	629	13,864	58,744	61,232
Interest, net	37,377	36,022	143,945	153,915
Adjusted EBIT	38,006	49,886	202,689	215,147
Depreciation and amortization	39,280	41,809	162,859	160,625
Adjusted EBITDA	\$ 77,286	\$ 91,695	\$ 365,548	\$ 375,772
Reconciliation of reported diluted earnings (loss) per share to adjusted diluted earnings per share ⁽¹⁾				
Diluted earnings (loss) per share	\$ 0.03	\$ 0.05	\$ (0.01)	\$ (1.05)
Loss (income) from discontinued operations, net of tax	-	-	0.03	(0.06)
Restructuring charges	0.02	0.02	0.08	0.09
Gain on sale of assets/business	(0.05)	-	(0.03)	(0.05)
Loss on debt redemption/refinancing	-	0.01	0.24	0.16
Goodwill impairment	-	-	-	1.13
Tax on surrender of investment securities	-	-	-	0.07
Transaction costs	-	-	0.01	-
Adjusted diluted earnings per share	\$ (0.00)	\$ 0.08	\$ 0.32	\$ 0.31
Reconciliation of reported net cash from operating activities to free cash flow				
Net cash from operating activities	\$ (36,465)	\$ 71,446	\$ 301,515	\$ 301,972
Net cash (from) used in operating activities - discontinued operations	-	-	-	37,912
Capital expenditures	(33,359)	(57,204)	(184,042)	(104,987)
Restructuring payments	3,506	6,023	21,990	20,014
Change in customer deposits at PB Bank	47,271	9,879	14,862	26,082
Transaction costs paid	3,268	-	-	2,117
Free cash flow	\$ (15,779)	\$ 30,144	\$ 154,325	\$ 283,110

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