



# First Quarter 2023 Financial Results

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# Disclaimer

## Forward-Looking Statements

Any statements contained in this presentation 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.



# Reiterating 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

## 1Q 2023

### Revenue

**Revenue +15.6% YoY, +18.9% in constant currency (CC)**

4.6% YoY CC revenue growth, excluding L&S

Strong growth in Digital Workplace Solutions (DWS) +7.7% CC YoY and Specialized Services & Next Gen Compute (SS&C) +11.9% CC YoY

### Gross Margin

**Gross profit of \$159.0M; gross margin of 30.8%**

+1120 bps of YoY expansion due to higher license renewals in Enterprise Computing Solutions (ECS) and efficiencies in Cloud Applications & Infrastructure (CA&I)

Easing wage inflation and talent attrition down 220bps to 16.4%

### Profitability

**Adj. EBITDA of \$98.2M; adj. EBITDA margin of 19.0%**

Non-GAAP operating profit of \$60.1M; Non-GAAP operating margin of 11.6% vs. (3.2%) in the prior year period

Non-GAAP net income of \$34.7M and diluted earnings per share of \$0.51 vs. (\$0.41) in the prior year period

### Leading Indicators

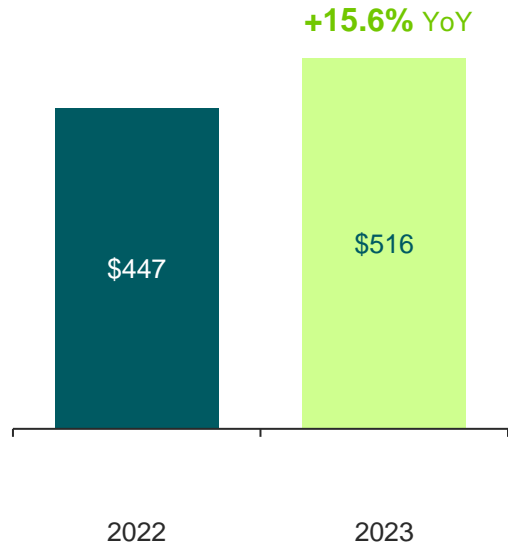
**Ex-L&S Pipeline +14% QoQ, +10% YoY**

Total Company pipeline +15% QoQ, +6% YoY  
Next-Gen pipeline +34% QoQ; +16% YoY

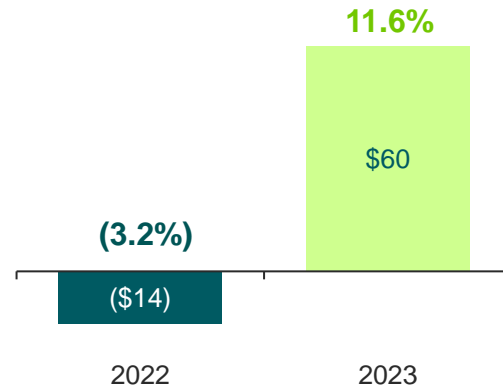
Ex-L&S TCV growth of 9% YoY; Total Company TCV +2% YoY  
TTM\* Book-to-Bill of 1.0x vs. 0.8x in 1Q22

# 1Q Financial Results

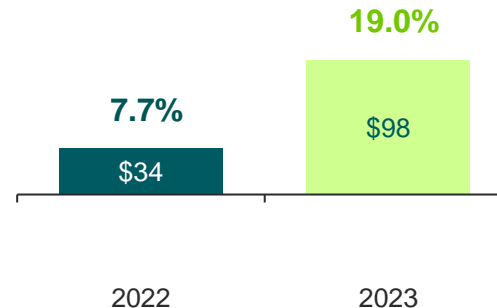
**REVENUE**  
(\$M)



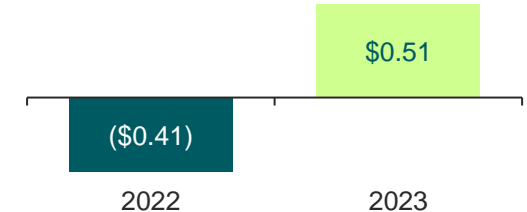
**OPERATING PROFIT & MARGIN**  
(Non-GAAP)<sup>1</sup>



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



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



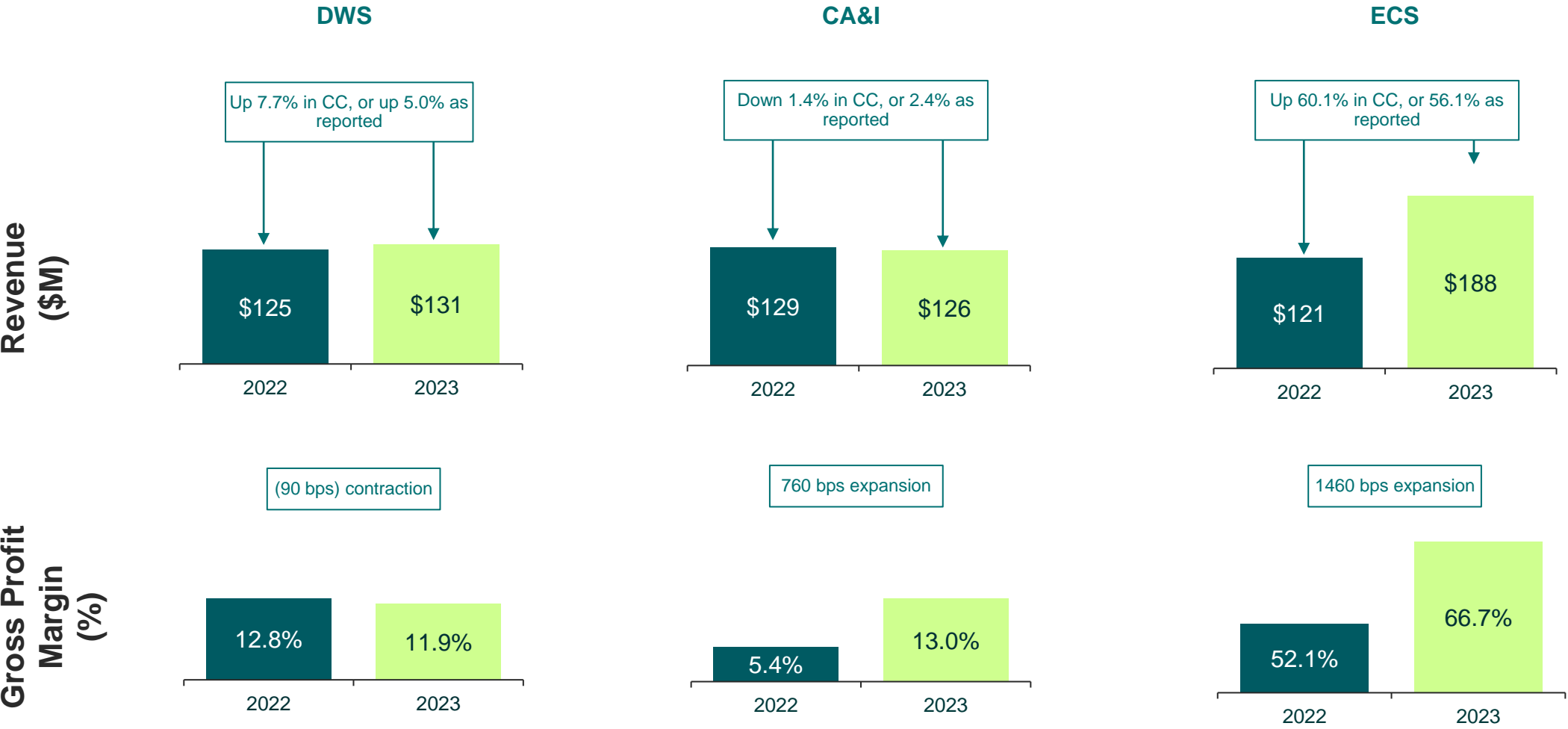
**+18.9% YoY in constant currency**  
+4.6% YoY in constant currency, Ex-L&S<sup>1</sup>

Improvement driven by higher license renewals in ECS, efficiencies in CA&I, and higher revenue in SS&C; additionally, 1Q22 included non-recurring expenses associated with certain contracts in CA&I



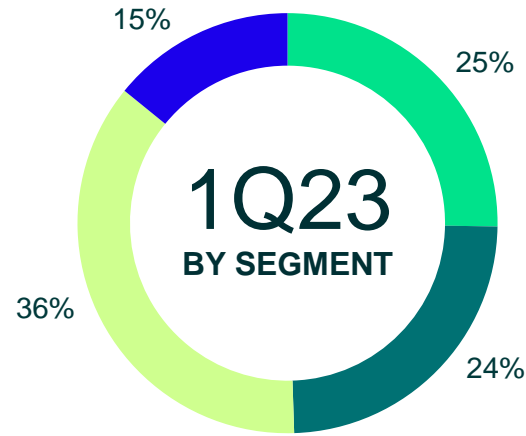
<sup>1</sup>See appendix for reconciliation of non-GAAP measures

# 1Q Segment Results

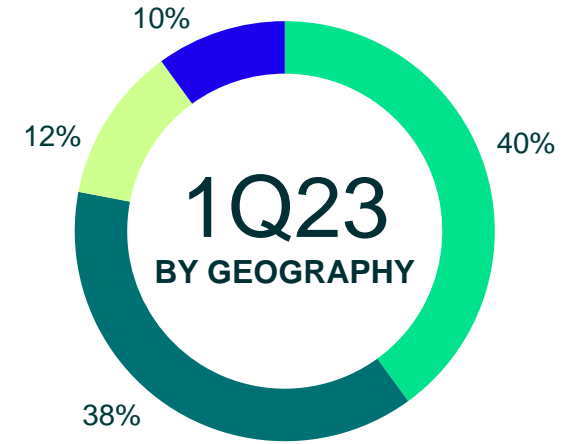


# 1Q Revenue Profile

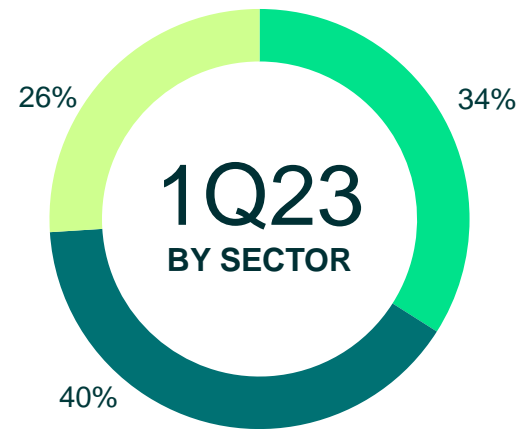
Highly diverse revenue streams with large base of recurring revenue; elevated financial services sector and EMEA revenue due to large L&S renewal



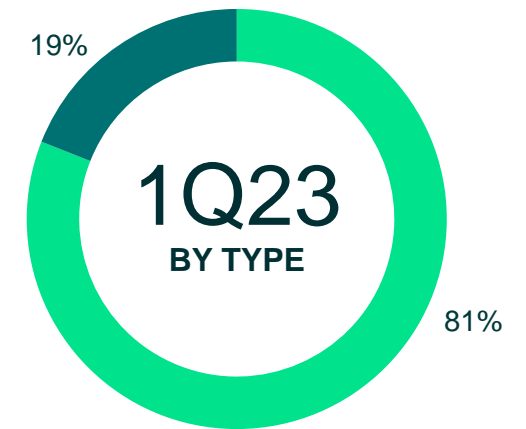
■ DWS ■ CA&I ■ ECS ■ All Other



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



■ Commercial ■ Financial Services ■ Public Sector



■ Recurring ■ Non-Recurring

# 1Q23 EBITDA and Cash Flow

\$M	1Q23	1Q22
EBITDA <sup>1</sup>	(\$ 117.8)	\$ 0.0
ADJUSTED EBITDA <sup>1</sup>	\$ 98.2	\$ 34.2
ADJUSTED EBITDA MARGIN <sup>1</sup>	19.0%	7.7%
OPERATING CASH FLOW	\$ 12.8	(\$ 33.0)
CAPITAL EXPENDITURES	(\$ 20.3)	(\$ 18.7)
FREE CASH FLOW <sup>1</sup>	(\$ 7.5)	(\$ 51.7)
ADJUSTED FREE CASH FLOW <sup>1</sup>	\$ 20.1	(\$ 27.0)



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



# Leverage Detail

\$M	MARCH 31, 2023
SENIOR SECURED NOTES <sup>1</sup>	\$ 485.0
FINANCE LEASES AND OTHER DEBT	26.6
<b>TOTAL DEBT</b>	<b>\$ 511.6</b>
GLOBAL NET PENSION DEFICIT (AS OF DEC 31, 2022)	543.1
<b>TOTAL DEBT INCLUDING PENSION DEFICIT</b>	<b>\$ 1,054.7</b>
CASH	\$ 391.9
<b>NET LEVERAGE</b>	<b>\$ 119.7</b>
<b>NET LEVERAGE INCLUDING PENSION DEFICIT</b>	<b>\$ 662.8</b>
LTM ADJUSTED EBITDA <sup>2</sup>	\$ 389.8
<b>NET LEVERAGE RATIO</b>	<b>0.3x</b>
<b>NET LEVERAGE RATIO INCLUDING PENSION DEFICIT</b>	<b>1.7x</b>



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

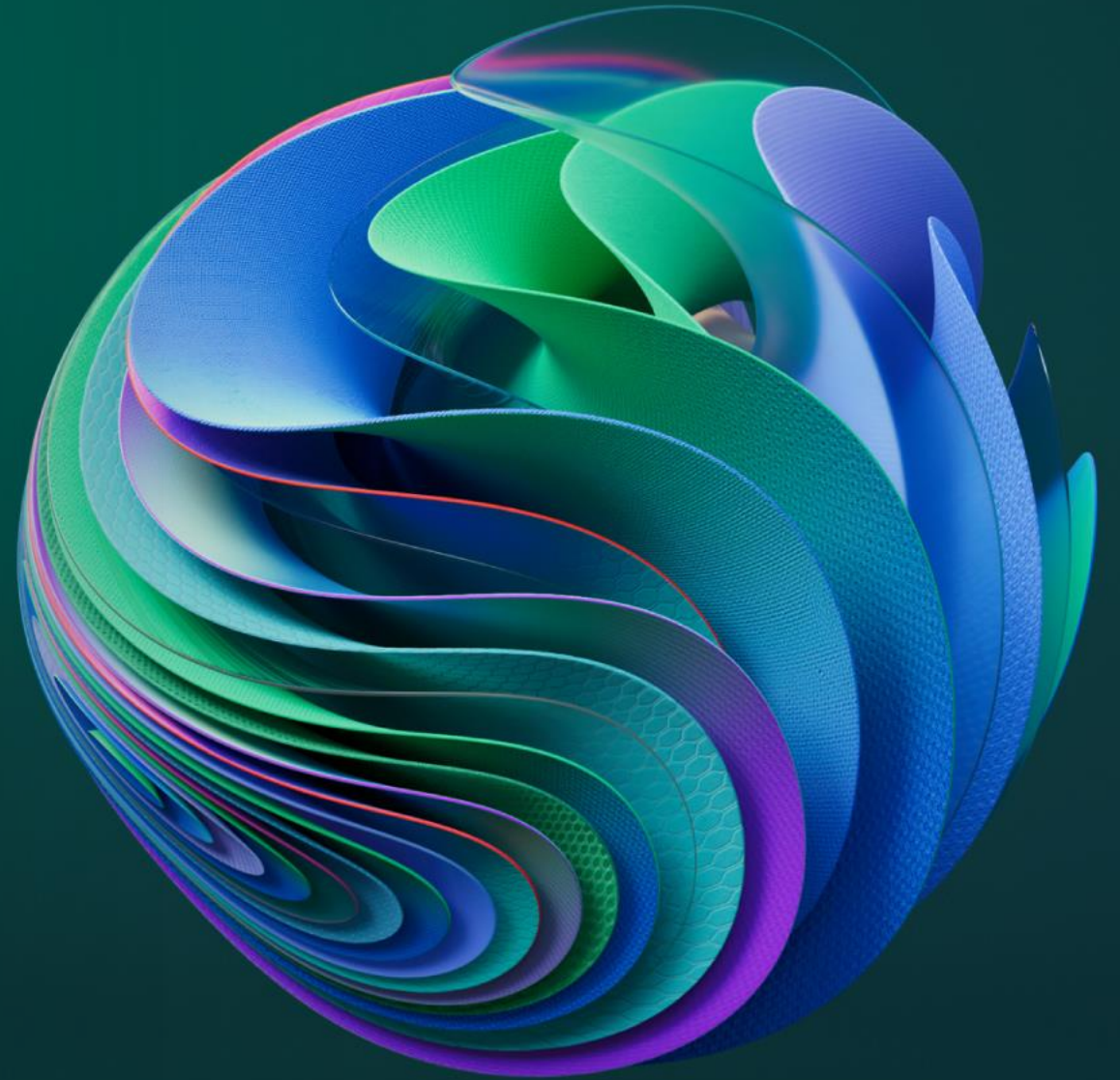
# Unisys Segment and Solutions Map

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**

# Appendix



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

\$M	1Q23	1Q22
<b>GAAP REVENUE</b>	<b>\$ 516.4</b>	<b>\$ 446.7</b>
L&S REVENUE	136.9	73.4
<b>EX-L&amp;S REVENUE (NON-GAAP)</b>	<b>\$ 379.5</b>	<b>\$ 373.3</b>
<b>GAAP GROSS PROFIT</b>	<b>\$ 159.0</b>	<b>\$87.4</b>
L&S GROSS PROFIT	106.5	47.4
<b>EX-L&amp;S GROSS PROFIT (NON-GAAP)</b>	<b>\$ 52.5</b>	<b>\$ 40.0</b>
<b>GAAP GROSS MARGIN AS A % OF REVENUE</b>	<b>30.8%</b>	<b>19.6%</b>
<b>EX-L&amp;S GROSS MARGIN AS A % OF REVENUE (NON-GAAP)</b>	<b>13.8%</b>	<b>10.7%</b>



# Adjusted EBITDA Reconciliation

\$M	1Q23	1Q22
<b>NET INCOME (LOSS) ATTRIBUTABLE TO UNISYS</b>	<b>(\$ 175.4)</b>	<b>(\$ 57.3)</b>
NET INCOME ATTRIBUTABLE TO NONCONTROLLING INTERESTS	0.9	0.3
INTEREST EXPENSE, NET OF INTEREST INCOME OF \$6.7 AND \$2.4 RESPECTIVELY <sup>1</sup>	0.9	6.0
PROVISION FOR INCOME TAX	19.9	4.1
DEPRECIATION	21.4	28.7
AMORTIZATION	14.5	18.2
<b>EBITDA</b>	<b>(\$ 117.8)</b>	<b>\$ 0.0</b>
POSTRETIREMENT EXPENSE	193.2	10.2
COST REDUCTION AND OTHER EXPENSES <sup>2</sup>	14.3	15.0
NON-CASH SHARE-BASED EXPENSE	4.6	6.5
OTHER EXPENSE, NET ADJUSTMENT <sup>3</sup>	3.9	2.5
<b>ADJUSTED EBITDA</b>	<b>\$ 98.2</b>	<b>\$ 34.2</b>
REVENUE	\$ 516.4	\$ 446.7
<b>ADJUSTED EBITDA MARGIN</b>	<b>19.0%</b>	<b>7.7%</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 Operating Profit

\$M	1Q23	1Q22
<b>GAAP OPERATING INCOME (LOSS)</b>	<b>\$ 49.9</b>	<b>(\$ 23.5)</b>
COST REDUCTION AND OTHER EXPENSES <sup>1</sup>	9.9	8.9
POSTRETIREMENT EXPENSE <sup>2</sup>	0.3	0.5
<b>NON-GAAP OPERATING PROFIT (LOSS)</b>	<b>\$ 60.1</b>	<b>(\$ 14.1)</b>
REVENUE	\$ 516.4	\$ 446.7
<b>GAAP OPERATING PROFIT (LOSS) PERCENT</b>	<b>9.7%</b>	<b>(5.3%)</b>
<b>NON-GAAP OPERATING PROFIT (LOSS) PERCENT</b>	<b>11.6%</b>	<b>(3.2%)</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 Free Cash Flow

\$M	1Q23	1Q22
<b>CASH PROVIDED BY (USED FOR) OPERATIONS</b>	<b>\$ 12.8</b>	<b>(\$ 33.0)</b>
ADDITIONS TO MARKETABLE SOFTWARE	(10.3)	(11.1)
ADDITIONS TO PROPERTIES	(7.3)	(5.2)
ADDITIONS TO OUTSOURCING ASSETS	(2.7)	(2.4)
<b>FREE CASH FLOW</b>	<b>(\$ 7.5)</b>	<b>(\$ 51.7)</b>
POSTRETIREMENT FUNDING	16.4	16.2
COST REDUCTION AND OTHER PAYMENTS, NET	11.2	8.5
<b>ADJUSTED FREE CASH FLOW</b>	<b>\$ 20.1</b>	<b>(\$ 27.0)</b>



# Non-GAAP Diluted Earnings Per Share

\$M EXCEPT SHARE AND PER SHARE DATA

		1Q23	1Q22
<b>GAAP NET INCOME (LOSS) ATTRIBUTABLE TO UNISYS CORPORATION</b>		<b>\$ (175.4)</b>	<b>(\$ 57.3)</b>
POST-RETIREMENT EXPENSE:	PRETAX	193.2	10.2
	TAX	(0.2)	0.2
	NET OF TAX	\$ 193.4	\$ 10.0
COST REDUCTION AND OTHER EXPENSE:	PRETAX	16.7	20.1
	TAX	--	0.1
	NET OF TAX	\$ 16.7	\$ 20.0
<b>NON-GAAP NET INCOME (LOSS) ATTRIBUTABLE TO UNISYS CORPORATION</b>		<b>\$ 34.7</b>	<b>(\$ 27.3)</b>
WEIGHTED AVERAGE SHARES (THOUSANDS)		67,943	67,387
PLUS INCREMENTAL FROM ASSUMED CONVERSION OF EMPLOYEE STOCK PLANS		391	--
<b>NON-GAAP DILUTED WEIGHTED AVERAGE SHARES</b>		<b>68,334</b>	<b>67,387</b>
<b><u>DILUTED EARNINGS (LOSS) PER SHARE - GAAP</u></b>			
GAAP NET INCOME (LOSS) ATTRIBUTABLE TO UNISYS CORPORATION		(\$ 175.4)	(\$ 57.3)
DIVIDED BY WEIGHTED AVERAGE SHARES (THOUSANDS)		67,943	67,387
<b>GAAP DILUTED EARNINGS (LOSS) PER SHARE</b>		<b>(\$ 2.58)</b>	<b>(\$ 0.85)</b>
<b><u>DILUTED EARNINGS PER SHARE - NON-GAAP</u></b>			
NON-GAAP NET INCOME (LOSS) ATTRIBUTABLE TO UNISYS CORPORATION		\$ 34.7	(\$ 27.3)
DIVIDED BY NON-GAAP ADJUSTED WEIGHTED AVERAGE SHARES		68,334	67,387
<b>NON-GAAP DILUTED EARNINGS (LOSS) PER SHARE</b>		<b>\$ 0.51</b>	<b>(\$ 0.41)</b>





# Non-GAAP Net Income Margin

\$M	1Q23	1Q22
REVENUE	\$ 516.4	\$ 446.7
NET INCOME (LOSS) ATTRIBUTABLE TO UNISYS	(\$ 175.4)	(\$ 57.3)
NON-GAAP NET INCOME (LOSS) ATTRIBUTABLE TO UNISYS	\$ 34.7	(\$ 27.3)
<b>NET INCOME (LOSS) AS A % OF REVENUE</b>	<b>(34.0%)</b>	<b>(12.8%)</b>
<b>NON-GAAP NET INCOME (LOSS) ATTRIBUTABLE TO UNISYS AS A % OF REVENUE</b>	<b>6.7%</b>	<b>(6.1%)</b>



# 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.

**Excluding License and Support (Ex-L&S)** – these measures exclude revenue and gross profit 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 lumpy, 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.

**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.

**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).

