



Pitney Bowes First Quarter Earnings

May 5, 2026



This document contains “forward-looking statements” about the Company’s expected or potential future business and financial performance, including, but not limited to, statements about future revenue and profitability, earnings guidance, future events or conditions, capital allocation strategy, expected cost savings and efficiency improvements, and strategic initiatives and priorities. Forward-looking statements are not guarantees of future performance and involve risks and uncertainties that could cause actual results to differ materially from those projected. Factors which could cause future performance to differ materially from expectations include, without limitation, 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; declines in physical mail volumes or shipping volumes; the loss of customers, including some of our larger clients; changes in trade policies, tariffs and regulations; global supply chain issues adversely impacting our third-party suppliers’ ability to provide us products and services; periods of difficult economic conditions, the impacts of inflation and rising prices, higher interest rates and a slow-down in economic activity, including a global recession, or a prolonged U.S. government shutdown, to the Company and our clients; changes in foreign currency exchange rates; changes in labor and transportation availability and costs; inability to successfully execute on our strategic initiatives; and other factors as more fully outlined in the Company’s Annual Report on Form 10-K/A for the year ended December 31, 2025 and subsequent reports filed with the Securities and Exchange Commission. Pitney Bowes assumes no obligation to update any forward-looking statements contained in this document as a result of new information, events, or developments, except as required by law.

Adjusted Segment EBIT

Adjusted Segment EBIT is the primary measure of profitability and operational performance at the segment level. Adjusted Segment EBIT includes segment revenues and related costs and expenses attributable to the segment, but excludes interest, taxes, general corporate expenses, restructuring charges, and other items not allocated to a business segment. Effective January 1, 2026, we are also excluding expense related to the U.S. and Canada pension plans as we have taken steps to terminate these plans. We also report Adjusted Segment EBITDA as an additional useful measure of segment profitability and operational performance, which is calculated as Adjusted Segment EBIT plus depreciation and amortization expense of the segment.

Use of Non-GAAP Measures

Pitney Bowes' financial results are reported in accordance with generally accepted accounting principles (GAAP). Pitney Bowes also discloses certain non-GAAP measures, such as adjusted earnings before interest and taxes (Adjusted EBIT), adjusted earnings before interest, taxes, depreciation and amortization (Adjusted EBITDA), adjusted earnings per share (Adjusted EPS) and free cash flow.

Adjusted EBIT, Adjusted EBITDA and Adjusted EPS exclude the impact of restructuring charges, foreign currency gains and losses on intercompany loans, certain costs associated with the Ecommerce Restructuring, gains and losses on debt redemptions and other unusual items that we believe are not indicative to our core business operations, including expense related to the U.S. and Canada pension plans that we have taken steps to terminate .

Free cash flow adjusts cash flow from operations calculated in accordance with GAAP for capital expenditures, restructuring payments and other special items. Management believes free cash flow provides better insight into the amount of cash available for other discretionary uses.

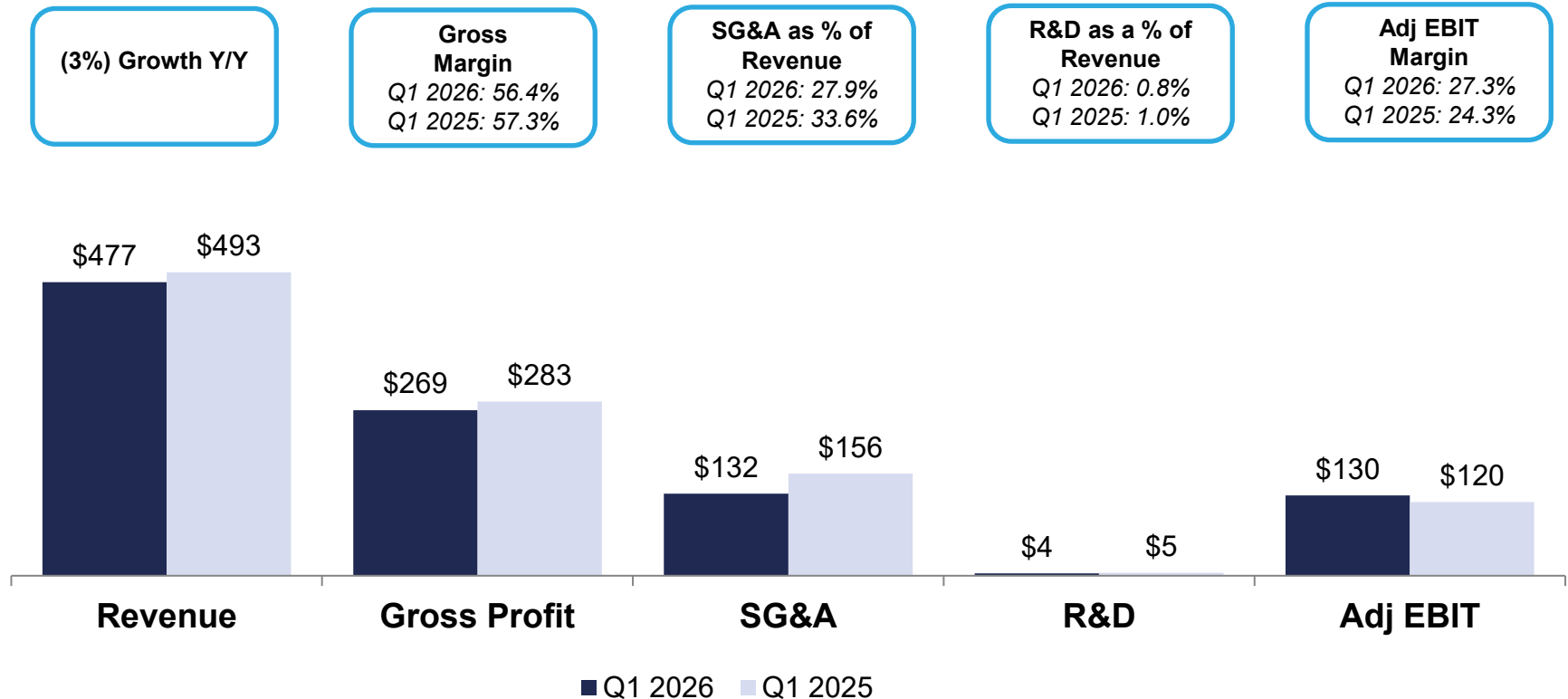
Reconciliations of non-GAAP measures to comparable GAAP measures can be found in the attached financial schedules and at the Company's website at: <https://www.investorrelations.pitneybowes.com/>. We do not provide a reconciliation of forward-looking non-GAAP measures to the most comparable GAAP measures because items necessary for such reconciliation are not available on a reasonable basis without unreasonable efforts.

Business Overview and Financial Results

- **Revenue was \$477 million**, down 3% year-over-year
- **GAAP EPS was \$0.39**, an improvement of \$0.20 year over year
- **Adjusted EPS was \$0.47**, an improvement of \$0.14 year over year
- **GAAP net income of \$58 million**, an improvement of \$23 million year over year
- **Adjusted EBIT was \$130 million**, an improvement of \$11 million year over year
- **GAAP cash from operating activities was \$44 million**, an improvement of \$61 million year over year
- **Free Cash Flow was \$44 million**, an improvement of \$64 million year over year

First Quarter – Results vs. Prior Year

\$ millions



SendTech Solutions offers physical and digital shipping and mailing technology solutions, financing, services, supplies and other applications for small and medium businesses, retail, enterprise, and government clients around the world to help simplify and save on the sending, tracking and receiving of letters, parcels and flats.

(\$ millions)	Q1 2026	Q1 2025	% Change Reported
Revenue	\$314	\$316	(1%)
Adjusted Segment EBITDA	\$123	\$109	14%
Adjusted Segment EBIT	\$114	\$97	17%

Key Drivers:

- Revenue impacted by the anticipated continuation of mailing-related declines, which were partially offset by growth across digital mailing and shipping solutions as well as the Pitney Bowes Bank. The decline in mailing-related revenues moderated in the quarter, driven by strong sales execution and the lapping of difficult comparisons from the prior IMI product migration. Year-over-year comparisons also benefited by approximately 1 percentage point from an unfavorable prior year accounting adjustment and another 1 percentage point from currency.
- SendTech achieved higher Adjusted EBITDA and EBIT supported by leadership's continued focus on cost management. In the first quarter, operating expenses declined \$14 million year-over-year.

First Quarter – Presort Services

Presort Services provides sortation services that enable clients to qualify for USPS workshare discounts in First Class Mail, Marketing Mail, Marketing Mail Flats and Bound Printed Matter.

(\$ millions)	Q1 2026	Q1 2025	% Change Reported
Revenue	\$163	\$178	(8%)
Adjusted Segment EBITDA	\$48	\$64	(25%)
Adjusted Segment EBIT	\$39	\$55	(28%)

Key Drivers:

- **Presort revenue decline in the first quarter was driven by a 6% reduction in volumes due to previously communicated client losses and market decline as well as a 2% decline driven by mix change. Total volume sorted in the quarter was 3.6 billion pieces of mail.**
- **Adjusted Segment EBITDA and EBIT declined due to the decrease in revenue with margins contracting from reduced operating leverage from lower volumes and a shift in mix to lower margin products.**

Guidance and Outlook

Updated Guidance

Pitney Bowes provides the following updated guidance for Revenue, Adjusted EBIT, Adjusted EPS and Free Cash Flow in 2026.

<i>\$ millions, except EPS</i>	Low	High
Revenue	\$1,800	\$1,860
Adjusted EBIT	\$425	\$465
Adjusted EPS	\$1.50	\$1.65
Free Cash Flow	\$345	\$380

Appendix

First Quarter 2026 – Debt Profile

Total debt consisted of the following:

(\$000s)	Interest Rate	3/31/2026	12/31/2025
Notes due March 2027	6.875%	346,700	346,700
Term loan due March 2028	SOFR + 1.85%	152,000	154,000
Notes due March 2029	7.25%	476,000	326,000
Convertible Note due August 2030	1.50%	230,000	230,000
Term loan due March 2032	SOFR + 3.75%	587,030	588,567
Notes due January 2037	5.25%	31,666	31,666
Notes due March 2043	6.70%	349,279	349,279
Principal amount		2,172,675	2,026,212

Consolidated Statements of Operations

(Unaudited; in thousands, except per share amounts)

	<u>Three Months Ended March 31,</u>	
	<u>2026</u>	<u>2025</u>
Revenue:		
Services	\$306,570	\$318,432
Products	88,650	93,190
Financing and other	<u>82,193</u>	<u>81,798</u>
Total revenue	477,413	493,420
Costs and expenses:		
Cost of services	156,155	155,873
Cost of products	48,680	50,919
Cost of financing and other	12,795	17,507
Selling, general and administrative	133,377	165,915
Research and development	3,794	4,763
Restructuring charges	5,112	1,400
Interest expense, net	25,992	24,270
Other components of net pension and postretirement cost	11,034	1,854
Other expense	<u>-</u>	<u>24,187</u>
Total costs and expenses	<u>396,939</u>	<u>446,688</u>
Income before taxes	80,474	46,732
Provision for income taxes	<u>22,336</u>	<u>11,310</u>
Net income	<u><u>\$58,138</u></u>	<u><u>\$35,422</u></u>
Basic earnings per share	<u><u>\$0.40</u></u>	<u><u>\$0.19</u></u>
Diluted earnings per share	<u><u>\$0.39</u></u>	<u><u>\$0.19</u></u>
Weighted-average shares used in diluted earnings per share	<u><u>147,742</u></u>	<u><u>184,773</u></u>

Appendix: Financial Information

Consolidated Balance Sheets

(Unaudited; in thousands)

Assets

Current assets:

Cash and cash equivalents	\$302,876	\$284,887
Short-term investments	11,142	12,232
Accounts and other receivables, net	158,587	168,099
Short-term finance receivables, net	481,566	496,446
Inventories	62,611	66,241
Current income taxes	2,684	3,143
Other current assets and prepayments	109,884	69,451

Total current assets

Property, plant and equipment, net	180,344	185,913
Rental property and equipment, net	23,307	24,054
Long-term finance receivables, net	571,147	605,129
Goodwill	742,882	746,687
Intangible assets, net	13,845	14,741
Operating lease assets	108,408	106,996
Noncurrent income taxes	92,868	95,412
Other assets	285,157	289,520
Total assets	\$3,147,308	\$3,168,951

Liabilities and stockholders' deficit

Current liabilities:

Accounts payable and accrued liabilities	\$766,989	\$845,378
Customer deposits at Pitney Bowes Bank	574,302	582,630
Current operating lease liabilities	29,306	28,396
Current portion of long-term debt	363,952	17,150
Advance billings	72,531	69,075
Current income taxes	11,409	5,210

Total current liabilities

Long-term debt	1,818,489	1,547,839
Deferred taxes on income	1,774,240	1,975,888
	81,762	72,665
Tax uncertainties and other income tax liabilities	161	278
Noncurrent operating lease liabilities	100,727	99,757
Noncurrent customer deposits at Pitney Bowes Bank	71,000	71,000
Other noncurrent liabilities	194,501	203,884
Total liabilities	4,040,880	3,971,311

Stockholders' deficit:

Common stock	270,338	270,338
Retained earnings	2,689,224	2,655,703
Accumulated other comprehensive loss	(792,299)	(789,132)
Treasury stock, at cost	(3,060,835)	(2,939,269)
Total stockholders' deficit	(893,572)	(802,360)

Total liabilities and stockholders' deficit	\$3,147,308	\$3,168,951
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Business Segment Revenue

(Unaudited; in thousands)

	Three Months Ended March 31,		
	<u>2026</u>	<u>2025</u>	<u>% Change</u>
Sending Technology Solutions	\$313,947	\$315,606	(1%)
Presort Services	<u>163,466</u>	<u>177,814</u>	<u>(8%)</u>
Total revenue	<u>\$477,413</u>	<u>\$493,420</u>	<u>(3%)</u>

Pitney Bowes Inc.

Adjusted Segment EBIT & EBITDA

(Unaudited; in thousands)

	Three Months Ended March 31,							
	2026			2025			% change	
	Adjusted Segment EBIT	D&A	Adjusted Segment EBITDA	Adjusted Segment EBIT	D&A	Adjusted Segment EBITDA	Adjusted Segment EBIT	Adjusted Segment EBITDA
Sending Technology Solutions	\$113,530	\$9,875	\$123,405	\$97,027	\$11,680	\$108,707	17%	14%
Presort Services	39,178	8,736	47,914	54,779	9,269	64,048	(28%)	(25%)
Total reportable segments	<u>\$152,708</u>	<u>\$18,611</u>	171,319	<u>\$151,806</u>	<u>\$20,949</u>	172,755	1%	(1%)

Reconciliation of Adjusted Segment EBITDA to income before taxes:

Depreciation and amortization - reportable segments	(18,611)	(20,949)
Interest expense, net	(35,575)	(37,885)
Corporate expenses	(22,331)	(32,117)
Restructuring charges	(5,112)	(1,400)
Loss on debt transactions	-	(24,646)
Foreign currency gain (loss) on intercompany loans	4,882	(7,595)
Pension expense of plans to be terminated	(7,554)	-
Transaction and strategic review costs	(6,544)	(1,890)
Charge in connection with Ecommerce Restructuring	-	459
Income before taxes	<u>\$80,474</u>	<u>\$46,732</u>

Reconciliation of Reported Consolidated Results to Adjusted Results

(Unaudited; in thousands, except per share amounts)

	Three Months Ended	
	March 31,	
	2026	2025
Reconciliation of net income to adjusted net income, adjusted EBIT and adjusted EBITDA		
Net income - GAAP	\$58,138	\$35,422
Provision for income taxes	<u>22,336</u>	<u>11,310</u>
Income before taxes	80,474	46,732
Restructuring charges	5,112	1,400
Foreign currency (gain) loss on intercompany loans	(4,882)	7,595
Loss on debt transactions	-	24,646
Pension expense of plans to be terminated	7,554	-
Transaction and strategic review costs	6,544	1,890
Charge in connection with Ecommerce Restructuring	-	(459)
Adjusted net income before tax	<u>94,802</u>	<u>81,804</u>
Adjusted tax provision	<u>25,860</u>	<u>20,113</u>
Adjusted net income	<u>\$68,942</u>	<u>\$61,691</u>
Adjusted income before tax	\$94,802	\$81,804
Interest expense, including financing interest	<u>35,575</u>	<u>37,885</u>
Adjusted EBIT	130,377	119,689
Depreciation and amortization	<u>25,641</u>	<u>28,324</u>
Adjusted EBITDA	<u>\$156,018</u>	<u>\$148,013</u>
Reconciliation of diluted earnings per share to adjusted diluted earnings per share		
Diluted earnings per share - GAAP	\$0.39	\$0.19
Restructuring charges	0.03	0.01
Foreign currency (gain) loss on intercompany loans	(0.02)	0.03
Loss on debt transactions	-	0.10
Pension expense of plans to be terminated	0.04	-
Transaction and strategic review costs	<u>0.03</u>	<u>0.01</u>
Adjusted diluted earnings per share	<u>\$0.47</u>	<u>\$0.33</u>
Reconciliation of net cash from operating activities to free cash flow		
Net cash from operating activities	\$44,155	(\$16,679)
Capital expenditures	(15,846)	(16,887)
Restructuring payments	<u>15,201</u>	<u>13,106</u>
Free cash flow	<u>\$43,510</u>	<u>(\$20,460)</u>

Thank You