



# Third Quarter 2023 Financial Results

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# Disclaimer

## Forward-Looking Statements

This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, Section 21E of the Securities Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995. Unisys cautions readers that the assumptions forming the basis for forward-looking statements include many factors that are beyond Unisys' ability to control or estimate precisely, such as estimates of future market conditions, the behavior of other market participants and that TCV is based, in part, on the assumption that each of those contracts will continue for their full contracted term. Words such as "anticipates," "estimates," "expects," "projects," "may," "will," "intends," "plans," "believes," "should" and similar expressions may identify forward-looking statements and such forward-looking statements are made based upon management's current expectations, assumptions and beliefs as of this date concerning future developments and their potential effect upon Unisys. There can be no assurance that future developments will be in accordance with management's expectations, assumptions and beliefs or that the effect of future developments on Unisys will be those anticipated by management. Forward-looking statements in this presentation and the accompanying presentation include, but are not limited to, any projections or expectations of revenue growth, margin expansion, achievement of operational efficiencies and savings, future growth of our Next-Gen solutions, TCV and 4Q23 TCV performance, backlog, pipeline, book-to-bill, full-year 2023 revenue growth and profitability guidance, including constant currency revenue, non-GAAP operating profit margin and adjusted EBITDA margin, our pension liability and statements regarding future economic conditions or performance.

Additional information and factors that could cause actual results to differ materially from Unisys' expectations are contained in Unisys' filings with the U.S. Securities and Exchange Commission (SEC), including Unisys' Annual Reports on Form 10-K and subsequent Quarterly Reports on Form 10-Q, recent Current Reports on Form 8-K, and other SEC filings, which are available at the SEC's web site, <http://www.sec.gov>. Information included in this presentation is representative as of the date of this presentation only and while Unisys periodically reassesses material trends and uncertainties affecting Unisys' results of operations and financial condition in connection with its preparation of management's discussion and analysis of results of operations and financial condition contained in its Quarterly and Annual Reports filed with the SEC, Unisys does not, by including this statement, assume any obligation to review or revise any particular forward-looking statement referenced herein in light of future events.

## Non-GAAP Information

This presentation includes certain non-GAAP financial measures that exclude certain items such as postretirement expense and cost-reduction activities and other expenses that the company believes are not indicative of its ongoing operations, as they may be unusual or non-recurring. The inclusion of such items in financial measures can make the company's profitability and liquidity results difficult to compare to prior periods or anticipated future periods and can distort the visibility of trends associated with the company's ongoing performance. Management also believes that non-GAAP measures are useful to investors because they provide supplemental information about the company's financial performance and liquidity, as well as greater transparency into management's view and assessment of the company's ongoing operating performance.

Non-GAAP financial measures are often provided and utilized by the company's management, analysts, and investors to enhance comparability of year-over-year results and to isolate in some instances the impact of software license renewals, which tend to be lumpy, and related support services in order to evaluate the company's business outside of these areas. These items are uncertain, depend on various factors, and could have a material impact on the company's GAAP results for the applicable period. These measures should not be relied upon as substitutes for, or considered in isolation from, measures calculated in accordance with U.S. GAAP. A reconciliation of these non-GAAP financial measures to the most directly comparable financial measures calculated and reported in accordance with GAAP can be found below except for financial guidance and other forward-looking information since such a reconciliation is not practicable without unreasonable efforts as the company is unable to reasonably forecast certain amounts that are necessary for such reconciliation. This information has been provided pursuant to the requirements of SEC Regulation G.



# Performance Highlights

## 3Q 2023

### Revenue

**Ex-L&S Revenue +6.2%, or +4.1% in constant currency**

CA&I and DWS growth driven by expansion and new scope with existing clients; SS&C growth by application services at existing clients

Total revenue +0.7% YoY or (1.4%) in constant currency

### Gross Margin

**Gross profit of \$95.3M; gross margin of 20.5%**

Ex-L&S gross margin of 14.0%, includes a 200bps impact from a revenue reversal recognized in the quarter

Continued efficiencies resulting from labor pyramid initiatives, use of automation, and optimization of contingent labor

### Profitability & Free Cash Flow

**Adj. EBITDA of \$37.0M; Adj. EBITDA margin of 8.0%**

Non-GAAP operating profit of +\$0.4M; Non-GAAP operating margin of +0.1% vs. 3.1% in the prior year period

(\$8.5M) YTD Free Cash Flow, a \$78.5M YoY improvement  
\$32.8M YTD Pre-Pension Free Cash Flow, an \$85.9M YoY improvement

### Leading Indicators

**Ex-L&S Pipeline is 18% larger than a year ago**

Next-Gen Solutions pipeline is 50% larger than a year ago

Ex-L&S TCV declined 46% YoY and 30% QoQ primarily due to renewal timing

Company expects 4Q23 to be strongest TCV quarter of the year  
October TCV signings exceed 3Q TCV by >60%

# Unisys Logistics Optimization™

**01** **Pre-trained data models**  
Optimize logistics management processes

**02** **Built-in machine learning**  
Optimizes models with no data training required

**03** **Quantum annealing compute power**  
Reduce how long it takes to return model times

**04** **Platform agnostic**  
Add to existing improvements customers have already started

An advanced analytics solution that uses **quantum annealing** to compile multiple disparate data sources to **optimize space, freight and route processes** in near real-time

# Connect your most important dots



## Capacity

Predict and prescribe optimal pallet & unit load device builds, allowing for day-of-departure changes to **maximize and unused cargo space**



## Inventory

Optimize inventory levels & location, freight sensitivity, and packaging requirements to **reduce package & build costs and minimize damage and spoilage claims**



## Routing

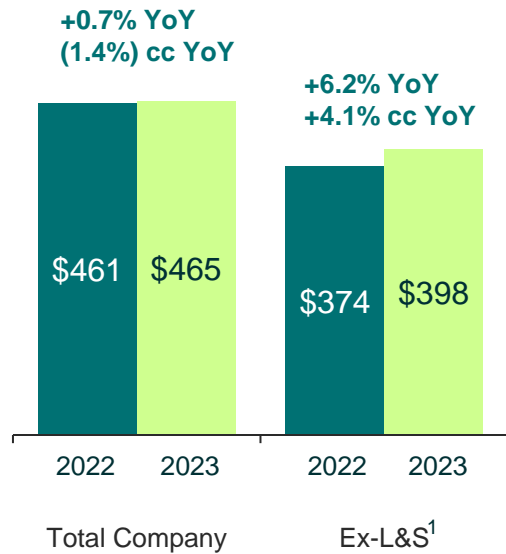
Optimize outbound and reverse logistics routes incorporating dynamic data like weather and travel times to **increase revenue, reduce ship times, and improve customer experience**

Optimizing the whole supply chain to increase **revenue**, reduce **costs**, and improve **operational efficiency**

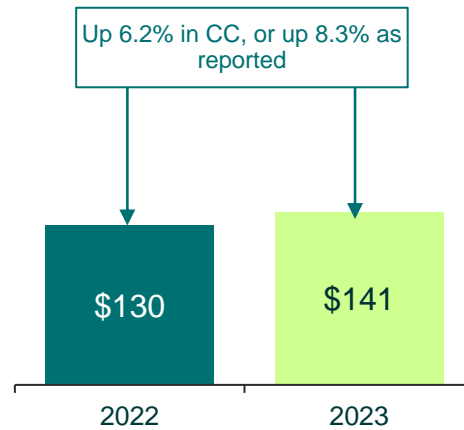


# 3Q Revenue (\$M)

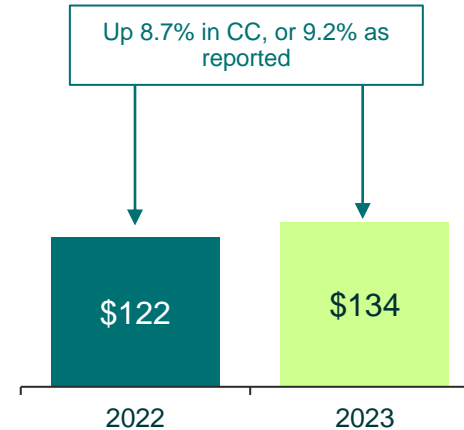
## COMPANY



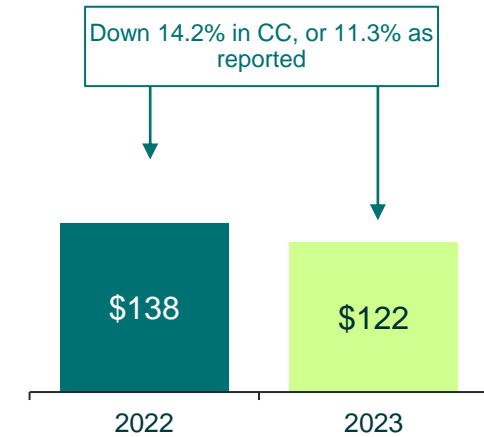
## DWS



## CA&I



## ECS



Growth primarily driven by expansion and new scope with existing clients

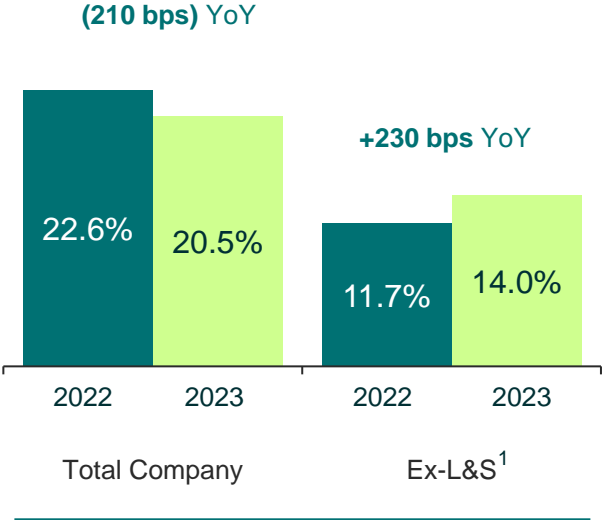
Decline driven by timing of L&S license renewals



<sup>1</sup>See appendix for reconciliation of non-GAAP measures

# 3Q Gross Margins

## COMPANY



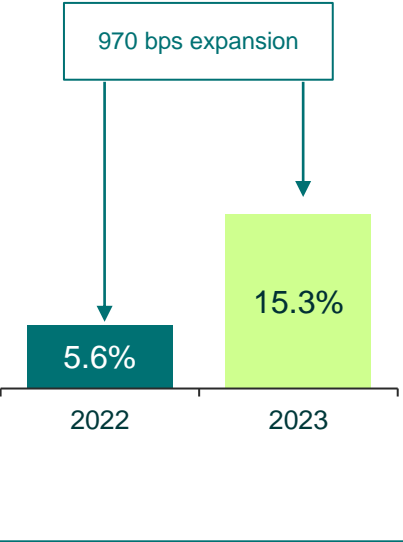
Contraction due to lower L&S revenue, partially offset by expansion in Ex-L&S gross margin

## DWS



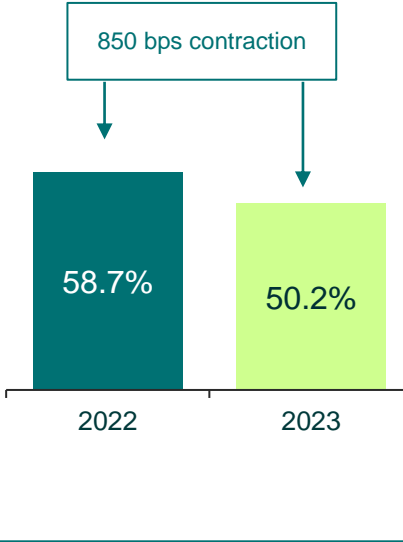
Contraction driven by solutions mix in the quarter, offset by gains from labor efficiencies

## CA&I



Driven by additional expenses associated with a contract in the prior year period as well as delivery improvements in 3Q23

## ECS



Contraction due to lower L&S revenue due to renewal timing



<sup>1</sup>See appendix for reconciliation of non-GAAP measures

# 3Q Profitability & Free Cash Flow

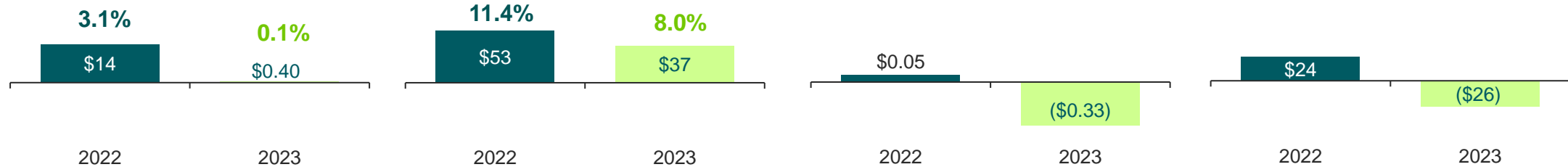
(\$M)

## OPERATING PROFIT & MARGIN (Non-GAAP)<sup>1</sup>

## ADJ. EBITDA & MARGIN (Non-GAAP)<sup>1</sup>

## EARNINGS PER SHARE, DILUTED (Non-GAAP)<sup>1</sup>

## FREE CASH FLOW



Declines driven by lower License & Support revenue due to the timing of license renewals



<sup>1</sup>See appendix for reconciliation of non-GAAP measures



# 3Q23 EBITDA and Cash Flow Detail

\$M	3Q23	3Q22
EBITDA <sup>1</sup>	\$ 7.6	\$ 4.2
ADJUSTED EBITDA <sup>1</sup>	\$ 37.0	\$ 52.5
ADJUSTED EBITDA MARGIN <sup>1</sup>	8.0%	11.4%
OPERATING CASH FLOW	(\$ 4.1)	\$ 44.5
CAPITAL EXPENDITURES	(\$ 21.6)	(\$ 20.7)
FREE CASH FLOW <sup>1</sup>	(\$ 25.7)	\$ 23.8
PRE-PENSION FREE CASH FLOW <sup>1</sup>	(\$ 15.5)	\$ 32.6
ADJUSTED FREE CASH FLOW <sup>1</sup>	\$ 1.4	\$ 53.1



<sup>1</sup>See appendix for reconciliation of non-GAAP measures.

# Leverage Detail

\$M	SEPTEMBER 30, 2023
SENIOR SECURED NOTES <sup>1</sup>	\$ 485.0
FINANCE LEASES AND OTHER DEBT	19.6
<b>TOTAL DEBT</b>	<b>\$ 504.6</b>
GLOBAL NET PENSION DEFICIT (AS OF DEC 31, 2022)	543.1
<b>TOTAL DEBT INCLUDING PENSION DEFICIT</b>	<b>\$ 1,047.7</b>
CASH	\$ 385.0
<b>NET LEVERAGE</b>	<b>\$ 119.6</b>
<b>NET LEVERAGE INCLUDING PENSION DEFICIT</b>	<b>\$ 662.7</b>
LTM ADJUSTED EBITDA <sup>2</sup>	\$ 334.2
<b>NET LEVERAGE RATIO</b>	<b>0.4x</b>
<b>NET LEVERAGE RATIO INCLUDING PENSION DEFICIT</b>	<b>2.0x</b>



1 Represents face value of debt  
2 See appendix for reconciliation of non-GAAP measures

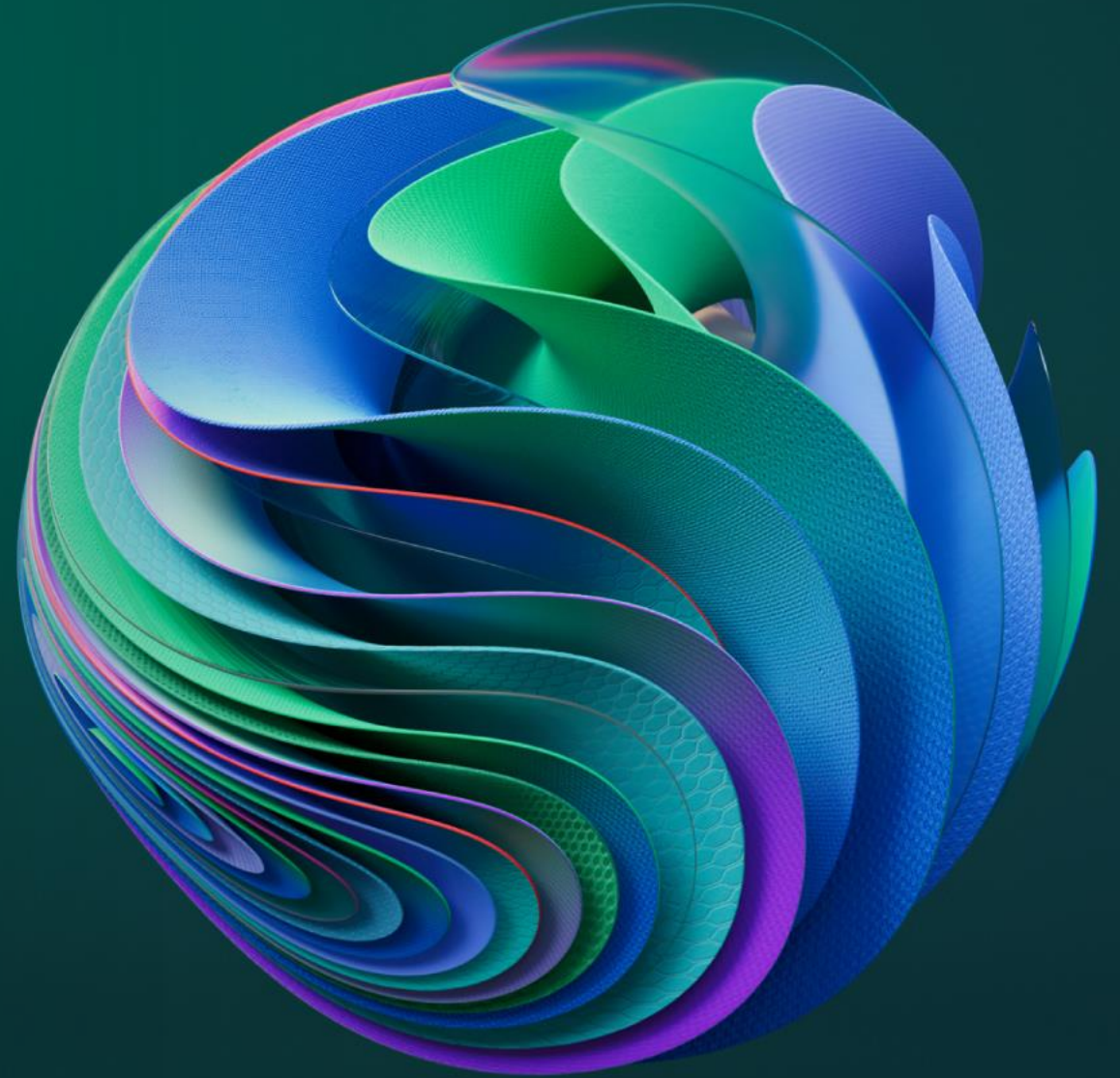
# Raising Financial Guidance Full-Year 2023

	REVISED	PRIOR
Revenue Growth in constant currency	<b>0% to 1.5%</b> Assumes Ex-L&S growth of 3% to 4.5% & ~\$420M L&S revenue	<b>(7%) to (3%)</b> Assumed Ex-L&S growth of (1%) to +4% & ~\$350 L&S revenue
Non-GAAP Operating Margin*	<b>5% to 6%</b>	<b>2% to 4%</b>
Adjusted EBITDA Margin*	<b>12.5% to 13.5%</b>	<b>9.5% to 11.5%</b>



\*See appendix for reconciliation of non-GAAP measures.

# Appendix



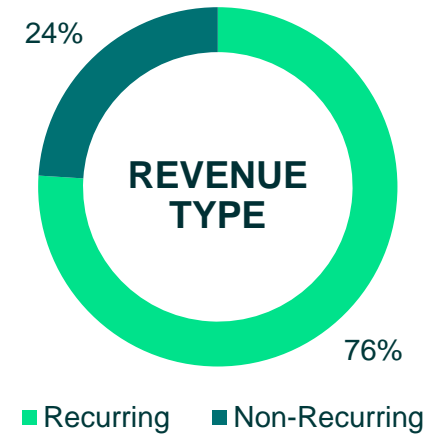
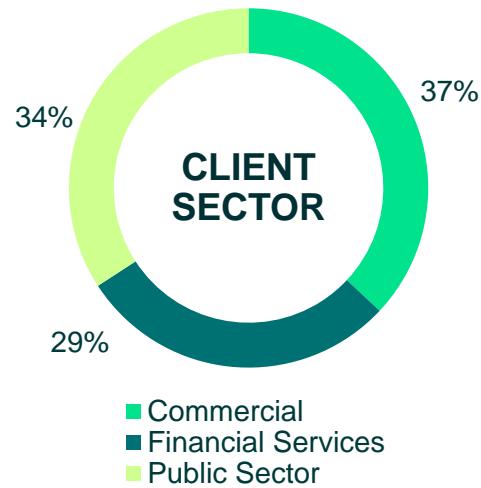
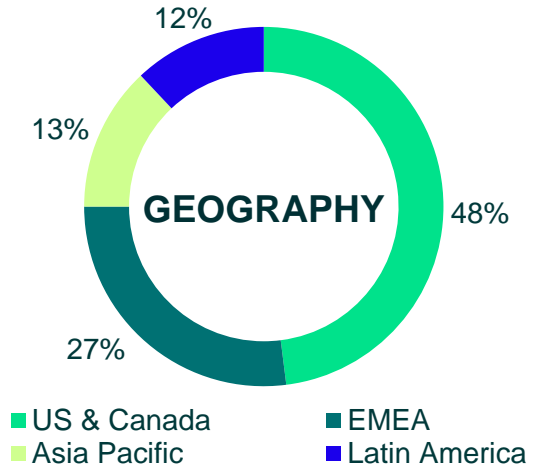
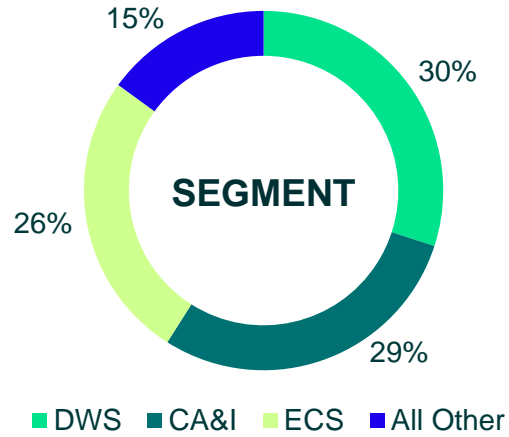
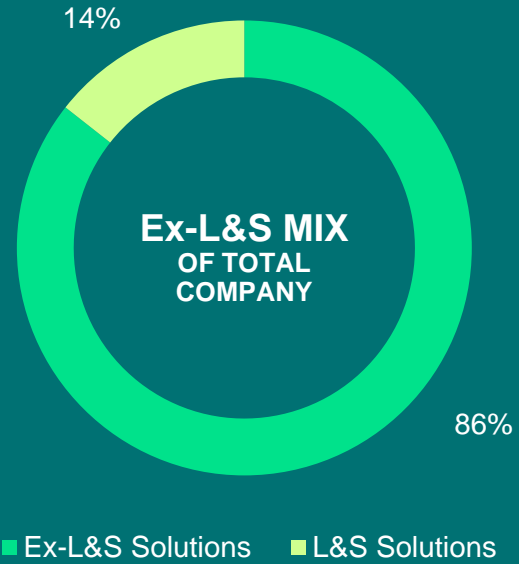
# Unisys Segment and Solutions Map

SEGMENT / REPORTING	DESCRIPTION	NEXT-GEN SOLUTIONS	TRADITIONAL SOLUTIONS
<b>Digital Workplace Solutions (DWS)</b>	We deploy, integrate, and manage enterprise technologies, platforms, and applications to support in-office, remote, or hybrid workplace	<b>Modern Workplace:</b> hybrid virtual desktop; device-as-a-service; next-gen service desk; unified communications & collaboration (UCC) management; unified endpoint management	<b>Traditional Workplace:</b> field services, device management, traditional service desk
<b>Cloud, Application &amp; Infrastructure Solutions (CA&amp;I)</b>	We accelerate digital transformation to help our clients securely leverage the flexibility of the cloud through hybrid and multi-cloud adoption and infrastructure and application modernization	<b>Digital Platforms &amp; Applications (DP&amp;A):</b> cloud migration and management; application development & modernization; data and analytics; hybrid infrastructure; cyber security	<b>Infrastructure:</b> design, implementation, monitoring, automating, and managing dedicated on-premise or hosted infrastructure
<b>Enterprise Computing Solutions (ECS)</b>	We deliver high-intensity, software-defined operating environments and solutions in the cloud and on premise. We partner with clients to evolve compute in industries including financial services, travel and transportation, and telecommunications, among others	<b>Specialized Services &amp; Next-Gen Compute (SS&amp;C):</b> managed services; workflow-based industry solutions; compute advisory and transformation (serverless, edge, quantum)	<b>LICENSE AND SUPPORT (L&amp;S):</b> ClearPath Forward and other Unisys IP-related licenses and associated support services. ClearPath Forward is a secure, scalable software operating environment for high intensity computing
<b>All Other (various business process solutions)</b>	We enable mission critical functions spanning digital mortgage processing for financial services clients, integrated portfolio and investment management for clients with large capital investments, and data aggregation and presentation solutions for public and local law enforcement agencies, among others	<b>Micro-Market Solutions:</b> highly customized industry or market-based business process solutions (in many cases leveraging technology and knowledge proprietary to Unisys)	<b>Business Process Solutions (BPS):</b> Process automation for high-volume or labor and time-intensive workflows, often meeting 24/7 requirements



**EXCLUDING LICENSE AND SUPPORT (EX-L&S) SOLUTIONS**

# 3Q Revenue Profile



# Excluding License and Support (Ex-L&S)

\$M	3Q23	3Q22
<b>GAAP REVENUE</b>	<b>\$ 464.6</b>	<b>\$ 461.2</b>
L&S REVENUE	67.1	86.9
<b>EX-L&amp;S REVENUE (NON-GAAP)</b>	<b>\$ 397.5</b>	<b>\$ 374.3</b>
<b>GAAP GROSS PROFIT</b>	<b>\$ 95.3</b>	<b>\$104.3</b>
L&S GROSS PROFIT	39.6	60.5
<b>EX-L&amp;S GROSS PROFIT (NON-GAAP)</b>	<b>\$ 55.7</b>	<b>\$ 43.8</b>
<b>GAAP GROSS MARGIN AS A % OF REVENUE</b>	<b>20.5%</b>	<b>22.6%</b>
<b>EX-L&amp;S GROSS MARGIN AS A % OF REVENUE (NON-GAAP)</b>	<b>14.0%</b>	<b>11.7%</b>



# Non-GAAP Operating Profit

\$M	3Q23	3Q22
<b>GAAP OPERATING INCOME</b>	<b>(\$ 17.1)</b>	<b>(\$ 8.0)</b>
COST REDUCTION AND OTHER EXPENSES <sup>1</sup>	17.1	21.6
POSTRETIREMENT EXPENSE <sup>2</sup>	0.4	0.5
<b>NON-GAAP OPERATING PROFIT</b>	<b>\$ 0.4</b>	<b>\$ 14.1</b>
REVENUE	\$ 464.6	\$ 461.2
<b>GAAP OPERATING PROFIT MARGIN</b>	<b>(3.7%)</b>	<b>(1.7%)</b>
<b>NON-GAAP OPERATING PROFIT MARGIN</b>	<b>0.1%</b>	<b>3.1%</b>



1. Included in cost of revenue, selling, general and administrative, and research and development on the consolidated statements of income (loss).

2. Included in selling, general and administrative on the consolidated statements of income.



# Adjusted EBITDA Reconciliation

\$M	3Q23	3Q22
<b>NET INCOME (LOSS) ATTRIBUTABLE TO UNISYS</b>	<b>(\$ 50.0)</b>	<b>(\$ 40.1)</b>
NET INCOME ATTRIBUTABLE TO NONCONTROLLING INTERESTS	1.1	0.2
INTEREST EXPENSE, NET OF INTEREST INCOME OF \$6.9 AND \$2.9 RESPECTIVELY <sup>1</sup>	0.9	5.0
PROVISION FOR INCOME TAX	20.4	0.7
DEPRECIATION	19.6	22.9
AMORTIZATION	15.6	15.5
<b>EBITDA</b>	<b>\$ 7.6</b>	<b>\$ 4.2</b>
POSTRETIREMENT EXPENSE	10.3	11.4
COST REDUCTION AND OTHER EXPENSES <sup>2</sup>	15.2	27.3
NON-CASH SHARE-BASED EXPENSE	3.8	4.7
OTHER EXPENSE, NET ADJUSTMENT <sup>3</sup>	0.1	4.9
<b>ADJUSTED EBITDA</b>	<b>\$ 37.0</b>	<b>\$ 52.5</b>
REVENUE	\$ 464.6	\$ 461.2
<b>ADJUSTED EBITDA MARGIN</b>	<b>8.0%</b>	<b>11.4%</b>

1. Included in other (expense), net on the consolidated statements of income (loss)

2. Reduced for depreciation and amortization included above

3. Other expense, net as reported on the consolidated statements of income (loss) less postretirement expense, interest income and items included in cost reduction and other expenses



# Non-GAAP Diluted Earnings Per Share

\$M EXCEPT SHARE AND PER SHARE DATA		3Q23	3Q22
<b>GAAP NET INCOME (LOSS) ATTRIBUTABLE TO UNISYS CORPORATION</b>		<b>(\$ 50.0)</b>	<b>(\$ 40.1)</b>
POST-RETIREMENT EXPENSE:	PRETAX	10.3	11.4
	TAX	(0.2)	0.2
	NET OF TAX	\$ 10.5	\$ 11.2
COST REDUCTION AND OTHER EXPENSE:	PRETAX	17.6	32.0
	TAX	0.4	--
	NET OF TAX	\$ 17.2	\$ 32.0
<b>NON-GAAP NET INCOME (LOSS) ATTRIBUTABLE TO UNISYS CORPORATION</b>		<b>(\$ 22.3)</b>	<b>\$ 3.1</b>
WEIGHTED AVERAGE SHARES (THOUSANDS)		68,381	67,787
PLUS INCREMENTAL FROM ASSUMED CONVERSION OF EMPLOYEE STOCK PLANS		--	339
<b>NON-GAAP DILUTED WEIGHTED AVERAGE SHARES</b>		<b>68,381</b>	<b>68,126</b>
<b><u>GAAP DILUTED EARNINGS (LOSS) PER SHARE</u></b>			
GAAP NET INCOME (LOSS) ATTRIBUTABLE TO UNISYS CORPORATION		(\$ 50.0)	(\$ 40.1)
DIVIDED BY WEIGHTED AVERAGE SHARES (THOUSANDS)		68,381	67,787
<b>GAAP DILUTED EARNINGS (LOSS) PER SHARE</b>		<b>(\$ 0.73)</b>	<b>(\$ 0.59)</b>
<b><u>NON-GAAP DILUTED EARNINGS PER SHARE</u></b>			
NON-GAAP NET INCOME (LOSS) ATTRIBUTABLE TO UNISYS CORPORATION		(\$ 22.3)	\$ 3.1
DIVIDED BY NON-GAAP ADJUSTED WEIGHTED AVERAGE SHARES		68,381	68,126
<b>NON-GAAP DILUTED EARNINGS (LOSS) PER SHARE</b>		<b>(\$ 0.33)</b>	<b>\$ 0.05</b>



# Adjusted Free Cash Flow

\$M	3Q23	3Q22
<b>CASH PROVIDED BY (USED FOR) OPERATIONS</b>	<b>(\$ 4.1)</b>	<b>\$ 44.5</b>
ADDITIONS TO MARKETABLE SOFTWARE	(11.6)	(11.6)
ADDITIONS TO PROPERTIES	(3.5)	(7.5)
ADDITIONS TO OUTSOURCING ASSETS	(6.5)	(1.6)
<b>FREE CASH FLOW</b>	<b>(\$ 25.7)</b>	<b>\$ 23.8</b>
POSTRETIREMENT FUNDING	10.2	8.8
<b>PRE-PENSION FREE CASH FLOW</b>	<b>(\$ 15.5)</b>	<b>\$ 32.6</b>
COST REDUCTION AND OTHER PAYMENTS, NET	16.9	20.5
<b>ADJUSTED FREE CASH FLOW</b>	<b>\$ 1.4</b>	<b>\$ 53.1</b>



# Non-GAAP Net Income Margin

\$M	3Q23	3Q22
REVENUE	\$ 464.6	461.2
NET INCOME (LOSS) ATTRIBUTABLE TO UNISYS	(\$ 50.0)	(\$ 40.1)
NON-GAAP NET INCOME (LOSS) ATTRIBUTABLE TO UNISYS	(\$ 22.3)	\$ 3.1
<b>NET INCOME (LOSS) AS A % OF REVENUE</b>	<b>(10.8%)</b>	<b>(8.7%)</b>
<b>NON-GAAP NET INCOME (LOSS) ATTRIBUTABLE TO UNISYS AS A % OF REVENUE</b>	<b>(4.8%)</b>	<b>0.7%</b>



# Definitions of Non-GAAP Financial Metrics

**Non-GAAP operating profit** – This measure excludes pretax postretirement expense and pretax charges in connection with cost-reduction activities and other expenses.

**EBITDA & adjusted EBITDA** – Earnings before interest, taxes, depreciation and amortization (EBITDA) is calculated by starting with net income (loss) attributable to Unisys Corporation common shareholders and adding or subtracting the following items: net income (loss) attributable to noncontrolling interests, interest expense (net of interest income), provision for (benefit from) income taxes, depreciation and amortization. Adjusted EBITDA further excludes postretirement expenses and cost-reduction activities and other expenses, non-cash share-based expense, and other (income) expense adjustments.

**Non-GAAP net income and non-GAAP diluted earnings per share** – These measures excluded postretirement expense and charges in connection with cost-reduction activities and other expenses. The tax amounts related to these items for the calculation of non-GAAP diluted earnings per share include the current and deferred tax expense and benefits recognized under GAAP for these items.

**Free cash flow** – Represents cash flow from operations less capital expenditures.

**Pre-pension free cash flow** – Represents free cash flow before postretirement contributions.

**Adjusted free cash flow** – Represents free cash flow less cash used for postretirement funding and cost-reduction activities and other payments.

**License and Support (L&S)** – Represents software license and related support revenue within the company's ECS segment.

**Excluding License and Support (Ex-L&S)** – these measures exclude revenue, gross profit, and gross profit margin in connection with software license and support revenue within the company's ECS segment. The company provides these measures to allow investors to isolate the impact of software license renewals, which tend to be significant and impactful based on timing, and related support services in order to evaluate the company's business outside of these areas.



# Definitions of Other Metrics and Terms

**Constant currency** – A significant amount of the company's revenue is derived from international operations. As a result, the company's revenue has been and will continue to be affected by changes in the U.S. dollar against major international currencies. The company refers to revenue growth rates in constant currency or on a constant currency basis so that the business results can be viewed without the impact of fluctuations in foreign currency exchange rates to facilitate comparisons of the company's business performance from one period to another. Constant currency is calculated by retranslating current and prior-period revenue at a consistent exchange rate rather than the actual exchange rates in effect during the respective periods.

**Backlog** – Represents future revenue associated with contracted work which has not yet been delivered or performed. Although the company believes this revenue will be recognized, it may, for commercial reasons, allow the orders to be cancelled, with or without penalty.

**Pipeline** – Represents qualified prospective sale opportunities for which bids have been submitted or vetted prospective sales opportunities which are being actively pursued. There is no assurance that pipeline will translate into revenue.

**Total Contract Value (TCV)** – Represents the estimated revenue related to contracts signed in the period without regard for cancellation terms. New business TCV represents TCV attributable to new scope for existing clients and new logo contracts.

**Book-to-bill** - Represents TCV divided by revenue for a given period.

**Next-Gen Solutions** – Includes our Modern Workplace solutions within DWS, Digital Platforms and Applications (DP&A) solutions within CA&I, Specialized Services and Next-Gen Compute (SS&C) solutions within ECS, as well as Micro-Market solutions. The company uses estimated Next-Gen Solutions metrics to provide insight into the company's progress in shifting the revenue mix towards solutions that are generally higher-growth and higher-margin.

