



# First Quarter 2024 Financial Results

**Peter Altabef**  
Chair and CEO

**Deb McCann**  
CFO



MAY 7, 2024

# 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 earnings release 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 New Business TCV, backlog, pipeline, book-to-bill, full-year 2024 revenue growth and profitability guidance, including constant currency revenue, Ex-L&S revenue growth, L&S revenue, non-GAAP operating profit margin, and the assumptions and other expectations made in connection with our full-year 2024 financial guidance, our pension liability, future economic benefits from net operating losses, 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; certain legal and other matters related to professional services and legal fees, including legal defense costs, associated with certain legal proceedings; environmental matters related to previously disposed businesses; 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.



# 1Q24 Highlights

## Revenue

**First quarter revenue ahead of expectations:** due to better-than-expected L&S revenue, though still down (5.5%) and (7.1%) in CC due to timing of license renewals

**Ex-L&S revenue continued to grow:** +4.0% YoY, or 3.0% in constant currency (CC)

**Growth driven by more modern, higher-margin solutions:** such as application development in CA&I and specialized managed services in ECS

## Gross Profit

**Total gross margin of 27.9%:** expected YoY decline fully attributable to L&S renewal timing

**Ex-L&S gross margin +420 bps YoY to 18.0%:** due to delivery efficiencies and 140 bps benefit from contract settlement

**Investing in future delivery cost reductions:** through workforce shaping, labor optimization, and automation initiatives



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

## Operating Profit & Free Cash Flow

**1Q operating profit slightly better than expected:** operating margin of 3.6% and Non-GAAP operating margin of 7.1%

**\$24M 1Q cash from operations and \$4M 1Q free cash flow:** a free cash flow improvement of \$11M YoY due lower pension contributions and working capital dynamics which improved FCF conversion

**Completed another pension annuity purchase:** removing approximately \$200M in pension liabilities using plan assets

## Signings & Pipeline

**1Q New Logo TCV more than doubled YoY and QoQ:** expected to contribute to stronger back-half Ex-L&S revenue

**Ex-L&S New Business Pipeline up 7% YoY** while total Ex-L&S pipeline decline was fully driven by timing of renewal schedule

**TTM\* Book-To-Bill of 1.1x:** for Total Company & Ex-L&S

# 1Q Revenue (\$M)

## COMPANY



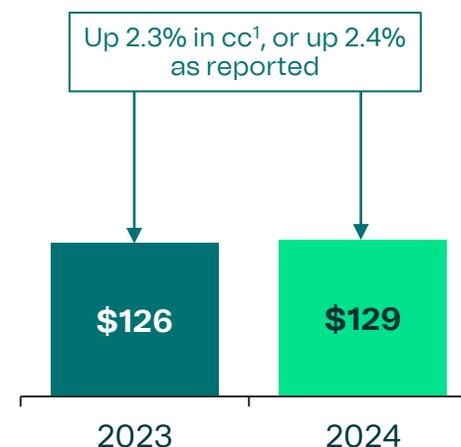
Decline in total revenue driven by expected decline in L&S revenue due to the timing of software license renewals; Ex-L&S revenue growth primarily driven by New Business

## DWS



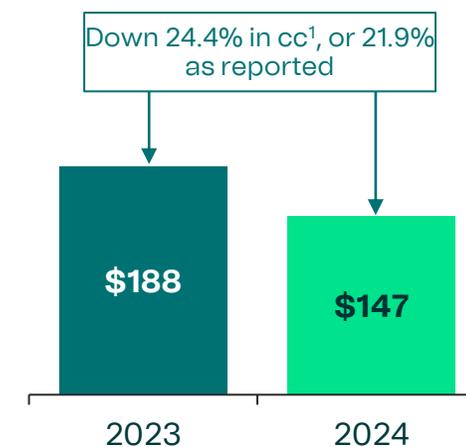
Revenue was flat year-over-year

## CA&I



Growth primarily driven by expansion and new scope with existing clients

## ECS



Decline driven by timing of software license renewals



<sup>1</sup> Refers to constant currency.

<sup>2</sup> See appendix for reconciliation of non-GAAP measures.

# 1Q Gross Margins



Contraction of total company margin due to timing of software license renewals which was expected; Expansion of ex-L&S gross margin was primarily driven by delivery efficiencies and includes a 140bps benefit due to the resolution of a contractual dispute with a former client.

Primarily driven by gains from delivery cost savings initiatives

Contraction due to timing of software license renewals in the ECS segment, which was expected



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

# 1Q Profitability and Free Cash Flow (\$M, except per share data)

1Q GAAP & Non-GAAP<sup>1</sup> Operating Profit & Margins



1Q GAAP Net Income & Adj. EBITDA<sup>1</sup> and Margins



1Q GAAP & Non-GAAP<sup>1</sup> Diluted Earnings Per Share



1Q Operating Cash Flow & Free Cash Flow<sup>1</sup>



Declines in Non-GAAP Operating Profit and Adjusted EBITDA margins were largely due to L&S renewal timing

GAAP loss per share primarily due to non-cash settlement loss related to an annuity purchase; Non-GAAP earnings per share decline due to timing of L&S renewals

1Q operating cash flow and free cash flow improvement due to lower pension and postretirement contributions and working capital dynamics relative to the prior year period

■ GAAP ■ Non-GAAP<sup>1</sup>

■ GAAP ■ Non-GAAP<sup>1</sup>

■ Operating Cash Flow ■ Free Cash Flow<sup>1</sup>



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

# 1Q24 EBITDA and Cash Flow Detail

\$M	1Q24	1Q23
EBITDA <sup>1</sup>	(\$ 104.2)	(\$ 117.8)
ADJUSTED EBITDA <sup>1</sup>	\$ 65.3	\$ 98.2
ADJUSTED EBITDA MARGIN <sup>1</sup>	13.4%	19.0%
OPERATING CASH FLOW	\$ 23.8	\$ 12.8
CAPITAL EXPENDITURES	(\$ 19.9)	(\$ 20.3)
FREE CASH FLOW <sup>1</sup>	\$ 3.9	(\$ 7.5)
PRE-PENSION AND POSTRETIREMENT FREE CASH FLOW <sup>1</sup>	\$ 11.6	\$ 8.9
ADJUSTED FREE CASH FLOW <sup>1</sup>	\$ 17.4	\$ 20.1

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

# Leverage Detail

\$M	MARCH 31, 2024
SENIOR SECURED NOTES <sup>1</sup>	\$ 485.0
FINANCE LEASES AND OTHER DEBT	17.7
<b>TOTAL DEBT</b>	<b>\$ 502.7</b>
GLOBAL NET PENSION DEFICIT (AS OF DEC 31, 2023)	703.0
<b>TOTAL DEBT INCLUDING PENSION DEFICIT</b>	<b>\$ 1,205.7</b>
CASH	\$ 382.8
<b>NET LEVERAGE</b>	<b>\$ 119.9</b>
<b>NET LEVERAGE INCLUDING PENSION DEFICIT</b>	<b>\$ 822.9</b>
LTM ADJUSTED EBITDA	\$ 253.0
<b>NET LEVERAGE RATIO</b>	<b>0.5x</b>
<b>NET LEVERAGE RATIO INCLUDING PENSION DEFICIT</b>	<b>3.3x</b>

 <sup>1</sup>Represents face value of debt.

# Reiterating Financial Guidance Full-Year 2024

Revenue Growth  
in Constant Currency

(1.5%) to 1.5%

Non-GAAP  
Operating Profit Margin

5.5% to 7.5%

## Guidance Assumptions & Other 2024 Expectations

- Constant currency revenue guidance implies (1.6%) to 1.4% revenue growth as reported, based on recent exchange rates and assumes Ex-L&S full-year revenue growth of 1.5% to 5.0% and L&S revenue of approximately \$375 million
- Free Cash Flow of ~\$10M
- Capital Expenditures of \$90M to \$100M
- Cash taxes of ~\$50M
- Net interest payments in-line with 2023 at ~20M
- Pension contributions of ~\$20M
- Environmental, legal, and restructuring & other payments of \$75M to \$80M

# Potential Economic Benefit of Tax Assets

\$M	DESCRIPTION	NET DEFERRED TAX ASSETS <sup>1</sup>	FUTURE AVAILABLE REDUCTIONS IN TAXABLE INCOME
	<u>U.S.</u>		
<b>NOLS AND TAX CREDITS:</b>	NET OPERATING LOSS – FEDERAL & STATE	\$ 546	\$1,743
	TAX CREDITS	112	533
<b>PENSION AND OTHER:</b>	PENSION	127	519
	OTHER DEFERRED TAX ASSETS	99	405
	<b>TOTAL AVAILABLE U.S.</b>	<b>\$ 884</b>	<b>\$3,200</b>
	<u>NON-U.S.</u>		
<b>FOREIGN TAX ATTRIBUTES</b>	NET OPERATING LOSS – NON-U.S.	\$ 267	\$ 1,024
	PENSION AND OTHER – NON-U.S.	112	406
	<b>TOTAL AVAILABLE NON-U.S.</b>	<b>\$ 379</b>	<b>\$ 1,430</b>
	<b>TOTAL AVAILABLE</b>	<b>\$ 1,263</b>	<b>\$ 4,630</b>
	VALUATION ALLOWANCE <sup>1</sup>	(1,150)	
	<b>TOTAL NET DEFERRED TAX ASSET<sup>1</sup></b>	<b>\$ 113</b>	

<sup>1</sup> The elements listed above are for informational purposes only and are based on expectations and assumptions defined in the Form 10K filed for December 31, 2023. See Critical Accounting Policies – Income Taxes for the assessment of the realization of company's deferred tax assets and liabilities and Footnote 7 in 2023 Form 10-K filed in February 2024. 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.

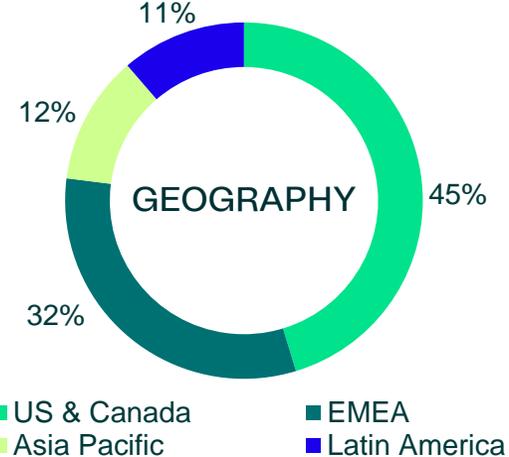
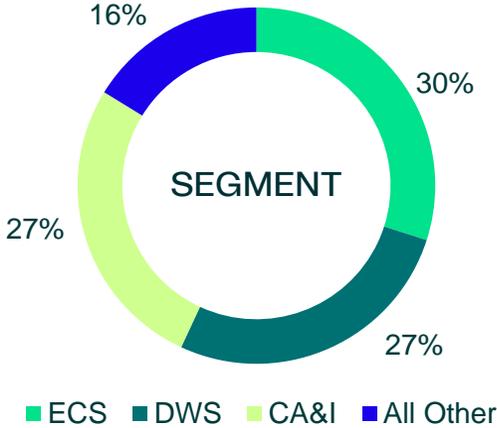


# Appendix



# 1Q 2024 Revenue Profile

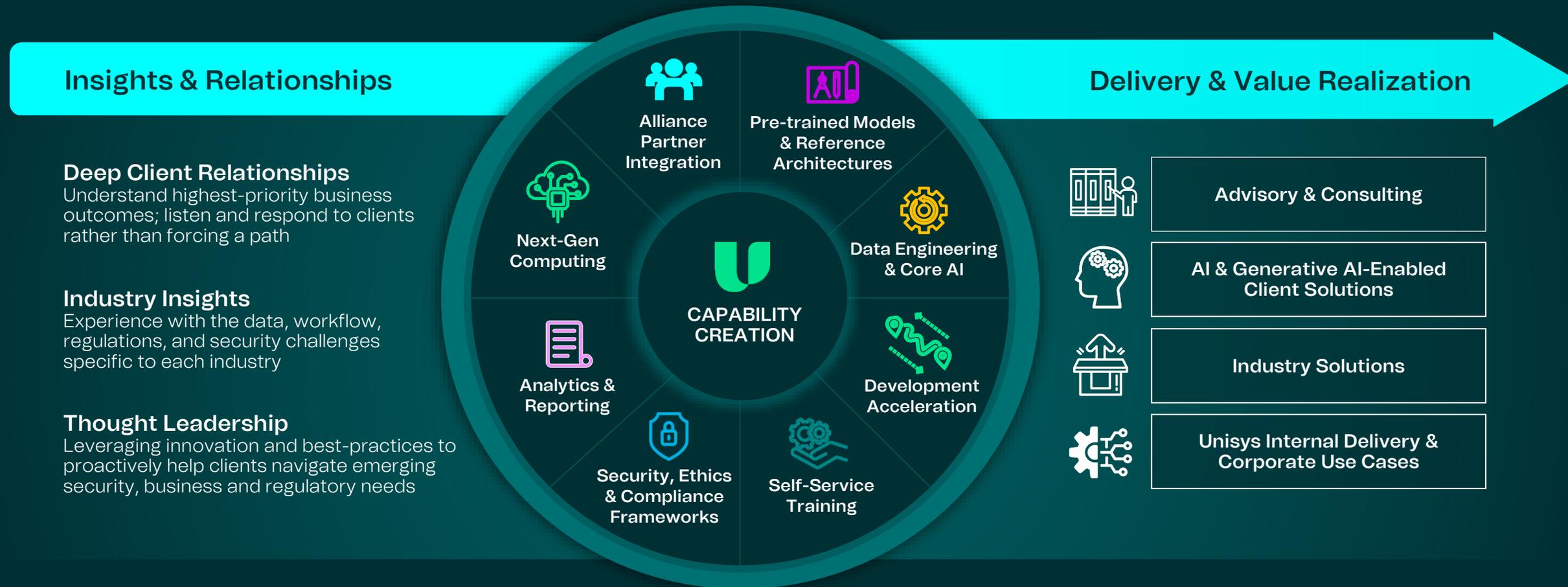
Highly diverse  
revenue base that  
is ~80% recurring



Note: see appendix for reconciliation of non-GAAP measures

# Our Approach to Data Analytics, AI & Generative AI

We utilize deep client relationships, industry insights, and thought leadership to develop high value capabilities for our clients delivered through advisory, tailored and industry-specific solutions



# 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 ongoing improvements customers are already making

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**



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

\$M	1Q24	1Q23
<b>REVENUE</b>	<b>\$ 487.8</b>	<b>\$ 516.4</b>
L&S REVENUE	93.2	136.9
<b>EX-L&amp;S NON-GAAP REVENUE</b>	<b>\$ 394.6</b>	<b>\$ 379.5</b>
<b>GROSS PROFIT</b>	<b>\$ 136.0</b>	<b>\$ 159.0</b>
L&S GROSS PROFIT	64.8	106.5
<b>EX-L&amp;S NON-GAAP GROSS PROFIT</b>	<b>\$ 71.2</b>	<b>\$ 52.5</b>
<b>GROSS PROFIT MARGIN</b>	<b>27.9%</b>	<b>30.8%</b>
<b>EX-L&amp;S NON-GAAP GROSS PROFIT MARGIN</b>	<b>18.0%</b>	<b>13.8%</b>



# Non-GAAP Operating Profit

\$M	1Q24	1Q23
<b>GAAP OPERATING INCOME</b>	<b>\$ 17.7</b>	<b>\$ 49.9</b>
CERTAIN LEGAL MATTERS <sup>1</sup>	7.3	5.7
COST REDUCTION AND OTHER EXPENSES <sup>2</sup>	9.0	4.2
PENSION AND POSTRETIREMENT EXPENSE <sup>1</sup>	0.4	0.3
<b>NON-GAAP OPERATING PROFIT</b>	<b>\$ 34.4</b>	<b>\$ 60.1</b>
REVENUE	\$ 487.8	\$ 516.4
<b>GAAP OPERATING PROFIT MARGIN</b>	<b>3.6%</b>	<b>9.7%</b>
<b>NON-GAAP OPERATING PROFIT MARGIN</b>	<b>7.1%</b>	<b>11.6%</b>



<sup>1</sup> Included in selling, general and administrative expenses on the consolidated statements of income (loss).

<sup>2</sup> Included in cost of revenue, selling, general and administrative and research and development on the consolidated statements of income (loss).

# Adjusted EBITDA Reconciliation

\$M	1Q24	1Q23
<b>NET LOSS ATTRIBUTABLE TO UNISYS</b>	<b>(\$ 149.5)</b>	<b>(\$ 175.4)</b>
NET INCOME ATTRIBUTABLE TO NONCONTROLLING INTERESTS	0.2	0.9
INTEREST EXPENSE, NET OF INTEREST INCOME OF \$6.6 AND \$6.7, RESPECTIVELY <sup>1</sup>	1.3	0.9
PROVISION FOR INCOME TAXES	17.0	19.9
DEPRECIATION	12.4	21.4
AMORTIZATION	14.4	14.5
<b>EBITDA</b>	<b>(\$ 104.2)</b>	<b>(\$ 117.8)</b>
PENSION AND POSTRETIREMENT EXPENSE	146.6	193.2
CERTAIN LEGAL MATTERS <sup>2</sup>	(8.2)	5.7
ENVIRONMENTAL MATTERS <sup>1</sup>	0.3	10.3
COST REDUCTION AND OTHER EXPENSES <sup>3</sup>	8.7	(1.7)
NON-CASH SHARE-BASED EXPENSE	6.5	4.6
OTHER EXPENSE, NET ADJUSTMENT <sup>4</sup>	15.6	3.9
<b>ADJUSTED EBITDA</b>	<b>\$ 65.3</b>	<b>\$ 98.2</b>
REVENUE	\$ 487.8	\$ 516.4
<b>ADJUSTED EBITDA MARGIN</b>	<b>13.4%</b>	<b>19.0%</b>

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

<sup>2</sup> Included in selling, general and administrative expenses and other (expense), net within the consolidated statements of income (loss). For the three months ended March 31, 2024, certain legal matters includes a gain of \$14.9 million related to a favorable judgement received in a Brazilian services tax matter.

<sup>3</sup> Reduced for depreciation and amortization included above.

<sup>4</sup> Other expense, net as reported on the consolidated statements of income(loss) less pension and postretirement expense, interest income and items included in certain legal and environmental matters, cost reduction and other expenses.



# Non-GAAP Net Income

\$M EXCEPT SHARE AND PER SHARE DATA		1Q24	1Q23
<b>GAAP NET LOSS ATTRIBUTABLE TO UNISYS CORPORATION</b>		<b>(\$ 149.5)</b>	<b>(\$ 175.4)</b>
PENSION & POSTRETIREMENT EXPENSE:	PRETAX	146.6	193.2
	TAX	0.1	(0.2)
	<b>NET OF TAX</b>	<b>\$ 146.5</b>	<b>\$ 193.4</b>
CERTAIN LEGAL MATTERS:	PRETAX	(8.2)	5.7
	TAX	(2.8)	-
	<b>NET OF TAX</b>	<b>(\$ 5.4)</b>	<b>\$ 5.7</b>
ENVIRONMENTAL MATTERS	PRETAX	0.3	10.3
	TAX	-	-
	<b>NET OF TAX</b>	<b>\$ 0.3</b>	<b>\$ 10.3</b>
COST REDUCTION & OTHER EXPENSES	PRETAX	11.1	0.7
	TAX	0.3	-
	<b>NET OF TAX</b>	<b>\$ 10.8</b>	<b>\$ 0.7</b>
<b>NON-GAAP NET INCOME ATTRIBUTABLE TO UNISYS CORPORATION</b>		<b>\$ 2.7</b>	<b>\$34.7</b>



# Non-GAAP Diluted Earnings Per Share

\$M EXCEPT SHARE AND PER SHARE DATA	1Q24	1Q23
<b>NON-GAAP NET INCOME ATTRIBUTABLE TO UNISYS CORPORATION</b>	<b>\$ 2.7</b>	<b>\$ 34.7</b>
WEIGHTED AVERAGE SHARES (THOUSANDS)	68,704	67,943
PLUS INCREMENTAL FROM ASSUMED CONVERSION OF EMPLOYEE STOCK PLANS	2,267	391
<b>NON-GAAP DILUTED WEIGHTED AVERAGE SHARES</b>	<b>70,971</b>	<b>68,334</b>
 <b><u>GAAP DILUTED EARNINGS (LOSS) PER SHARE</u></b>		
GAAP NET LOSS ATTRIBUTABLE TO UNISYS CORPORATION	(\$ 149.5)	(\$ 175.4)
DIVIDED BY WEIGHTED AVERAGE SHARES (THOUSANDS)	68,704	67,943
<b>GAAP DILUTED LOSS PER SHARE</b>	<b>(\$ 2.18)</b>	<b>(\$ 2.58)</b>
 <b><u>NON-GAAP DILUTED EARNINGS PER SHARE</u></b>		
NON-GAAP NET INCOME ATTRIBUTABLE TO UNISYS CORPORATION	\$ 2.7	\$ 34.7
DIVIDED BY NON-GAAP ADJUSTED WEIGHTED AVERAGE SHARES	70,971	68,334
<b>NON-GAAP DILUTED EARNINGS PER SHARE</b>	<b>\$ 0.04</b>	<b>\$ 0.51</b>



# Adjusted Free Cash Flow

\$M	1Q24	1Q23
<b>CASH PROVIDED BY OPERATIONS</b>	<b>\$ 23.8</b>	<b>\$ 12.8</b>
ADDITIONS TO MARKETABLE SOFTWARE	(13.2)	(10.3)
ADDITIONS TO PROPERTIES	(2.2)	(7.3)
ADDITIONS TO OUTSOURCING ASSETS	(4.5)	(2.7)
<b>FREE CASH FLOW</b>	<b>\$ 3.9</b>	<b>(\$ 7.5)</b>
PENSION AND POSTRETIREMENT FUNDING	7.7	16.4
<b>PRE-PENSION AND POSTRETIREMENT FREE CASH FLOW</b>	<b>\$ 11.6</b>	<b>\$ 8.9</b>
CERTAIN LEGAL PAYMENTS	1.4	2.1
ENVIRONMENTAL MATTERS PAYMENTS	2.5	5.8
COST REDUCTION AND OTHER PAYMENTS, NET	1.9	3.3
<b>ADJUSTED FREE CASH FLOW</b>	<b>\$ 17.4</b>	<b>\$ 20.1</b>



# Non-GAAP Net Income Margin

\$M	1Q24	1Q23
REVENUE	\$ 487.8	\$ 516.4
NET LOSS ATTRIBUTABLE TO UNISYS	(\$ 149.5)	(\$ 175.4)
NON-GAAP NET INCOME ATTRIBUTABLE TO UNISYS	\$ 2.7	\$ 34.7
<b>NET LOSS AS A % OF REVENUE</b>	<b>(30.6%)</b>	<b>(34.0%)</b>
<b>NON-GAAP NET INCOME AS A % OF REVENUE</b>	<b>0.6%</b>	<b>6.7%</b>



# Unisys Segment and Solutions Map

SEGMENT / REPORTING	DESCRIPTION	NEXT-GEN SOLUTIONS	TRADITIONAL SOLUTIONS
<b>Digital Workplace Solutions (DWS)</b>	We advise and execute the deployment, integration and management of technologies, applications and data-driven management to orchestrate a seamless workplace experience	<b>Modern Workplace:</b> unified communications & collaboration (UCC); intelligent workplace services; unified experience management; modern device management	<b>Traditional Workplace:</b> traditional service desk, device management and field services
<b>Cloud, Application &amp; Infrastructure Solutions (CA&amp;I)</b>	We accelerate digital transformation in the critical areas of cloud migration and management, as well as application and infrastructure transformation and modernization	<b>Digital Platforms &amp; Applications (DP&amp;A):</b> cloud management; hybrid infrastructure; modern applications; data and AI; cyber security	<b>Infrastructure:</b> design, implementation, monitoring, automation, and management of dedicated on-premise or hosted infrastructure
<b>Enterprise Computing Solutions (ECS)</b>	We deliver proprietary and hybrid compute capabilities in the cloud and on-premises. We extend value through services to operate and manage these environments and the application workloads that run on them.	<b>Specialized Services &amp; Next-Gen Compute (SS&amp;C):</b> specialized services; next-generation computing; industry solutions	<b>LICENSE AND SUPPORT (L&amp;S):</b> ClearPath Forward® and other Unisys IP-related licenses and associated support services within our Enterprise Computing Solutions segment
<b>All Other</b> (Includes various business process solutions)	We enable mission critical functions such as digital mortgage processing, integrated portfolio and investment management for clients with large capital investments, and data aggregation and presentation solutions for public and local law enforcement agencies	<b>Micro-Market Solutions:</b> these solutions often involve a high level of customization, automation, and in many cases, technology and knowledge that is 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

# Definitions of Non-GAAP Financial Metrics

**Non-GAAP operating profit** – This measure excludes pretax pension and postretirement expense and pretax charges in connection with certain legal matters related to professional services and legal fees, including legal defense costs, associated with certain legal proceedings, and 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 pension and postretirement expense; certain legal matters related to settlements, professional services and legal fees, including legal defense costs, associated with certain legal proceedings; environmental matters related to previously disposed businesses; cost-reduction activities and other expenses, non-cash share-based expense, and other (income) expense adjustments.

**Non-GAAP net income (loss) and non-GAAP diluted earnings (loss) per share** – These measures excluded pension and postretirement expense and charges or (credits) in connection with certain legal matters related to settlements, professional services and legal fees, including legal defense costs, associated with certain legal proceedings; environmental matters related to previously disposed businesses; cost-reduction activities and other expenses. The tax amounts related to these items for the calculation of non-GAAP diluted earnings (loss) 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 and postretirement free cash flow** – Represents free cash flow before pension and postretirement contributions.

**Adjusted free cash flow** – Represents free cash flow less cash used for pension and postretirement funding; certain legal matters related to professional services and legal fees, including legal defense costs, associated with certain legal proceedings; environmental matters related to previously disposed businesses; 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 recorded 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 expansion and new scope for existing clients and new logo contracts.

**Book-to-bill** – Represents total contract value booked divided by revenue in a given period.

**New Business** – Represents expansion and new scope for existing clients and new logo contracts.

**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.

