

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
WASHINGTON, D.C. 20549

**FORM 10-K**

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31 , 2023      Commission file number: 1-3579

**PITNEY BOWES INC.**

State of incorporation: **Delaware**      I.R.S. Employer Identification No. **06-0495050**  
Address: **3001 Summer Street,      Stamford,      Connecticut      06926**  
Telephone Number: **(203)      356-5000**

Securities registered pursuant to Section 12(b) of the Act:

| Title of Each Class                   | Trading Symbol(s) | Name of Each Exchange on Which Registered |
|---------------------------------------|-------------------|---|
| Common Stock, \$1 par value per share | PBI               | New York Stock Exchange                   |
| 6.7% Notes due 2043                   | PBI.PRB           | New York Stock Exchange                   |

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (section 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files) Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See definition of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

|                           |                                     |                         |                          |                       |                          |
|---------------------------|-------------------------------------|-------------------------|--------------------------|-----------------------|--------------------------|
| Large accelerated filer   | <input checked="" type="checkbox"/> | Accelerated filer       | <input type="checkbox"/> | Non-accelerated filer | <input type="checkbox"/> |
| Smaller reporting company | <input type="checkbox"/>            | Emerging growth company | <input type="checkbox"/> |                       |                          |

If an emerging growth company, indicate by check mark whether the registrant has elected not to use the extended transition period for complying with new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. Yes ☒ No ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to § 240.10D-1(b). ☐

As of June 30, 2023, the aggregate market value of the registrant's common stock held by non-affiliates of the registrant was \$ 622 million based on the closing sale price as reported on the New York Stock Exchange. At January 31, 2024, there were 176,528,703 outstanding shares of common stock, \$1 par value.

**DOCUMENTS INCORPORATED BY REFERENCE**

Portions of the registrant's proxy statement to be filed within 120 days after our fiscal year end in connection with the Annual Meeting of Stockholders, are incorporated by reference in Part III of this Form 10-K.

**PITNEY BOWES INC.  
TABLE OF CONTENTS**

|   | Page Number        |
|---|--------------------|
| <b>PART I</b>   |                    |
| Item 1. <a href="#">Business</a>  | <a href="#">3</a>  |
| Item 1A. <a href="#">Risk Factors</a>   | <a href="#">8</a>  |
| Item 1B. <a href="#">Unresolved Staff Comments</a>  | <a href="#">14</a> |
| Item 1C. <a href="#">Cybersecurity</a>  | <a href="#">14</a> |
| Item 2. <a href="#">Properties</a>  | <a href="#">15</a> |
| Item 3. <a href="#">Legal Proceedings</a>   | <a href="#">15</a> |
| Item 4. <a href="#">Mine Safety Disclosures</a>   | <a href="#">15</a> |
| <b>PART II</b>  |                    |
| Item 5. <a href="#">Market for the Company's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities</a> | <a href="#">16</a> |
| Item 6. <a href="#">Reserved</a>  | <a href="#">16</a> |
| Item 7. <a href="#">Management's Discussion and Analysis of Financial Condition and Results of Operations</a>                         | <a href="#">17</a> |
| Item 7A. <a href="#">Quantitative and Qualitative Disclosures About Market Risk</a>   | <a href="#">28</a> |
| Item 8. <a href="#">Financial Statements and Supplementary Data</a>   | <a href="#">28</a> |
| Item 9. <a href="#">Changes in and Disagreements with Accountants on Accounting and Financial Disclosure</a>                          | <a href="#">28</a> |
| Item 9A. <a href="#">Controls and Procedures</a>  | <a href="#">29</a> |
| Item 9B. <a href="#">Other Information</a>  | <a href="#">29</a> |
| Item 9C. <a href="#">Disclosure Regarding Foreign Jurisdictions that Prevent Inspections</a>  | <a href="#">29</a> |
| <b>PART III</b>   |                    |
| Item 10. <a href="#">Directors, Executive Officers and Corporate Governance</a>   | <a href="#">30</a> |
| Item 11. <a href="#">Executive Compensation</a>   | <a href="#">30</a> |
| Item 12. <a href="#">Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters</a>               | <a href="#">31</a> |
| Item 13. <a href="#">Certain Relationships, Related Transactions and Director Independence</a>  | <a href="#">31</a> |
| Item 14. <a href="#">Principal Accountant Fees and Services</a>   | <a href="#">31</a> |
| <b>PART IV</b>  |                    |
| Item 15. <a href="#">Exhibits and Financial Statement Schedules</a>   | <a href="#">32</a> |
| Item 16. <a href="#">Form 10-K Summary</a>  | <a href="#">34</a> |
| <a href="#">Consolidated Financial Statements and Supplemental Data</a>   | <a href="#">36</a> |

### **Forward-Looking Statements**

This Annual Report on Form 10-K (Annual Report) contains statements that are forward-looking. We believe that these forward-looking statements are reasonable based on our current expectations and assumptions. However, we caution readers that any forward-looking statement within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 are subject to risks and uncertainties and actual results could differ materially. Words such as "estimate," "target," "project," "plan," "believe," "expect," "anticipate," "intend" and similar expressions may identify such forward-looking statements. We undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise, except as required by law. Forward-looking statements in this Annual Report speak only as of the date hereof, and forward-looking statements in documents attached that are incorporated by reference speak only as of the date of those documents.

While we believe that the expectations reflected in our forward-looking statements are reasonable, forward-looking statements are subject to inherent risks and uncertainties and subject to change. Accordingly, actual results of operations, financial condition and cash flows could differ materially from those projected or assumed in our forward-looking statements. Certain 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
- our ability to continue to grow volumes, gain additional economies of scale and improve profitability within our Global Ecommerce segment
- the loss of some of our larger clients in our Global Ecommerce and Presort Services segments
- the loss of, or significant changes to, United States Postal Service (USPS) commercial programs or our contractual relationships with the USPS or USPS' performance under those contracts
- the impacts of higher interest rates and the potential for future interest rate increases on our cost of debt
- declines in demand for our ecommerce services resulting from supply chain delays or interruptions affecting our retail clients, or changes in retail consumer behavior or spending patterns
- changes in international trade policies, including the imposition or expansion of trade tariffs, and other geopolitical risks, including those related to China
- global supply chain issues adversely impacting our third-party suppliers' ability to provide us products and services
- expenses and potential impacts resulting from a breach of security, including cyber-attacks or other comparable events
- the impacts of inflation and rising prices, higher interest rates and a slow-down in economic activity, including a global recession, or a U.S. government shutdown, to the company, our clients and retail consumers
- competitive factors, including pricing pressures, technological developments and the introduction of new products and services by competitors
- capital market disruptions or credit rating downgrades that adversely impact our ability to access capital markets at reasonable costs
- changes in labor and transportation availability and costs
- changes in foreign currency exchange rates, especially the impact a strengthening U.S. dollar could have on our global operations
- our success at managing customer credit risk
- changes in banking regulations, major bank failures or the loss of our Industrial Bank charter
- changes in tax laws, rulings or regulations
- our success in developing and marketing new products and services and obtaining regulatory approvals, if required
- the continued availability and security of key information technology systems and the cost to comply with information security requirements and privacy laws
- our success at managing relationships and costs with outsource providers of certain functions and operations
- increased environmental and climate change requirements or other developments in these areas
- intellectual property infringement claims
- the use of the postal system for transmitting harmful biological agents, illegal substances or other terrorist attacks
- acts of nature and the impact of a pandemic on the Company and the services and solutions we offer

**Further information about factors that could materially affect us, including our results of operations and financial condition, is contained in Item 1A. "Risk Factors" in this Annual Report.**

## **ITEM 1. BUSINESS**

### **General**

Pitney Bowes Inc. (we, us, our, or the company) is a global shipping and mailing company that provides technology, logistics, and financial services to small and medium sized businesses, large enterprises, including more than 90 percent of the Fortune 500, retailers and government clients around the world. These clients rely on us to remove the complexity and increase the efficiency in their sending of mail and parcels. For additional information, visit [www.pitneybowes.com](http://www.pitneybowes.com).

### **Business Segments**

#### Global Ecommerce

Domestic parcel services offers retailers a parcel delivery and returns network for end consumers. We operate numerous domestic parcel sortation centers connected by a nationwide transportation network, enabling us to pick up parcels from retailer distribution centers and move them through our physical network. We also offer fulfillment services, providing pick, pack and ship services for clients through three fulfillment centers co-located within parcel sortation centers to facilitate same-day entry into our parcel delivery network.

Cross-border services offers a range of services for our clients to manage their international shopping and shipping experience. Our proprietary technology enables global tracking and logistics services; calculates duty, tax and shipping costs at checkout; enables multi-currency pricing, payment processing and fraud management; ensures compliance with product restrictions and produces all documentation requirements to meet export complexities and customs clearance.

Digital delivery services enables clients to reduce transportation and logistics costs, select the best carrier based on need and cost, improve delivery times and track packages in real-time. Powered by our shipping APIs, clients can purchase postage, print shipping labels and access shipping and tracking services from multiple carriers that can be easily integrated into any web application such as online shopping carts or ecommerce sites and provide guaranteed delivery times and flexible payment options.

#### Presort Services

We are the largest workshare partner of the USPS and national outsource provider of mail sortation services that allow clients to qualify large volumes of First-Class Mail, Marketing Mail and Marketing Mail Flats and Bound Printed Matter for postal workshare discounts. In 2023, we processed over 15 billion pieces of mail through our network of operating centers throughout the United States. Using our fully-customized proprietary technology, we provide clients with end-to-end solutions from pick up to delivery into the postal system network, expedited mail delivery and optimal postage savings.

#### Sending Technology Solutions (SendTech Solutions)

We provide clients with physical and digital mailing and shipping technology solutions and other applications to help simplify and save on the sending, tracking and receiving of letters, parcels and flats. We also offer supplies and maintenance services for these offerings. Our cloud enabled infrastructure provides software-as-a-service (SaaS) offerings delivered online and via connected or mobile devices. Our latest offerings are designed on an open platform architecture that have the capabilities to leverage partnerships with carriers, developers and other innovative companies to deliver value to our clients. We offer financing alternatives that enable clients to finance equipment and product purchases.

Through our wholly owned subsidiary, The Pitney Bowes Bank (the Bank), we offer clients located in the United States a revolving credit solution for the purchase of postage, services and supplies and an interest-bearing deposit solution to clients who prepay postage. Additionally, we offer financing alternatives that enable clients to finance or lease other manufacturers' equipment and provide working capital. We provide revolving credit solutions to clients in Canada and the U.K. that enable them to make meter rental payments and purchase postage, services and supplies.

### **Seasonality**

A larger percentage of our revenue is earned in the fourth quarter relative to the other quarters, driven primarily by higher shipping volumes during the holiday season.

### **Sales and Services**

We market our products, solutions and services through a direct and inside sales force, global and regional partner channels, direct mailings and digital channels. We provide call-center, online and on-site support services for our products and solutions. Support services are primarily provided under maintenance contracts.

## **Competition**

Our businesses face competition from large, multinational companies and smaller, more narrowly focused regional and local firms. We compete on the basis of technology and innovation, breadth of product offerings, our ability to design and tailor targeted solutions to meet client needs, performance, service and support, price, quality and brand.

We must continue to invest in our current technologies, products and solutions, and in the development of new technologies, products and solutions in order to maintain and improve our competitive position. We frequently encounter new competitors as the markets in which we participate evolve and newer businesses enter our existing markets.

A summary of the competitive environment for each of our segments is as follows:

### Global Ecommerce

The domestic parcel services and cross-border solutions market includes competitors of various sizes, including companies and national posts with greater financial resources than us. Some of these competitors specialize in point solutions or freight forwarding services, are full-service ecommerce business process outsourcers and online marketplaces with international logistic support, or major global delivery services companies. We also face competition from companies that can offer both domestic and cross-border solutions in a single package which creates pricing leverage. The principal competitive factors include speed of delivery, price, ease of integration and use, innovative services, reliability, functionality and scalability. We compete based on the accuracy, reliability and scalability of our platform and logistics services, our ability to provide clients and their customers a one-stop full-service ecommerce experience and the ability to provide a more customized shipping solution than some of the larger competitors in the industry.

Our digital delivery services business competes with technology providers who help make shipping easier and more cost-effective. These technology providers range from large, established companies to smaller companies offering negotiated carrier rates. The principal competitive factors include technology stability and reliability, innovation, access to preferred shipping rates and ease of integration with existing systems.

### Presort Services

We face competition from regional and local presort providers, cooperatives of multiple local presort providers, consolidators and service bureaus that offer presort solutions as part of a larger bundle of outsourcing services. We also face competition from large mailers that have sufficient volumes and the capability to sort their own mailings in-house and could use excess capacity to offer presort services to others. The principal competitive factors include price, innovative service, delivery speed, tracking and reporting, industry expertise and economies of scale. Our competitive advantages include our extensive network capable of processing significant volumes and our innovative proprietary technology that provides clients with reliable, secure and precise services and maximum postage discounts.

### SendTech Solutions

We face competition from other mail equipment and solutions providers and those that offer online shipping and mailing products and services solutions. Additionally, the growth of alternative communication methods as compared to physical mail continue to grow, which creates competition to mail and to our offerings that enable clients to use the mail efficiently. We differentiate ourselves from our competitors through our breadth of physical and digital offerings, including cloud enabled SaaS and open platform architecture offerings; pricing; available financing and payment offerings; product reliability; support services; and our extensive knowledge of the shipping and mailing industry.

Our financing operations face competition, in varying degrees, from large, diversified financial institutions, including leasing companies, commercial finance companies and commercial banks, as well as small, specialized firms. We believe our competitive advantage that differentiates us from our competitors is the breadth of our financing and payment solutions and our ability to seamlessly integrate these solutions into our clients' shipping and mailing operations.

Also see Item 1A. Risk Factors for further details regarding the competition our businesses face.

## **Research, Development and Intellectual Property**

We invest in research and development activities to develop new products and solutions, enhance the effectiveness and functionality of existing products and solutions and deliver high value technology and differentiated services in high value segments of the market.

## **Third-Party Suppliers**

Our SendTech Solutions segment depends on third-party suppliers and outsource providers for a variety of services and product components and the hosting of our SaaS offerings. Our Global Ecommerce and Presort Services segments rely on third-party suppliers

to help equip our facilities, provide warehouse support and assist with our logistical operations. All of our businesses and corporate functions depend on third-party providers for a variety of data analytics, sales, reporting and other functions. In certain instances, we rely on single-sourced or limited-sourced suppliers and outsourcing vendors around the world because doing so is advantageous due to quality, price or lack of alternative sources. We have risk mitigation programs to monitor conditions affecting our suppliers' ability to fulfill expected commitments. We believe that our available sources for services, components, supplies, logistics and manufacturing are adequate.

## **Regulatory Matters**

We are subject to the regulations of postal authorities worldwide related to product specifications of our postage meters. Our Presort Services operations are also subject to USPS regulations. The Bank is chartered as an Industrial Bank under the laws of the State of Utah. The Bank and certain company affiliates that provide services to the Bank are subject to the regulations of the Utah Department of Financial Institutions and the Federal Deposit Insurance Corporation. We are also subject to transportation regulations for various parts of our business, worldwide customs and trade regulations related to our cross-border shipping services and regulations concerning data privacy and security for our businesses that use, process and store certain personal, confidential or proprietary data.

## **Climate Change**

Although climate change has had no material impact on our operations to date, the risk of increasingly severe climate events or the risk that those events happen more frequently could affect one or more of our facilities and our ability to conduct daily operations in the future. Increasing regulatory restrictions in response to climate change could also materially affect our costs, especially with respect to transportation.

## **Human Capital**

### *Employee Profile*

We have approximately 10,500 employees, with 81% located in the United States. We also rely on a contingent hourly workforce to supplement our full-time workforce to meet fluctuating demand.

We seek to create a high-performance culture that will drive and sustain enhanced long-term value for all our shareholders. To attract, retain and engage the talent needed, we provide competitive compensation and strive to maintain a diverse, inclusive and safe workplace, with equitable opportunities for growth and development. Our compensation programs are designed to reward performance and contribution. We regularly assess the business environments and labor markets in the areas we operate to ensure our compensation programs reflect best practices and are market competitive. Depending on position and level, elements of our compensation packages include base salary or wages, variable compensation based on individual and company objectives and equity. We provide a competitive benefits package fostered on work/life balance, including medical, dental, life and disability insurance, and benefits that provide additional support for our employees' mental, physical, financial and social well-being.

### *Diversity and Inclusion*

Maintaining a diverse workforce and an inclusive environment is critical to our success and we view diversity and inclusion as a competitive differentiator that helps us attract, grow, engage and retain the best talent. We celebrate a rich mix of countries, cultures, ages, races, ethnicities, gender identities, sexual orientation, abilities, and perspectives that showcase our humanity, differentiate us as individuals and enhance our businesses. Our global workforce is comprised of over 43% women and 35% of our global managers are women. Our U.S. population is nearly 50% people of color and 36% of our U.S. managers are people of color.

We continue to increase diversity and inclusion awareness throughout our company through enhancements and improvements to our talent acquisition processes, cultural awareness training and the creation of allies and mentors to help advance diversity and inclusion in our workforce.

### *Employee Engagement and Development*

We are committed to creating a culture where our employees feel supported and valued. We offer employees many opportunities to advance their skills, learn new skills and achieve career goals through virtual and in-person development and training programs, professional development initiatives, experiential learning, mentoring and coaching programs and inclusion networks.

Through multiple platforms, we offer employees and candidates varied opportunities to find development opportunities and stay informed about key changes to our business. We conduct an independent annual employee engagement survey with demonstrated high levels of employee participation. We benchmark our results against our previous year's performance, as well as against other high-performing organizations. We consider the feedback from employees and implement changes where possible and financially prudent.

### Health and Safety

We are committed to providing a safe workplace that protects against and limits personal injury and environmental harm. Through regular evaluations of site safety performance, sharing of successes, and creating projects to engage employees in safety improvements, we identify risks, provide guidance and training, review and learn from accidents, and reduce injuries. We also report monthly to both local site management and senior leadership on safety metrics, trends, risks and regulatory activity. Through these efforts and employee engagement, we have experienced significant improvements in our total recordable cases and total recordable incident rates since 2019.

### Available Information

Our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and any amendments thereto filed with, or furnished to, the SEC, are available, free of charge, through the Investor Relations section of our website at [www.investorrelations.pitneybowes.com](http://www.investorrelations.pitneybowes.com) or from the SEC's website at [www.sec.gov](http://www.sec.gov), as soon as reasonably practicable after these reports are electronically filed with, or furnished to, the SEC. The other information found on our website is not part of this or any other report we file with or furnish to the SEC.

### Information About Our Executive Officers

| Name                              | Age | Title  | Executive Officer Since |
|-----------------------------------|-----|--|-------------------------|
| Jason C. Dies                     | 54  | Interim Chief Executive Officer  | 2017                    |
| Daniel J. Goldstein               | 62  | Executive Vice President and Chief Legal Officer and Corporate Secretary | 2010                    |
| Christoph Stehmann <sup>(1)</sup> | 61  | Executive Vice President, International Sending Technology Solutions     | 2016                    |
| Gregg Zegras                      | 56  | Executive Vice President and President, Global Ecommerce                 | 2020                    |
| Ana Maria Chadwick                | 52  | Executive Vice President and Chief Financial Officer                     | 2021                    |
| James Fairweather                 | 52  | Executive Vice President, Chief Innovation Officer                       | 2021                    |
| Debbie Pfeiffer <sup>(2)</sup>    | 63  | Executive Vice President and President, Presort Services                 | 2024                    |
| Shemin Nurmohamed <sup>(3)</sup>  | 52  | Executive Vice President and President, Sending Technology Solutions     | 2024                    |

<sup>(1)</sup> Effective April 1, 2024, Mr. Stehmann will be retiring.

<sup>(2)</sup> Effective January 1, 2024, Ms. Pfeiffer was appointed Executive Vice President and President, Presort Services.

<sup>(3)</sup> Effective January 1, 2024, Mrs. Nurmohamed was appointed Executive Vice President and President, Sending Technology Solutions.

There are no family relationships among the above officers. The above officers have served in various executive positions with the company for at least the past five years except as follows:

Mr. Zegras was appointed Executive Vice President and President, Global Ecommerce in July 2020. He joined the company in 2013 as President, Imagitas. Prior to joining the company, Mr. Zegras held several executive leadership positions, including at NBC Universal, Sharecare and Hearst Entertainment.

Ms. Chadwick joined the company as Executive Vice President and Chief Financial Officer in January 2021. Prior to joining the company, Ms. Chadwick was employed at the financial services division of General Electric Company as President and CEO of GE Capital Global Legacy Solutions. Ms. Chadwick spent over 20 years at GE Capital, where she held several executive positions, including Controller of GE Capital Americas and CFO at GE Capital Energy Financial Services.

Mr. Fairweather was appointed Executive Vice President and Chief Innovation Officer in May 2021. Prior to this, he was Senior Vice President and Chief Technology Officer, Commerce Services. He has been a leader in the company's strategic digital transformation and technology initiatives across Design, SaaS, Data Science and Analytics, API Management, Security and Mobility.

Ms. Pfeiffer was appointed Executive Vice President and President, Presort Services in January 2024. Prior to this, she was President, Presort Services, Vice President/General Manager of the Columbus and Cincinnati Ohio Operating Centers, Vice President of National Accounts and Vice President Sales & Client Services,

Mrs. Nurmohamed was appointed Executive Vice President and President, Sending Technology Solutions in January 2024. She joined the company in 2016 as Vice President, Document Messaging Technologies France. Prior to joining the company, Mrs. Nurmohamed had a 16 year career at IBM as CFO and Sales Director of various business units at the European and global levels.

## ITEM 1A. RISK FACTORS

Our operations face certain risks that should be considered in evaluating our business. We manage and mitigate these risks on a proactive basis, using an enterprise risk management program. Nevertheless, the following risk factors, some of which may be beyond our control, could materially affect our business, financial condition, results of operations, brand and reputation, and may cause future results to be materially different than our current expectations. These risk factors are not intended to be all inclusive.

### ***Mailing and Shipping Industry Risks***

*The financial condition of the USPS, or the national posts in our other major markets, has affected, and could, in the future, affect the ability of those posts to provide services to us or our clients, which could adversely affect client demand for our offerings and thus our financial performance.*

We are dependent on financially viable national posts in the geographic markets where we operate, particularly in the United States. A significant portion of our revenue depends upon the ability of these posts, especially the USPS, to provide competitive mail and package delivery services to our clients and the quality of the services they provide. Their ability to provide high quality service at affordable rates in turn depends upon their ongoing financial strength. Although Congress provided the USPS a measure of relief with the enactment of the Postal Service Reform Act of 2022, the USPS, and national posts in our other major markets, still face financial challenges. If these challenges interfere with these posts' ability to continue to provide the services they currently provide, our financial performance may be adversely affected.

*Our ability to compete in the package shipping market in the United States depends upon certain contractual relationships we have with the USPS and the successful performance of those services.*

The USPS is our primary provider for the "last mile" component of our parcel delivery services in the United States. This represents a significant component of our cost in offering these services. If we are unable to receive competitive pricing from the USPS or take advantage of lower cost USPS options, our ability to compete with private carriers and achieve profitable revenue growth may be adversely affected. Our digital delivery options also depend upon certain contractual relationships with the USPS to enable us to offer these services profitably, and the USPS has adjusted the terms of those contracts in the past. Should the USPS make additional changes to how it contracts with us for this service, our profitability could be adversely affected. The quality of service we provide to our clients also depends upon the quality of delivery services received from the USPS. As the ecommerce market continues to evolve, and as the USPS implements changes to its network, if the USPS' service performance is materially worse than that of the private carriers, we may lose clients to competition and our financial performance may be adversely affected.

*We are subject to postal regulations and processes, which could adversely affect our financial performance.*

A significant portion of our business is subject to regulation and oversight by the USPS, posts in other major markets, and the governmental bodies that regulate the posts themselves. These postal authorities have the power to regulate some of our current products and services and to establish guidelines for postage rates. They also must approve many of our new or future product and service offerings before we can bring them to market. If new or future product and service offerings are not approved or there are significant conditions to approval, favorable postage rates are reversed, regulations on existing products or services are changed, posts utilize their position in the market or their role as product regulator to limit competition in areas where the posts themselves offer solutions, or if we fall out of compliance with the posts' regulations, our financial performance could be adversely affected.

*If we are not able to respond to the continuing decline in the volume of physical mail delivered via traditional postal services, our financial performance could be adversely affected.*

Continuing declines in traditional mail volumes impact our financial results, primarily within our SendTech Solutions and Presort Services segments. An accelerated or sudden decline could result from one or more of the following factors: changes in communication technologies and their use; changes in frequency and quality of mail delivery from national posts; legislation incentivizing alternative means of communication, burdening mail, or limiting how the mail be used; significant rate increases; or other external events affecting physical mail delivery. If we are not successful at meeting the continuing challenges faced in our mailing business, or if physical mail volumes experience an accelerated or sudden decline, our financial performance could be adversely affected.

*Significant changes to the laws regulating the USPS or other posts, or changes in their operating models could have an adverse effect on our financial performance.*

As a significant portion of our revenue and earnings is dependent on postal operations, changes in the laws and regulations that affect how posts operate could have an adverse effect on our financial performance. As posts consider new strategies for their operations in



an era of declining mail volumes and increasing package volumes, if we are unable to work with posts to support those strategies, our financial performance could be adversely affected.

### **Business Operational Risks**

*We face intense competition in the industries in which we operate.*

The markets for our products and services in each of our segments are highly competitive. In our Global Ecommerce segment, we face competition from full-service ecommerce business process outsourcers, online marketplaces, freight forwarders, posts, and major global delivery services companies, including those that can offer both domestic and cross-border solutions in a single package. If we cannot compete successfully in these markets with, among other things, speed of delivery, price, reliability, functionality and scalability of our platform and logistic services and ease of integration and use, we may lose clients, incur additional costs and suffer from reduced margins, and the financial results of the segment may be adversely affected. Our Presort Services segment faces competition from regional and local presort providers, cooperatives of multiple local presort providers, consolidators and service bureaus that offer presort solutions as part of a larger bundle of outsourcing services and large volume mailers that have sufficient volumes and the capability to presort their own mailings in-house and could use excess capacity to offer presort services to others. If we are not able to effectively compete on price, innovative service, delivery speed, tracking and reporting, we may lose clients and the financial results of the segment may be adversely affected. Our Sending Technology Solutions segment faces competition from other mail equipment and solutions providers, companies that offer products and services as alternative means of message communications and those that offer online shipping and mailing products and services solutions. Our digital delivery business competes with technology providers ranging from large, established companies and national posts to smaller companies offering negotiated carrier rates. In addition, our financing operations face competition, in varying degrees, from large, diversified financial institutions, including leasing companies, commercial finance companies and commercial banks, as well as small, specialized firms. If we are not able to differentiate ourselves from our competitors or effectively compete with them, the financial results of the segment may be adversely affected.

*The evolution of our businesses to more digital and shipping-related services has resulted in a decline in our overall profit margins. If we cannot increase our volumes while at the same time reduce our costs, our overall profitability could be adversely affected.*

As our businesses shift to more digital and shipping-related services, the relative revenue contribution from our shipping-related offerings now exceeds that of the revenue from our mailing-related offerings. We expect the revenue contribution from shipping-related services to continue to grow; however, profit margins on these services are lower than those for our mailing-related offerings. As a result, we need to achieve higher dollars of revenue to generate the same dollars of profit that we generate in our mailing businesses. Accordingly, if we cannot continue to grow package volumes and gain additional economies of scale, and in turn, improve margins and profitability, our short and long-term financial performance may be adversely affected.

*Seasonality of the Global Ecommerce segment, unexpected declines in consumer demand or the performance of our retail customers, or unexpected spikes in the costs of labor or transportation, especially during the fourth quarter, could adversely affect our overall performance.*

Our Global Ecommerce segment derives the majority of its revenue from retail clients. The retail industry is subject to cyclical trends in consumer sentiment and spending habits that are affected by many factors, including prevailing economic conditions, recession or fears of recession, inflation, exchange rates, unemployment levels, pandemics, or geopolitical events. Our retail clients are also dependent on third-party suppliers to provide them with either raw materials or finished goods to meet the demands of their clients. This segment also relies upon the availability of labor and transportation at a reasonable cost and unexpected increases in these costs due to higher demand or other macroeconomic factors (which have occurred in the past) could also impact the financial results of Global Ecommerce. Further, the financial results for Global Ecommerce are highly dependent on its performance in the fourth quarter, so if any of these risk factors come to pass in that quarter, the impact on the segment's performance could be more significant than other times in the year.

*The loss of any of our largest clients in our Global Ecommerce segment could adversely affect the financial performance of that segment.*

The Global Ecommerce segment receives a large portion of its revenue from a relatively small number of clients and business partners. If any of these larger clients or business partners leave our network or reduce their use of our services, which has occurred in the past, and we are unable to replace that lost volume, it could have a material adverse effect on the revenue and profitability of the segment.

There can be no assurance that our larger clients and business partners will continue to utilize our products or services at current levels, or that we would be able to replace any of these clients or business partners with others who can generate revenue at current levels.

*If we fail to effectively manage our third-party suppliers, or if their ability to perform were negatively impacted, our business, financial performance and reputation could be adversely affected.*

Our SendTech Solutions segment relies on third-party suppliers for services and components for our mailing equipment, spare parts, supplies and services and for the hosting of our SaaS offerings. We also rely on third-party suppliers to help us equip our Presort and Ecommerce facilities and to provide us with services related to some of our operations and productivity initiatives. In certain instances, we rely on single-sourced or limited-sourced suppliers around the world because of advantages in quality, price or lack of alternative sources. Like many other companies, we and our suppliers have experienced interruptions and increased supply costs in the past, due to, among other things, volatility in the semiconductor industry, threats of strikes, rising inflation and geopolitical instability. Although our 2023 financial results were not significantly impacted, these factors, at times, caused us to experience longer wait times for supplies or increased costs. If these supply chain constraints were to worsen or, if other unknown events cause our suppliers to not be able to provide their services, components or equipment to us in a timely manner, or, if the quality of the goods or services received were to deteriorate, our relationship with certain suppliers were to be terminated, or if the costs of using these third parties were to continue to increase and we were not able to find alternate suppliers, we could lose clients, incur significant disruptions in manufacturing and operations and increased costs (including higher freight and re-engineering costs) and delay automation and productivity initiatives in our warehouses.

*Fluctuations in transportation costs or disruptions to transportation services in our Global Ecommerce or Presort Services segments could adversely affect client satisfaction or our financial performance.*

In addition to our reliance on the USPS, our Global Ecommerce and Presort Services segments rely upon third-party transportation service providers to transport a significant portion of our parcel and mail volumes. Some of these providers may also be competitors. The use of these providers is subject to risks, including our ability to negotiate acceptable terms, increased competition during peak periods, capacity issues, increased fuel costs, labor shortages, performance problems, extreme weather, natural or man-made disasters, pandemics, or other unforeseen difficulties. Given our continued reliance upon these providers, any disruption to the timely supply of these services, any future unforeseen disruptions affecting these providers, any dramatic increase in the cost of these services or any deterioration of the performance of these services (each of which we have experienced, at times), have adversely affected or could adversely affect client satisfaction and our financial performance.

*Our business depends on our ability to attract, retain, and engage with, employees at a reasonable cost to meet the needs of our business and to consistently deliver highly differentiated, competitive offerings.*

The rapid growth of the ecommerce industry has resulted in ongoing competition for employees in the shipping, transportation, and logistics industry, including drivers and warehouse employees. At times, both our Global Ecommerce and Presort Services segments have experienced increased demand and competition for labor, especially for our warehouses, driving up costs. We supplement our workforce with contingent hourly workers from staffing agencies on an as-needed basis; however, if we experience labor shortages, do not effectively manage our ability to attract and utilize contingent workers, or if our staffing agencies terminate their relationship with us and we cannot find alternative providers, it could result in increased costs and adversely affect our operations. Moreover, given the nature of our Global Ecommerce and Presort Services employee base, if we cannot continue to maintain good relationships, we could experience increased employee dissatisfaction and turnover, which could result in increased operating costs and reduced operational flexibility.

In May 2023, we approved a worldwide restructuring plan (the 2023 Plan), which involved the elimination of 850-950 positions worldwide. Such actions may cause us to experience a loss of continuity, loss of accumulated knowledge and/or inefficiency, loss of key employees and/or other retention issues during transitional periods. Such actions may also make hiring qualified employees more difficult.

There is also significant competition for the talent needed for research and development of new products and services and talent needed to sell and service our other products and services within all our business units. Increased competition for employees has resulted in higher costs for wages and other benefits necessary to attract and retain employees with the right skill sets. Additional labor costs which may also impact our business include those triggered by federal, state and local laws and regulatory actions; increased health care and workers' compensation insurance expenses; and costs associated with the health and safety of our employees.

*Difficulty in obtaining and protecting our intellectual property, and the risk of infringement claims by others may negatively impact our financial performance.*

Our businesses are not materially dependent on any one patent or license or group of related patents and licenses; however, our business success depends in part upon protecting our intellectual property rights, including proprietary technology developed or obtained through acquisitions. We rely on copyrights, patents, trademarks, trade secrets and other intellectual property laws to establish and protect our proprietary rights. If we are unable to protect our intellectual property rights, our competitive position may suffer, which could adversely affect our revenue and profitability. The continued evolution of patent law and the nature of our innovation work may affect the number of patents we are able to receive for our development efforts. As we continue to transition our business to more software and service-based offerings, patent protection of these innovations will be more difficult to obtain. In addition, from time to time, third parties may claim that we, our clients, or our suppliers, have infringed their intellectual property rights. These claims, if successful, may require us to redesign affected products, enter into costly settlement or license agreements, pay damage awards, or face a temporary or permanent injunction prohibiting us from marketing or selling certain products.

*If we fail to comply with government contracting regulations, our financial performance, brand name and reputation could suffer.*

We have a significant number of contracts with governmental entities. Government contracts are subject to extensive and complex procurement laws and regulations, along with regular audits and investigations by government agencies. If one or more government agency discovers contractual noncompliance by us or one of our subcontractors, we may be subject to various civil or criminal penalties and administrative sanctions, which could include the termination of the contract, reimbursement of payments received, fines and debarment from doing business with other government agencies. Any of these events could not only affect our financial performance, but also adversely affect our brand and reputation.

*We may not fully realize the anticipated benefits of strategic acquisitions and divestitures which may harm our financial performance.*

Strategic acquisitions and business divestitures involve significant risks and uncertainties, which could have an adverse effect on our financial performance, including:

- difficulties in achieving anticipated benefits or synergies;
- difficulties in integrating newly acquired businesses and operations, including combining product and service offerings and integrating financial reporting and other IT systems;
- the loss of key employees or clients of businesses acquired or divested;
- significant charges for employee severance and other restructuring costs, legal, accounting and financial advisory fees and goodwill and asset impairment charges; and
- reducing fixed costs previously associated with divested businesses

*Our capital investments to develop new products and offerings may not yield the anticipated benefits.*

We made and are continuing to make significant capital investments in new products and services. If we are not successful in these new product or service introductions, or if our past investments in facilities do not yield the expected productivity improvements, at the levels anticipated when making the investments, there may be an adverse effect on our financial performance.

### **Cybersecurity and Technology Risks**

*Our financial performance and our reputation could be adversely affected, and we could be subject to legal liability or regulatory enforcement actions, if we or our suppliers are unable to protect against, or effectively respond to, cyberattacks or other cyber incidents.*

We depend on the security of our and our suppliers' information technology systems to support numerous business processes and activities, to service our clients, and to enable consumer transactions and postal services. There are numerous cybersecurity risks to these systems, including individual and group criminal hackers, industrial espionage, denial of service attacks, ransomware and malware attacks, attacks on the software supply chain, and employee errors and/or malfeasance. These cyber threats are constantly evolving, especially given the advances in, and the rise of the use of, artificial intelligence, thereby increasing the difficulty of preventing, detecting, and successfully defending against them. Successful breaches could, among other things, disrupt our operations or result in the unauthorized disclosure, theft and misuse of company, client, consumer and employee sensitive and confidential information, all of which could adversely affect our financial performance. Cybersecurity breaches could result in financial liability to other parties, governmental investigations, regulatory enforcement actions and penalties, and damage to our brand and reputation. Although we maintain insurance coverage relating to cybersecurity incidents, we may incur costs or financial losses that are either not insured against or not fully covered through our insurance. Despite the fact that we continually implement and update measures to enhance our cybersecurity protections and minimize the impact of any potential attack, none of these measures are fool proof and like all companies, intrusions will occur, and have occurred in the past (e.g. the previously disclosed ransomware attacks we experienced).

in 2019 and 2020). Our goal is to prevent meaningful incursions and minimize the overall impact of those that occur. For more information on how the Company handles cybersecurity, see Item 1C. Cybersecurity.

*Failure to comply with data privacy and protection laws and regulations could subject us to legal liability and adversely affect our reputation and our financial performance.*

Our businesses use, process, and store proprietary information and personal, sensitive, or confidential data relating to our business, clients, and employees. Privacy laws and similar regulations in many jurisdictions where we do business require that we take significant steps to safeguard that information, and these laws and regulations continue to evolve. The scope of the laws that may be applicable to us is often uncertain and may be conflicting. In addition, new laws may add a broad array of requirements on how we handle or use information and increase our compliance obligations. For example, the European Union greatly increased the jurisdictional reach of European Law by enacting the General Data Protection Regulation (GDPR), which, among other things, enhanced an individual's rights with respect to their information. However, ongoing litigation in the European Union on how to comply with GDPR requirements continues to create uncertainty in how to demonstrate compliance, and the outcome of these cases could impact how companies do business in the European Union. In the United States, a growing number of states have enacted different laws regarding personal information and privacy that impose significant new requirements on consumer personal information. In some instances (e.g., California), these laws also expand the definition of consumer personal information to include information related to employees and business contacts. Some of these state laws have established independent agencies with rule making and enforcement authority, whose initial guidance, actions, and regulations remain to be determined and tested, adding additional layers of uncertainty with respect to compliance. Other countries or states have enacted and will continue to enact and amend laws or regulations in the future that have similar or additional requirements. Although we continually monitor and assess the impact of these laws and regulations, and continually update our systems to protect our data and comply with these laws, their interpretation and enforcement are uncertain, subject to change, and may require substantial costs to monitor and implement. Failure to comply with data privacy and protection laws and regulations could also result in government enforcement actions (which could include substantial civil and/or criminal penalties) and private litigation, which could adversely affect our reputation and financial performance.

*If we or our suppliers encounter unforeseen interruptions or difficulties in the operation of our cloud-based applications, our business could be disrupted, our reputation and relationships may be harmed, and our financial performance could be adversely affected.*

Our business relies upon the continuous and uninterrupted performance of our and our suppliers' cloud-based applications and systems to support numerous business processes, to service our clients and to support their transactions with their customers and postal services. Our applications and systems, and those of our partners, may be subject to interruptions due to technological errors, system capacity constraints, software errors or defects, human errors, computer or communications failures, power loss, adverse acts of nature and other unexpected events. We have business continuity and disaster recovery plans in place to protect our business operations in case of such events and we also require our suppliers to have the same. Nonetheless, there can be no guarantee that these plans will function as designed. If we are unable to limit interruptions or successfully correct them in a timely manner or at all, it could result in lost revenue, loss of critical data, significant expenditures of capital, a delay or loss in market acceptance of our services and damage to our reputation, brand and relationships, any of which could have an adverse effect on our business and our financial performance.

### **Macroeconomic and General Regulatory Risks**

*Periods of difficult economic conditions, other macroeconomic events, or a public health crisis could adversely affect our business.*

Our operations and financial performance are impacted by the economic conditions in the United States and the other countries where we and our clients do business. Any significant or perceived weakening of these economies, reduction in business confidence or change in business or consumer spending habits, concerns of a domestic or global recession, rising inflation or interest rates, limited availability of credit, or other macroeconomic events (including public health crises), not within our control, may reduce our client's demand for shipping and mailing products and services (especially in our Global Ecommerce business, which is subject to cyclical trends in consumer sentiment and spending habits) and thus, negatively affect our financial performance. These economic conditions, at times, have arisen and can arise suddenly, and the duration and full impact of such conditions can be difficult to predict, which could adversely impact our business, financial condition, and results of operations.

*Future credit rating downgrades, capital market disruptions, significant decline in cash flows, noncompliance with any of our debt covenants, or significant withdrawals by depositors at the Bank, could adversely affect our ability to maintain adequate liquidity, provide competitive financing services and to fund various discretionary priorities.*

We provide competitive finance offerings and fund discretionary priorities, such as business investments, strategic acquisitions, dividend payments and share repurchases through a combination of cash generated from operations, deposits held at the Bank and access to capital markets. Our ability to access U.S. capital markets and the associated cost of borrowing is dependent upon our credit ratings and is subject to capital market volatility. Given our current credit rating, we may experience reduced financial or strategic

flexibility and higher costs when we do access the U.S. capital markets. We maintain a \$500 million revolving credit facility that requires we maintain certain financial and nonfinancial covenants.

A significant decline in cash flows, noncompliance with any of the covenants under the revolving credit facility, further credit rating downgrades, material capital market disruptions, significant withdrawals by depositors at the Bank, adverse changes to our industrial loan charter or an increase in our credit default swap spread could impact our ability to maintain adequate liquidity, which could impact our ability to provide competitive finance offerings, repay or refinance maturing debt, and fund other strategic or discretionary activities, which could adversely affect our operational and financial performance.

*Changes in tax rates, laws or regulations could adversely impact our financial results.*

We are subject to taxes in the U.S. and in the foreign jurisdictions where we do business. Due to continuing global fiscal challenges and political conditions, tax laws and enforcement approaches have been and may continue to be subject to significant change. Changes in tax laws may be on a prospective or retroactive basis and could have a material impact of our tax expense and cash flows. The Organization for Economic Co-operation and Development (OECD) have set forth a Two-Pillar Solution fundamentally overhauling the international tax rules. Pillar One focuses on reallocation of profits while Pillar Two applies a global minimum corporate tax. The OECD has set forth Model Rules and an ambitious timeline to ensure the effective implementation of the Two-Pillar Solution. Although some jurisdictions have issued guidance or passed tax laws based on the OECD Model Rules, the final nature, timing and extent of any such tax reforms or other legislative or regulatory actions is unpredictable, and it is difficult to assess their overall effect. However, these changes could result in double tax, increase our effective tax rate and adversely impact our financial results and cash flows.

We are subject to tax audits in the various jurisdictions in which we operate. Given the complexity of the current and changing tax laws and regulations, tax authorities may disagree with certain positions we have taken and assess additional taxes. We regularly review the strength of our positions based on current law, court cases, rulings and proposed legislative changes to determine the appropriateness of our tax provision, however, there can be no assurance that we will accurately predict the outcomes of these audits, which could have a material impact on our effective tax rate and adversely impact our financial results and cash flows.

*Our Global Ecommerce segment is exposed to increased foreign exchange rate fluctuations.*

The sales generated from many of our clients who use our cross-border services are exposed to foreign exchange rate fluctuations. Currently, merchants using our cross-border services are located primarily in the U.S. and the U.K. and a majority of consumers making purchases through these platforms are in a limited number of foreign countries. The current strength of the U.S. Dollar relative to currencies in the countries where we do the most business continues to impact our client's ability to compete internationally as the cost of similar international products improved relative to the cost of U.S. retailer's products. This in turn, adversely affected Global Ecommerce's revenue and profitability during the past two years. If the strength of the U.S. dollar continues, or if the British Pound were to strengthen relative to other currencies, our retailers may continue to experience a decrease in international sales volumes, which, in turn would adversely affect this segment's revenue and profitability.

*Our operations and financial performance may be negatively affected by changes in trade policies, tariffs and regulations.*

Our Global Ecommerce segment is subject to significant trade regulations, taxes, and duties throughout the world. Any changes to these regulations could potentially impose increased documentation and delivery requirements, delay delivery times and subject us to increased costs and additional liabilities, which could adversely affect our financial performance. Within the last four years, the United States increased tariffs for certain goods, which triggered other nations to also increase tariffs on certain of their goods. For our Global Ecommerce segment, tariff increases, or even an environment of uncertainty surrounding trade issues, could reduce demand and adversely affect its financial performance. For our SendTech Solutions segment, increased tariffs resulted in additional costs on certain components used in some of our products.

*If we do not keep pace with evolving expectations and regulations in the areas of Environmental, Social and Governance (ESG) and address the potential impact of climate change on our costs and operations, our reputation and results of operations may be adversely affected.*

The set of topics incorporated within the term ESG in general, and climate change in particular, cover a range of issues that pose potential risks to our operations. From an environmental perspective, the impact of climate change and a potential increase in extreme weather events may pose risk to the operation of our sortation facilities and the ability to transport mail and packages. The increased focus on alternative energy sources and the need to reduce our carbon footprint over time, could result in higher investments in capital spending and increased operational costs. There are also a series of laws related to product stewardship and waste disposal to which we need to comply. From a "social" perspective, a failure to meet employee expectations around safety and diversity, equity and inclusion could impact our ability to recruit new employees and retain talent. Finally, from a "governance" perspective, if we do not

maintain good governance processes in general or do not satisfy investor stakeholder expectations on ESG, our reputation and attractiveness to portions of the investment community could be adversely affected.

### **Shareholder Activism Risks**

*Our business could be negatively affected as a result of shareholder activism .*

We value constructive input from investors and regularly engage with our stockholders regarding strategy and performance. Although our Board of Directors and management team are committed to acting in the best interests of all our stockholders, there is no assurance that the results of actions taken by our Board of Directors and management team will be successful.

In 2023, Hestia Capital Partners, LP (collectively with its affiliates, "Hestia") ran a proxy contest seeking the election of five of its nominees to our Board of Directors at the 2023 annual meeting of stockholders (the "2023 Annual Meeting"). At the 2023 Annual Meeting held on May 9, 2023, our stockholders voted to elect four directors nominated by Hestia to serve on our Board of Directors. Any qualifying stockholder may conduct a proxy contest in the future. Responding to proxy contests, including related litigation, can be costly, time-consuming, disrupt our operations and divert the attention of management, Board of Directors and employees. All of this could adversely affect our results of operations and financial condition, as well as the market performance of our securities.

Additionally, perceived uncertainties as to our future direction or changes to the composition of our Board of Directors as a result of activist stockholders, may lead to the perception of an adverse change in the direction of our business, instability or lack of management or oversight continuity. These uncertainties may be more acute or heightened if an activist stockholder seeks to change a majority of our Board of Directors. Actions by activist stockholders may be exploited by our competitors and/or other activist stockholders, cause concern to customers, employees, investors, rating agencies, strategic partners and other constituencies, which could result in lost sales and business opportunities, make it more difficult to attract and retain qualified personnel and business partners and adversely impact our ability to access capital markets at reasonable costs. Further, actions of activist stockholders may cause significant fluctuations in our stock price based on temporary or speculative market perceptions or other factors that do not necessarily reflect the underlying fundamentals and prospects of our business.

### **ITEM 1B. UNRESOLVED STAFF COMMENTS**

None.

### **ITEM 1C. CYBERSECURITY**

A comprehensive cybersecurity program is critical to achieving our business goals. Like all companies in today's world, we face a multitude of cybersecurity threats that range from ransomware and denial-of-service, to attacks from more advanced nation state actors, and even insider threats. Likewise, our customers, suppliers, subcontractors and partners face similar cybersecurity threats, and a cybersecurity incident impacting us or any of these entities could materially adversely affect our business operations and financial performance. These cybersecurity threats and related risks make it imperative that we expend considerable resources to safeguard our organization's assets and to prevent service disruptions or minimize the impact should an incident occur.

The Audit Committee of the Board of Directors oversees the technology functions, including management's processes for identifying and mitigating risks, including cybersecurity risks, to help align our risk exposure with our strategic objectives. Senior technology leadership, including our Chief Information Security Officer (CISO), briefs the Audit Committee of the Board of Directors on our cybersecurity and information security posture semi-annually and on an as needed basis and the full Board of Directors is apprised on an annual basis. In the event of an incident, we strive to follow our detailed incident response playbook, which outlines the steps to be taken from incident detection to mitigation, recovery and notification, including notifying functional areas (e.g. legal), customers, as well as senior leadership and the Board, in each case, as appropriate.

Our information security organization is led by the CISO, who is responsible for our overall information security strategy, policy, security engineering, operations and cyber threat detection and response. The Vice President of Product Security (VP of Product Security) provides additional expertise and focus attempting to ensure the integrity and resiliency of the products and services we provide to our customers. Combined, the CISO and VP of Product Security possess over 50 years of deep information technology, cyber security, program management, and risk experience. The information security organization manages and continually enhances a robust enterprise security structure with the goal of preventing cybersecurity incidents to the extent feasible, while simultaneously increasing our system resilience in an effort to minimize the business impact should an incident occur. Our cybersecurity program attempts to follow the National Institute of Standards and Technology (NIST) Cybersecurity Framework principles. We have adopted a risk-based management process used to define, manage, and prioritize controls required to maintain the integrity and availability of our digital assets. Employees outside of our corporate information security organization also have a role in our cybersecurity defenses

and they are immersed in a corporate culture and periodic training, supportive of security, which we believe improves our overall cybersecurity posture.

We have also extended our cybersecurity governance to our operational business executives. Mission critical information assets, those that would cause significant business, customer, or employee impact, are periodically presented by technical leadership to the appropriate senior management executive. This is a formal assessment which describes the underlying cyber posture, mitigation plan, and commitments. In addition, the Company's Privacy and Cybersecurity Steering committee, which is co-led by the CISO and the VP of Product Security and comprised of leaders from the Company's information technology, innovation, legal and internal audit organizations, meets periodically to ensure the overall Cybersecurity Program is progressing against its goals and new risks are operationally prioritized.

We rely heavily on third parties to support our products, business operations and technology services, and a cybersecurity incident at a supplier, subcontractor or partner could materially adversely impact us. Where possible, we endeavor to include information security provisions, audit rights and insurance requirements, in contracts with our suppliers and third-parties based on their level of access to our systems and data. For our most critical suppliers, where possible, we attempt to pursue an annual attestation of ongoing compliance to our standard policies and practices. For select suppliers, we engage third-party cybersecurity monitoring and alerting services, and seek to work directly with those suppliers to address potential deficiencies identified.

Given the constantly evolving cyber-threat landscape, as well as the previously disclosed ransomware attacks we experienced in 2019 and 2020, we continuously test and evolve our cybersecurity program. We engage internal security team experts who perform 'ethical hacks' against our information assets to uncover risks. As part of its risk based annual audit plan, our internal audit team reviews a number of components of our information technology operations, which taken together, comprise our cybersecurity defenses. A report of its findings is distributed to certain members of management and completion of the auditor's comments is tracked and reported up to the Audit Committee of the Board. We also engage third-party service providers to conduct evaluations of our security controls, whether through penetration testing, independent audits or consulting on best practices to address new challenges. These evaluations include testing both the design and operational effectiveness of security controls.

Assessing, identifying, and managing cybersecurity related risks are integrated into our overall enterprise risk management (ERM) process. Cybersecurity related risks are included in the risk universe that our ERM process evaluates to assess top risks to the enterprise on an annual basis. To the extent the ERM process identifies a heightened cybersecurity related risk, risk owners are assigned to develop risk mitigation plans, which are then tracked to completion. The ERM process annual risk assessment is presented to the Audit Committee of the Board of Directors.

Notwithstanding the cybersecurity protections we have in place, we may not be successful in preventing or mitigating a cybersecurity incident that could have a material adverse effect on us. See Item 1A. "Risk Factors" for a discussion of cybersecurity risks.

## **ITEM 2. PROPERTIES**

We lease numerous facilities worldwide, including administrative offices, fulfillment centers, parcel operations and mail sortation facilities, service locations, data centers and call centers. Our corporate headquarters is located in Stamford, Connecticut.

Our Global Ecommerce segment leases three fulfillment centers that comprise the majority of our fulfillment operations. Our Global Ecommerce and Presort Services segments conduct parcel operations and mail sortation operations through a network of approximately 45 operating centers throughout the United States. Our SendTech Solutions segment leases a manufacturing and distribution facility in Indianapolis. This facility is significant as it stores a majority of the SendTech Solutions products, supplies and inventories.

Should any facility be unable to function as intended for an extended period of time, our ability to service our clients and operating results could be impacted.

We conduct our research and development activities in facilities located in Noida and Pune, India, Bielsko-Biala, Poland, Austin, Texas and Shelton, Connecticut. Management believes that our facilities are in good operating condition, materially utilized and adequate for our current business needs.

## **ITEM 3. LEGAL PROCEEDINGS**

See Note 15 Commitments and Contingencies to the Consolidated Financial Statements for additional information.

## **ITEM 4. MINE SAFETY DISCLOSURES**

Not applicable.

## ITEM 5. MARKET FOR THE COMPANY'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Our common stock is principally traded on the New York Stock Exchange (NYSE) under the symbol "PBI". At January 31, 2024, we had 11,860 common stockholders of record.

### Dividends and Share Repurchases

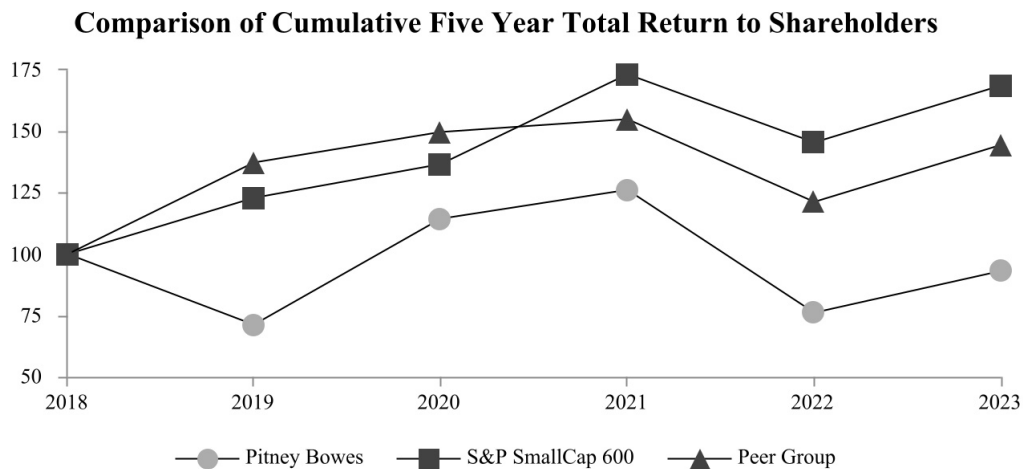
We have historically paid a quarterly dividend to our shareholders. Each quarter, our Board of Directors considers our recent and projected earnings and other capital needs and priorities in deciding whether to approve a dividend. We expect to continue to pay a quarterly dividend of \$0.05 per share; however, our Board of Directors may decide to increase or decrease this amount or to not approve the payment of a dividend at any time. We may repurchase shares of our common stock to manage the dilution created by shares issued under employee stock plans and for other purposes. We did not repurchase any additional shares of our common stock in 2023.

### Stock Performance Graph

The accompanying graph shows the annual change in the value of a \$100 investment in Pitney Bowes Inc., the Standard and Poor's (S&P) SmallCap 600 Composite Index and a peer group over a five-year period assuming the reinvestment of dividends. Our peer group consists of publicly traded companies similar in size and/or complexity that best align with our current businesses. The composition of our peer group is the result of the Compensation Committee's independent compensation consultant's recommendations. As such, the composition of our peer group could change year-over year.

Our 2023 peer group was updated from 2022 to include one additional company. The inclusion of this company did not impact the total shareholder return of our peer group.

Our peer group for 2023 is comprised of: ACCO Brands Corporation, Avery Dennison Corporation, Cimpres plc, Bread Financial Holdings, Inc., Deluxe Corporation, Diebold Nixdorf, Incorporated, Etsy, Inc., Fidelity National Information Services, Inc., Fiserv, Inc., GXO Logistics, Inc., Hub Group, Inc., NCR Corporation, Overstock.com, Inc., Rockwell Automation, Inc., Ryder System, Inc., Schneider National, Inc., The Western Union Company, W.W. Grainger, Inc. and Xerox Holdings Corporation.



On a total return basis, a \$100 investment on December 31, 2018, in Pitney Bowes Inc., the S&P SmallCap 600 Composite Index, and our peer group would have been worth \$93, \$169 and \$144 respectively, on December 31, 2023.

All information is based upon data independently provided to us by Standard & Poor's Corporation and is derived from their official total return calculation. Total return for the S&P SmallCap 600 Composite Index and our peer group is based on market capitalization, weighted for each year. The stock price performance is not necessarily indicative of future stock price performance.

## ITEM 6. [RESERVED]



## ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

### RESULTS OF OPERATIONS

The following discussion of our financial condition and operating results should be read in conjunction with our risk factors, consolidated financial statements and related notes. This discussion includes forward-looking statements based on management's current expectations, estimates and projections and involves risks and uncertainties. Actual results may differ significantly from those currently expressed. A detailed discussion of risks and uncertainties that could cause actual results to differ materially from such forward-looking statements is outlined under "Forward-Looking Statements" and "Item 1A. Risk Factors" in this Form 10-K. All table amounts are presented in thousands of dollars.

A discussion of our financial condition and results of operations for the year ended December 31, 2021, can be found under Item 7 "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on Form 10-K for the fiscal year ended December 31, 2022, filed with the SEC on February 17, 2023.

### OUTLOOK

We expect consolidated revenue to be flat to a low single-digit decline and EBIT margins to be relatively flat in 2024 compared to 2023. Within SendTech Solutions, we expect revenue and EBIT declines due in part to lower equipment sales as initial lease terms of prior equipment sales expire and customers are expected to renew these leases for a fixed term rather than purchase new equipment. We also expect revenue to decline due to lower meter populations due to the migration to cloud-based solutions. These declines will be partially offset by higher shipping revenues.

Within Presort Services, we anticipate total volumes to be relatively flat in 2024 compared to 2023, but revenue to benefit slightly from increased workshare discounts. We expect margin and profit to remain relatively flat to slightly higher compared to the prior year.

Within Global Ecommerce, we expect revenue growth in domestic parcel services driven by increased volumes, partially offset by lower revenue from cross-border services. We anticipate margin and profit improvements compared to 2023.

We continue to make progress on our worldwide restructuring program and expect to realize annualized cost savings of \$75-\$85 million by the end of 2024, a portion of which was realized in 2023. However, we also expect higher interest costs and the restoration of variable compensation costs in 2024 to significantly offset these savings.

See our Forward-Looking Statements under Part I on page 3 and Risk Factors under Item 1A for certain factors, some beyond our control, which could adversely impact our 2024 results.

### OVERVIEW OF CONSOLIDATED RESULTS

#### *Factors Affecting Comparability*

Certain transactions and changes occurred in 2022 that impact the comparability to our 2023 financial results. These transactions and changes include:

- the sale of our Borderfree cross-border ecommerce solutions business (Borderfree) in July 2022. Accordingly, reported revenue and costs for the twelve months ended December 31, 2022 include six months of revenue and costs for Borderfree. Net income of Borderfree for these periods was not significant.
- a change in the presentation of revenue for digital delivery services effective October 1, 2022, from a gross basis to a net basis. Accordingly, in 2023, revenue and costs of revenue for certain digital delivery services are reported on a net basis as business services revenue; whereas in 2022, revenue and cost of revenue for these services through September 30 were reported as business services revenue and cost of business services, respectively. The change primarily impacts our Global Ecommerce segment.

#### *Constant Currency*

In the tables below, we report the change in revenue on a reported basis and a constant currency basis. Constant currency measures exclude the impact of changes in currency exchange rates from the prior period under comparison. We believe that excluding the impacts of currency exchange rates provides investors with a better understanding of the underlying revenue performance. Constant

currency change is calculated by converting the current period non-U.S. dollar denominated revenue using the prior year's exchange rate.

*Financial Results Summary:*

|                                      | Years Ended December 31, |                  |                         |                            |
|--------------------------------------|--------------------------|------------------|-------------------------|----------------------------|
|                                      | 2023                     | 2022             | Favorable/(Unfavorable) |                            |
|                                      |                          |                  | Actual % Change         | Constant Currency % change |
| Total revenue                        | \$ 3,266,348             | \$ 3,538,042     | (8) %                   | (8) %                      |
| Total costs and expenses             | 3,672,850                | 3,498,162        | (5) %                   |                            |
| (Loss) income before taxes           | (406,502)                | 39,880           | >(100%)                 |                            |
| (Benefit) provision for income taxes | (20,875)                 | 2,940            | >100%                   |                            |
| Net (loss) income                    | <u>\$ (385,627)</u>      | <u>\$ 36,940</u> | <u>&gt;(100%)</u>       |                            |

Revenue decreased \$272 million in 2023 compared to the prior year primarily due to a decrease in business services revenue of \$205 million (see Factors Affecting Comparability above), lower equipment sales of \$31 million and lower support services revenue of \$27 million.

Total costs and expenses increased \$175 million compared to the prior year primarily due to:

- Costs of revenue (excluding financing interest expense) decreased \$225 million primarily due to lower cost of business services of \$178 million (see Factors Affecting Comparability above) and lower cost of equipment sales of \$30 million.
- SG&A expense declined \$8 million compared to the prior year. This decrease was primarily driven by lower professional fees of \$10 million, salaries of \$8 million, credit cards fees of \$8 million, amortization expense of \$8 million and stock based compensation expense of \$7 million, partially offset by proxy solicitation fees of \$11 million, higher variable compensation expense of \$9 million, higher credit loss provision of \$8 million and non-cash foreign currency revaluation losses on intercompany loans of \$6 million.
- Restructuring charges increased \$43 million compared to the prior year driven by actions taken under the 2023 Plan.
- Aggregate non-cash goodwill impairment charges totaling \$339 million associated with our Global Ecommerce reporting unit. See Note 8 to the Consolidated Financial Statements for more information.
- Interest expense, net, including financing interest expense, increased \$22 million in 2023 compared to the prior year primarily due to higher interest rates. We allocate a portion of gross interest expense to financing interest expense based on our effective interest rate and average finance receivables for the period.
- Other (income) expense declined \$19 million compared to the prior year primarily driven by prior year gains of \$27 million from the sale of assets and businesses, partially offset by a favorable year-over-year impact of \$8 million associated with the redemption of debt.

The effective tax rate for the year ended December 31, 2023 was 5.1%, primarily due to the nondeductibility of the aggregate goodwill impairment charge. See Note 14 to the Consolidated Financial Statements for more information.

Net loss for 2023 was \$386 million compared to net income of \$37 million in the prior year.

## SEGMENT RESULTS

Management measures segment profitability and performance by deducting from segment revenue the related costs and expenses attributable to the segment. Segment results exclude interest, taxes, unallocated corporate expenses, restructuring charges, and other items not allocated to a business segment.

### Global Ecommerce

Global Ecommerce includes the revenue and related expenses from business to consumer logistics services for domestic and cross-border delivery, returns and fulfillment. Our domestic parcel services provide retailers domestic parcel delivery and returns services for its end consumers through our nationwide parcel sortation centers and transportation network. Our cross-border services offers our clients a range of services to manage their international shopping and parcel shipping experience. Using our digital delivery services, clients can purchase postage, print shipping labels and access shipping and tracking services from multiple carriers. Delivery and return parcels using our digital delivery services are not physically processed through our network.

Financial performance for the Global Ecommerce segment was as follows:

|                                     | Years Ended December 31, |              |                         |                               |
|-------------------------------------|--------------------------|--------------|-------------------------|-------------------------------|
|                                     | 2023                     | 2022         | Favorable/(Unfavorable) |                               |
|                                     |                          |              | Actual %<br>Change      | Constant Currency<br>% change |
| Business Services Revenue           | \$ 1,355,326             | \$ 1,576,348 | (14) %                  | (14) %                        |
| Cost of Business Services           | 1,293,285                | 1,440,807    | 10 %                    |                               |
| Gross Margin                        | 62,041                   | 135,541      | (54) %                  |                               |
| Gross Margin %                      | 4.6 %                    | 8.6 %        |                         |                               |
| Selling, general and administrative | 184,923                  | 225,514      | 18 %                    |                               |
| Research and development            | 10,851                   | 10,335       | (5) %                   |                               |
| Adjusted segment EBIT               | \$ (133,733)             | \$ (100,308) | (33) %                  |                               |

Global Ecommerce revenue decreased \$221 million in 2023 compared to the prior year. The change in revenue presentation for digital delivery services and the sale of Borderfree accounted for \$139 million of the decrease. Cross-border revenue declined \$190 million due to lower volumes, primarily driven by changes in how two of our largest clients access our services, digital delivery services revenue declined \$26 million due to a decrease in the number of shipping labels printed and fulfillment services revenue declined \$23 million due to lower volumes. These declines were partially offset by domestic parcel delivery revenue growth of \$158 million, driven by an increase in domestic parcel volumes.

Gross margin decreased \$74 million and gross margin percentage decreased to 4.6% from 8.6% compared to the prior year. Cross-border services gross margin declined \$52 million, primarily due to the decline in volumes. Digital delivery services gross margin declined \$9 million primarily due to the decline in the number of shipping labels printed. The sale of Borderfree contributed a decline in gross margin of \$8 million. Domestic parcel delivery services gross margin increased \$3 million compared to the prior year primarily due to higher domestic parcel volumes, which was partially offset by \$4 million of one-time costs in the third quarter related to facility consolidation.

SG&A expenses declined \$41 million compared to the prior year period, primarily due to lower employee-related expenses of \$16 million, lower amortization expense of \$9 million and lower credit card fees of \$8 million.

Adjusted segment EBIT was a loss of \$134 million in 2023 compared to a loss of \$100 million in the prior year.

### Presort Services

We are the largest workshare partner of the USPS and national outsource provider of mail sortation services that allow clients to qualify large volumes of First Class Mail, Marketing Mail, and Marketing Mail Flats and Bound Printed Matter for postal worksharing discounts.

Financial performance for the Presort Services segment was as follows:

|  | Years Ended December 31, |            |                         |                               |
|--|--------------------------|------------|-------------------------|-------------------------------|
|  | 2023                     | 2022       | Favorable/(Unfavorable) |                               |
|  |                          |            | Actual %<br>Change      | Constant Currency %<br>change |
| Business Services Revenue                                | \$ 617,599               | \$ 602,016 | 3 %                     | 3 %                           |
| Cost of Business Services                                | 432,229                  | 454,923    | 5 %                     |                               |
| Gross Margin   | 185,370                  | 147,093    | 26 %                    |                               |
| Gross Margin %   | 30.0 %                   | 24.4 %     |                         |                               |
| Selling, general and administrative                      | 74,230                   | 64,517     | (15) %                  |                               |
| Other components of net pension and postretirement costs | 228                      | 146        | (56) %                  |                               |
| Adjusted segment EBIT                                    | \$ 110,912               | \$ 82,430  | 35 %                    |                               |

Revenue increased \$16 million in 2023 compared to the prior year as pricing actions to mitigate inflationary pressures on costs offset the revenue decline driven by a 6% decrease in total mail volumes. The processing of Marketing Mail Flats and Bound Printed Matter and First Class Mail contributed revenue increases of \$18 million and \$5 million, respectively, while the processing of Marketing Mail contributed to a revenue decrease of \$7 million.

Gross margin increased \$38 million and gross margin percentage increased from 24.4% to 30.0% compared to the prior year primarily due to the increase in revenue, lower transportation costs of \$15 million, driven by improvements in network management, and the benefits from investments made in automation and higher-throughput sortation equipment.

SG&A expenses increased \$10 million primarily due to higher employee-related expenses.

Adjusted segment EBIT was \$111 million in 2023 compared to \$82 million in the prior year.

## SendTech Solutions

SendTech Solutions provides clients with physical and digital mailing and shipping technology solutions and other applications to help simplify and save on the sending, tracking and receiving of letters, parcels and flats, as well as supplies and maintenance services for these offerings. We offer financing alternatives that enable clients to finance equipment and product purchases, a revolving credit solution that enables clients to make meter rental payments and purchase postage, services and supplies, and an interest-bearing deposit solution to clients who prefer to prepay postage. We also offer financing alternatives that enable clients to finance or lease other manufacturers' equipment and provide working capital.

Financial performance for the SendTech Solutions segment was as follows:

|   | Years Ended December 31, |            |                         |                            |
|---|--------------------------|------------|-------------------------|----------------------------|
|   | 2023                     | 2022       | Favorable/(Unfavorable) |                            |
|   |                          |            | Actual % change         | Constant Currency % change |
| Business services                                     | \$ 72,144                | \$ 71,578  | 1 %                     | 1 %                        |
| Support services                                      | 410,734                  | 438,191    | (6) %                   | (6) %                      |
| Financing   | 271,197                  | 274,508    | (1) %                   | (1) %                      |
| Equipment sales                                       | 323,739                  | 354,960    | (9) %                   | (8) %                      |
| Supplies  | 147,709                  | 154,186    | (4) %                   | (4) %                      |
| Rentals   | 67,900                   | 66,256     | 2 %                     | 2 %                        |
| Total revenue   | 1,293,423                | 1,359,679  | (5) %                   | (5) %                      |
| Cost of business services                             | 29,860                   | 37,272     | 20 %                    |                            |
| Cost of support services                              | 136,821                  | 147,653    | 7 %                     |                            |
| Cost of equipment sales                               | 222,220                  | 251,916    | 12 %                    |                            |
| Cost of supplies                                      | 43,140                   | 43,537     | 1 %                     |                            |
| Cost of rentals                                       | 19,407                   | 24,864     | 22 %                    |                            |
| Total costs of revenue                                | 451,448                  | 505,242    | 11 %                    |                            |
| Gross margin  | 841,975                  | 854,437    | (1) %                   |                            |
| Gross margin %  | 65.1 %                   | 62.8 %     |                         |                            |
| Selling, general and administrative                   | 418,213                  | 431,213    | 3 %                     |                            |
| Research and development                              | 20,660                   | 22,646     | 9 %                     |                            |
| Other components of pension and post retirement costs | (2,245)                  | (331)      | >(100%)                 |                            |
| Adjusted Segment EBIT                                 | \$ 405,347               | \$ 400,909 | 1 %                     |                            |

SendTech Solutions revenue decreased \$66 million in 2023 compared to the prior year. Equipment sales declined \$31 million primarily due to customers opting to extend leases of their existing advanced-technology equipment rather than purchase new equipment. Support services revenue declined \$27 million primarily due to the declining meter population and continuing shift to cloud-enabled products. Supplies revenue declined \$6 million primarily driven by a declining meter population. Financing revenue declined \$3 million primarily due to \$6 million of lower lease extensions and lower late fees of \$1 million, partially offset by higher investment income of \$7 million. Business services revenue increased \$14 million primarily driven by growth in enterprise shipping subscriptions, which was partially offset by a \$13 million reduction in revenue due to the change in revenue presentation for digital delivery services.

Gross margin decreased \$12 million primarily due to the decline in revenue. However, gross margin percentage increased to 65.1% from 62.8% compared to the prior year driven by improvements in business services gross margin due to growth in enterprise shipping subscriptions, rentals gross margin due in part to a \$2 million prior year unfavorable scrap adjustment and a current year favorable adjustment and equipment sales gross margin due to cost management.

SG&A expenses declined \$13 million primarily driven by lower outsourcing and professional fees of \$5 million, lower rent expense of \$3 million and lower marketing expenses of \$1 million.

Adjusted segment EBIT was \$405 million in 2023 compared to \$401 million for the prior year.

## UNALLOCATED CORPORATE EXPENSES

The majority of operating expenses are recorded directly or allocated to our reportable segments. Operating expenses not recorded directly or allocated to our reportable segments are reported as unallocated corporate expenses. Unallocated corporate expenses primarily represents corporate administrative functions such as finance, marketing, human resources, legal, information technology, and research and development.

|                                | Years Ended December 31, |            |                         |   |
|--------------------------------|--------------------------|------------|-------------------------|---|
|                                |                          |            | Favorable/(Unfavorable) |   |
|                                | 2023                     | 2022       | Actual % change         |   |
| Unallocated corporate expenses | \$ 210,931               | \$ 204,251 | (3)                     | % |

Unallocated corporate expenses for 2023 increased \$7 million compared to the prior year primarily due to higher variable compensation expense of \$4 million and higher depreciation expense of \$2 million.

## LIQUIDITY AND CAPITAL RESOURCES

At December 31, 2023 we had cash, cash equivalents and short-term investments of \$623 million, which includes \$136 million held at our foreign subsidiaries used to support the liquidity needs of those subsidiaries. Our ability to maintain adequate liquidity for our operations is dependent upon a number of factors, including revenue and earnings, our ability to manage costs and improve productivity, our clients' ability to pay their balances on a timely basis and the impacts of changing macroeconomic and geopolitical conditions. We believe that existing cash and investments, cash generated from operations and borrowing capacity under our \$500 million revolving credit facility will be sufficient to fund our cash needs for the next 12 months.

### **Cash Flow Summary**

The change in cash and cash equivalents is as follows:

|  | 2023               | 2022               | Increase/(decrease) |
|--|--------------------|--------------------|---------------------|
| Net cash from operating activities                           | \$ 79,468          | \$ 175,983         | \$ (96,515)         |
| Net cash from investing activities                           | (122,832)          | (24,269)           | (98,563)            |
| Net cash from financing activities                           | (31,266)           | (198,083)          | 166,817             |
| Effect of exchange rate changes on cash and cash equivalents | 5,702              | (16,130)           | 21,832              |
| Change in cash and cash equivalents                          | <u>\$ (68,928)</u> | <u>\$ (62,499)</u> | <u>\$ (6,429)</u>   |

### *Operating activities*

Cash flows from operating activities in 2023 declined \$97 million compared to the prior year. This decline was driven by lower earnings, higher interest payments of \$30 million, higher restructuring payments of \$19 million and higher pension contributions of \$7 million, partially offset by higher collections of accounts receivables and finance receivables of \$33 million, lower inventory purchases of \$19 million and changes in other working capital items.

### *Investing activities*

Cash flows from investing activities for 2023 declined \$99 million compared to the prior year primarily due to prior year proceeds of \$162 million from the sale of businesses and our Shelton, Connecticut office building, partially offset by lower payments of \$28 million to settle foreign exchange derivative contracts, lower capital expenditures of \$22 million and lower net investment activity of \$10 million.

### *Financing activities*

Cash flows from financing activities for 2023 improved \$167 million compared to the prior year primarily due to lower net cash outflows from debt activity of \$68 million, an increase in customer account deposits at the Bank of \$90 million and \$13 million of common stock repurchases in the prior year.

### **Debt Activity**

During 2023, we issued an aggregate \$275 million of senior secured notes. The notes mature in March 2028 and bear interest at the Secured Overnight Financing Rate (SOFR) plus 6.9%, payable quarterly. The net proceeds (net of original issue discount of 3%) were used to redeem the March 2024 notes and repay \$30 million of the term loan due March 2026. Also, during 2023, we purchased an aggregate \$39 million of the March 2024 notes and March 2027 notes, recognizing a gain of \$3 million, and made scheduled principal repayments of \$42 million on our term loans.

The credit agreement that governs our \$500 million secured revolving credit facility and the term loan due March 2026 contains certain financial covenants. These covenants require us to maintain, on a quarterly basis, a maximum leverage ratio and a minimum interest coverage ratio, both of which are defined and calculated in accordance with the credit agreement. The maximum leverage ratio decreases from 4.25x to 4.0x as of June 30, 2024 and the minimum interest coverage ratio increases from 1.75x to 2.0x as of March 31, 2025. At December 31, 2023, we were in compliance with these financial covenants. Additionally, management expects that we will remain in compliance with these financial covenants over the next twelve months. However, events and circumstances could occur, some beyond our control, that could adversely impact our compliance with these covenants and require us to seek to obtain a waiver from our lenders, modify our existing covenants or refinance certain debt to cure the noncompliance. If we are unable to cure the noncompliance, amounts due under our revolving credit facility and term loan due March 2026 could be called by our lenders. At December 31, 2023, there were no outstanding borrowings under the revolving credit facility. Borrowings under our secured debt are secured by assets of the company.

The PB Bank (the Bank), a wholly owned subsidiary, is a member of the Federal Home Loan Bank (FHLB) of Des Moines and has access to certain credit products as a funding source known as "advances." As of December 31, 2023, the Bank had yet to apply for any advances.

### ***Future Cash Requirements***

The following table summarizes our known and contractually committed cash requirements at December 31, 2023 (in millions):

|                          | Payments due in |               |               |               |               |               |               |
|--------------------------|-----------------|---------------|---------------|---------------|---------------|---------------|---------------|
|                          | Total           | 2024          | 2025          | 2026          | 2027          | 2028          | Thereafter    |
| Debt maturities          | \$ 2,189        | \$ 59         | \$ 53         | \$ 196        | \$ 387        | \$ 683        | \$ 811        |
| Lease obligations        | 431             | 88            | 83            | 72            | 63            | 54            | 71            |
| Purchase obligations     | 145             | 140           | 2             | 1             | 1             | 1             | —             |
| Retiree medical payments | 84              | 11            | 10            | 10            | 9             | 9             | 35            |
| <b>Total</b>             | <b>\$ 2,849</b> | <b>\$ 298</b> | <b>\$ 148</b> | <b>\$ 279</b> | <b>\$ 460</b> | <b>\$ 747</b> | <b>\$ 917</b> |

### ***Debt***

At December 31, 2023, we have outstanding principal debt of \$2.2 billion. Approximately 64% of this debt is at fixed rates, including the effect of interest rate swaps, and the remaining 36% is at variable rates. The weighted average interest rate of our variable rate debt at December 31, 2023 was 9.7%. We estimate that cash interest payments for the next 12 months will be \$190 - \$200 million. Required debt repayments over the next 12 months are \$59 million, which we anticipate satisfying through available cash on hand and cash generated from operations. See Note 12 to the Consolidated Financial Statements for information regarding our debt.

### ***Lease obligations***

We lease real estate and equipment under operating and capital lease arrangements. These leases have terms of up to 15 years and include renewal options. Lease obligations in the table above do not include \$17 million of payments for leases signed but not yet commenced at December 31, 2023. See Note 6 and Note 16 to the Consolidated Financial Statements for further information.

### ***Purchase obligations***

Purchase obligations include unrecorded open purchase orders for goods and services.

In addition to the above known and contractually committed cash payments, we anticipate using cash for the following items:

### ***Capital Expenditures***

Capital expenditures are evaluated and approved by senior leadership based on several factors, including expected impacts on revenue growth, productivity enhancements, service improvements and cost savings. Capital expenditures totaled \$103 million and \$125 million for the years ended December 31, 2023 and 2022, respectively.

### ***Dividends***

Assuming the current \$0.05 per quarter dividend payment, we estimate that dividend payments will be approximately \$35 million in 2024. Under the terms of the March 2028 note purchase agreement, the annual amount of permitted dividend payments is capped at the lesser of \$36 million or a maximum dividend yield of 6.25%. In addition, share repurchases would further limit this amount.

### ***Share Repurchases***

We may repurchase shares of our common stock to manage the dilution created by shares issued under employee stock plans and for other purposes. We did not repurchase any additional shares of our common stock in 2023.

### ***Off Balance Sheet Arrangements***

At December 31, 2023, we had approximately \$28 million outstanding letters of credit guarantees with financial institutions that are primarily issued as security for insurance, leases, customs and other performance obligations. In general, we would only be liable for the amount of these guarantees in the event of default in the performance of our obligations, the probability of which we believe is remote.



## **Critical Accounting Estimates**

The preparation of our financial statements in conformity with GAAP requires management to make estimates and assumptions about certain items that affect the reported amounts of assets, liabilities, revenues, expenses and accompanying disclosures, including the disclosure of contingent assets and liabilities. The accounting policies below have been identified by management as those policies that are most critical to our financial statements due to the estimates and assumptions required. Management believes that the estimates and assumptions used are reasonable and appropriate based on the information available at the time the financial statements were prepared; however, actual results could differ from those estimates and assumptions. See Note 1 to the Consolidated Financial Statements for a summary of our accounting policies.

### ***Revenue recognition***

We derive revenue from multiple sources including the sale and lease of equipment, equipment rentals, financing, support services and business services. Certain transactions are consummated at the same time and can therefore generate revenue from multiple sources. The most common form of these arrangements involves a sale or noncancelable lease of equipment, meter services and an equipment maintenance agreement. We are required to determine whether each product and service within the contract should be treated as a separate performance obligation (unit of accounting) for revenue recognition purposes. We recognize revenue for performance obligations when control is transferred to the customer. Transfer of control may occur at a point in time or over time, depending on the nature of the contract and the performance obligation.

Revenue is allocated among performance obligations based on relative standalone selling prices (SSP), which are a range of selling prices that we would sell the good or service to a customer on a separate basis. SSP are established for each performance obligation at the inception of the contract and can be observable prices or estimated. Revenue is allocated to the meter service and equipment maintenance agreement elements using their respective observable selling prices charged in standalone and renewal transactions. For sale and lease transactions, the SSP of the equipment is based on a range of observable selling prices in standalone transactions. We recognize revenue on non-lease transactions when control of the equipment transfers to the customer, which is upon delivery for customer installable models and upon installation or customer acceptance for other models. We recognize revenue on equipment for lease transactions upon shipment for customer installable models and upon installation or customer acceptance for other models.

### ***Impairment review***

Goodwill is tested annually for impairment at the reporting unit level at the beginning of the fourth quarter or sooner if circumstances indicate an impairment may exist. The impairment test for goodwill determines the fair value of each reporting unit and compares it to the reporting unit's carrying value, including goodwill. If the fair value of a reporting unit exceeds the carrying value of the net assets assigned to that reporting unit, goodwill is not impaired. If the fair value of the reporting unit is less than the carrying value of the net assets assigned to the reporting unit, a goodwill impairment loss is calculated as the difference between these amounts, limited to the amount of goodwill allocated to the reporting unit.

Testing goodwill for impairment requires us to identify our reporting units and assign assets and liabilities, including goodwill, to each reporting unit. The fair value of a reporting unit is based on one or a combination of techniques, including a discounted cash flow model, multiples of competitors, and/or multiples from sales of like businesses.

The performance of our Global Ecommerce reporting unit, continuing changes in macroeconomic conditions and our long-term outlook for this business were triggering events that caused us to evaluate the Global Ecommerce goodwill for impairment during the second and fourth quarters. To assess Global Ecommerce goodwill for impairment, we determined the fair value of the reporting unit and compared it to the unit's carrying value, including goodwill. We engaged a third party to assist in the determination of the fair value of the reporting unit. The fair value was estimated using a discounted cash flow model based on management developed cash flow projections, which included judgements and assumptions related to revenue growth rates, operating margins, operating income, and a discount rate. The estimates and assumptions are considered Level 3 inputs under the fair value hierarchy. We assessed Global Ecommerce goodwill for impairment in the second and fourth quarters, and based on the results of our assessments, recorded non-cash, pre-tax goodwill impairment charges of \$119 million and \$220 million, respectively.

The results of our annual impairment test as of the beginning of the fourth quarter for our other reporting units indicated that the fair value of these reporting units exceeded their carrying values and no impairment existed.

Long-lived and finite-lived intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be fully recoverable. The estimated future undiscounted cash flows expected to result from the use and eventual disposition of the assets is compared to the carrying value. If the sum of the undiscounted cash flows is less than the asset's carrying value, an impairment charge is recorded for an amount by which the carrying value exceeds its fair value. The fair value of the impaired asset is determined using probability weighted expected cash flow estimates, quoted market prices when available and appraisals, as appropriate. We derive the cash flow estimates from our long-term business plans and historical experience. Changes in

the estimates and assumptions incorporated in our impairment assessment could materially affect the determination of fair value and the associated impairment charge.

#### ***Allowances for credit losses***

Finance receivables are comprised of sales-type leases, secured loans and unsecured revolving loans. We provide an allowance for probable credit losses based on historical loss experience, the nature of our portfolios, adverse situations that may affect a client's ability to pay and current economic conditions and outlook based on reasonable and supportable forecasts. Total allowance for credit losses as a percentage of finance receivables was 2% at both December 31, 2023 and 2022. Holding all other assumptions constant, a 0.25% increase in the allowance rate at December 31, 2023 would have reduced pre-tax income by \$3 million.

Trade accounts receivable are generally due within 30 days after the invoice date. We provide an allowance for credit losses based on historical loss experience, the age of the receivables, specific troubled accounts and other currently available information. Accounts deemed uncollectible are written off against the allowance after all collection efforts have been exhausted and management deems the account to be uncollectible, or when they are 365 days past due, if sooner. The allowance for credit losses as a percentage of trade accounts receivables was 2% at both December 31, 2023 and 2022. Holding all other assumptions constant, a 0.25% increase in the allowance rate at December 31, 2023 would have reduced pre-tax income by \$1 million.

#### ***Income taxes and valuation allowance***

We are subject to income taxes in the U.S. and numerous foreign jurisdictions. Our annual tax rate is based on income, statutory tax rates, tax reserve changes and tax planning opportunities available to us in the various jurisdictions in which we operate. Significant judgment is required in determining the annual tax rate and in evaluating our tax positions. We regularly assess the likelihood of tax adjustments in each of the tax jurisdictions in which we have operations and account for the related financial statement implications. We have established tax reserves that we believe are appropriate given the possibility of tax adjustments. Determining the appropriate level of tax reserves requires judgment regarding the uncertain application of tax laws. Reserves are adjusted when information becomes available or when an event occurs indicating a change in the reserve is appropriate. Changes in tax reserves could have a material impact on our financial condition or results of operations.

Significant judgment is also required in determining the amount of deferred tax assets that will ultimately be realized and corresponding deferred tax asset valuation allowance. When estimating the necessary valuation allowance, we consider all available evidence for each jurisdiction including historical operating results, estimates of future taxable income and the feasibility of ongoing tax planning strategies. If new information becomes available that would alter our estimate of the amount of deferred tax assets that will ultimately be realized, we adjust the valuation allowance through income tax expense. Changes in the deferred tax asset valuation allowance could have a material impact on our financial condition or results of operations.

#### ***Pension benefits***

The calculation of net periodic pension expense and determination of net pension obligations are dependent on assumptions and estimates relating to, among other things, the discount rate (interest rate used to discount the future estimated liability) and the expected rate of return on plan assets. These assumptions are evaluated and updated annually.

The discount rate for our largest plan, the U.S. Qualified Pension Plan (the U.S. Plan) and our largest foreign plan, the U.K. Qualified Pension Plan (the U.K. Plan) used to determine net periodic pension expense for 2023 was 5.55% and 4.80%, respectively. The discount rate used to determine 2024 net periodic pension expense for the U.S. Plan and the U.K. Plan was 5.15% and 4.5%, respectively. A 0.25% change in the discount rate would not materially impact annual pension expense for the U.S. Plan or the U.K. Plan. A 0.25% change in the discount rate would impact the projected benefit obligation of the U.S. Plan and U.K. Plan by \$24 million and \$13 million, respectively.

The expected rate of return on plan assets used to determine net periodic pension expense for 2023 was 6.5% for the U.S. Plan and 5.26% for the U.K. Plan. The expected rate of return on plan assets used to determine 2024 net periodic pension expense was 6.7% and 5.5% for the U.S. Plan and the U.K. Plan, respectively. A 0.25% change in the expected rate of return on plan assets would impact annual pension expense for the U.S. Plan by \$3 million and the U.K. Plan by \$1 million.

Actual pension plan results that differ from our assumptions and estimates are accumulated and amortized primarily over the life expectancy of plan participants and affect future pension expense. Net pension expense is also based on a market-related valuation of plan assets where differences between the actual and expected return on plan assets are recognized over a five-year period. Plan benefits for participants in a majority of our U.S. and foreign pension plans are frozen.

**Residual value of leased assets**

Equipment residual values are determined at the inception of the lease using estimates of the equipment's fair value at the end of the lease term. Residual value estimates impact the determination of whether a lease is classified as an operating lease or a sales-type lease. Fair value estimates of equipment at the end of the lease term are based on historical renewal experience, used equipment markets, competition and technological changes.

We evaluate residual values on an annual basis or sooner if circumstances warrant. Declines in estimated residual values considered "other-than-temporary" are recognized immediately. Increases in estimated future residual values are not recognized until the equipment is remarketed. If the actual residual value of leased assets were 10% lower than management's current estimates and considered "other-than-temporary", pre-tax income would be \$5 million lower.

**Legal and Regulatory Matters**

See *Regulatory Matters* in Item 1 and *Other Tax Matters* in Note 14 to the Consolidated Financial Statements for regulatory matters regarding our tax returns and Note 15 to the Consolidated Financial Statements for information regarding our legal proceedings.

**Foreign Currency Exchange**

The functional currency for most of our foreign operations is the local currency. Changes in the value of the U.S. dollar relative to the currencies of countries in which we operate impact our reported assets, liabilities, revenue and expenses. Exchange rate fluctuations can also impact the settlement of intercompany receivables and payables between our subsidiaries in different countries. During 2023, 11% of our consolidated revenue was from operations outside the United States and the translation of foreign currencies to the U.S. dollar did not have a material impact on revenues or operating results for the year ended December 31, 2023.

## ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to market risks primarily from changes in foreign currency exchange rates and interest rates. To manage these market risks, we may employ derivatives according to established policies and procedures. We do not use derivatives for speculative purposes. We are also exposed to credit risk on our accounts receivable and finance receivable portfolio.

### *Foreign Exchange Risk*

We have a number of short-term intercompany loans denominated in a foreign currency, predominantly the British Pound, Canadian Dollar and Euro. Our foreign currency risk primarily includes the periodic revaluation of these intercompany loans and related interest, which is recorded in earnings.

Historically, we entered into foreign exchange contracts to minimize the impact of the revaluation of these intercompany loans and related interest on earnings. Changes in fair value of these foreign exchange contracts were also recorded in earnings and designed to generally offset the impact to earnings from the revaluation of the underlying intercompany loans. While there was typically minimal impact to earnings, the settlement of these derivative contracts resulted in cash outflows or inflows, which could be significant.

In the fourth quarter of 2023, management decided to no longer use foreign exchange contracts to hedge the revaluation of intercompany loans and related interest. While this decision reduces volatility in cash flows, the periodic revaluation of these intercompany loans could result in significant non-cash charges or income in earnings. Assuming foreign currency exchange rates at December 31, 2023, a 1% change in the British Pound, Canadian Dollar or Euro would impact earnings by \$5 million, \$3 million and \$2 million, respectively.

We are also exposed to foreign currency risks associated with transactions denominated in currencies other than a location's functional currency and forecasted inventory purchases between affiliates and third parties. However, these risks are not deemed to be significant.

### *Interest Rate Risk*

We are exposed to interest rate risk on our variable-rate debt borrowings. The weighted average interest rate of our variable rate debt at December 31, 2023 and 2022 was 9.7% and 7.5%, respectively. A 100 basis point change in the weighted average interest rate of our variable rate debt in 2023 would have increased interest expense approximately \$8 million.

We also maintain a significant investment portfolio comprised of fixed-rate investment in government and municipal securities, corporate securities, mortgage-backed securities and asset-backed securities. Changes in interest rates impact the fair value of these investments. We have designated these securities as available-for-sale, and changes in fair value due to changes in interest rates are recognized in accumulated other comprehensive income, a component of equity, and not earnings. We do not expect to recognize impairment losses on investment securities in an unrealized loss position as we have the intent and ability to hold these securities until recovery of unrealized losses or maturity.

### *Credit Risk*

We are exposed to credit risk on our accounts receivable and finance receivable balances. This risk is mitigated due to our large, diverse client base, dispersed over various geographic regions and industrial sectors. No single client comprised more than 10% of our consolidated net sales in 2023 or 2022. We maintain provisions for potential credit losses based on historical experience, age of receivable, current economic conditions and future outlook and other relevant factors that may impact our customers' ability to pay. We continually evaluate the adequacy of our allowance for credit losses and adjust as necessary.

## ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

See "Index to Consolidated Financial Statements and Schedules" in this Form 10-K.

## ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

## **ITEM 9A. CONTROLS AND PROCEDURES**

### **Evaluation of Disclosure Controls and Procedures**

We maintain disclosure controls and procedures (as defined in Rule 13a-15(e) and Rule 15d-15(e) under the Securities Exchange Act of 1934, as amended (the Exchange Act)), that are designed to reasonably assure that information required to be disclosed in reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms, and to reasonably assure that such information is accumulated and communicated to management, including our Chief Executive Officer (CEO) and Chief Financial Officer (CFO), to allow timely decisions regarding required disclosure.

Any system of controls and procedures, no matter how well designed and operated, can provide only reasonable (and not absolute) assurance of achieving the desired control objectives. Under the direction of our CEO and CFO, management evaluated the effectiveness of the design and operation of our disclosure controls and procedures as required by Rule 13a-15 or Rule 15d-15 under the Exchange Act. Notwithstanding this caution, the CEO and CFO have reasonable assurance that the disclosure controls and procedures were effective as of December 31, 2023.

### **Management's Report on Internal Control over Financial Reporting**

Management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. Management assessed the effectiveness of the internal control over financial reporting as of December 31, 2023 under the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in *Internal Control - Integrated Framework (2013)* and concluded that the internal control over financial reporting was effective.

The effectiveness of our internal control over financial reporting as of December 31, 2023 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report in this Form 10-K.

### **Changes in Internal Control over Financial Reporting**

There have been no changes in our internal control over financial reporting during the three months ended December 31, 2023, that have materially affected, or are reasonably likely to materially affect, such internal control over financial reporting.

## **ITEM 9B. OTHER INFORMATION**

None.

## **ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS**

None.

## PART III

### ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Other than information regarding our executive officers disclosed in Part I of this Annual Report and information regarding our directors as shown below, the information required by this Item is incorporated by reference to our Proxy Statement to be filed in connection with the 2024 Annual Meeting of Stockholders.

| Director                 | Title  |
|--------------------------|--|
| Mary J. Steele Guilfoile | Chair, MG Advisors, Inc.   |
| Steven D. Brill          | Retired President of Corporate Strategy at United Parcel Service, Inc  |
| Todd Everett             | Independent advisor to several ecommerce companies, including Doodle Parcel Services Limited, Verishop, Inc., and Fetch Package, Inc |
| Katie May                | Former Chief Executive Officer, ShippingEasy   |
| Milena Alberti-Perez     | Former Chief Financial Officer of Getty Images, Inc  |
| Sheila A. Stamps         | Former Financial Services Executive & Former Commissioner and Audit Committee Chair, New York State Insurance Fund                   |
| Darrell Thomas           | Retired Vice President and Treasurer for Harley-Davidson, Inc.   |
| Kurt Wolf                | Managing Member and Chief Investment Officer of Hestia Capital Management  |
| William S. Simon         | President of WSS Venture Holdings, LLC   |
| Jill Sutton              | Former Chief Legal Officer, General Counsel and Corporate Secretary of United Natural Foods, Inc.                                    |

#### Code of Ethics

We have Business Practices Guidelines (BPG) that apply to all our officers and other employees and a Code of Business Conduct and Ethics (the Code) that applies to our Board of Directors. The BPG and the Code are posted on our corporate governance website located at [www.pb.com/us/our-company/leadership-and-governance/corporate-governance.html](http://www.pb.com/us/our-company/leadership-and-governance/corporate-governance.html). Amendments to either the BPG or the Code and any waiver from a provision of the BPG or the Code requiring disclosure will be disclosed on our corporate governance website.

#### Audit Committee - Audit Committee Financial Expert

The information regarding the Audit Committee, its members and the Audit Committee financial experts is incorporated by reference to our Proxy Statement to be filed in connection with the 2024 Annual Meeting of Stockholders.

### ITEM 11. EXECUTIVE COMPENSATION

The information required by this Item is incorporated by reference to our Proxy Statement to be filed in connection with the 2024 Annual Meeting of Stockholders.

## PART III

### ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

#### EQUITY COMPENSATION PLAN INFORMATION TABLE

The following table provides information as of December 31, 2023 regarding the number of shares of common stock that may be issued under our equity compensation plans.

| Plan Category  | (a)<br>Number of securities to be<br>issued upon exercise of<br>outstanding options, warrants<br>and rights (1) | (b)<br>Weighted-average exercise<br>price of outstanding options,<br>warrants and rights (2) | (c)<br>Number of securities remaining<br>available for future issuance<br>under equity compensation<br>plans excluding securities<br>reflected in column (a) |
|--|---|--|--|
| Equity compensation plans approved by security holders     | 15,488,458  | \$9.50   | 15,950,013   |
| Equity compensation plans not approved by security holders | —   | —  | —  |
| <b>Total</b>   | <b>15,488,458</b>   | <b>\$9.50</b>  | <b>15,950,013</b>  |

(1) Includes outstanding restricted stock units, stock options and performance stock units.

(2) Weighted average exercise price of stock options only.

Other than information regarding securities authorized for issuance under equity compensation plans, the information required by this Item is incorporated by reference to our Proxy Statement to be filed in connection with the 2024 Annual Meeting of Stockholders.

### ITEM 13. CERTAIN RELATIONSHIPS, RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE

The information required by this Item is incorporated by reference to our Proxy Statement to be filed in connection with the 2024 Annual Meeting of Stockholders.

### ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information required by this Item is incorporated by reference to our Proxy Statement to be filed in connection with the 2024 Annual Meeting of Stockholders.

## PART IV

### ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

|   | Page Number<br>in Form 10-K |
|---|-----------------------------|
| (a)(1) Index to Consolidated Financial Statements and Schedules   |                             |
| Consolidated Statements of Operations for the years ended December 31, 2023, 2022 and 2021                        | <a href="#"><u>39</u></a>   |
| Consolidated Statements of Comprehensive (Loss) Income for the years ended December 31, 2023, 2022 and 2021       | <a href="#"><u>40</u></a>   |
| Consolidated Balance Sheets at December 31, 2023 and 2022   | <a href="#"><u>41</u></a>   |
| Consolidated Statements of Cash Flows for the years ended December 31, 2023, 2022 and 2021                        | <a href="#"><u>42</u></a>   |
| Consolidated Statements of Stockholders' (Deficit) Equity for the years ended December 31, 2023, 2022 and 2021    | <a href="#"><u>43</u></a>   |
| Notes to Consolidated Financial Statements  | <a href="#"><u>44</u></a>   |
| Schedule II - Valuation and Qualifying Accounts and Reserves for the years ended December 31, 2023, 2022 and 2021 | <a href="#"><u>88</u></a>   |

#### (a)(2) Exhibits



| exhibits | Description   | Status or incorporation by reference   |
|----------|---|--|
| 3(a)     | Amended and Restated Certificate of Incorporation of Pitney Bowes Inc.  | <a href="#">Incorporated by reference to Exhibit 3(i)(a) to Form 8-K filed with the Commission on September 30, 2019 (Commission file number 1-3579)</a>                   |
| 3(b)     | Pitney Bowes Inc. Amended and Restated By-laws (effective May 10, 2013)   | <a href="#">Incorporated by reference to Exhibit 3(d) to Form 8-K filed with the Commission on May 13, 2013 (Commission file number 1-3579)</a>                            |
| 4        | Description of Registered Securities  | <a href="#">Exhibit 4</a>  |
| 4(a)     | Senior Debt Indenture, dated as of February 14, 2005, by and between the Company and Citibank N.A., as trustee  | <a href="#">Incorporated by reference to Exhibit 4(a) to Registration Statement on Form S-3 filed with the Commission on June 18, 2008 (Commission file number 1-3579)</a> |
| 4(b)     | First Supplemental Indenture, dated as of October 23, 2007, by and among Pitney Bowes Inc., The Bank of New York, as successor trustee, and Citibank, N.A., as resigning trustee      | <a href="#">Incorporated by reference to Exhibit 4.1 to Form 8-K filed with the Commission on October 24, 2007 (Commission file number 1-3579)</a>                         |
| 4(c)     | Supplemental Indenture No. 2 dated as of February 26, 2020, by and between Pitney Bowes Inc. and The Bank of New York Mellon, as successor trustee to Citibank N.A.                   | <a href="#">Incorporated by reference to Exhibit 4.1 to Form 8-K filed with the Commission on February 26, 2020 (Commission file number 1-3579)</a>                        |
| 4(d)     | Form of 5.25% Global Medium-Term Note due 2037  | <a href="#">Incorporated by reference to Exhibit 4(d)(1) to Form 8-K filed with the Commission on November 16, 2006 (Commission file number 1-3579)</a>                    |
| 4(e)     | Officer's Certificate establishing the terms of the Notes, dated March 7, 2013, and Specimen of 6.70% Notes due 2043  | <a href="#">Incorporated by reference to Exhibits 4.1 and 4.2 to Form 8-K filed with the Commission on March 7, 2013 (Commission file number 1-3579)</a>                   |
| 4(f)     | Officer's Certificate establishing the terms of the 4.625% Notes due 2024, dated March 13, 2014, and Specimen of 4.625% Notes due 2024.   | <a href="#">Incorporated by reference to Exhibits 4.1 and 4.2 to Form 8-K filed with the Commission on March 13, 2014 (Commission file number 1-3579)</a>                  |
| 4(g)     | Indenture, dated March 19, 2021, among Pitney Bowes Inc., the guarantors party thereto and Truist Bank, as trustee, with respect to Pitney Bowes Inc.'s 6.875% Senior Notes due 2027. | <a href="#">Incorporated by reference to Exhibit 4.1 to the Form 8-K filed with the Commission on March 23, 2021 (Commission file number 1-3579)</a>                       |
| 4(h)     | Indenture, dated March 19, 2021, among Pitney Bowes Inc., the guarantors party thereto and Truist Bank, as trustee, with respect to Pitney Bowes Inc.'s 7.250% Senior Notes due 2029. | <a href="#">Incorporated by reference to Exhibit 4.2 to the Form 8-K filed with the Commission on March 23, 2021 (Commission file number 1-3579)</a>                       |
| 4(i)     | Note Purchase Agreement, dated as of July 31, 2023, by and among Pitney Bowes Inc., the noteholders party thereto and Alter Domus (US) LLC, as noteholder representative              | <a href="#">Incorporated by reference to Exhibit 10.1 to the Form 8-K filed with the Commission on July 31, 2023 (Commission file number 1-3579)</a>                       |
| 10(a) *  | Retirement Plan for Directors of Pitney Bowes Inc.  | <a href="#">Incorporated by reference to Exhibit 10(a) to Form 10-K filed with the Commission on March 30, 1993 (Commission file number 1-3579)</a>                        |
| 10(b) *  | Pitney Bowes Inc. Directors' Stock Plan (as amended and restated September 11, 2023)  | <a href="#">Incorporated by reference to Exhibit 10.10 to Form 10-Q filed with the Commission on November 2, 2023 (Commission file number 1-3579)</a>                      |
| 10(c) *  | Pitney Bowes Inc. 2007 Stock Plan (as amended November 7, 2009)   | <a href="#">Incorporated by reference to Exhibit (v) to Form 10-K filed with the Commission on February 26, 2010 (Commission file number 1-3579)</a>                       |

## PART IV

| Reg. S-K<br>exhibits | Description   | Status or incorporation by reference   |
|----------------------|---|--|
| 10(d) *              | Pitney Bowes Inc. Key Employees' Incentive Plan (as amended and restated September 11, 2023)  | <a href="#">Incorporated by reference to Exhibit 10.5 to Form 10-Q filed with the Commission on November 2, 2023 (Commission file number 1-3579)</a>   |
| 10(e) *              | Pitney Bowes Severance Plan (as amended and restated as of October 1, 2023)   | <a href="#">Exhibit 10(e)</a>  |
| 10(f) *              | Pitney Bowes Senior Executive Severance Policy (as amended and restated as of September 11, 2023)   | <a href="#">Incorporated by reference to Exhibit 10.6 to Form 10-Q filed with the Commission on November 2, 2023 (Commission file number 1-3579)</a>   |
| 10(g) *              | Pitney Bowes Inc. Deferred Incentive Savings Plan for the Board of Directors (as amended and restated September 11, 2023)   | <a href="#">Incorporated by reference to Exhibit 10.11 to Form 10-Q filed with the Commission on November 2, 2023 (Commission file number 1-3579)</a>  |
| 10(h) *              | Pitney Bowes Inc. Deferred Incentive Savings Plan (as amended and restated effective September 11, 2023)  | <a href="#">Incorporated by reference to Exhibit 10.7 to Form 10-Q filed with the Commission on November 2, 2023 (Commission file number 1-3579)</a>   |
| 10(i) *              | Form of Long Term Incentive Award Agreement   | <a href="#">Incorporated by reference to Exhibit 10(k) to Form 10-K filed with the Commission on February 25, 2013 (Commission file number 1-3579)</a>   |
| 10(j) *              | Pitney Bowes Director Equity Deferral plan dated November 8, 2013 (effective May 12, 2014)  | <a href="#">Incorporated by reference to Exhibit 10(o) to Form 10-K filed with the Commission on February 22, 2016 (Commission file number 1-3579)</a>   |
| 10(k) *              | Pitney Bowes Executive Equity Deferral Plan (as amended and restated September 11, 2023)  | <a href="#">Incorporated by reference to Exhibit 10.8 to Form 10-Q filed with the Commission on November 2, 2023 (Commission file number 1-3579)</a>   |
| 10(l) *              | Pitney Bowes Inc. 2013 Stock Plan   | <a href="#">Incorporated by reference to Annex A to the Definitive Proxy Statement for the 2013 Annual Meeting of Stockholders filed with the Commission on March 25, 2013 (Commission file number 1-3579)</a> |
| 10(m) *              | Amended and Restated Pitney Bowes Inc. 2018 Stock Plan (as amended and restated September 11, 2023)   | <a href="#">Incorporated by reference to Exhibit 10.9 to Form 10-Q filed with the Commission on November 2, 2023 (Commission file number 1-3579)</a>   |
| 10(n)                | Credit Agreement, dated as of November 1, 2019 (the "Credit Agreement"), among the company, the lenders and issuing banks party thereto and JPMorgan Chase Bank, N.A., as administrative agent.                                     | <a href="#">Incorporated by reference to Exhibit 10.1 to the Form 8-K filed with the Commission on November 5, 2019 (Commission file number 1-3579)</a>  |
| 10(o)                | First Incremental Facility Amendment, dated as of February 19, 2020, to the Credit Agreement, among the company, the lenders and issuing banks party thereto and JPMorgan Chase Bank, N.A., administrative agent.                   | <a href="#">Incorporated by reference to Exhibit 10.1 to the Form 8-K filed with the Commission on February 20, 2020 (Commission file number 1-3579)</a>   |
| 10(p)                | First Amendment, dated as of March 19, 2021, among Pitney Bowes Inc., the subsidiaries of Pitney Bowes Inc. party thereto, the lenders and issuing banks party thereto, and JPMorgan Chase Bank, N.A., as administrative agent      | <a href="#">Incorporated by reference to Exhibit 10.1 to the Form 8-K filed with the Commission on March 23, 2021 (Commission file number 1-3579)</a>  |
| 10(q)                | First Refinancing Agreement, dated as of March 19, 2021, among Pitney Bowes Inc., the subsidiaries of Pitney Bowes Inc. party thereto and JPMorgan Chase Bank, N.A., as administrative agent and refinancing tranche B term lender. | <a href="#">Incorporated by reference to Exhibit 10.2 to the Form 8-K filed with the Commission on March 23, 2021 (Commission file number 1-3579)</a>  |
| 10(r)                | Second Amendment, dated as of May 11, 2022, to the Credit Agreement, among Pitney Bowes Inc., the Lenders and issuing banks party thereto and JP Morgan Chase, N.A., as administrative agent  | <a href="#">Incorporated by reference to Exhibit 10.1 to the Form 10-Q filed with the Commission on November 4, 2022 (Commission file number 1-3579)</a>   |
| 10(s)                | Third Amendment, dated as of December 7, 2022, to the Credit Agreement, among Pitney Bowes Inc., the Lenders and issuing banks party thereto and JP Morgan Chase, N.A., as administrative agent.                                    | <a href="#">Incorporated by reference to Exhibit 10.1 to the Form 8-K filed with the Commission on December 8, 2022 (Commission file number 1-3579)</a>  |
| 10(t)                | Fourth Amendment, dated as of December 8, 2022, to the Credit Agreement, among Pitney Bowes Inc., the Lenders and issuing banks party thereto and JP Morgan Chase, N.A., as administrative agent                                    | <a href="#">Incorporated by reference to Exhibit 10(x) to the Form 10-K filed with the Commission on February 17, 2023 (Commission file number 1-3579)</a>   |
| 10(u)                | Fifth Amendment, dated as of June 6, 2023, among Pitney Bowes Inc., the subsidiaries of Pitney Bowes Inc. party thereto, the lenders and issuing banks party thereto, and JP Morgan Chase Bank, N.A., as administrative agent       | <a href="#">Incorporated by reference to Exhibit 10.1 to the Form 8-K filed with the Commission on June 6, 2023 (Commission file number 1-3579)</a>  |
| 10(v)                | Sixth Amendment, dated as of July 31, 2023, among Pitney Bowes Inc., the subsidiaries of Pitney Bowes Inc. party thereto, the lenders and issuing banks party thereto, and JP Morgan Chase Bank, N.A., as administrative agent      | <a href="#">Incorporated by reference to Exhibit 10.2 to the Form 8-K filed with the Commission on July 31, 2023 (Commission file number 1-3579)</a>   |



## PART IV

| Reg. S-K<br>exhibits | Description  | Status or incorporation by reference   |
|----------------------|--|--|
| 10(w)                | Separation Agreement and General Release, dated as of September 29, 2023, between Pitney Bowes Inc. and Marc Lautenbach                                | <a href="#">Incorporated by reference to Exhibit 10.1 to the Form 8-K filed with the Commission on October 2, 2023 (Commission file number 1-3579)</a> |
| 10(x)                | Letter Agreement, dated as of September 29, 2023, between Pitney Bowes Inc. and Jason Dies   | <a href="#">Incorporated by reference to Exhibit 10.2 to the Form 8-K filed with the Commission on October 2, 2023 (Commission file number 1-3579)</a> |
| 21                   | Subsidiaries of the registrant   | <a href="#">Exhibit 21</a>   |
| 23                   | Consent of independent registered accounting firm  | <a href="#">Exhibit 23</a>   |
| 31.1                 | Certification of Chief Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as amended.              | <a href="#">Exhibit 31.1</a>   |
| 31.2                 | Certification of Chief Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as amended.              | <a href="#">Exhibit 31.2</a>   |
| 32.1                 | Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350  | <a href="#">Exhibit 32.1</a>   |
| 32.2                 | Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350  | <a href="#">Exhibit 32.2</a>   |
| 97                   | Compensation Recoupment Policy of Pitney Bowes Inc. dated December 1, 2023   | <a href="#">Incorporated by reference to Exhibit 10.12 to Form 10-Q filed with the Commission on November 2, 2023 (Commission file number 1-3579)</a>  |
| 101.SCH              | XBRL Taxonomy Extension Schema Document  |  |
| 101.CAL              | XBRL Taxonomy Calculation Linkbase Document  |  |
| 101.DEF              | XBRL Taxonomy Definition Linkbase Document   |  |
| 101.LAB              | XBRL Taxonomy Label Linkbase Document  |  |
| 101.PRE              | XBRL Taxonomy Presentation Linkbase Document   |  |
| 104                  | The cover page from the Company's Annual Report on Form 10-K for the year ended December 31, 2023, formatted in Inline XBRL (included as Exhibit 101). |  |

\* The Exhibits identified above with an asterisk (\*) are management contracts or compensatory plans or arrangements.

The Company has certain outstanding long-term indebtedness that does not exceed 10% of the total assets of the Company; therefore, copies of instruments defining the rights of holders of such indebtedness are not included as exhibits. The Company agrees to furnish copies of such instruments to the SEC upon request.

### ITEM 16. FORM 10-K SUMMARY

None

PART IV

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Registrant  
Date: February 20, 2024     PITNEY BOWES INC.

By: /s/ Jason C. Dies  
Jason C. Dies  
Interim Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

| <u>Signature</u>  | <u>Title</u>  | <u>Date</u>       |
|---|---|-------------------|
| <u>/s/ Jason C. Dies</u><br>Jason C. Dies                       | Interim Chief Executive Officer (Principal Executive Officer)                   | February 20, 2024 |
| <u>/s/ Ana Maria Chadwick</u><br>Ana Maria Chadwick             | Executive Vice President, Chief Financial Officer (Principal Financial Officer) | February 20, 2024 |
| <u>/s/ Joseph R. Catapano</u><br>Joseph R. Catapano             | Vice President, Chief Accounting Officer (Principal Accounting Officer)         | February 20, 2024 |
| <u>/s/ Mary J. Steele Guilfoile</u><br>Mary J. Steele Guilfoile | Non-Executive Chairman - Director   | February 20, 2024 |
| <u>/s/ Steven D. Brill</u><br>Steven D. Brill                   | Director  | February 20, 2024 |
| <u>/s/ Todd Everett</u><br>Todd Everett                         | Director  | February 20, 2024 |
| <u>/s/ Katie May</u><br>Katie May                               | Director  | February 20, 2024 |
| <u>/s/ Milena Alberti-Perez</u><br>Milena Alberti-Perez         | Director  | February 20, 2024 |
| <u>/s/ Sheila A. Stamps</u><br>Sheila A. Stamps                 | Director  | February 20, 2024 |
| <u>/s/ Darrell Thomas</u><br>Darrell Thomas                     | Director  | February 20, 2024 |
| <u>/s/ Kurt Wolf</u><br>Kurt Wolf                               | Director  | February 20, 2024 |
| <u>/s/ William S. Simon</u><br>William S. Simon                 | Director  | February 20, 2024 |
| <u>/s/ Jill Sutton</u><br>Jill Sutton                           | Director  | February 20, 2024 |

## PART IV

|  | <u>Page Number</u>        |
|--|---------------------------|
| <a href="#"><u>Report of Independent Registered Public Accounting Firm (PCAOB ID: 238 )</u></a>  | <a href="#"><u>37</u></a> |
| Consolidated Financial Statements of Pitney Bowes Inc.   |                           |
| <a href="#"><u>Consolidated Statements of Operations for the years ended December 31, 2023, 2022 and 2021</u></a>                        | <a href="#"><u>39</u></a> |
| <a href="#"><u>Consolidated Statements of Comprehensive (Loss) Income for the years ended December 31, 2023, 2022 and 2021</u></a>       | <a href="#"><u>40</u></a> |
| <a href="#"><u>Consolidated Balance Sheets at December 31, 2023 and 2022</u></a>   | <a href="#"><u>41</u></a> |
| <a href="#"><u>Consolidated Statements of Cash Flows for the years ended December 31, 2023, 2022 and 2021</u></a>                        | <a href="#"><u>42</u></a> |
| <a href="#"><u>Consolidated Statements of Stockholders' (Deficit) Equity for the years ended December 31, 2023, 2022 and 2021</u></a>    | <a href="#"><u>43</u></a> |
| <a href="#"><u>Notes to Consolidated Financial Statements</u></a>  | <a href="#"><u>44</u></a> |
| Financial Statement Schedule   |                           |
| <a href="#"><u>Schedule II - Valuation and Qualifying Accounts and Reserves for the years ended December 31, 2023, 2022 and 2021</u></a> | <a href="#"><u>88</u></a> |

## **Report of Independent Registered Public Accounting Firm**

To the Board of Directors and Stockholders of Pitney Bowes Inc.

### ***Opinions on the Financial Statements and Internal Control over Financial Reporting***

We have audited the accompanying consolidated balance sheets of Pitney Bowes Inc. and its subsidiaries (the "Company") as of December 31, 2023 and 2022, and the related consolidated statements of operations, comprehensive (loss) income, stockholders' (deficit) equity and cash flows for each of the three years in the period ended December 31, 2023, including the related notes and financial statement schedule listed in the index appearing under Item 15(a)(1) (collectively referred to as the "consolidated financial statements"). We also have audited the Company's internal control over financial reporting as of December 31, 2023, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2023 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2023, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the COSO.

### ***Basis for Opinions***

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Report on Internal Control over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

### ***Definition and Limitations of Internal Control over Financial Reporting***

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Critical Audit Matters**

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

#### *Goodwill Impairment Triggering Event Assessments – Global Ecommerce Reporting Unit*

As described in Notes 1 and 8 to the consolidated financial statements, the Company's consolidated goodwill balance was \$734 million as of December 31, 2023, and the goodwill balance associated with the Global Ecommerce reporting unit was zero. Goodwill is tested annually for impairment at the reporting unit level as of the beginning of the fourth quarter or sooner if circumstances indicate an impairment may exist. The impairment test for goodwill determines the fair value of each reporting unit and compares it to the reporting unit's carrying value, including goodwill. If the fair value of a reporting unit is less than the carrying value of the net assets assigned to the reporting unit, a goodwill impairment loss is calculated as the difference between these amounts, limited to the amount of goodwill allocated to the reporting unit. The performance of the Global Ecommerce reporting unit, continuing changes in macroeconomic conditions and the long-term outlook for the business were triggering events that caused management to evaluate the Global Ecommerce goodwill for impairment during the second and fourth quarters Of 2023. The assessments indicated that the estimated fair value of the reporting unit was less than the carrying value and management recorded a non-cash, pre-tax goodwill impairment charge of \$119 million and \$220 million in the second and fourth quarter, respectively. The fair value was estimated using a discounted cash flow model based on management developed cash flow projections, which included judgments and assumptions related to revenue growth rates, operating margins, operating income, and the discount rate.

The principal considerations for our determination that performing procedures relating to the goodwill impairment triggering event assessments of the Global Ecommerce reporting unit is a critical audit matter are (i) the significant judgment by management when developing the fair value estimates of the Global Ecommerce reporting unit; (ii) a high degree of auditor judgment, subjectivity, and effort in performing procedures and evaluating management's significant assumptions related to revenue growth rates, certain forecasted costs included in the determination of projected operating margins and operating income, and the discount rate; and (iii) the audit effort involved the use of professionals with specialized skill and knowledge.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to management's goodwill impairment assessments, including controls over the valuation of the Global Ecommerce reporting unit. These procedures also included, among others, (i) testing management's process for developing the fair value estimates of the reporting unit; (ii) evaluating the appropriateness of the discounted cash flow model used by management; (iii) testing the completeness and accuracy of underlying data used in the discounted cash flow model; and (iv) evaluating the reasonableness of the significant assumptions used by management related to revenue growth rates, certain forecasted costs included in the determination of projected operating margins and operating income, and the discount rate. Evaluating management's assumptions related to revenue growth rates and certain forecasted costs included in the determination of projected operating margins and operating income involved evaluating whether the assumptions used by management were reasonable considering (i) the current and past performance of the reporting unit, (ii) the consistency with external market and industry data, and (iii) whether the assumptions were consistent with evidence obtained in other areas of the audit. Professionals with specialized skill and knowledge were used to assist in evaluating the appropriateness of the discounted cash flow model and the reasonableness of the discount rate assumption.

/s/ PricewaterhouseCoopers LLP  
Stamford, Connecticut  
February 20, 2024

We have served as the Company's auditor since 1934.



**PITNEY BOWES INC.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
(In thousands, except per share amounts)

|  | Years Ended December 31, |              |              |
|--|--------------------------|--------------|--------------|
|  | 2023                     | 2022         | 2021         |
| Revenue:   |                          |              |              |
| Business services  | \$ 2,045,069             | \$ 2,249,941 | \$ 2,334,674 |
| Support services   | 410,734                  | 438,191      | 460,888      |
| Financing  | 271,197                  | 274,508      | 294,418      |
| Equipment sales  | 323,739                  | 354,960      | 350,138      |
| Supplies   | 147,709                  | 154,186      | 159,438      |
| Rentals  | 67,900                   | 66,256       | 74,005       |
| Total revenue  | 3,266,348                | 3,538,042    | 3,673,561    |
| Costs and expenses:  |                          |              |              |
| Cost of business services  | 1,756,616                | 1,934,206    | 2,034,477    |
| Cost of support services   | 137,676                  | 148,829      | 149,706      |
| Financing interest expense   | 63,281                   | 51,789       | 47,059       |
| Cost of equipment sales  | 223,757                  | 253,843      | 251,914      |
| Cost of supplies   | 43,347                   | 43,778       | 43,980       |
| Cost of rentals  | 19,614                   | 25,105       | 24,427       |
| Selling, general and administrative  | 897,260                  | 905,570      | 924,163      |
| Research and development   | 41,405                   | 43,657       | 46,777       |
| Restructuring charges  | 61,585                   | 18,715       | 19,003       |
| Goodwill impairment  | 339,184                  | —            | —            |
| Interest expense, net  | 100,445                  | 89,980       | 96,886       |
| Other components of net pension and postretirement (income) cost                       | ( 8,256 )                | 4,308        | 1,010        |
| Other (income) expense   | ( 3,064 )                | ( 21,618 )   | 41,574       |
| Total costs and expenses   | 3,672,850                | 3,498,162    | 3,680,976    |
| (Loss) income from continuing operations before income taxes                           | ( 406,502 )              | 39,880       | ( 7,415 )    |
| (Benefit) provision for income taxes   | ( 20,875 )               | 2,940        | ( 10,922 )   |
| (Loss) income from continuing operations   | ( 385,627 )              | 36,940       | 3,507        |
| Loss from discontinued operations, net of tax  | —                        | —            | ( 4,858 )    |
| Net (loss) income  | \$ ( 385,627 )           | \$ 36,940    | \$ ( 1,351 ) |
| Basic (loss) earnings per share attributable to common stockholders <sup>(1)</sup> :   |                          |              |              |
| Continuing operations  | \$ ( 2.20 )              | \$ 0.21      | \$ 0.02      |
| Discontinued operations  | —                        | —            | ( 0.03 )     |
| Net (loss) income  | \$ ( 2.20 )              | \$ 0.21      | \$ ( 0.01 )  |
| Diluted (loss) earnings per share attributable to common stockholders <sup>(1)</sup> : |                          |              |              |
| Continuing operations  | \$ ( 2.20 )              | \$ 0.21      | \$ 0.02      |
| Discontinued operations  | —                        | —            | ( 0.03 )     |
| Net (loss) income  | \$ ( 2.20 )              | \$ 0.21      | \$ ( 0.01 )  |

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

See Notes to Consolidated Financial Statements



**PITNEY BOWES INC.**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS) INCOME**  
(In thousands)

|  | Years Ended December 31, |                      |                  |
|--|--------------------------|----------------------|------------------|
|  | 2023                     | 2022                 | 2021             |
| Net (loss) income  | \$ ( 385,627 )           | \$ 36,940            | \$ ( 1,351 )     |
| Other comprehensive (loss) income, net of tax:   |                          |                      |                  |
| Foreign currency translations, net of tax of \$( 741 ), \$( 3,942 ) and \$( 767 ), respectively                                  | 25,279                   | ( 71,344 )           | ( 34,168 )       |
| Net (loss) gain on cash flow hedges, net of tax of \$( 1,847 ), \$ 2,900 and \$ 1,738 , respectively                             | ( 5,541 )                | 8,700                | 5,214            |
| Net unrealized gain (loss) on available for sale securities, net of tax of \$ 1,878 , \$( 10,424 ) and \$( 2,217 ), respectively | 5,977                    | ( 33,191 )           | ( 6,651 )        |
| Adjustments to pension and postretirement plans, net of tax of \$( 18,875 ), \$ 4,312 and \$ 17,986 , respectively               | ( 55,128 )               | 9,297                | 54,618           |
| Amortization of pension and postretirement costs, net of tax of \$ 4,461 , \$ 9,315 and \$ 12,755 , respectively                 | 13,732                   | 31,286               | 39,806           |
| Other comprehensive (loss) income, net of tax  | ( 15,681 )               | ( 55,252 )           | 58,819           |
| Comprehensive (loss) income  | <u>\$ ( 401,308 )</u>    | <u>\$ ( 18,312 )</u> | <u>\$ 57,468</u> |

*See Notes to Consolidated Financial Statements*

**PITNEY BOWES INC.**  
**CONSOLIDATED BALANCE SHEETS**  
(In thousands, except per share amount)

|  | December 31, 2023   | December 31, 2022   |
|--|---------------------|---------------------|
| <b>ASSETS</b>  |                     |                     |
| Current assets:  |                     |                     |
| Cash and cash equivalents  | \$ 601,053          | \$ 669,981          |
| Short-term investments (includes \$ 2,382 and \$ 1,882 , respectively, reported at fair value)             | 22,166              | 11,172              |
| Accounts and other receivables (net of allowance of \$ 6,139 and \$ 5,344 respectively)                    | 342,236             | 343,557             |
| Short-term finance receivables (net of allowance of \$ 14,347 and \$ 11,395 , respectively)                | 563,536             | 564,972             |
| Inventories  | 70,053              | 83,720              |
| Current income taxes   | 564                 | 8,790               |
| Other current assets and prepayments   | 92,309              | 115,824             |
| Total current assets   | 1,691,917           | 1,798,016           |
| Property, plant and equipment, net   | 383,628             | 420,672             |
| Rental property and equipment, net   | 23,583              | 27,487              |
| Long-term finance receivables (net of allowance of \$ 8,880 and \$ 10,555 , respectively)                  | 653,085             | 627,124             |
| Goodwill   | 734,409             | 1,066,951           |
| Intangible assets, net   | 62,250              | 77,944              |
| Operating lease assets   | 309,958             | 296,129             |
| Noncurrent income taxes  | 60,995              | 46,613              |
| Other assets (includes \$ 227,131 and \$ 229,936 , respectively, reported at fair value)                   | 352,360             | 380,419             |
| Total assets   | <u>\$ 4,272,185</u> | <u>\$ 4,741,355</u> |
| <b>LIABILITIES AND STOCKHOLDERS' (DEFICIT) EQUITY</b>  |                     |                     |
| Current liabilities:   |                     |                     |
| Accounts payable and accrued liabilities   | \$ 875,476          | \$ 907,083          |
| Customer deposits at the Bank  | 640,323             | 628,072             |
| Current operating lease liabilities  | 60,069              | 52,576              |
| Current portion of long-term debt  | 58,931              | 32,764              |
| Advance billings   | 89,087              | 105,207             |
| Current income taxes   | 6,523               | 2,101               |
| Total current liabilities  | 1,730,409           | 1,727,803           |
| Long-term debt   | 2,087,101           | 2,172,502           |
| Deferred taxes on income   | 211,477             | 263,131             |
| Tax uncertainties and other income tax liabilities   | 19,091              | 23,841              |
| Noncurrent operating lease liabilities   | 277,981             | 265,696             |
| Other noncurrent liabilities   | 314,702             | 227,729             |
| Total liabilities  | 4,640,761           | 4,680,702           |
| Commitments and contingencies (See Note 15)  |                     |                     |
| Stockholders' (deficit) equity:  |                     |                     |
| Common stock, \$ 1 par value ( 480,000 shares authorized; 270,338 and 323,338 shares issued, respectively) | 270,338             | 323,338             |
| Retained earnings  | 3,077,988           | 5,125,677           |
| Accumulated other comprehensive loss   | ( 851,245 )         | ( 835,564 )         |
| Treasury stock, at cost ( 93,972 and 149,307 shares, respectively)   | ( 2,865,657 )       | ( 4,552,798 )       |
| Total stockholders' (deficit) equity   | ( 368,576 )         | 60,653              |
| Total liabilities and stockholders' (deficit) equity   | <u>\$ 4,272,185</u> | <u>\$ 4,741,355</u> |

See Notes to Consolidated Financial Statements



**PITNEY BOWES INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**(In thousands)**

|  | Years Ended December 31, |                  |                  |
|--|--------------------------|------------------|------------------|
|  | 2023                     | 2022             | 2021             |
| <b>Cash flows from operating activities:</b>   |                          |                  |                  |
| Net (loss) income  | \$ (385,627)             | \$ 36,940        | \$ (1,351)       |
| Loss from discontinued operations, net of tax  | —                        | —                | 4,858            |
| Adjustments to reconcile net (loss) income to net cash provided by operating activities: |                          |                  |                  |
| Depreciation and amortization  | 160,430                  | 163,816          | 162,859          |
| Allowance for credit losses  | 16,687                   | 8,937            | 7,808            |
| Stock-based compensation   | 9,597                    | 16,629           | 20,862           |
| Amortization of debt fees  | 10,698                   | 8,674            | 7,163            |
| (Gain) loss on debt redemption/refinancing   | (3,064)                  | 4,993            | 56,209           |
| Restructuring charges  | 61,585                   | 18,715           | 19,003           |
| Restructuring payments   | (34,443)                 | (15,406)         | (21,990)         |
| Pension contributions and retiree medical payments                                       | (33,815)                 | (26,769)         | (27,534)         |
| Gain on sale of businesses, including transaction costs                                  | —                        | (12,205)         | (10,201)         |
| Gain on sale of assets   | —                        | (14,372)         | (1,434)          |
| Goodwill impairment  | 339,184                  | —                | —                |
| Deferred taxes   | (50,815)                 | 3,688            | (19,883)         |
| Other, net   | 6,040                    | 13,997           | 9,179            |
| Changes in operating assets and liabilities, net of acquisitions/divestitures:           |                          |                  |                  |
| Accounts and other receivables   | (6,027)                  | (29,303)         | 37,503           |
| Finance receivables  | (2,646)                  | (12,591)         | 20,934           |
| Inventories  | 14,293                   | (4,942)          | (8,008)          |
| Other current assets and prepayments   | 30,841                   | 2,727            | (1,184)          |
| Accounts payable and accrued liabilities   | (43,110)                 | 18,577           | 57,780           |
| Current and noncurrent income taxes  | 6,904                    | (14,464)         | 2,971            |
| Advance billings   | (17,244)                 | 8,342            | (14,029)         |
| <b>Net cash from operating activities</b>  | <b>79,468</b>            | <b>175,983</b>   | <b>301,515</b>   |
| <b>Cash flows from investing activities:</b>   |                          |                  |                  |
| Capital expenditures   | (102,878)                | (124,840)        | (184,042)        |
| Purchases of investment securities   | (18,887)                 | (8,863)          | (74,923)         |
| Proceeds from sales/maturities of investment securities                                  | 25,390                   | 28,724           | 97,358           |
| Net investment in loan receivables   | (29,754)                 | (53,114)         | (6,288)          |
| Proceeds from sale of business, net of cash sold   | —                        | 111,593          | 27,573           |
| Proceeds from asset sales  | —                        | 50,766           | 1,840            |
| Acquisitions, net of cash acquired   | —                        | (5,139)          | (14,996)         |
| Settlement of derivative contracts   | 427                      | (27,660)         | —                |
| Other investing activities, net  | 2,870                    | 4,264            | —                |
| Net cash from investing activities: continuing operations                                | (122,832)                | (24,269)         | (153,478)        |
| Net cash from investing activities: discontinued operations                              | —                        | —                | (1,773)          |
| <b>Net cash from investing activities</b>  | <b>(122,832)</b>         | <b>(24,269)</b>  | <b>(155,251)</b> |
| <b>Cash flows from financing activities:</b>   |                          |                  |                  |
| Proceeds from the issuance of debt, net of discount                                      | 266,750                  | —                | 1,195,500        |
| Principal payments of debt   | (322,886)                | (124,101)        | (1,445,734)      |
| Premiums and fees to refinance debt  | (10,531)                 | (8,535)          | (50,763)         |
| Dividends paid to stockholders   | (35,215)                 | (34,718)         | (34,800)         |
| Customer deposits at the Bank  | 86,223                   | (3,990)          | 14,862           |
| Common stock repurchases   | —                        | (13,446)         | —                |
| Other financing activities, net  | (15,607)                 | (13,293)         | (9,436)          |
| <b>Net cash from financing activities</b>  | <b>(31,266)</b>          | <b>(198,083)</b> | <b>(330,371)</b> |
| Effect of exchange rate changes on cash and cash equivalents                             | 5,702                    | (16,130)         | (4,863)          |
| Change in cash and cash equivalents  | (68,928)                 | (62,499)         | (188,970)        |
| Cash and cash equivalents at beginning of period   | 669,981                  | 732,480          | 921,450          |
| Cash and cash equivalents at end of period   | \$ 601,053               | \$ 669,981       | \$ 732,480       |





**PITNEY BOWES INC.**  
**CONSOLIDATED STATEMENTS OF STOCKHOLDERS' (DEFICIT) EQUITY**  
(In thousands)

|                               | Common<br>Stock   | Additional<br>Paid-in<br>Capital | Retained<br>earnings | Accumulated<br>other<br>comprehensive<br>loss | Treasury stock          | Total (deficit)<br>equity |
|-------------------------------|-------------------|----------------------------------|----------------------|---|-------------------------|---------------------------|
| Balance at December 31, 2020  | \$ 323,338        | \$ 68,502                        | \$ 5,205,421         | \$ ( 839,131 )                                | \$ ( 4,687,509 )        | \$ 70,621                 |
| Net loss                      | —                 | —                                | ( 1,351 )            | —   | —                       | ( 1,351 )                 |
| Other comprehensive income    | —                 | —                                | —                    | 58,819  | —                       | 58,819                    |
| Dividends (\$ 0.20 per share) | —                 | —                                | ( 34,800 )           | —   | —                       | ( 34,800 )                |
| Issuance of common stock      | —                 | ( 86,879 )                       | —                    | —   | 85,360                  | ( 1,519 )                 |
| Stock-based compensation      | —                 | 20,862                           | —                    | —   | —                       | 20,862                    |
| Balance at December 31, 2021  | 323,338           | 2,485                            | 5,169,270            | ( 780,312 )                                   | ( 4,602,149 )           | 112,632                   |
| Net income                    | —                 | —                                | 36,940               | —   | —                       | 36,940                    |
| Other comprehensive loss      | —                 | —                                | —                    | ( 55,252 )                                    | —                       | ( 55,252 )                |
| Dividends (\$ 0.20 per share) | —                 | —                                | ( 34,718 )           | —   | —                       | ( 34,718 )                |
| Issuance of common stock      | —                 | ( 19,114 )                       | ( 45,815 )           | —   | 62,797                  | ( 2,132 )                 |
| Stock-based compensation      | —                 | 16,629                           | —                    | —   | —                       | 16,629                    |
| Repurchase of common stock    | —                 | —                                | —                    | —   | ( 13,446 )              | ( 13,446 )                |
| Balance at December 31, 2022  | 323,338           | —                                | 5,125,677            | ( 835,564 )                                   | ( 4,552,798 )           | 60,653                    |
| Net loss                      | —                 | —                                | ( 385,627 )          | —   | —                       | ( 385,627 )               |
| Other comprehensive loss      | —                 | —                                | —                    | ( 15,681 )                                    | —                       | ( 15,681 )                |
| Dividends (\$ 0.20 per share) | —                 | —                                | ( 35,215 )           | —   | —                       | ( 35,215 )                |
| Issuance of common stock      | —                 | ( 9,597 )                        | ( 63,877 )           | —   | 71,171                  | ( 2,303 )                 |
| Stock-based compensation      | —                 | 9,597                            | —                    | —   | —                       | 9,597                     |
| Retirement of treasury stock  | ( 53,000 )        | —                                | ( 1,562,970 )        | —   | 1,615,970               | —                         |
| Balance at December 31, 2023  | <u>\$ 270,338</u> | <u>\$ —</u>                      | <u>\$ 3,077,988</u>  | <u>\$ ( 851,245 )</u>                         | <u>\$ ( 2,865,657 )</u> | <u>\$ ( 368,576 )</u>     |

*See Notes to Consolidated Financial Statements*

**PITNEY BOWES INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**(Tabular amounts in thousands, except per share amounts)**

## **1. Summary of Significant Accounting Policies**

### **Basis of Presentation**

The accompanying Consolidated Financial Statements of Pitney Bowes Inc. and its wholly owned subsidiaries (we, us, our, or the company) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP). Intercompany transactions and balances have been eliminated.

Pre-tax income for the twelve months ended December 31, 2022 includes a benefit of \$ 3 million to correct misstatements related to prior periods. The impact of these misstatements is not material to the consolidated financial statements of the current annual period or for any prior quarterly or annual periods.

### **Factors Affecting Comparability**

Certain transactions and changes occurred during 2022 that impact the comparability to our 2023 financial results. These transactions and changes include:

- the sale of our Borderfree cross-border ecommerce solutions business (Borderfree) in July 2022. Accordingly, reported revenue and costs for the twelve months ended December 31, 2022 include six months of revenue and costs for Borderfree. Net income of Borderfree for these periods was not significant.
- a change in the presentation of revenue for digital delivery services effective October 1, 2022, from a gross basis to a net basis. Accordingly, in 2023, revenue and costs of revenue for certain digital delivery services are reported on a net basis as business services revenue; whereas in 2022, revenue and cost of revenue for these services through September 30 were reported as business services revenue and cost of business services, respectively. The change primarily impacts our Global Ecommerce segment.

### **Use of Estimates**

The preparation of financial statements in conformity with GAAP requires the use of estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, expenses and accompanying disclosures, including the disclosure of contingent assets and liabilities. These estimates and assumptions are based on management's best knowledge of current events, historical experience and other information available when the financial statements are prepared. These estimates include, but are not limited to, goodwill and intangible asset impairment review, deferred tax asset valuation allowance, income tax reserves, revenue recognition for multiple element arrangements, pension and other postretirement costs, allowance for credit losses, residual values of leased assets, useful lives of long-lived and intangible assets, restructuring costs and loss contingencies. Actual results could differ from those estimates and assumptions.

### **Cash and Cash Equivalents**

Cash equivalents include interest-earning investments with maturities of three months or less at the date of purchase. Restricted cash included in cash and cash equivalents at December 31, 2023 and 2022 was \$ 3 million and \$ 1 million, respectively. Restricted cash represent cash balances which are legally or contractually restricted.

### **Investment Securities**

Investment securities classified as available-for-sale are recorded at fair value with changes in fair value due to market conditions (i.e., interest rates) recorded in accumulated other comprehensive loss (AOCL), and changes in fair value due to credit conditions recorded in earnings. Purchase premiums and discounts are amortized using the effective interest method over the term of the security. Gains and losses on sales of available-for-sale securities are recorded on the trade date using the specific identification method. There were no unrealized losses due to credit losses charged to earnings in 2023, 2022, or 2021. Investment securities classified as held-to-maturity and are carried at amortized cost.

We also hold certain other investments, whereby their nature, changes in fair value are recorded through earnings on a recurring basis or upon the occurrence of an observable transaction.

### **Accounts and Other Receivables and Allowance for Credit Losses**

Accounts receivables are generally due within 30 days after the invoice date. We provide an allowance for credit losses based on historical loss experience, the age of the receivables, specific troubled accounts and other currently available information.

Accounts receivables are written off against the allowance after all collection efforts have been exhausted and management deems the account to be uncollectible, or when they are 365 days past due, if sooner. We believe that our accounts receivable credit risk is low

**PITNEY BOWES INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**(Tabular amounts in thousands, except per share amounts)**

because of the geographic and industry diversification of our clients and small account balances for most of our clients. We continually evaluate the adequacy of the allowance for credit losses and adjust as necessary.

**Finance Receivables and Allowance for Credit Losses**

Finance receivables are comprised of sales-type leases, secured loans and unsecured loans. Sales-type leases and secured loans are from financing options provided to clients for Pitney Bowes equipment or leasing of other manufacturers' equipment and are generally due in installments over periods ranging from three to five years. Unsecured loans comprise revolving credit lines offered to our clients for postage, supplies and working capital purposes. These revolving credit lines are generally due monthly; however, clients may rollover outstanding balances. Interest is recognized on finance receivables using the effective interest method. Annual fees are recognized ratably over the annual period covered and client acquisition costs are expensed as incurred.

We provide an allowance for credit losses based on historical loss experience, the nature of our portfolios, adverse situations that may affect a client's ability to pay and current economic conditions and outlook based on reasonable and supportable forecasts. We continually evaluate the adequacy of the allowance for credit losses and adjust as necessary.

Credit approval limits are established based on the credit quality of the client and the type of equipment financed. We cease revenue recognition for lease receivables and unsecured loan receivables that are more than 90 days past due. Revenue recognition is resumed when the client's payments reduce the account aging to less than 60 days past due. Finance receivables are written off against the allowance after all collection efforts have been exhausted and management deems the account to be uncollectible. We believe that our finance receivable credit risk is low because of the geographic and industry diversification of our clients and small account balances for most of our clients.

**Inventories**

Inventories are stated at the lower of cost, determined on the first-in, first-out (FIFO) basis or net realizable value.

**Fixed Assets**

Property, plant and equipment and rental equipment are stated at cost and depreciated principally using the straight-line method over their estimated useful lives, which are 50 years for buildings, 10 - 20 years for building improvements, up to 3 years for internal use software development costs, 3 - 12 years for machinery and equipment and 3 - 6 years for rental equipment. Leasehold improvements are amortized over the shorter of their estimated useful life or the remaining lease term. Major improvements that add to the productive capacity or extend the life of an asset are capitalized while repairs and maintenance are charged to expense. Fully depreciated assets are retained in fixed assets and accumulated depreciation until they are removed from service.

**Intangible Assets**

Finite-lived intangible assets are amortized using the straight-line method over their estimated useful lives of up to 10 years.

**Deferred Costs**

Certain incremental costs to obtain a contract are capitalized if we expect the benefit of those costs to be realized over a period greater than one year. These costs primarily relate to contract costs and sales commissions on multi-year equipment sales. Costs are amortized in a manner consistent with the timing of the related revenue over the contract performance period or longer, if renewals are expected and the renewal commission is not commensurate with the initial commission. Unamortized deferred costs at December 31, 2023 and December 31, 2022, included in other assets, were \$ 39 million and \$ 41 million, respectively. Amortization expense for these costs for the years ended December 31, 2023, 2022 and 2021 was \$ 18 million, \$ 22 million and \$ 18 million, respectively.

**Revenue Recognition**

We derive revenue from multiple sources including sales, rentals, financing and services. Certain transactions are consummated at the same time and can therefore generate revenue from multiple sources. The most common form of these transactions involves a sale or noncancelable lease of equipment, meter services and an equipment maintenance agreement. We determine whether each product and service within the contract should be treated as a separate performance obligation (unit of accounting) for revenue recognition purposes. For contracts that include multiple performance obligations, the transaction price is allocated based on relative standalone selling prices (SSP), which are a range of selling prices that we would sell a product or service to a customer on a separate basis. SSP are established for each performance obligation at the inception of the contract and can be observable prices or estimated. The allocation of the transaction price to the various performance obligations impacts the timing of revenue recognition, but does not change the total revenue recognized. More specifically, revenue related to our offerings is recognized as follows:

**PITNEY BOWES INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**(Tabular amounts in thousands, except per share amounts)**

Business services

Business services includes fulfillment, delivery and return services, cross-border solutions, mail processing services and shipping subscription solutions. Revenue for fulfillment, delivery and return services, cross-border solutions and mail processing services is recognized over time using an output method based on the number of parcels or mail pieces either processed or delivered, depending on the service type, since that measure best depicts the value of goods and services transferred to the client over the contract period. Revenue for shipping subscription solutions is recognized ratably over the contract period as the client obtains equal benefit from these services throughout the period. We review third-party relationships and record revenue on a gross basis when we act as a principal in a transaction and on a net basis when we act as an agent between a client and vendor. In determining whether we are acting as principal or agent, we consider several factors such as whether we are the primary obligor to the client or have control over pricing.

Support services

Support services includes providing maintenance, professional and subscription services for our equipment and digital mailing and shipping technology solutions. Revenue is allocated to these services using selling prices charged in standalone transactions. Revenue for maintenance and subscription services is recognized ratably over the contract period and revenue for professional services is recognized when services are provided.

Financing

We provide financing for our products primarily through sales-type leases and revolving lines of credit for the purchase of postage and supplies. Financing revenue also includes finance income, late fees and investment income, gains and losses at the Bank. We record financing income over the lease term using the effective interest method. Financing revenue also includes amounts related to sales-type leases that customers have extended or renewed for an additional term. Revenue for these contracts is recognized over the term of the modified lease using the effective interest method. We believe that our sales-type lease portfolio contains only normal collection risk.

Equipment residual values are determined at the inception of the lease using management's best estimate of fair value at the end of the lease term. Fair value estimates are determined based on historical renewal experience, used equipment markets, competition and technological changes. We evaluate residual values on an annual basis or sooner if circumstances warrant. Declines in estimated residual values considered "other-than-temporary" are recognized immediately. Increases in estimated future residual values are not recognized until the equipment is remarketed.

Equipment sales

We sell and lease equipment directly to customers and to distributors (re-sellers) throughout the world. The amount of revenue allocated to the equipment is based on a range of observable selling prices in standalone transactions. Revenue is recognized as control of the equipment transfers to the customer. Revenue from the sale of equipment under sales-type leases is recognized upon shipment for self-installed products and upon installation or customer acceptance for other products. Revenue from the direct sale of equipment is recognized upon delivery for self-installed products and upon installation or customer acceptance for other products. We do not typically offer any rights of return.

Supplies

Supplies revenue includes the sale of supplies for our mailing equipment and is recognized upon delivery.

Rentals

Rentals revenue includes revenue from mailing equipment that does not meet the criteria for as a sales-type lease. We may invoice in advance for rentals according to the terms of the agreement. Advanced billings are initially deferred and recognized on a straight-line basis over the billing period. Revenue generated from financing clients for the continued use of equipment subsequent to the expiration of the original lease is recognized as rentals revenue.

**Shipping and Handling**

Shipping and handling costs are recognized as costs of revenue as incurred.

**Research and Development Costs**

Research and development includes research, development and engineering activities relating to the development of new products and solutions and enhancements of existing products and solutions. Costs primarily include salaries, benefits and other employee-related expenses, materials, contract services, information systems and facilities and equipment costs. Research and development costs are charged to expense as incurred.

**PITNEY BOWES INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**(Tabular amounts in thousands, except per share amounts)**

**Restructuring Charges**

Restructuring charges may include employee severance and related separation costs and facility abandonment and other related charges. Employee severance and separation costs are recognized when a liability is incurred, which is generally upon communication to the affected employee, and the amount to be paid is both probable and can be reasonably estimated. Severance accruals are based on company policy, historical experience and negotiated settlements.

**Stock-based Compensation**

Compensation expense for stock-based awards is measured based on the estimated fair value of the awards expected to vest and recognized ratably over the requisite service period. We may issue restricted stock and non-qualified stock options under our stock award plans. The fair value of restricted stock is estimated based on the market price of our common stock on the grant date, less the present value of expected dividends. The fair value of non-qualified stock options is determined using the Black-Scholes valuation model. We believe that these valuation techniques and the underlying assumptions are appropriate in estimating the fair value of stock awards. Forfeitures are estimated at the time of grant to recognize expense for those awards that are expected to vest and are based on our historical forfeiture rates. Stock-based compensation expense is recognized primarily in selling, general and administrative expense.

**Retirement Plans**

Net periodic benefit cost includes service cost, interest cost, expected return on plan assets and the amortization of actuarial gains and losses. Actuarial gains and losses arise from actual results that differ from previous assumptions and changes in assumptions. The expected return on plan assets is based on a market-related valuation of plan assets where differences between the actual and expected return on plan assets are recognized over a five-year period. Actuarial gains and losses are recognized in other comprehensive loss, net of tax, and amortized to benefit cost primarily over the life expectancy of plan participants. The funded status of pension and other postretirement benefit plans is recognized in the consolidated balance sheets.

**Impairment Review**

Long-lived assets and finite-lived intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be fully recoverable. The estimated undiscounted future cash flows expected to result from the use and eventual disposition of the asset is compared to the asset's carrying value. The fair value of the asset is determined using probability weighted expected cash flow estimates, derived from our long-term business plan and historical experience, quoted market prices when available and appraisals, as appropriate.

Goodwill is tested annually for impairment at the reporting unit level as of the beginning of the fourth quarter or sooner if circumstances indicate an impairment may exist. The impairment test for goodwill determines the fair value of each reporting unit and compares it to the reporting unit's carrying value, including goodwill. If the fair value of a reporting unit exceeds the carrying value of the net assets assigned to that reporting unit, goodwill is not impaired. If the fair value of the reporting unit is less than the carrying value of the net assets assigned to the reporting unit, a goodwill impairment loss is calculated as the difference between these amounts, limited to the amount of goodwill allocated to the reporting unit.

During 2023, we recorded non-cash, pre-tax goodwill impairment charges in the second and fourth quarters of \$ 119 million and \$ 220 million, respectively. See Note 8 for further details.

**Derivative Instruments**

We are exposed to the impact of changes in foreign currency exchange rates and interest rates. We limit these risks by following established risk management policies and procedures. We may also use derivatives to limit the effects of currency exchange rate fluctuations on financial results and manage the related cost of debt. We do not use derivatives for trading or speculative purposes.

Derivatives are measured at fair value and reported as assets and liabilities, as applicable. The accounting for changes in fair value depends on the intended use of the derivative, the resulting designation and the effectiveness of the instrument in offsetting the risk exposure it is designed to hedge. To qualify as a hedge, a derivative must be highly effective in offsetting the risk designated for hedging purposes. The hedge relationship must be formally documented at inception, detailing the particular risk management objective and strategy for the hedge. The effectiveness of the hedge relationship is evaluated on a retrospective and prospective basis.

The use of derivatives exposes us to counterparty credit risk. To mitigate such risks, we only enter into agreements with financial institutions that meet stringent credit requirements. We regularly review our credit exposure and the creditworthiness of our counterparties. We have not seen a material change in the creditworthiness of our derivative counterparties.

**Income Taxes**

We recognize deferred tax assets and liabilities for the future tax consequences attributable to differences between the carrying amounts of assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using the enacted tax

**PITNEY BOWES INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**(Tabular amounts in thousands, except per share amounts)**

rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in income in the period that includes the enactment date of such change. A valuation allowance is provided when it is more likely than not that a deferred tax asset will not be realized. In estimating the necessity and amount of a valuation allowance, we consider all available evidence for each jurisdiction, including historical operating results, estimates of future taxable income and the feasibility of ongoing tax planning strategies. We adjust the valuation allowance through income tax expense when new information becomes available that would alter our determination of the amount of deferred tax assets that will ultimately be realized.

**Earnings per Share**

Basic earnings per share is computed based on the weighted-average number of common shares outstanding during the year. Diluted earnings per share is computed based on the weighted-average number of common shares outstanding during the year plus the weighted-average dilutive effect of common stock equivalents.

**Translation of Non-U.S. Currency Amounts**

In general, the functional currency of our foreign operations is the local currency. Assets and liabilities of subsidiaries operating outside the U.S. are translated at rates in effect at the end of the period and revenue and expenses are translated at average rates during the period. Net deferred translation gains and losses are included as a component of accumulated other comprehensive loss.

**Loss Contingencies**

In the ordinary course of business, we are routinely defendants in, or party to, a number of pending and threatened legal actions. On a quarterly basis, we review the status of each significant matter and assess the potential financial exposure. If the potential loss from any claim or legal action is considered probable and can be reasonably estimated, we establish a liability for the estimated loss. The assessment of the ultimate outcome of each claim or legal action and the determination of the potential financial exposure requires significant judgment. Estimates of potential liabilities for claims or legal actions are based only on information that is available at that time. As additional information becomes available, we may revise our estimates, and these revisions could have a material impact on our results of operations and financial position. Legal fees are expensed as incurred.

**Accounting Pronouncements Adopted in 2023**

On January 1, 2023, we adopted ASU 2022-02, *Financial Instruments - Credit Losses (Topic 326): Troubled Debt Restructurings and Vintage Disclosures*, which requires disclosure of gross write-offs of finance receivables by year of origination. The adoption of this standard did not have a material impact on our disclosures.

**Accounting Pronouncements Not Yet Adopted**

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*, which would require additional transparency for income tax disclosures, including the income tax rate reconciliation table and cash taxes paid both in the United States and foreign jurisdictions. This standard is effective for annual periods beginning after December 15, 2024. We are currently assessing the impact this standard will have on our disclosures.

In November 2023, the FASB issued ASU 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*, which would require enhanced disclosures about significant segment expenses and information used to assess segment performance. This standard is effective for fiscal years beginning after December 15, 2023 and interim periods within fiscal years beginning after December 15, 2024, with early adoption permitted. We are currently assessing the impact this standard will have on our disclosures.

In March 2020, the FASB issued ASU 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting*. The transition to new reference interest rates will require certain contracts to be modified and the ASU is intended to provide temporary optional expedients and exceptions to U.S. GAAP guidance on contract modifications and hedge accounting to ease the financial reporting burdens related to the expected market transition from the London Interbank Offered Rate (LIBOR) and other interbank offered rates to alternative reference rates. The accommodations provided by the ASU are effective through December 31, 2024, and may be applied at the beginning of any interim period within that time frame.

With the modification of our revolving credit facility in December 2022, we elected to apply the practical expedient to the replacement of LIBOR reference rate and our assessment of hedge effectiveness. We may apply other expedients as additional reference rate changes occur. We continue to assess the impact of this standard on our financial statements.

**PITNEY BOWES INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(Tabular amounts in thousands, except per share amounts)

## 2. Revenue

### Disaggregated Revenue

The following tables disaggregate our revenue by source and timing of recognition:

| Year Ended December 31, 2023                                    |                     |                   |                     |                                    |   |                            |
|---|---------------------|-------------------|---------------------|------------------------------------|---|----------------------------|
|   | Global Ecommerce    | Presort Services  | SendTech Solutions  | Revenue from products and services | Revenue from leasing transactions and financing | Total consolidated revenue |
| <b>Revenue from products and services</b>                       |                     |                   |                     |                                    |   |                            |
| Business services   | \$ 1,355,326        | \$ 617,599        | \$ 72,144           | \$ 2,045,069                       | \$ —  | \$ 2,045,069               |
| Support services  | —                   | —                 | 410,734             | 410,734                            | —   | 410,734                    |
| Financing   | —                   | —                 | —                   | —                                  | 271,197   | 271,197                    |
| Equipment sales   | —                   | —                 | 88,144              | 88,144                             | 235,595   | 323,739                    |
| Supplies  | —                   | —                 | 147,709             | 147,709                            | —   | 147,709                    |
| Rentals   | —                   | —                 | —                   | —                                  | 67,900  | 67,900                     |
| Subtotal  | 1,355,326           | 617,599           | 718,731             | 2,691,656                          | \$ 574,692                                      | \$ 3,266,348               |
| Revenue from leasing transactions and financing                 | —                   | —                 | 574,692             | 574,692                            |   |                            |
| <b>Total revenue</b>  | <b>\$ 1,355,326</b> | <b>\$ 617,599</b> | <b>\$ 1,293,423</b> | <b>\$ 3,266,348</b>                |   |                            |
| <b>Timing of revenue recognition from products and services</b> |                     |                   |                     |                                    |   |                            |
| Products/services transferred at a point in time                | \$ —                | \$ —              | \$ 306,414          | \$ 306,414                         |   |                            |
| Products/services transferred over time                         | 1,355,326           | 617,599           | 412,317             | 2,385,242                          |   |                            |
| Total   | \$ 1,355,326        | \$ 617,599        | \$ 718,731          | \$ 2,691,656                       |   |                            |

| Year Ended December 31, 2022                                    |                     |                   |                     |                                    |   |                            |
|---|---------------------|-------------------|---------------------|------------------------------------|---|----------------------------|
|   | Global Ecommerce    | Presort Services  | SendTech Solutions  | Revenue from products and services | Revenue from leasing transactions and financing | Total consolidated revenue |
| <b>Revenue from products and services</b>                       |                     |                   |                     |                                    |   |                            |
| Business services   | \$ 1,576,348        | \$ 602,016        | \$ 71,577           | \$ 2,249,941                       | \$ —  | \$ 2,249,941               |
| Support services  | —                   | —                 | 438,191             | 438,191                            | —   | 438,191                    |
| Financing   | —                   | —                 | —                   | —                                  | 274,508   | 274,508                    |
| Equipment sales   | —                   | —                 | 88,022              | 88,022                             | 266,938   | 354,960                    |
| Supplies  | —                   | —                 | 154,186             | 154,186                            | —   | 154,186                    |
| Rentals   | —                   | —                 | —                   | —                                  | 66,256  | 66,256                     |
| Subtotal  | 1,576,348           | 602,016           | 751,976             | 2,930,340                          | \$ 607,702                                      | \$ 3,538,042               |
| Revenue from leasing transactions and financing                 | —                   | —                 | 607,702             | 607,702                            |   |                            |
| <b>Total revenue</b>  | <b>\$ 1,576,348</b> | <b>\$ 602,016</b> | <b>\$ 1,359,678</b> | <b>\$ 3,538,042</b>                |   |                            |
| <b>Timing of revenue recognition from products and services</b> |                     |                   |                     |                                    |   |                            |
| Products/services transferred at a point in time                | \$ —                | \$ —              | \$ 318,438          | \$ 318,438                         |   |                            |
| Products/services transferred over time                         | 1,576,348           | 602,016           | 433,538             | 2,611,902                          |   |                            |
| Total   | \$ 1,576,348        | \$ 602,016        | \$ 751,976          | \$ 2,930,340                       |   |                            |

**PITNEY BOWES INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(Tabular amounts in thousands, except per share amounts)

| Year Ended December 31, 2021                                    |                     |                   |                       |  |  |                               |
|---|---------------------|-------------------|-----------------------|--|--|-------------------------------|
|   | Global<br>Ecommerce | Presort Services  | SendTech<br>Solutions | Revenue from<br>products and<br>services | Revenue from<br>leasing<br>transactions and<br>financing | Total consolidated<br>revenue |
| <b>Revenue from products and services</b>                       |                     |                   |                       |  |  |                               |
| Business services   | \$ 1,702,580        | \$ 573,480        | \$ 58,614             | \$ 2,334,674                             | \$ —   | \$ 2,334,674                  |
| Support services  | —                   | —                 | 460,888               | 460,888                                  | —  | 460,888                       |
| Financing   | —                   | —                 | —                     | —  | 294,418  | 294,418                       |
| Equipment sales   | —                   | —                 | 91,015                | 91,015                                   | 259,123  | 350,138                       |
| Supplies  | —                   | —                 | 159,438               | 159,438                                  | —  | 159,438                       |
| Rentals   | —                   | —                 | —                     | —  | 74,005   | 74,005                        |
| Subtotal  | 1,702,580           | 573,480           | 769,955               | 3,046,015                                | \$ 627,546   | \$ 3,673,561                  |
| Revenue from leasing transactions and financing                 | —                   | —                 | 627,546               | 627,546                                  |  |                               |
| <b>Total revenue</b>  | <b>\$ 1,702,580</b> | <b>\$ 573,480</b> | <b>\$ 1,397,501</b>   | <b>\$ 3,673,561</b>                      |  |                               |
| <b>Timing of revenue recognition from products and services</b> |                     |                   |                       |  |  |                               |
| Products/services transferred at a point in time                | \$ —                | \$ —              | \$ 318,077            | \$ 318,077                               |  |                               |
| Products/services transferred over time                         | 1,702,580           | 573,480           | 451,878               | 2,727,938                                |  |                               |
| Total   | \$ 1,702,580        | \$ 573,480        | \$ 769,955            | \$ 3,046,015                             |  |                               |

Our performance obligations for revenue from products and services are as follows:

Business services includes fulfillment, delivery and return services, cross-border solutions, mail processing services and shipping subscription solutions. Revenue for fulfillment, delivery and return services, cross-border solutions and mail processing services is recognized over time using an output method based on the number of parcels or mail pieces either processed or delivered, depending on the service type, since that measure best depicts the value of goods and services transferred to the client over the contract period. Contract terms for these services initially range from one to five years and contain annual renewal options. Revenue for shipping subscription solutions is recognized ratably over the contract period as the client obtains equal benefit from these services throughout the period.

Support services includes providing maintenance, professional and subscription services for our equipment and digital mailing and shipping technology solutions. Contract terms range from one to five years, depending on the term of the lease contract for the related equipment. Revenue for maintenance and subscription services is recognized ratably over the contract period and revenue for professional services is recognized when services are provided.

Equipment sales generally includes the sale of mailing and shipping equipment, excluding sales-type leases. We recognize revenue upon delivery for self-install equipment and upon acceptance or installation for other equipment. We provide a warranty that the equipment is free of defects and meets stated specifications. The warranty is not considered a separate performance obligation.

Supplies revenue includes revenue from the sale of supplies for our mailing equipment and is recognized upon delivery.

Revenue from leasing transactions and financing includes revenue from sales-type and operating leases, finance income, late fees and investment income, gains and losses at the Bank.

*Advance Billings from Contracts with Customers*

|                              | Balance Sheet Location       | December 31,<br>2023 | December 31,<br>2022 | Increase/<br>(decrease) |
|------------------------------|------------------------------|----------------------|----------------------|-------------------------|
| Advance billings, current    | Advance billings             | \$ 82,124            | \$ 97,904            | \$ ( 15,780 )           |
| Advance billings, noncurrent | Other noncurrent liabilities | \$ 507               | \$ 906               | \$ ( 399 )              |

Advance billings are recorded when cash payments are due in advance of our performance. Revenue is recognized ratably over the contract term. Items in advance billings primarily relate to support services on mailing equipment. Revenue recognized during the



**PITNEY BOWES INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(Tabular amounts in thousands, except per share amounts)

twelve months ended December 31, 2023 includes \$ 79 million of advance billings at the beginning of the period. Advance billings, current at both December 31, 2023 and 2022 also includes \$ 7 million from leasing transactions.

*Future Performance Obligations*

Future performance obligations primarily include maintenance and subscription services bundled with our leasing contracts. The transaction prices allocated to future performance obligations will be recognized as follows:

|                    | 2024       | 2025       | 2026-2028  | Total      |
|--------------------|------------|------------|------------|------------|
| SendTech Solutions | \$ 241,205 | \$ 196,422 | \$ 256,715 | \$ 694,342 |

The table above does not include revenue for performance obligations under contracts with terms less than 12 months or revenue for performance obligations where revenue is recognized based on the amount billable to the customer.

### 3. Segment Information

Our reportable segments are Global Ecommerce, Presort Services and SendTech Solutions. The principal products and services of each reportable segment are as follows:

*Global Ecommerce:* Includes the revenue and related expenses from domestic parcel services, cross-border solutions and digital delivery services.

*Presort Services:* Includes the revenue and related expenses from sortation services to qualify large volumes of First Class Mail, Marketing Mail and Marketing Mail Flats and Bound Printed Matter for postal worksharing discounts.

*SendTech Solutions:* Includes the revenue and related expenses from physical and digital mailing and shipping technology solutions, financing, services, supplies and other applications to help simplify and save on the sending, tracking and receiving of letters, parcels and flats.

Management measures segment profitability and performance using adjusted segment earnings before interest and taxes (EBIT). Adjusted segment EBIT is calculated by deducting from segment revenue the related costs and expenses attributable to the segment. Adjusted segment EBIT excludes interest, taxes, general corporate expenses, restructuring charges, goodwill impairment charges and other items not allocated to a particular business segment. Costs related to shared assets are allocated to the relevant segments. Management believes that adjusted segment EBIT provides investors a useful measure of operating performance and underlying trends of the business. Adjusted segment EBIT may not be indicative of our overall consolidated performance and therefore, should be read in conjunction with our consolidated results of operations. The following tables provide information about our reportable segments and reconciliation of adjusted segment EBIT to net income or loss.

|                         | Revenue                  |              |              |
|-------------------------|--------------------------|--------------|--------------|
|                         | Years Ended December 31, |              |              |
|                         | 2023                     | 2022         | 2021         |
| Global Ecommerce        | \$ 1,355,326             | \$ 1,576,348 | \$ 1,702,580 |
| Presort Services        | 617,599                  | 602,016      | 573,480      |
| SendTech Solutions      | 1,293,423                | 1,359,678    | 1,397,501    |
| Total revenue           | \$ 3,266,348             | \$ 3,538,042 | \$ 3,673,561 |
| <i>Geographic data:</i> |                          |              |              |
| United States           | \$ 2,899,502             | \$ 3,065,211 | \$ 3,114,905 |
| Outside United States   | 366,846                  | 472,831      | 558,656      |
| Total revenue           | \$ 3,266,348             | \$ 3,538,042 | \$ 3,673,561 |

**PITNEY BOWES INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(Tabular amounts in thousands, except per share amounts)

|   | Adjusted Segment EBIT    |                |               |
|---|--------------------------|----------------|---------------|
|   | Years Ended December 31, |                |               |
|   | 2023                     | 2022           | 2021          |
| Global Ecommerce  | \$ ( 133,733 )           | \$ ( 100,308 ) | \$ ( 98,673 ) |
| Presort Services  | 110,912                  | 82,430         | 79,721        |
| SendTech Solutions                                      | 405,347                  | 400,909        | 429,415       |
| Total adjusted segment EBIT                             | 382,526                  | 383,031        | 410,463       |
| Reconciling items:                                      |                          |                |               |
| Interest, net   | ( 163,726 )              | ( 141,769 )    | ( 143,945 )   |
| Unallocated corporate expenses                          | ( 210,931 )              | ( 204,251 )    | ( 207,774 )   |
| Restructuring charges                                   | ( 61,585 )               | ( 18,715 )     | ( 19,003 )    |
| Goodwill impairment                                     | ( 339,184 )              | —              | —             |
| Gain on sale of assets                                  | —                        | 14,372         | 1,434         |
| Gain on sale of businesses, including transaction costs | —                        | 12,205         | 7,619         |
| Gain (loss) on debt redemption/refinancing              | 3,064                    | ( 4,993 )      | ( 56,209 )    |
| Proxy solicitation fees                                 | ( 10,905 )               | —              | —             |
| Foreign currency loss on intercompany loans             | ( 5,761 )                | —              | —             |
| Benefit (provision) for income taxes                    | 20,875                   | ( 2,940 )      | 10,922        |
| (Loss) income from continuing operations                | ( 385,627 )              | 36,940         | 3,507         |
| Loss from discontinued operations, net of tax           | —                        | —              | ( 4,858 )     |
| Net (loss) income                                       | \$ ( 385,627 )           | \$ 36,940      | \$ ( 1,351 )  |

|                                     | Depreciation and amortization |            |            |
|-------------------------------------|-------------------------------|------------|------------|
|                                     | Years Ended December 31,      |            |            |
|                                     | 2023                          | 2022       | 2021       |
| Global Ecommerce                    | \$ 66,664                     | \$ 78,296  | \$ 79,128  |
| Presort Services                    | 33,642                        | 28,039     | 27,243     |
| SendTech Solutions                  | 30,005                        | 29,489     | 29,950     |
| Total for reportable segments       | 130,311                       | 135,824    | 136,321    |
| Corporate                           | 30,119                        | 27,992     | 26,538     |
| Total depreciation and amortization | \$ 160,430                    | \$ 163,816 | \$ 162,859 |

|                               | Capital expenditures     |            |            |
|-------------------------------|--------------------------|------------|------------|
|                               | Years Ended December 31, |            |            |
|                               | 2023                     | 2022       | 2021       |
| Global Ecommerce              | \$ 34,757                | \$ 51,430  | \$ 89,488  |
| Presort Services              | 11,182                   | 23,363     | 36,628     |
| SendTech Solutions            | 38,840                   | 33,364     | 26,028     |
| Total for reportable segments | 84,779                   | 108,157    | 152,144    |
| Corporate                     | 18,099                   | 16,683     | 31,898     |
| Total capital expenditures    | \$ 102,878               | \$ 124,840 | \$ 184,042 |

**PITNEY BOWES INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(Tabular amounts in thousands, except per share amounts)

|  | Assets       |              |              |
|--|--------------|--------------|--------------|
|  | December 31, |              |              |
|  | 2023         | 2022         | 2021         |
| Global Ecommerce                       | \$ 597,073   | \$ 996,297   | \$ 1,032,434 |
| Presort Services                       | 500,757      | 510,345      | 479,392      |
| SendTech Solutions                     | 2,054,889    | 2,023,020    | 2,013,361    |
| Total for reportable segments          | 3,152,719    | 3,529,662    | 3,525,187    |
| Cash and cash equivalents              | 601,053      | 669,981      | 732,480      |
| Short-term investments                 | 22,166       | 11,172       | 14,440       |
| Long-term investments                  | 250,240      | 259,977      | 333,052      |
| Other corporate assets                 | 246,007      | 270,563      | 353,712      |
| Consolidated assets                    | \$ 4,272,185 | \$ 4,741,355 | \$ 4,958,871 |
| <i>Identifiable long-lived assets:</i> |              |              |              |
| United States                          | \$ 703,484   | \$ 730,347   | \$ 658,070   |
| Outside United States                  | 13,685       | 13,941       | 14,294       |
| Total                                  | \$ 717,169   | \$ 744,288   | \$ 672,364   |

PITNEY BOWES INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
(Tabular amounts in thousands, except per share amounts)

#### 4. Earnings per Share (EPS)

The calculations of basic and diluted earnings per share are presented below. The sum of earnings per share amounts may not equal the totals due to rounding.

|   | Years Ended December 31, |                  |                     |
|---|--------------------------|------------------|---------------------|
|   | 2023                     | 2022             | 2021                |
| <b>Numerator:</b>   |                          |                  |                     |
| (Loss) income from continuing operations  | \$ ( 385,627 )           | \$ 36,940        | \$ 3,507            |
| Loss from discontinued operations, net of tax   | —                        | —                | ( 4,858 )           |
| Net (loss) income attributable to common stockholders (numerator for EPS)   | <u>\$ ( 385,627 )</u>    | <u>\$ 36,940</u> | <u>\$ ( 1,351 )</u> |
| <b>Denominator:</b>   |                          |                  |                     |
| Weighted-average shares used in basic EPS   | 175,640                  | 173,912          | 173,914             |
| Dilutive effect of common stock equivalents <sup>(1)</sup>  | —                        | 3,340            | 5,191               |
| Weighted-average shares used in diluted EPS   | <u>175,640</u>           | <u>177,252</u>   | <u>179,105</u>      |
| <b>Basic (loss) earnings per share:</b>   |                          |                  |                     |
| Continuing operations   | \$ ( 2.20 )              | \$ 0.21          | \$ 0.02             |
| Discontinued operations   | —                        | —                | ( 0.03 )            |
| Net (loss) income   | <u>\$ ( 2.20 )</u>       | <u>\$ 0.21</u>   | <u>\$ ( 0.01 )</u>  |
| <b>Diluted (loss) earnings per share:</b>   |                          |                  |                     |
| Continuing operations   | \$ ( 2.20 )              | \$ 0.21          | \$ 0.02             |
| Discontinued operations   | —                        | —                | ( 0.03 )            |
| Net (loss) income   | <u>\$ ( 2.20 )</u>       | <u>\$ 0.21</u>   | <u>\$ ( 0.01 )</u>  |
| Common stock equivalents excluded from calculation of diluted earnings per share because their impact would be anti-dilutive: | <u>9,421</u>             | <u>10,234</u>    | <u>6,514</u>        |

<sup>(1)</sup> Due to the net loss from continuing operations for the year ended December 31, 2023, an additional 4.0 million of common stock equivalents were also excluded from the calculation of diluted earnings per share.

#### 5. Inventories

Inventories consisted of the following:

|                            | December 31,     |                  |
|----------------------------|------------------|------------------|
|                            | 2023             | 2022             |
| Raw materials              | \$ 21,201        | \$ 25,539        |
| Supplies and service parts | 25,522           | 27,573           |
| Finished products          | 23,330           | 30,608           |
| Total inventory, net       | <u>\$ 70,053</u> | <u>\$ 83,720</u> |

**PITNEY BOWES INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(Tabular amounts in thousands, except per share amounts)

**6. Finance Assets and Lessor Operating Leases**

*Finance Assets*

All finance receivables are in our SendTech Solutions segment. We segregate our finance receivables into a North America portfolio and International portfolio. Finance receivables consisted of the following:

|  | December 31, 2023 |               |              | December 31, 2022 |               |              |
|--|-------------------|---------------|--------------|-------------------|---------------|--------------|
|  | North America     | International | Total        | North America     | International | Total        |
| <b>Sales-type lease receivables</b>            |                   |               |              |                   |               |              |
| Gross finance receivables                      | \$ 987,743        | \$ 143,466    | \$ 1,131,209 | \$ 967,298        | \$ 158,167    | \$ 1,125,465 |
| Unguaranteed residual values                   | 38,059            | 7,211         | 45,270       | 38,832            | 8,798         | 47,630       |
| Unearned income                                | ( 253,711 )       | ( 42,847 )    | ( 296,558 )  | ( 239,238 )       | ( 48,334 )    | ( 287,572 )  |
| Allowance for credit losses                    | ( 13,942 )        | ( 2,786 )     | ( 16,728 )   | ( 14,131 )        | ( 2,893 )     | ( 17,024 )   |
| Net investment in sales-type lease receivables | 758,149           | 105,044       | 863,193      | 752,761           | 115,738       | 868,499      |
| <b>Loan receivables</b>                        |                   |               |              |                   |               |              |
| Loan receivables                               | 342,062           | 17,865        | 359,927      | 311,887           | 16,636        | 328,523      |
| Allowance for credit losses                    | ( 6,346 )         | ( 153 )       | ( 6,499 )    | ( 4,787 )         | ( 139 )       | ( 4,926 )    |
| Net investment in loan receivables             | 335,716           | 17,712        | 353,428      | 307,100           | 16,497        | 323,597      |
| Net investment in finance receivables          | \$ 1,093,865      | \$ 122,756    | \$ 1,216,621 | \$ 1,059,861      | \$ 132,235    | \$ 1,192,096 |

Maturities of finance receivables at December 31, 2023 were as follows:

|            | Sales-type Lease Receivables |               |              | Loan Receivables |               |            |
|------------|------------------------------|---------------|--------------|------------------|---------------|------------|
|            | North America                | International | Total        | North America    | International | Total      |
| 2024       | \$ 367,413                   | \$ 58,142     | \$ 425,555   | \$ 254,964       | \$ 17,865     | \$ 272,829 |
| 2025       | 277,861                      | 40,631        | 318,492      | 35,099           | —             | 35,099     |
| 2026       | 192,750                      | 25,379        | 218,129      | 25,818           | —             | 25,818     |
| 2027       | 110,336                      | 13,623        | 123,959      | 18,114           | —             | 18,114     |
| 2028       | 38,034                       | 4,809         | 42,843       | 6,438            | —             | 6,438      |
| Thereafter | 1,349                        | 882           | 2,231        | 1,629            | —             | 1,629      |
| Total      | \$ 987,743                   | \$ 143,466    | \$ 1,131,209 | \$ 342,062       | \$ 17,865     | \$ 359,927 |

**PITNEY BOWES INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(Tabular amounts in thousands, except per share amounts)

*Allowance for Credit Losses*

Activity in the allowance for credit losses on finance receivables was as follows:

|                              | Allowance for Credit Losses  |                 |                  |               |                  |
|------------------------------|------------------------------|-----------------|------------------|---------------|------------------|
|                              | Sales-type Lease Receivables |                 | Loan Receivables |               | Total            |
|                              | North America                | International   | North America    | International |                  |
| Balance at December 31, 2020 | \$ 22,917                    | \$ 6,006        | \$ 6,484         | \$ 462        | \$ 35,869        |
| Amounts charged to expense   | 648                          | ( 1,788 )       | ( 426 )          | 19            | ( 1,547 )        |
| Write-offs                   | ( 7,120 )                    | ( 846 )         | ( 6,045 )        | ( 302 )       | ( 14,313 )       |
| Recoveries                   | 3,097                        | 173             | 3,245            | 3             | 6,518            |
| Other                        | 4                            | ( 299 )         | 1                | ( 15 )        | ( 309 )          |
| Balance at December 31, 2021 | 19,546                       | 3,246           | 3,259            | 167           | 26,218           |
| Amounts charged to expense   | ( 2,476 )                    | 712             | 3,992            | 288           | 2,516            |
| Write-offs                   | ( 6,043 )                    | ( 791 )         | ( 4,903 )        | ( 295 )       | ( 12,032 )       |
| Recoveries                   | 3,184                        | 39              | 2,447            | 1             | 5,671            |
| Other                        | ( 80 )                       | ( 313 )         | ( 8 )            | ( 22 )        | ( 423 )          |
| Balance at December 31, 2022 | 14,131                       | 2,893           | 4,787            | 139           | 21,950           |
| Amounts charged to expense   | 2,096                        | 1,178           | 4,847            | 389           | 8,510            |
| Write-offs                   | ( 4,757 )                    | ( 1,448 )       | ( 5,182 )        | ( 391 )       | ( 11,778 )       |
| Recoveries                   | 2,454                        | 181             | 1,893            | —             | 4,528            |
| Other                        | 18                           | ( 18 )          | 1                | 16            | 17               |
| Balance at December 31, 2023 | <u>\$ 13,942</u>             | <u>\$ 2,786</u> | <u>\$ 6,346</u>  | <u>\$ 153</u> | <u>\$ 23,227</u> |

The table below shows write-offs of gross finance receivables by year of origination.

|            | December 31, 2023            |          |          |          |        |        |           |
|------------|------------------------------|----------|----------|----------|--------|--------|-----------|
|            | Sales Type Lease Receivables |          |          |          |        | Loan   | Total     |
|            | 2023                         | 2022     | 2021     | 2020     | 2019   | Prior  |           |
| Write-offs | \$ 883                       | \$ 1,680 | \$ 1,551 | \$ 1,079 | \$ 619 | \$ 393 | \$ 5,573  |
|            |                              |          |          |          |        |        | \$ 11,778 |

*Aging of Receivables*

The aging of gross finance receivables was as follows:

|                              | December 31, 2023            |                   |                   |                  |                     |
|------------------------------|------------------------------|-------------------|-------------------|------------------|---------------------|
|                              | Sales-type Lease Receivables |                   | Loan Receivables  |                  | Total               |
|                              | North America                | International     | North America     | International    |                     |
| Past due amounts 0 - 90 days | \$ 977,744                   | \$ 140,857        | \$ 339,789        | \$ 17,664        | \$ 1,476,054        |
| Past due amounts > 90 days   | 9,999                        | 2,609             | 2,273             | 201              | 15,082              |
| Total                        | <u>\$ 987,743</u>            | <u>\$ 143,466</u> | <u>\$ 342,062</u> | <u>\$ 17,865</u> | <u>\$ 1,491,136</u> |

|                              | December 31, 2022            |                   |                   |                  |                     |
|------------------------------|------------------------------|-------------------|-------------------|------------------|---------------------|
|                              | Sales-type Lease Receivables |                   | Loan Receivables  |                  | Total               |
|                              | North America                | International     | North America     | International    |                     |
| Past due amounts 0 - 90 days | \$ 959,203                   | \$ 155,596        | \$ 308,872        | \$ 16,503        | \$ 1,440,174        |
| Past due amounts > 90 days   | 8,095                        | 2,571             | 3,015             | 133              | 13,814              |
| Total                        | <u>\$ 967,298</u>            | <u>\$ 158,167</u> | <u>\$ 311,887</u> | <u>\$ 16,636</u> | <u>\$ 1,453,988</u> |

**PITNEY BOWES INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(Tabular amounts in thousands, except per share amounts)

*Credit Quality*

The extension of credit and management of credit lines to new and existing clients uses a combination of a client's credit score, where available, a detailed manual review of their financial condition and payment history or an automated process. Once credit is granted, the payment performance of the client is managed through automated collections processes and is supplemented with direct follow up should an account become delinquent. We have robust automated collections and extensive portfolio management processes to ensure that our global strategy is executed, collection resources are allocated and enhanced tools and processes are implemented as needed.

Over 85 % of our finance receivables are within our North American portfolio. We use a third party to score the majority of this portfolio on a quarterly basis using a proprietary credit score. The relative scores are determined based on a number of factors, including financial information, payment history, company type and ownership structure. We stratify the credit scores of our clients into low, medium and high-risk accounts. Due to timing and other issues, our entire portfolio may not be scored at period end. We report these amounts as "Not Scored"; however, absence of a score is not indicative of the credit quality of the account. The credit score is used to predict client payment behaviors and the probability that an account will become greater than 90 days past due during the subsequent 12-month period.

- Low risk accounts are companies with very good credit scores and a predicted delinquency rate of less than 5 %.
- Medium risk accounts are companies with average to good credit scores and a predicted delinquency rate between 5 % and 10 %.
- High risk accounts are companies with poor credit scores, are delinquent or are at risk of becoming delinquent. The predicted delinquency rate would be greater than 10 %.

We do not use a third party to score our International portfolio because the cost to do so is prohibitive as there is no single credit score model that covers all countries. Accordingly, the entire International portfolio is reported in the Not Scored category. This portfolio comprises less than 15 % of total finance receivables. Most of the International credit applications are small dollar applications (i.e. below \$ 50 thousand) and are subjected to an automated review process. Larger credit applications are manually reviewed, which includes obtaining client financial information, credit reports and other available information.

The table below shows gross finance receivables by relative risk class and year of origination based on the relative scores of the accounts within each class as of December 31, 2023 and 2022.

|            | Sales Type Lease Receivables |                   |                   |                   |                  |                  | Loan              | Total               |
|------------|------------------------------|-------------------|-------------------|-------------------|------------------|------------------|-------------------|---------------------|
|            | 2023                         | 2022              | 2021              | 2020              | 2019             | Prior            | Receivables       |                     |
| Low        | \$ 261,583                   | \$ 222,947        | \$ 155,193        | \$ 96,986         | \$ 46,635        | \$ 27,164        | \$ 264,232        | \$ 1,074,740        |
| Medium     | 46,208                       | 35,891            | 24,483            | 16,027            | 10,503           | 8,041            | 62,910            | 204,063             |
| High       | 4,455                        | 4,217             | 2,554             | 1,853             | 740              | 862              | 7,487             | 22,168              |
| Not Scored | 59,335                       | 49,839            | 33,494            | 15,944            | 5,089            | 1,166            | 25,298            | 190,165             |
| Total      | <u>\$ 371,581</u>            | <u>\$ 312,894</u> | <u>\$ 215,724</u> | <u>\$ 130,810</u> | <u>\$ 62,967</u> | <u>\$ 37,233</u> | <u>\$ 359,927</u> | <u>\$ 1,491,136</u> |

|            | Sales Type Lease Receivables |                   |                   |                   |                  |                  | Loan              | Total               |
|------------|------------------------------|-------------------|-------------------|-------------------|------------------|------------------|-------------------|---------------------|
|            | 2022                         | 2021              | 2020              | 2019              | 2018             | Prior            | Receivables       |                     |
| Low        | \$ 286,297                   | \$ 206,511        | \$ 140,800        | \$ 95,485         | \$ 34,721        | \$ 12,674        | \$ 239,635        | \$ 1,016,123        |
| Medium     | 53,419                       | 40,669            | 27,013            | 19,668            | 6,751            | 3,441            | 56,048            | 207,009             |
| High       | 6,492                        | 3,840             | 3,119             | 1,942             | 750              | 508              | 6,800             | 23,451              |
| Not Scored | 71,435                       | 53,831            | 29,957            | 19,232            | 5,889            | 1,021            | 26,040            | 207,405             |
| Total      | <u>\$ 417,643</u>            | <u>\$ 304,851</u> | <u>\$ 200,889</u> | <u>\$ 136,327</u> | <u>\$ 48,111</u> | <u>\$ 17,644</u> | <u>\$ 328,523</u> | <u>\$ 1,453,988</u> |

*Lease Income*

Lease income from sales-type leases, excluding variable lease payments, was as follows:

|   | Years Ended December 31, |                   |                   |
|---|--------------------------|-------------------|-------------------|
|   | 2023                     | 2022              | 2021              |
| Profit recognized at commencement         | \$ 120,011               | \$ 134,717        | \$ 127,469        |
| Interest income                           | 154,998                  | 163,485           | 186,532           |
| Total lease income from sales-type leases | <u>\$ 275,009</u>        | <u>\$ 298,202</u> | <u>\$ 314,001</u> |

**PITNEY BOWES INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(Tabular amounts in thousands, except per share amounts)

*Lessor Operating Leases*

We also lease mailing equipment under operating leases with terms of one to five years. Maturities of these operating leases are as follows:

|       |                  |
|-------|------------------|
| 2024  | \$ 20,627        |
| 2025  | 19,939           |
| 2026  | 15,827           |
| 2027  | 4,573            |
| 2028  | 2,153            |
| Total | <u>\$ 63,119</u> |

**7. Fixed Assets**

Fixed assets consisted of the following:

|                                    | December 31,      |                   |
|------------------------------------|-------------------|-------------------|
|                                    | 2023              | 2022              |
| Machinery and equipment            | \$ 669,122        | \$ 673,898        |
| Capitalized software               | 569,525           | 516,816           |
| Leasehold improvements             | 131,786           | 127,357           |
|                                    | <u>1,370,433</u>  | <u>1,318,071</u>  |
| Accumulated depreciation           | ( 986,805 )       | ( 897,399 )       |
| Property, plant and equipment, net | <u>\$ 383,628</u> | <u>\$ 420,672</u> |
| Rental property and equipment      | \$ 76,719         | \$ 111,188        |
| Accumulated depreciation           | ( 53,136 )        | ( 83,701 )        |
| Rental property and equipment, net | <u>\$ 23,583</u>  | <u>\$ 27,487</u>  |

Depreciation expense was \$ 145 million, \$ 140 million and \$ 132 million for the years ended December 31, 2023, 2022 and 2021, respectively.

**8. Intangible Assets and Goodwill**

*Intangible Assets*

Intangible assets consisted of the following:

|                              | December 31, 2023           |                             |                           | December 31, 2022           |                             |                           |
|------------------------------|-----------------------------|-----------------------------|---------------------------|-----------------------------|-----------------------------|---------------------------|
|                              | Gross<br>Carrying<br>Amount | Accumulated<br>Amortization | Net<br>Carrying<br>Amount | Gross<br>Carrying<br>Amount | Accumulated<br>Amortization | Net<br>Carrying<br>Amount |
| Customer relationships       | \$ 155,712                  | \$ ( 95,409 )               | \$ 60,303                 | \$ 155,715                  | \$ ( 80,188 )               | \$ 75,527                 |
| Software & technology        | 3,047                       | ( 1,100 )                   | 1,947                     | 22,000                      | ( 19,583 )                  | 2,417                     |
| Total intangible assets, net | <u>\$ 158,759</u>           | <u>\$ ( 96,509 )</u>        | <u>\$ 62,250</u>          | <u>\$ 177,715</u>           | <u>\$ ( 99,771 )</u>        | <u>\$ 77,944</u>          |

Amortization expense was \$ 16 million, \$ 24 million and \$ 30 million for the years ended December 31, 2023, 2022 and 2021, respectively.



**PITNEY BOWES INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(Tabular amounts in thousands, except per share amounts)

Future amortization expense for intangible assets at December 31, 2023 is as follows:

|              |                  |
|--------------|------------------|
| 2024         | \$ 15,731        |
| 2025         | 15,527           |
| 2026         | 14,538           |
| 2027         | 11,481           |
| 2028         | 2,438            |
| Thereafter   | 2,535            |
| <b>Total</b> | <b>\$ 62,250</b> |

Actual amortization expense may differ from the amounts above due to, among other things, fluctuations in foreign currency exchange rates, acquisitions, divestitures and impairment charges.

*Goodwill*

The performance of our Global Ecommerce reporting unit, continuing changes in macroeconomic conditions and our long-term outlook for this business were triggering events that caused us to evaluate the Global Ecommerce goodwill for impairment during the second and fourth quarters. To assess Global Ecommerce goodwill for impairment, we determined the fair value of the reporting unit and compared it to the unit's carrying value, including goodwill. We engaged a third party to assist in the determination of the fair value of the reporting unit. The fair value was estimated using a discounted cash flow model based on management developed cash flow projections, which included judgements and assumptions related to revenue growth rates, operating margins, operating income, and a discount rate. The estimates and assumptions are considered Level 3 inputs under the fair value hierarchy. Our assessments indicated that the estimated fair value of the reporting unit was less than its carrying value and recorded non-cash, pre-tax goodwill impairment charges in the second and fourth quarters of 2023 of \$ 119 million and \$ 220 million, respectively.

The results of our annual impairment test as of the beginning of the fourth quarter for our other reporting units indicated that no impairment existed.

Changes in the carrying amount of goodwill by reporting segment are shown in the tables below.

|                       | Goodwill before<br>accumulated<br>impairment | Accumulated<br>impairment | December 31,<br>2022 | Impairment            | FX Impact       | December 31,<br>2023 |
|-----------------------|--|---------------------------|----------------------|-----------------------|-----------------|----------------------|
| Global Ecommerce      | \$ 537,353                                   | \$ ( 198,169 )            | \$ 339,184           | \$ ( 339,184 )        | \$ —            | \$ —                 |
| Presort Services      | 223,763                                      | —                         | 223,763              | —                     | —               | 223,763              |
| SendTech Solutions    | 504,004                                      | —                         | 504,004              | —                     | 6,642           | 510,646              |
| <b>Total goodwill</b> | <b>\$ 1,265,120</b>                          | <b>\$ ( 198,169 )</b>     | <b>\$ 1,066,951</b>  | <b>\$ ( 339,184 )</b> | <b>\$ 6,642</b> | <b>\$ 734,409</b>    |

|                       | Goodwill before<br>accumulated<br>impairment | Accumulated<br>impairment | December 31,<br>2021 | Acquisitions/(dispositions) | FX Impact            | December 31,<br>2022 |
|-----------------------|--|---------------------------|----------------------|-----------------------------|----------------------|----------------------|
| Global Ecommerce      | \$ 593,231                                   | \$ ( 198,169 )            | \$ 395,062           | \$ ( 55,878 )               | \$ —                 | \$ 339,184           |
| Presort Services      | 220,992                                      | —                         | 220,992              | 2,771                       | —                    | 223,763              |
| SendTech Solutions    | 519,049                                      | —                         | 519,049              | —                           | ( 15,045 )           | 504,004              |
| <b>Total goodwill</b> | <b>\$ 1,333,272</b>                          | <b>\$ ( 198,169 )</b>     | <b>\$ 1,135,103</b>  | <b>\$ ( 53,107 )</b>        | <b>\$ ( 15,045 )</b> | <b>\$ 1,066,951</b>  |

**PITNEY BOWES INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(Tabular amounts in thousands, except per share amounts)

**9. Fair Value Measurements and Derivative Instruments**

We measure certain financial assets and liabilities at fair value on a recurring basis. Fair value is a market-based measure considered from the perspective of a market participant rather than an entity-specific measure. An entity is required to classify certain assets and liabilities measured at fair value based on the following fair value hierarchy that prioritizes the inputs used to measure fair value:

Level 1 – Unadjusted quoted prices in active markets for identical assets and liabilities.

Level 2 – Quoted prices for identical assets and liabilities in markets that are not active, quoted prices for similar assets and liabilities in active markets or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 – Unobservable inputs that are supported by little or no market activity, may be derived from internally developed methodologies based on management's best estimate of fair value and that are significant to the fair value of the asset or liability.

Financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. Our assessment of the significance of a particular input to the fair value measurement requires judgment and may affect its placement within the fair value hierarchy. The following tables show, by level within the fair value hierarchy, our financial assets and liabilities that are accounted for at fair value on a recurring basis.

| December 31, 2023                         |                  |                   |             |                   |
|---|------------------|-------------------|-------------|-------------------|
|   | Level 1          | Level 2           | Level 3     | Total             |
| <b>Assets:</b>                            |                  |                   |             |                   |
| Investment securities                     |                  |                   |             |                   |
| Money market funds                        | \$ 13,366        | \$ 188,484        | \$ —        | \$ 201,850        |
| Equity securities                         | —                | 15,341            | —           | 15,341            |
| Commingled fixed income securities        | 1,581            | 5,741             | —           | 7,322             |
| Government and related securities         | 11,489           | 18,999            | —           | 30,488            |
| Corporate debt securities                 | —                | 54,330            | —           | 54,330            |
| Mortgage-backed / asset-backed securities | —                | 119,901           | —           | 119,901           |
| Derivatives                               |                  |                   |             |                   |
| Interest rate swaps                       | —                | 8,425             | —           | 8,425             |
| <b>Total assets</b>                       | <b>\$ 26,436</b> | <b>\$ 411,221</b> | <b>\$ —</b> | <b>\$ 437,657</b> |

**PITNEY BOWES INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(Tabular amounts in thousands, except per share amounts)

|   | December 31, 2022 |                     |             |                     |
|---|-------------------|---------------------|-------------|---------------------|
|   | Level 1           | Level 2             | Level 3     | Total               |
| <b>Assets:</b>                            |                   |                     |             |                     |
| Investment securities                     |                   |                     |             |                     |
| Money market funds                        | \$ 29,087         | \$ 238,536          | \$ —        | \$ 267,623          |
| Equity securities                         | —                 | 13,233              | —           | 13,233              |
| Commingled fixed income securities        | 1,520             | 6,526               | —           | 8,046               |
| Government and related securities         | 10,253            | 18,796              | —           | 29,049              |
| Corporate debt securities                 | —                 | 52,319              | —           | 52,319              |
| Mortgage-backed / asset-backed securities | —                 | 126,882             | —           | 126,882             |
| Derivatives                               |                   |                     |             |                     |
| Interest rate swap                        | —                 | 15,283              | —           | 15,283              |
| Foreign exchange contracts                | —                 | 479                 | —           | 479                 |
| Total assets                              | <u>\$ 40,860</u>  | <u>\$ 472,054</u>   | <u>\$ —</u> | <u>\$ 512,914</u>   |
| <b>Liabilities:</b>                       |                   |                     |             |                     |
| Derivatives                               |                   |                     |             |                     |
| Foreign exchange contracts                | \$ —              | \$ ( 1,472 )        | \$ —        | \$ ( 1,472 )        |
| Total liabilities                         | <u>\$ —</u>       | <u>\$ ( 1,472 )</u> | <u>\$ —</u> | <u>\$ ( 1,472 )</u> |

**Investment Securities**

The valuation of investment securities is based on a market approach using inputs that are observable, or can be corroborated by observable data, in an active marketplace. The following information relates to our classification within the fair value hierarchy:

- *Money Market Funds:* Money market funds typically invest in government securities, certificates of deposit, commercial paper and other highly liquid, low risk securities. Money market funds are principally used for overnight deposits and are classified as Level 1 when unadjusted quoted prices in active markets are available and as Level 2 when they are not actively traded on an exchange.
- *Equity Securities:* Equity securities are comprised of mutual funds investing in U.S. and foreign stocks. These mutual funds are classified as Level 2.
- *Commingled Fixed Income Securities:* Commingled fixed income securities are comprised of mutual funds that invest in a variety of fixed income securities, including securities of the U.S. government and its agencies, corporate debt, mortgage-backed securities and asset-backed securities. Fair value is based on the value of the underlying investments owned by each fund, minus its liabilities, divided by the number of shares outstanding, as reported by the fund manager. These mutual funds are classified as Level 1 when unadjusted quoted prices in active markets are available and as Level 2 when they are not actively traded on an exchange.
- *Government and Related Securities:* Debt securities are classified as Level 1 when unadjusted quoted prices in active markets are available. Debt securities are classified as Level 2 where fair value is determined using quoted market prices for similar securities or benchmarking model derived prices to quoted market prices and trade data for identical or comparable securities.
- *Corporate Debt Securities:* Corporate debt securities are valued using recently executed comparable transactions, market price quotations or bond spreads for the same maturity as the security. These securities are classified as Level 2.
- *Mortgage-Backed Securities / Asset-Backed Securities:* These securities are valued based on external pricing indices or on external price/spread data. These securities are classified as Level 2.

**Derivative Securities**

- *Foreign Exchange Contracts:* The valuation of foreign exchange derivatives is based on a market approach using observable market inputs, such as foreign currency spot and forward rates and yield curves. These securities are classified as Level 2.
- *Interest Rate Swaps:* The valuation of interest rate swaps is based on an income approach using inputs that are observable or that can be derived from, or corroborated by, observable market data. These securities are classified as Level 2.

**PITNEY BOWES INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(Tabular amounts in thousands, except per share amounts)

**Available-For-Sale Securities**

Available-for-sale securities consisted of the following:

|   | December 31, 2023 |                         |                      |
|---|-------------------|-------------------------|----------------------|
|   | Amortized cost    | Gross unrealized losses | Estimated fair value |
| Government and related securities         | \$ 35,048         | \$ ( 7,018 )            | \$ 28,030            |
| Corporate debt securities                 | 65,008            | ( 10,678 )              | 54,330               |
| Commingled fixed income securities        | 1,788             | ( 207 )                 | 1,581                |
| Mortgage-backed / asset-backed securities | 146,022           | ( 26,121 )              | 119,901              |
| Total                                     | <u>\$ 247,866</u> | <u>\$ ( 44,024 )</u>    | <u>\$ 203,842</u>    |

|   | December 31, 2022 |                        |                         |                      |
|---|-------------------|------------------------|-------------------------|----------------------|
|   | Amortized cost    | Gross unrealized gains | Gross unrealized losses | Estimated fair value |
| Government and related securities         | \$ 35,744         | \$ 11                  | \$ ( 8,210 )            | \$ 27,545            |
| Corporate debt securities                 | 66,300            | —                      | ( 13,981 )              | 52,319               |
| Commingled fixed income securities        | 1,749             | —                      | ( 229 )                 | 1,520                |
| Mortgage-backed / asset-backed securities | 156,352           | —                      | ( 29,470 )              | 126,882              |
| Total                                     | <u>\$ 260,145</u> | <u>\$ 11</u>           | <u>\$ ( 51,890 )</u>    | <u>\$ 208,266</u>    |

Investment securities in a loss position were as follows:

|   | December 31, 2023 |                         | December 31, 2022 |                         |
|---|-------------------|-------------------------|-------------------|-------------------------|
|   | Fair Value        | Gross unrealized losses | Fair Value        | Gross unrealized losses |
| <b>Greater than 12 continuous months</b>  |                   |                         |                   |                         |
| Government and related securities         | \$ 28,030         | \$ 7,018                | \$ 17,063         | \$ 2,753                |
| Corporate debt securities                 | 51,948            | 10,466                  | 48,812            | 13,749                  |
| Mortgage-backed / asset-backed securities | 119,901           | 26,121                  | 114,839           | 28,040                  |
| Total                                     | <u>\$ 199,879</u> | <u>\$ 43,605</u>        | <u>\$ 180,714</u> | <u>\$ 44,542</u>        |
| <b>Less than 12 continuous months</b>     |                   |                         |                   |                         |
| Government and related securities         | \$ —              | \$ —                    | \$ 10,061         | \$ 5,457                |
| Corporate debt securities                 | 2,382             | 212                     | 3,508             | 232                     |
| Commingled fixed income securities        | 1,581             | 207                     | 1,520             | 229                     |
| Mortgage-backed / asset-backed securities | —                 | —                       | 12,042            | 1,430                   |
| Total                                     | <u>\$ 3,963</u>   | <u>\$ 419</u>           | <u>\$ 27,131</u>  | <u>\$ 7,348</u>         |

At December 31, 2023, all securities in the investment portfolio were in a loss position. However, no impairment loss has been recognized as we have the ability and intent to hold these securities until recovery of the unrealized losses or expect to receive the stated principal and interest at maturity.

**PITNEY BOWES INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(Tabular amounts in thousands, except per share amounts)

At December 31, 2023, scheduled maturities of available-for-sale securities were as follows:

|                                | Amortized cost    | Estimated fair value |
|--------------------------------|-------------------|----------------------|
| Within 1 year                  | \$ 2,594          | \$ 2,382             |
| After 1 year through 5 years   | 15,103            | 14,029               |
| After 5 years through 10 years | 70,702            | 60,099               |
| After 10 years                 | 159,467           | 127,332              |
| <b>Total</b>                   | <b>\$ 247,866</b> | <b>\$ 203,842</b>    |

The actual maturities may not coincide with scheduled maturities as certain securities contain early redemption features and/or allow for the prepayment of obligations with or without penalty.

**Held-to-Maturity Securities**

Held-to-maturity securities at December 31, 2023 and 2022 totaled \$ 265 million and \$ 22 million, respectively. Held-to-maturity securities include certificates of deposits with maturities less than 90 days and highly-liquid government securities with maturities less than two years .

**Derivative Instruments**

*Foreign Exchange Contracts*

We may enter into foreign exchange contracts to mitigate the currency risk associated with anticipated inventory purchases between affiliates and from third parties. These contracts are designated as cash flow hedges. The effective portion of the gain or loss on cash flow hedges is included in AOCL in the period that the change in fair value occurs and is reclassified to earnings in the period that the hedged item is recorded in earnings. No amount of ineffectiveness was recorded in earnings for these designated cash flow hedges. There were no outstanding contracts associated with these anticipated transactions at December 31, 2023. At December 31, 2022, outstanding contracts associated with these anticipated transactions had a notional value of \$ 1 million.

*Interest Rate Swaps*

We enter into interest rate swaps to manage the cost of our variable rate debt. At December 31, 2023, we had outstanding interest rate swaps that effectively convert \$ 200 million of our variable rate debt to fixed rates. These swaps are designated as cash flow hedges. The fair value of the interest rate swaps is recorded as a derivative asset or liability at the end of each reporting period with the change in fair value reflected in AOCL.

The fair value of our derivative instruments was as follows:

| Designation of Derivatives                        | Balance Sheet Location                   | December 31, |           |
|---|--|--------------|-----------|
|   |  | 2023         | 2022      |
| Derivatives designated as hedging instruments     |  |              |           |
| Foreign exchange contracts                        | Other current assets and prepayments     | \$ —         | \$ 15     |
|   | Accounts payable and accrued liabilities | —            | ( 23 )    |
| Interest rate swaps                               | Other current assets and prepayments     | 8,425        | —         |
|   | Other assets                             | —            | 15,283    |
| Derivatives not designated as hedging instruments |  |              |           |
| Foreign exchange contracts                        | Other current assets and prepayments     | —            | 464       |
|   | Accounts payable and accrued liabilities | —            | ( 1,449 ) |
|   | Total derivative assets                  | 8,425        | 15,762    |
|   | Total derivative liabilities             | —            | ( 1,472 ) |
|   | Total net derivative asset               | \$ 8,425     | \$ 14,290 |

**PITNEY BOWES INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(Tabular amounts in thousands, except per share amounts)

The following represents the results of cash flow hedging relationships:

| Derivative Instrument      | Years Ended December 31,  |                  |  |  |               |
|----------------------------|---|------------------|--|--|---------------|
|                            | Derivative Gain (Loss)<br>Recognized in AOCI<br>(Effective Portion) |                  | Location of Gain (Loss)<br>(Effective Portion) | Gain (Loss) Reclassified<br>from AOCI to Earnings<br>(Effective Portion) |               |
|                            | 2023  | 2022             |  | 2023   | 2022          |
| Foreign exchange contracts | \$ ( 25 )   | \$ 159           | Cost of sales                                  | \$ ( 33 )  | \$ 178        |
| Interest rate swaps        | ( 6,858 )   | 12,180           | Interest expense                               | 9,708  | 549           |
|                            | <u>\$ ( 6,883 )</u>   | <u>\$ 12,339</u> |  | <u>\$ 9,675</u>  | <u>\$ 727</u> |

*Non-designated derivative instruments*

We have a number of short-term interest-bearing intercompany loans denominated in a foreign currency. The revaluation of these intercompany loans is recorded in earnings. Historically, we entered into foreign exchange contracts to minimize the impact on earnings from the revaluation of these intercompany loans. In the fourth quarter of 2023, management decided to no longer use foreign exchange contracts to hedge the revaluation of these intercompany loans.

The following represents the mark-to-market adjustment on our non-designated derivative instruments:

| Derivatives Instrument     | Location of Derivative Gain (Loss)          | Years Ended December 31,                         |               |
|----------------------------|---|--|---------------|
|                            |   | Derivative Gain (Loss)<br>Recognized in Earnings |               |
|                            |   | 2023   | 2022          |
| Foreign exchange contracts | Selling, general and administrative expense | \$ 3,551   | \$ ( 28,228 ) |

**Fair Value of Financial Instruments**

Our financial instruments include cash and cash equivalents, investment securities, accounts receivable, loan receivables, derivative instruments, accounts payable and debt. The carrying value of cash and cash equivalents, accounts receivable, loans receivable, held-to-maturity investment securities and accounts payable approximate fair value. The fair value of available-for-sale investment securities and derivative instruments are presented above. The fair value of our debt is estimated based on recently executed transactions and market price quotations. The inputs used to determine the fair value of our debt were classified as Level 2 in the fair value hierarchy. The carrying value and estimated fair value of our debt was as follows:

|                | December 31, |              |
|----------------|--------------|--------------|
|                | 2023         | 2022         |
| Carrying value | \$ 2,146,032 | \$ 2,205,266 |
| Fair value     | \$ 1,893,620 | \$ 1,856,878 |

PITNEY BOWES INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
(Tabular amounts in thousands, except per share amounts)

**10. Supplemental Financial Statement Information**

Selected balance sheet information is as follows:

|  | December 31,      |                   |
|--|-------------------|-------------------|
|  | 2023              | 2022              |
| <i>Other assets:</i>                             |                   |                   |
| Long-term investments                            | \$ 250,240        | \$ 259,977        |
| Other  | 102,120           | 120,442           |
| Total  | <u>\$ 352,360</u> | <u>\$ 380,419</u> |
| <i>Accounts payable and accrued liabilities:</i> |                   |                   |
| Accounts payable                                 | \$ 282,425        | \$ 315,351        |
| Customer deposits                                | 213,315           | 209,662           |
| Employee related liabilities                     | 240,159           | 216,273           |
| Other  | 139,577           | 165,797           |
| Total  | <u>\$ 875,476</u> | <u>\$ 907,083</u> |
| <i>Other noncurrent liabilities:</i>             |                   |                   |
| Pension liabilities                              | \$ 98,784         | \$ 74,681         |
| Postretirement medical benefits                  | 83,222            | 87,745            |
| Customer deposits                                | 83,995            | 10,757            |
| Other  | 48,701            | 54,546            |
| Total  | <u>\$ 314,702</u> | <u>\$ 227,729</u> |

Activity in the allowance for credit losses on accounts receivable is presented below.

|                                  | Years Ended December 31, |                 |                  |
|----------------------------------|--------------------------|-----------------|------------------|
|                                  | 2023                     | 2022            | 2021             |
| Balance at beginning of year     | \$ 5,864                 | \$ 29,179       | \$ 35,344        |
| Amounts charged to expense       | 8,177                    | 6,421           | 9,355            |
| Write-offs, recoveries and other | ( 7,902 )                | ( 29,736 )      | ( 15,520 )       |
| Balance at end of period         | <u>\$ 6,139</u>          | <u>\$ 5,864</u> | <u>\$ 29,179</u> |
| Accounts and other receivables   | \$ 6,139                 | \$ 5,344        | \$ 11,168        |
| Other assets                     | —                        | 520             | 18,011           |
| Total                            | <u>\$ 6,139</u>          | <u>\$ 5,864</u> | <u>\$ 29,179</u> |

*Acquisitions/Divestitures*

In 2022, we sold Borderfree for proceeds of \$ 95 million, net of cash transferred, and received additional proceeds of \$ 7 million related to the 2021 sale of Tacit, a U.K. based software consultancy business. In 2021, we received net proceeds of \$ 28 million from the sale of Tacit and acquired CrescoData for \$ 15 million.

**PITNEY BOWES INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(Tabular amounts in thousands, except per share amounts)

Other (income) expense consisted of the following:

|   | Years Ended December 31, |                      |                  |
|---|--------------------------|----------------------|------------------|
|   | 2023                     | 2022                 | 2021             |
| (Gain) loss on redemption/refinancing of debt           | \$ ( 3,064 )             | \$ 4,993             | \$ 56,209        |
| Insurance proceeds                                      | —                        | —                    | ( 3,000 )        |
| Gain on sale of assets                                  | —                        | ( 14,372 )           | ( 1,434 )        |
| Gain on sale of businesses, including transaction costs | —                        | ( 12,239 )           | ( 10,201 )       |
| Other (income) expense                                  | <u>\$ ( 3,064 )</u>      | <u>\$ ( 21,618 )</u> | <u>\$ 41,574</u> |

Supplemental cash flow information is as follows:

|   | Years Ended December 31, |            |            |
|---|--------------------------|------------|------------|
|   | 2023                     | 2022       | 2021       |
| Purchases of property and equipment in accounts payable | \$ 4,764                 | \$ 5,213   | \$ 5,305   |
| Cash interest paid                                      | \$ 164,046               | \$ 134,247 | \$ 124,084 |
| Cash income tax payments, net of refunds                | \$ 22,626                | \$ 14,553  | \$ 4,337   |

Other, net within cash flows from operating activities includes \$ 14 million and \$ 11 million of losses from the disposal of fixed assets for the years ended December 31, 2023 and 2022, respectively.



**PITNEY BOWES INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(Tabular amounts in thousands, except per share amounts)

**11. Restructuring Charges**

In May 2023, we approved a worldwide restructuring plan (the 2023 Plan) designed to improve profitability and cash flow. This will be achieved through the elimination of 850 - 950 positions worldwide in part through further centralization and standardization of processes, including the expansion of our shared services activities, increased automation, and the consolidation or closure of select facilities in North America. Total charges are expected to be \$ 60 million-\$ 70 million and we expect to substantially complete these actions by the end of the first half of 2024.

Activity in our restructuring reserves was as follows:

|                              | 2023 Plan  | Prior Plan | Total      |
|------------------------------|------------|------------|------------|
| Balance at December 31, 2021 | \$ —       | \$ 5,747   | \$ 5,747   |
| Amounts charged to expense   | —          | 18,715     | 18,715     |
| Cash payments                | —          | ( 15,406 ) | ( 15,406 ) |
| Noncash activity             | —          | ( 1,409 )  | ( 1,409 )  |
| Balance at December 31, 2022 | —          | 7,647      | 7,647      |
| Amounts charged to expense   | 57,986     | 3,599      | 61,585     |
| Cash payments                | ( 23,197 ) | ( 11,246 ) | ( 34,443 ) |
| Noncash activity             | ( 8,661 )  | —          | ( 8,661 )  |
| Balance at December 31, 2023 | \$ 26,128  | \$ —       | \$ 26,128  |

Components of restructuring expense were as follows:

|                      | Year Ended December 31, 2023 |            |           | Year Ended<br>December 31,<br>2022 |
|----------------------|------------------------------|------------|-----------|------------------------------------|
|                      | 2023 Plan                    | Prior Plan | Total     | Prior Plan                         |
| Severance            | \$ 49,325                    | \$ 3,057   | \$ 52,382 | \$ 14,750                          |
| Facilities and other | 8,661                        | 542        | 9,203     | 3,965                              |
| Total                | \$ 57,986                    | \$ 3,599   | \$ 61,585 | \$ 18,715                          |

**PITNEY BOWES INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(Tabular amounts in thousands, except per share amounts)

**12. Debt**

|                                      | Interest rate | December 31,        |                     |
|--------------------------------------|---------------|---------------------|---------------------|
|                                      |               | 2023                | 2022                |
| Notes due March 2024                 | 4.625 %       | —                   | 236,749             |
| Term loan due March 2026             | SOFR + 2.25 % | 285,500             | 351,500             |
| Notes due March 2027                 | 6.875 %       | 380,000             | 396,750             |
| Notes due March 2028                 | SOFR + 6.9 %  | 274,313             | —                   |
| Term loan due March 2028             | SOFR + 4.0 %  | 437,625             | 442,125             |
| Notes due March 2029                 | 7.25 %        | 350,000             | 350,000             |
| Notes due January 2037               | 5.25 %        | 35,841              | 35,841              |
| Notes due March 2043                 | 6.70 %        | 425,000             | 425,000             |
| Other debt                           |               | 1,181               | 2,446               |
| Principal amount                     |               | 2,189,460           | 2,240,411           |
| Less: unamortized costs, net         |               | 43,428              | 35,145              |
| Total debt                           |               | 2,146,032           | 2,205,266           |
| Less: current portion long-term debt |               | 58,931              | 32,764              |
| Long-term debt                       |               | <u>\$ 2,087,101</u> | <u>\$ 2,172,502</u> |

During 2023, we issued an aggregate \$ 275 million of senior secured notes that mature in March 2028 (the March 2028 Notes). The March 2028 Notes bear interest of SOFR plus 6.9 %, payable quarterly and were issued with original issue discount of 3 %. The net proceeds were used to redeem the March 2024 notes and repay \$ 30 million of the term loan due March 2026. We also repurchased an aggregate \$ 39 million of the March 2024 notes and March 2027 notes at a gain of \$ 3 million and made scheduled term loan principal repayments of \$ 42 million. At December 31, 2023, the interest rate on the term loan due 2026 was 7.7 %, the interest rate on the term loan due 2028 was 9.5 % and the interest rate on the March 2028 notes was 12.2 %.

The credit agreement that governs our \$ 500 million secured revolving credit facility and the term loan due March 2026 contains certain financial covenants. These covenants require us to maintain, on a quarterly basis, a maximum leverage ratio and a minimum interest coverage ratio, both of which are defined and calculated in accordance with the credit agreement. The maximum leverage ratio decreases from 4.25 x to 4.0 x as of June 30, 2024 and the minimum interest coverage ratio increases from 1.75 x to 2.0 x as of March 31, 2025. At December 31, 2023, we were in compliance with these financial covenants. Additionally, management expects that we will remain in compliance with these financial covenants over the next twelve months. However, events and circumstances could occur, some beyond our control, that could adversely impact our compliance with these covenants and require us to obtain a waiver from our lenders, modify our existing covenants or refinance certain debt to cure the noncompliance. If we are unable to cure the noncompliance, amounts due under our revolving credit facility and term loan due March 2026 could be called by our lenders. At December 31, 2023, there were no outstanding borrowings under the revolving credit facility. Borrowings under our secured debt are secured by assets of the company.

We have outstanding interest rate swaps that effectively convert \$ 200 million of our variable rate debt to fixed rates. In January 2023, the reference rate of the interest rate swaps was amended to align with the secured revolving credit facility. Under the terms of the interest rate swaps, we pay fixed-rate interest of 0.585 % and receive variable-rate interest based on one-month SOFR plus 0.1 %. The variable interest rates under the term loans and the swaps reset monthly.

The PB Bank (the Bank), a wholly owned subsidiary, is a member of the Federal Home Loan Bank (FHLB) of Des Moines and has access to certain credit products as a funding source known as "advances." As of December 31, 2023, there were no outstanding advances.

Annual maturities of outstanding principal at December 31, 2023 are as follows:

|            |                     |
|------------|---------------------|
| 2024       | \$ 58,931           |
| 2025       | 53,250              |
| 2026       | 196,250             |
| 2027       | 387,250             |
| 2028       | 682,938             |
| Thereafter | 810,841             |
| Total      | <u>\$ 2,189,460</u> |

PITNEY BOWES INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
(Tabular amounts in thousands, except per share amounts)

### 13. Retirement Plans and Postretirement Medical Benefits

#### Retirement Plans

We provide retirement benefits to eligible employees in the U.S. and outside the U.S. under various defined benefit retirement plans. Benefit accruals under most of our defined benefit plans have been frozen. The benefit obligations and funded status of defined benefit pension plans are as follows:

|  | United States        |                      | Foreign              |                      |
|--|----------------------|----------------------|----------------------|----------------------|
|  | 2023                 | 2022                 | 2023                 | 2022                 |
| <b>Accumulated benefit obligation</b>                        | <b>\$ 1,205,108</b>  | <b>\$ 1,205,135</b>  | <b>\$ 488,531</b>    | <b>\$ 447,401</b>    |
| <b>Projected benefit obligation</b>                          |                      |                      |                      |                      |
| Benefit obligation - beginning of year                       | \$ 1,205,183         | \$ 1,609,508         | \$ 451,337           | \$ 770,468           |
| Service cost   | 44                   | 55                   | 766                  | 1,214                |
| Interest cost  | 63,533               | 44,348               | 21,238               | 13,568               |
| Net actuarial loss (gain)                                    | 36,882               | ( 349,261 )          | 22,984               | ( 242,488 )          |
| Foreign currency changes                                     | —                    | —                    | 19,854               | ( 68,519 )           |
| Settlements  | ( 2,892 )            | ( 1,574 )            | ( 213 )              | —                    |
| Benefits paid  | ( 97,610 )           | ( 97,893 )           | ( 23,199 )           | ( 22,906 )           |
| Benefit obligation - end of year                             | <b>\$ 1,205,140</b>  | <b>\$ 1,205,183</b>  | <b>\$ 492,767</b>    | <b>\$ 451,337</b>    |
| <b>Fair value of plan assets</b>                             |                      |                      |                      |                      |
| Fair value of plan assets - beginning of year                | \$ 1,161,361         | \$ 1,549,157         | \$ 438,403           | \$ 737,443           |
| Actual return on plan assets                                 | 86,044               | ( 293,968 )          | 17,057               | ( 218,325 )          |
| Company contributions  | 6,587                | 5,639                | 16,034               | 8,731                |
| Settlements  | ( 2,892 )            | ( 1,574 )            | ( 213 )              | —                    |
| Foreign currency changes                                     | —                    | —                    | 18,605               | ( 66,540 )           |
| Benefits paid  | ( 97,610 )           | ( 97,893 )           | ( 23,199 )           | ( 22,906 )           |
| Fair value of plan assets - end of year                      | <b>\$ 1,153,490</b>  | <b>\$ 1,161,361</b>  | <b>\$ 466,687</b>    | <b>\$ 438,403</b>    |
| <b>Amounts recognized in the Consolidated Balance Sheets</b> |                      |                      |                      |                      |
| Noncurrent asset   | \$ —                 | \$ —                 | \$ 27,805            | \$ 26,570            |
| Current liability  | ( 5,057 )            | ( 7,294 )            | ( 1,694 )            | ( 1,351 )            |
| Noncurrent liability   | ( 46,593 )           | ( 36,528 )           | ( 52,191 )           | ( 38,153 )           |
| Funded status  | <b>\$ ( 51,650 )</b> | <b>\$ ( 43,822 )</b> | <b>\$ ( 26,080 )</b> | <b>\$ ( 12,934 )</b> |

Information provided in the table below is only for pension plans with an accumulated benefit obligation in excess of plan assets:

|                                | United States |              | Foreign    |           |
|--------------------------------|---------------|--------------|------------|-----------|
|                                | 2023          | 2022         | 2023       | 2022      |
| Projected benefit obligation   | \$ 1,205,141  | \$ 1,205,183 | \$ 396,690 | \$ 38,238 |
| Accumulated benefit obligation | \$ 1,205,108  | \$ 1,205,135 | \$ 392,586 | \$ 37,972 |
| Fair value of plan assets      | \$ 1,153,490  | \$ 1,161,361 | \$ 342,805 | \$ —      |

**PITNEY BOWES INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(Tabular amounts in thousands, except per share amounts)

Pretax amounts recognized in AOCI consist of:

|                             | United States     |                   | Foreign           |                   |
|-----------------------------|-------------------|-------------------|-------------------|-------------------|
|                             | 2023              | 2022              | 2023              | 2022              |
| Net actuarial loss          | \$ 717,530        | \$ 698,815        | \$ 331,536        | \$ 297,753        |
| Prior service (credit) cost | ( 85 )            | ( 105 )           | 7,266             | 7,552             |
| Transition asset            | —                 | —                 | ( 7 )             | ( 7 )             |
| Total                       | <u>\$ 717,445</u> | <u>\$ 698,710</u> | <u>\$ 338,795</u> | <u>\$ 305,298</u> |

The components of net periodic benefit (income) cost for defined benefit pension plans were as follows:

|   | United States       |                 |                 | Foreign             |                     |                     |
|---|---------------------|-----------------|-----------------|---------------------|---------------------|---------------------|
|   | 2023                | 2022            | 2021            | 2023                | 2022                | 2021                |
| Service cost                                | \$ 44               | \$ 55           | \$ 102          | \$ 766              | \$ 1,214            | \$ 1,528            |
| Interest cost                               | 63,533              | 44,348          | 42,434          | 21,238              | 13,568              | 11,811              |
| Expected return on plan assets              | ( 86,008 )          | ( 71,080 )      | ( 77,119 )      | ( 29,899 )          | ( 26,770 )          | ( 31,869 )          |
| Amortization of prior service (credit) cost | ( 20 )              | ( 44 )          | ( 60 )          | 286                 | 252                 | 268                 |
| Amortization of net actuarial loss          | 17,362              | 33,164          | 38,233          | 2,068               | 6,767               | 9,350               |
| Settlements                                 | 771                 | 394             | 551             | ( 25 )              | —                   | —                   |
| Net periodic benefit (income) cost          | <u>\$ ( 4,318 )</u> | <u>\$ 6,837</u> | <u>\$ 4,141</u> | <u>\$ ( 5,566 )</u> | <u>\$ ( 4,969 )</u> | <u>\$ ( 8,912 )</u> |

Other changes in plan assets and benefit obligations for defined benefit pension plans recognized in other comprehensive income were as follows:

|  | United States    |                      | Foreign          |                     |
|--|------------------|----------------------|------------------|---------------------|
|  | 2023             | 2022                 | 2023             | 2022                |
| Net actuarial loss                             | \$ 36,846        | \$ 15,788            | \$ 35,826        | \$ 2,607            |
| Amortization of net actuarial loss             | ( 17,362 )       | ( 33,164 )           | ( 2,068 )        | ( 6,767 )           |
| Amortization of prior service credit (cost)    | 20               | 44                   | ( 286 )          | ( 252 )             |
| Settlements                                    | ( 771 )          | ( 394 )              | 25               | —                   |
| Total recognized in other comprehensive income | <u>\$ 18,733</u> | <u>\$ ( 17,726 )</u> | <u>\$ 33,497</u> | <u>\$ ( 4,412 )</u> |

**PITNEY BOWES INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(Tabular amounts in thousands, except per share amounts)

Weighted-average actuarial assumptions used to determine year end benefit obligations and net periodic benefit cost for defined benefit pension plans include:

|  | 2023            | 2022            | 2021            |
|--|-----------------|-----------------|-----------------|
| <b>United States</b>                               |                 |                 |                 |
| <u>Used to determine benefit obligations</u>       |                 |                 |                 |
| Discount rate                                      | 5.15 %          | 5.55 %          | 2.85 %          |
| Rate of compensation increase                      | N/A             | N/A             | N/A             |
| <u>Used to determine net periodic benefit cost</u> |                 |                 |                 |
| Discount rate                                      | 5.55 %          | 2.85 %          | 2.54 %          |
| Expected return on plan assets                     | 6.50 %          | 5.10 %          | 5.60 %          |
| Rate of compensation increase                      | N/A             | N/A             | N/A             |
| <b>Foreign</b>                                     |                 |                 |                 |
| <u>Used to determine benefit obligations</u>       |                 |                 |                 |
| Discount rate                                      | 1.95 % - 4.60 % | 1.95 % - 5.10 % | 0.85 % - 2.85 % |
| Rate of compensation increase                      | 2.00 % - 3.50 % | 2.00 % - 3.00 % | 1.50 % - 3.65 % |
| <u>Used to determine net periodic benefit cost</u> |                 |                 |                 |
| Discount rate                                      | 1.95 % - 5.10 % | 0.85 % - 2.85 % | 0.70 % - 2.40 % |
| Expected return on plan assets                     | 2.75 % - 5.26 % | 3.75 % - 5.75 % | 3.50 % - 5.75 % |
| Rate of compensation increase                      | 2.00 % - 3.60 % | 1.50 % - 2.50 % | 1.50 % - 2.50 % |

A discount rate is used to determine the present value of our future benefit obligations. The discount rate for our U.S. pension plans is determined by matching the expected cash flows associated with our benefit obligations to a pool of corporate long-term, high-quality fixed income debt instruments available as of the measurement date. The discount rate for our largest foreign plan, the U.K. Qualified Pension Plan (the U.K. Plan), is determined using a model that discounts each year's estimated benefit payments by an applicable spot rate derived from a yield curve created from a large number of high quality corporate bonds. For our other smaller foreign pension plans, the discount rate is selected based on high-quality fixed income indices available in the country in which the plan is domiciled.

The expected return on plan assets is based on the target asset allocation for the applicable pension plan and expected rates of return for various asset classes in the investment portfolio after analyzing historical experience, future expectations of returns and volatility of asset classes.

**Investment Strategy and Asset Allocation**

The investment strategy for our pension plans is to maximize returns within reasonable and prudent risk levels, achieve and maintain full funding of the accumulated benefit obligation and the actuarial liabilities and earn the expected rate of return while adhering to regulations and restrictions.

Pension plan assets are invested in accordance with our strategic asset allocation policy. Pension plan assets are exposed to various risks, including interest rate risks, market risks and credit risks. Investments are diversified across asset classes and within each class to reduce the risk of large losses and are periodically rebalanced. Derivatives, such as swaps, options, forwards and futures contracts may be used for market exposure, to alter risk/return characteristics and to manage foreign currency exposure. We do not have any significant concentrations of credit risk within the plan assets.

**PITNEY BOWES INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(Tabular amounts in thousands, except per share amounts)

*U.S. Pension Plans*

Investment objectives and investment managers are reviewed periodically. Target and actual asset allocations for the U.S. pension plans were as follows:

|                       | Target allocation | Percent of Plan Assets at December 31, |              |
|-----------------------|-------------------|--|--------------|
|                       |                   | 2023                                   | 2022         |
| <b>Asset category</b> |                   |  |              |
| Equities              | 16 %              | 15 %                                   | 15 %         |
| Multi-asset credit    | 2 %               | 2 %                                    | 2 %          |
| Fixed income          | 76 %              | 76 %                                   | 74 %         |
| Real estate           | 5 %               | 6 %                                    | 8 %          |
| Private equity        | 1 %               | 1 %                                    | 1 %          |
| <b>Total</b>          | <b>100 %</b>      | <b>100 %</b>                           | <b>100 %</b> |

*Foreign Pension Plans*

Our foreign pension plan assets are managed by outside investment managers and monitored regularly by local trustees and our corporate personnel. Target and actual asset allocations for the U.K. Plan, which comprises 74 % of the total foreign pension plan assets, were as follows:

|                       | Target Allocation | Percent of Plan Assets at December 31, |              |
|-----------------------|-------------------|--|--------------|
|                       |                   | 2023                                   | 2022         |
| <b>Asset category</b> |                   |  |              |
| Global equities       | 10 %              | 8 %                                    | 8 %          |
| Fixed income          | 70 %              | 69 %                                   | 70 %         |
| Multi-asset credit    | 10 %              | 8 %                                    | — %          |
| Real estate           | 10 %              | 13 %                                   | 13 %         |
| Diversified growth    | — %               | — %                                    | 8 %          |
| Cash                  | — %               | 2 %                                    | 1 %          |
| <b>Total</b>          | <b>100 %</b>      | <b>100 %</b>                           | <b>100 %</b> |

**PITNEY BOWES INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(Tabular amounts in thousands, except per share amounts)

**Fair Value Measurements of Plan Assets**

The following tables show the U.S. and foreign pension plans' assets, by level within the fair value hierarchy. The plan asset categories presented in the following tables are subsets of the broader asset allocation categories.

United States Pension Plans

|  | December 31, 2023 |              |           |              |
|--|-------------------|--------------|-----------|--------------|
|  | Level 1           | Level 2      | Level 3   | Total        |
| Money market funds                       | \$ —              | \$ 13,842    | \$ —      | \$ 13,842    |
| Equity securities                        | —                 | 102,795      | —         | 102,795      |
| Commingled fixed income securities       | —                 | 220,041      | —         | 220,041      |
| Government and related securities        | 170,540           | 28,518       | —         | 199,058      |
| Corporate debt securities                | —                 | 545,615      | —         | 545,615      |
| Mortgage-backed /asset-backed securities | —                 | 49,300       | —         | 49,300       |
| Real estate                              | —                 | —            | 67,256    | 67,256       |
| Securities lending collateral            | —                 | 104,630      | —         | 104,630      |
| Total plan assets at fair value          | \$ 170,540        | \$ 1,064,741 | \$ 67,256 | \$ 1,302,537 |
| Securities lending payable               |                   |              |           | ( 104,630 )  |
| Investments valued at NAV                |                   |              |           | 5,615        |
| Cash                                     |                   |              |           | 1,240        |
| Other                                    |                   |              |           | ( 51,272 )   |
| Fair value of plan assets                |                   |              |           | \$ 1,153,490 |

|  | December 31, 2022 |              |           |              |
|--|-------------------|--------------|-----------|--------------|
|  | Level 1           | Level 2      | Level 3   | Total        |
| Money market funds                       | \$ —              | \$ 10,623    | \$ —      | \$ 10,623    |
| Equity securities                        | —                 | 137,505      | —         | 137,505      |
| Commingled fixed income securities       | —                 | 220,281      | —         | 220,281      |
| Government and related securities        | 114,084           | 21,479       | —         | 135,563      |
| Corporate debt securities                | —                 | 527,407      | —         | 527,407      |
| Mortgage-backed /asset-backed securities | —                 | 26,450       | —         | 26,450       |
| Real estate                              | —                 | —            | 91,500    | 91,500       |
| Securities lending collateral            | —                 | 113,802      | —         | 113,802      |
| Total plan assets at fair value          | \$ 114,084        | \$ 1,057,547 | \$ 91,500 | \$ 1,263,131 |
| Securities lending payable               |                   |              |           | ( 113,802 )  |
| Investments valued at NAV                |                   |              |           | 10,416       |
| Cash                                     |                   |              |           | 3,525        |
| Other                                    |                   |              |           | ( 1,909 )    |
| Fair value of plan assets                |                   |              |           | \$ 1,161,361 |

**PITNEY BOWES INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(Tabular amounts in thousands, except per share amounts)

Foreign Plans

| December 31, 2023                  |         |            |           |            |
|------------------------------------|---------|------------|-----------|------------|
|                                    | Level 1 | Level 2    | Level 3   | Total      |
| Money market funds                 | \$ —    | \$ 5,997   | \$ —      | \$ 5,997   |
| Equity securities                  | —       | 44,088     | —         | 44,088     |
| Commingled fixed income securities | —       | 295,105    | —         | 295,105    |
| Government and related securities  | —       | 38,028     | —         | 38,028     |
| Corporate debt securities          | —       | 28,389     | —         | 28,389     |
| Real estate                        | —       | 4,869      | 43,205    | 48,074     |
| Diversified growth funds           | —       | —          | —         | —          |
| Total plan assets at fair value    | \$ —    | \$ 416,476 | \$ 43,205 | \$ 459,681 |
| Cash                               |         |            |           | 6,501      |
| Other                              |         |            |           | 505        |
| Fair value of plan assets          |         |            |           | \$ 466,687 |

| December 31, 2022                  |         |            |           |            |
|------------------------------------|---------|------------|-----------|------------|
|                                    | Level 1 | Level 2    | Level 3   | Total      |
| Money market funds                 | \$ —    | \$ 8,338   | \$ —      | \$ 8,338   |
| Equity securities                  | —       | 42,717     | —         | 42,717     |
| Commingled fixed income securities | —       | 247,337    | —         | 247,337    |
| Government and related securities  | —       | 35,887     | —         | 35,887     |
| Corporate debt securities          | —       | 26,336     | —         | 26,336     |
| Real estate                        | —       | 4,446      | 42,980    | 47,426     |
| Diversified growth funds           | —       | —          | 24,394    | 24,394     |
| Total plan assets at fair value    | \$ —    | \$ 365,061 | \$ 67,374 | \$ 432,435 |
| Cash                               |         |            |           | 5,485      |
| Other                              |         |            |           | 483        |
| Fair value of plan assets          |         |            |           | \$ 438,403 |

The following information relates to our classification of investments into the fair value hierarchy:

- *Money Market Funds:* Money market funds typically invest in government securities, certificates of deposit, commercial paper and other highly liquid, low risk securities. Money market funds are principally used for overnight deposits and are classified as Level 1 when unadjusted quoted prices in active markets are available and as Level 2 when they are not actively traded on an exchange.
- *Equity Securities:* Equity securities are comprised of mutual funds and collective trust funds investing in U.S. and foreign stocks. These mutual funds are classified as Level 2.
- *Commingled Fixed Income Securities:* Commingled fixed income securities are comprised of mutual funds that invest in a variety of fixed income securities, including securities of the U.S. government and its agencies, corporate debt, mortgage-backed securities and asset-backed securities. Fair value is based on the value of the underlying investments owned by each fund, minus its liabilities, divided by the number of shares outstanding, as reported by the fund manager. These mutual funds are classified as Level 1 when unadjusted quoted prices in active markets are available and as Level 2 when they are not actively traded on an exchange.
- *Government and Related Securities:* Debt securities are classified as Level 1 where active, high-volume trades for identical securities exist. Valuation adjustments are not applied to these securities. Debt securities are classified as Level 2 where fair value is determined using quoted market prices for similar securities or benchmarking model derived prices to quoted market prices and trade data for identical or comparable securities.



**PITNEY BOWES INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(Tabular amounts in thousands, except per share amounts)

- *Corporate Debt Securities:* Corporate debt securities are valued using recently executed comparable transactions, market price quotations or bond spreads for the same maturity as the security. These securities are classified as Level 2.
- *Mortgage-Backed Securities / Asset-Backed Securities:* These securities are valued based on external pricing indices or on external price/spread data. These securities are classified as Level 2.
- *Real Estate:* include units in open-ended commingled real estate funds. Funds that are valued and traded on a daily basis in an active market are classified as Level 2. Investments that are valued on an annual basis by certified appraisers are classified as Level 3. The valuation techniques used to value Level 3 investments include the cost approach, sales-comparison method and the income approach.
- *Diversified Growth Funds:* comprised of units in commingled diversified growth funds that comprise a mix of different asset classes. The underlying investments may not be listed on an exchange in an active market or traded on a daily basis and may fall into all three fair value categories. Accordingly, these securities are classified as Level 3.
- *Securities Lending Fund:* represents a commingled fund through our custodian's securities lending program. The U.S. pension plan lends securities that are held within the plan to other banks and/or brokers, and receives collateral, typically cash. This collateral is invested in a commingled fund that invests in short-term fixed income securities. This investment is classified as Level 2. This amount invested in the fund is offset by a corresponding liability reflected in the U.S. pension plan's net assets available for benefits.

**Investments Valued at Net Asset Value**

Represents investments in private equity limited partnerships that are measured at fair value using the Net Asset Value (NAV) per share as a practical expedient and are not categorized in the fair value hierarchy. There is no active market for these investments and the pension plan receives a proportionate share of the gains, losses and expenses in accordance with the partnership agreements. There was a remaining unfunded commitment of \$ 6 million at both December 31, 2023 and 2022. These investments comprise approximately 1 % of total U.S. Pension Fund assets at both December 31, 2023 and 2022.

**Level 3 Gains and Losses**

The following table summarizes the changes in the fair value of Level 3 assets:

|                                      | U.S. Plans       | Foreign Plans    |                          |
|--------------------------------------|------------------|------------------|--------------------------|
|                                      | Real estate      | Real estate      | Diversified Growth Funds |
| Balance at December 31, 2021         | \$ 77,494        | \$ 52,491        | \$ 52,169                |
| Realized gains                       | 1,058            | —                | —                        |
| Unrealized gains (losses)            | 12,666           | ( 6,741 )        | ( 5,933 )                |
| Net purchases, sales and settlements | 282              | 1,729            | ( 16,474 )               |
| Foreign currency and other           | —                | ( 4,499 )        | ( 5,368 )                |
| Balance at December 31, 2022         | 91,500           | 42,980           | 24,394                   |
| Realized gains                       | 4,505            | —                | —                        |
| Unrealized losses                    | ( 18,386 )       | ( 3,951 )        | ( 3,133 )                |
| Net purchases, sales and settlements | ( 10,363 )       | 2,014            | ( 22,396 )               |
| Foreign currency and other           | —                | 2,162            | 1,135                    |
| Balance at December 31, 2023         | <u>\$ 67,256</u> | <u>\$ 43,205</u> | <u>\$ —</u>              |

**PITNEY BOWES INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(Tabular amounts in thousands, except per share amounts)

**Postretirement Medical Benefits**

We provide certain employer subsidized health care and employer provided life insurance benefits in the U.S. and Canada to eligible retirees and their dependents. The cost of these benefits is recognized over the period the employee provides credited service to the company. The benefit obligation and funded status for postretirement medical benefit plans are as follows:

|  | 2023                 | 2022                 |
|--|----------------------|----------------------|
| <b>Benefit obligation</b>                                    |                      |                      |
| Benefit obligation - beginning of year                       | \$ 99,275            | \$ 139,516           |
| Service cost   | 367                  | 731                  |
| Interest cost  | 5,031                | 3,679                |
| Net actuarial gain   | ( 206 )              | ( 31,512 )           |
| Foreign currency changes                                     | 214                  | ( 740 )              |
| Benefits paid, net   | ( 11,194 )           | ( 12,399 )           |
| Benefit obligation - end of year <sup>(1)</sup>              | <u>\$ 93,487</u>     | <u>\$ 99,275</u>     |
| <b>Fair value of plan assets</b>                             |                      |                      |
| Fair value of plan assets - beginning of year                | \$ —                 | \$ —                 |
| Company contribution   | 11,194               | 12,399               |
| Benefits paid, net   | ( 11,194 )           | ( 12,399 )           |
| Fair value of plan assets - end of year                      | <u>\$ —</u>          | <u>\$ —</u>          |
| <b>Amounts recognized in the Consolidated Balance Sheets</b> |                      |                      |
| Current liability  | \$ ( 10,265 )        | \$ ( 11,530 )        |
| Noncurrent liability   | ( 83,222 )           | ( 87,745 )           |
| Funded status  | <u>\$ ( 93,487 )</u> | <u>\$ ( 99,275 )</u> |

(1) Includes a benefit obligation for the U.S. postretirement plan of \$ 84 million and \$ 90 million at December 31, 2023 and 2022, respectively.

Pretax amounts recognized in AOCL consist of:

|                    | 2023          | 2022          |
|--------------------|---------------|---------------|
| Net actuarial gain | \$ ( 14,360 ) | \$ ( 16,405 ) |

The components of net periodic benefit cost for postretirement medical benefit plans were as follows:

|                                    | 2023            | 2022            | 2021            |
|------------------------------------|-----------------|-----------------|-----------------|
| Service cost                       | \$ 367          | \$ 731          | \$ 909          |
| Interest cost                      | 5,031           | 3,679           | 3,755           |
| Amortization of prior service cost | —               | —               | 129             |
| Amortization of net actuarial loss | ( 2,249 )       | 68              | 4,090           |
| Net periodic benefit cost          | <u>\$ 3,149</u> | <u>\$ 4,478</u> | <u>\$ 8,883</u> |

Other changes in benefit obligation for postretirement medical benefit plans recognized in other comprehensive income were as follows:

|  | 2023            | 2022                 |
|--|-----------------|----------------------|
| Net actuarial gain                             | \$ ( 206 )      | \$ ( 31,512 )        |
| Amortization of net actuarial loss             | 2,249           | ( 68 )               |
| Total recognized in other comprehensive income | <u>\$ 2,043</u> | <u>\$ ( 31,580 )</u> |

**PITNEY BOWES INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(Tabular amounts in thousands, except per share amounts)

The weighted-average discount rates used to determine end of year benefit obligation and net periodic pension cost include:

|  | 2023   | 2022   | 2021   |
|--|--------|--------|--------|
| <u>Discount rate used to determine benefit obligation</u>      |        |        |        |
| U.S.   | 5.20 % | 5.60 % | 2.80 % |
| Canada   | 4.60 % | 5.15 % | 2.90 % |
| <u>Discount rate used to determine net period benefit cost</u> |        |        |        |
| U.S.   | 5.60 % | 2.80 % | 2.35 % |
| Canada   | 5.15 % | 2.90 % | 2.50 % |

The discount rate for our U.S. postretirement medical benefit plan is determined by matching the expected cash flows associated with our benefit obligations to a pool of corporate long-term, high-quality fixed income debt instruments available as of the measurement date. The discount rate for our Canada postretirement medical benefit plan is determined by matching the expected cash flows associated with our benefit obligations to spot rates along a yield curve developed based on yields of corporate long-term, high-quality fixed income debt instruments available as of the measurement date.

The assumed health care cost trend rate used in measuring the accumulated postretirement benefit obligation for the U.S. plan was 6.75 % for 2023 and 6.5 % for 2022. The assumed health care trend rate is 6.25 % for 2024 and will gradually decline to 5.0 % by the year 2028 and remain at that level thereafter. Assumed health care cost trend rates have a significant effect on the amounts reported for the health care plans.

#### Estimated Future Benefit Payments

The following benefit payments, which reflect expected future service, are expected to be paid.

|            | Pension Benefits    | Postretirement Medical Benefits |
|------------|---------------------|---------------------------------|
| 2024       | \$ 123,016          | \$ 10,514                       |
| 2025       | 123,566             | 10,065                          |
| 2026       | 121,323             | 9,626                           |
| 2027       | 120,468             | 9,130                           |
| 2028       | 120,025             | 8,654                           |
| Thereafter | 576,290             | 36,181                          |
|            | <u>\$ 1,184,688</u> | <u>\$ 84,170</u>                |

During 2024, we do not anticipate making contributions to our U.S. pension plans and contributing approximately \$ 6 million to our foreign pension plans.

#### Savings Plans

We offer a voluntary defined contribution 401(k) plan to our U.S. employees designed to help them accumulate additional savings for retirement. We provide a core contribution to all employees, regardless of if they participate in the plan, and an additional contribution to participating employees based on their eligible pay. Total employer contributions to the 401(k) plan were \$ 28 million in both 2023 and 2022.

**PITNEY BOWES INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(Tabular amounts in thousands, except per share amounts)

**14. Income Taxes**

(Loss) income from continuing operations before taxes consisted of the following:

|               | Years Ended December 31, |                  |                     |
|---------------|--------------------------|------------------|---------------------|
|               | 2023                     | 2022             | 2021                |
| U.S.          | \$ ( 472,848 )           | \$ ( 39,294 )    | \$ ( 85,258 )       |
| International | 66,346                   | 79,174           | 77,843              |
| Total         | <u>\$ ( 406,502 )</u>    | <u>\$ 39,880</u> | <u>\$ ( 7,415 )</u> |

The (benefit) provision for income taxes from continuing operations consisted of the following:

|  | Years Ended December 31, |                   |                      |
|--|--------------------------|-------------------|----------------------|
|  | 2023                     | 2022              | 2021                 |
| U.S. Federal:                              |                          |                   |                      |
| Current                                    | \$ 13,722                | \$ 223            | \$ ( 7,419 )         |
| Deferred                                   | ( 44,504 )               | ( 12,284 )        | ( 13,825 )           |
|  | <u>( 30,782 )</u>        | <u>( 12,061 )</u> | <u>( 21,244 )</u>    |
| U.S. State and Local:                      |                          |                   |                      |
| Current                                    | 5,641                    | ( 9,716 )         | 5,401                |
| Deferred                                   | ( 12,189 )               | 7,137             | ( 5,827 )            |
|  | <u>( 6,548 )</u>         | <u>( 2,579 )</u>  | <u>( 426 )</u>       |
| International:                             |                          |                   |                      |
| Current                                    | 10,577                   | 8,745             | 10,979               |
| Deferred                                   | 5,878                    | 8,835             | ( 231 )              |
|  | <u>16,455</u>            | <u>17,580</u>     | <u>10,748</u>        |
| Total current                              | 29,940                   | ( 748 )           | 8,961                |
| Total deferred                             | ( 50,815 )               | 3,688             | ( 19,883 )           |
| Total (benefit) provision for income taxes | <u>\$ ( 20,875 )</u>     | <u>\$ 2,940</u>   | <u>\$ ( 10,922 )</u> |
| Effective tax rate                         | <u>5.1 %</u>             | <u>7.4 %</u>      | <u>147.3 %</u>       |

The effective tax rate for 2023 includes a benefit of \$ 3 million on the aggregate \$ 339 million goodwill impairment charge as the majority of this charge is nondeductible.

The effective tax rate for 2022 includes a tax benefit of \$ 5 million on the pre-tax gain of \$ 5 million from the Borderfree sale as the tax basis was higher than book basis and a \$ 1 million benefit associated with the 2019 sale of a business.

The effective tax rate for 2021 includes benefits of \$ 7 million from the resolution of tax matters, \$ 5 million due to tax legislation in the U.K., \$ 3 million from an affiliate reorganization and \$ 2 million from the vesting of restricted stock, partially offset by charges of \$ 6 million on the pre-tax gain of \$ 10 million from the sale of a business as the tax basis was lower than the book basis and \$ 1 million for the write-off of deferred tax assets associated with the expiration of out-of-the-money stock options.

**PITNEY BOWES INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(Tabular amounts in thousands, except per share amounts)

A reconciliation of income taxes computed at the federal statutory rate and our provision for income taxes consist of the following:

|   | Years Ended December 31, |                 |                      |
|---|--------------------------|-----------------|----------------------|
|   | 2023                     | 2022            | 2021                 |
| Federal statutory provision   | \$ ( 85,366 )            | \$ 8,375        | \$ ( 1,558 )         |
| State and local income taxes <sup>(1)</sup>   | ( 5,173 )                | ( 1,612 )       | ( 336 )              |
| Impact of foreign operations taxed at rates other than the U.S. statutory rate <sup>(2)</sup> | 2,646                    | 3,349           | ( 2,220 )            |
| Accrual/release of uncertain tax amounts related to foreign operations                        | ( 2,829 )                | ( 2,753 )       | ( 7,288 )            |
| U.S. tax impacts of foreign income in the U.S. <sup>(3)</sup>                                 | 1,099                    | 1,089           | 4,441                |
| CARES Act carryback benefit   | —                        | —               | ( 2,270 )            |
| Tax credits   | ( 1,683 )                | ( 850 )         | ( 500 )              |
| Unrealized stock compensation benefits  | 574                      | 572             | ( 505 )              |
| Goodwill impairment   | 68,557                   | —               | —                    |
| Borderfree tax basis differences  | —                        | ( 5,610 )       | —                    |
| Other, net <sup>(4)</sup>   | 1,300                    | 380             | ( 686 )              |
| (Benefit) provision for income taxes  | <u>\$ ( 20,875 )</u>     | <u>\$ 2,940</u> | <u>\$ ( 10,922 )</u> |

<sup>(1)</sup> Includes a benefit of \$ 1 million related to tax resolutions and a benefit of \$ 1 million for tax return true-ups for the year ended December 31, 2022.

<sup>(2)</sup> Includes a charge of \$ 2 million for a deferred rate change and a charge of \$ 1 million for the establishment of a valuation allowance for the year ended December 31, 2022 and a benefit of \$ 5 million for a deferred rate change for the year ended December 31, 2021.

<sup>(3)</sup> Includes a benefit of \$ 1 million for the year ended December 31, 2022 associated with the sale of a business.

<sup>(4)</sup> Includes a \$ 1 million charge associated with nondeductible officer compensation for the year ended December 31, 2023 and a \$ 3 million benefit from an affiliate reorganization and a charge of \$ 3 million related to the sale of a business for the year ended December 31, 2021.

**PITNEY BOWES INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(Tabular amounts in thousands, except per share amounts)

Deferred tax liabilities and assets consisted of the following:

|  | <b>December 31,</b>   |                       |
|--|-----------------------|-----------------------|
|  | <b>2023</b>           | <b>2022</b>           |
| <b>Deferred tax liabilities:</b>                                 |                       |                       |
| Depreciation   | \$ ( 16,585 )         | \$ ( 51,717 )         |
| Deferred profit (for tax purposes) on sale to finance subsidiary | ( 43,057 )            | ( 26,765 )            |
| Lease revenue and related depreciation                           | ( 205,773 )           | ( 216,282 )           |
| Intangible assets  | ( 60,420 )            | ( 65,916 )            |
| Operating lease liability  | ( 76,910 )            | ( 73,403 )            |
| Basis adjustment in subsidiary                                   | ( 51,548 )            | —                     |
| Other  | ( 19,690 )            | ( 27,366 )            |
| Gross deferred tax liabilities                                   | <u>( 473,983 )</u>    | <u>( 461,449 )</u>    |
| <b>Deferred tax assets:</b>                                      |                       |                       |
| Postretirement medical benefits                                  | 23,472                | 24,892                |
| Pension  | 15,042                | 9,640                 |
| Operating lease asset  | 83,696                | 78,765                |
| Long-term incentives   | 11,814                | 12,946                |
| Net operating and capital losses                                 | 182,482               | 130,640               |
| Tax credit carry forwards  | 65,095                | 66,256                |
| Section 163j carryforward  | 47,802                | 23,917                |
| Tax uncertainties gross-up                                       | 4,904                 | 4,982                 |
| Other  | 48,537                | 50,345                |
| Gross deferred tax assets  | <u>482,844</u>        | <u>402,383</u>        |
| Less: Valuation allowance  | ( 159,342 )           | ( 157,450 )           |
| Net deferred tax assets  | <u>323,502</u>        | <u>244,933</u>        |
| Total deferred taxes, net  | <u>\$ ( 150,481 )</u> | <u>\$ ( 216,516 )</u> |

The valuation allowance relates primarily to certain foreign, state and local net operating loss and tax credit carryforwards that will more-likely-than-not expire unutilized.

We have a federal net operating loss carryforward of \$ 3 million as of December 31, 2023, that have a 20 year carryforward period. We have net operating loss carryforwards in international jurisdictions of \$ 390 million as of December 31, 2023, of which \$ 138 million can be carried forward indefinitely and the remainder expire over the next 20 years. We also have net operating loss carryforwards in most states totaling \$ 969 million that will expire over the next 20 years. In addition, we have tax credit carryforwards of \$ 65 million, of which \$ 52 million can be carried forward indefinitely and the remainder expire over the next 10 years.

As of December 31, 2023, we assert that we are permanently reinvested in our pre-1987 and post-2017 undistributed earnings of \$ 365 million as well as all other outside basis differences. While a determination of the full liability that would be incurred if these earnings were repatriated is not practicable, we have estimated the withholding taxes would be approximately \$ 3 million.

**PITNEY BOWES INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(Tabular amounts in thousands, except per share amounts)

**Uncertain Tax Positions**

A reconciliation of the amount of unrecognized tax benefits is as follows:

|  | 2023             | 2022             | 2021             |
|--|------------------|------------------|------------------|
| Balance at beginning of year                               | \$ 33,300        | \$ 45,072        | \$ 50,064        |
| Increases from prior period positions                      | 343              | 6                | 3,016            |
| Decreases from prior period positions                      | ( 524 )          | ( 6,830 )        | ( 4,247 )        |
| Increases from current period positions                    | 400              | 340              | 492              |
| Decreases relating to settlements with tax authorities     | ( 350 )          | ( 1,966 )        | ( 1,270 )        |
| Reductions from lapse of applicable statute of limitations | ( 2,937 )        | ( 3,322 )        | ( 2,983 )        |
| Balance at end of year                                     | <u>\$ 30,232</u> | <u>\$ 33,300</u> | <u>\$ 45,072</u> |

The amount of the unrecognized tax benefits at December 31, 2023, 2022 and 2021 that would affect the effective tax rate if recognized was \$ 26 million, \$ 29 million and \$ 39 million, respectively.

On a regular basis, we conclude tax return examinations, statutes of limitations expire, and court decisions interpret tax law. We regularly assess tax uncertainties in light of these developments. As a result, it is reasonably possible that the amount of our unrecognized tax benefits will decrease in the next 12 months, and we expect this change could be up to 15 % of our unrecognized tax benefits. We recognize interest and penalties related to uncertain tax positions in our provision for income taxes. Amounts included in our provision for income taxes related to interest and penalties on uncertain tax positions for each of the years ended December 31, 2023, 2022 and 2021 were not significant. We had approximately \$ 4 million and \$ 3 million accrued for the payment of interest and penalties at December 31, 2023 and 2022, respectively.

**Other Tax Matters**

With regard to U.S. Federal income tax, the Internal Revenue Service examination of our consolidated U.S. income tax returns for tax years prior to 2020 are closed to audit, except for review of the Tax Cuts and Jobs Act (TCJA) Sec 965 transition tax. On a state and local level, returns for most jurisdictions are closed through 2017. For our significant non-U.S. jurisdictions, Canada is closed to examination through 2018 except for a specific issue under current exam, and France, Germany and the U.K. are closed through 2019, 2016, and 2021 respectively. We also have other less significant tax filings currently subject to examination.

We regularly assess the likelihood of tax adjustments in each of the tax jurisdictions in which we have operations and account for the related financial statement implications. We believe we have established tax reserves that are appropriate given the possibility of tax adjustments. However, determining the appropriate level of tax reserves requires judgment regarding the uncertain application of tax law and the possibility of tax adjustments. Future changes in tax reserve requirements could have a material positive or negative impact on our results of operations, financial position and cash flows.

**15. Commitments and Contingencies**

From time to time, in the ordinary course of business, we are involved in litigation pertaining to, among other things, contractual rights under vendor, insurance or other contracts; intellectual property or patent rights; equipment, service, payment or other disputes with clients; or disputes with employees. Some of these actions may be brought as a purported class action on behalf of a purported class of customers, employees, or others. Due to uncertainties inherent in litigation, any actions could have an adverse effect on our financial position, results of operations or cash flows; however, in management's opinion, the final outcome of outstanding matters will not have a material adverse effect on our business.

**PITNEY BOWES INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(Tabular amounts in thousands, except per share amounts)

**16. Leased Assets and Liabilities**

We lease real estate and equipment under operating and finance lease agreements. Our leases have terms of up to 15 years, and may include renewal options. At lease commencement, a lease liability and corresponding right-of-use asset is recognized. Lease liabilities represent the present value of future lease payments over the expected lease term, including options to extend or terminate the lease when it is reasonably certain those options will be exercised. Lease payments include all fixed payments and variable payments tied to an index, but exclude costs such as common area maintenance charges, property taxes, insurance and mileage. The present value of the lease liability is determined using our incremental borrowing rate at lease commencement. Information regarding operating and financing leases is as follows:

| Leases                  | Balance Sheet Location                   | December 31, 2023 | December 31, 2022 |
|-------------------------|--|-------------------|-------------------|
| <b>Assets</b>           |  |                   |                   |
| Operating               | Operating lease assets                   | \$ 309,958        | \$ 296,129        |
| Finance                 | Property, plant and equipment, net       | 51,049            | 54,063            |
| Total leased assets     |  | <u>\$ 361,007</u> | <u>\$ 350,192</u> |
| <b>Liabilities</b>      |  |                   |                   |
| Operating               | Current operating lease liabilities      | \$ 60,069         | \$ 52,576         |
|                         | Noncurrent operating lease liabilities   | 277,981           | 265,696           |
| Finance                 | Accounts payable and accrued liabilities | 13,005            | 11,690            |
|                         | Other noncurrent liabilities             | 40,530            | 43,858            |
| Total lease liabilities |  | <u>\$ 391,585</u> | <u>\$ 373,820</u> |

| <b>Lease Cost</b>             | Years Ended December 31, |                   |                   |
|-------------------------------|--------------------------|-------------------|-------------------|
|                               | 2023                     | 2022              | 2021              |
| Operating lease expense       | \$ 87,876                | \$ 67,041         | \$ 62,269         |
| Finance lease expense         |                          |                   |                   |
| Amortization of leased assets | 13,043                   | 12,321            | 9,191             |
| Interest on lease liabilities | 3,407                    | 3,323             | 2,826             |
| Variable lease expense        | 28,018                   | 26,870            | 33,924            |
| Sublease income               | ( 466 )                  | ( 1,086 )         | ( 1,761 )         |
| Total expense                 | <u>\$ 131,878</u>        | <u>\$ 108,469</u> | <u>\$ 106,449</u> |

Operating lease expense includes immaterial amounts related to leases with terms of 12 months or less.

| <b>Future Lease Payments</b> | Operating Leases  | Finance Leases   | Total             |
|------------------------------|-------------------|------------------|-------------------|
| 2024                         | \$ 88,000         | \$ 16,341        | \$ 104,341        |
| 2025                         | 82,817            | 14,634           | 97,451            |
| 2026                         | 72,006            | 12,516           | 84,522            |
| 2027                         | 62,721            | 10,376           | 73,097            |
| 2028                         | 53,899            | 7,008            | 60,907            |
| Thereafter                   | 71,379            | 2,005            | 73,384            |
| Total                        | 430,822           | 62,880           | 493,702           |
| Less: present value discount | 92,772            | 9,345            | 102,117           |
| Lease liability              | <u>\$ 338,050</u> | <u>\$ 53,535</u> | <u>\$ 391,585</u> |

Future lease payments exclude \$ 17 million of payments for leases signed but not yet commenced at December 31, 2023.



**PITNEY BOWES INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(Tabular amounts in thousands, except per share amounts)

| <b><u>Lease Term and Discount Rate</u></b> | <b>December 31, 2023</b> | <b>December 31, 2022</b> |
|--|--------------------------|--------------------------|
| Weighted-average remaining lease term      |                          |                          |
| Operating leases                           | <b>5.6 years</b>         | 6.4 years                |
| Finance leases                             | <b>4.4 years</b>         | 5.1 years                |
| Weighted-average discount rate             |                          |                          |
| Operating leases                           | <b>9.5 %</b>             | 8.2 %                    |
| Finance leases                             | <b>7.7 %</b>             | 6.2 %                    |

| <b><u>Cash Flow Information</u></b>                          | <b>Years Ended December 31,</b> |             |             |
|--|---------------------------------|-------------|-------------|
|  | <b>2023</b>                     | <b>2022</b> | <b>2021</b> |
| Operating cash outflows - operating leases                   | <b>\$ 84,024</b>                | \$ 65,012   | \$ 59,748   |
| Operating cash outflows - finance leases                     | <b>\$ 3,407</b>                 | \$ 3,323    | \$ 2,826    |
| Financing cash outflows - finance leases                     | <b>\$ 12,154</b>                | \$ 11,091   | \$ 7,707    |
| Leased assets obtained in exchange for new lease obligations |                                 |             |             |
| Operating leases   | <b>\$ 74,778</b>                | \$ 135,359  | \$ 48,662   |
| Finance leases   | <b>\$ 9,158</b>                 | \$ 20,927   | \$ 30,840   |

## **17. Stockholders' Equity**

### *Retirement of Treasury Stock*

In December 2023, we retired 53 million shares of treasury stock and returned these shares to the status of unissued shares of common stock. The following table summarizes the changes in shares of Common Stock outstanding and Treasury Stock:

|                              | <b>Common Stock<br/>Outstanding</b> | <b>Treasury Stock</b> |
|------------------------------|-------------------------------------|-----------------------|
| Balance at December 31, 2020 | 171,975,188                         | 151,362,724           |
| Issuance of treasury stock   | 2,756,207                           | ( 2,756,207 )         |
| Balance at December 31, 2021 | 174,731,395                         | 148,606,517           |
| Repurchases of common stock  | ( 2,750,000 )                       | 2,750,000             |
| Issuance of treasury stock   | 2,049,192                           | ( 2,049,192 )         |
| Balance at December 31, 2022 | 174,030,587                         | 149,307,325           |
| Retirement of treasury stock | —                                   | ( 53,000,000 )        |
| Issuance of treasury stock   | 2,335,246                           | ( 2,335,246 )         |
| Balance at December 31, 2023 | <b>176,365,833</b>                  | <b>93,972,079</b>     |

At December 31, 2023, 31,471,987 shares were reserved for issuance under our stock plans and dividend reinvestment program.

PITNEY BOWES INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
(Tabular amounts in thousands, except per share amounts)

**18. Accumulated Other Comprehensive Loss**

Reclassifications out of accumulated other comprehensive loss were as follows:

|   | Gain (Loss) Reclassified from AOCL (a) |                      |                      |
|---|--|----------------------|----------------------|
|   | Years Ended December 31,               |                      |                      |
|   | 2023                                   | 2022                 | 2021                 |
| <b>Cash flow hedges</b>                             |  |                      |                      |
| Revenue   | \$ —                                   | \$ —                 | \$ 289               |
| Cost of sales                                       | ( 33 )                                 | 178                  | ( 117 )              |
| Interest expense                                    | 9,708                                  | 549                  | ( 366 )              |
| Total before tax                                    | 9,675                                  | 727                  | ( 194 )              |
| Tax provision (benefit)                             | 2,419                                  | 181                  | ( 49 )               |
| Net of tax  | <u>\$ 7,256</u>                        | <u>\$ 546</u>        | <u>\$ ( 145 )</u>    |
| <b>Available for sale securities</b>                |  |                      |                      |
| Financing revenue                                   | \$ ( 11 )                              | \$ ( 9 )             | \$ ( 6 )             |
| Selling, general and administrative expense         | —                                      | —                    | ( 7 )                |
| Total before tax                                    | ( 11 )                                 | ( 9 )                | ( 13 )               |
| Tax benefit   | ( 3 )                                  | ( 2 )                | ( 2 )                |
| Net of tax  | <u>\$ ( 8 )</u>                        | <u>\$ ( 7 )</u>      | <u>\$ ( 11 )</u>     |
| <b>Pension and Postretirement Benefit Plans (b)</b> |  |                      |                      |
| Prior service costs                                 | \$ ( 266 )                             | \$ ( 208 )           | \$ ( 337 )           |
| Actuarial losses                                    | ( 17,181 )                             | ( 39,999 )           | ( 51,673 )           |
| Settlement  | ( 746 )                                | ( 394 )              | ( 551 )              |
| Total before tax                                    | ( 18,193 )                             | ( 40,601 )           | ( 52,561 )           |
| Tax benefit   | ( 4,461 )                              | ( 9,315 )            | ( 12,755 )           |
| Net of tax  | <u>\$ ( 13,732 )</u>                   | <u>\$ ( 31,286 )</u> | <u>\$ ( 39,806 )</u> |

(a) Amounts in parentheses indicate reductions to income and increases to other comprehensive income.

(b) Reclassified from accumulated other comprehensive loss to other components of net pension and postretirement cost. These amounts are included in net periodic costs for defined benefit pension plans and postretirement medical benefit plans (see Note 14 for additional details).

**PITNEY BOWES INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(Tabular amounts in thousands, except per share amounts)

Changes in accumulated other comprehensive loss, net of tax, were as follows:

|  | Cash flow<br>hedges | Available-for-sale<br>securities | Pension and<br>postretirement<br>benefit plans | Foreign currency<br>adjustments | Total          |
|--|---------------------|----------------------------------|--|---------------------------------|----------------|
| Balance at December 31, 2020                                   | \$ ( 1,411 )        | \$ 402                           | \$ ( 851,063 )                                 | \$ 12,941                       | \$ ( 839,131 ) |
| Other comprehensive income (loss) before reclassifications     | 5,069               | ( 6,662 )                        | 54,618   | ( 34,168 )                      | 18,857         |
| Amounts reclassified from accumulated other comprehensive loss | 145                 | 11                               | 39,806   | —                               | 39,962         |
| Net other comprehensive income (loss)                          | 5,214               | ( 6,651 )                        | 94,424   | ( 34,168 )                      | 58,819         |
| Balance at December 31, 2021                                   | 3,803               | ( 6,249 )                        | ( 756,639 )                                    | ( 21,227 )                      | ( 780,312 )    |
| Other comprehensive income (loss) before reclassifications     | 9,246               | ( 33,198 )                       | 9,297  | ( 71,344 )                      | ( 85,999 )     |
| Amounts reclassified from accumulated other comprehensive loss | ( 546 )             | 7                                | 31,286   | —                               | 30,747         |
| Net other comprehensive income (loss)                          | 8,700               | ( 33,191 )                       | 40,583   | ( 71,344 )                      | ( 55,252 )     |
| Balance at December 31, 2022                                   | 12,503              | ( 39,440 )                       | ( 716,056 )                                    | ( 92,571 )                      | ( 835,564 )    |
| Other comprehensive (loss) income before reclassifications     | 1,715               | 5,969                            | ( 55,128 )                                     | 25,279                          | ( 22,165 )     |
| Amounts reclassified from accumulated other comprehensive loss | ( 7,256 )           | 8                                | 13,732   | —                               | 6,484          |
| Net other comprehensive (loss) income                          | ( 5,541 )           | 5,977                            | ( 41,396 )                                     | 25,279                          | ( 15,681 )     |
| Balance at December 31, 2023                                   | \$ 6,962            | \$ ( 33,463 )                    | \$ ( 757,452 )                                 | \$ ( 67,292 )                   | \$ ( 851,245 ) |

## 19. Stock-Based Compensation Plans

We may grant restricted stock units, non-qualified stock options and other stock awards to eligible employees. All stock-based awards are approved by the Executive Compensation Committee of the Board of Directors. We settle stock awards with treasury shares. At December 31, 2023, there were 15,950,013 shares available for future grants.

### Restricted Stock Units

Restricted stock units (RSUs) typically vest ratably over a three-year service period and entitle the holder to shares of common stock as the units vest. We may also grant RSUs to certain employees where vesting is contingent upon the achievement of certain performance targets. RSUs granted in 2023 included 1,513,928 awards subject to a performance target. The following table summarizes information about RSUs:

|                                     | 2023          |                             | 2022          |                             |
|-------------------------------------|---------------|-----------------------------|---------------|-----------------------------|
|                                     | Shares        | Weighted average fair value | Shares        | Weighted average fair value |
| Outstanding - beginning of the year | 7,197,755     | \$ 6.09                     | 5,738,293     | \$ 6.95                     |
| Granted                             | 2,068,825     | 4.19                        | 5,280,429     | 4.82                        |
| Vested                              | ( 2,819,824 ) | 5.53                        | ( 2,221,027 ) | 6.10                        |
| Forfeited                           | ( 921,563 )   | 5.63                        | ( 1,599,940 ) | 4.69                        |
| Outstanding - end of the year       | 5,525,193     | \$ 5.74                     | 7,197,755     | \$ 6.09                     |

The fair value of RSUs is determined based on the stock price on the grant date less the present value of expected dividends. At December 31, 2023, there was \$ 4 million of unrecognized compensation cost related to RSUs that is expected to be recognized over a weighted-average period of 1.2 years. The intrinsic value of RSUs outstanding at December 31, 2023 was \$ 24 million. The fair value of RSUs vested during 2023, 2022 and 2021 was \$ 12 million, \$ 11 million and \$ 22 million, respectively. During 2021, we granted 2,100,126 RSUs at a weighted average fair value of \$ 8.36 .

In 2023 and 2022, RSUs granted include 222,833 and 158,416 , respectively, to non-employee directors. These RSUs vest one year from the grant date.

**PITNEY BOWES INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(Tabular amounts in thousands, except per share amounts)

*Performance Stock Units*

Performance stock units (PSUs) are stock awards where the number of shares ultimately awarded is based upon the attainment of certain performance targets and total shareholder return relative to peer companies. PSUs vest at the end of a three-year service period. Awards outstanding at December 31, 2023 represent awards that have been deferred and will be issued at a later date.

|                                     | 2023    |                             | 2022        |                             |
|-------------------------------------|---------|-----------------------------|-------------|-----------------------------|
|                                     | Shares  | Weighted average fair value | Shares      | Weighted average fair value |
| Outstanding - beginning of the year | 811,620 | \$ 9.57                     | 1,009,091   | \$ 6.60                     |
| Vested                              | —       | —                           | ( 197,471 ) | 6.73                        |
| Outstanding - end of the year       | 811,620 | \$ 9.57                     | 811,620     | \$ 9.57                     |

*Stock Options*

Stock options are granted at an exercise price equal to or greater than the market price of our common stock on the grant date. Options vest ratably over three years and expire ten years from the grant date. We did not grant any options in 2023 or 2022; accordingly, at December 31, 2023, unrecognized compensation cost was not significant. The intrinsic value of options outstanding and exercisable at December 31, 2023 was not significant.

The following table summarizes information about stock option activity:

|   | 2023        |  | 2022          |  |
|---|-------------|--|---------------|--|
|   | Shares      | Per share weighted average exercise prices | Shares        | Per share weighted average exercise prices |
| Options outstanding - beginning of the year | 10,027,048  | \$ 9.91                                    | 11,120,069    | \$ 10.65                                   |
| Canceled                                    | ( 435,403 ) | 7.91                                       | ( 93,021 )    | 8.09                                       |
| Expired                                     | ( 440,000 ) | 20.27                                      | ( 1,000,000 ) | 18.29                                      |
| Options outstanding - end of the year       | 9,151,645   | \$ 9.50                                    | 10,027,048    | \$ 9.91                                    |
| Options exercisable - end of the year       | 9,057,268   | \$ 9.52                                    | 8,912,286     | \$ 10.42                                   |

During 2021, 777,429 stock options were exercised at a weighted average fair value of \$ 6.11 .

The following table provides additional information about stock options outstanding and exercisable at December 31, 2023:

| Range of per share exercise prices | Options Outstanding |   |   | Options Exercisable |   |   |
|------------------------------------|---------------------|---|---|---------------------|---|---|
|                                    | Shares              | Per share weighted-average exercise price | Weighted-average remaining contractual life | Shares              | Per share weighted-average exercise price | Weighted-average remaining contractual life |
| \$ 3.98 - \$ 6.60                  | 4,250,995           | \$ 5.05                                   | 5.5 years                                   | 4,250,995           | \$ 5.05                                   | 5.5 years                                   |
| \$ 8.55 - \$ 8.76                  | 744,908             | \$ 8.63                                   | 6.7 years                                   | 650,531             | \$ 8.63                                   | 6.7 years                                   |
| \$ 12.64 - \$ 21.54                | 4,155,742           | \$ 14.21                                  | 3.0 years                                   | 4,155,742           | \$ 14.21                                  | 3.0 years                                   |
|                                    | 9,151,645           | \$ 9.50                                   | 4.5 years                                   | 9,057,268           | \$ 9.52                                   | 4.5 years                                   |

The following table lists the weighted average assumptions used to calculate the fair value of stock options granted in 2021:

|  |          |
|--|----------|
| Expected dividend yield                        | 2.4 %    |
| Expected stock price volatility                | 70.0 %   |
| Risk-free interest rate                        | 1.1 %    |
| Expected life                                  | 7 years  |
| Weighted-average fair value per option granted | \$ 4.53  |
| Fair value of options granted                  | \$ 3,342 |

**PITNEY BOWES INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**(Tabular amounts in thousands, except per share amounts)**

*Employee Stock Purchase Plan (ESPP)*

We maintain a non-compensatory ESPP that enables substantially all U.S. and Canadian employees to purchase shares of our common stock at an offering price of 95 % of the average market price on the offering date. At no time will the exercise price be less than the lowest price permitted under Section 423 of the Internal Revenue Code. Employees purchased 371,982 shares and 381,229 shares in 2023 and 2022, respectively. We have reserved 1,065,516 common shares for future purchase under the ESPP.

**PITNEY BOWES INC.**  
**SCHEDULE II - VALUATION AND QUALIFYING ACCOUNTS AND RESERVES**  
(Dollars in thousands)

| Description  | Balance at<br>beginning of year | Additions charged to<br>expense | Deductions   | Balance at end of<br>year |
|--|---------------------------------|---------------------------------|--------------|---------------------------|
| <b><u>Valuation allowance for deferred tax asset</u></b> |                                 |                                 |              |                           |
| 2023   | \$ 157,450                      | \$ 9,826                        | \$ ( 7,934 ) | \$ 159,342                |
| 2022   | \$ 121,778                      | \$ 44,188                       | \$ ( 8,516 ) | \$ 157,450                |
| 2021   | \$ 116,543                      | \$ 7,490                        | \$ ( 2,255 ) | \$ 121,778                |

**DESCRIPTION OF THE REGISTRANT'S SECURITIES  
REGISTERED PURSUANT TO SECTION 12 OF THE  
SECURITIES EXCHANGE ACT OF 1934**

Pitney Bowes Inc. ("Pitney Bowes", the "Company", "we", "our" or "us") has two classes of securities registered under Section 12 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"): our common stock, par value \$1.00 per share (the "Common Stock") and our 6.70% Notes Due 2043 (the "notes"). When we refer to "Pitney Bowes", the "Company", "we", "our" and "us" in this exhibit, we mean only Pitney Bowes Inc., and not Pitney Bowes Inc. together with any of its subsidiaries, unless the context indicates or requires otherwise.

**DESCRIPTION OF COMMON STOCK**

The following summary description sets forth some of the general terms and provisions of the Common Stock. Because this is a summary description, it does not contain all of the information that may be important to you. For a more detailed description of the Common Stock, you should refer to the provisions of our restated certificate of incorporation (the "certificate of incorporation") and our by-laws, as amended and restated, each of which is an exhibit to the Annual Report on Form 10-K to which this description is an exhibit.

**General**

Under the certificate of incorporation, the Company is authorized to issue up to 480,000,000 shares of Common Stock with a par value of \$1.00 per share, 600,000 shares of cumulative preferred stock with a par value of \$50.00 per share (the "preferred stock") and 5,000,000 shares of preference stock without a par value (the "preference stock"). The shares of Common Stock currently outstanding are fully paid and nonassessable. As of January 31, 2024, there were 176,528,703 shares of Common Stock outstanding and no shares of preferred stock or preference stock outstanding. The Board of Directors has the authority to make, alter, amend or repeal the by-laws, subject to certain limitations set forth in the certificate of incorporation and the by-laws.

**No Preemptive, Redemption or Conversion Rights**

The Common Stock is not redeemable, is not subject to sinking fund provisions, does not have any conversion rights and is not subject to call. Holders of shares of Common Stock have no preemptive rights to maintain their percentage of ownership in future offerings or sales of stock of the Company.

**Voting Rights**

Holders of shares of Common Stock have one vote per share in all elections of directors and on all other matters submitted to a vote of stockholders of the Company. Holders of shares of Common Stock do not have cumulative voting rights.

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### **Board of Directors**

Our Board of Directors is not classified. Our by-laws establish that the size of the whole Board of Directors shall be not less than 3, with the exact number of directors to be fixed from time to time by a duly adopted resolution of the Board of Directors.

### **No Action by Stockholder Consent**

The certificate of incorporation prohibits action that is required or permitted to be taken at any annual or special meeting of stockholders of the Company from being taken by the written consent of stockholders without a meeting.

### **Power to Call Special Stockholder Meeting**

Under Delaware law, a special meeting of stockholders may be called by our Board of Directors or by any other person authorized to do so in the certificate of incorporation or by-laws. Pursuant to our by-laws, special meetings of the stockholders may be called, for any purpose or purposes, only by the Board of Directors at any time pursuant to a resolution approved by the majority of the Board of Directors.

### **Advance Notice Requirements**

Our by-laws establish advance notice procedures with regard to stockholder proposals relating to the nomination of candidates for election as directors or other business to be brought before meetings of our stockholders. These procedures provide that notice of stockholder proposals of these kinds must be timely given in writing to the Secretary of the Company before the meeting at which the action is to be taken. Generally, to be timely, notice of stockholder proposals generally must be delivered no later than the 90th and no earlier than the 120th day before the first anniversary of the preceding year's annual meeting. However, in the event that the date of the annual meeting is more than 30 days before or 60 days after such anniversary, notice must be delivered no earlier than the 120th day before such annual meeting and no later than the latest of (i) the 90th day before such annual meeting or (ii) if the first public announcement of the date of such annual meeting is less than 100 days prior to the date of such annual meeting, the 10th day following the day on which public announcement is first made. The notice must contain certain information specified in the by-laws.

### **Dividend Rights**

Subject to the preferences applicable to any outstanding shares of preferred stock or preference stock, the holders of Common Stock are entitled to receive dividends, if any, when and as declared, from time to time, by our Board of Directors out of the assets legally available therefor.

### **Liquidation, Dissolution or Similar Rights**

Subject to the preferences applicable to any outstanding shares of preferred stock or preference stock, upon the dissolution, liquidation or winding up of the Company, the remainder of the assets of the Company shall be distributed ratably among the holders of the shares of Common Stock at the time outstanding.

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## DESCRIPTION OF THE NOTES

The following summary description sets forth some of the general terms and provisions of the notes. Because this is a summary description, it does not contain all of the information that may be important to you. For a more detailed description of the notes, you should refer to the provisions of the indenture dated as of February 14, 2005, as amended or supplemented from time to time (the “indenture”), between us and The Bank of New York Mellon (formerly known as The Bank of New York), as successor trustee to Citibank, N.A., as trustee (the “trustee”), which has been filed as an exhibit to our registration statement on Form S-3 (File No. 333-151753) filed with the SEC on June 18, 2008.

### General

As of December 31, 2023, there was \$425 million total principal amount of the notes outstanding. We may, without the consent of the holders of the notes, issue additional senior debt securities having the same ranking and the same interest rate, maturity date and other terms as the notes. Any such additional senior debt securities, together with the notes currently outstanding, will constitute a single series of senior debt securities under the indenture.

The notes are our unsecured senior obligations and rank equally with all of our other unsubordinated debt. The notes do not constitute obligations of our subsidiaries. Creditors of our subsidiaries are entitled to a claim on the assets of those subsidiaries. Consequently, in the event of a liquidation or reorganization of any subsidiary, creditors of the subsidiary are likely to be paid in full before any distribution is made to the Company and holders of notes, except to the extent that the Company is itself recognized as a creditor of such subsidiary, in which case the Company's claims would still be subordinate to any security interests in the assets of such subsidiary and any debt of such subsidiary senior to that held by the Company.

The notes will mature at 100% of their principal amount on March 7, 2043. However, we may redeem, or may be required to repurchase, the notes prior to their maturity at a redemption or repurchase price described below under “Optional Redemption” or “Change of Control Offer”, respectively. There is no sinking fund for the notes.

The notes have been issued only in minimum denominations of \$25.00 or an integral multiple of \$25.00 in excess thereof.

We will not pay any additional amounts to compensate any beneficial owner of notes for any United States tax withheld from payments of principal of or premium, if any, or interest on the notes.

The notes are subject to defeasance in the manner described under the heading “Defeasance” below.

Principal and interest is payable, and transfers of the notes may be registered, at the office or offices or agency we maintain for such purposes, provided that payment of interest on the notes will be paid at such place by check mailed to the persons entitled thereto at the addresses of such persons appearing on the security register. The notes have been issued as global debt securities. For more information, please refer to “Book-Entry Delivery and Form” below. DTC will be the

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depository with respect to the notes. The notes have been issued as fully-registered securities in the name of Cede & Co., DTC's nominee.

### **Interest**

The notes bear interest from the most recent interest payment date (as defined below) on which we paid or provided for interest on the notes, at the rate of 6.70% per annum. We pay interest on each note quarterly in arrears on March 7, June 7, September 7 and December 7 of each year. We refer to each of these dates as an "interest payment date". We pay interest on the notes on an interest payment date to the person in whose name that note was registered at the close of business on the date that is 15 calendar days immediately preceding an interest payment date, whether or not a business day, which we refer to herein as a "regular record date". Interest on the notes is paid on the basis of a 360-day year comprised of twelve 30-day months.

In the event that an interest payment date, stated maturity date or date of earlier redemption or repurchase, as the case may be, is not a business day, we will pay interest on the next day that is a business day, with the same force and effect as if made on such interest payment date, stated maturity date or date of earlier redemption or repurchase, as the case may be, and without any interest or other payment with respect to the delay. For purposes of the notes, a "business day" is a day other than a Saturday, a Sunday or any other day on which banking institutions in The City of New York are authorized or required by law or executive order to remain closed.

### **Optional Redemption**

We may redeem the notes at our option, in whole or in part in \$25.00 increments, at any time or from time to time on or after March 7, 2018 at a redemption price equal to the sum of 100% of the principal amount of the notes being redeemed, plus accrued and unpaid interest, if any, on those notes to the redemption date; provided, however, that interest shall be payable on an interest payment date that falls on or before the redemption date to holders of notes on the regular record date for such interest payment date.

If we have given notice as provided in the indenture and made funds available for the redemption of any notes called for redemption on the redemption date referred to in that notice, those notes will cease to bear interest on that redemption date. We will give written notice of any redemption of any notes to holders of the notes to be redeemed at their addresses, as shown in the security register for the notes, at least 30 days and not more than 60 days prior to the date fixed for redemption. The notice of redemption will specify, among other items, the date fixed for redemption, the redemption price and the aggregate principal amount of the notes to be redeemed.

If we choose to redeem less than all of the notes, we will notify the trustee at least 60 days before giving notice of redemption, or such shorter period as is satisfactory to the trustee, of the aggregate principal amount of the notes to be redeemed and the applicable redemption date. The trustee will select, in such manner as it shall deem appropriate and fair, the notes to be redeemed in part.

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## Change of Control Offer

If a change of control triggering event occurs, unless we have exercised our option to redeem the notes as described above under "Optional Redemption", we will be required to make an offer (the "change of control offer") to each holder of notes to repurchase all or any part (equal to a principal amount of \$25.00 or an integral multiple of \$25.00 in excess thereof) of that holder's notes on the terms set forth in the notes. In the change of control offer, we will be required to offer payment in cash equal to 101% of the principal amount of the notes to be repurchased plus accrued and unpaid interest, if any, on the notes to be repurchased to the date of repurchase (the "change of control payment"), subject to the rights of holders of the notes on a regular record date to receive interest due on the related interest payment date falling on or prior to the date of repurchase.

Within 30 days following any change of control triggering event or, at our option, prior to any change of control, but after public announcement of the transaction that constitutes or may constitute the change of control, we will mail a notice to holders of the notes, with a copy to the trustee, describing the transaction that constitutes or may constitute the change of control triggering event and offering to repurchase the notes on the date specified in the notice, which date will be no earlier than 30 days and no later than 60 days from the date such notice is mailed (the "change of control payment date"). The notice, if mailed prior to the date of consummation of the change of control, will state that the offer to purchase is conditioned on the change of control triggering event occurring on or prior to the change of control payment date. In the event that such offer to purchase fails to satisfy the condition in the preceding sentence, we will cause another notice meeting the aforementioned requirements to be mailed to holders of the notes.

On the change of control payment date, we will, to the extent lawful:

- accept for payment all notes or portions of notes properly tendered pursuant to the change of control offer;
- deposit with the paying agent an amount equal to the change of control payment in respect of all notes or portions of notes properly tendered; and
- deliver or cause to be delivered to the trustee the notes properly accepted together with an officers' certificate stating the aggregate principal amount of notes or portions of notes being repurchased.

The paying agent will promptly transmit to each holder of properly tendered notes the change of control payment for the notes being repurchased, and the trustee will promptly authenticate and mail (or cause to be transferred by book-entry) to each holder a new note equal in principal amount to any unrepurchased portion, if any, of any notes surrendered; provided, that each new note will be in a principal amount of \$25.00 or an integral multiple of \$25.00 in excess thereof.

We will not be required to make a change of control offer upon the occurrence of a change of control triggering event if a third party makes such an offer in the manner, at the times and otherwise in compliance with the requirements for an offer made by us and the third party repurchases all notes properly tendered and not withdrawn under its offer. In addition, we will not repurchase any notes if there has occurred and is continuing on the change of control

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payment date an event of default under the indenture, other than a default in the payment of the change of control payment upon a change of control triggering event.

Upon the occurrence of a change of control triggering event, we may not have sufficient funds to repurchase the notes in the amount of the change of control payment in cash at such time. In addition, our ability to repurchase the notes for cash may be limited by law or the terms of other agreements relating to our indebtedness outstanding at the time. The failure to make such repurchase would result in a default under the notes.

We will comply with the requirements of Rule 14e-1 under the Exchange Act, and any other securities laws and regulations thereunder to the extent those laws and regulations are applicable in connection with the repurchase of the notes as a result of a change of control triggering event. To the extent that the provisions of any such securities laws or regulations conflict with the change of control offer provisions of the notes, we will comply with those securities laws and regulations and will not be deemed to have breached our obligations under the change of control offer provisions of the notes by virtue of any such conflict.

For purposes of the change of control offer provisions of the notes, the following terms will be applicable:

***“Change of control”*** means the occurrence of any of the following: (1) the consummation of any transaction (including, without limitation, any merger or consolidation) the result of which is that any “person” (as that term is used in Section 13(d) (3) of the Exchange Act) (other than Pitney Bowes, any subsidiary or employee benefit plan of Pitney Bowes or employee benefit plan of any subsidiary of Pitney Bowes) becomes the beneficial owner (as defined in Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of more than 50% of the voting stock of Pitney Bowes or other voting stock into which the voting stock of Pitney Bowes is reclassified, consolidated, exchanged or changed, measured by voting power rather than number of shares; (2) the direct or indirect sale, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or more series of transactions approved by the board of directors of Pitney Bowes as part of a single plan, of 85% or more of the total consolidated assets of Pitney Bowes as shown on Pitney Bowes's most recent audited balance sheet, to one or more “persons” (as that term is defined in the indenture) (other than Pitney Bowes or one of the subsidiaries of Pitney Bowes); or (3) the first day on which a majority of the members of the board of directors of Pitney Bowes are not continuing directors. Notwithstanding the foregoing, a transaction will not be deemed to involve a change of control if (1) Pitney Bowes becomes a direct or indirect wholly-owned subsidiary of a holding company and (2)(A) the direct or indirect holders of the voting stock of such holding company immediately following that transaction are substantially the same as the holders of the voting stock of Pitney Bowes immediately prior to that transaction or (B) immediately following that transaction, no person or group (other than a holding company satisfying the requirements of this sentence) is the beneficial owner, directly or indirectly, of more than 50% of the voting stock of such holding company.

***“Change of control triggering event”*** means the occurrence of both a change of control and a rating event.

***“Continuing directors”*** means, as of any date of determination, any member of the board of directors of Pitney Bowes who (1) was a member of such board of directors on the date the notes

were issued or (2) was nominated for election, elected or appointed to such board of directors with the approval of a majority of the continuing directors who were members of such board of directors at the time of such nomination, election or appointment (either by a specific vote or by approval of the proxy statement of Pitney Bowes in which such member was named as a nominee for election as a director, without objection to such nomination).

**"Investment grade rating"** means a rating equal to or higher than Baa3 (or the equivalent) by Moody's and BBB- (or the equivalent) by S&P, and the equivalent investment grade credit rating from any additional rating agency or rating agencies selected by Pitney Bowes.

**"Moody's"** means Moody's Investors Service, Inc., and its successors.

**"Rating agencies"** means (1) each of Moody's and S&P; and (2) if either of Moody's or S&P ceases to rate the notes or fails to make a rating of the notes publicly available, in each case for reasons outside of the control of Pitney Bowes, a "nationally recognized statistical rating organization" within the meaning of Section 3(a)(62) of the Exchange Act selected by Pitney Bowes (as certified by a resolution of the board of directors of Pitney Bowes) as a replacement agency for Moody's or S&P, or both of them, as the case may be.

**"Rating event"** means the rating on the notes is lowered by each of the rating agencies and the notes are rated below an investment grade rating by each of the rating agencies on any day within the 60-day period (which 60-day period will be extended so long as the rating of the notes is under publicly announced consideration for a possible downgrade by any of the rating agencies) after the earlier of (1) the occurrence of a change of control and (2) public notice of the occurrence of a change of control or the intention of Pitney Bowes to effect a change of control; provided, however, that a rating event otherwise arising by virtue of a particular reduction in rating will be deemed not to have occurred in respect of a particular change of control (and thus will not be deemed a rating event for purposes of the definition of change of control triggering event) if the rating agencies making the reduction in rating to which this definition would otherwise apply do not announce or publicly confirm or inform the trustee in writing at Pitney Bowes's or its request that the reduction was the result, in whole or in part, of any event or circumstance consisting of or arising as a result of, or in respect of, the applicable change of control (whether or not the applicable change of control has occurred at the time of the rating event).

**"S&P"** means Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc., and its successors.

**"Voting stock"** means, with respect to any specified "person" (as that term is used in Section 13(d)(3) of the Exchange Act) as of any date, the capital stock of such person that is at the time entitled to vote generally in the election of the board of directors of such person.

### **Certain Covenants**

Set forth below are certain covenants applicable to the notes. You can find the definitions of certain terms used in this section under "Certain Covenant Definitions".

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### *Limitation on Liens*

So long as any of the notes remain outstanding, we will not, nor will we permit any Restricted Subsidiary to, issue, assume, guarantee or become liable for any Indebtedness if that Indebtedness is secured by a Mortgage upon any Principal Domestic Manufacturing Plant or upon any shares of stock or Indebtedness of any Restricted Subsidiary without in any such case effectively providing that the notes will be secured equally and ratably with (or prior to) that Indebtedness, except that the foregoing restrictions will not apply to:

- Mortgages on property of any corporation existing at the time that corporation is acquired by us or a Restricted Subsidiary (including by way of merger or consolidation) or at the time of a sale, lease or other disposition of all or substantially all of the properties of a corporation to us or a Restricted Subsidiary, as long as any such Mortgage is not extended to cover any property previously owned by us or a Restricted Subsidiary;
- Mortgages on property of a corporation existing at the time the corporation first becomes a Restricted Subsidiary;
- Mortgages on any property existing on the date the notes are first issued under the indenture or when we acquired that property;
- Mortgages securing any Indebtedness that a wholly-owned Restricted Subsidiary owes to us or another wholly-owned Restricted Subsidiary;
- Mortgages that we enter into within specified time periods to finance the acquisition, repair, improvement or construction of any property;
- mechanics' liens, tax liens, liens in favor of a governmental body to secure progress payments or the acquisition of real or personal property from the governmental body, and other specified liens which were not incurred in connection with any borrowing of money, as long as we are contesting those liens in good faith or those liens do not materially impair the use of any Principal Domestic Manufacturing Plant;
- Mortgages arising from any judgment, decree or order of a court in a pending proceeding;
- any extension, renewal or replacement of any of the Mortgages described above, as long as the amount of Indebtedness secured does not exceed the amount originally secured plus any fees incurred in connection with the refinancing.

Notwithstanding the above, we may issue, assume, guarantee or become liable for, and may permit any Restricted Subsidiary to issue, assume, guarantee or become liable for, secured Indebtedness which would otherwise be subject to the foregoing restrictions, provided that the total of the aggregate amount of that Indebtedness then outstanding, excluding secured Indebtedness permitted under the foregoing exceptions, together with the aggregate amount of all Attributable Debt with respect to sale and leaseback transactions, does not exceed 15% of Consolidated Net Tangible Assets.

### *Limitation on Sales and Leasebacks*

We will not, nor will we permit any Restricted Subsidiary to, enter into any sale and leaseback arrangement involving a Principal Domestic Manufacturing Plant which has a term of more than

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three years, except for sale and leaseback arrangements between us and a wholly-owned Restricted Subsidiary or between wholly-owned Restricted Subsidiaries, unless:

- we enter into the sale and leaseback transaction within 180 days after the Principal Domestic Manufacturing Plant is acquired, constructed or placed into service by us;
- the rent that we pay under the related lease is reimbursed under a contract between us or a Restricted Subsidiary and the United States government or one of its agencies or instrumentalities;
- the aggregate amount of all Attributable Debt with respect to sale and leaseback transactions plus all Indebtedness secured by Mortgages on Principal Domestic Manufacturing Plants or upon shares of stock or Indebtedness of any Restricted Subsidiary (with the exception of secured Indebtedness which is excluded as described under "Limitation on Liens" above) does not exceed 15% of Consolidated Net Tangible Assets; or
- we apply an amount equal to, in the case of a sale or transfer for cash, the lesser of the net proceeds of the sale or transfer of the Principal Domestic Manufacturing Plant and the net book value, or, in the case of a sale or transfer otherwise than for cash, the lesser of the fair market value of the Principal Domestic Manufacturing Plant and the net book value, within 180 days of the effective date of the sale and leaseback arrangement to the retirement of our or a Restricted Subsidiary's unsubordinated Indebtedness, which may include the notes. However, we cannot satisfy this test by retiring Indebtedness that we were otherwise obligated to repay within the 180-day period.

#### *Consolidation, Merger or Sale of Assets*

We shall not consolidate or merge with or into any other corporation and shall not sell, lease or convey our assets as an entirety, or substantially as an entirety, to another corporation if, as a result of that action, any of our assets would become subject to a Mortgage, unless either:

- that Mortgage could be created under the indenture without equally and ratably securing the notes; or
- the notes will be secured equally and ratably with or prior to the Indebtedness secured by that Mortgage.

The indenture provides that we may consolidate with, sell, convey or lease all or substantially all of our assets to, or merge with or into, any other corporation, if:

- either we are the continuing corporation or the successor corporation is a domestic corporation and expressly assumes the due and punctual payment of the principal of and premium, if any, and interest on all the debt securities outstanding under the indenture, including the notes, according to their tenor and the due and punctual performance and observance of all of the covenants and conditions of the indenture to be performed or observed by us; and
  - immediately after such merger, consolidation, sale, conveyance or lease, we or such successor corporation, as the case may be, is not in material default in the performance or observance of any such covenant or condition.
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### *Certain Covenant Definitions*

For purposes of the foregoing covenants applicable to the notes, the following terms will be applicable:

**"Attributable Debt"** in respect of a sale and leaseback arrangement means, at the time of determination, the lesser of:

- the sale price of the Principal Domestic Manufacturing Plant to be leased multiplied by a fraction the numerator of which is the remaining portion of the base term of the lease and the denominator of which is the base term of the lease; and
- the total rental payments under the lease discounted to present value using an interest factor determined in accordance with generally accepted financial practice. However, if we cannot readily determine that interest factor, we will use an annual rate of 11%, compounded semi-annually. We will also exclude from rental payments any amounts paid on account of property taxes, maintenance, repairs, insurance, water rates and other items which are not payments for property rights.

**"Consolidated Net Tangible Assets"** means as of any particular time, the aggregate amount of assets after deducting current liabilities, goodwill, patents, copyrights, trademarks, and other intangibles, in each case as shown on our most recent consolidated financial statements prepared in accordance with U.S. generally accepted accounting principles.

**"Consolidated Net Worth"** means the sum of (1) the par value of our capital stock, (2) our capital in excess of par value and (3) retained earnings, in each case as shown on our most recent consolidated financial statements prepared in accordance with U.S. generally accepted accounting principles.

**"Indebtedness"** means any notes, bonds, debentures or other similar indebtedness for money borrowed.

**"Mortgage"** means a mortgage, security interest, pledge or lien.

**"Principal Domestic Manufacturing Plant"** means any manufacturing or processing plant or warehouse (other than any plant or warehouse which, in the opinion of our board of directors, is not material to our total business), including land and fixtures, which is owned by us or a Subsidiary, located in the United States and has a gross book value (without deduction of any depreciation reserves) on the determination date of more than 1% of our Consolidated Net Worth.

**"Restricted Subsidiary"** means any Subsidiary of ours which

- is organized under the laws of the United States or any state of the United States or the District of Columbia;
- transacts all or a substantial part of its business in the United States; and
- owns a Principal Domestic Manufacturing Plant.

However, "Restricted Subsidiary" does not include Pitney Bowes Credit Corporation or any other Subsidiary which

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- is primarily engaged in providing or obtaining financing for the sale or lease of products that we or our Subsidiaries sell or lease or is otherwise primarily engaged in the business of a finance company; or
- is primarily engaged in the business of owning, developing or leasing real property other than a Principal Domestic Manufacturing Plant.

“**Subsidiary**” means any corporation of which at least a majority of the outstanding voting stock is owned by us, or by us and one or more Subsidiaries, or by one or more Subsidiaries.

#### **Trustee, Paying Agent, Authenticating Agent and Registrar**

The Bank of New York Mellon acts as trustee for the notes, which have been issued under the indenture. From time to time, we and some of our subsidiaries maintain deposit accounts and conduct other banking transactions, including lending transactions, with the trustee in the ordinary course of business.

#### **Notices**

Any notices required to be given to the holders of the notes will be given to DTC.

#### **Governing Law**

The indenture and the notes are governed by, and will be construed in accordance with, New York law.

#### **Book-Entry Delivery and Form**

The notes have been issued in the form of one or more global securities that were deposited upon issuance with the trustee as custodian for DTC in New York, New York, and registered in the name of Cede & Co., DTC's nominee.

Beneficial interests in the global securities are represented through book-entry accounts of financial institutions acting on behalf of beneficial owners as direct or indirect participants in DTC. Investors hold their interests in the global securities through either DTC (in the United States) or (in Europe) through Clearstream or Euroclear. Investors may hold their interests in the global securities directly if they are participants of such systems, or indirectly through organizations that are participants in these systems. Clearstream and Euroclear will hold interests on behalf of their participants through customers' securities accounts in Clearstream's and Euroclear's names on the books of their respective U.S. depositaries, which in turn will hold these interests in customers' securities accounts in the depositaries' names on the books of DTC. Except as set forth below, the global securities may be transferred, in whole and not in part, only to another nominee of DTC or to a successor of DTC or its nominee.

Notes represented by a global security can be exchanged for definitive securities in registered form only if:

- DTC notifies us that it is unwilling or unable to continue as depositary for that global security and we do not appoint a successor depositary within 90 days after receiving that notice;

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- at any time DTC ceases to be a clearing agency registered or in good standing under the Exchange Act or other applicable law and we do not appoint a successor depositary within 90 days after becoming aware that DTC has ceased to be registered or in good standing as a clearing agency; or
- we determine that that global security will be exchangeable for definitive securities in registered form and notify the trustee of our decision.

A global security that can be exchanged as described in the preceding paragraph will be exchanged for definitive securities of the same series and terms issued in authorized denominations in registered form for the same aggregate principal amount. The definitive securities will be registered in the names of the owners of the beneficial interests in the global security as directed by DTC.

We will make principal, premium, if any, and interest payments on all notes represented by a global security to the paying agent which in turn will make payment to DTC or its nominee, as the case may be, as the sole registered owner and the sole holder of the notes represented by a global security for all purposes under the indenture. Accordingly, we, the trustee and any paying agent will have no responsibility or liability for:

- any aspect of DTC's records relating to, or payments made on account of, beneficial ownership interests in a note represented by a global security;
- any other aspect of the relationship between DTC and its participants or the relationship between those participants, and the owners of beneficial interests in a global security held through those participants, or the maintenance, supervision or review of any of DTC's records relating to those beneficial ownership interests.

DTC has advised us that its practice is to credit participants' accounts on each payment date with payments in amounts proportionate to their respective beneficial interests in the principal amount of such global security as shown on DTC's records upon DTC's receipt of funds and corresponding detail information. Payments by participants to owners of beneficial interests in a global security will be governed by standing instructions and customary practices, as is the case with securities held for customer accounts registered in "street name", and will be the sole responsibility of those participants. Book-entry notes may be more difficult to pledge because of the lack of a physical note.

So long as DTC or its nominee is the registered owner of a global security, DTC or its nominee, as the case may be, will be considered the sole owner and holder of the notes represented by that global security for all purposes of the notes. Owners of beneficial interests in the notes will not be entitled to have notes registered in their names, will not receive or be entitled to receive physical delivery of the notes in definitive form and will not be considered owners or holders of notes under the indenture. Accordingly, each person owning a beneficial interest in a global security must rely on the procedures of DTC and, if that person is not a DTC participant, on the procedures of the participant through which that person owns its interest, to exercise any rights of a holder of notes. The laws of some jurisdictions require that certain purchasers of securities take physical delivery of the securities in certificated form. These laws may impair the ability to transfer beneficial interests in a global security. Beneficial owners may experience delays in

receiving payments on their notes since payments will initially be made to DTC and must then be transferred through the chain of intermediaries to the beneficial owner's account.

We understand that, under existing industry practices, if we request holders to take any action, or if an owner of a beneficial interest in a global security desires to take any action which a holder is entitled to take under the indenture, then DTC would authorize the participants holding the relevant beneficial interests to take that action and those participants would authorize the beneficial owners owning through such participants to take that action or would otherwise act upon the instructions of beneficial owners owning through them.

Beneficial interests in a global security will be shown on, and transfers of those ownership interests will be effected only through, records maintained by DTC and its participants for that global security. The conveyance of notices and other communications by DTC to its participants and by its participants to owners of beneficial interests in the notes will be governed by arrangements among them, subject to any statutory or regulatory requirements in effect.

Redemption notices shall be sent to DTC or its nominee, Cede & Co. If less than all of the notes are being redeemed, DTC's practice is to determine by lot the amount of the interest of each direct participant in such notes to be redeemed.

A beneficial owner will be required to give notice of any option to elect to have its notes repurchased by us, through its participant, to the trustee, and will effect delivery of those notes by causing the direct participant to transfer the participant's interest in the global security representing those notes, on DTC's records, to the trustee. The requirement for physical delivery of notes in connection with a demand for repurchase will be deemed satisfied when the ownership rights in the global security representing those notes are transferred by direct participants on DTC's records.

Payments in respect of the notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit direct participants' accounts upon DTC's receipt of funds and corresponding detail information from an issuer or agent, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by participants to beneficial owners will be governed by standing instructions and customary practices, as is the case with notes held for the accounts of customers in bearer form or registered in "street name" and will be the responsibility of such participant and not of DTC, the agent, or the issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the issuer or agent, disbursement of such payments to direct participants will be the responsibility of DTC, and disbursement of such payments to the beneficial owners will be the responsibility of direct and indirect participants.

The indenture does not limit the amount of debt securities that can be issued thereunder and provide that debt securities of any series may be issued thereunder up to the aggregate principal amount that we may authorize from time to time. The indenture does not limit the amount of other indebtedness or securities that we may issue.

The indenture requires the annual filing by the Company with the trustee of a certificate as to compliance with certain covenants contained in the indenture.

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We will comply with Section 14(e) under the Exchange Act, to the extent applicable, and any other tender offer rules under the Exchange Act that may then be applicable, in connection with any obligation to purchase notes at the option of the holders thereof.

Except as described herein, there are no covenants or provisions contained in the indenture that may afford the holders of the notes protection in the event that we enter into a highly-leveraged transaction.

### **Events of Default**

An Event of Default with respect to the debt securities of any series issued under the indenture, including the notes, is defined as:

- default in the payment of any installment of interest upon any of the debt securities of such series as and when the same shall become due and payable, and continuance of such default for a period of 30 days;
- default in the payment of all or any part of the principal of any of the debt securities of such series as and when the same shall become due and payable either at maturity, upon any redemption, by declaration or otherwise;
- default in the performance, or breach, of any other covenant or warranty contained in the debt securities of such series or set forth in the indenture (other than a covenant or warranty included in the indenture solely for the benefit of one or more series of debt securities other than such series) and continuance of such default or breach for a period of 90 days after due notice by the trustee or by the holders of at least 25% in principal amount of the outstanding securities of such series; or
- certain events of bankruptcy, insolvency or reorganization of the Company.

The indenture provides that the trustee shall notify the holders of debt securities of each series of any continuing default known to the trustee which has occurred with respect to such series within 90 days after the occurrence thereof. The indenture provides that, notwithstanding the foregoing, except in the case of default in the payment of the principal of, or interest, if any, on any of the debt securities of such series, the trustee may withhold such notice if the trustee in good faith determines that the withholding of such notice is in the interests of the holders of debt securities of such series.

The indenture provides that if an Event of Default with respect to any series of debt securities shall have occurred and be continuing, either the trustee or the holders of not less than 25% in aggregate principal amount of debt securities of such series then outstanding may declare the principal amount of all debt securities of such series to be due and payable immediately, but upon certain conditions such declaration may be annulled. Any past defaults and the consequences thereof, except a default in the payment of principal of or interest, if any, on debt securities of such series, may be waived by the holders of a majority in principal amount of the debt securities of such series then outstanding.

Subject to the provisions of the indenture relating to the duties of the trustee, in case an Event of Default with respect to any series of debt securities shall occur and be continuing, the trustee shall not be under any obligation to exercise any of the trusts or powers vested in it by the

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indentures at the request or direction of any of the holders of such series, unless such holders shall have offered to such trustee reasonable security or indemnity. The holders of a majority in aggregate principal amount of the debt securities of each series affected and then outstanding shall have the right, subject to certain limitations, to direct the time, method and place of conducting any proceeding for any remedy available to the trustee under the indenture or exercising any trust or power conferred on the trustee with respect to the debt securities of such series; provided that the trustee may refuse to follow any direction which is in conflict with any law or the indenture and subject to certain other limitations.

No holder of any debt security of any series will have any right under the indenture to institute any proceeding with respect to the indenture or for any remedy thereunder, unless such holder shall have previously given the trustee written notice of an Event of Default with respect to debt securities of such series and unless the holders of at least 25% in aggregate principal amount of the outstanding debt securities of such series also shall have made written request, and offered reasonable indemnity, to the trustee to institute the proceeding, and the trustee shall have failed to institute the proceeding within 60 days after its receipt of such request, and the trustee shall not have received from the holders of a majority in aggregate principal amount of the outstanding debt securities of such series a direction inconsistent with such request. However, the right of a holder of any debt security to receive payment of the principal of and interest, if any, on such debt security on or after the due dates expressed in such debt security, or to institute suit for the enforcement of any such payment on or after such dates, shall not be impaired or affected without the consent of such holder.

### **Merger**

The indenture provides that the Company may consolidate with, sell, convey or lease all or substantially all of its assets to, or merge with or into, any other corporation, if:

- either the Company is the continuing corporation or the successor corporation is a domestic corporation and expressly assumes the due and punctual payment of the principal of and interest on all the debt securities outstanding under the indenture according to their tenor and the due and punctual performance and observance of all of the covenants and conditions of the indenture to be performed or observed by the Company; and
- immediately after such merger, consolidation, sale, conveyance or lease, the Company or such successor corporation, as the case may be, is not in material default in the performance or observance of any such covenant or condition.

### **Satisfaction and Discharge of Indentures**

The indenture with respect to any series of debt securities—except for certain specified surviving obligations including the Company's obligation to pay the principal of and interest on the debt securities of such series—will be discharged and cancelled upon the satisfaction of certain conditions, including the payment of all the debt securities of such series or the deposit with the trustee under the indenture of cash or appropriate government obligations or a combination thereof sufficient for such payment or redemption in accordance with the indenture and the terms of the debt securities of such series.

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## **Modification of the Indentures**

The indenture contains provisions permitting the Company and the trustee, with the consent of the holders of not less than a majority in aggregate principal amount of the debt securities of each series at the time outstanding under the indenture affected thereby, to execute supplemental indentures adding any provisions to, or changing in any manner or eliminating any of the provisions of, the indenture or any supplemental indenture or modifying in any manner the rights of the holders of the debt securities of each such series. No such supplemental indenture, however, may:

- extend the final maturity date of any debt security, or reduce the principal amount thereof, or reduce the rate or extend the time of payment of any interest thereon, or reduce any amount payable on redemption thereof, or impair or affect the right of any holder of debt securities to institute suit for payment thereof or, if the debt securities provide therefor, any right of repayment at the option of the holders of the debt securities, without the consent of the holder of each debt security so affected;
- reduce the aforesaid percentage of debt securities of such series, the consent of the holders of which is required for any such supplemental indenture, without the consent of the holders of all debt securities of such series so affected; or
- reduce the amount of principal payable upon acceleration of the maturity date of any original issue discount security.

Additionally, in certain circumstances prescribed in the indenture, the Company and the trustee may execute supplemental indentures without the consent of the holders of debt securities.

## **Defeasance**

The indenture provides, if such provision is made applicable to the debt securities of any series, that the Company may elect to terminate, and be deemed to have satisfied and to be discharged from, all its obligations with respect to such series of debt securities— except for the obligations to register the transfer or exchange of such debt securities, to replace mutilated, destroyed, lost or stolen debt securities, to maintain an office or agency in respect of such debt securities, to compensate and indemnify the trustee and to pay or cause to be paid the principal of, and interest, if any, on all debt securities of such series when due—upon the deposit with the trustee, in trust for such purpose, of funds or government obligations which through the payment of principal and interest in accordance with their terms will provide funds in an amount sufficient, in the opinion of a nationally recognized independent registered public accounting firm, to pay the principal of and premium and interest, if any, on the outstanding debt securities of such series, and any mandatory sinking fund or analogous payments thereon, on the scheduled due dates therefor. We call this termination, satisfaction and discharge “defeasance.” Such a trust may be established only if, among other things:

- the Company has delivered to the trustee an opinion of counsel with regard to certain matters, including an opinion to the effect that the holders of such debt securities will not recognize income, gain or loss for federal income tax purposes as a result of such deposit and discharge and will be subject to federal income tax on the same amounts and in the
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same manner and at the same times as would have been the case if such deposit and defeasance had not occurred, and which opinion of counsel must be based upon:

- a ruling of the U.S. Internal Revenue Service to the same effect; or
- a change in applicable U.S. federal income tax law after the date of the indenture such that a ruling is no longer required;
- no Event of Default shall have occurred or be continuing; and
- such deposit shall not result in a breach or violation of, or constitute a default under the indenture or any other material agreement or instrument to which the Company is a party or by which the Company is bound.

**PITNEY BOWES SEVERANCE PAY PLAN**

As Amended and Restated Effective October 1, 2023

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**PITNEY BOWES SEVERANCE PAY PLAN**  
As Amended and Restated Effective October 1, 2023

**I. PURPOSE**

The purpose of the Pitney Bowes Severance Pay Plan ("Plan") is to provide income to Employees who are involuntarily terminated by the Company for certain reasons. The provisions of this Plan generally do not apply in the case of an Employee's voluntary termination. However, the Plan contains provisions providing certain benefits to Employees who resign under specified circumstances following a Change of Control.

**II. DEFINITIONS**

- A. "Board" means the board of directors of Pitney Bowes Inc.
- B. "Cause" means with respect to the Company, embezzlement, malfeasance, commission of a felony, the non-performance of one's job or duties as determined by the Company in its sole discretion and acts of moral turpitude.
- C. "Change of Control" means the following where:
- (i) there is an acquisition, in any one transaction or a series of transactions, other than from Pitney Bowes Inc., by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")), of beneficial ownership (within the meaning of Rule 13(d)(3) promulgated under the Exchange Act) of 30% or more of either the then outstanding shares of common stock or the combined voting power of the then outstanding voting securities of Pitney Bowes Inc. entitled to vote generally in the election of directors, but excluding, for this purpose, any such acquisition by Pitney Bowes Inc. or any of its subsidiaries, or any employee benefit plan (or related trust) of Pitney Bowes Inc. or its subsidiaries, or any corporation with respect to which, following such acquisition, more than 50% of the then outstanding shares of common stock of such corporation and the combined voting power of the then outstanding voting securities of such corporation entitled to vote generally in the election of directors is then beneficially owed, directly or indirectly, by the individuals and entities who were the beneficial owners, respectively, of the common stock and voting securities of Pitney Bowes Inc. immediately prior to such acquisition in substantially the same proportion as their ownership, immediately prior to such acquisition, of the then outstanding shares of common stock or the combined voting power of the then outstanding voting securities of Pitney Bowes Inc. entitled to vote generally in the election of directors, as the case may be; or
  - (ii) during any period of 12 consecutive calendar months, individuals who, as the first day of such period constitute the Board (as of such date, the "Incumbent Board") cease for any reason to constitute at least a majority of the Board, provided that any individual becoming a director subsequent to the first day of such period, whose appointment, election, or nomination for election by Pitney Bowes' shareholders, was approved by a vote of at least a majority of directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office is in connection with an actual or threatened election contest relating to the election of the

directors until such time (if ever) as such individual is approved by a majority of the directors then comprising the Incumbent Board; or

(iii) there occurs either (A) the consummation of a reorganization, merger, consolidation, or sale or other disposition of all or substantially all of the assets of the Company in each case, with respect to which the individuals and entities who were the respective beneficial owners of the common stock and voting securities of Pitney Bowes Inc. immediately prior to such reorganization, merger, consolidation or sale or other disposition do not, following such reorganization, merger, consolidation or sale or other disposition, beneficially own, directly or indirectly, more than 50% of, respectively, the then outstanding shares of common stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such reorganization, merger, consolidation or sale or other disposition, or (B) an approval by the shareholders of Pitney Bowes Inc. of a complete liquidation or dissolution of Pitney Bowes Inc. or of the sale or other disposition of all or substantially all of the assets of Pitney Bowes Inc.

- D. "Committee" means the Employee Benefits Committee established by the Company.
- E. "Company" means Pitney Bowes Inc., its subsidiaries and affiliates participating in this Plan (and any successor entity)
- F. "Contract Employee" means an employee (including any Fixed Term Contract Employee formerly known as a Buffer Employee) who is employed by the Company pursuant to a written agreement and who is employed only for the duration of a particular project.
- G. "Employee" means any regular full-time Employee on the U.S. payroll who is employed by the Company or any wholly-owned, fully-integrated subsidiary which is on the Pitney Bowes Inc. HR information system, but excluding Contract Employees (including Fixed Term Contract Employees formerly known as Buffer Employees), Leased Employees, PB Credit Union Employees, Temporary and other Contingent Employees/Workers, Part-Time Employees and independent contractors.  
  
Except in the case of a Change of Control, Employee does not include an Employee of the Company who participates in the Company's Supplemental Unemployment Benefit Plan. In the case of a Change of Control the Company's Employees are eligible to participate in this Plan's Change of Control benefits to the exclusion of any other plan's benefits. There shall be no duplication of severance benefits between this Plan and any other severance plan under which the Employee is eligible for benefits.  
  
For purposes of determining an individual's eligibility to participate in the Plan, an individual who is an independent contractor and is reclassified by the Company, any governmental agency or a court as an employee for any purpose, including for purposes of employment taxes and wage withholding for Federal income taxes, shall not be eligible for participation in the Plan for the period during which such individual was an independent contractor. Subsequent participation in the Plan by a reclassified employee shall be based on eligibility requirements under the Plan then applicable to the reclassified employee.
- H. "ERISA" means the Employee Retirement Income Security Act of 1974, as amended.
- I. "Leased Employees" means any individuals who meet the definition of "leased employee" in Section 414(n) of the Internal Revenue Code, as amended and related regulations.
- J. "Part-Time Employees" means employees who regularly work less than 30 hours per week.

- K. "Participant" means any Employee who is covered by the Plan. An Employee will not participate in this Plan if he or she is eligible to participate in the Company's Supplemental Unemployment Benefit Plan ("SUB Plan"), except in the case of a Change of Control. In the case of a Change of Control, the Company's Employees are eligible to participate in this Plan's Change of Control benefits to the exclusion of any other severance benefits offered by the Company (e.g. benefits provided under the SUB Plan). There shall be no duplication of severance benefits between this Plan and any other severance plan under which the Employee is eligible for benefits.
- L. "Pay" means the base rate of pay (excluding any shift differential or premium) that is effective on the last working day of employment. For sales representatives, "Pay" will be the earnings paid to the Employee for the 52-week period ending with the last pay date at least 45 days preceding the date the Employee terminates employment ("termination date"). The following items will not be considered "Pay": overtime, profit sharing, compensation in lieu of vacation, suggestion awards, special awards and prizes, adoption payments, severance payments, relocation payments, referral payments, tuition reimbursements, year-end override bonus, performance-based compensation such as a payment under the Pitney Bowes Incentive Plan, sales representatives' vacation pay and cash incentive unit awards.
- M. "PB Credit Union Employee" means an employee of the Pitney Bowes Credit Union.
- N. "Pitney Bowes" means Pitney Bowes Inc.
- O. "Plan" means the Pitney Bowes Severance Pay Plan as amended and restated effective as of October 1, 2023, as amended and restated from time to time.
- P. "Temporary and other Contingent Employees/Workers" means an individual whose engagement with the Company is intended to be for a limited period, generally not to exceed 24 months and whose work activity consists of short-term projects other than as a Contract Employee.
- Q. "Years of Service" means completed years and months of service with the Company based on the period of service beginning with the Employee's employment date (the date he or she first performs an hour of service as an Employee) to his or her termination date. The Employee shall continue to accrue Years of Service during approved leaves of absence, military service absences, paid holidays, paid vacations, temporary absences due to illness or injury, disability, or any other reason, if service is customarily accrued for purposes of the Pitney Bowes Pension Plan or the retirement plan of the Company's subsidiary for which the Employee works. In case of reemployment, subsequent termination pay entitlement will be based upon credited service beginning on the date of rehire.

### **III. ELIGIBILITY**

- A. Eligibility. Each Employee shall be entitled to severance pay under the Plan payable in accordance with the applicable severance benefit formula set forth in Section IV, provided his or her employment is terminated by the Company for any one of the following reasons:
1. The full or partial shutdown of a business or a facility or department.
  2. The sale of all or part of a business of the Company by means of a sale of assets or stock, or any form of merger, spin-off or reorganization, including outsourcing of a business or function.

3. The elimination of the Employee's job or the consolidation or restructuring of his or her job functions on account of reorganization.
  4. Employment termination within two years after a Change of Control of the Company.
  5. Any other circumstances deemed appropriate by the Company in its sole discretion from time to time, subject to Section III.C. hereof.
- B . Exception. Notwithstanding any other provision hereunder, an Employee shall not be eligible for severance pay hereunder if:
1. Within 30 days prior to or after termination of employment with the Company or its subsidiaries and affiliates, the Employee is offered a comparable job with or accepts a job offered by the Company or its subsidiaries and affiliates, except that an offer of continued employment or reemployment after a Change of Control shall be subject to the limitations set forth in Section IV.E herein;
  2. The Employee is terminated for Cause.
  3. Within 30 days of termination of employment with the Company or its subsidiaries or affiliates, the Employee is either offered a comparable job or accepts a position offered by a purchaser, joint venturer, affiliate, transferee, spun-off entity, successor in interest (including without limitation one resulting from a merger or reorganization) of the Company or any of its subsidiaries or affiliates or other entity acquiring the stock or the assets of the Company or any of its subsidiaries or affiliates, including without limitation, an outsourcing company taking over a function or portion of the business of the Company or its subsidiaries or affiliates.
- A "comparable job" for purposes of Section III shall mean a job that pays at least 85% of the Employee's base salary or straight time hourly rate of pay immediately prior to the offer of employment and the location of which is no more than 35 miles from the Employee's former primary worksite. The 35 mile requirement will not be applicable where the Employee's commutation to the new primary worksite is less than the Employee's commutation the former primary worksite. The Committee shall determine the primary worksite where the Employee does not report to any one work location on a regular basis. An offer of continued employment or reemployment after a Change of Control shall be subject to the limitations set forth in Section IV. E. "Change of Control Termination" herein. The Committee's determination as to whether a job is "comparable" shall be made in the Committee's sole and absolute discretion and shall be final and binding on all parties.
- C . Release. Notwithstanding any other provision hereunder to the contrary, any additional discretionary payments made pursuant to Section III.A.5. and Section IV.A.(other than Section IV.A.1) may at the Company's discretion be conditioned on the Employee's signing a waiver and release of claims to the satisfaction of the company.

#### **IV. PAYMENT FORMULA**

- A. 1. Base Severance. The Company shall pay a minimum of two (2) weeks of Pay in severance benefits under this Plan if an eligible Employee's employment is terminated under circumstances described in Section III ("Minimum Severance Benefit").
2. Conditional Severance. Severance benefits paid in excess of Base Severance is referred to as Conditional Severance. The Company will provide one week of Pay, inclusive of Base Severance, for each completed full Year of Service (and one additional half week of Pay if an

Employee, in addition to completed full Years of Service, also has completed at least 6 months, but less than 12 months of service in an only partially completed year), if the Participant's service exceeds three years and the Employee signs a separation agreement prepared by the Company containing a waiver and release of claims. If the Employee signs a separation agreement prepared by the Company containing a waiver and release of claims, the minimum severance benefit payable inclusive of Base and Conditional Severance shall be three (3) weeks of Pay, if the Participant's service is three years or less. For Employees below compensation Band I, severance benefits, including Base Severance, are capped at thirty-nine (39) weeks.

3. **Additional Conditional Severance.** In addition, the Company reserves the right to pay additional amounts to Employees, but the Company may exercise its discretion to pay no additional amount at all. In order to receive Additional Conditional Severance, the Employee is required to sign a separation agreement prepared by the Company containing a waiver and release of claims.

Notwithstanding the foregoing formula, the Company reserves the right to make discretionary severance payments as business conditions warrant in lieu of payments based on the normal severance benefit formula described herein and to require a waiver and release of claims for such discretionary severance.

B. **Change of Control Exception.** If any Employee employed by the Company as of the date of a Change of Control resigns for any Good Reason set forth in Section IV.E. hereof and is then not subject to termination of employment by the Company for Cause or, if any Employee is terminated by the Company for the reasons set forth in Section III.A. (and the exception under Section III.B. is not applicable for this purpose) within two years after a Change of Control occurs whether or not such termination is in connection with such Change of Control ("Change of Control Termination"), such Employee shall be entitled to severance pay in accordance with the following:

1. For non-exempt Employees, two weeks of Pay for each completed full or partial Year of Service, with a minimum of four weeks.
2. For exempt Employees below compensation Band F, three weeks of Pay for each completed full or partial Year of Service, with a minimum of three months.
3. For Employees in compensation bands F or G, four weeks of Pay for each full or partial Year of Service, with a minimum of six months.

Employees in compensation Bands H, I and J are not eligible for Change of Control severance benefits under this Plan.

C. **Applicability of Change of Control.** "Change of Control" provisions only apply if Pitney Bowes Inc. incurs a "Change of Control." Such provisions do not apply to employees of a Pitney Bowes subsidiary if that subsidiary or affiliated company undergoes a change of control.

D. **Maximum Severance Benefit.** Notwithstanding anything to the contrary, the maximum severance pay benefit payable hereunder to any Employee shall be an amount equal to two years of Pay.

E. **Change of Control Termination.** A "Change of Control Termination" shall include termination of the Employee's employment by the Employee for the following Good Reasons:

1. The assignment to an Employee of any duties inconsistent in any respect with the Employee's position, authority, duties or responsibilities as existed on the day immediately prior to the Change of Control, or any other action by the Company which results in a diminution in such position, authority, duties, or responsibilities, excluding for this purpose an isolated, insubstantial, and inadvertent action taken in good faith and remedied by the Company or subsidiary, as applicable, promptly after receipt of notice thereof given by the Employee;
2. Any failure by the Company following a Change of Control to continue to provide the Employee with Pay, benefits, or other compensation equal to or greater than that to which such Employee was entitled immediately prior to the date of the Change of Control, other than an isolated, insubstantial, and inadvertent failure occurring in good faith and remedied by the Company promptly after receipt of notice thereof given by the Employee;
3. The Company's requiring the Employee after a Change in Control to be based at any office or location more than 35 miles farther from the Employee's place of residence or the office or location at which the Employee is employed immediately prior to the date of the Change of Control; or
4. Any failure by Pitney Bowes Inc. to require any successor company who acquires all or substantially all of the business and/or assets of Pitney Bowes Inc. (whether direct or indirect, by purchase, merger, consolidation or otherwise) to expressly assume and agree to perform the Company's obligations under the Plan in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place.

For purposes of subparagraphs 1 through 4 of Section IV, any good faith determination made by an affected Employee shall be conclusive.

- F. Notice of Termination. As a condition of receiving any severance pay hereunder in connection with a Change of Control Termination, any termination by the Employee shall be communicated by a Notice of Termination to the Company. Any Notice of Termination shall be by written instrument which (i) indicates the specific termination provision in paragraph E above relied upon, (ii) sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Employee's employment under the provision so indicated, and (iii) if the date of termination is other than the date of receipt of such notice, specifies the termination date (which date shall not be more than 15 days after the giving of such notice). The failure by any Employee to set forth in the Notice of Termination any fact or circumstance which contributes to a showing of entitlement to, terminate under subparagraphs 1 through 4 of paragraph E above shall not waive any right of such Employee or preclude such Employee from asserting such fact or circumstance in enforcing his rights.
- G. Cure Period. Notwithstanding the foregoing, a termination of employment for Good Reason under Section IV. E. shall not occur if, within 30 days after the date the Employee gives a Notice of Termination to the Company after a Change of Control, the Company corrects the action or failure to act that constitutes the grounds for termination for Good Reason as described in Section IV.E. and as set forth in the Employee's Notice of Termination. If the Company does not correct the action or failure to act, the Employee must terminate his or her employment for Good Reason within 60 days after the end of the cure period, in order for the termination to be considered a Good Reason termination.
- H. Best-Net Cutback. In the event that any benefits payable to an Employee pursuant to the Plan ("Payments") (i) constitute "parachute payments" within the meaning of Section 280G

of the Code, and (ii) but for this Section IV would be subject to the excise tax imposed by Section 4999 of the Code, or any comparable successor provisions (the "Excise Tax"), then the Employee's Payments hereunder shall be either (x) provided to the Employee in full, or (y) provided to the Employee as to such lesser extent which would result in no portion of such benefits being subject to the Excise Tax, whichever of the foregoing amounts, when taking into account applicable federal, state, local and foreign income and employment taxes, the Excise Tax, and any other applicable taxes, results in the receipt by the Employee, on an after-tax basis, of the greatest amount of benefits, notwithstanding that all or some portion of such benefits may be taxable under the Excise Tax. In the event that the payments and/or benefits are to be reduced pursuant to this Section IV, such payments and benefits shall be reduced such that the reduction of compensation to be provided to the Employee as a result of this Section IV is minimized. In applying this principle, the reduction shall be made in a manner consistent with the requirements of Section 409A of the Code and where two economically equivalent amounts are subject to reduction but payable at different times, such amounts shall be reduced on a pro rata basis but not below zero. Unless the Company and the Employee otherwise agree in writing, any determination required under this Section IV shall be made in writing in good faith by a nationally recognized accounting firm selected by the Company (the "Accountants"). The Company shall bear all costs the Accountants may reasonably incur in connection with any calculations contemplated by this Section IV.

- I. Other Severance and Severance –type Payments Any severance pay benefits otherwise payable under this Plan, shall be reduced by amounts paid or payable under a severance pay arrangement or agreement between Pitney Bowes (including such company that Pitney Bowes has acquired, divested, reorganized, merged into or spun-off) and the Employee.

#### **V. FORMS OF PAYMENT**

Severance shall be paid in a stream of payments on normal paydays following the termination date at the salary rate in effect on the termination date, however, in no event shall the payment schedule extend over a period of more than two years from the date of termination from employment.

Notwithstanding the above, severance payable as a result of a termination of employment occurring within two years after a Change of Control shall be paid either: (a) in a single lump sum payment within fifteen (15) days following the termination of employment or (b) in a stream of payments payable on regular pay periods following the termination of employment only if the Change of Control event does not meet the definition of "change of control" under IRC Section 409A and if required to be paid in that fashion by IRC Section 409A to avoid the additional tax imposed by IRC Section 409A.

#### **VI. DEATH**

If an Employee dies during a period of severance payment hereunder, any remaining severance pay that would otherwise be payable if the Employee had not died shall be paid to the Employee's estate. No severance benefits not otherwise payable hereunder shall be payable under this Plan by reason of the Employee's death.

#### **VII. CLAIM PROCEDURE**

- A. Administrative Review. If an Employee makes a written request alleging a right to receive payments under this Plan or alleging a right to receive an adjustment in benefits being paid under this Plan, such actions shall be treated as a claim for benefits. All claims for benefits under this Plan shall be administered by the Vice President, Global Compensation & HR Shared Services or equivalent role or, if delegated, to such human resources director or

appropriate administrator at the Employee's business unit ("Administrator"). If the Administrator determines that any individual who has claimed a right to receive benefits, or different benefits, under this Plan is not entitled to receive all or any part of the benefits claimed, the Administrator shall inform the claimant in writing of such determination and the reasons therefore in terms calculated to be understood by the claimant. The notice shall be sent within 90 days of the claim unless the Administrator determines that additional time, not exceeding 90 days, is needed. The notice shall make specific reference to the pertinent Plan provisions on which the denial is based, and shall describe any additional material or information that is necessary. Such notice shall, in addition, inform the claimant of the procedure that the claimant should follow to take advantage of the review procedure set forth below in the event the claimant desires to contest the denial of the claim. If the Employee is not notified within the 90 day period specified herein, he or she may assume the claim has been denied.

- B. Appeal to the Committee. The claimant may within 90 days thereafter submit in writing to the Committee a notice that the claimant contests the denial of his or her claims and desires a further review by the Committee. The Committee shall within 60 days thereafter review the claim. The Committee will render a final decision on behalf of the Company with specific reasons therefore in writing and will transmit it to the claimant within 60 days of the written request for review, unless it is determined that additional time, not exceeding 60 days, is needed, and so notifies the Employee. If the Committee fails to respond to a claim filed in accordance with the foregoing within 60 days or any such extended period, the Company shall be deemed to have denied the claim.
- C. Reimbursement of Claimant's Expenses. If, after a Change of Control, an Employee institutes any legal action seeking to obtain or enforce, or is required to defend in any legal action the validity or enforceability of, any right or benefit provided by this Plan, the Company will pay for all actual legal fees and expenses incurred (as incurred) by such Employee, regardless of the outcome of such action and whether such action is between the Company and the Participant or between either of them and any third party.
- D. Statute of Limitations. Completion of the claims and appeals process set forth in this Section VII. and Plan is a prerequisite to seeking any remedy in court. A participant may not bring any legal action relating to a claim for benefits under the Plan unless and until the participant has followed the claims procedures under the Plan and exhausted his or her administrative remedies under such claims procedures. Moreover, any ERISA claim filed in state or federal court more than six-months after receipt of notice of an adverse benefit determination at the conclusion of the appeals process set forth herein shall be barred as untimely. For purposes of this Article Ten, notice shall be deemed to be received five days after the date of the written notification.

#### **VIII. AMENDMENT AND TERMINATION**

- A. This Plan is established by the Company on a voluntary basis and not on past consideration for services rendered, and the benefits herein are provided at the will of the Company. Neither the establishment of this Plan nor the payment of benefits by the Company shall be construed or interpreted as a condition of employment, nor shall this Plan modify or enlarge any rights of any person covered by it to be continued or to be retained in the employ of the Company.
- B. Prior to the time a Change of Control has occurred, the Company may, in its sole discretion, without notice, amend or modify, in whole or in part, all of the terms and conditions of this Plan; provided, however, that this Plan may not be so amended or modified in connection with an actual or threatened Change of Control in any manner which would adversely affect



the interests of Employees. Such amendment or modification may be retroactive in application; provided, however, such retroactive application shall not require or provide for the return or repayment of any benefits paid prior to the date of the adoption of the amendment or modification.

- C. Prior to the time a Change of Control has occurred, the Company shall have the sole and absolute right to terminate this Plan without notice at any time; provided, however, that this Plan may not be so terminated in connection with an actual or threatened Change of Control. Such termination shall be effective as of the date specified by the Company and, if no date is specified, the date of the action of termination by the Company. Upon termination, the Company will continue to make payments according to the terms of any effective terminated pay agreements, which have not been fully paid.
- D. When a Change of Control, as defined herein, occurs, then all rights to severance payments contained herein shall vest in all covered Employees and shall be considered a contract right enforceable against the Company and any successors thereto.

#### **IX. PLAN ADMINSTRATON**

- A. The Committee shall be authorized to adopt administrative rules and procedures concerning the Plan or delegate to the business units such authority and any such rules and procedures shall be binding upon Participants, except insofar the matter deals with an executive officer of the Company. In Plan matters involving executive officers of the Company, the Executive Compensation Committee of the Company's Board of Directors has reserved to itself all powers and authority with respect to this Plan, which it has otherwise delegated to the Committee with respect to non-executive officers.
- B. All expenses reasonably incurred in the administration of the Plan shall be paid by the Company.
- C. The determination or action of the Committee with respect to any question arising out of or in connection with the administration of the Plan shall, to the extent not inconsistent with the provisions of the Plan, be final, conclusive, and binding upon all persons having an interest in the Plan.
- D. The Committee shall have the following powers and duties concerning the Plan:
  - 1. to interpret and construe the terms and provisions of the Plan, to apply such terms and provisions as the Committee may exclusively determine, to determine questions of eligibility and of the status and rights of Participants;
  - 2. to make and enforce such rules and regulations as it shall deem necessary or proper for the efficient administration of the Plan;
  - 3. to delegate to the business units at Pitney Bowes such powers and duties to enable them to administer the Plan.
- E. The Committee shall be the "Plan Administrator" of the Plan for purposes of ERISA. However, the Committee has delegated to the appropriate Human Resources professionals in the business units the day-to-day, on-going administrative responsibilities of the Plan. In addition, the Committee has delegated to the Human Resources professionals administrative responsibility regarding employee eligibility for the Plan. It is intended that Human Resources administrators in the business units shall have no discretion such that these

individuals performing services in these business units with respect to the Plan would not be considered to be "fiduciaries" within the meaning of Section (3)(21) of ERISA.

- F. All fiduciaries shall discharge their duties with respect to the Plan solely in the interest of the Employees and for the exclusive purpose of providing benefits to Employees and of defraying reasonable expenses of administering the Plan, with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims. The Company shall purchase and maintain liability insurance (which insurance shall not permit recourse against the insured parties), with scope of coverage and limits of liability sufficient to protect the fiduciaries from monetary liability for any breach of their responsibilities not resulting from their own gross negligence or willful misconduct.

**X. MISCELLANEOUS**

- A. Benefits under the Plan are not in any way subject to the debts or other obligations of the persons entitled thereto and may not be voluntarily or involuntarily sold, transferred, hypothecated, pledged or assigned. When any person entitled to benefits under the Plan is under a legal disability, or in the opinion of the Committee is in any way incapacitated so as to be unable to manage his or her affairs, the Committee may cause such person's benefits to be paid to or for the benefit of such person in any manner that the Committee may determine without responsibility of the Committee or the Company. Payments made pursuant to such power shall operate as a complete discharge of the obligation under the Plan to make such payments. Payments hereunder are, however, subject to all applicable withholding taxes.
- B. The headings of the section in this Plan are placed herein for convenience of reference and, in the case of any conflict, the text of the Plan, rather than such headings, shall control.
- C. The masculine or feminine pronoun used herein refers to both men and women and, used in singular, is intended to include the plural, whenever appropriate.
- D. To the extent not inconsistent with ERISA, the provisions of this Plan shall be construed in accordance with the laws of the State of Connecticut other than its choice of law rules.
- E. In the event a person receives a benefit payment under the Plan which is in excess of the benefit payment that should have been made, the Committee shall have the right to recover the amount of such excess from such person. The Committee may at its option, deduct the amount of such excess from any subsequent benefits payable under the Plan to, or for, the person.
- F. Any action required or permitted to be taken under the Plan by the Company may be taken by such individual, Committee or entity as the Company may designate from time to time.
- G. No payment may be made under this Plan that would cause it to be a "pension" plan as distinguished from a "welfare" plan under the Employees Retirement Income Security Act of 1974 and the Department of Labor Regulations 29 C.F.R. 2510.3-2(b) and successor regulations.
- H. This Plan shall have no effect on the Employee's eligibility for other benefits customarily provided after termination unless otherwise stated in a written agreement executed by an authorized representative of the Company or in the applicable employee benefit plan document. The payments of benefits under this Plan shall not be deemed to be a continuation of employment.

- I. This Plan is intended to be an unfunded plan. All payments pursuant to the Plan shall be made from the general funds of the Company and no special or separate fund shall be established or other segregation of assets made to assure payment. No Participant or other person shall have under any circumstances any interest in any particular property or assets of the Company as a result of participating in the Plan.
- J. Code Section 409A. If and to the extent that Code Section 409A applies to amounts payable under the Plan, distributions may only be made under the Plan upon an event and in a manner permitted by Section 409A. To the extent that any provision of the Plan would cause a conflict with any applicable requirements of Section 409A, or would cause the administration of the Plan to fail to satisfy the applicable requirements of Section 409A, such provision shall be deemed null and void.

This Agreement is intended to comply with Code Section 409A and its corresponding regulations, or an exemption, to the extent applicable. Notwithstanding anything in the Plan to the contrary, if Code Section 409A applies to the Plan and if an Employee is a "specified employee," as defined in Code Section 409A, payment of benefits under this Plan upon termination of employment shall be postponed for six months after termination of employment if required in order to avoid adverse taxation under Code Section 409A. If payment of benefits under the Plan is required to be postponed pursuant to Code Section 409A, the accumulated amounts withheld on account of Code Section 409A shall be paid in a lump sum payment within five days after the end of the required postponement period along with interest at the Applicable Federal Rate (short-term) on the unpaid balance for the postponement period. If the Employee dies during such postponement period prior to the payment of benefits, the amounts withheld on account of Code Section 409A shall be paid to the Employee's beneficiary determined under Section VI.

As used in this Plan, the term "termination of employment" shall mean an Employee's separation from service with the Company within the meaning of Code Section 409A. For purposes of Code Section 409A, the right to a series of payments under the Agreement shall be treated as a right to a series of separate payments. In no event may a Participant, directly or indirectly, designate the calendar year of a payment. All reimbursements and in-kind benefits provided under this Plan and any separation agreement hereunder shall be made or provided in accordance with the requirements of Code Section 409A.

- K. The invalidity or unenforceability of any provision of this Plan shall not affect the validity or enforceability of any other provision of this Plan, which shall remain in full force and effect, and any prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

**PITNEY BOWES INC.  
SUBSIDIARIES OF REGISTRANT**

The Registrant, Pitney Bowes Inc., a Delaware Corporation, has no parent  
The following are subsidiaries of the Registrant  
(as of December 31, 2023)

| <u>Subsidiary Name</u>                           | <u>Country or state of incorporation</u> |
|--|--|
| B. Williams Funding Corp.                        | Delaware                                 |
| Cresco Data Australia Pty Ltd                    | Australia                                |
| Cresco Data Pte. Ltd                             | Singapore                                |
| Harvey Company, L.L.C                            | Delaware                                 |
| MCGW Technology Development Private Limited      | India                                    |
| Mount Verde Insurance Company, Inc.              | Vermont                                  |
| OldEurope Limited                                | United Kingdom                           |
| OldMS Limited                                    | United Kingdom                           |
| PB Equipment Management Inc.                     | Delaware                                 |
| PB European UK LLC                               | Delaware                                 |
| PB Nova Scotia Holdings ULC                      | Canada                                   |
| PB Nova Scotia II ULC                            | Canada                                   |
| PB Nova Scotia VI ULC                            | Canada                                   |
| PB Nova Scotia VII ULC                           | Canada                                   |
| PB Professional Services Inc.                    | Delaware                                 |
| PB Worldwide Inc.                                | Delaware                                 |
| Pitney Bowes (Asia Pacific) Pte. Ltd             | Singapore                                |
| Pitney Bowes Australia FAS Pty Limited           | Australia                                |
| Pitney Bowes Australia Pty Limited               | Australia                                |
| Pitney Bowes Brasil Equipamentos e Servicos Ltda | Brazil                                   |
| Pitney Bowes Canada II LP                        | Canada                                   |
| Pitney Bowes Deutschland GmbH                    | Germany                                  |
| Pitney Bowes Finance Limited                     | United Kingdom                           |
| Pitney Bowes Funding SRL                         | Barbados                                 |
| Pitney Bowes Global Ecommerce (APAC) Co. Ltd.    | China                                    |
| Pitney Bowes Global Ecommerce Inc.               | Delaware                                 |
| Pitney Bowes Global Ecommerce Ireland Limited    | Ireland                                  |
| Pitney Bowes Global Ecommerce UK Limited         | United Kingdom                           |
| Pitney Bowes Global Financial Services LLC       | Delaware                                 |
| Pitney Bowes Global Limited                      | United Kingdom                           |
| Pitney Bowes Global LLC                          | Delaware                                 |
| Pitney Bowes Global Logistics LLC                | Delaware                                 |
| Pitney Bowes Holdco Limited                      | United Kingdom                           |
| Pitney Bowes Holding SNC                         | France                                   |
| Pitney Bowes Holdings Limited                    | United Kingdom                           |
| Pitney Bowes India Private Limited               | India                                    |
| Pitney Bowes International Finance Limited       | United Kingdom                           |
| Pitney Bowes International Holdings, Inc.        | Delaware                                 |
| Pitney Bowes Ireland Limited                     | Ireland                                  |
| Pitney Bowes Japan K.K.                          | Japan                                    |
| Pitney Bowes Limited                             | United Kingdom                           |

|   |                |
|---|----------------|
| Pitney Bowes Luxembourg Holding S.a.r.l.                  | Luxembourg     |
| Pitney Bowes New Zealand Limited                          | New Zealand    |
| Pitney Bowes Nova Scotia ULC                              | Canada         |
| Pitney Bowes of Canada Ltd. - Pitney Bowes du Canada Ltee | Canada         |
| Pitney Bowes PayCo Hong Kong Limited                      | Hong Kong      |
| Pitney Bowes Polska Sp. z.o.o.                            | Poland         |
| Pitney Bowes Presort Services, LLC                        | Delaware       |
| Pitney Bowes Puerto Rico, Inc.                            | Puerto Rico    |
| Pitney Bowes SAS  | France         |
| Pitney Bowes Shelton Realty LLC                           | Connecticut    |
| Pitney Bowes Software Pty Ltd                             | Australia      |
| Pitney Bowes UK Funding Limited                           | United Kingdom |
| Pitney Bowes UK LP  | United Kingdom |
| The Pitney Bowes Bank, Inc.                               | Utah           |
| Wheeler Financial from Pitney Bowes Inc.                  | Delaware       |

**CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

We hereby consent to the incorporation by reference in the Registration Statements on Form S-3 (No. 333-269872) and on Form S-8 (Nos. 333-266460, 333-240336, 333-231313, 333-224833, 333-190308, 333-132591, 333-132590, and 333-05731) of Pitney Bowes Inc. of our report dated February 20, 2024 relating to the financial statements, the financial statement schedule and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP  
Stamford, Connecticut  
February 20, 2024

**CERTIFICATION PURSUANT TO  
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Jason C. Dies, certify that:

1. I have reviewed this Annual Report on Form 10-K of Pitney Bowes Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 20, 2024

/s/ Jason C. Dies

Jason C. Dies

Interim Chief Executive Officer

**CERTIFICATION PURSUANT TO  
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Ana Maria Chadwick, certify that:

1. I have reviewed this Annual Report on Form 10-K of Pitney Bowes Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 20, 2024

/s/ Ana Maria Chadwick

Ana Maria Chadwick

Executive Vice President and Chief Financial Officer



**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of Pitney Bowes Inc. (the "Company") on Form 10-K for the year ended December 31, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Jason C. Dies, Interim Chief Executive Officer of the Company, certify, to the best of my knowledge, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Jason C. Dies

\_\_\_\_\_  
Jason C. Dies

Interim Chief Executive Officer

Date: February 20, 2024

The foregoing certification is being furnished solely to accompany this report pursuant to 18 U.S.C. §1350, and is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not to be incorporated by reference into any filing of the Company.

**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of Pitney Bowes Inc. (the "Company") on Form 10-K for the year ended December 31, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Ana Maria Chadwick, Executive Vice President and Chief Financial Officer of the Company, certify, to the best of my knowledge, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Ana Maria Chadwick

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Ana Maria Chadwick

Executive Vice President and Chief Financial Officer

Date: February 20, 2024

The foregoing certification is being furnished solely to accompany this report pursuant to 18 U.S.C. §1350, and is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not to be incorporated by reference into any filing of the Company.