



Fourth Quarter & Full-Year 2022 Financial Results

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Disclaimer

Forward-Looking Statements

Any statements contained in this release that are not historical facts are forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. Forward-looking statements include, but are not limited to, any projections or expectations of earnings, revenues, non-GAAP operating profit margin, adjusted EBITDA margin, annual contract value, total contract value, new business ACV or TCV, backlog, pipeline or other financial items; any statements of our plans, strategies or objectives for future operations; statements regarding future economic conditions or performance; and any statements of belief or expectation. All forward-looking statements rely on assumptions and are subject to various risks and uncertainties that could cause actual results to differ materially from expectations. In particular, statements concerning annual and total contract value are based, in part, on the assumption that each of those contracts will continue for their full contracted term. Risks and uncertainties that could affect our future results include, but are not limited to, the following: our ability to grow revenue and expand margin in our Digital Workplace Solutions and Cloud, Applications & Infrastructure Solutions businesses; our ability to maintain our installed base and sell new solutions and related services; our ability to attract and retain experienced personnel in key positions; the potential adverse effects of aggressive competition; our ability to effectively anticipate and respond to rapid technological innovation in our industry; our ability to retain significant clients and attract new clients; our contracts may not be as profitable as expected or provide the expected level of revenues; the business and financial risk in implementing acquisitions or dispositions; we have significant underfunded pension obligations; cybersecurity incidents could result in incurring significant costs and could harm our business and reputation; our failure to remediate material weaknesses in our disclosure controls and procedures and internal controls over financial reporting or any other material weaknesses in the future could result in material misstatements in our financial statements; our ability to access financing markets; the risks of doing business internationally when a significant portion of our revenue is derived from international operations; the adverse effects of global economic conditions, acts of war, terrorism, natural disasters or the widespread outbreak of infectious diseases; a reduction in our credit rating; a significant disruption in our IT systems could adversely affect our business and reputation; the performance and capabilities of third parties with whom we have commercial relationships; we may face damage to our reputation or legal liability if our clients are not satisfied with our services or products; the potential for intellectual property infringement claims to be asserted against us or our clients; the possibility that legal proceedings could affect our results of operations or cash flow or may adversely affect our business or reputation; a potential impairment of goodwill or intangible assets; a failure to meet standards or expectations with respect to our environmental, social and governance practices; and our ability to use our net operating loss carryforwards and certain other tax attributes may be limited. Additional discussion of factors that could affect our future results is contained in our periodic filings with the Securities and Exchange Commission. We assume no obligation to update any forward-looking statements. While included under the definition of forward-looking statements, for the avoidance of doubt, any specific guidance or color that we may provide from time to time regarding our expected future financial performance is effective only on the date given. We generally will not update, reaffirm or otherwise comment on any such information except as we deem necessary, and then only in a manner that complies with Regulation FD.

Financial Guidance

Full-Year 2023

(3%) - (7%)*

Constant Currency Revenue YoY

*Revenue guidance assumes ~\$350M of License and Support ("L&S") revenue; excluding-L&S revenue expected to grow (1%) to 4% YoY

2% - 4%

Non-GAAP Operating Margin

9.5% - 11.5%

Adjusted EBITDA Margin



Performance Highlights

4Q 2022

Revenue Growth

Revenue +3.3% YoY, +7.0% in constant currency

3.1% YoY revenue growth, excluding L&S in constant currency

Constant currency revenue growth in Cloud, Applications, and Infrastructure (CA&I) and Enterprise Computing Solutions (ECS)

Margin Expansion

Fourth quarter gross margin of 34.1%

370 basis points of expansion vs. the prior year driven by higher license renewals in ECS and increased efficiency in Digital Workplace Solutions (DWS) and CA&I

Improved labor cost efficiency to 53.7% of revenue, a 50 basis point improvement year-over-year

Note: see appendix for reconciliation of non-GAAP measures
*Trailing Twelve Months (TTM)

Next-Gen Solutions

Strong 4Q Next-Gen TCV, ACV & pipeline growth

4Q Next-Gen TCV grew more than 80% YoY and ACV more than doubled year-over-year

Next-Gen pipeline growth of approximately 35% YoY

Leading Indicators

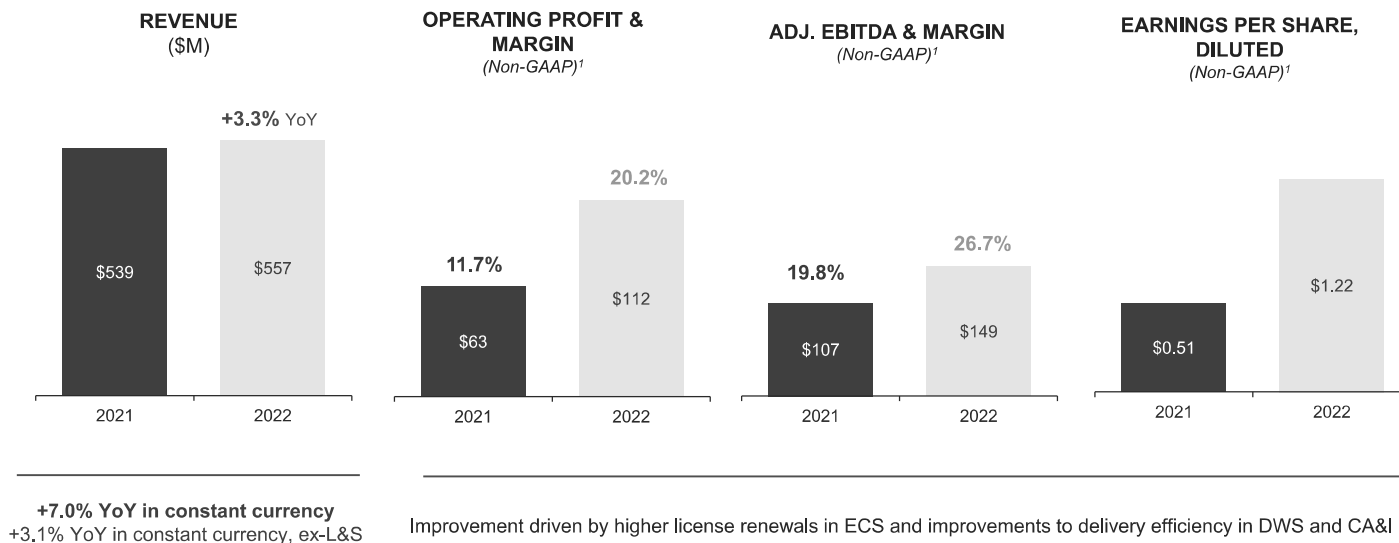
1.1x TTM* book-to-bill & +15% YoY pipeline growth

New Unisys brand is propelling us forward and is the most significant brand transformation since 1986

\$230M sequential increase in backlog to \$2.92B

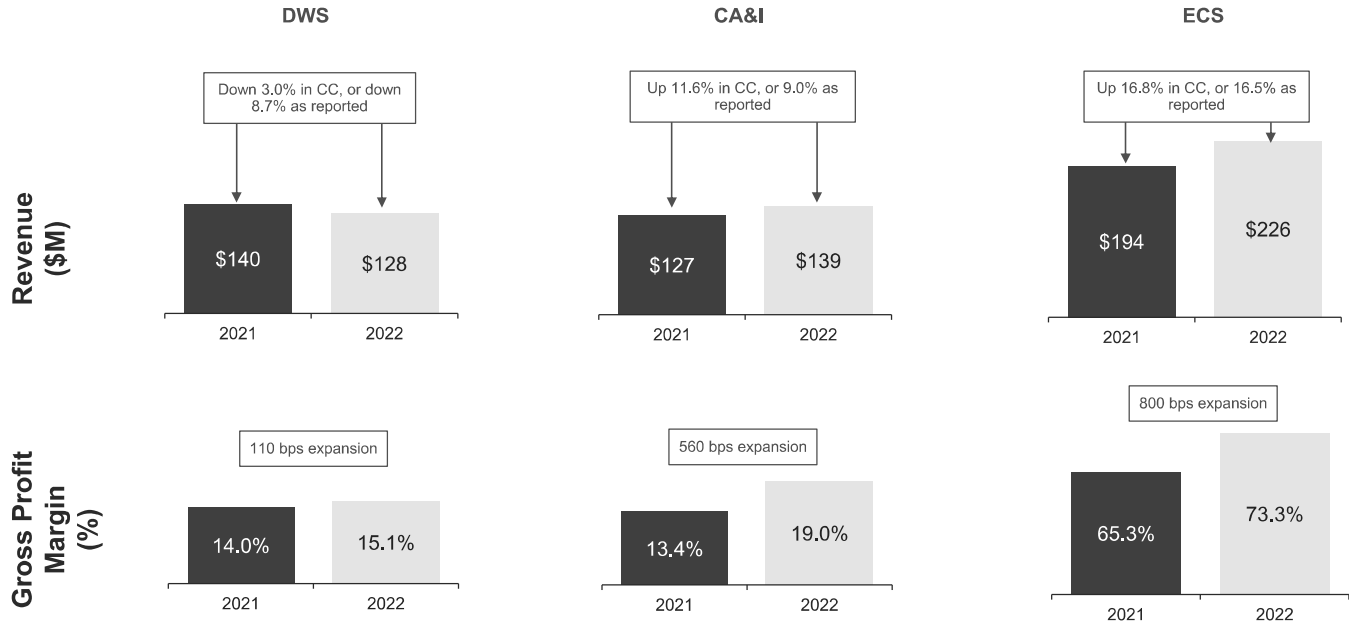
TCV growth of 55% YoY and ACV growth of 58% YoY

4Q Financial Results



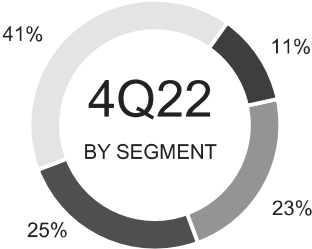
¹See appendix for reconciliation of non-GAAP measures

4Q Segment Results

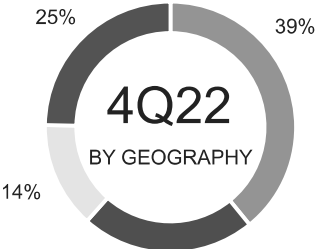


4Q Revenue Profile

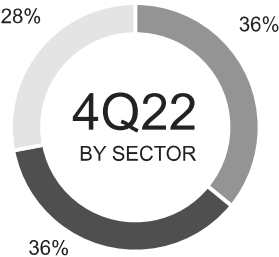
Higher license renewal levels in L&S drove increased ECS, Latin America, and Financial Services mix relative to full-year results



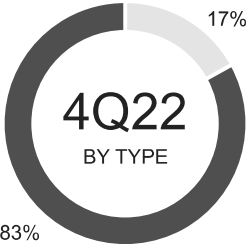
■ DWS ■ CA&I ■ ECS ■ All Other



■ US & Canada ■ EMEA
■ Asia Pacific ■ Latin America

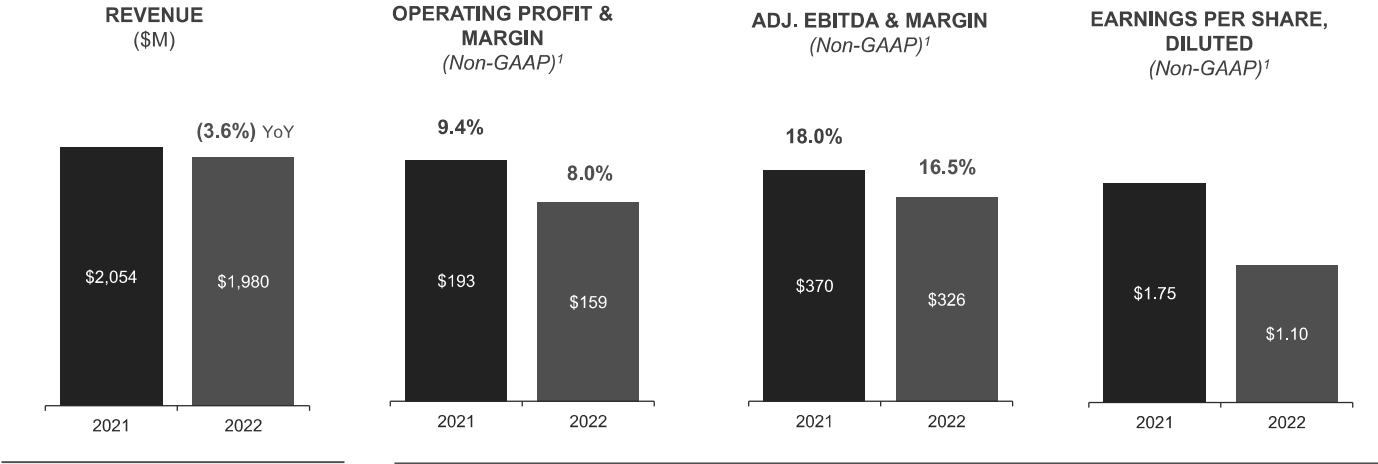


■ Commercial ■ Financial Services ■ Public Sector



■ Non-Recurring ■ Recurring

Full-Year 2022 Financial Results



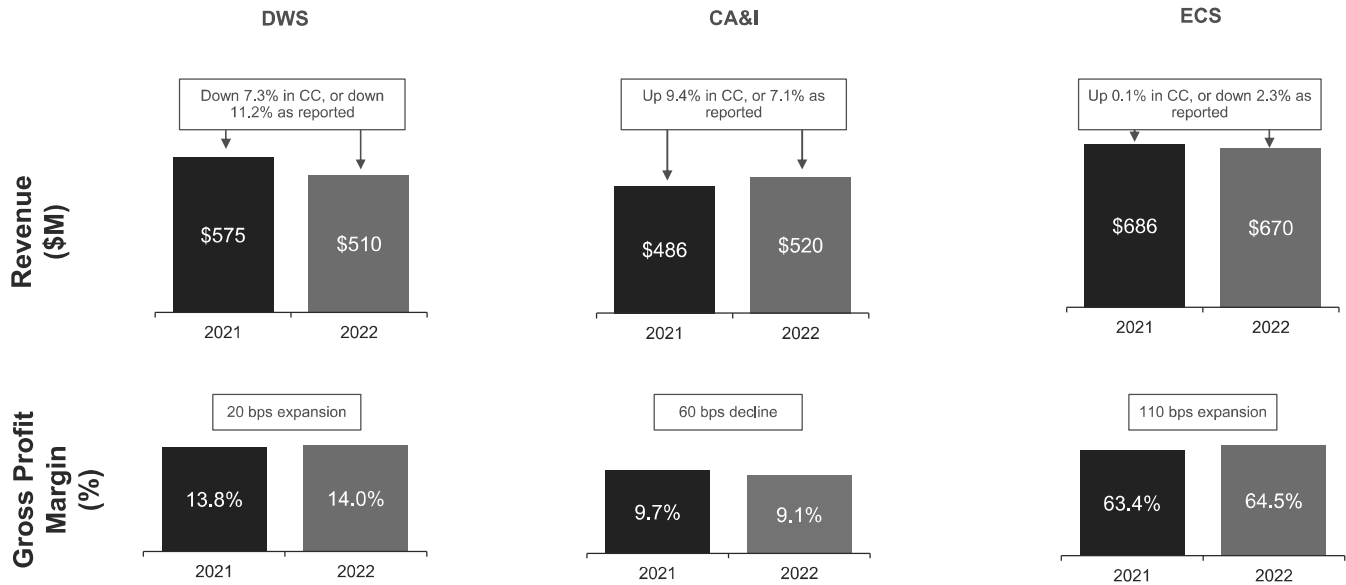
+0.1% YoY in constant currency
+0.6% YoY in constant currency, ex-L&S

Margin compression driven by increase in marketing expense related to launch of new Unisys brand, exit of non-strategic contracts, and additional expense associated with certain contracts



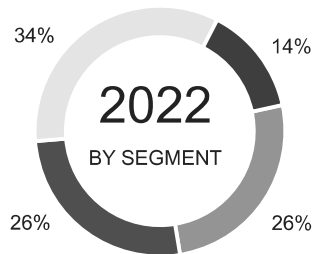
¹See appendix for reconciliation of non-GAAP measures

Full-Year 2022 Segment Results

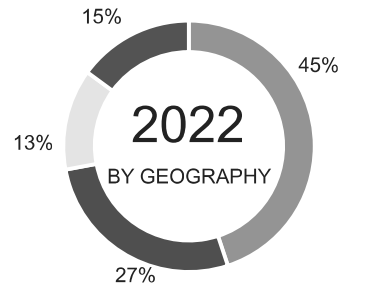


FY Revenue Profile

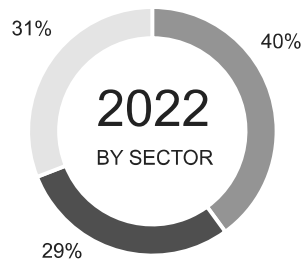
Highly diverse revenue streams with large base of recurring revenue



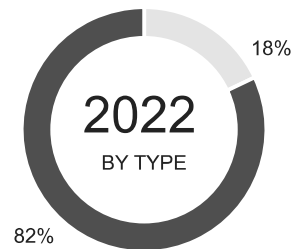
■ DWS ■ CA&I ■ ECS ■ All Other



■ US & Canada ■ EMEA
■ Asia Pacific ■ Latin America



■ Commercial ■ Financial Services ■ Public Sector



■ Non-Recurring ■ Recurring

4Q22 & FY22 EBITDA and Cash Flow

\$M	4Q21	4Q22	FY21	FY22
EBITDA ¹	\$ (56.8)	\$ 85.1	\$ (260.7)	\$ 140.9
ADJUSTED EBITDA ¹	\$ 107.0	\$ 148.7	\$ 369.9	\$ 325.8
ADJUSTED EBITDA MARGIN ¹	19.8%	26.7%	18.0%	16.5%
OPERATING CASH FLOW	\$ 68.0	\$ 34.9	\$ 132.5	\$ 12.7
CAPITAL EXPENDITURES	\$ (23.7)	\$ (21.1)	\$ (100.2)	\$ (85.9)
FREE CASH FLOW ¹	\$ 44.3	\$ 13.8	\$ 32.3	\$ (73.2)
ADJUSTED FREE CASH FLOW ¹	\$ 72.2	\$ 39.3	\$ 172.2	\$ 27.0



¹See appendix for reconciliation of non-GAAP measures.

Leading Indicators

2022 TOTAL COMPANY





+230M	+15%	1.1x
BACKLOG GROWTH	PIPELINE GROWTH	BOOK-TO-BILL TTM
<i>sequentially to \$2.92B</i>	<i>year-over-year</i>	<i>vs 0.8x prior year</i>

4Q & 2022 TCV & ACV

	TCV		ACV	
	4Q YoY	2022 YoY	4Q YoY	2022 YoY
DWS	35%	18%	41%	30%
CA&I	81%	35%	19%	50%
ECS	96%	24%	101%	39%
Total Company	55%	28%	58%	36%



Next-Gen Solutions

		TCV 4Q YoY	ACV 4Q YoY
	Modern Workplace	100%+	100%+
	Digital Platforms and Applications	100%+	100%+
	Specialized Services and Next-Gen Compute	45%	65%
	Micro-Market Solutions	25%+	100%+
Total Next-Gen		80%+	100%+

~35% YoY **4Q NEXT-GEN PIPELINE GROWTH**

Understanding License & Support



Deep client relationships



Good revenue visibility



Strong value proposition



Investing in innovation

*On an annual basis for clients making up 90%+ of our revenue

Decades-long relationships and ~95% client retention

We provide mission critical computing capabilities for global financial, travel & transportation, healthcare and government clients

Staying with Unisys typically proves cost effective

When a client considers migrating away from Unisys, typically a multi-year process, they often face challenges, cost overruns, and threats to business continuity that may delay, deter or reverse their transition

Making incremental investments in the ecosystem

Investing in the platforms, industry solutions, next-gen compute, apps expansion, and managed services to make it easier for clients to remain with us

Defined Benefit Plans Update

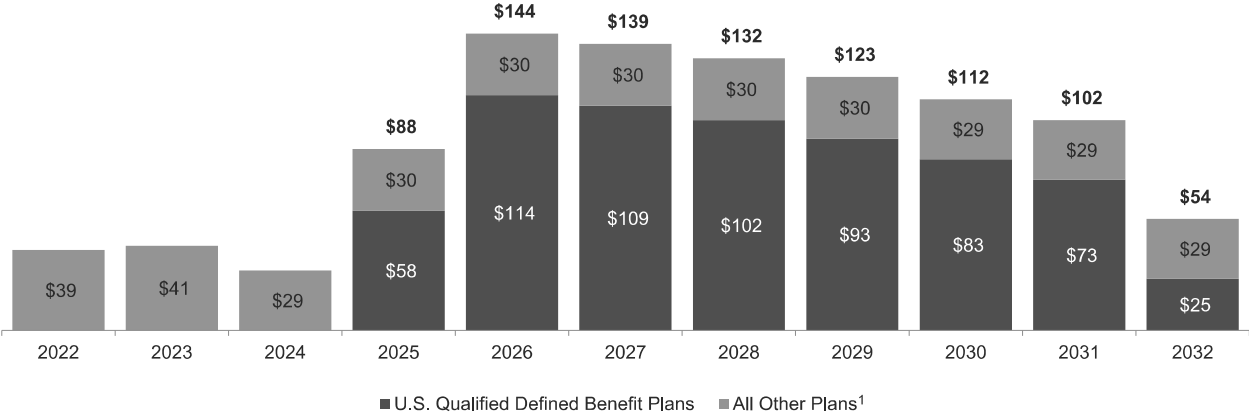
Global GAAP deficit has declined from ~\$0.75B to ~\$0.54B year-over-year



1. All Other Plans includes all international defined benefit plans and our US non-qualified defined benefit plan.

Expected 10-Year Company Cash Contributions (\$M)

As of December 31, 2022, our expectation is that contributions to our U.S. qualified defined benefit pension plans begin in 2025 and average \$82M per year through 2032, down from the \$100M we expected at 3Q 2022.



1. All Other Plans includes all international defined benefit plans and our U.S. non-qualified defined benefit plan.
Note: The funding estimates for our U.S. qualified defined benefit pension plans are based on estimated asset returns and the funding discount rates used for the U.S. qualified defined benefit plans as of year-end 2022. The future funding requirements are likely to change based on, among other items, market conditions and changes in discount rates. Current estimates for future contributions to international plans are based on local funding regulations and agreements as of year-end 2022 and are likely to change based on a number of factors including market conditions, changes in funding agreements, changes in discount rates and changes in currency rates. No future cash contributions are expected beyond the period shown to U.S. qualified defined plans. Cash contributions to all other plans expected to be approximately the same level as above until 2035.



Leverage Detail

(\$M)	DECEMBER 31, 2022
SENIOR SECURED NOTES ¹	\$ 485.0
FINANCE LEASES AND OTHER DEBT	33.9
TOTAL DEBT	\$ 518.9
GLOBAL PENSION DEFICIT	543.1
TOTAL DEBT INCLUDING PENSION DEFICIT	\$ 1,062.0
CASH	\$ 391.8
NET LEVERAGE	\$ 127.1
NET LEVERAGE INCLUDING PENSION DEFICIT	\$ 670.2
ADJUSTED EBITDA ²	\$ 325.8
NET LEVERAGE RATIO	0.4x
NET LEVERAGE RATIO INCLUDING PENSION DEFICIT	2.1x



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

Potential Economic Benefit of Tax Assets

\$M	DESCRIPTION	NET DEFERRED TAX ASSETS ¹	FUTURE AVAILABLE REDUCTIONS IN TAXABLE INCOME
	<u>U.S.</u>		
NOLS AND TAX CREDITS:	NET OPERATING LOSS – FEDERAL & STATE	\$ 561	\$1,824
	TAX CREDITS	141	671
PENSION AND OTHER:	PENSION	116	465
	OTHER DEFERRED TAX ASSETS	55	221
	TOTAL AVAILABLE U.S.	\$ 873	\$3,180
	<u>NON-U.S.</u>		
FOREIGN TAX ATTRIBUTES	NET OPERATING LOSS – NON-U.S.	\$ 269	\$ 1,035
	PENSION AND OTHER – NON-U.S.	81	288
	TOTAL AVAILABLE NON-U.S.	\$ 350	\$ 1,323
	TOTAL AVAILABLE	\$ 1,223	\$ 4,503
	VALUATION ALLOWANCE ¹	(1,115)	
	TOTAL NET DEFERRED TAX ASSET¹	\$ 108	

¹The elements listed above are for informational purposes only and are based on expectations and assumptions as of December 31, 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.





Appendix



Adjusted EBITDA Reconciliation

\$M	4Q21	4Q22	FY21	FY22
NET INCOME (LOSS) FROM CONTINUING OPERATIONS ATTRIBUTABLE TO UNISYS	\$ (131.2)	\$ 8.5	\$ (448.5)	\$ (106.0)
NET INCOME (LOSS) ATTRIBUTABLE TO NONCONTROLLING INTERESTS	(0.3)	0.3	(1.3)	1.1
INTEREST EXPENSE, NET OF INTEREST INCOME ¹	6.0	4.1	27.6	20.0
PROVISION FOR INCOME TAX	21.9	17.2	(11.9)	42.3
DEPRECIATION	24.5	36.6	98.5	114.7
AMORTIZATION	22.3	18.4	74.9	68.8
EBITDA	\$ (56.8)	\$ 85.1	\$ (260.7)	\$ 140.9
POSTRETIREMENT EXPENSE	144.3	11.2	552.0	45.3
COST REDUCTION AND OTHER EXPENSES ²	16.3	43.6	57.3	103.8
NON-CASH SHARE-BASED EXPENSE	2.7	4.3	14.2	19.0
OTHER (INCOME) EXPENSE, NET ADJUSTMENT ³	0.5	4.5	7.1	16.8
ADJUSTED EBITDA	\$ 107.0	\$ 148.7	\$ 369.9	\$ 325.8
REVENUE	539.3	557.0	2,054.4	1,979.9
ADJUSTED EBITDA MARGIN	19.8%	26.7%	18.0%	16.5%




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 Operating Profit

\$M	4Q21	4Q22	FY21	FY22
OPERATING PROFIT	\$ 44.5	\$ 50.0	\$ 154.0	\$ 52.2
COST REDUCTION AND OTHER EXPENSES ¹	18.0	61.9	35.3	104.7
POSTRETIREMENT EXPENSE ²	0.8	0.5	3.5	2.1
NON-GAAP OPERATING PROFIT	\$ 63.3	\$ 112.4	\$ 192.8	\$ 159.0
REVENUE	\$ 539.3	\$ 557.0	\$ 2,054.4	\$ 1,979.9
GAAP OPERATING PROFIT %	8.3%	9.0%	7.5%	2.6%
NON-GAAP OPERATING PROFIT %	11.7%	20.2%	9.4%	8.0%



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.

Non-GAAP Net Income Margin

\$M	4Q21	4Q22	FY21	FY22
REVENUE	\$ 539.3	557.0	\$ 2,054.4	\$ 1,979.9
NET INCOME (LOSS) AS A % OF REVENUE	(24.3%)	1.5%	(21.8%)	(5.4%)
NON-GAAP NET INCOME ATTRIBUTABLE TO UNISYS AS A % OF REVENUE	6.5%	14.9%	5.7%	3.8%



Adjusted Free Cash Flow

\$M	4Q21	4Q22	FY21	FY22
CASH PROVIDED BY OPERATIONS	\$ 68.0	\$ 34.9	\$ 132.5	\$ 12.7
ADDITIONS TO MARKETABLE SOFTWARE	(12.3)	(11.1)	(54.4)	(46.3)
ADDITIONS TO PROPERTIES	(7.6)	(9.5)	(27.3)	(31.0)
ADDITIONS TO OUTSOURCING ASSETS	(3.8)	(0.5)	(18.5)	(8.6)
FREE CASH FLOW	\$ 44.3	\$ 13.8	\$ 32.3	\$ (73.2)
POSTRETIREMENT FUNDING	12.8	9.8	56.4	43.7
COST REDUCTION AND OTHER PAYMENTS	15.1	15.7	83.5	56.5
ADJUSTED FREE CASH FLOW	\$ 72.2	\$ 39.3	\$ 172.2	\$ 27.0



Non-GAAP Diluted Earnings Per Share

SM EXCEPT SHARE AND PER SHARE DATA		4Q21	4Q22	FY21	FY22
GAAP NET INCOME (LOSS) ATTRIBUTABLE TO UNISYS CORPORATION		\$ (131.2)	\$ 8.5	\$ (448.5)	\$ (106.0)
POST-RETIREMENT EXPENSE:	PRETAX	144.3	11.2	552.0	45.3
	TAX	0.4	0.1	53.2	0.5
	NET OF TAX	143.9	11.1	498.8	44.8
COST REDUCTION AND OTHER EXPENSE:	PRETAX	22.1	66.6	67.8	139.5
	TAX AND MINORITY INTEREST	--	3.4	0.6	3.5
	NET OF TAX	22.1	63.2	67.2	136.0
	NONCONTROLLING INTEREST	--	--	--	--
	NET OF NONCONTROLLING INTEREST	22.1	63.2	67.2	136.0
NON-GAAP NET INCOME ATTRIBUTABLE TO UNISYS CORPORATION		\$ 34.8	\$ 82.8	\$ 117.5	\$ 74.8
WEIGHTED AVERAGE SHARES (THOUSANDS)		67,170	67,793	66,451	67,665
PLUS INCREMENTAL FROM ASSUMED CONVERSION OF EMPLOYEE STOCK PLANS		914	331	871	481
NON-GAAP ADJUSTED WEIGHTED AVERAGE SHARES		68,084	68,124	67,322	68,146
DILUTED EARNINGS (LOSS) PER SHARE - GAAP					
GAAP NET INCOME (LOSS) ATTRIBUTABLE TO UNISYS CORPORATION		\$ (131.2)	\$ 8.5	\$ (448.5)	\$ (106.0)
DIVIDED BY WEIGHTED AVERAGE SHARES (THOUSANDS)		67,170	68,124	66,451	67,665
GAAP DILUTED EARNINGS (LOSS) PER SHARE		\$ (1.95)	\$ 0.12	\$ (6.75)	\$ (1.57)
DILUTED EARNINGS PER SHARE - NON-GAAP					
NON-GAAP NET INCOME ATTRIBUTABLE TO UNISYS CORPORATION		\$ 34.8	\$ 82.8	\$ 117.5	\$ 74.8
DIVIDED BY GAAP ADJUSTED WEIGHTED AVERAGE SHARES		68,084	68,124	67,322	68,146
NON-GAAP DILUTED EARNINGS PER SHARE		\$ 0.51	\$ 1.22	\$ 1.75	\$ 1.10



Definitions of Non-GAAP Financial Metrics

Non-GAAP Information

Certain financial information included in this presentation is presented 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 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.

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

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 recorded revenue.

Annual Contract Value (ACV) – Represents the revenue expected to be recognized during the first 12 months following the signing of a contract.

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.

Excluding License and Support (Ex-L&S) - Calculated as total Unisys revenue less revenue from License and Support ("L&S") solutions in the ECS segment

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 (reported within All Other).

