

# 2021 Unisys Investor Event

January 12<sup>th</sup>, 2021

# An Exciting Time at Unisys

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Chairman & CEO



# Key Messages

An exciting time at Unisys:  
**significant revenue and  
margin upside potential**

**Strong capital structure and financial position**

**Attractive end markets with higher-growth, higher-margin opportunities**

**Industry leadership in our focus markets**

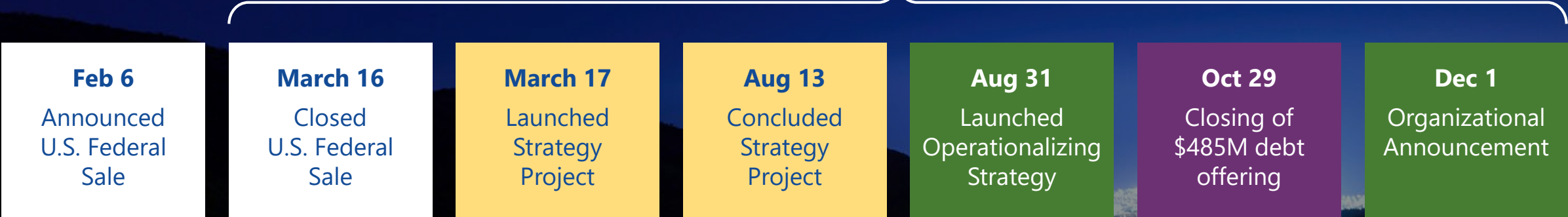
**IP-led solutions addressing key demand drivers**

**Margin upside within existing business**

**Expanding scope for ClearPath Forward<sup>®</sup> ecosystem**

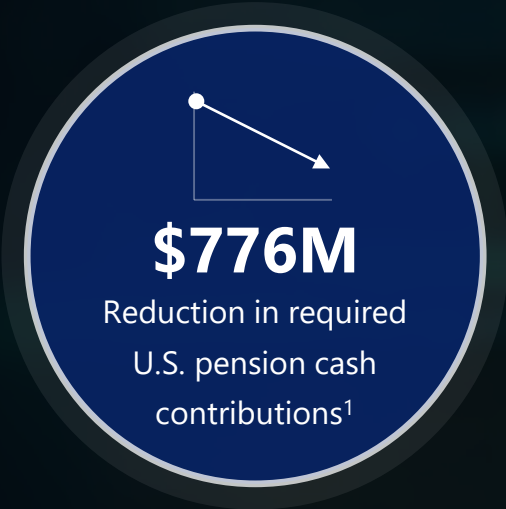
# 2020 Transformational Journey

COVID-19

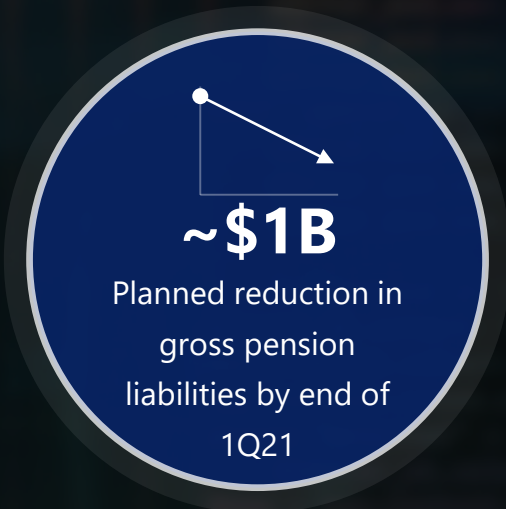


# Capital Structure Improvements Overview

## Significant improvements to capital structure and liquidity



**Eliminated any material future required cash contributions to U.S. plans**



**Significant reduction of pension liabilities targeted**



**Strong cash balance and renewed and extended ABL (\$145M<sup>2</sup>)**

<sup>1</sup>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 2019, pro forma for market conditions for the U.S. qualified defined benefit plans as of 9/30/2020. 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 2019 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.

<sup>2</sup>The company amended and restated the ABL facility on October 29, 2020. The facility has an accordion provision allowing for an increase up to \$175M. As of September 30, 2020, availability under the facility was \$71.2M.

# Unisys Strategy Overview

Expanding our business in select, growing end markets with attractive margins



**Enrich Digital Workplace Services (DWS) to emphasize End User Experience**



**Enhance Cloud & Infrastructure (C&I) to grow Cloud in select sectors**



**Expand and enhance ClearPath Forward® (CPF) ecosystem**

**Delivering successful outcomes securely**



# Digital Workplace Services

## Enrich DWS to emphasize End User Experience (EUX)



### Market dynamics<sup>1</sup>

**\$80B**, 3-5% 3-year CAGR  
Overall DWS market, 2020

**\$33B**  
7-10% 3-year CAGR  
End User Experience

**\$47B**  
0-1% 3-year CAGR  
Rest of the market

Focus on End User Experience (EUX)  
User-centric design to improve employee collaboration and productivity

Work From Home increased from 25% to 62%  
Driven by COVID-19, significant permanency expected

<sup>1</sup>Source: Everest Group Study, Gartner 2019 IT services report

<sup>2</sup>Based on McKinsey research as well as Megan Brenan, "US Workers Discovering Affinity for Remote Work," Gallup, April 3, 2020, gallup.com

<sup>3</sup>By revenue share, based on expert interviews, internal analysis

<sup>4</sup>Leadership status in: NelsonHall NEAT Assessment – Advanced Digital Workplace Services, July, 2020; North America Gartner Magic Quadrant – Managed Workplace Services, February, 2020; ISG Provider Lens – Digital Workplace of the Future: US, UK and Brazil, November, 2020

### Unisys advantage

Top 10 DWS player globally<sup>3</sup> in a highly-fragmented market

Positioned for growth with IP-led offerings (e.g. Inteliserve™)

Delivering excellent service with Net Promoter Score (NPS) significantly above IT Services average

Industry-recognized leader with world-class delivery capabilities – NelsonHall NEAT Assessment, Gartner Magic Quadrant, etc.<sup>4</sup>

### Strategy

Deliver differentiated and measurable outcomes that drive value for clients by focused development of EUX offerings to create fully-modern solutions

Shift towards lucrative, higher-profitability and faster-growing EUX offerings while lowering cost of delivery by industrializing operations and leveraging analytics

Enable ease of migration to our solutions for new clients with built-in transition support tools and enhanced delivery model

Leverage existing partnerships and expand partner ecosystem to increase revenue opportunities, decrease time to market and reduce development costs



# Cloud and Infrastructure

Grow Cloud in select sectors where Unisys has strong track record



## Market dynamics<sup>1</sup>

**\$182B**, 12% 3-year CAGR  
Overall C&I market, 2020

**\$17B**  
15-18% CAGR  
Public Sector<sup>2</sup> market

**\$165B**  
11 - 12% CAGR  
Rest of the market

Attractive long-term trends – Growth rates expected to remain strong for next 10-15 years

Increasing complexities in hybrid and multi-cloud environments in public sector

Clients seeking partners due to limited internal capabilities and increased focus on security and compliance needs

<sup>1</sup>Source: Everest Group Study, Gartner 2019 IT services report, IDC.

<sup>2</sup>Excluding US Federal.

<sup>3</sup>Leadership status in: NelsonHall NEAT Assessment – Cloud Infrastructure Brokerage, Orchestration and Management, November, 2020; ISG Provider Lens - Public Cloud Solutions, November, 2020, U.S. and Brazil.

## Unisys advantage

CloudForte® IP-led platform and embedded security solutions offer unique outcomes-based approach to create differentiated value proposition

Established track record in complex, highly-regulated public sector market and adjacent industries

Automation and expertise to handle large workloads and compliance needs cost effectively

Market recognition – ISG Provider Lens, NelsonHall NEAT Assessment, etc.<sup>3</sup>

## Strategy

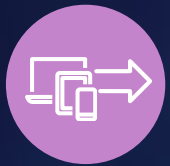
Leverage experience with Cloud in public sector to build end-to-end value proposition through unique, high-margin offerings in hybrid and multi-cloud environments

Meet clients where they are in becoming cloud ready by providing extensive, tailored support in moving to our cloud solutions

Onboard new clients across public sector and other highly-regulated industries, leveraging our existing client track record

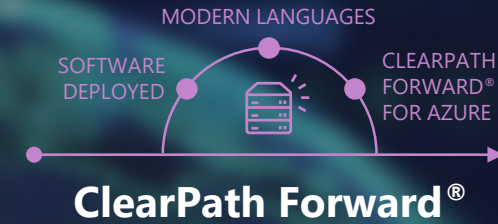
Further integrate with leading cloud platforms to develop client-ready solutions





# ClearPath Forward<sup>®</sup>

## Expand and Enhance ClearPath Forward<sup>®</sup> Ecosystem



### Market dynamics<sup>1,2</sup>

**\$500M**

Flat revenue profile  
Unisys license and  
maintenance revenue

**\$1.2B**

1 - 3% 3-year CAGR  
CPF services market  
opportunity

License revenue is stable, while services ecosystem continues to grow

Strong client demand for services to integrate into next-gen platforms and modernize applications

Overall CPF spend by clients expected to increase – expansion of services, potential for higher volumes, delivering increased value

<sup>1</sup>Source: Unisys financials, assessment of Unisys customers' services spend.

<sup>2</sup>Unisys today has ~90% of the 500M license + maintenance, ~13% of the \$1.2B services market.

<sup>3</sup>According to National Institute of Standards and Technology (NIST) National Vulnerability Database.

<sup>4</sup>Based on top 50 clients as of 2019.

### Unisys advantage

Modern, robust platform and services for high-intensity computing (e.g., recently-announced CPF for Azure) and leading-edge applications in modern languages (e.g., Python)

Focus on security – Clients run mission-critical workloads on CPF, the only operating system to never have had data forcibly extracted<sup>3</sup>

Compelling cost economics with no additional need of purpose-built hardware

Strong client relationships – Greater than 95%<sup>4</sup> client retention rate, with clients committed to CPF platform

### Strategy

Deliver increasing value to clients by investing in platform based on evolving needs such as cloud availability and next-gen applications

Grow ClearPath Forward<sup>®</sup> ecosystem beyond our current 13% share of services market by providing additional professional and managed services which come with attractive margins and can drive total company profitability higher

Drive cloud adoption with CPF environment and introduce additional services to support cloud migration of transitioning clients

Improve R&D efficiency, with disciplined and targeted development efforts aligned with key strategic goals

# Significant Upside Potential

## Growth Opportunities

Attractive growth in our key end markets

Industry leader in these markets, with IP-led solutions addressing key demand drivers

Improved capital structure and increased flexibility to execute against our strategy

## Profitability Opportunities

Capitalizing on margin headroom in existing business

Shifting towards higher margin offerings in EUX and C&I

Expanding CPF services ecosystem (highest service margins in company) through continuous modernization and enhanced services

## Expectations Exiting 2023

**6-8%**

Revenue Growth

**11-13%**

Non-GAAP Operating Profit Margin