



Third-Quarter 2022 Financial Results

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November 8, 2022

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3Q22 Company Highlights

- **Total company revenue was down 5.5% year over year (YoY) as reported and up 0.3% YoY on a constant-currency basis**
- **Non-GAAP operating profit margin was 3.1%**
- **Total company pipeline grew 25% YoY**
- **Annual Contract Value (ACV) signings grew 20% YoY**
- **Total Contract Value (TCV) signings grew 31% YoY**
- **Momentum in key focus areas within Digital Workplace Solutions and Cloud, Applications & Infrastructure Solutions** (see slide 8)
- **Company provides revised FY22 guidance** (see slide 11)

Company Insights

In DWS, our primary focus is in higher-growth, higher-margin proactive, experience-based solutions that streamline and optimize collaboration anywhere and on any device to maximize employee productivity and engagement, which we refer to as Modern Workplace.

- We have accelerated our momentum in Modern Workplace. In the third quarter, pipeline more than doubled YoY and both ACV and TCV grew in excess of 50% in the same period. We expect Modern Workplace to represent approximately 15% of DWS revenue in 2022 versus 7% in 2021

In CA&I, we continue to shift the mix of revenue in CA&I toward Digital Platforms and Applications (DP&A), which includes hybrid and multi-cloud management, cybersecurity, application modernization, cloud-native application development and data analytics and insights.

- DP&A advanced in the quarter as pipeline grew more than 50% YoY. Also in the quarter, ACV grew greater than 100%, while TCV grew in excess of 50% versus prior year. We expect DP&A to represent approximately 30% of CA&I revenue in 2022 versus 20% in 2021

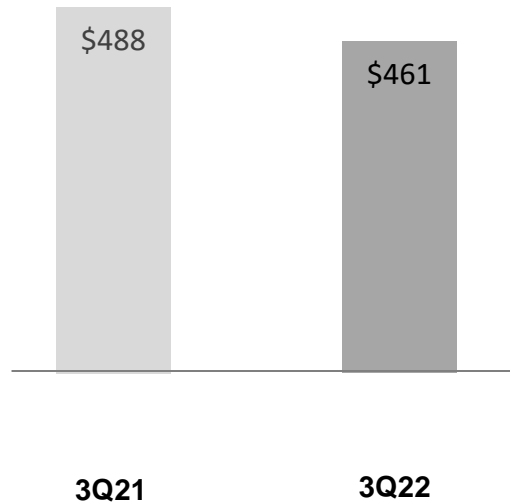
In ECS, we are introducing a new focus area, Specialized Services and Next Generation Compute (SS&C), which consists of ECS-related services, specific proprietary industry applications, and next-generation compute capabilities. The remainder of ECS is Licenses and Support (L&S), the vast majority of which consists of ClearPath Forward®-related licenses and support.

- We expect SS&C to represent approximately 30% of ECS revenue in 2022

3Q22 Financial Results

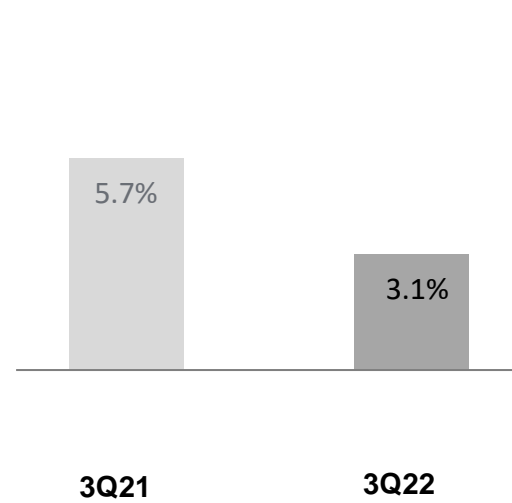
Revenue (\$M)

Total revenue was down 5.5% as-reported and up 0.3% YoY in constant currency

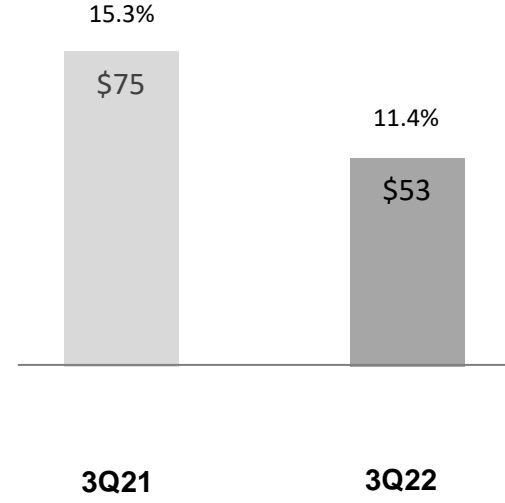


Operating Profit Margin (%) Non-GAAP¹

The declines are largely driven by lower ClearPath Forward® license renewals in the quarter. EPS includes a tax benefit due to a partial reversal of valuation allowances.



Adjusted EBITDA (\$M) And Margin (%) Non-GAAP¹



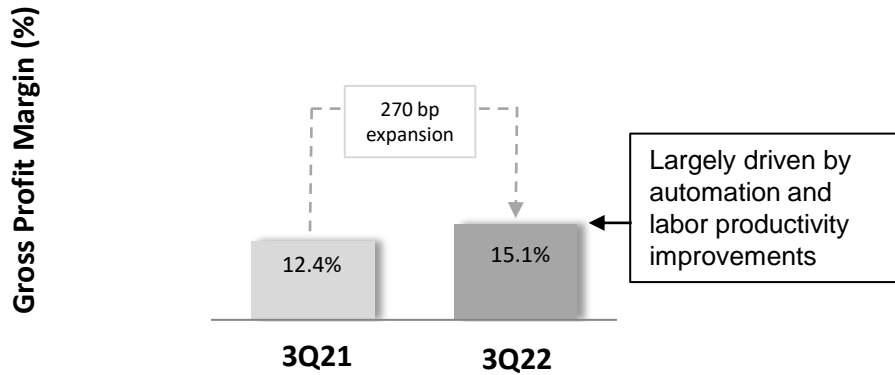
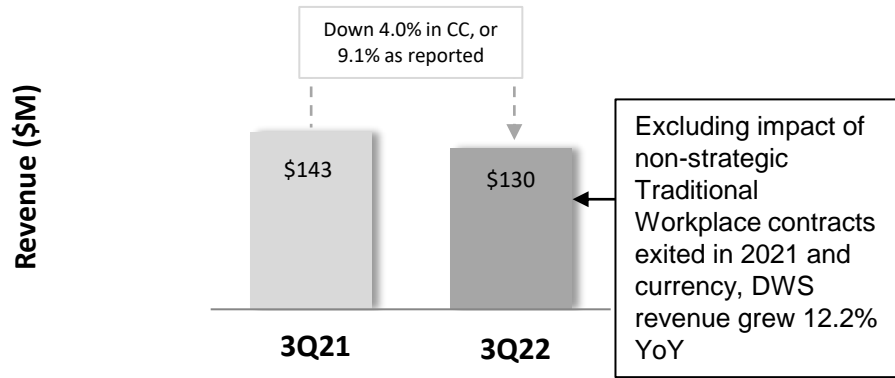
Earnings per Share Non-GAAP¹



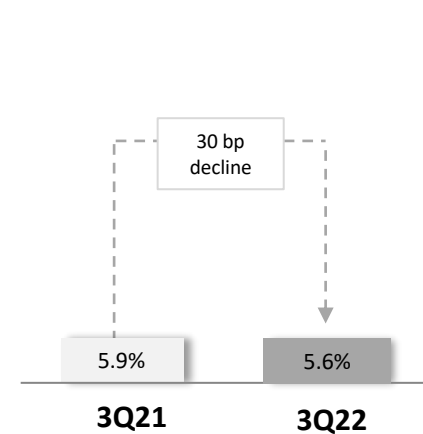
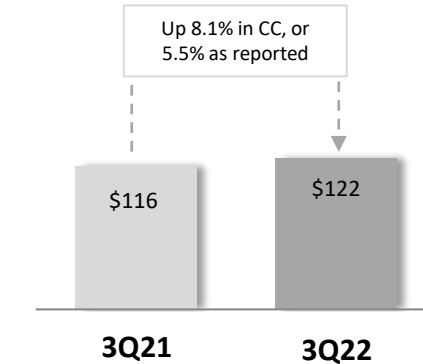
¹See appendix for reconciliation of non-GAAP measures.

3Q22 Segment Results

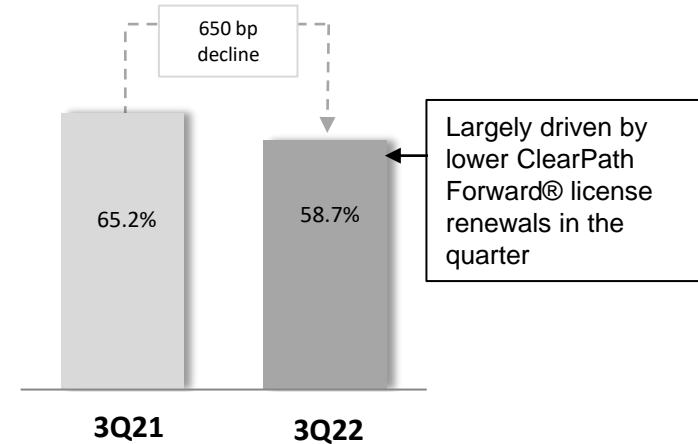
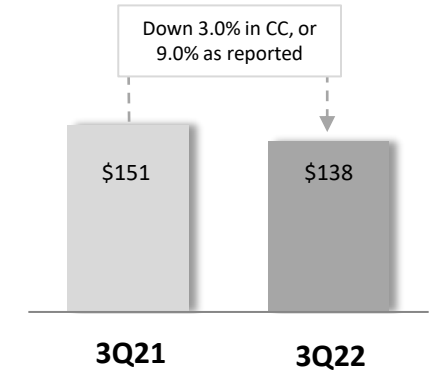
Digital Workplace Solutions



Cloud, Applications & Infrastructure Solutions



Enterprise Computing Solutions



3Q22 Cash Flow and EBITDA Results

\$M	3Q21	3Q22
EBITDA ¹	\$42.2	\$4.2
Adjusted EBITDA ¹	\$74.6	\$52.5
Adjusted EBITDA Margin ¹	15.3%	11.4%
Operating Cash Flow	\$65.5	\$44.5
Capital Expenditures	(\$26.1)	(\$20.7)
Free Cash Flow ¹	\$39.4	\$23.8
Adjusted Free Cash Flow ¹	\$69.9	\$53.1

¹See appendix for reconciliation of non-GAAP measures.

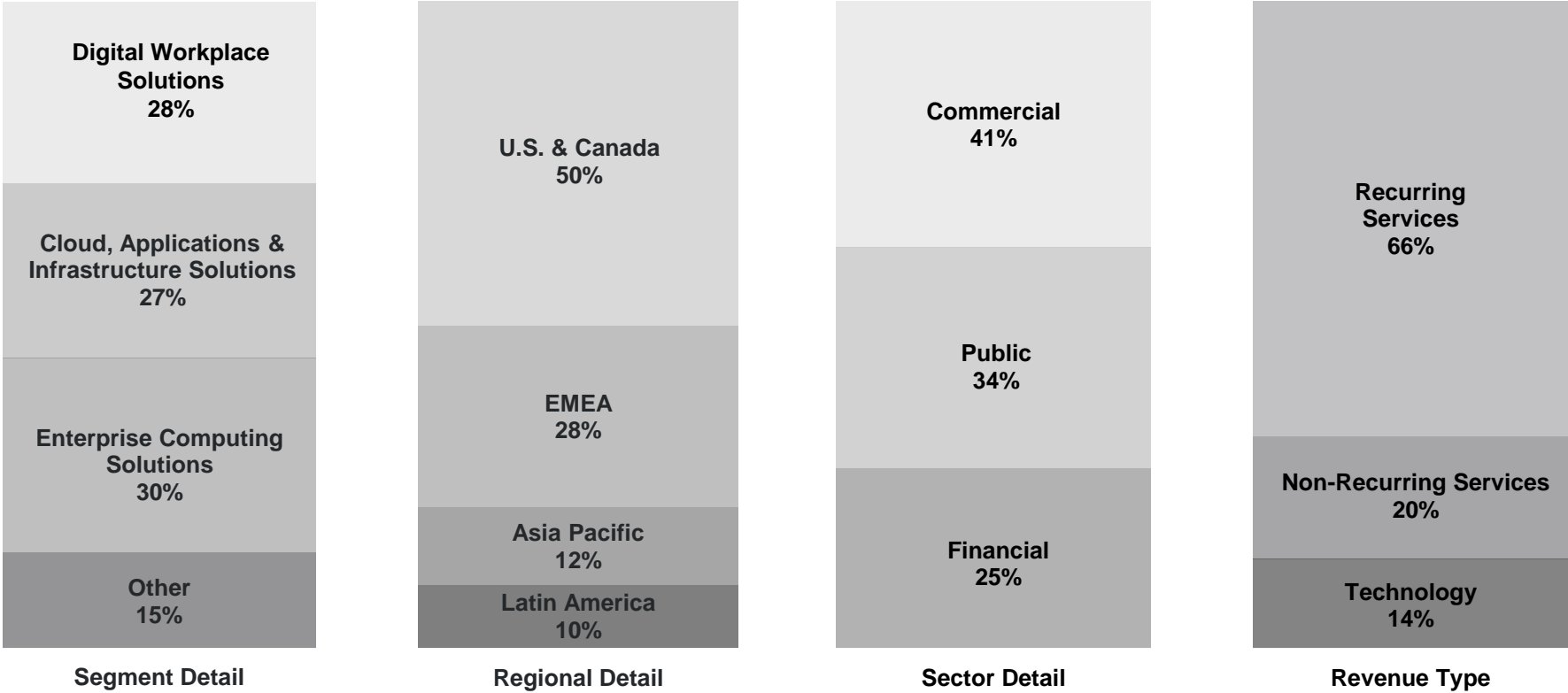
Pipeline, ACV and TCV

	YoY growth
Total Company Pipeline	25%
DWS Pipeline	>50%
Modern Workplace Pipeline	>100%
CA&I Pipeline	3%
Digital Platforms & Applications Pipeline	>50%
Total Company ACV	20%
DWS ACV	(20)%
Modern Workplace ACV	>50%
CA&I ACV	53%
Digital Platforms & Applications ACV	>100%
Total Company TCV	31%
DWS TCV	12%
Modern Workplace Pipeline TCV	>50%
CA&I TCV	52%
Digital Platforms & Applications TCV	>50%

Appendix

3Q22 Unisys Revenue Profile

Percent of 3Q22 Revenue



Revised 2022 Financial Guidance

Revenue Growth: -1.0% to +1.0% in constant currency, -5.5% to -3.5% as reported

Non-GAAP Operating Profit Margin: 6.0% to 8.0%

Adjusted EBITDA Margin: 14.5% to 16.5%

A reconciliation of GAAP to non-GAAP measures is not provided for financial guidance since such a reconciliation is not practicable without unreasonable effort.

Potential Economic Benefit of Tax Assets

\$ in M	Description	Net Deferred Tax Assets ¹	Future Available Reductions in Taxable Income
	U.S.		
NOLs and Tax Credits	Net Operating Loss – Federal & State	\$574	\$1,763
	Tax Credits	177	843
Pension and Other	Pension	162	641
	Other Deferred Tax Assets	<u>49</u>	<u>194</u>
	Total available U.S.	\$962	\$3,441
	Non-U.S.		
Foreign Tax Attributes	Net Operating Loss – Non-U.S.	\$266	\$1,022
	Pension and other – Non-U.S.	<u>104</u>	<u>368</u>
	Total available non-U.S.	\$370	\$1,390
	Total available	\$1,332	\$4,831
	Valuation Allowance ¹	<u>(1,226)</u>	
	Total Net Deferred Tax Asset ¹	\$106	

¹ The elements listed above are for informational purposes only and are based on expectations and assumptions defined in the Form 10-K filed for December 31, 2021. See Critical Accounting Policies – Income Taxes for the assessment of the realization of company's deferred tax assets and liabilities and Footnote 8 in 2021 Form 10-K filed in February 2022.

Net Deferred Tax Assets represent the tax effected difference between the book and tax basis of assets and liabilities. Deferred tax assets represent future deductions against taxable income or a credit against a future income tax liability. Deferred tax liabilities represent taxable amounts in future years when the related asset or liability is recovered.

Valuation Allowance - US GAAP requires net deferred tax assets be reduced by a valuation allowance if it is more likely than not that some portion or the entire deferred tax asset will not be realized. The factors used to assess the likelihood of realization are the company's historical profitability, forecast of future taxable income and available tax-planning strategies that could be implemented to realize the net deferred tax assets. The company considers tax-planning strategies to realize or renew net deferred tax assets to avoid the potential loss of future tax benefits.

Operating Profit

\$M	3Q21	3Q22
Operating profit (loss)	25.1	(8.0)
Postretirement expense	0.8	0.5
Cost reduction and other expense	2.1	21.6
Non-GAAP operating profit (loss)	28.0	14.1
GAAP operating profit (loss) %	5.1%	(1.7)%
Non-GAAP operating profit (loss) %	5.7%	3.1%

EBITDA and Adjusted EBITDA

\$M	3Q21	3Q22
Net income (loss) attributable to Unisys	(18.7)	(40.1)
Net income (loss) attributable to noncontrolling interests	0.2	0.2
Interest expense, net of interest income*	6.5	5.0
Provision for income tax	10.9	0.7
Depreciation	25.6	22.9
Amortization	17.7	15.5
EBITDA	42.2	4.2
Postretirement expense	13.0	11.4
Cost reduction and other charges**	11.8	27.3
Non-cash share-based expense	4.5	4.7
Other (income) expense adjustment***	3.1	4.9
Adjusted EBITDA	74.6	52.5

*Included in Other (income) expense, net on the Consolidated Statements of Income

**Reduced for depreciation and amortization included above & Disposals in Other Expense

***Other (income) expense, net as reported on the Consolidated Statements of Income less postretirement expense, interest income and items included in cost reduction and other expenses

Net Income and EBITDA as a Percentage of Revenue

\$M	3Q21	3Q22
Revenue	488.0	461.2
Net income (loss) as percentage of revenue	(3.8)%	(8.7)%
Non-GAAP net income (loss) as a percentage of revenue	1.4%	0.7%
Adjusted EBITDA as a percentage of revenue	15.3%	11.4%

Earnings per Diluted Share

\$M except share and per share data		3Q21	3Q22
Net income (loss) attributable to Unisys Corporation common shareholders		(18.7)	(40.1)
Postretirement expense:	pretax	13.0	11.4
	tax	0.4	0.2
	net of tax	12.6	11.2
Cost reduction and other expense:	pretax	13.0	32.0
	tax and minority interest	0	0
	net of tax	13.0	32.0
Non-GAAP net income (loss) attributable to Unisys Corporation		6.9	3.1
Weighted average shares (thousands)		67,131	67,787
Plus incremental shares from assumed conversion of employee stock plans		764	339
GAAP adjusted weighted average shares		67,895	68,126
Diluted earnings (loss) per share			
<i>GAAP basis</i>			
GAAP net income (loss) attributable to Unisys Corporation for diluted earnings per share		(18.7)	(40.1)
Divided by adjusted weighted average shares		67,131	67,787
GAAP earnings (loss) per diluted share		(0.28)	(0.59)
<i>Non-GAAP basis</i>			
Non-GAAP net income (loss) attributable to Unisys Corporation for diluted earnings per share		6.9	3.1
Divided by non-GAAP adjusted weighted average shares		67,895	68,126
Non-GAAP earnings (loss) per diluted share		0.10	0.05

Free Cash Flow

\$M	3Q21	3Q22
Cash provided by (used for) operations	65.5	44.5
Capital expenditures	(26.1)	(20.7)
Free cash flow	39.4	23.8
Postretirement funding	11.5	8.8
Cost reduction funding	19.0	20.5
Adjusted free cash flow	69.9	53.1

Non-GAAP Information

Certain financial information is presented herein under both a U.S. generally accepted accounting basis (GAAP) and a non-GAAP basis. Non-GAAP financial measures exclude certain items such as post-retirement expenses 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. The following measures are often provided and utilized by the company's management, analysts, and investors to enhance comparability of year-over-year results. These measures should not be relied upon as substitutes for, or considered in isolation from, measures calculated in accordance with U.S. GAAP.

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 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.

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