

# Investor Day 2023

June 15, 2023



# 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 Corporation (Unisys or the Company) 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 ACV and TCV are 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 include, but are not limited to, our long-term targets for revenue, margins, adjusted EBITDA and free cash flow, growth of our Next-Gen solutions, market size, expansion and cross-selling opportunities, our ability to decrease SG&A, 2023 guidance for revenue, non-GAAP operating margin and adjusted EBITDA margin, gross margin relating to revenue and gross profit excluding License and Support, strategies or objectives for future operations and our pension liability, 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 today 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 Measures

This presentation includes non-GAAP financial information such as non-GAAP operating profit, EBITDA, adjusted EBITDA, and revenue excluding License and Support. The Company's non-GAAP financial measures exclude certain items such as postretirement expense 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. Non-GAAP operating profit excludes pretax postretirement expense and pretax charges in connection with cost-reduction activities and other expenses. EBITDA is calculated by starting with net income (loss) attributable to 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 expense and cost-reduction activities and other expenses, non-cash share-based expense, and other (income) expense adjustments. Revenue and gross profit excluding License and Support excludes revenue and gross profit in connection with software license and support revenue within the Company's Enterprise Computing Solutions 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.

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 in the appendix to this presentation except for financial guidance and other forward-looking information since such a reconciliation is not practicable without unreasonable efforts. This information has been provided pursuant to the requirements of SEC Regulation G.





# Agenda - June 15

## Topic

Welcome

Vision and Objectives

Strategy

Cloud, Applications & Infrastructure Solutions

Digital Workplace Solutions

Break

## Presenter(s)

Michaela Pewarski

Vice President, Investor Relations

Peter Altabef

Chair & Chief Executive Officer

Mike Thomson

President and Chief Operating Officer

Manju Naglapur

Senior Vice President and General Manager, Cloud, Applications & Infrastructure Solutions

Joel Raper

Senior Vice President and General Manager, Digital Workplace Solutions

Alan Shen

Chief Technical Officer, Digital Workplace Solutions

# Agenda - June 15

## Topic

Enterprise Computing Solutions

Go-To-Market

Financial Overview

Q&A

## Presenter(s)

Chris Arrasmith

Senior Vice President and General Manager, Enterprise Computing Solutions

Christine Wenzel

Senior Vice President, Global Sales

Lisa Madion

Senior Vice President, Global Client Management

Deb McCann

Chief Financial Officer

All Presenters



# Vision and Objectives

Peter Altabef  
Chair & Chief Executive Officer

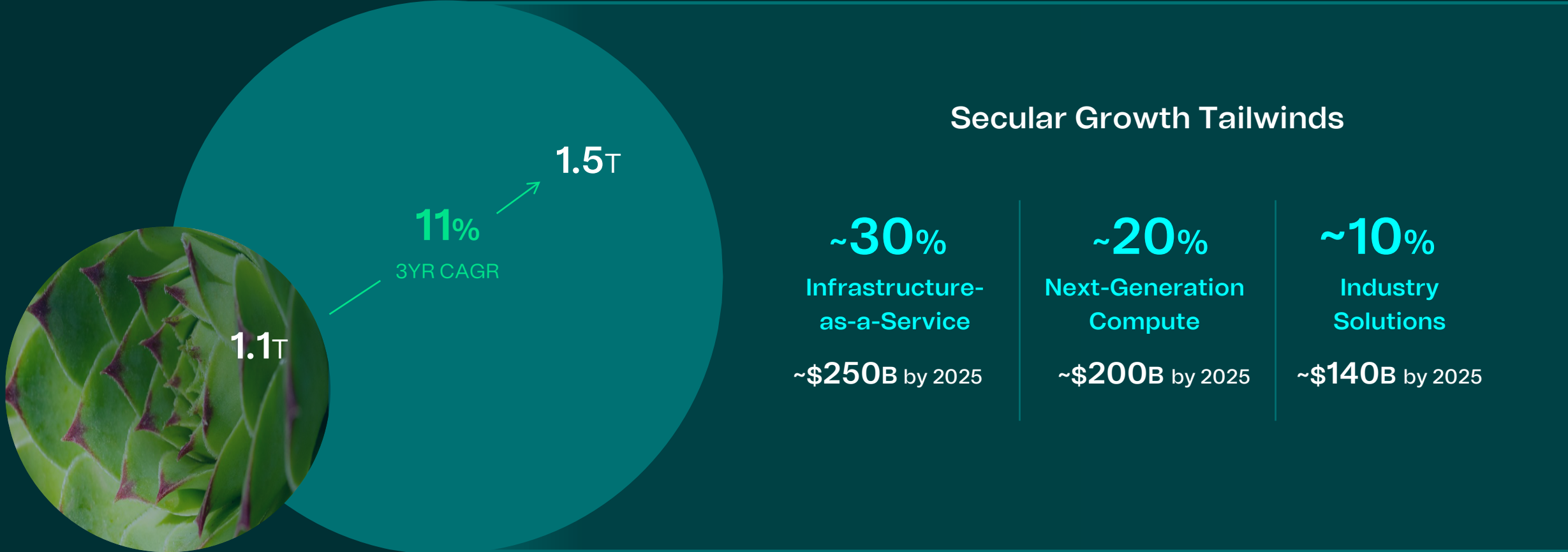
JUNE 15, 2023





# Market backdrop

We operate in a large and growing market



Source: Everest, Gartner, Grand View Research, Transparency Market Research  
Note: Unisys judgment applied in mapping industry analyst taxonomy to Unisys' offerings in determining addressable market

# Driving outcomes across the client's entire business

Leveraging **data and analytics**,  
**generative AI**, and **advanced  
computing** to drive outcomes  
despite rising complexity,  
regulation, talent gaps, and  
technology debt

**innovate faster**

**maximize productivity**

**retain talent**

**transact quicker**

comply with regulation

**grow revenue**

**optimize workforce**

reduce emissions

**improve satisfaction**

**secure data**

**collaborate better**

**hire faster**

minimize costs

Increase utilization

**increase ROI**

**minimize downtime**







# What we have achieved



## Enhanced our solutions portfolio

Expanding our innovative Next-Gen Solutions in areas with higher growth and margins



## Acquired key capabilities

Filling out our solutions portfolio & bringing extensive development capabilities



## Scaled our go-to-market

With a robust ecosystem of channel and alliance partners, with limited capital investment



## Transformed our brand

Repositioning Unisys as a technology innovator with our clients and industry analysts





# An investment in **Unisys** is an investment in...

1 **Large market opportunity**

Large market opportunity, operating within the ~\$1 Trillion IT solutions market

2 **Innovative Next-Gen and Industry Solutions**

Increasingly levered to higher growth and margin areas of the marketplace with expanding development capabilities

3 **Highly recurring revenue**

More than 80% recurring revenue in FY 2022 with a sticky, highly-profitable software License & Support solutions

4 **Large base of high-quality clients**

Large base of large enterprise and public sector clients; our top 50 have been with us for >20yrs on average

5 **Strong financial management**

Expanding Ex-L&S gross margins and \$1.7B in pension liabilities removed since Year-End 2019



# What you will hear today...

Our **commitment** to achieving faster growth, improving profitability, generating meaningful free cash flow, and creating shareholder value



## Long-Term Targets

Revenue, margins, free cash flow



## Growth Strategy

And market opportunities



## Innovation in Practice

Tangible client examples



## Efficiency Plan

For improving our gross margins and profitability



## License & Support

Maintaining our highly profitable Free Cash Flow engine



## Pension Management

Understanding our strategy and sensitivity







# Strategy

Mike Thomson  
President & Chief Operating Officer

JUNE 15, 2023





# Unisys today

# We drive breakthroughs

Our top 50 clients on average have been with us for **more than 20 years**

**~230 financial institutions** globally depend on Unisys every day

**8 out of 10** of the world's top ranked\* airlines are Unisys clients

\*Based on Skytrax World Airline Awards Top 10 Airlines of 2022  
Note: Figures as of year-end 2022



## We are...

**~16k**

Associates

**2k+**

Engineers

**~50**

Partners

## Supporting...

**800+**

Clients

**50+**

Countries

**~11M**

End-Users

## With...

**~\$2B**

Total Revenue

**80% +**

Recurring Revenue

**>90%**

Renewal Rate

Note: Revenue figures for Full-Year 2022, all other figures as of 1Q23



# What we do

Our clients rely on us to solve many of their most complex business and technology challenges to unlock faster growth and operational efficiency



## Cloud Applications & Infrastructure Solutions (CA&I)

Redefine what's possible. We design, build, deploy, and manage proven cloud, applications, and infrastructure solutions that keep our clients moving forward while staying compliant and secure



## Digital Workplace Solutions (DWS)

The workplace is in constant motion. We help organizations create breakthrough employee experiences across devices and platforms as the workplace changes and evolves



## Enterprise Computing Solutions (ECS)

Technology is at the heart of opportunity. We enable organizations to embrace innovation with high-intensity computing platforms and specialized industry solutions



## Business Process Solutions (BPS)

Rethink how work gets done. We apply domain-specific expertise to fuel productivity through intelligent solutions that revolutionize our clients' business processes



# Experienced leadership

With deep technology expertise

## Corporate Leadership



**Peter Altabef**  
Chair & CEO



**Mike Thomson**  
President & COO



**Deb McCann**  
CFO



**Dwayne Allen**  
CTO &  
Innovation



**Katie Ebrahimi**  
CHRO



**Teresa Poggenpohl**  
CMO



**Claudius Sokenu**  
GC



**Matt Marshall**  
CIO

## Business Leadership



**Manju Naglapur**  
Cloud, Applications &  
Infrastructure  
Solutions



**Joel Raper**  
Digital Workplace  
Solutions



**Chris Arrasmith**  
Enterprise  
Computing  
Solutions



**Bill Brown**  
Business Process  
Solutions



**Lisa Madion**  
Global Client  
Management



**Christine Wenzel**  
Global Sales &  
Partnerships





We get results...

# Analyst Recognition



## Cloud, Applications & Infrastructure

**Gartner**

**Magic Quadrant**  
NICHE PLAYER: Data Center Outsourcing and Hybrid Infrastructure Managed Services



**PEAK Matrix**  
MAJOR CONTENDER: Cloud Services Assessment North America

**\*ISG**

**Provider Lens**  
LEADER: Private Hybrid Cloud and Data Center Services

**\*ISG**

**Provider Lens**  
LEADER: Public Cloud — Solutions and Services



**NEAT Assessment**  
LEADER: End-to-End Cloud Infrastructure Management Services



**NEAT Assessment**  
LEADER: Cognitive and Self-Healing Infrastructure

## Digital Workplace Solutions

**Gartner**

**Magic Quadrant**  
CHALLENGER: Outsourced Digital Workplace Services



**PEAK Matrix**  
MAJOR CONTENDER: Digital Workplace Services North America & Europe

**\*ISG**

**Provider Lens**  
LEADER: Future of Work — Service and Solutions

**\*ISG**

**Provider Lens**  
LEADER: Microsoft Ecosystem

**AVASANT**

**RadarView**  
LEADER: Digital Workplace Services



**NEAT Assessment**  
LEADER: Advanced Digital Workplace Services

# We get results...

## Operational Recognition

### Cloud, Applications & Infrastructure



AWS Advanced  
Consulting Partner



Google Cloud

Google Cloud  
Partner Advantage  
Program



Microsoft

Microsoft Gold  
Partner

### Digital Workplace Solutions



Winner Best Service Desk  
Customer Experience -  
2022

Service Desk Analyst of  
the Year- 2022



Winner Best Service &  
Support Culture - 2023

Winner Best Service &  
Support Organization - 2023

Winner Best Support  
Manager - 2022

Winner Best Support  
Analyst - 2022



HDI Global Support  
Center Certification  
awarded to Unisys Global  
Service Desk -2022



We are  
acknowledged  
as an ESG  
leader...

Goal of **reducing GHG emissions by 75%** met in 2022, five years ahead of schedule

New **NetZero Goal of 75% Scope 1 and 2** carbon emissions reductions (from FY'20 baseline) by 2030

**MSCI** 

Improved  
MSCI rating  
from BB to **A**

**ISS ESG** 

Improved  
ISS rating  
from Medium to **Prime**

**ecovadis**

Improved  
EcoVadis ESG rating  
from Silver to **Gold**

**DEI** DISABILITY  
EQUALITY  
INDEX

**Disability Equality  
Index score of 100%**

**DiversityInc**

Diversity, Inc.  
**Noteworthy  
Company**—  
3 years in a row

**The Forum  
of Executive  
Women**

Forum of Executive  
Women 2021  
**Champion of Board  
Diversity**

# Our strategy

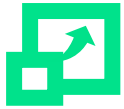
“To be strategic is to concentrate on what is important, on those few objectives that can give us a comparative advantage, on what is important to us rather than others, and to plan and execute the resulting plan with determination and steadfastness.”

**Richard John Koch**

British management consultant, venture capital investor,  
founder of LEK Consulting, and author



# Core elements of our strategy



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Addressable  
Market Growth



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Solution  
Development



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Land  
and Expand



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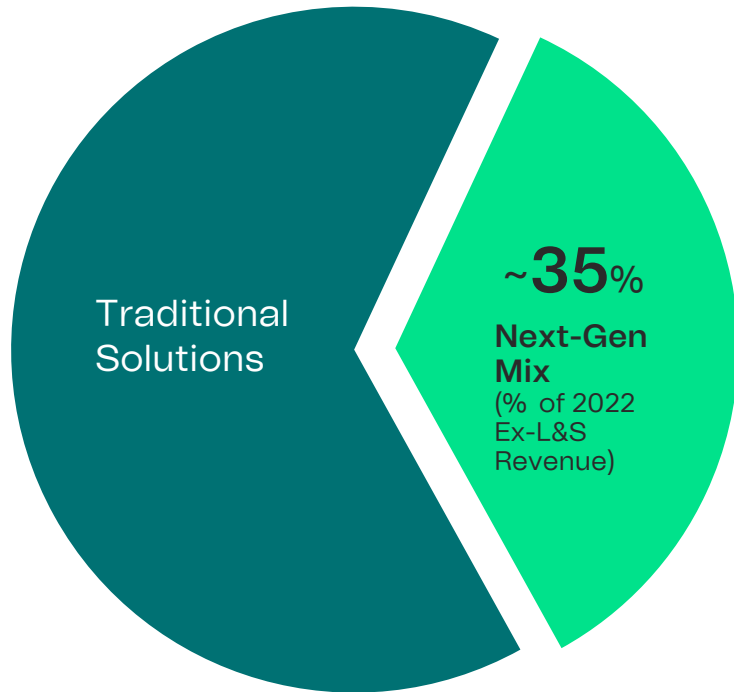
Margin  
Expansion



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Operational  
Excellence

# Leading with our Next-Gen Solutions



## Modern Workplace



**Experience-based workplace solutions** to enable centralized, secure, and proactive management of devices, communication & collaboration platforms, as well as endpoints all wrapped with data telemetry, analytics, LLM, governance and reporting

## Digital Platforms & Applications (DP&A)



**Strategy, design, development, migration & management** capabilities for cloud applications, hybrid & multi-cloud environments, and data analytics, LLM & AI orchestration

## Specialized Services & Next-Gen Compute (SS&C)



**Specialized services and computing solutions** such as applications integration, expansion & modernization in our proprietary environments, advanced computing, and proprietary SaaS-based product delivery in key sectors

## Micro Market Solutions



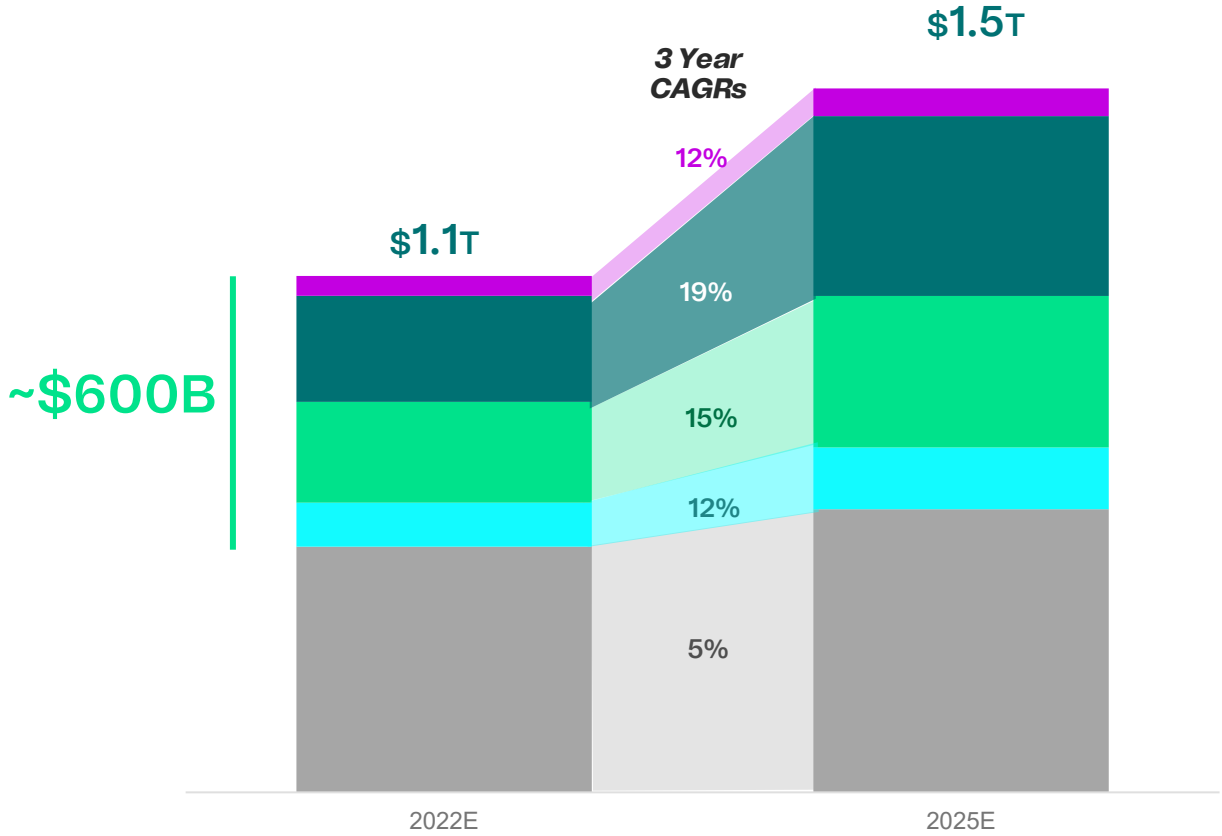
**Highly specialized business process solutions** for specific industries, markets, or use cases typically leveraging technology and knowledge proprietary to Unisys





# Next-Gen Solutions aligned to high-growth markets

Overall IT Solutions Market



High-Growth Markets

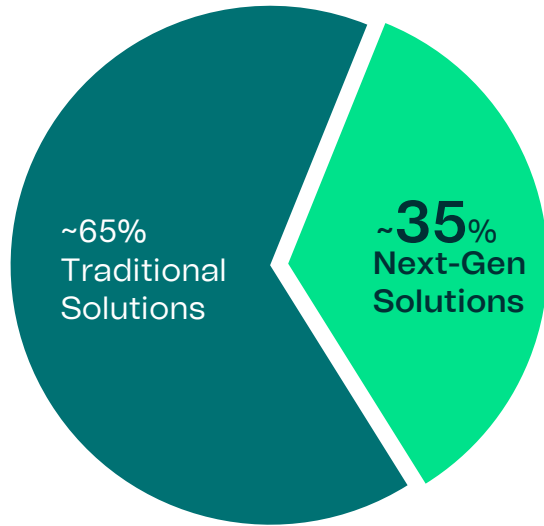
- Modern Workplace**
  - Smart Workplace
  - Mobility/BYOD
  - Unified Communications
- DP&A**
  - Infrastructure Consulting
  - Application Modernization
  - Infrastructure as a Service
- SS&C**
  - Apps & Services Expansion
  - Industry Solutions
  - Next-Gen Compute
- Micro Markets**
  - Records Mgmt. & Hyper Automation
  - Digital Mortgage Processing
  - Data Aggregation & Insights
- Traditional Solutions**
  - Technology Support Services
  - Infrastructure Management
  - Classical Compute
  - Business Process Outsourcing



Source: Everest, Gartner, Grad View Research, Transparency Market Research  
 Note: Unisys judgment applied in mapping industry analyst taxonomy to Unisys' offerings in determining addressable market

# Where we are going

We have the opportunity to significantly increase our mix of Next-Gen revenue over the next three years



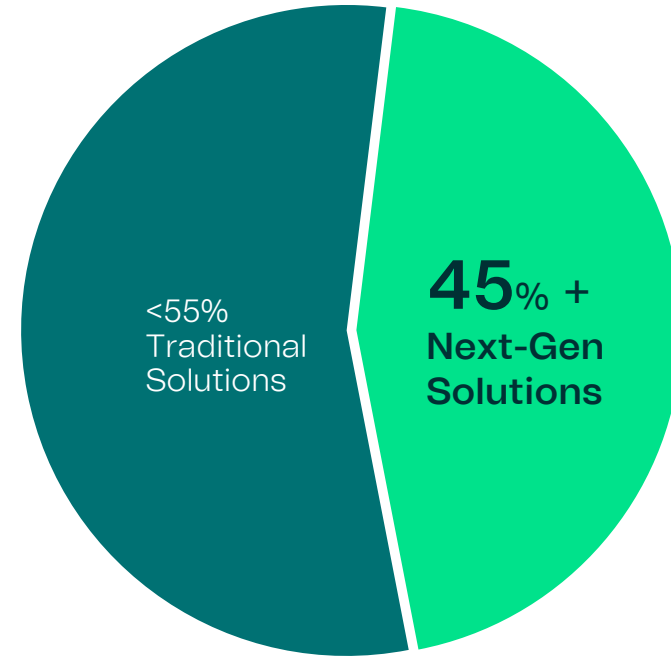
2022 Mix  
As a % of Ex-L&S revenue

10% -15%  
Next-Gen  
Annual Growth



~38%  
Expected 2023  
Next-Gen Mix of  
Ex-L&S Revenue

Flat-2%  
Traditional Ex-L&S  
Annual Growth



Target 2026 Mix  
As a % of Ex-L&S revenue



# Penetrating the mid-market

**\$2B - \$5B**

Target client size by revenue

**~900**

Potential U.S. clients

**\$14B+**

IT spend addressable to Unisys



Source: DemandBase (for company revenue estimates) and Gartner (for company IT spend estimates)

## Buying themes



Consolidated spend with fewer partners



Complexity and skills gap challenges



Less variability and customization required



High demand for trust, reliability and personalization



Value industry/domain expertise

## Industries with high demand



Manufacturing



Insurance



Energy & Utilities



Travel and Transportation



Healthcare

# Our variable solution development platform

A platform that balances industry expertise, targeted innovation & integration, managed and purposeful orchestration to deliver optimized value



Flexibility & variability in the technology solutions

Standardized with ability to leverage innovation

Shared R&D costs with innovation partners

Faster value realization for our clients





# Our approach to data analytics & AI

## Simplifying complexity



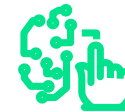
- Data Security & Governance
- Domain Specified Insights
- Business Outcomes

## Areas of opportunity

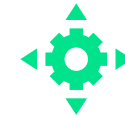
Expanding upon **34 existing** solutions



Data Engineering



Generative AI



Quantum Computing

# Landing effectively

## Brand awareness & marketing

Top of funnel lead generation targeting prospects aligned to our priorities

## Industry analysts & advisors

Engaging third-party analysts & advisors our clients turn to for advice

## Direct sales

Aligned around point of spear and full ecosystem solution offerings

## Partner ecosystem

Leveraging our channel, alliance, and innovation partnerships



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4 consecutive quarters of new logo qualified pipeline growth

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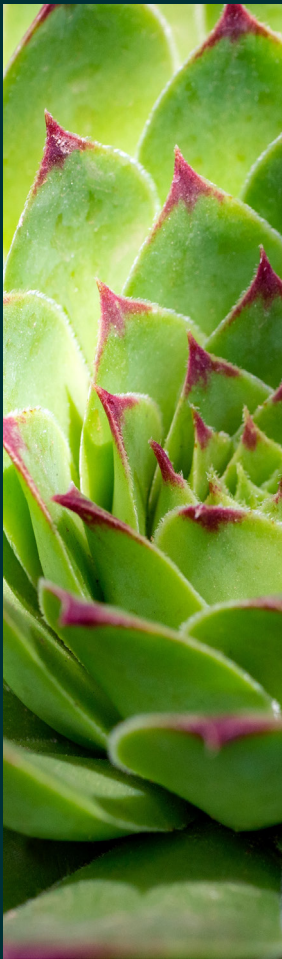


# Awareness campaigns driving measurable success



**4X**  
More clients and prospects visiting our website<sup>1</sup>

**+39%**  
Increase in LinkedIn followers



**\$567M**  
2023 marketing-influenced qualified pipeline **created** in Q1

**2x**  
Marketing driven pipeline 1Q annualized versus FY 2022

**March 2023**  
Highest single-month web traffic ever recorded

**+10%**  
YoY Increase in average time on page





























**\$55M**  
TCV in '22 from priority deal campaigns



1. Reflects 1Q versus three-month period prior to brand launch

# Quality client base

Serving as access points for expansion

TECHNOLOGY/ TELECOMS/MEDIA	LIFE SCIENCES AND HEALTHCARE	TRAVEL AND TRANSPORTATION	RETAIL	MANUFACTURING/ CPG	FINANCIAL SERVICES	PUBLIC SECTOR
						
						
						
						



Note: logos reflect select Unisys clients



# Existing client growth opportunity

**\$31B**

Untapped addressable wallet at our existing clients for DWS and CA&I solutions alone<sup>1</sup>

**44%**

Of our \$1M+ clients bought solutions from multiple Unisys business units in 2022<sup>2</sup>



Building relationships with stakeholders beyond the CIO

**\$2.5B** Traditional Workplace

**\$2B** Modern Workplace

**\$9B**

Digital Platforms & Applications

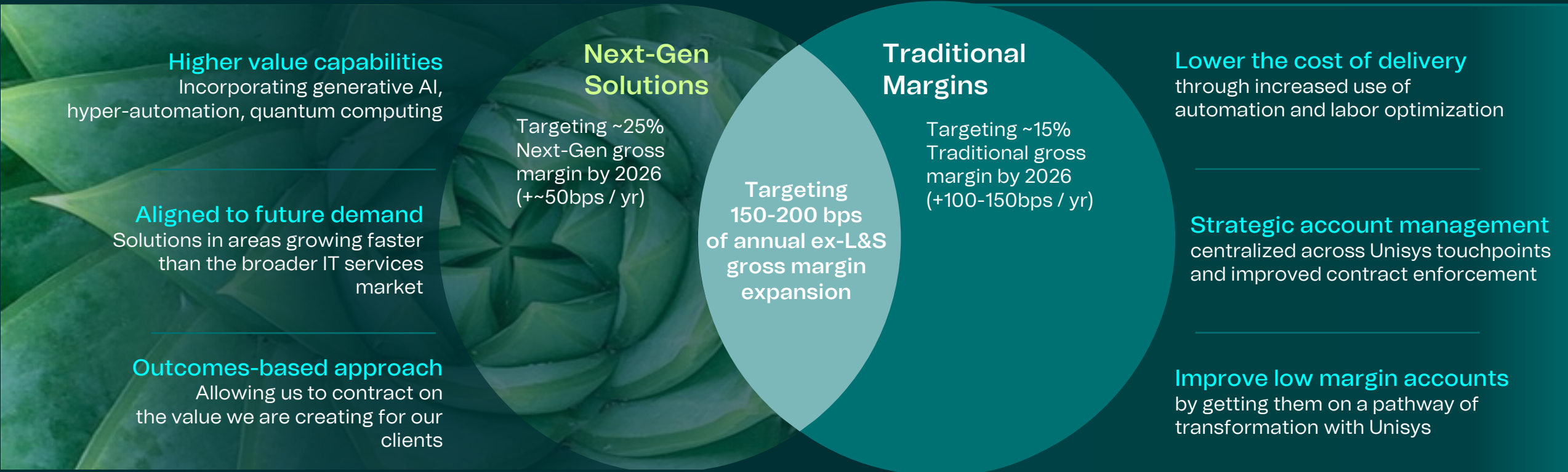
**\$19B**

Traditional Infrastructure Solutions



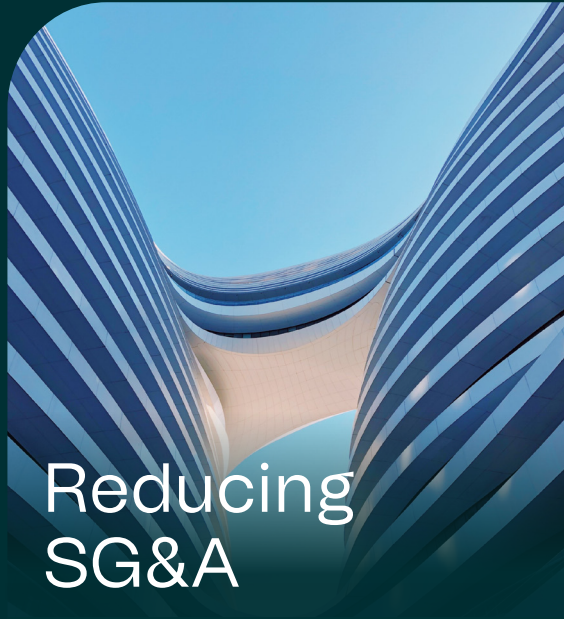
<sup>1</sup> Source: Gartner IT spend estimates for existing Unisys clients  
<sup>2</sup> Percentage of 2022 \$1M+ clients who generated revenue in more than one Unisys Business Unit

# How we plan to expand gross margins



# Operational excellence

Focused on reducing operating costs and achieving sustainable free cash flow generation



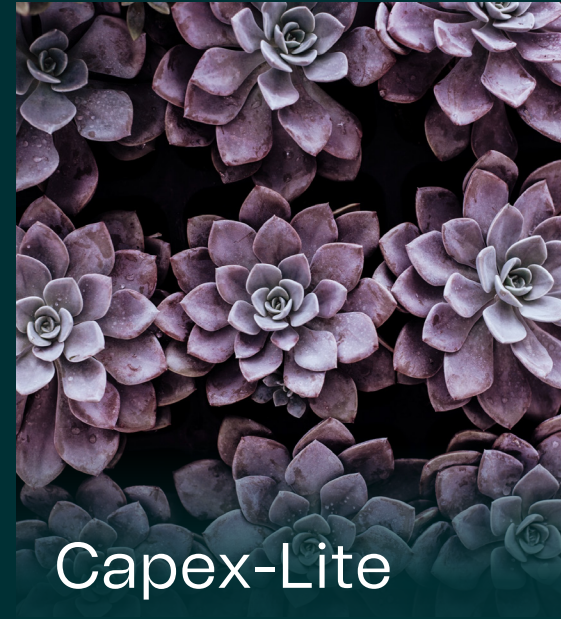
## Reducing SG&A

- Real estate rationalization & renegotiation
- Optimizing administrative functions
- Centralize and consolidate technology spend



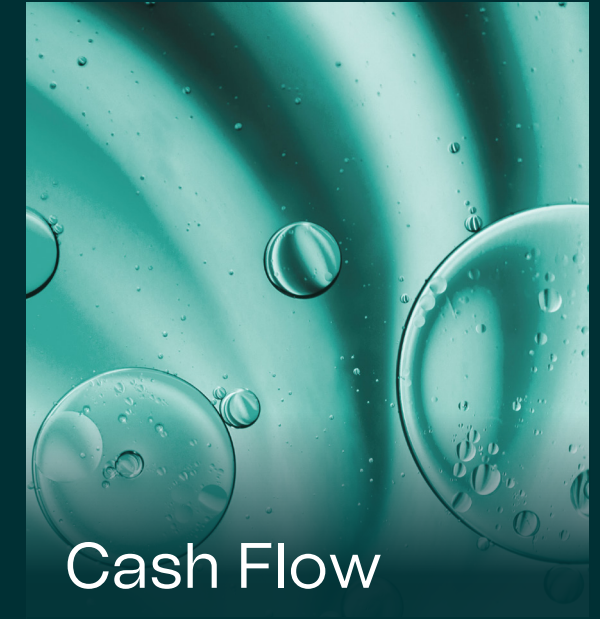
## Associate Experience

- Tailored training & career planning
- Internal talent marketplace
- Early career hiring & training programs
- Optimizing labor model



## Capex-Lite

- Leverage partner ecosystem
- Faster implementation timelines
- Capex approximately 4-5% of revenue



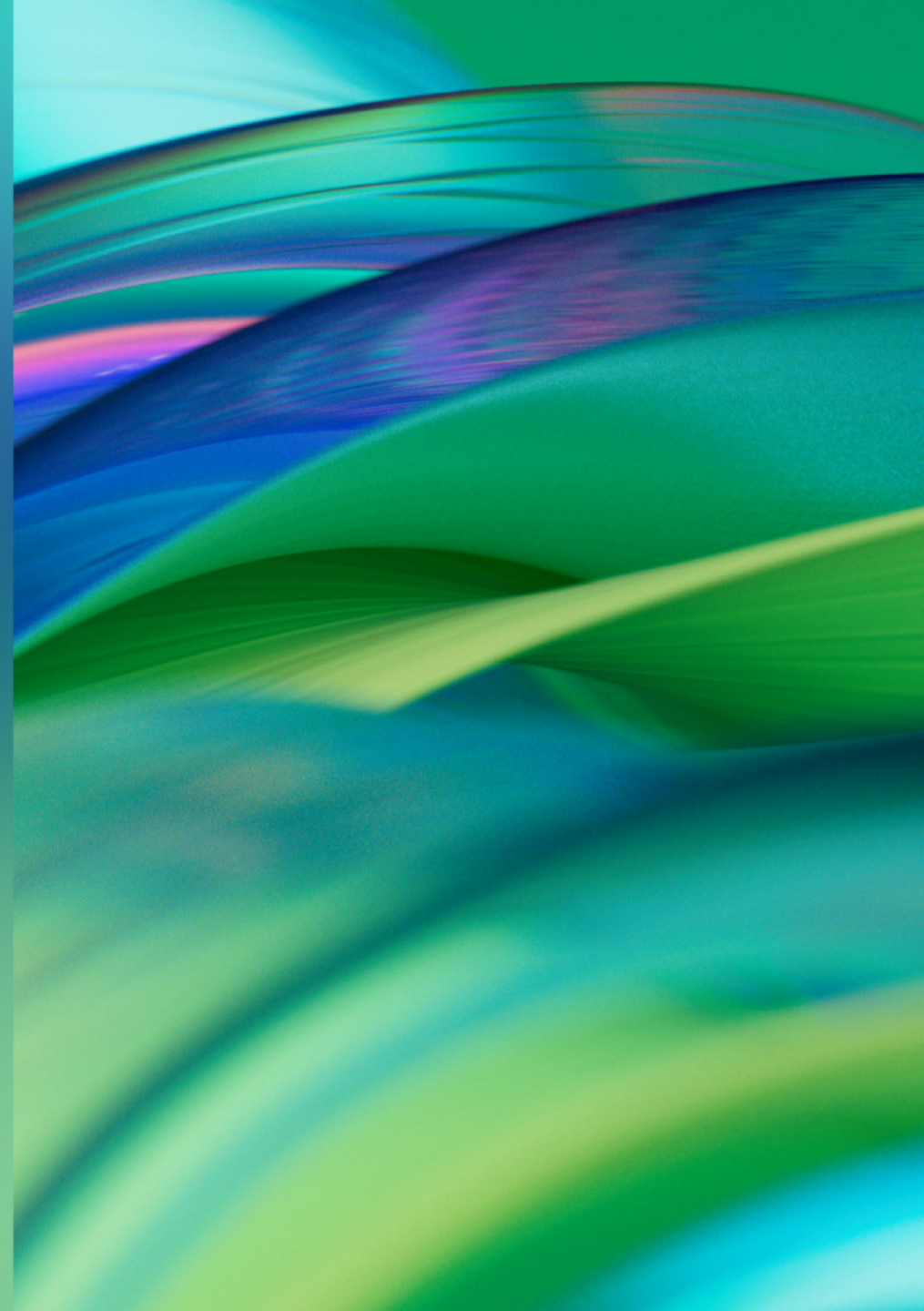
## Cash Flow

- Continue to remove pension liabilities
- Adjusted EBITDA margins in high teens
- Path to return capital to shareholders



# Cloud, Applications & Infrastructure

Delivering the "AI" in  
CA&I @ scale



# Speaker and agenda

01 Who we are

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02 Global innovation and solutions portfolio

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03 Enterprise AI continuum

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04 AI solutions @ clients

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05 Client stories

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**Manju Naglapur**

Senior Vice President and General  
Manager, Cloud, Applications &  
Infrastructure Solutions

# Who we are



Redefine what's possible. We design, build, deploy, and manage proven cloud, applications, and infrastructure solutions that keep our clients moving forward while staying compliant and secure

Lead with business outcomes

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Cloud & digital native

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Secure enterprise foundation

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Scale with platforms & AI

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Agile & deep technical engineering



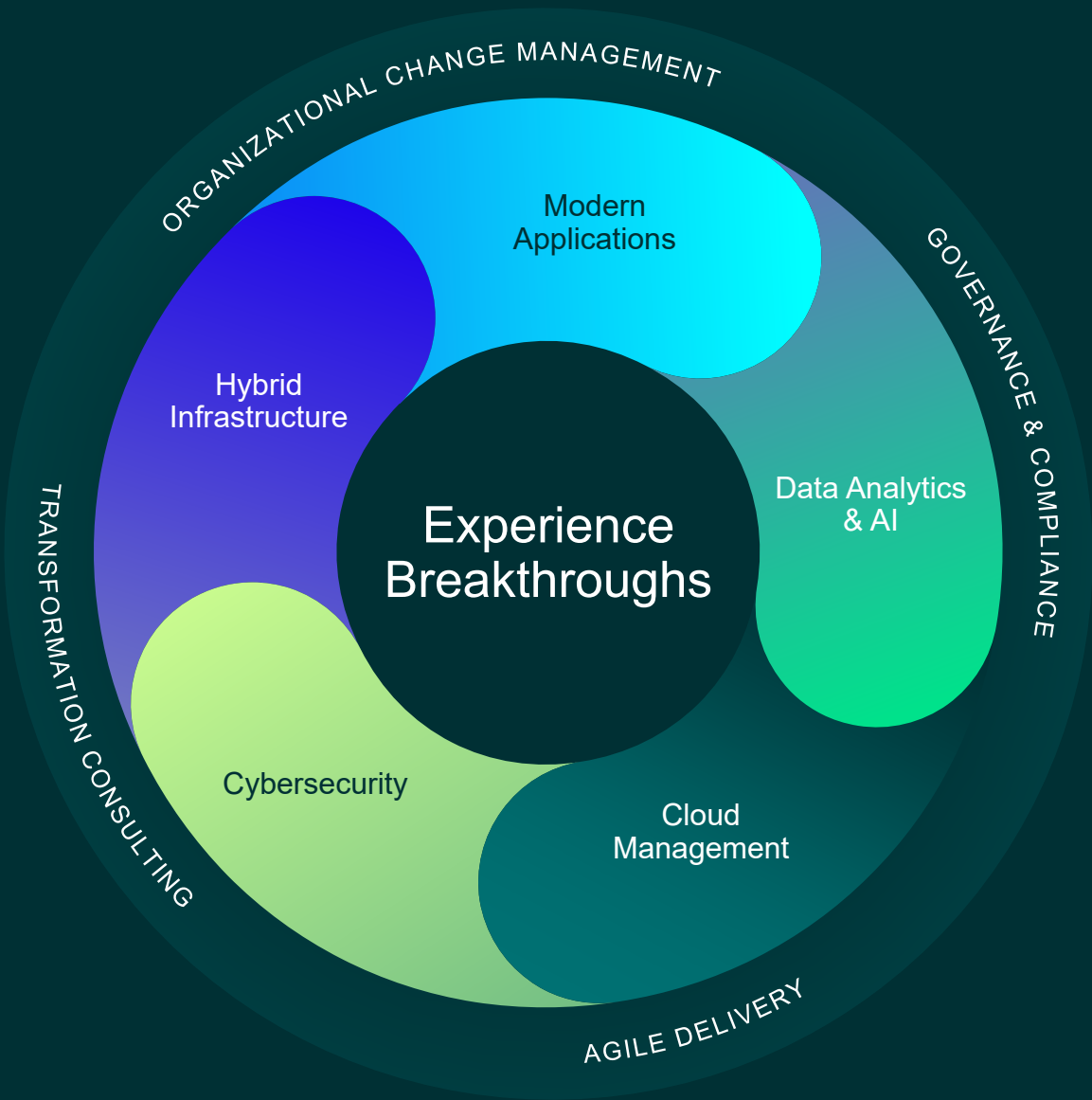


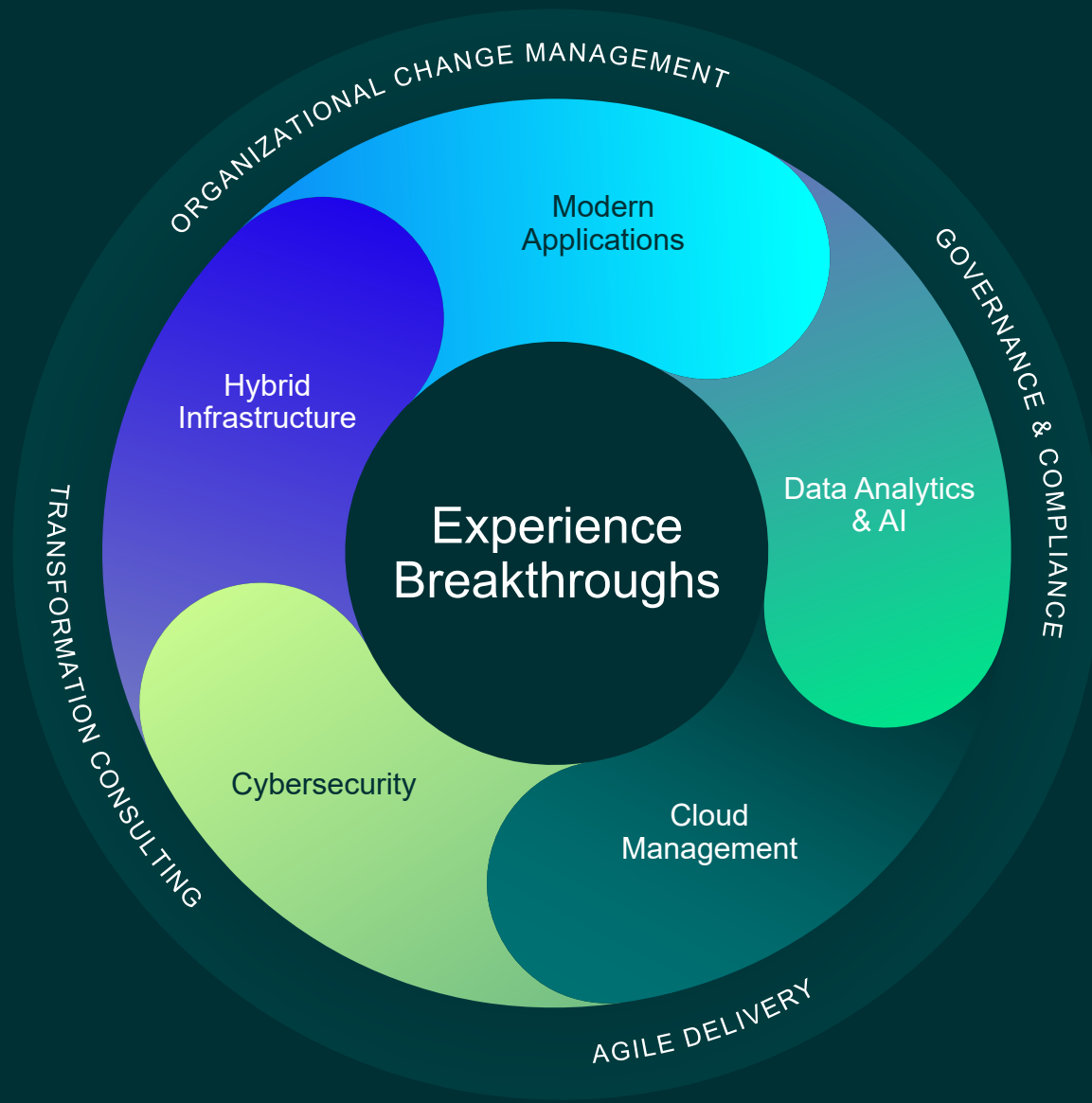
# Market opportunities

<b>1</b>	<b>Transform</b>	Multi cloud	Security	Optimize
<b>2</b>	<b>Accelerate</b>	Digital	Automation	Future work
<b>3</b>	<b>Disrupt</b>	Core AI	Applied AI	Generative AI



# Cloud, Applications & Infrastructure Portfolio





### Modern Application Solutions

- Application Migration & Modernization
- Enterprise Applications
- Modern User Experience
- Application Development & Maintenance

### Data Analytics & AI Solutions

- Data Migration & Modernization
- Modern Data Engineering
- Data Analytics
- Core AI

### Cloud Management Solutions

- Cloud Financial Analysis and Optimization
- Multi-Cloud Management
- Cloud Migration & Modernization

### Cybersecurity Solutions

- Attack Surface Discovery
- Cyber Recovery
- Managed Digital Identity
- Managed Detection & Response

### Hybrid Infrastructure Solutions

- Software Defined Networks
- Data Center Managed Services





# Leading with industry

Global clients powered by Unisys innovation

## Financial Institutions

Accelerate digital transformation with Cloud & AI solutions to provide game changing modern experiences.



## Higher Education

Transform and enhance college experience for students and faculty on cloud at largest higher education campus system in USA

## Public Sector

Digitize and drive innovation within public sector using state-of-the-art platform engineering.



## Media

Modernize global distributed marketing & communications giant to drive productivity.



## Hitech

Harnessing the power of Generative AI to deliver modern applications and increase financial efficiencies.



## Life Sciences

Enabling leading life sciences enterprises to improve the lives of your patients.



## Energy

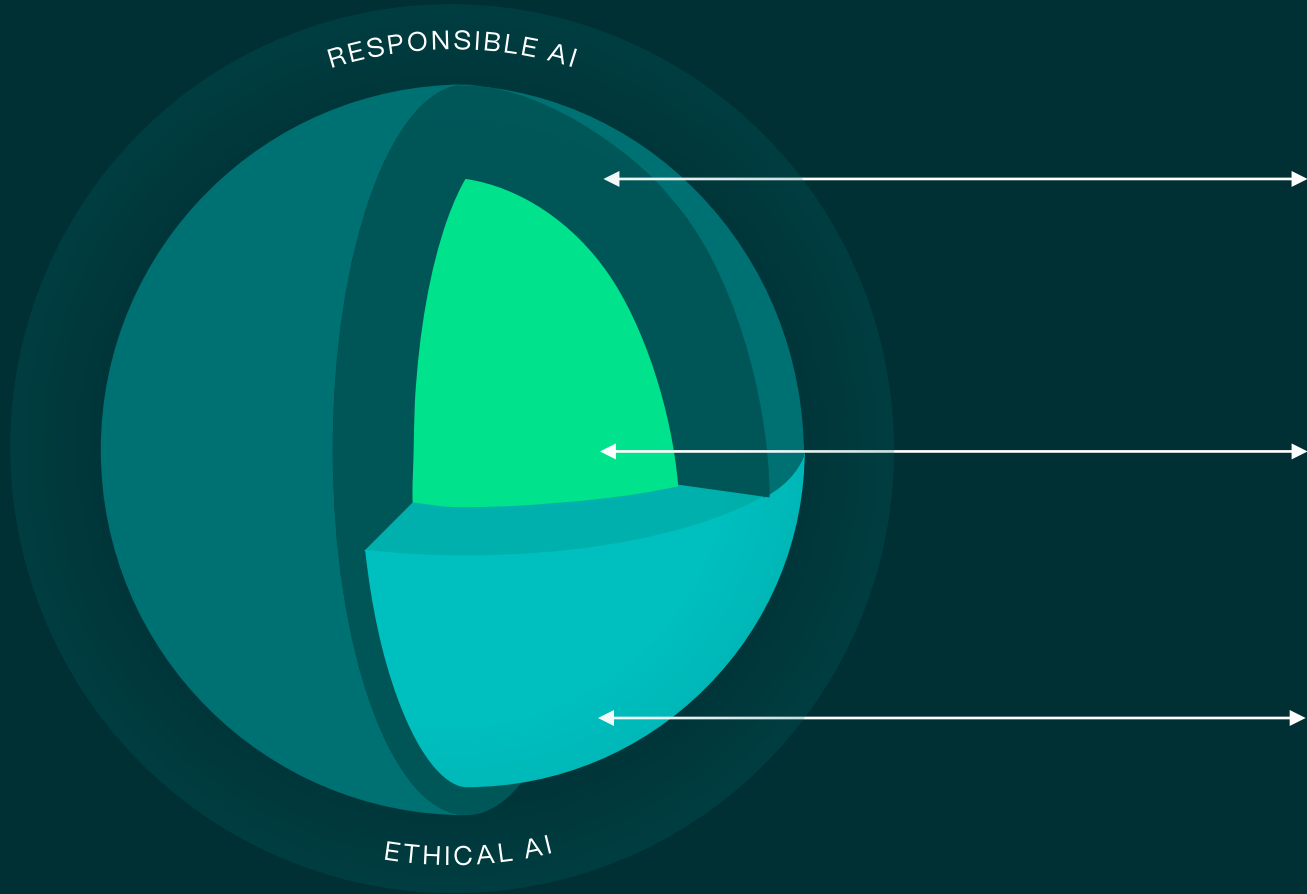
Powering energy pipelines of the future in a responsible, reliable and cost effective manner.



Automated  
solutions **built to**  
scale



# Enterprise AI Continuum



**Applied AI Solutions**

AI Applied to business opportunities

**AI Core**

Establish, Govern & Democratize AI within the enterprise







**AI Frameworks & Capabilities**

Developer frameworks, foundational models, toolchains & capabilities to enable Applied AI solutions





# Providing AI solutions

					
<b>Generative AI</b>	<b>Fraud Detection</b>	<b>Content Intelligence</b>	<b>Customer AI</b>	<b>Continuous AI Delivery</b>	<b>Automation</b>
Code assist, external marketing content	AI on knowledge graph, risk modelling	Text analytics, data quality, case management	Customer analytics, personalization, customer segmentation, competitive intelligence	AI core foundation, advanced analytics	AI ops, RPA, chatbots, contact center, validation
Hi Tech, Financial Institutions	Financial Institutions	Travel & Transportation, Financial Institutions	Financial Institutions Retail	Financial Institutions	Retail Banking Financial Institutions



# European financial institution

Multi-cloud  
platform adoption



**Challenge:** Ability to adapt to changing regulations across Europe and fast-changing market conditions



**Solution:** Cloud first approach, OCM & governance through cloud business office



Frictionless cloud modernization & 40% upskilled labor

# US mortgage leader

Modern continuous  
delivery @ Scale



**Challenge:** Misalignment  
between business  
and technology units



**Solution:** No-touch,  
continuous delivery  
platform to multiple clouds



100% elimination  
of manual process  
for delivery

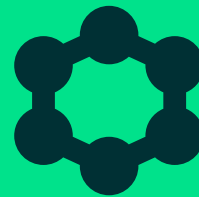


# Global airline hospitality group

Digital-first  
approach



**Challenge:** Legacy core  
ERP systems & business  
process flows



**Solution:** Modern, flexible,  
multi-tenant applications &  
application lifecycle  
management



95% reduction in production  
issues & 70% reduction  
in maintenance costs

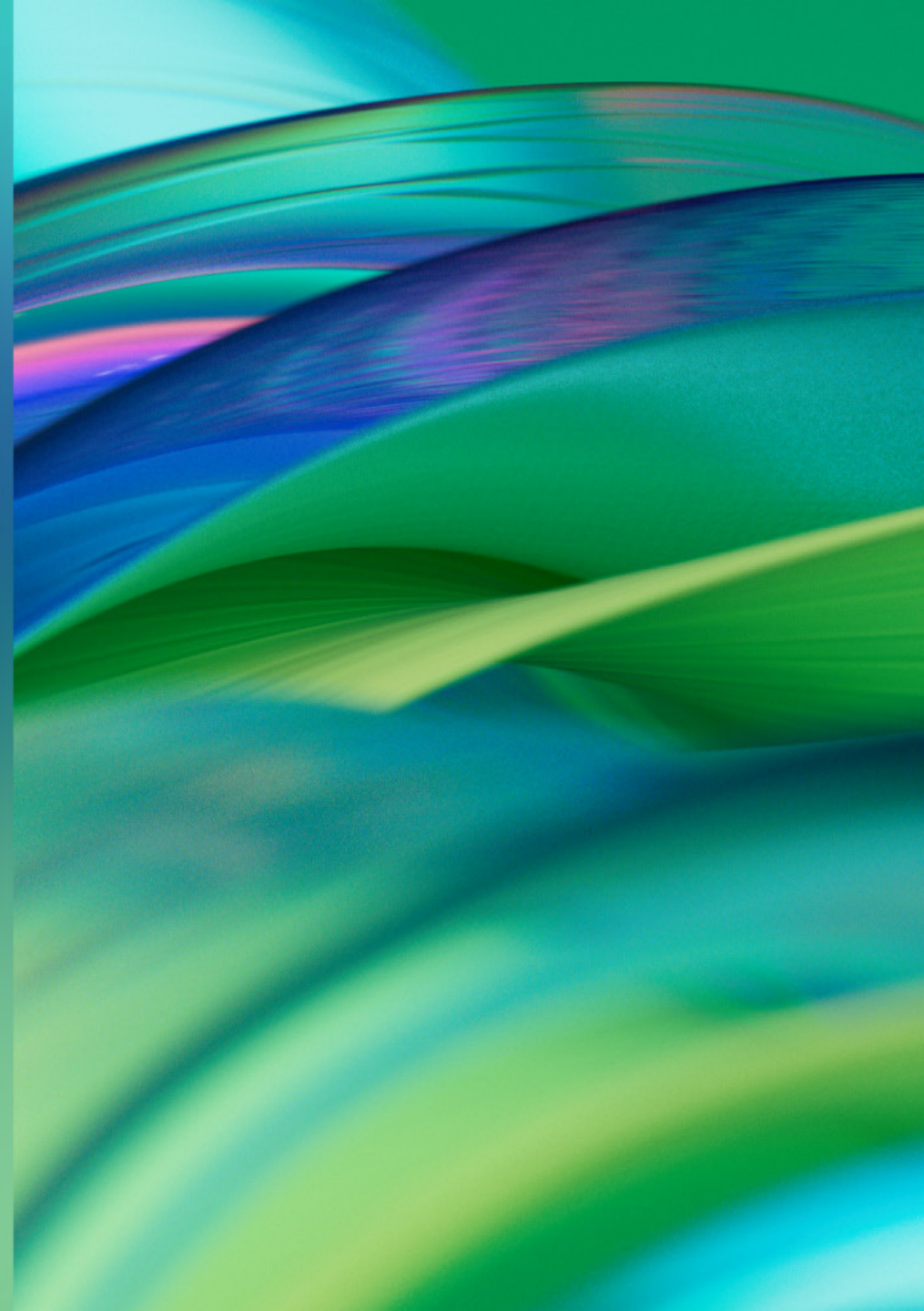
# Breakthrough with Unisys

- 01 Build resilient multi-cloud foundations**  
Build, migrate & manage public, private, hybrid cloud foundations
- 02 Accelerate modern digital capabilities**  
Drive business outcomes through digital first modern applications
- 03 Maximize enterprise insights with AI**  
Disrupt your competition with advanced analytics
- 04 Secure your enterprise**  
Enhance and maintain enterprise security posture



# Digital Workplace Solutions

Leading with experience





# Speakers and agenda

01 Opportunities and overview

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02 Client showcase

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03 Portfolio and solutions

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04 Technology and AI deep dive

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05 Solution showcases

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**Joel Raper**

Senior Vice President and  
General Manager, Digital  
Workplace Solutions



**Alan Shen**

Vice President, Digital  
Workplace Solutions

“The electric light did not come from the continuous improvement of candles”

Oren Harari

Business professor at University of San Francisco and Best-Selling author of business management books

# Market opportunities

<b>1</b>	<b>Transform</b>	Personas	Frontline worker	User onboarding
<b>2</b>	<b>Accelerate</b>	Standardized automation	Time to value	Endpoint as a service
<b>3</b>	<b>Disrupt</b>	OpenAI LLM & ChatGPT	Generative AI chatbots	AI / ML business insights





# Digital Workplace Solutions (DWS) at-a-glance



**Workplace  
business insights**



**360 degree  
frontline services**



**Next-Gen  
service desk**



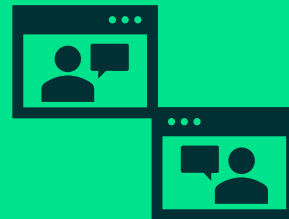
**Enhanced employee  
experience**

# Global household appliances company

Trusted advisor for experience futures



**Challenge:** achieve 2X growth in 5 yrs



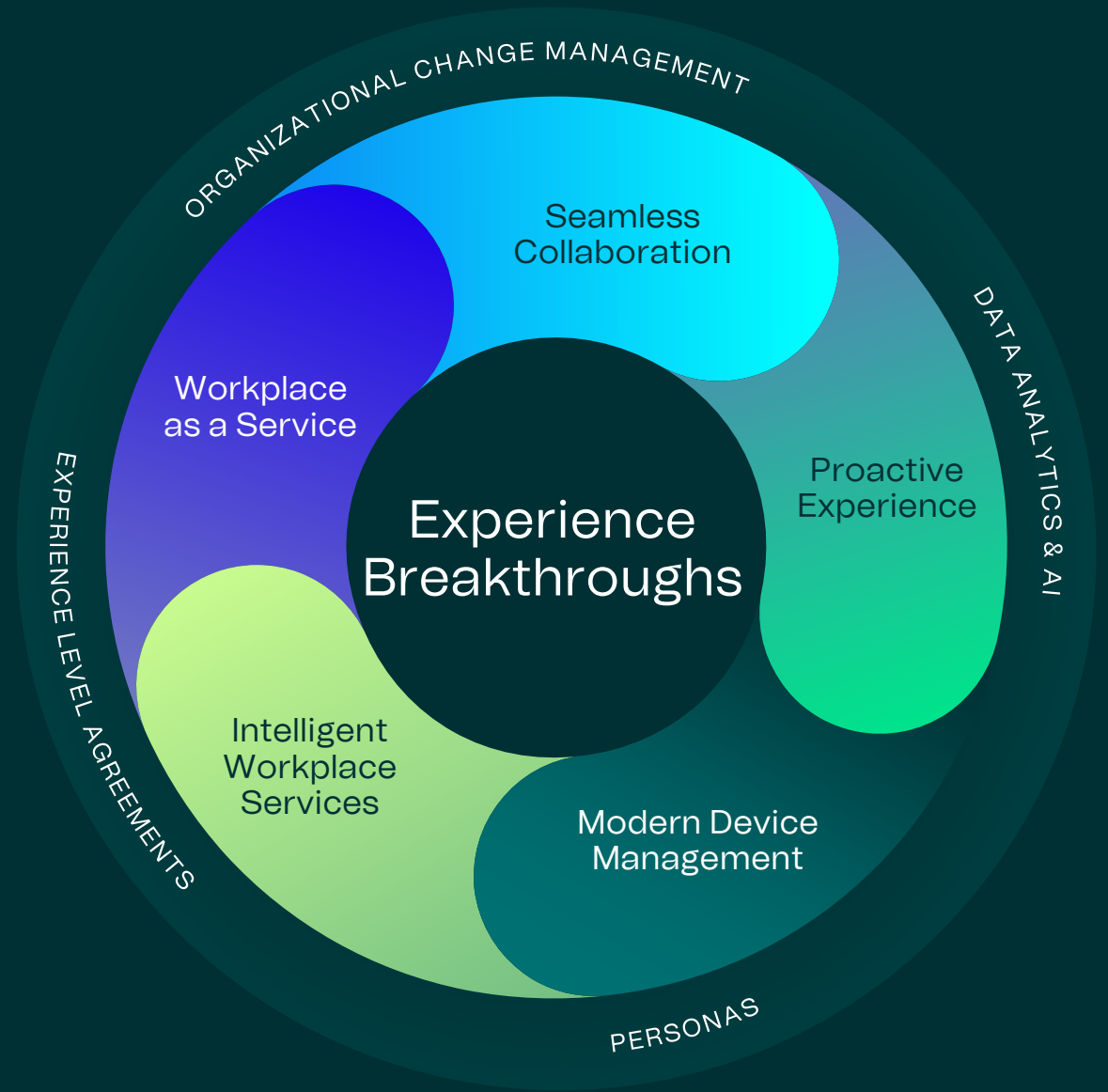
**Solution:** XLA 2.0, onboarding, & smart meeting room services



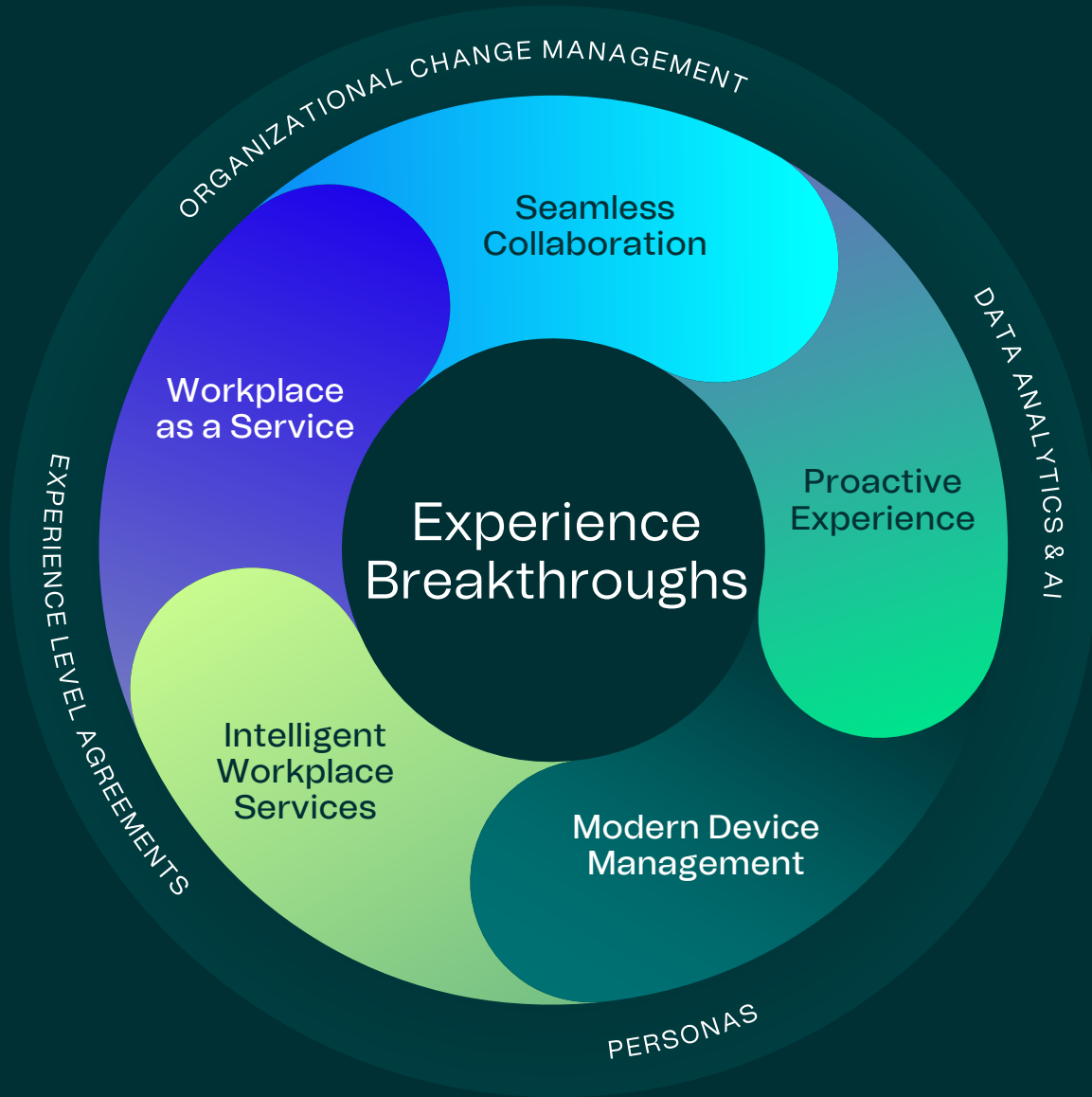
Higher engineering output (15% NPS increase)

# Creating the Modern Workplace

Leading with experience







**Seamless Collaboration**

- Managed Meeting Rooms
- Managed M365 & Teams
- Frontline Worker Enablement
- Managed Voice

**Proactive Experience**

- Unified Experience Management
- Endpoint as a Service

**Modern Device Management**

- Unified Endpoint Management
- Hardware & Software Asset Management

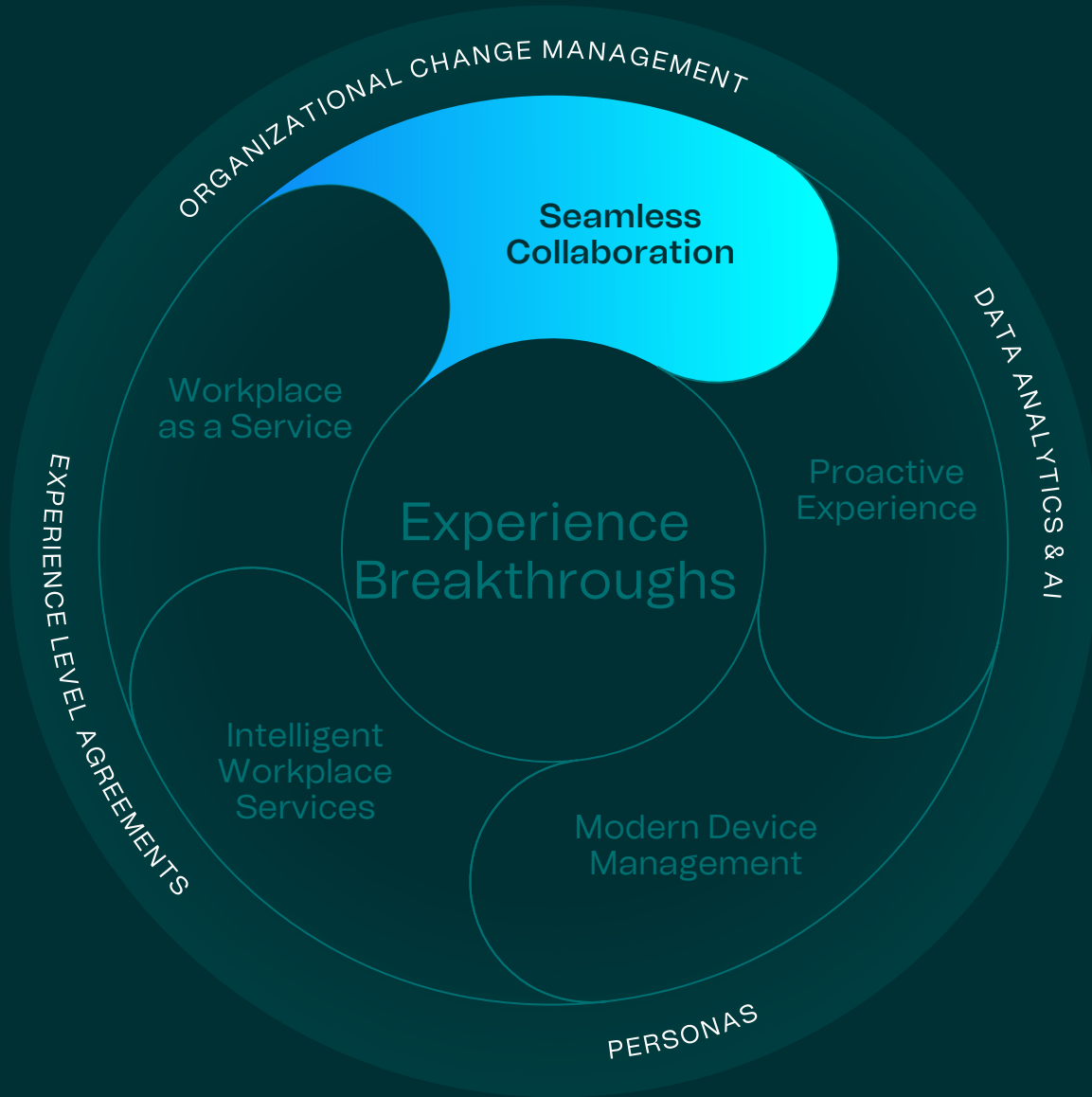
**Intelligent Workplace Services**

- Next-Generation Service Desk
- Touchless Support Services

**Workplace as a Service**

- Device Subscription Services
- VDI (Hybrid or Cloud-Native)
- User On-Boarding Services

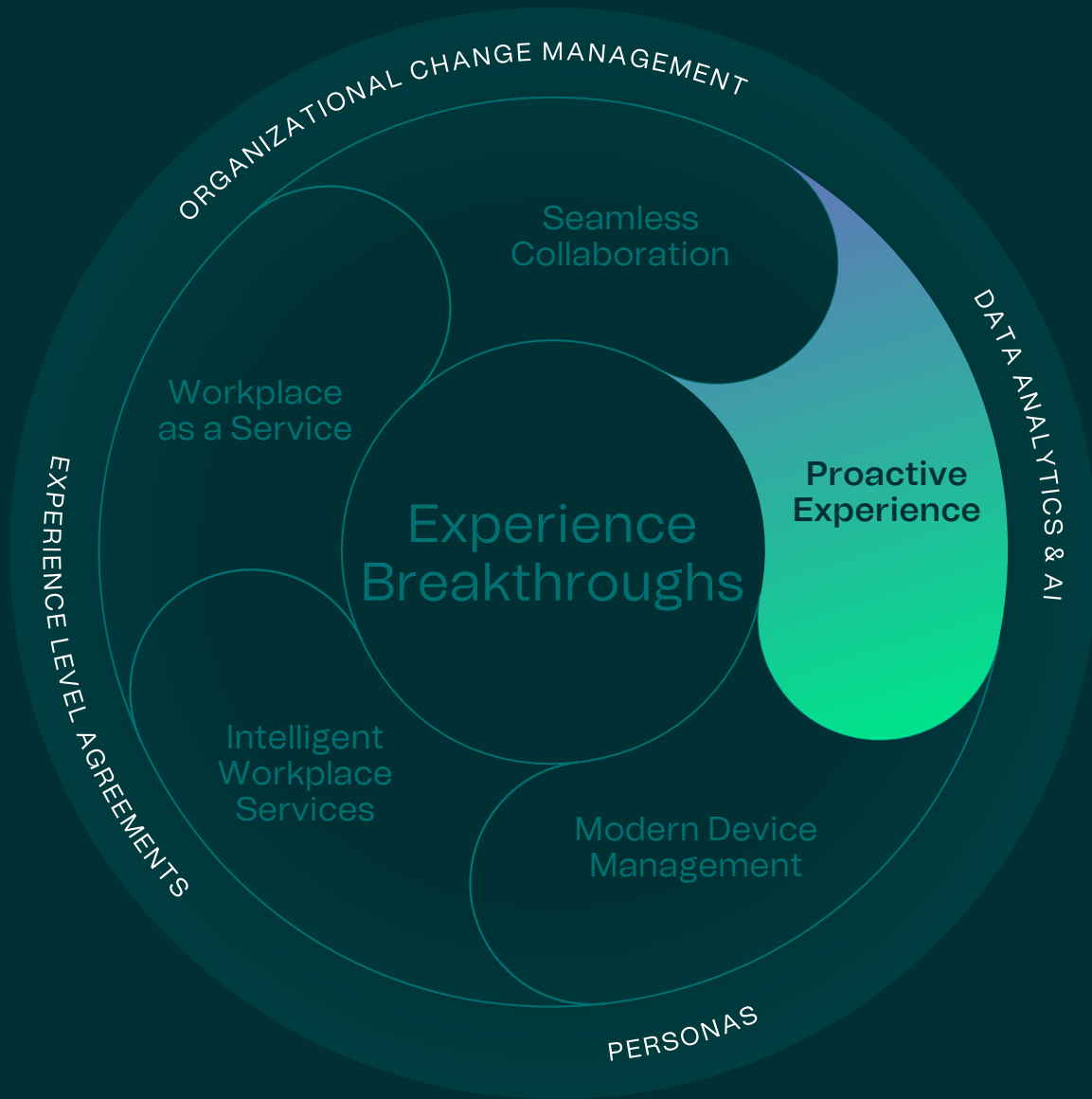




# Seamless Collaboration

Frontline worker enablement



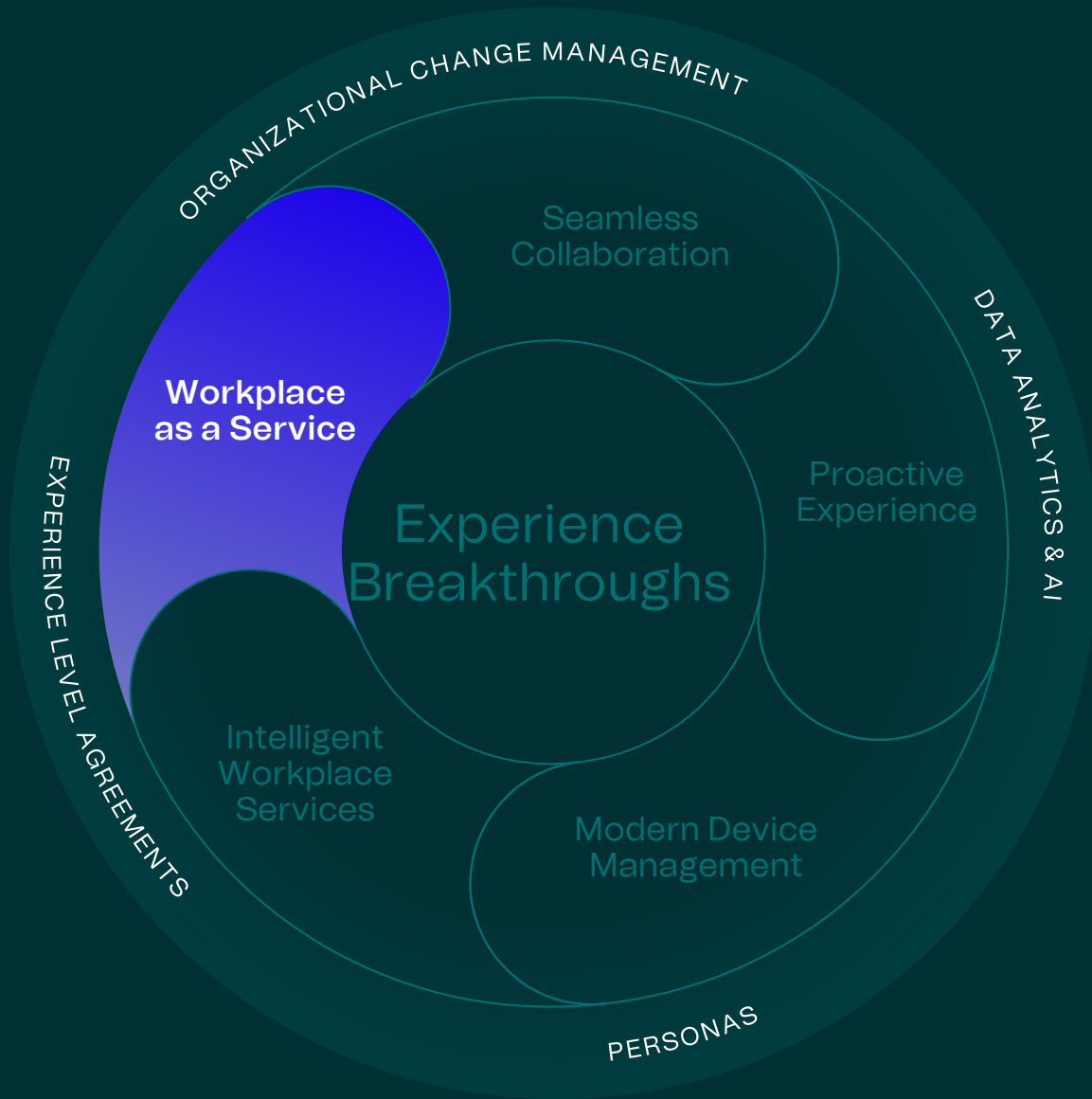


# Proactive Experience

Endpoint as a service





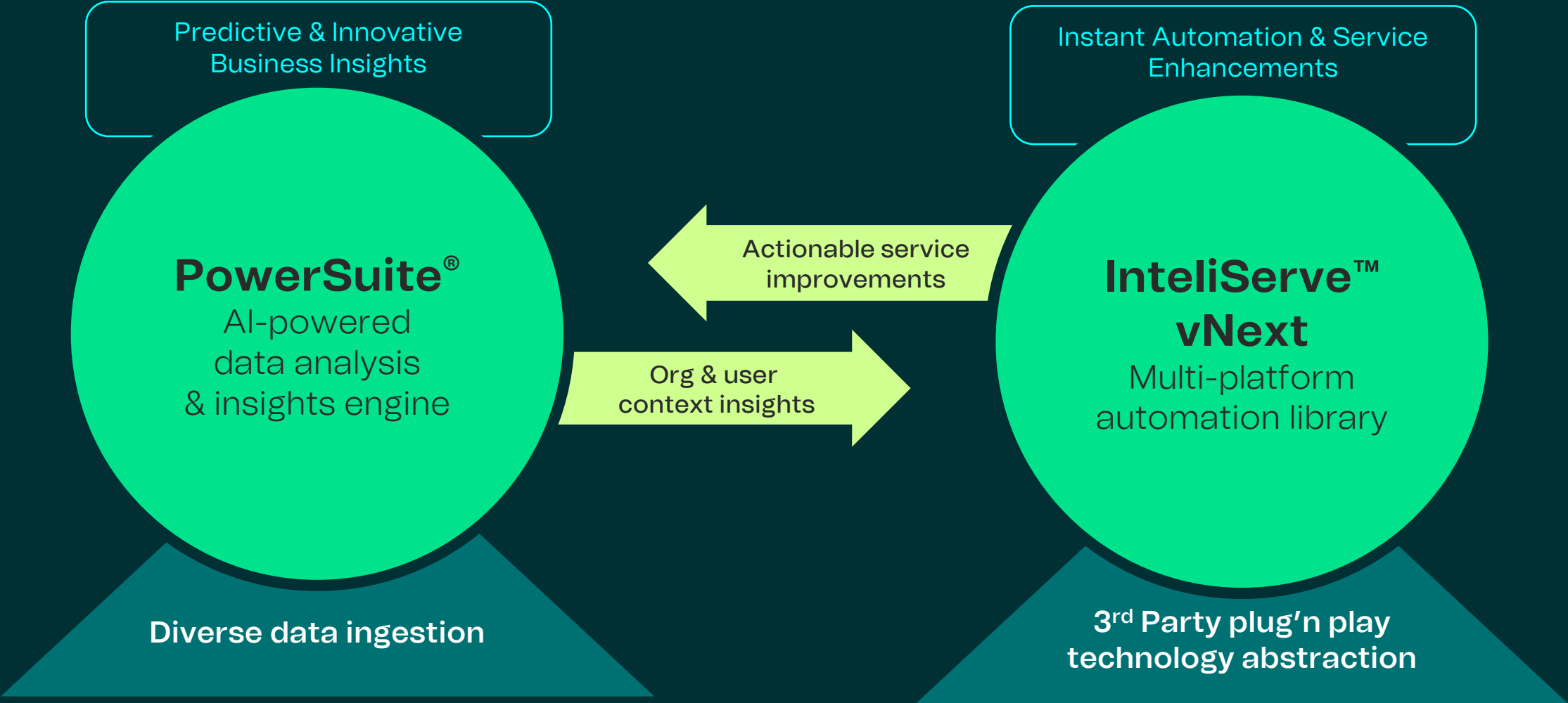


# Workplace as a Service

User on-boarding services



# Better together – PowerSuite® & IntelliServe™



# DWS solution maturity

## Transformative Consulting

Twelve domains of expertise provide "trusted advisor" advisory services

User Experience  
Voice/Conferencing  
Contact Center

Meeting Rooms  
Data Governance  
Low Code / Automation

Collaboration  
Messaging  
Virtual Desktop

Endpoint Identity & Access  
Management  
Service Management



## PowerSuite®

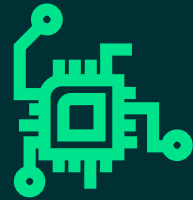
- RTO efficacy (including Commute time and Carbon impact)
- Smart PC refresh (maximizing EU experience)
- ESG impact analysis & reporting

## InteliServe™ v.Next

- User onboarding experience
- M365 service automation
- Endpoint troubleshooting & remediation
- Field service dispatch integration



# AI @ DWS: machine learning and generative



## Machine Learning AI

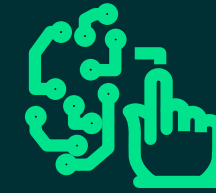
Predictive  
endpoint  
health

Self-learning  
automation  
optimization

Persona  
relevant  
business  
insights

Hybrid  
worker  
experience &  
ESG efficacy

Manufacturing, Healthcare, Real Estate,  
Philanthropy, Energy



## Generative AI

Humanized &  
frontline  
chatbot

Service  
desk agent  
assist

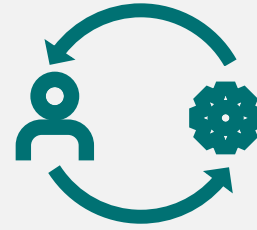
Developer  
acceleration

Insights  
query  
reporting

Food processing, Restaurant

# Real Estate

Hybrid Work  
Modernization



**Challenge:** Adapt to changing office needs



**Solution:** Onboarding automation & smart meeting room services



1 hour onboarding  
& ~\$1M lost productivity recovery

# Healthcare

Frontline Worker  
Optimization



**Challenge:** Merge  
two hospital systems



**Solution:** Front line  
health care worker



Priceless life-saving focus  
without IT distractions

# Digital Workplace Solutions (DWS) at-a-glance



**Workplace  
business insights**



**360 degree  
frontline services**



**Next-Gen  
service desk**

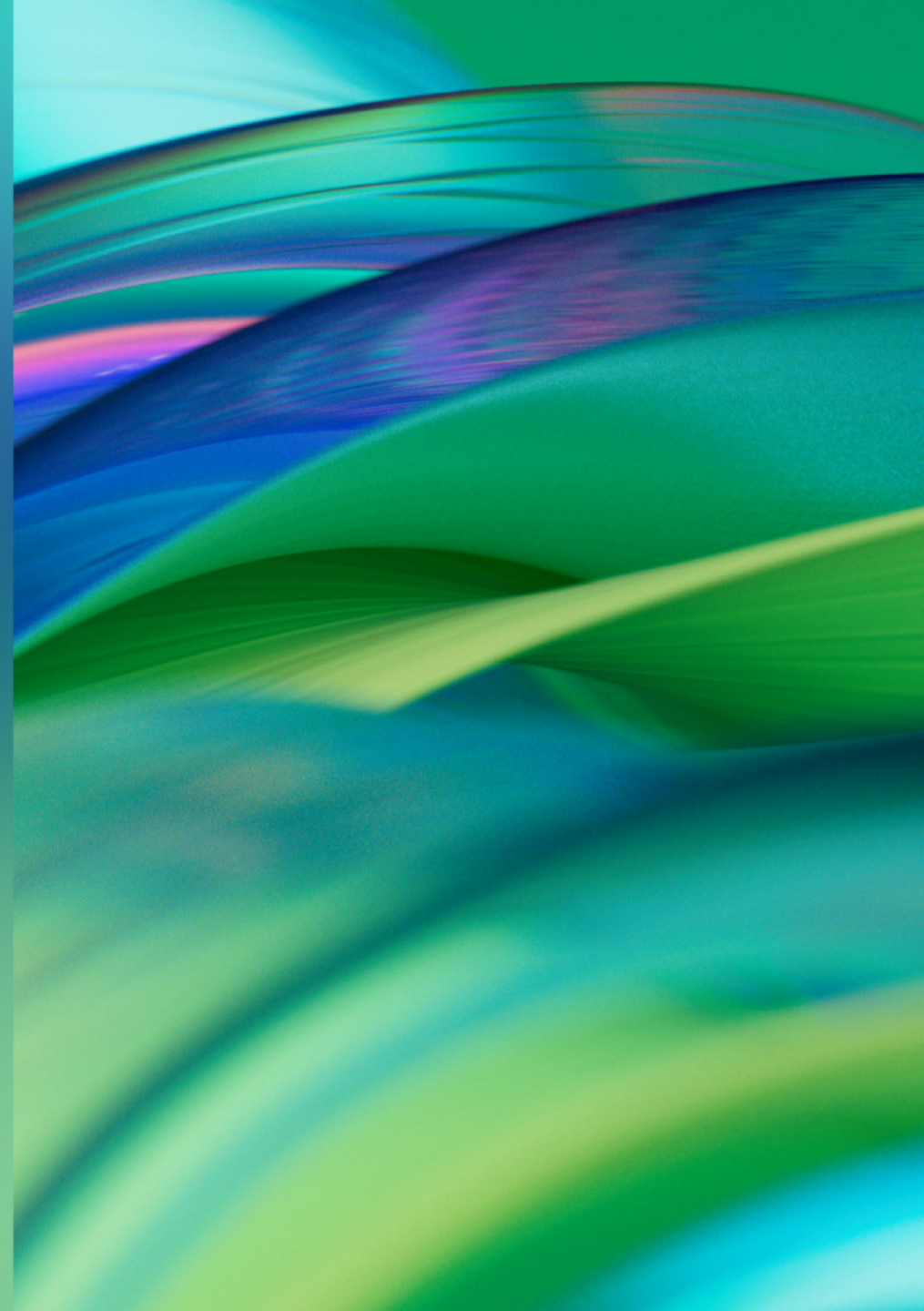


**Enhanced employee  
experience**



# Enterprise Computing Solutions

Unlocking innovation  
with Unisys IP



# Speaker and agenda

01 Opportunities and overview

---

02 Client showcase

---

03 Portfolio and solutions

---

04 Quantum deep dive

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**Chris Arrasmith**

Senior Vice President and General  
Manager, Enterprise Computing  
Solutions



We keep  
breaking through





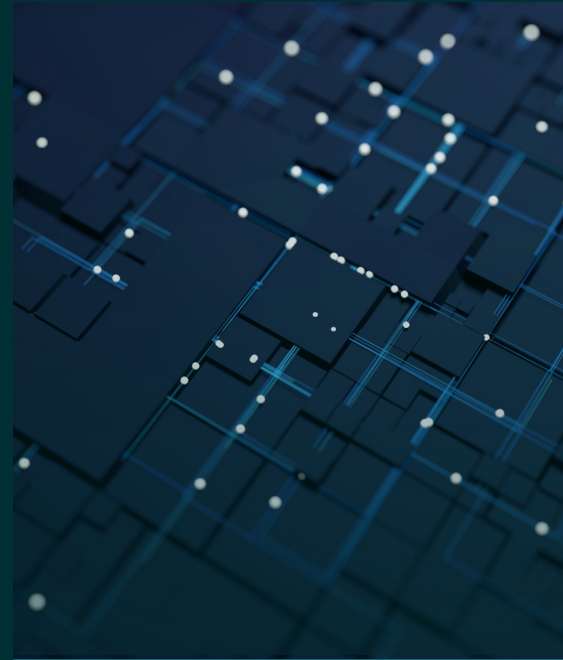
# Opportunities to drive value for clients



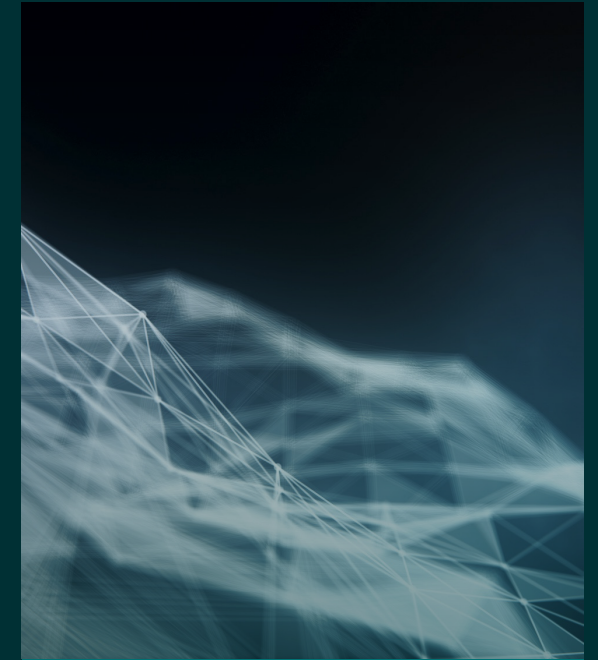
Protecting business-critical workloads



Overcoming skills scarcity



Embracing emerging technologies such as Generative AI and Quantum Computing



Creating value through data analytics



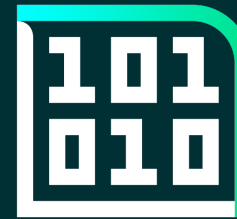
# Enterprise Computing Solutions (ECS) at-a-glance



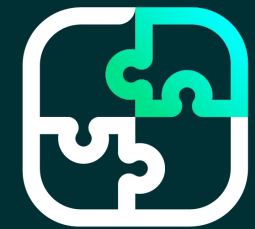
ClearPath  
Forward®



Services  
expansion



Next-Gen  
compute



Industry  
solutions

Licenses and Support (L&S)

Specialized Services and Next-Gen Compute (SS&C)



## European banking institution

Enabling client innovation through a cloud-based software solution for transaction-intensive, business critical applications



**30M+**

Lines of code

**250**

Applications

**30K**

Programs

**2K**

Workflows

## Government-owned financial institution

Delivering digital capabilities to move transactions from branches to an online, integrated mortgage system



**8M**

Mortgages serviced annually

**90+**

Systems managed

**\$100B**

Assets managed

**11K**

Digital transactions per second

## Leading international air cargo carriers

Providing a comprehensive management system for efficient global cargo operations to maximize clients' revenue



**100+**

APIs connected to internal systems and customs

**2.3M**

Airway bills processed yearly

**1K+**

Daily cargo flights tracked

**15**

Specialized product categories managed across customs



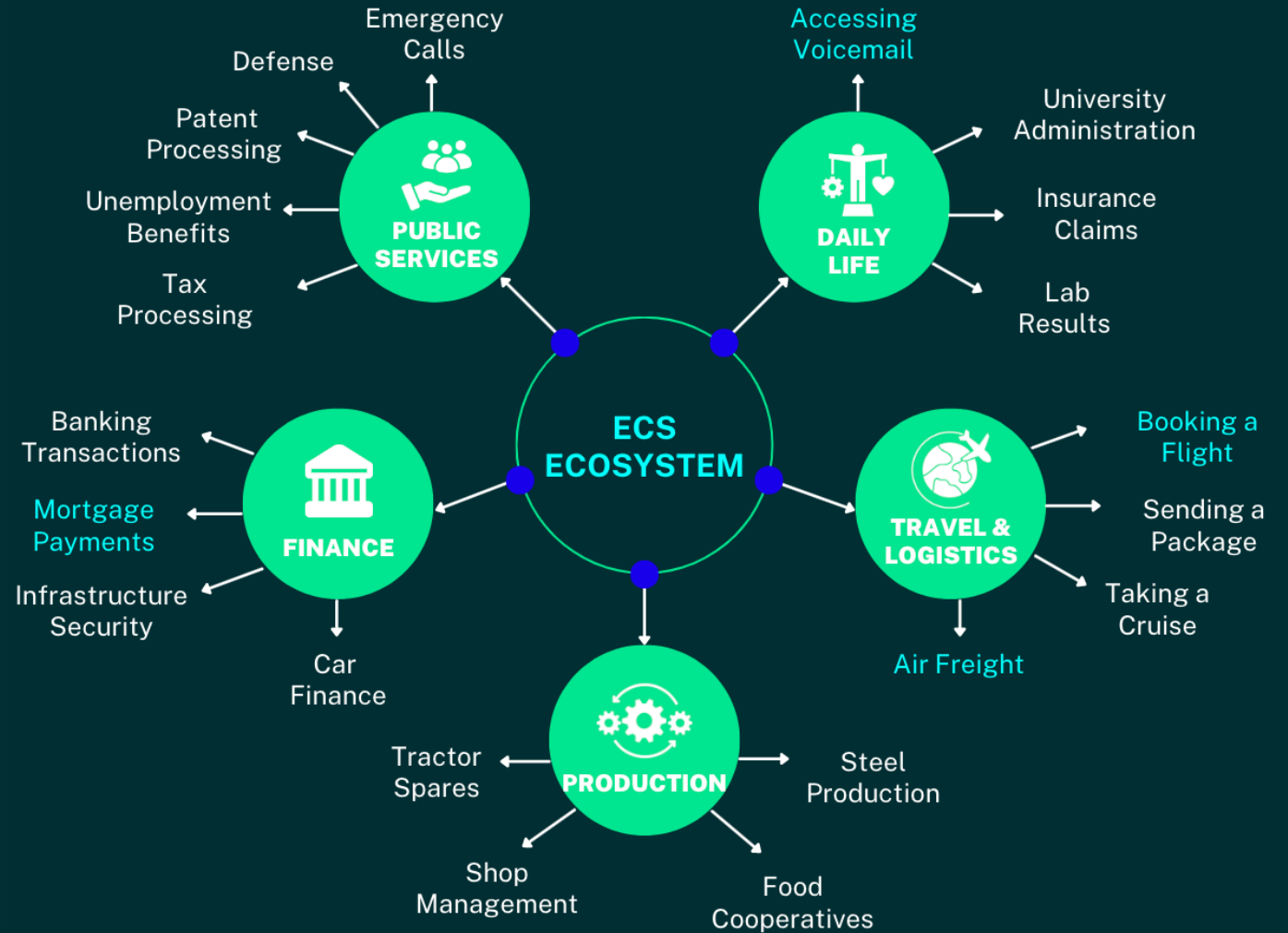
# ECS in daily life

70% of mortgage volumes in Brazil

7% of air freight globally

80M+ voicemail boxes in EMEA

8% of passenger volume



# ECS by the numbers

**2,100+**  
Associates

**1,200+**  
Engineers

**75%+**  
Top L&S accounts  
increasing workloads

**5,000+**  
Organizations  
Supported\*\*

**43**  
Countries\*

**9.0**  
CSAT Score  
(2022)

\* Unisys ECS deployments

\*\* includes direct sale, resale, and hosted providers



# License & Support (L&S)



ClearPath  
Forward



Services  
Expansion



NextGen  
Compute



Industry  
Solutions

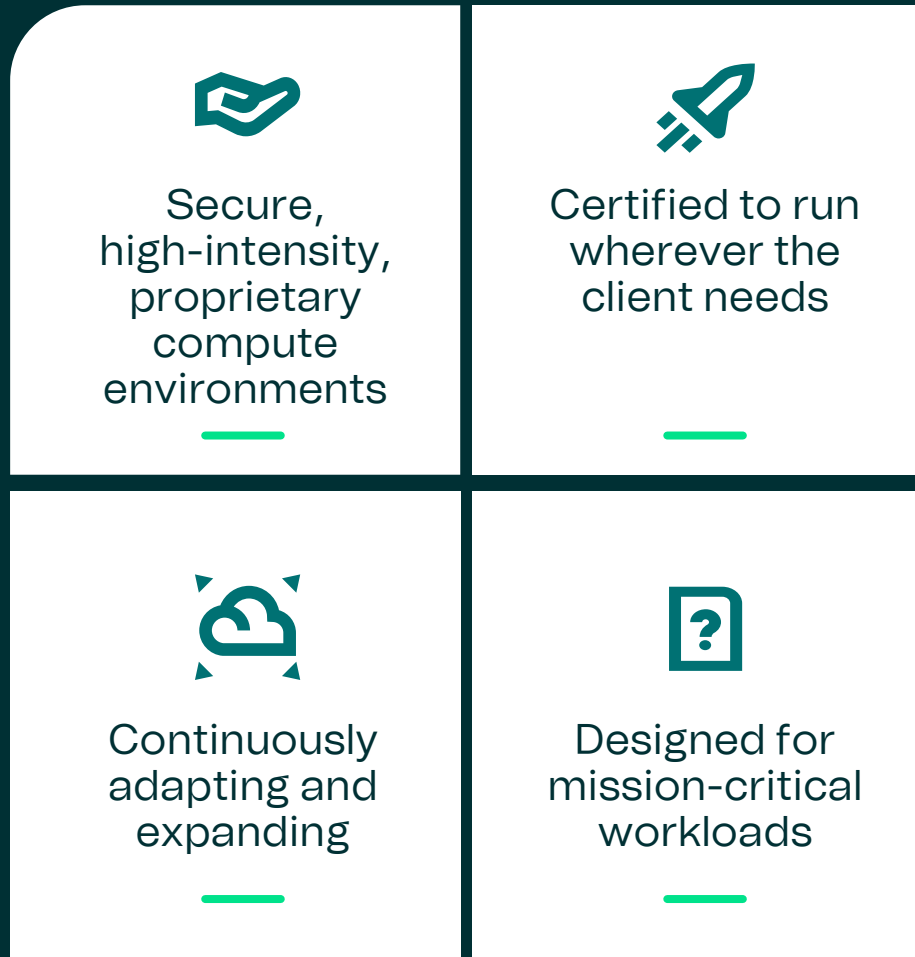
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License and Support (L&S)

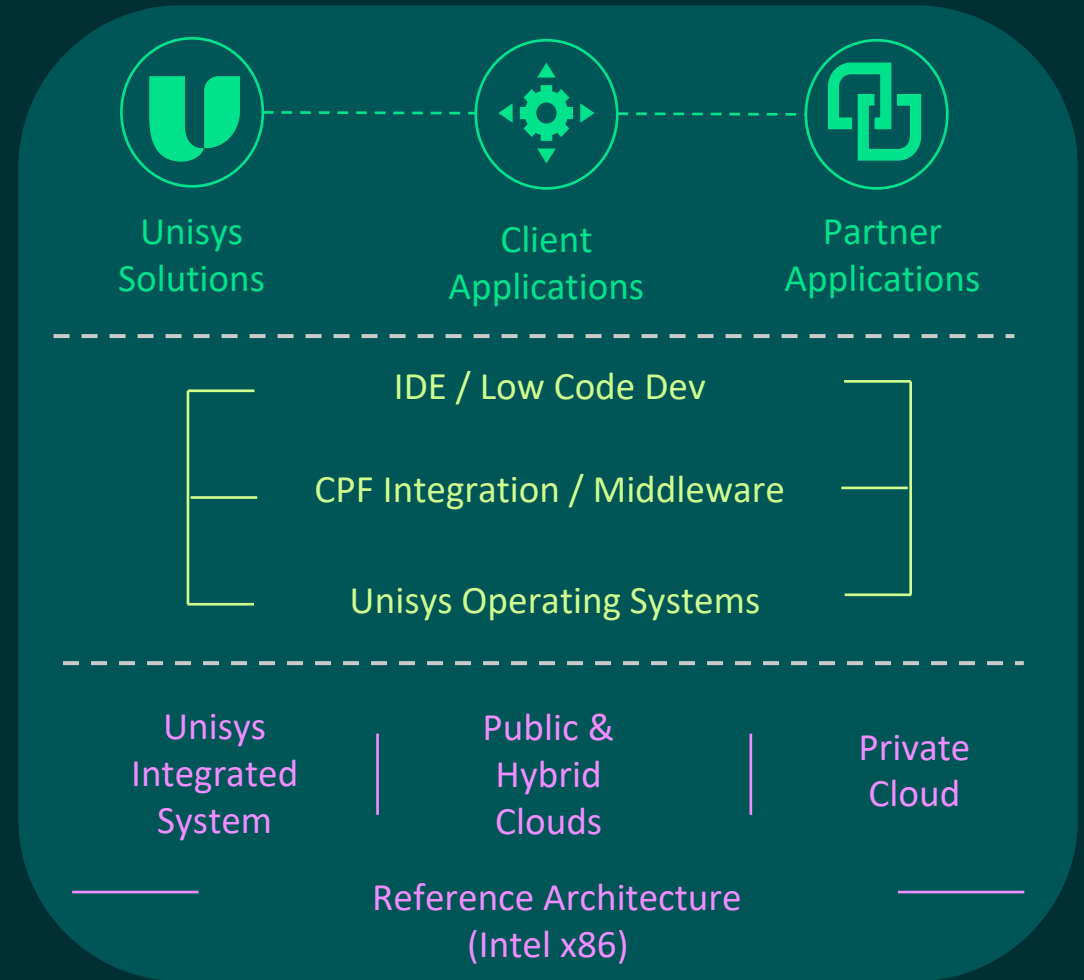
Specialized Services and Next-Gen Compute (SS&C)



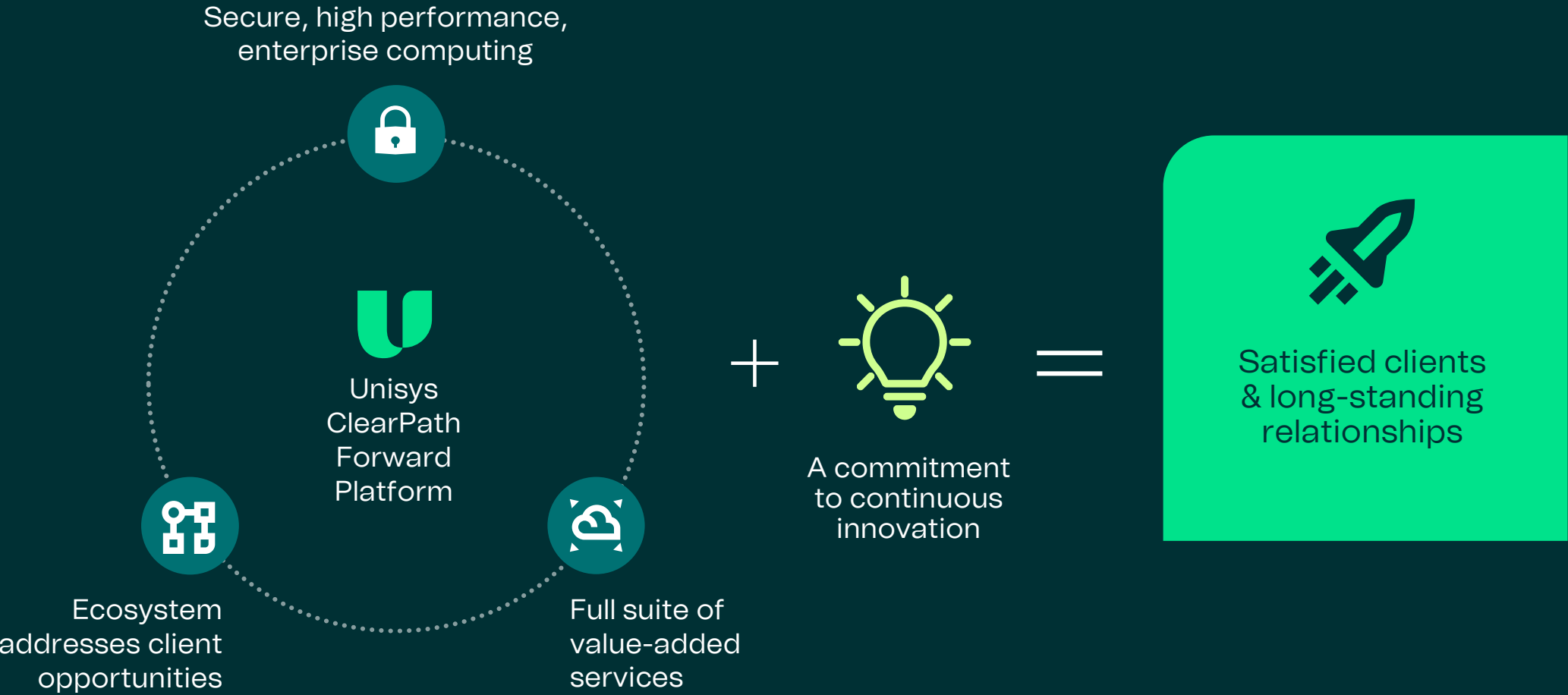
# What is ClearPath Forward?



## The Unisys ClearPath Forward Ecosystem



# Why clients choose ClearPath Forward again and again





# Helping our clients achieve breakthroughs



"During the time that we have collaborated, we have worked very well, showing a very professional relationship, **responding with great agility, showing great flexibility and adaptability at all times** and with great control over the products that have been offered to us."




"The technology is **very stable and reliable**. Unisys has been a very good partner to us, and we like to work with them. This very long relationship has **helped us reach our success.**"



"We have an **extremely long track record** with Unisys. And of all our platforms in production, Unisys is one of the most stable and simple. It allows us to **protect our investment** in that platform."







"The information is more valuable than the hardware which processes it."

**Grace Hopper**

Former Unisys Associate and Computing Pioneer

# Specialized Services & Next-Gen Compute (SS&C)



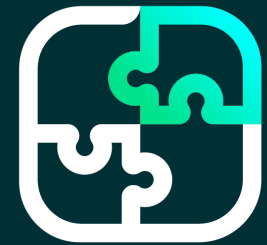
ClearPath  
Forward



Services  
Expansion



NextGen  
Compute



Industry  
Solutions

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License and Support (L&S)

Specialized Services and Next-Gen Compute (SS&C)





# 87%

of Digital  
Transformations  
Fail

Harvard Business Review





# Enabling successful transformations

## Unisys Experience



Investment Maximization

Stable systems of record



Ecosystem Prioritization

Focus on speed to value



Deep Expertise

Business process and technical knowledge

## Incremental Approach



Intuitive UI/UX

Productivity boost and access to information



Flexibility

Low- or no-code platforms



Compliance

Easy adoption of new regulation

## Adaptable Foundation



Hybrid architecture  
Dynamic hosting



Connectivity

Micro-services and APIs



Scalability

Modular offerings





Helping clients harness their data, wherever they are on their journey



CPF-Based  
Managed  
Services



Ecosystem  
Modernization



Next Gen  
Compute  
Research



Travel &  
Transportation  
Solutions



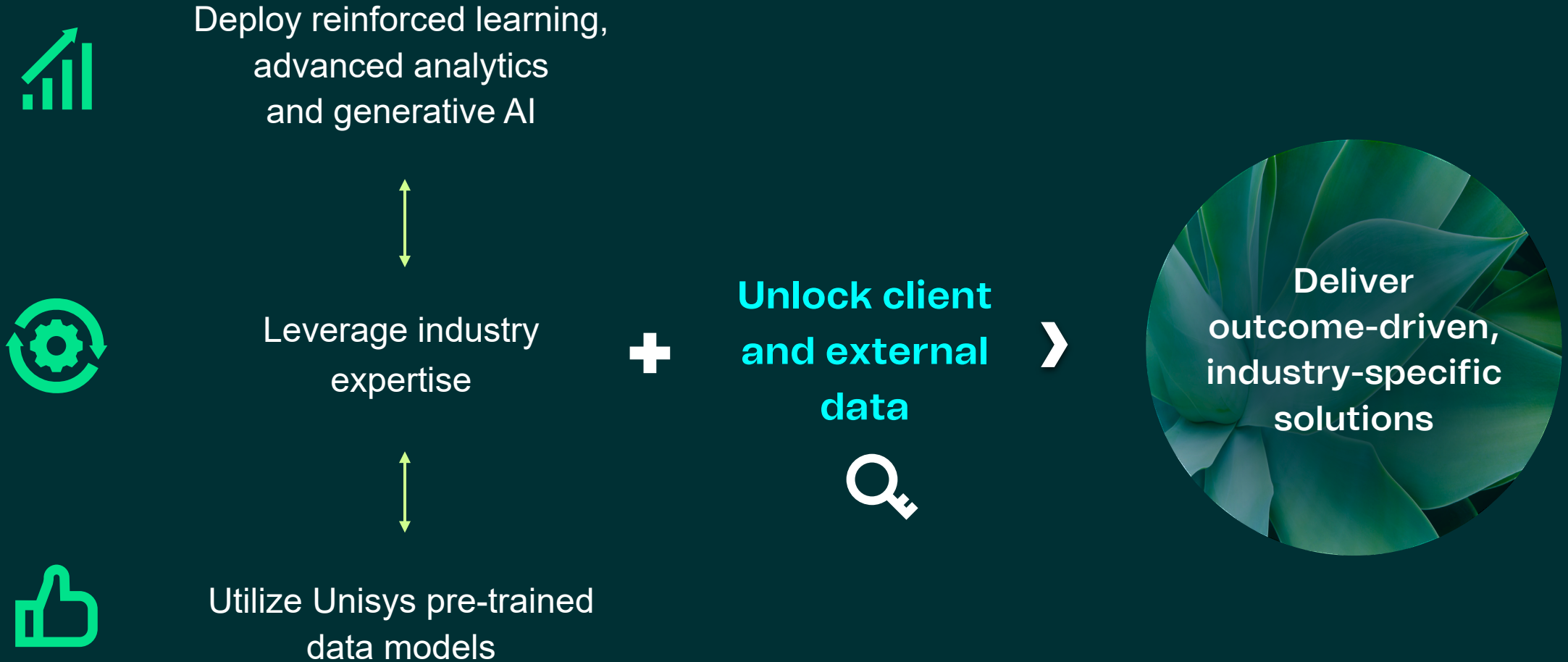
Banking and  
Financial  
Services



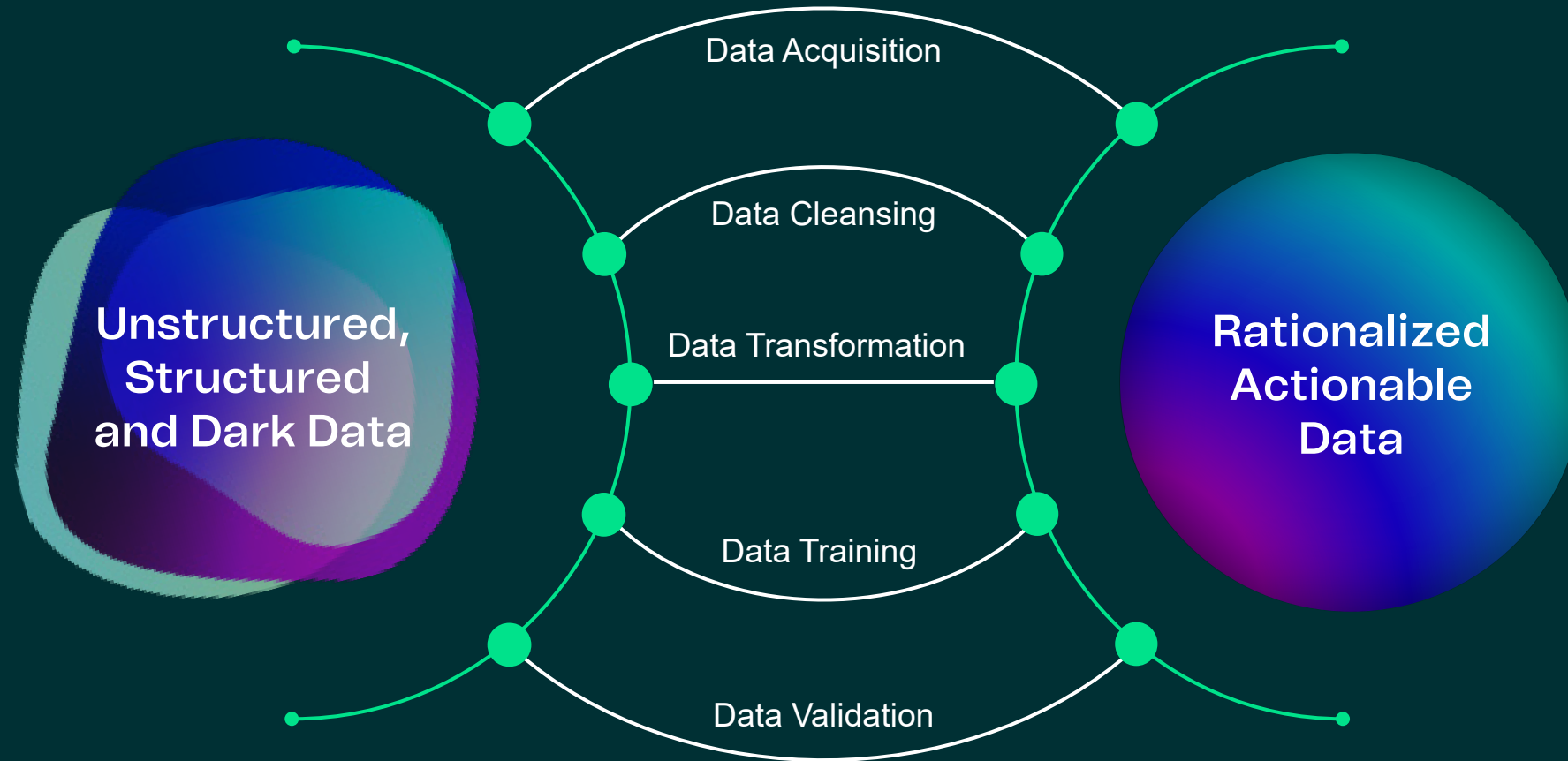
Unisys  
Logistics  
Optimization



# Evolving platform solutions to outcome-driven applications

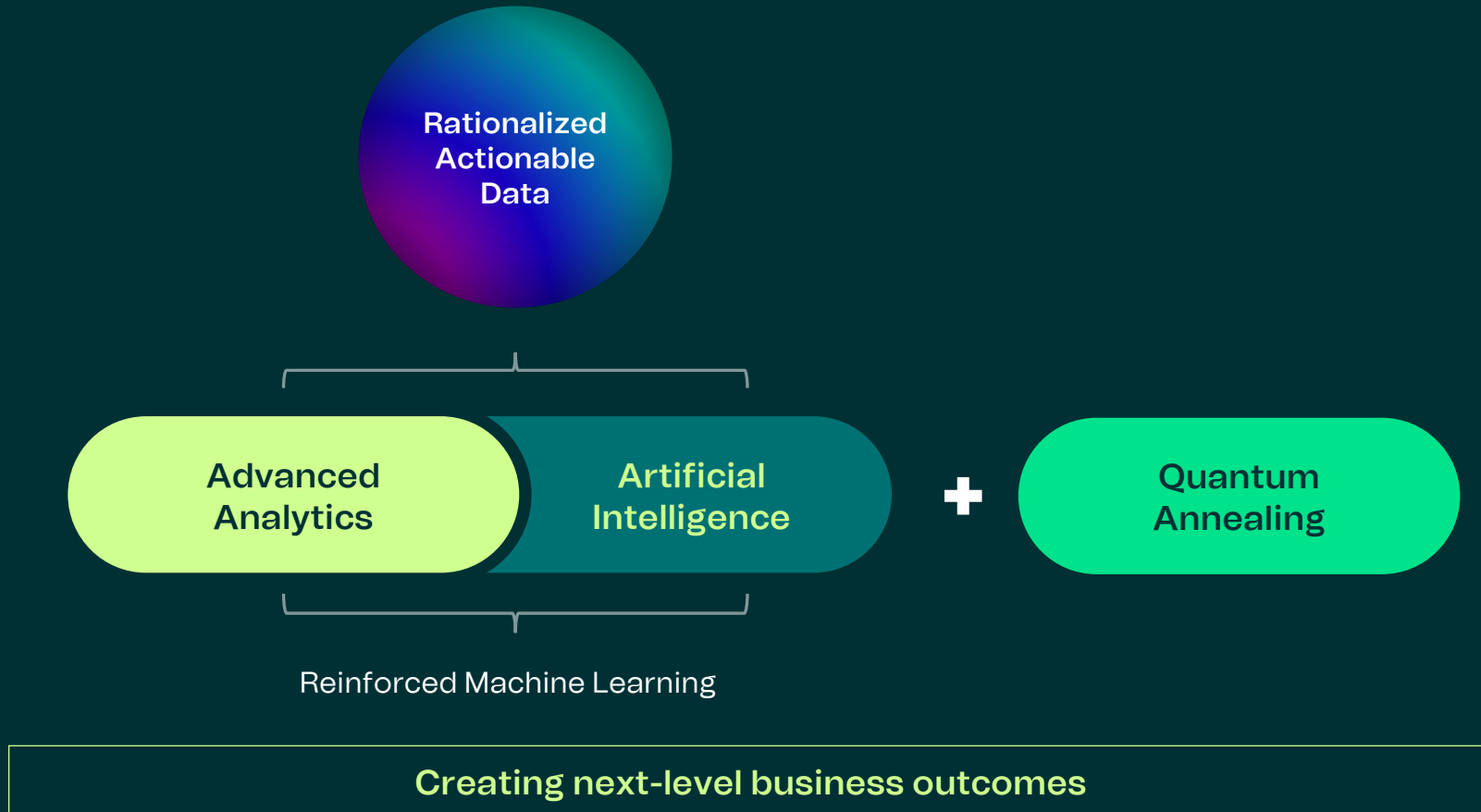


# Unlocking the value of client and external data through data analytics



# Solving next-level business problems

Quantum annealing, advanced analytics and AI



Traditional Computational Tools

7 years

vs.



Pre-trained Models powered by quantum annealing

7 seconds



# Introducing Unisys Quantum IQ

Applying our unique mix of expertise in data analytics, quantum computing, and artificial intelligence to deliver **real-time logistics optimization**

# Unisys Logistics Optimization™ demo



Bringing new  
industry  
solutions to life

Unisys Quantum IQ™ :  
Unisys Logistics  
Optimization™  
projected outcomes

30%

Reduction in  
claims costs

20%

Fuel efficiency with  
optimized loading of Cargo

25%

Improve on-time performance with  
reduced ground handling errors

10%

Reduced emissions &  
carbon footprint



# Enterprise Computing Solutions at-a-glance



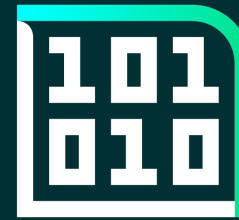
ClearPath  
Forward

License and Support (L&S)

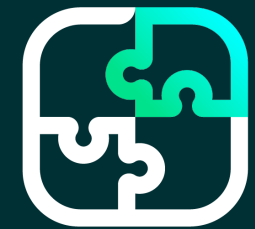


Services  
Expansion

Specialized Services and Next-Gen Compute (SS&C)



NextGen  
Compute



Industry  
Solutions



# Go-To-Market

Land & expand



# Speaker and agenda

01 Why choose Unisys

---

02 Sales philosophy

---

03 Partnership ecosystem

---

04 Client case studies

---



**Christine Wenzel**

Senior Vice President,  
Global Sales & Partnerships



**Lisa Madion**

Senior Vice President,  
Global Client Management

# Transforming fresh ideas into powerful outcomes

Christine Wenzel  
Senior Vice President, Global Sales



# Why choose Unisys



Experience



Expertise



Impact



Innovation





# Sales philosophy

## People

Our teams and our clients

## Process

How we sell

## Partnerships

Who we sell with

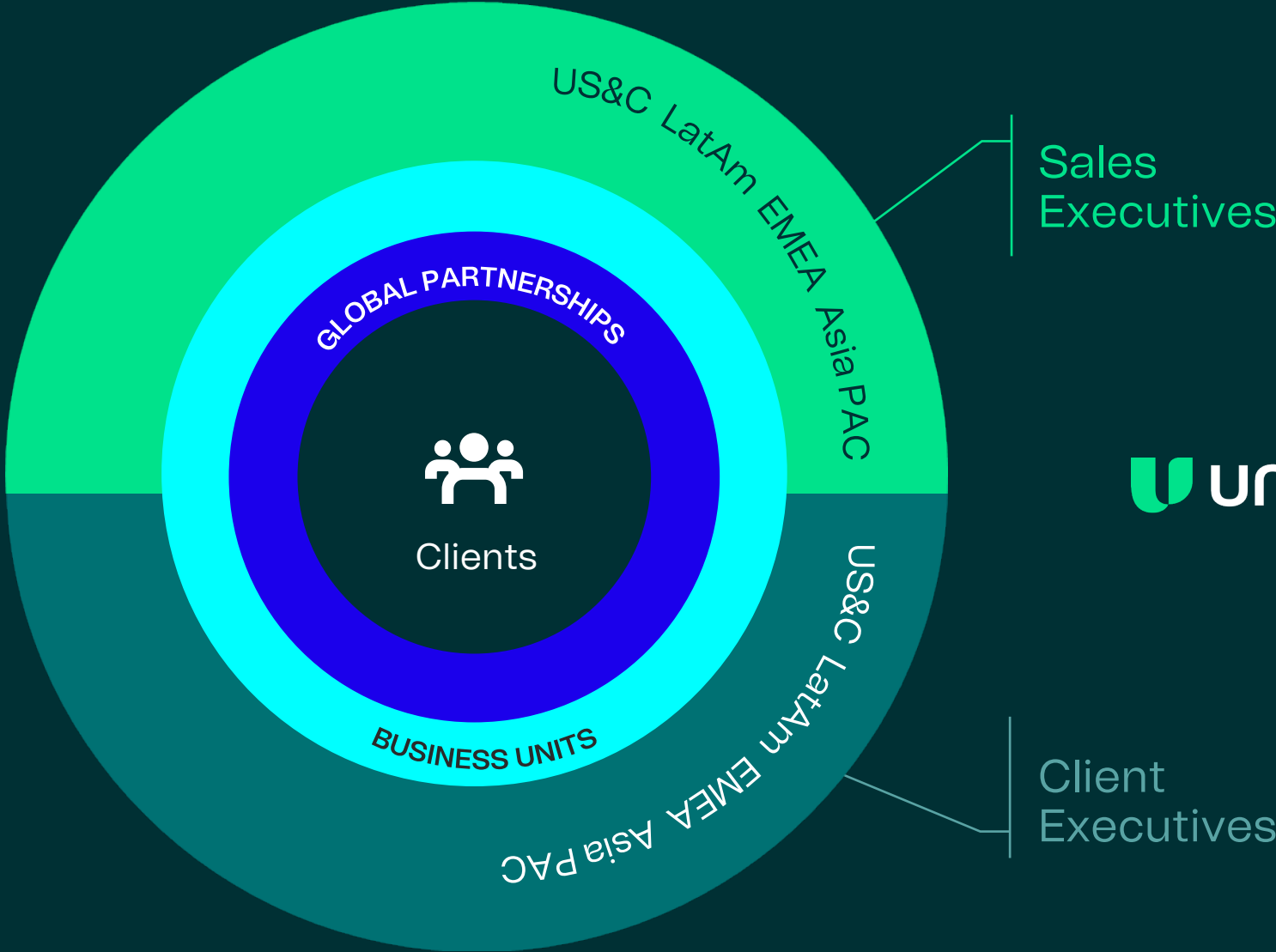
Equals

# profitability



# Go-to-Market structure

Land  
↑  
↓  
Expand





# Our process

## Working smarter

Faster proposals through bid-desk implementation  
Consistent pricing models and repeatable sales

## Maximizing time with clients

Understanding challenges to sell an outcome  
Pricing contracts on value delivered not cost





# Our target markets



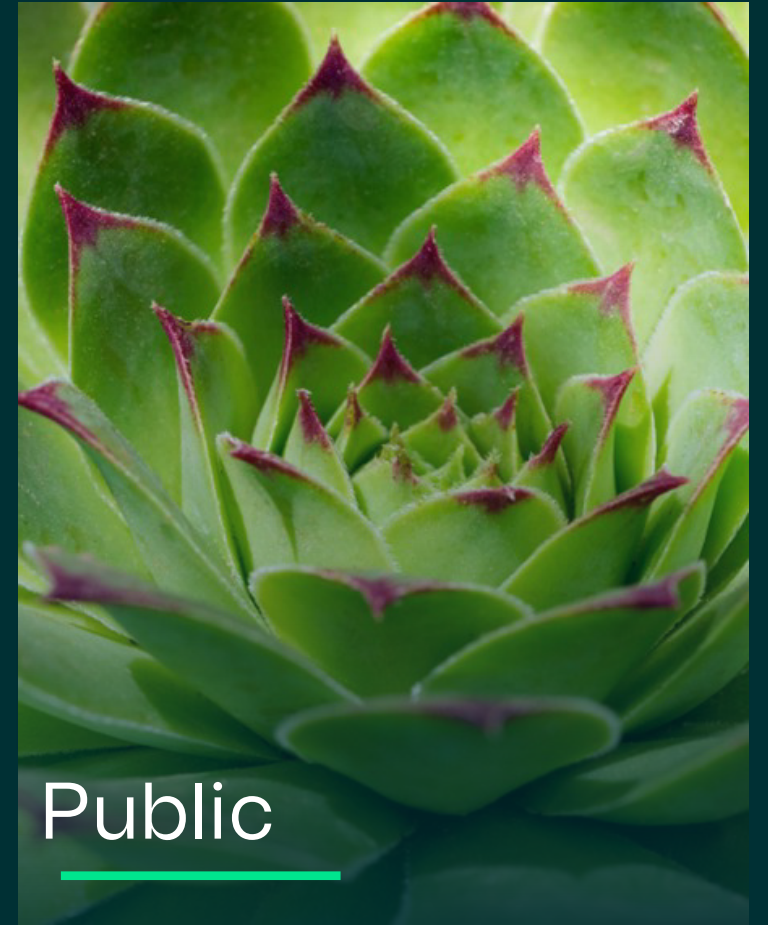
Commercial

Large Companies

Mid-Market



Financial Services



Public



# We have the right combination of **agility and scale** for the mid-market

## Opportunities

\$2B – \$5B revenue



Manufacturing



Energy &  
Utilities



Travel &  
Transportation



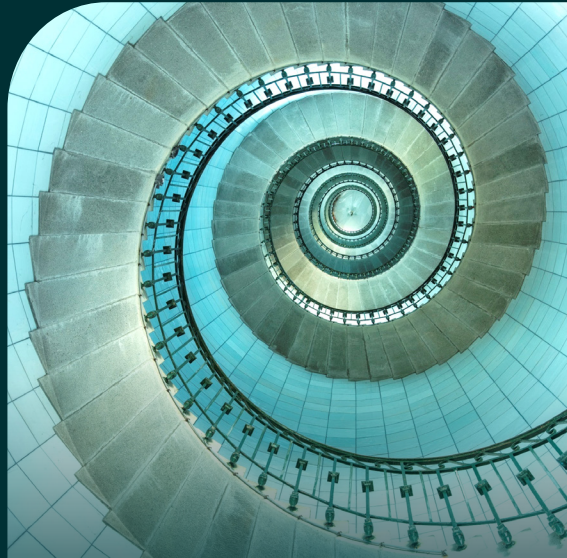
Healthcare



Insurance

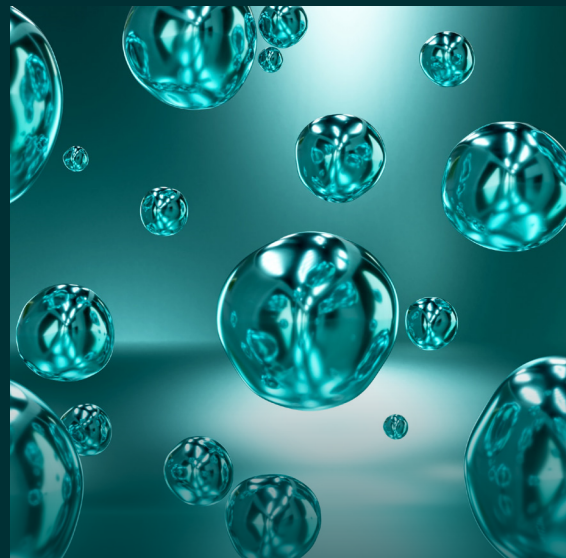


# The ways we go to market



## Direct

Centralized sales supported by Global Partnerships & Business Unit domain experts



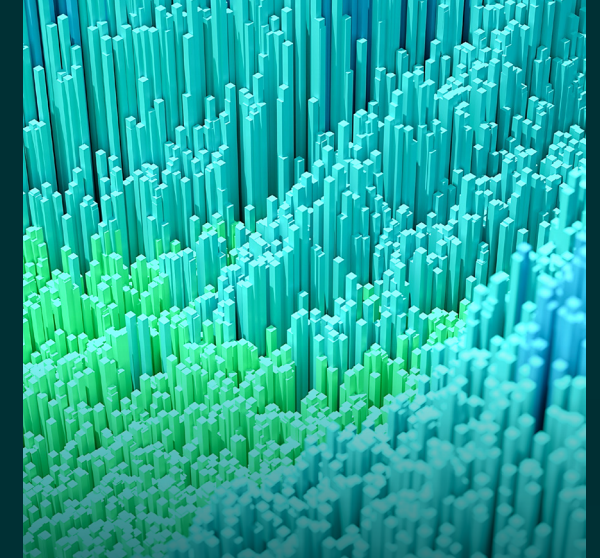
## Alliance

Go to market with leading technology providers, leveraging their relationships & innovation



## Channel

Expanding Unisys' portfolio offerings with cutting edge solutions of our partners



## Private Equity

Private Equity sponsors facilitating access to clients within their investment portfolios



# Key Unisys partners







# Point of spear Offerings

Opening new logo doors and quickly establishing Unisys' value proposition

## Point Solutions

Standardized solutions sold in a repeatable fashion with short sales cycles (E.g. software, "as-a-service," and cyber security)

## Project Work

Discreet engagements with specific scopes of work (E.g. systems integrations, implementations, and software development)

## Industry Solutions

Standardized yet variable industry-relevant offerings with high speed-to-value (E.g. digital mortgage processing, cargo, fraud detection)

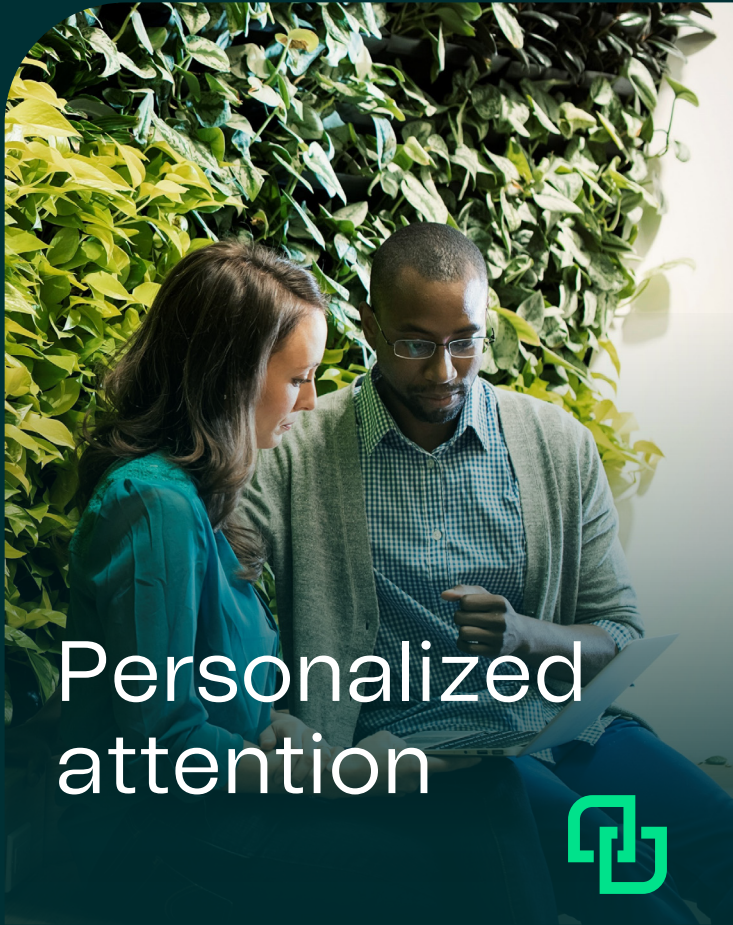


# Experience matters

Lisa Madion

Senior Vice President, Global Client Management

# Our clients told us they had three priorities






# This is what drives us. Partnering to deliver powerful outcomes



Expertise  
aligned to  
potential



Solving the now  
and predicting  
the next



Thinking  
beyond the  
contract





# Key metrics

## TCV

---

New Business &  
Partnership TCV

Average Deal  
Size

## Qualified Pipeline

---

Cycle Length

Win Rates

## Client Wallet Share

---

Cross Sell  
Penetration

Renewal Rates

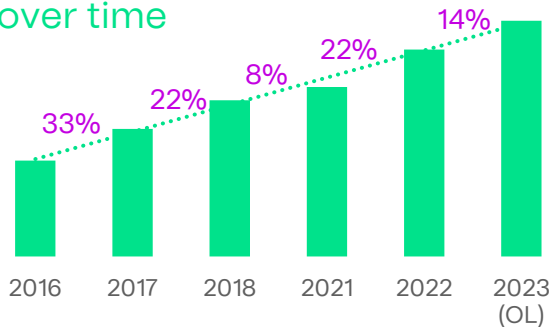




A trusted partner delivering a high-quality service experience globally

Global technology company

Revenue growth over time



\*excluding GFC and Covid years

## Business challenge:

Create a premier brand reputation as a provider of devices and services that connects businesses and consumers.

2 Service Partner Awards



## Scaling and expanding

2016: Signed expansion, realizing double digit revenue growth\* YoY

2021: New-scope IoT support in 108 countries

2023: 1Q expansion into Hong Kong, \$3.1M TCV (20% incremental ACV)

## Results

>90% end-user satisfaction

Positioned for growth into new markets

10+ years of established onsite break-fix support

First time outsourcer wanted to improve quality of existing IT support while reducing cost of IT spend

Mid-market, multi-national medical device company



# How we are delivering

## Integrated DWS offerings

Across Service Desk, Field Services, End Point Management, Data Center Management

## Scale

Supporting 6,000 employees in 8 countries on 4 continents

## Implementation expertise

Implementing ServiceNow, SharePoint and O365

## Agility

Deploying engineers on-shore and near-shore, integrate acquisitions, and adapt to evolving needs of a growing business

## Innovation

With a collaborative approach and domain expertise

## Access

To technology thought leaders and senior leadership







# Financial Overview

Deb McCann  
Chief Financial Officer

JUNE 15, 2023



# Agenda

01

Historical financials & 2023 guidance

---

02

Profitability & Free Cash Flow

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03

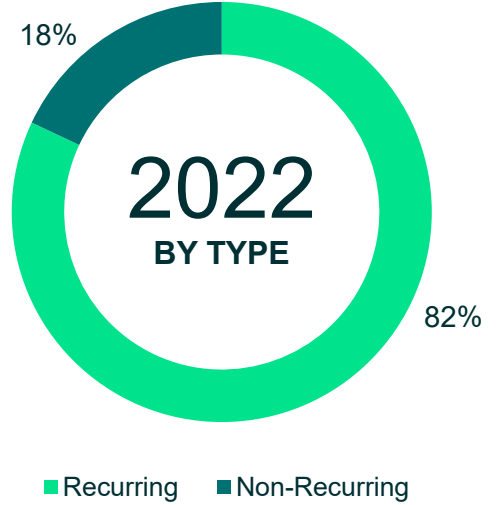
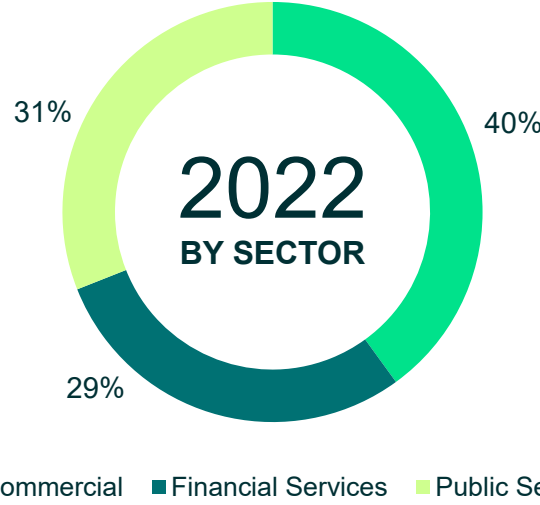
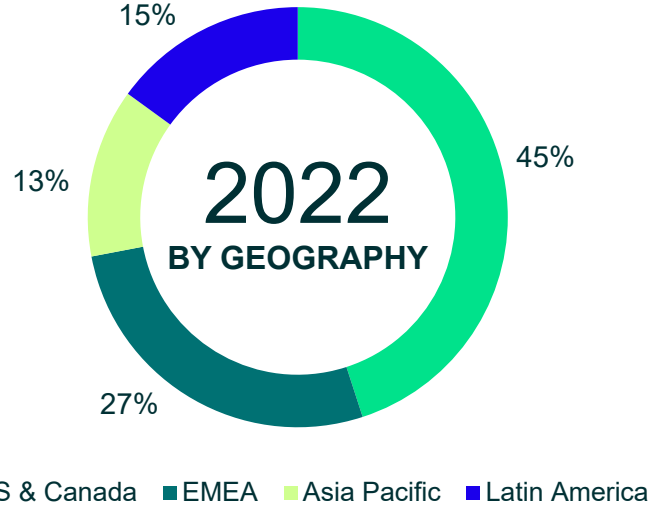
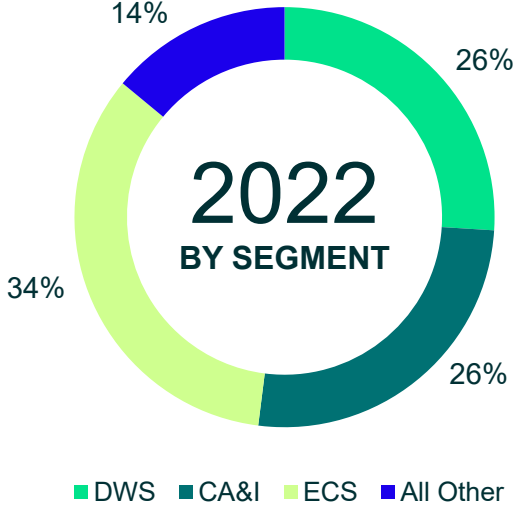
Financial targets

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# 2022 revenue profile

Highly diverse revenue streams with large base of recurring revenue



# Historical financials and 2023 guidance

\$M	FY21	FY22	FY23
REVENUE	\$ 2,054	\$1,980	( 7% ) to ( 3% )
GROSS PROFIT	\$ 572	\$ 530	
GAAP GROSS MARGIN %	27.8%	26.7%	
OPERATING PROFIT (NON-GAAP)	\$193	\$159	
OPERATING MARGIN % (NON-GAAP)	9.4%	8.0%	2% to 4%
ADJUSTED EBITDA	\$ 370	\$ 326	
ADJUSTED EBITDA MARGIN%	18.0%	16.5%	9.5% to 11.5%

**(1%) to 4% ex-L&S**

Note: revenue guidance in constant currency. 2023 L&S revenue impacted by early license renewals signed in 2022

See reconciliation of GAAP to Non-GAAP financials in the appendix



# Improving Free Cash Flow

While meeting our pension obligations & investing for future growth

Targeting 40 - 45%  
adjusted EBITDA to FCF conversion by 2026  
(pre-pension)





# License & Support

Growing L&S revenue in 2024 and 2025 low-single and low-double digits, respectively

**~\$360M**

3 & 5yr expected L&S average annual revenue (2024 through 2026 & 2028)

**~65%**

3 & 5yr expected L&S average gross margin (2024 through 2026 & 2028)

# Strong profitability & visibility with growing adjacencies



## Mission-critical operating system

Running critical business operations on-premise & in the cloud



## Decades-long client relationships

~95% retention with our top clients<sup>1</sup> giving us unique depth of industry and data expertise



## Unlocking value through SS&C

Services expansion, next-gen compute, and industry solutions combining a unique combination of data analytics & AI, quantum compute, and industry expertise



<sup>1</sup> On an annual basis for clients making up ~90% of our revenue

# Targeting **\$50M** annual SG&A reduction by 2026

 ~\$20M

Optimize and streamline core G&A functions and real estate footprint

 ~\$20M

Balance labor location and pyramid



 ~\$10M

Information Technology centralization and normalization

Since Year-End 2019

# Pension strategy



Annuity purchases

3 US transactions totaling ~\$750M

Continually evaluating



Lump sums

1 US transaction totaling ~\$300M

Continually evaluating



Transfers to multi-client / multi-employer plans

2 international plans totaling ~\$700M

Limited future opportunities

# Delivering results

**~45%**

Reduction global liabilities

**~70%**

Reduction global GAAP deficit<sup>1</sup>

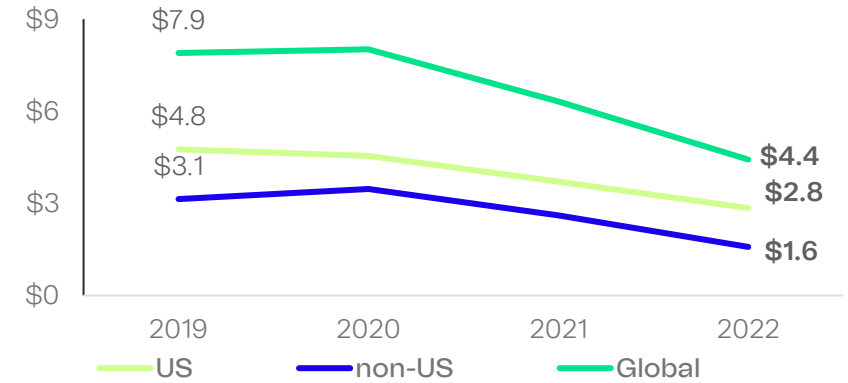
**\$1.7B**

Removed global liabilities

<sup>1</sup> Includes approximately \$800M of contributions to U.S. qualified defined benefit pension plans during 2020

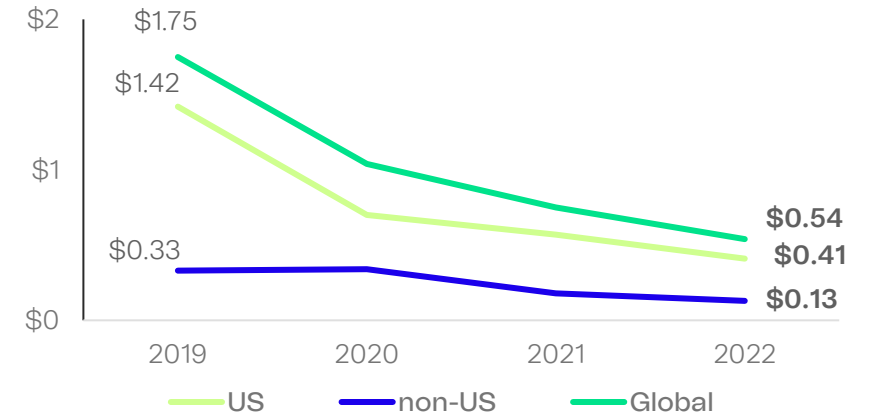
# Liabilities

\$B



# GAAP Deficits

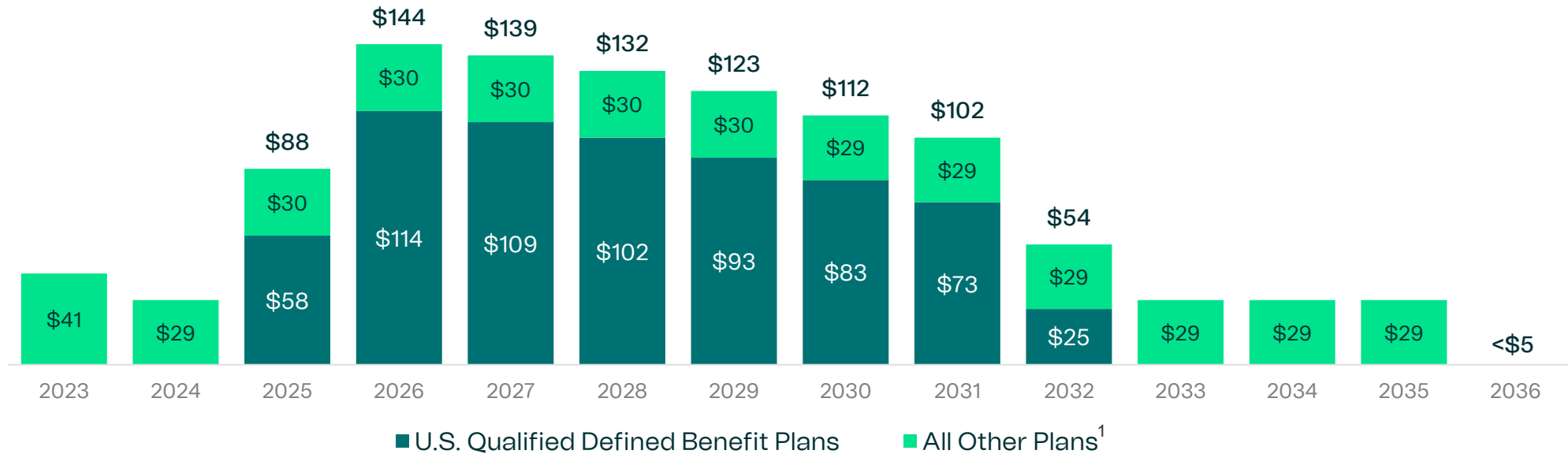
\$B



# Declining estimated pension cash contributions after 2026

## Estimated global pension cash contributions

\$M, as of December 31, 2022



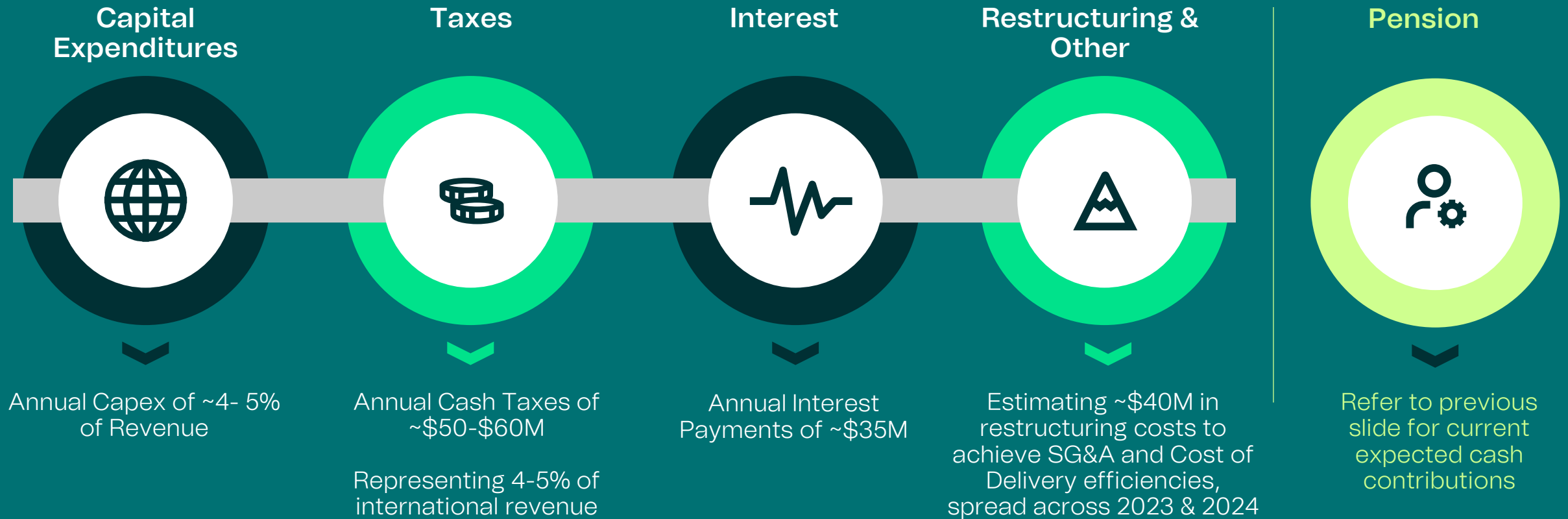
1. All Other Plans includes all international defined benefit plans and our U.S. non-qualified defined benefit plan

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 December 31, 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. Future non-U.S. pension cash contributions beyond the period shown are expected to be at approximately the same level as above through 2035 after which cash contributions are currently expected to be less than \$5 million annually. Excludes impact of March 2023 annuity purchase.



# Mid-term Free Cash Flow assumptions

Targeting 40 - 45% adj. EBITDA to Free Cash Flow conversion by 2026 (pre-pension)



# Adding it all up

# Driving revenue growth

TARGET 3YR CAGR FROM MID-POINT OF FY 2023 GUIDANCE TO 2026

**4% - 6%**

Total Company  
Revenue Growth

**5% - 7%**

Ex-L&S  
Revenue Growth



**10% - 15%**  
NEXT GEN



**Flat - 2%**  
TRADITIONAL  
EX-L&S



**~\$360M** (avg / year)  
LICENSE & SUPPORT



# Expanding profitability

TARGET FULL-YEAR 2026 NON-GAAP MARGINS

**10% - 12%**

Total Company  
Operating Margin

**17-19%**

Total Company  
Adj. EBITDA Margin



**~25%**  
NEXT GEN  
GROSS MARGIN

~50bps  
expansion /  
year



**~15%**  
TRADITIONAL  
EX L&S GROSS  
MARGIN

~100-150 bps  
expansion / year



**~65%**  
L&S  
GROSS MARGIN

On Average



**\$50M**  
SG&A  
REDUCTION

Annualized  
by 2026

**~20%**  
Ex-L&S GROSS  
MARGIN

# Estimated Free Cash Flow equation

Sufficient to service pension, invest in future growth, and drive shareholder value

Targeted by 2026

**\$2.1B - \$2.2B**

Total company revenue

**4% - 6%**

Revenue Growth

**+ \$350 - \$400M**

Adjusted EBITDA

**~17-19%**

Adj. EBITDA Margin

**= \$150 - \$175M**

Free Cash Flow

*(Pre-Pension)*

**40 - 45%**

Adj EBITDA to Free Cash Flow Conversion  
***(Pre-Pension)***

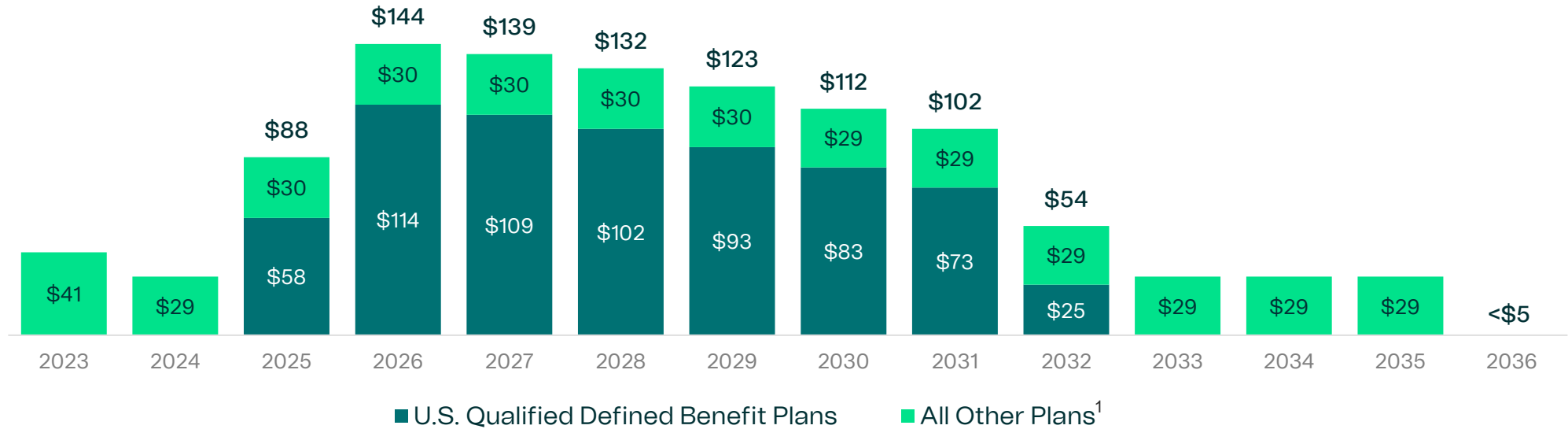


# Pre-pension Free Cash Flow expected to increase as estimated expected pension contributions decrease

Estimated global pension cash contributions  
\$M, as of December 31, 2022

\$150-\$175M  
2026 Estimated FCF (Pre-Pension)

FCF expected to increase as pension contributions are expected to decrease



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 December 31, 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. Future non-U.S. pension cash contributions beyond the period shown are expected to be at approximately the same level as above through 2035 after which cash contributions are currently expected to be less than \$5 million annually. Excludes impact of March 2023 annuity purchase.

# An investment in **Unisys** is an investment in...

- 1 Large market opportunity**  
Large market opportunity, operating within the ~\$1 Trillion IT solutions market
- 2 Innovative Next-Gen and Industry Solutions**  
Increasingly levered to higher growth and margin areas of the marketplace with expanding development capabilities
- 3 Highly recurring revenue**  
More than 80% recurring revenue in FY 2022 with a sticky, highly-profitable software License & Support solutions
- 4 Large base of high-quality clients**  
Large base of large enterprise and public sector clients; our top 50 have been with us for >20yrs on average
- 5 Strong financial management**  
Expanding Ex-L&S gross margins and \$1.7B in pension liabilities removed since Year-End 2019

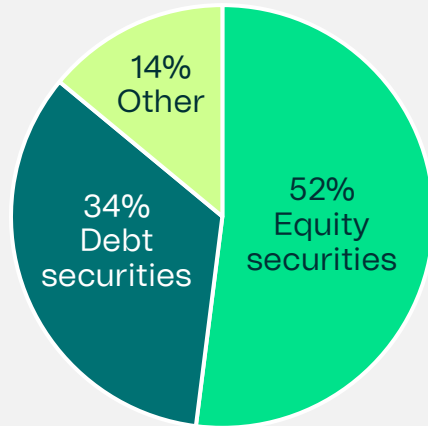


# Appendix

# Estimated pension sensitivity

For U.S. Qualified Defined Benefit Pension Plans

Investment policy targets



## Estimated sensitivities to 2023 U.S. total Trust return and Dec. 31, 2023 10yr Treasury yields

(Including estimated impact of March 2023 annuity purchase)

### Estimated implied year-end 2023 GAAP Deficit \$M

		2023 Return		
		0%	7.4%	15%
Rate	2.9%	740	580	400
	3.9%	550	380	210
	4.9%	380	210	40

### Estimated implied year-end 2023 nominal 10-Yr cash contribution forecast \$M

		2023 Return		
		0%	7.4%	15%
Rate	2.9%	900	660	510
	3.9%	870	630	430
	4.9%	840	620	350

Note: For years after 2023, all scenarios assume base case returns of 7.4% annually and rates consistent with the respective year-end 2023 rate for each scenario. All sensitivities are based on forecasts as of January 1, 2023.



# License & Support (L&S) historicals

\$M	1Q22	2Q22	3Q22	4Q22	1Q23
TOTAL COMPANY REVENUE	\$447	\$515	\$461	\$557	\$516
<b>L&amp;S REVENUE</b>	<b>\$73</b>	<b>\$138</b>	<b>\$87</b>	<b>\$170</b>	<b>\$136</b>
TOTAL COMPANY EX-L&S REVENUE	\$373	\$377	\$374	\$387	\$380
TOTAL COMPANY GROSS PROFIT (GAAP)	\$87	\$148	\$104	\$190	\$159
<b>L&amp;S GROSS PROFIT (GAAP)</b>	<b>\$47</b>	<b>\$109</b>	<b>\$60</b>	<b>\$144</b>	<b>\$106</b>
TOTAL COMPANY EX-L&S GROSS PROFIT (GAAP)	\$40	\$39	\$44	\$46	\$53



# Adjusted EBITDA reconciliation

\$M	FY21	FY22
NET INCOME (LOSS) FROM CONTINUING OPERATIONS ATTRIBUTABLE TO UNISYS	\$ (448.5)	\$ (106.0)
NET INCOME (LOSS) ATTRIBUTABLE TO NONCONTROLLING INTERESTS	(1.3)	1.1
INTEREST EXPENSE, NET OF INTEREST INCOME <sup>1</sup>	27.6	20.0
PROVISION FOR INCOME TAX	(11.9)	42.3
DEPRECIATION	98.5	114.7
AMORTIZATION	74.9	68.8
<b>EBITDA</b>	<b>\$ (260.7)</b>	<b>\$ 140.9</b>
POSTRETIREMENT EXPENSE	552.0	45.3
COST REDUCTION AND OTHER EXPENSES <sup>2</sup>	57.3	103.8
NON-CASH SHARE-BASED EXPENSE	14.2	19.0
OTHER (INCOME) EXPENSE, NET ADJUSTMENT <sup>3</sup>	7.1	16.8
<b>ADJUSTED EBITDA</b>	<b>\$ 369.9</b>	<b>\$ 325.8</b>
REVENUE	2,054.4	1,979.9
<b>ADJUSTED EBITDA MARGIN</b>	<b>18.0%</b>	<b>16.5%</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	FY21	FY22
OPERATING PROFIT	\$ 154.0	\$ 52.2
COST REDUCTION AND OTHER EXPENSES <sup>1</sup>	35.3	104.7
POSTRETIREMENT EXPENSE <sup>2</sup>	3.5	2.1
NON-GAAP OPERATING PROFIT	\$ 192.8	\$ 159.0
REVENUE	\$ 2,054.4	\$ 1,979.9
GAAP OPERATING PROFIT %	7.5%	2.6%
NON-GAAP OPERATING PROFIT %	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.

# Unisys segment and solutions map

SEGMENT / REPORTING	NEXT-GEN SOLUTIONS	TRADITIONAL SOLUTIONS
Digital Workplace Solutions (DWS)	Modern Workplace	Traditional Workplace
Cloud, Application & Infrastructure Solutions (CA&I)	Digital Platforms & Applications "DP&A"	Infrastructure
Enterprise Computing Solutions (ECS)	Specialized Services & Next-Gen Compute "SS&C"	<b>License &amp; 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
All Other (various business process solutions)	Micro-Market Solutions	Business Process Solutions "BPS"

 Excluding License & Support (Ex-L&S)





# Pension terminology

## Funding terms

**IRS Minimum Funding Liabilities:** projected future benefits, present valued at either segment or full yield curve corporate discount rates, prescribed by the IRS

**IRS Minimum Funding Assets:** An actuarial value of assets based on three-year smoothing of asset returns

**IRS Funding Discount Rate (Segment):** An effective interest rate determined by three segment rates based on the averages of the yields over different blocks of maturity periods of the Treasury high quality corporate bond yield curves averaged over 24-months, constrained by a corridor of 25-year average segment rates, of high-quality corporate bond rates

**IRS Funding Discount Rate (Full Yield Curve):** An effective interest rate determined using a one-month average of the Treasury high-quality corporate bond yield curves

**Minimum Required Contributions (MRC):** A combination of expected annual administrative expenses and deficit contributions amortized over 15 years calculated on a Plan Year basis (which will differ in timing from Company Cash Contributions)

## Accounting terms

**US GAAP Accounting Liabilities:** projected future benefits, present valued at current market corporate discount rates

**US GAAP Accounting Assets:** fair market value of assets held in the pension trust

**US GAAP Discount Rate:** market rate reflecting portfolio of AA corporate bonds that could theoretically match the accounting liabilities

**US GAAP Accounting Deficit:** the delta between US GAAP accounting assets and liabilities, included on the balance sheet

## Other terms

**Prefunding Balance:** A notional balance created by company contributions in excess of the MRC, which can be used in future plan years to meet MRC, in lieu of company contributions, if certain criteria are met

**Expected Company Contributions:** The Company's expected future company cash contributions to be paid to the plans, based on certain actuarial assumptions



# Definitions of non-GAAP financial metrics and other terms

## **Non-GAAP Information**

This presentation includes non-GAAP financial information such as non-GAAP operating profit, EBITDA, adjusted EBITDA, and revenue excluding License and Support. The Company's non-GAAP financial measures exclude certain items such as postretirement expense 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.

**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.

**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.

**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.

**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).





# Thank you

Contact us:  
[investor@unisys.com](mailto:investor@unisys.com)

