



Pitney Bowes First Quarter Earnings

May 7, 2025



Forward-Looking Statements and Financial Presentation

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 earnings guidance, future events or conditions, capital allocation strategy and expected cost savings, elimination of future losses, and anticipated deleveraging in connection with Pitney Bowes’ announced strategic initiatives. 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 financial 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; accelerated or sudden decline in physical mail volumes; inability to compete effectively with our Sending Technology Solutions competitors; changes in trade policies, tariffs and regulations; the loss of some of Pitney Bowes’ larger clients in the Presort Services segment; 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 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 2024 Form 10-K Annual Report and other reports filed with the Securities and Exchange Commission during 2025. Pitney Bowes assumes no obligation to update any forward-looking statements contained in this document as a result of new information, events, or developments.

Note: Consolidated statements of income; revenue, adjusted segment EBIT and adjusted segment EBITDA by business segment; and reconciliations of GAAP to non-GAAP measures for the three months ended March 31, 2025 and 2024, and consolidated balance sheets at March 31, 2025 and December 31, 2024 are attached. We have not provided a reconciliation of our future expectations as to Adjusted EBIT, Adjusted EPS or free cash flow as such reconciliations are not available without unreasonable efforts.

Use of Non-GAAP Measures

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, restructuring charges, corporate expenses, and other items not allocated to a business segment. 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 revenue growth on a constant currency basis, 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.

Revenue growth is presented on a constant currency basis to exclude the impact of changes in foreign currency exchange rates since the prior period under comparison. Constant currency is calculated by converting the current period non-U.S. dollar denominated revenue using the prior year's exchange rate for the comparable quarter. We believe that excluding the impacts of currency exchange rates provides a better understanding of the underlying revenue performance.

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.

Beginning in the third quarter of 2024, as a result of the Ecommerce Restructuring, we also exclude from these measures the operating results of GEC operations that we are also in the process of exiting that did not qualify for discontinued operations reporting. These operations individually did not qualify for discontinued operations but were part of management's strategic review to exit the GEC business. These operations have either been fully dissolved or are expected to be completely dissolved by the end of the first half of 2025. We believe that excluding these amounts improves the usefulness of these measures as these results are not consistent with our ongoing operations. Previously reported periods have been revised to conform to the current period presentation.

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.

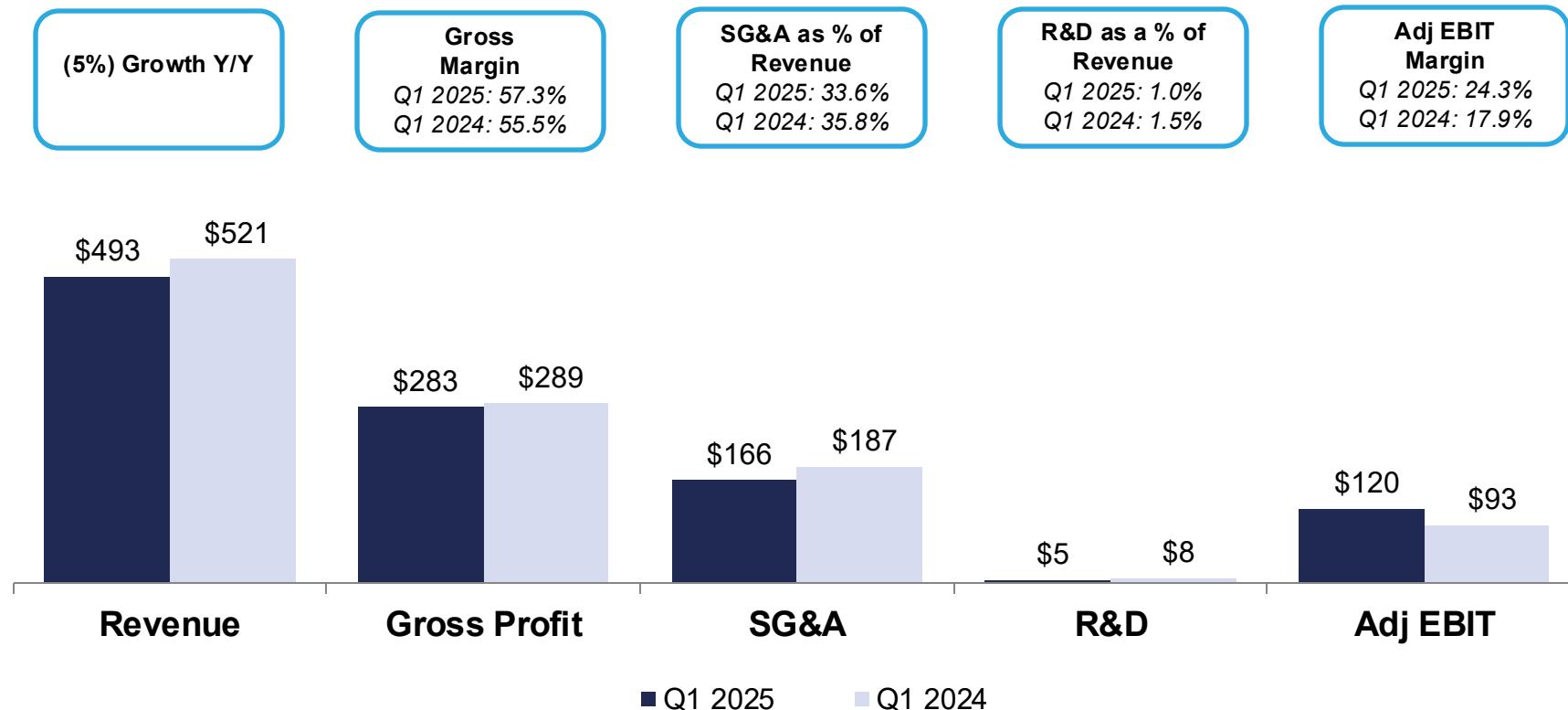
Complete reconciliations of non-GAAP measures to comparable GAAP measures can be found in the attached financial schedules and at the Company's web site at: <https://www.investorrelations.pitneybowes.com/>

Business Overview and Financial Results

- **Revenue was \$493 million**, down 5% year-over-year and in line with previously disclosed expectations for this point in the Company's product lifecycle
- **GAAP EPS was \$0.19**, an improvement of \$0.21 year over year
- **Adjusted EPS was \$0.33**, an improvement of \$0.14 or 74% year over year
- **GAAP net income of \$35 million**, an improvement of \$38 million year over year
- **Adjusted EBIT was \$120 million**, up \$26 million or 28% year over year
- **GAAP cash from operating activities was a use of \$17 million** and included a \$146 million use of working capital in line with seasonal expectations
- **Free Cash Flow**, excluding \$13 million of restructuring payments, **was a use of \$20 million and consistent with the Company's budget and prior guidance**

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 2025	Q1 2024	% Change Reported
Revenue	\$298	\$327	(9%)
Adjusted Segment EBITDA	\$106	\$104	2%
Adjusted Segment EBIT	\$95	\$94	1%

Key Drivers:

- **Revenue declined in line with expectations due to near-term headwinds associated with the end of the recent product migration and the ongoing shift from equipment placement to lease extensions**
 - Revenue was adversely impacted by non-recurring items, including an unfavorable prior period accounting adjustment of \$4 million and difficult year-over-year comparison from a \$4 million government deal in the prior year period
- **The underlying SendTech business remains strong**
 - Improvement in Adjusted Segment EBITDA and EBIT was driven by simplification and cost reduction initiatives
 - Gross margin improved by 230 basis points to 68.9%, benefiting from service cost optimizations and a favorable mix shift toward financing and other revenue

Corporate Expense Allocation Methodology: Effective January 1, 2025, the Company updated its Corporate expense allocation methodology. Marketing and innovation expenses are now reported in the SendTech Solutions segment. Prior periods have been recast to reflect this change in methodology.

Global Financial Services

- Net finance receivables ended the quarter at **\$1.15 billion, up slightly from year-end**
- Portfolio quality remained **very stable with relatively low levels of delinquencies and write-offs**
- Bank deposits were **\$701 million**, down seasonally from year-end
- Continue to execute on Pitney Bowes Bank Receivables Purchase Program:
 - **Freed up \$84 million of cash** at the PBI parent company level since inception
 - Provides the Bank with access to diversified, low-risk, and high-yielding assets

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 2025	Q1 2024	% Change Reported
Revenue	\$178	\$170	5%
Adjusted Segment EBITDA	\$64	\$49	30%
Adjusted Segment EBIT	\$55	\$40	36%

Key Drivers:

- **Higher revenue per piece, improved productivity, and cost reduction initiatives drove the increase in Adjusted Segment EBITDA and EBIT**

Strategic Initiatives and Progress



**Returning Capital to
Shareholders**



**Disciplined Capital Allocation
Strategy**



**Pitney Bowes Bank
Receivables Purchase
Program**



Cost Reduction

Progress on Key Strategic Updates

Returning Capital to Shareholders

- For the second consecutive quarter, the Company **is increasing its quarterly dividend by \$0.01, from \$0.06 to \$0.07**. The Board will continue to evaluate potential additional increases on a quarterly basis
- In the first quarter, the Company repurchased \$15 million of shares under its previously announced \$150 million authorization. The Company repurchased an additional \$12 million of shares from the end of the first quarter through May 2, 2025
- Through the end of Q1, **the Company repurchased \$23 million of debt in the open market**. The Company repurchased an additional \$14 million of debt from the end of the first quarter through May 2, 2025. Due to its current debt covenants, the Company is targeting a 3.0x leverage ratio. The Company expects to achieve this target by the third quarter of 2025.

Disciplined Capital Allocation Strategy

- The Company will continue to pursue a disciplined capital allocation strategy that balances **high-return investments in SendTech's shipping business, potential high-return tuck-in acquisitions in Presort, debt reduction** and the **return of meaningful capital to shareholders**

PB Bank Receivables Purchase Program

- The Company continued its execution of the Pitney Bowes Bank (the "Bank") Receivables Purchase Program, which involves the sale of parent company leases to the Bank. These sales reduce parent company interest costs and improve Bank profitability
- The Bank held \$84 million of leases at the end of Q1, **and the Company aims to increase that figure to \$120 million by the end of 2025**
- Leadership is actively evaluating low-risk, high-return ways to expand this program

Cost Reduction

- The Company eliminated \$34 million in annualized costs during the first quarter
- This brings the Company's run-rate at the end of the first quarter to \$157 million in net annualized savings
- The Company is **increasing its target to \$180 million to \$200 million in net annualized cost savings**, up from its previously announced target of \$170 million to \$190 million, with the remainder to be executed over the next year

Guidance and Outlook

Guidance

Pitney Bowes reaffirms full-year guidance. Full-year guidance is as follows:

\$ millions, except EPS	Low	High
Revenue	\$1,950	\$2,000
Adjusted EBIT	\$450	\$480
Adjusted EPS	\$1.10	\$1.30
Free Cash Flow	\$330	\$370

Appendix

First Quarter 2025 – Debt Profile

Total debt consisted of the following:

(\$ Millions)	Interest Rate	3/31/2025	12/31/2024
Term loan due March 2026	SOFR + 2.25%	-	\$ 235,000
Notes due March 2027	6.875%	372,500	380,000
Notes due March 2028	SOFR + 6.9%	-	96,563
Term loan due March 2028	SOFR + 4.0%	-	433,125
Term loan due March 2028	SOFR + 2.35%	160,000	-
Notes due March 2029	7.25%	335,000	350,000
Term loan due March 2032	SOFR + 3.75%	615,000	-
Notes due January 2037	5.25%	35,841	35,841
Notes due March 2043	6.70%	425,000	425,000
Principal amount		1,943,341	1,955,529

Appendix: Financial Information

Pitney Bowes Inc.
Consolidated Statement of Operations
(Uaudited, in thousands, except per share amounts)

Revenue:

Services	\$ 318,432
Products	93,190
Financing and Other	81,798
Total revenue	493,420

Costs and expenses:

Cost of services	155,873	164,481
Cost of products	50,919	62,754
Cost of financing and other	17,507	21,287
Selling, general and administrative	165,915	186,832
Research and development	4,763	7,626
Restructuring charges	1,400	3,766
Interest expense, net	24,270	27,306
Other components of net pension and postretirement income	1,854	(387)
Other expense	24,187	-
Total costs and expenses	446,688	473,665

Income before taxes	46,732	47,604
Provision for income taxes	11,310	15,500
Income from continuing operations	35,422	32,104
Loss from discontinued operations, net of tax	-	(34,989)
Net income (loss)	\$ 35,422	\$ (2,885)

Basic earnings (loss) per share		
Continuing operations	\$ 0.19	\$ 0.18
Discontinued operations	-	(0.20)
Net earnings (loss)	\$ 0.19	\$ (0.02)

Diluted earnings (loss) per share:		
Continuing operations	\$ 0.19	\$ 0.18
Discontinued operations	-	(0.19)
Net earnings (loss)	\$ 0.19	\$ (0.02)

Weighted-average shares used in diluted earnings per share

	Three months ended March 31	
	2025	2024
Revenue:		
Services	\$ 318,432	\$ 322,690
Products	93,190	114,124
Financing and Other	81,798	84,455
Total revenue	493,420	521,269
Costs and expenses:		
Cost of services	155,873	164,481
Cost of products	50,919	62,754
Cost of financing and other	17,507	21,287
Selling, general and administrative	165,915	186,832
Research and development	4,763	7,626
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Diluted earnings (loss) per share:		
Continuing operations	\$ 0.19	\$ 0.18
Discontinued operations	-	(0.19)
Net earnings (loss)	\$ 0.19	\$ (0.02)
Weighted-average shares used in diluted earnings per share	184,772,933	181,480,268

Appendix: Financial Information

Pitney Bowes Inc.
Consolidated Balance Sheets
(Uaudited, in thousands)

Assets

Current assets:

Cash and cash equivalents	\$ 323,787
Short-term investments	16,175
Accounts and other receivables, net	160,284
Short-term finance receivables, net	526,411
Inventories	65,103
Current income taxes	984
Other current assets and prepayments	92,145

Total current assets

Property, plant and equipment, net	1,184,889
Rental property and equipment, net	204,380
Long-term finance receivables, net	24,275
Goodwill	624,400
Intangible assets, net	729,687
Operating lease assets	17,924
Noncurrent income taxes	113,433
Other assets	101,350
Total assets	269,365

Liabilities and stockholders' deficit

Current liabilities:

Accounts payable and accrued liabilities	\$ 743,846
Customer deposits at Pitney Bowes Bank	625,095
Current operating lease liabilities	27,322
Current portion of long-term debt	14,150
Advance billings	75,060
Current income taxes	3,528

Total current liabilities

Long-term debt	1,489,001
Deferred taxes on income	1,889,002
Tax uncertainties and other income tax liabilities	50,298
Noncurrent operating lease liabilities	14,560
Noncurrent customer deposits at Pitney Bowes Bank	100,754
Other noncurrent liabilities	51,977

Total liabilities

Stockholders' deficit:	3,805,587
Common stock	270,338
Retained earnings	2,651,715
Accumulated other comprehensive loss	(811,575)
Treasury stock, at cost	(2,646,362)
Total stockholders' deficit	(53,584)
Total liabilities and stockholders' deficit	\$ 3,269,703

	March 31, 2025	December 31, 2024
Current assets:		
Total current assets	\$ 1,184,889	\$ 1,317,954
Property, plant and equipment, net	204,380	218,657
Rental property and equipment, net	24,275	24,587
Long-term finance receivables, net	624,400	610,316
Goodwill	729,687	721,003
Intangible assets, net	17,924	15,780
Operating lease assets	113,433	113,357
Noncurrent income taxes	101,350	99,773
Other assets	269,365	276,089
Total assets	<u><u>\$ 3,269,703</u></u>	<u><u>\$ 3,397,516</u></u>
Current liabilities:		
Total current liabilities	\$ 1,489,001	\$ 1,672,727
Long-term debt	1,889,002	1,866,458
Deferred taxes on income	50,298	49,187
Tax uncertainties and other income tax liabilities	14,560	13,770
Noncurrent operating lease liabilities	100,754	100,804
Noncurrent customer deposits at Pitney Bowes Bank	51,977	57,977
Other noncurrent liabilities	199,995	215,026
Total liabilities	<u><u>\$ 3,805,587</u></u>	<u><u>\$ 3,975,949</u></u>
Stockholders' deficit:		
Common stock	270,338	270,338
Retained earnings	2,651,715	2,671,868
Accumulated other comprehensive loss	(811,575)	(839,171)
Treasury stock, at cost	(2,646,362)	(2,681,468)
Total stockholders' deficit	(53,584)	(578,433)
Total liabilities and stockholders' deficit	<u><u>\$ 3,269,703</u></u>	<u><u>\$ 3,397,516</u></u>

Appendix: Financial Information

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

Sending Technology Solutions	
Presort Services	
Total reportable segments	
Other operations	
Total revenue, as reported	
Impact of currency on revenue	
Total revenue, constant currency	

	Three months ended March 31		
	2025	2024	% Change
Sending Technology Solutions	\$ 298,055	\$ 327,437	(9%)
Presort Services	177,814	169,807	5%
Total reportable segments	475,869	497,244	(4%)
Other operations	17,551	24,025	(27%)
Total revenue, as reported	493,420	521,269	(5%)
Impact of currency on revenue	2,135		
Total revenue, constant currency	<u>\$ 495,555</u>	<u>\$ 521,269</u>	<u>(5%)</u>

Appendix: Financial Information

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

	Three months ended March 31						% change	
	2025		2024					
	Adjusted Segment EBIT ⁽¹⁾	D&A	Adjusted Segment EBITDA	Adjusted Segment EBIT ⁽¹⁾	D&A	Adjusted Segment EBITDA	Adjusted Segment EBIT	Adjusted Segment EBITDA
Sending Technology Solutions	\$ 94,934	\$ 11,065	\$ 105,999	\$ 93,710	\$ 9,994	\$ 103,704	1%	2%
Presort Services	54,779	9,269	64,048	40,329	8,757	49,086	36%	30%
Total reportable segments	<u>\$ 149,713</u>	<u>\$ 20,334</u>	<u>170,047</u>	<u>\$ 134,039</u>	<u>\$ 18,751</u>	<u>152,790</u>	<u>12%</u>	<u>11%</u>
<i>Reconciliation of Adjusted Segment EBITDA to Income from continuing operations:</i>								
Other operations ⁽²⁾			1,879			1,494		
Depreciation and amortization - reportable segments			(20,334)			(18,751)		
Interest expense, net			(37,885)			(43,909)		
Corporate expenses			(31,903)			(42,202)		
Restructuring charges			(1,400)			(3,766)		
Foreign currency (loss)gain on intercompany loans			(7,595)			4,638		
Strategic review costs			(1,890)			(2,690)		
Benefit in connection with the Ecommerce Restructuring			459			-		
Loss on debt redemption/refinancing			(24,646)			-		
Income from continuing operations before taxes			<u>\$ 46,732</u>			<u>\$ 47,604</u>		

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

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

Appendix: Financial Information

Pitney Bowes Inc.

Reconciliation of Reported Consolidated Results to Adjusted Results

(Unaudited, in thousands, except per share amounts)

Reconciliation of reported net income (loss) to adjusted EBIT and adjusted EBITDA

Net income (loss)
 Loss from discontinued operations, net of tax
 Provision for income taxes
 Income before taxes
 Restructuring charges
 Foreign currency loss (gain) on intercompany loans
 Strategic review costs
 Benefit in connection with the Ecommerce Restructuring
 Loss on debt redemption/refinancing
 Adjusted net income before tax
 Interest, net
 Adjusted EBIT
 Depreciation and amortization
 Adjusted EBITDA

	Three months ended March 31	
	2025	2024
Net income (loss)	\$ 35,422	\$ (2,885)
Loss from discontinued operations, net of tax	-	34,989
Provision for income taxes	11,310	15,500
Income before taxes	46,732	47,604
Restructuring charges	1,400	3,766
Foreign currency loss (gain) on intercompany loans	7,595	(4,638)
Strategic review costs	1,890	2,690
Benefit in connection with the Ecommerce Restructuring	(459)	-
Loss on debt redemption/refinancing	24,646	-
Adjusted net income before tax	81,804	49,422
Interest, net	37,885	43,909
Adjusted EBIT	119,689	93,331
Depreciation and amortization	28,324	28,850
Adjusted EBITDA	<u>\$ 148,013</u>	<u>\$ 122,181</u>

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

Diluted earnings (loss) per share
 Loss from discontinued operations, net of tax
 Restructuring charges
 Foreign currency loss (gain) on intercompany loans
 Strategic review costs
 Loss on debt redemption/refinancing
 Adjusted diluted earnings per share

Diluted earnings (loss) per share	\$ 0.19	\$ (0.02)
Loss from discontinued operations, net of tax	-	0.19
Restructuring charges	0.01	0.02
Foreign currency loss (gain) on intercompany loans	0.03	(0.02)
Strategic review costs	0.01	0.01
Loss on debt redemption/refinancing	0.10	-
Adjusted diluted earnings per share	<u>\$ 0.33</u>	<u>\$ 0.19</u>

Reconciliation of reported net cash from operating activities to free cash flow

Net cash from operating activities - continuing operations
 Capital expenditures
 Restructuring payments
 Free cash flow

Net cash from operating activities - continuing operations	\$ (16,679)	\$ (1,015)
Capital expenditures	(16,887)	(14,317)
Restructuring payments	13,106	14,989
Free cash flow	<u>\$ (20,460)</u>	<u>\$ (343)</u>

Thank You