

Unisys Overview

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Deutsche Bank's Leveraged Finance Conference

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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 Total Contract Value 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 include, but are not limited to, any projections or expectations of revenue and free cash flow growth, margin and profit expansion, future growth of higher margin solutions, our pension liability, future funding requirements, estimated cash contributions through 2033 and de-levering our capital structure, future economic benefits from net operating losses, artificial intelligence solutions and services, demand for our IT solutions and services, 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 website, <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

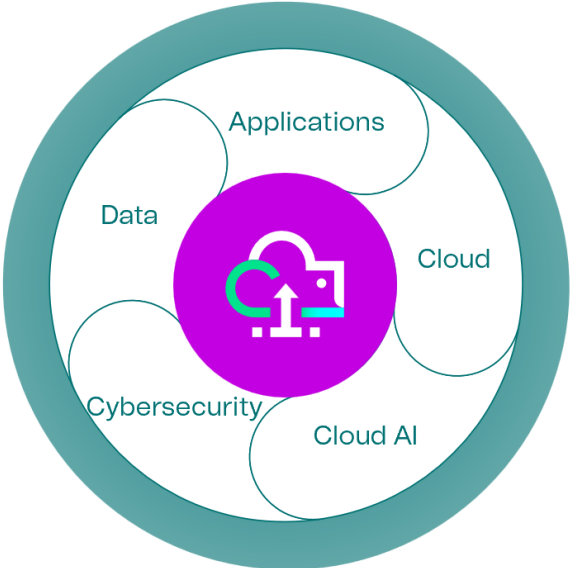
This presentation includes certain non-GAAP financial measures that exclude certain items such as postretirement expense; certain legal and other matters related to professional services and legal fees, including legal defense costs, associated with certain legal proceedings; environmental matters related 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.



Unisys | A global technology solutions company

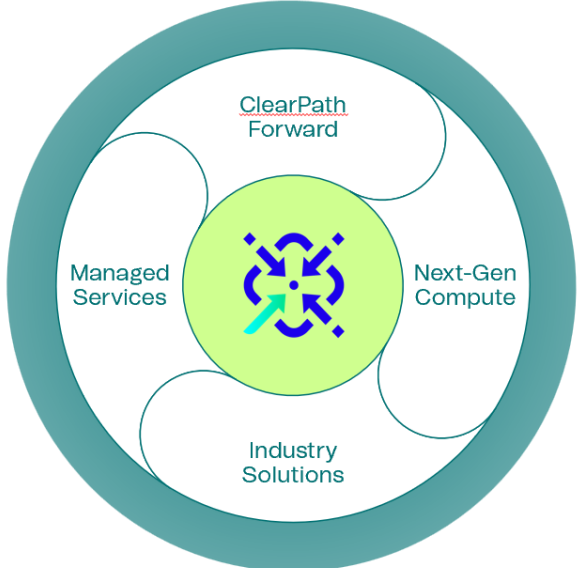
We help people and organizations reach the next breakthrough with transformative, mission-critical IT solutions.



Cloud, Applications & Infrastructure Solutions



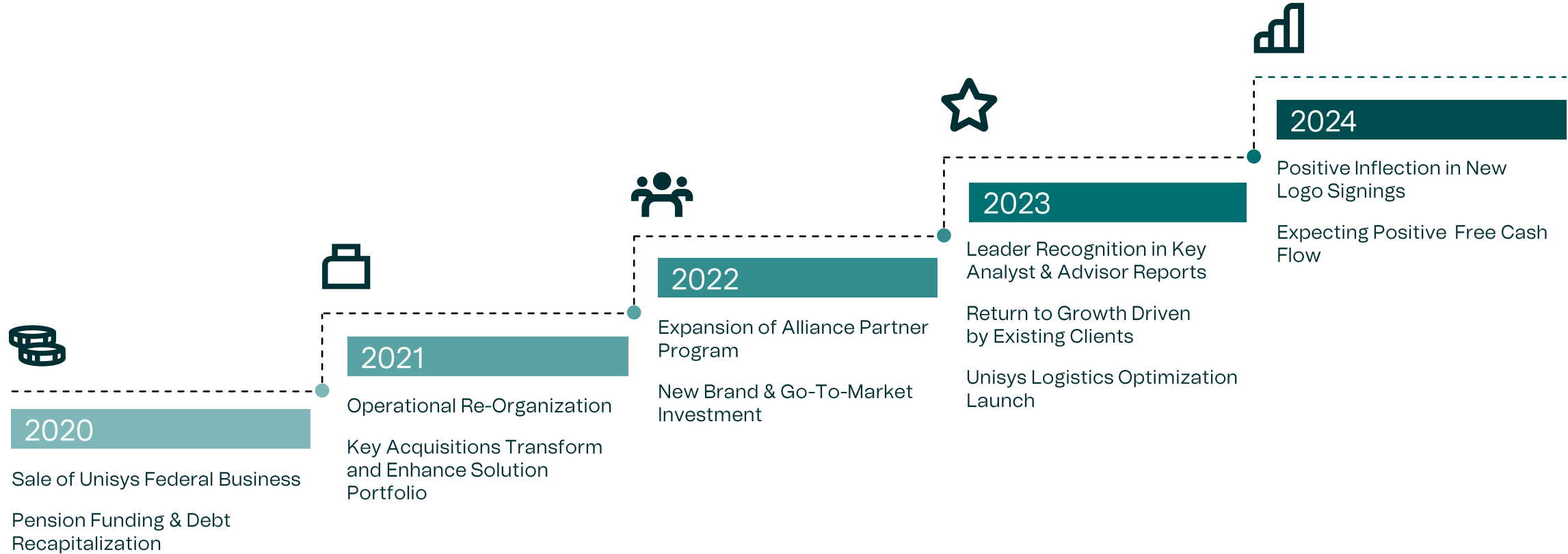
Digital Workplace Solutions



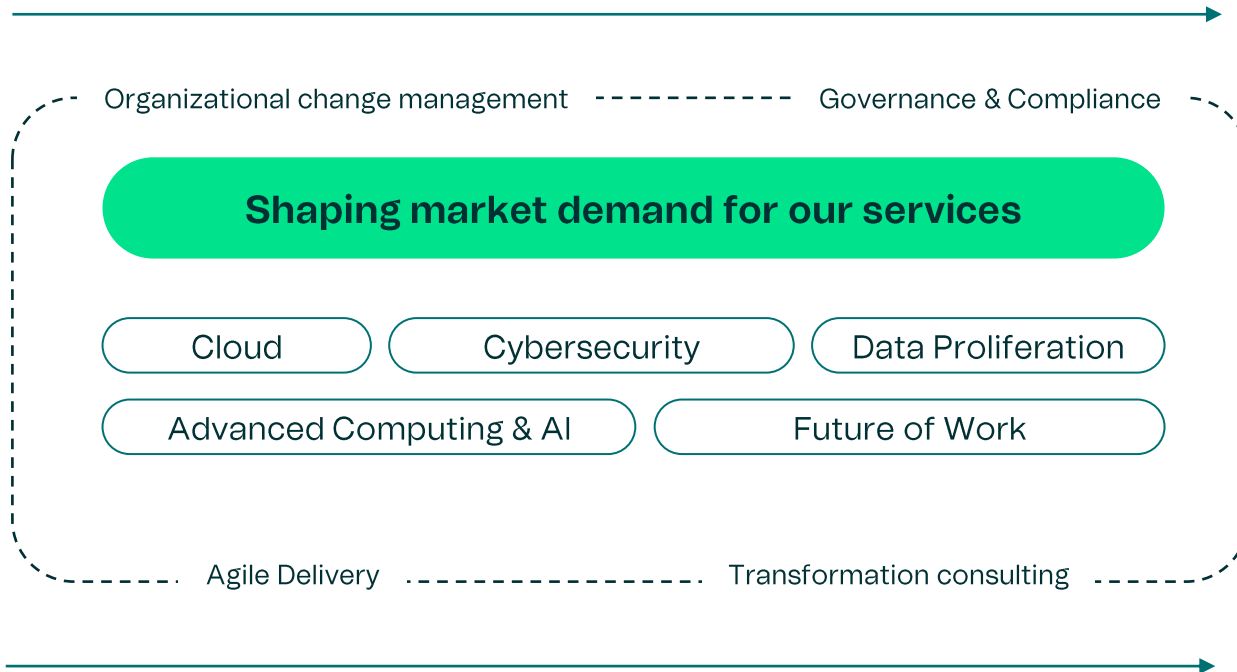
Enterprise Computing Solutions



The Unisys Transformation



Secular IT Trends



How Unisys delivers

Mission Critical IT Expertise
with consistent delivery excellence at scale

Enabling Multi-Cloud Environments
and transforming complex, legacy IT platforms

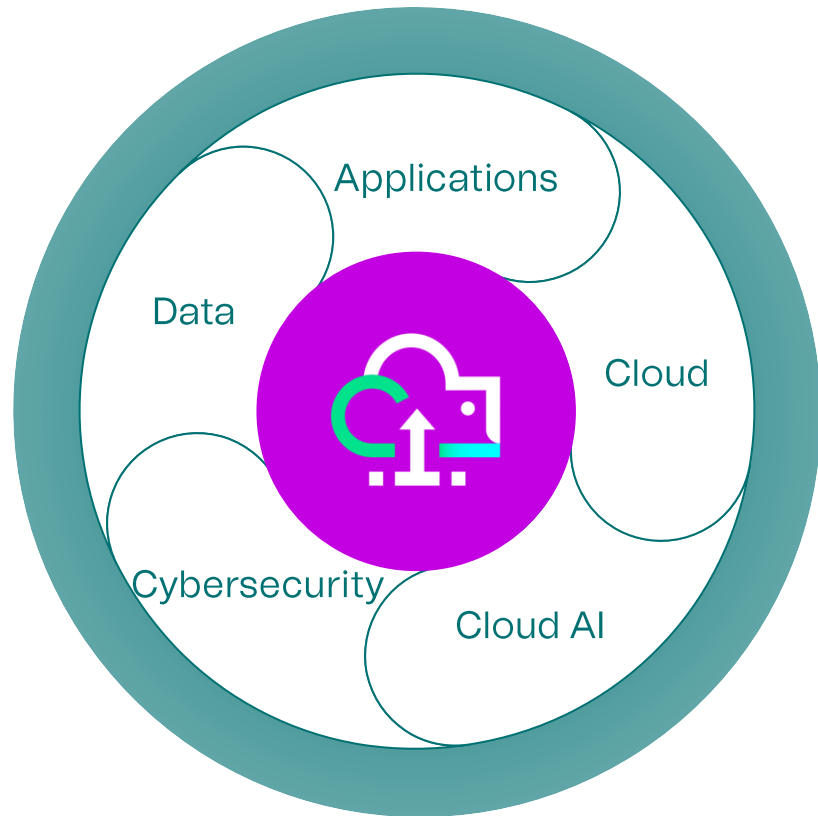
Deep Data Expertise
developed over decades serving key industries

Application Development & Modernization
more than 150 years of innovation experience

Digital Workplace Solutions
proactive solutions elevating employee experience



Cloud, Applications & Infrastructure Solutions



Why our clients choose Unisys

IT maturity enhancement

Helping to mature IT organizations from reactive to proactive and accelerating innovation for over a century.

Complexity simplified

Deep expertise solving the toughest business and technology dilemmas in highly-regulated and heterogeneous environments.

Expansive ecosystem

Deploying the best tools, experience and talent, whether our own or those of our global partners.

Right-sized transformation partner

Delivering the flexibility, agility and scalability to enhance mission critical infrastructure, while reducing costs.

Mission-critical security

Leveraging industry expertise to implement secure, automated solutions that meet the demands of hybrid multi-cloud environments.

Digital Workplace Solutions

Why our clients choose Unisys

Stability and continuity

Proven track record of client retention, cost-savings, operations modernization, growth and innovation.

Strategic partnerships

Leveraging global alliances and 3rd party ecosystems to create a one-stop shop for successful long-term client partnerships.

Analyst recognitions

Consistently ranking highest in independent third-party ratings.

Service and support expertise

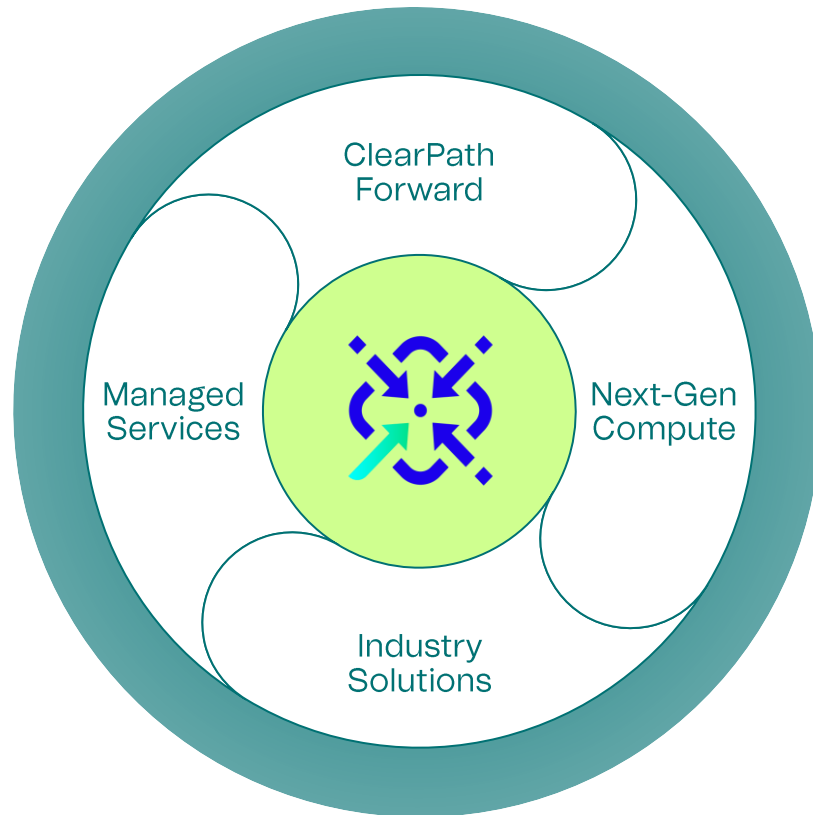
Delivering seamless & on-site/in-person service and support as the market evolves and consolidates.

Innovative solutions

Optimizing the cross-over of human experiences and productivity with future-proof technologies.



Enterprise Computing Solutions



Why our clients choose Unisys

Client-centric approach

Fostering long-term partnerships and intimate understanding of unique business needs.

Industry expertise

Unmatched depth of expertise in Travel and Transportation, Logistics and Financial Services.

Operational excellence

Bridging skills gaps in legacy systems, ensuring smooth transitions and continued operational excellence.

Opex transformation

Application modernization and expansion within highly regulated industries.

Emerging technology hub

Leading with quantum and high-performance computing applied to industry-specific needs.

FY23 Revenue Profile

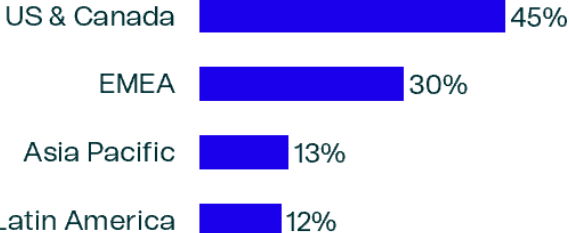
Highly diverse revenue streams with large base of recurring revenue

21%
L&S Solutions

79%
Ex-L&S Solutions



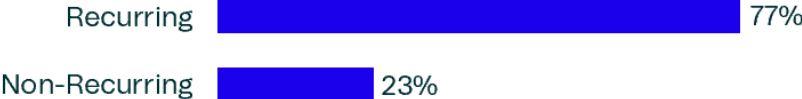
Geography



Client Sector



Type



Note: see appendix for reconciliation of non-GAAP measures

Select Unisys Clients

PUBLIC SECTOR/HIGHER EDUCATION



FINANCIAL SERVICES



TRAVEL AND TRANSPORTATION



RETAIL AND CONSUMER GOODS



MANUFACTURING



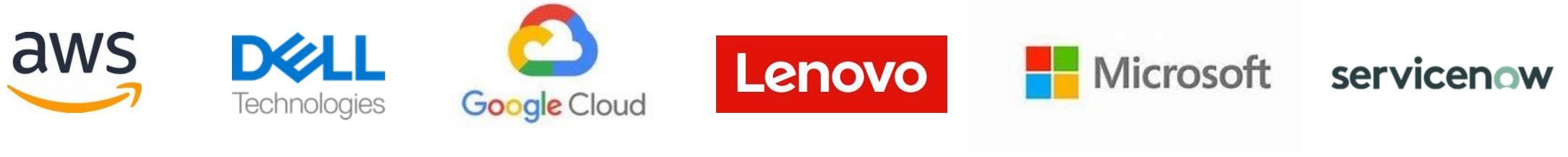
OTHER



Note: Select Clients

Strategic Unisys Partners

Key Alliance Partners



Other Alliance Partners



Unisys AI Solutions & Services

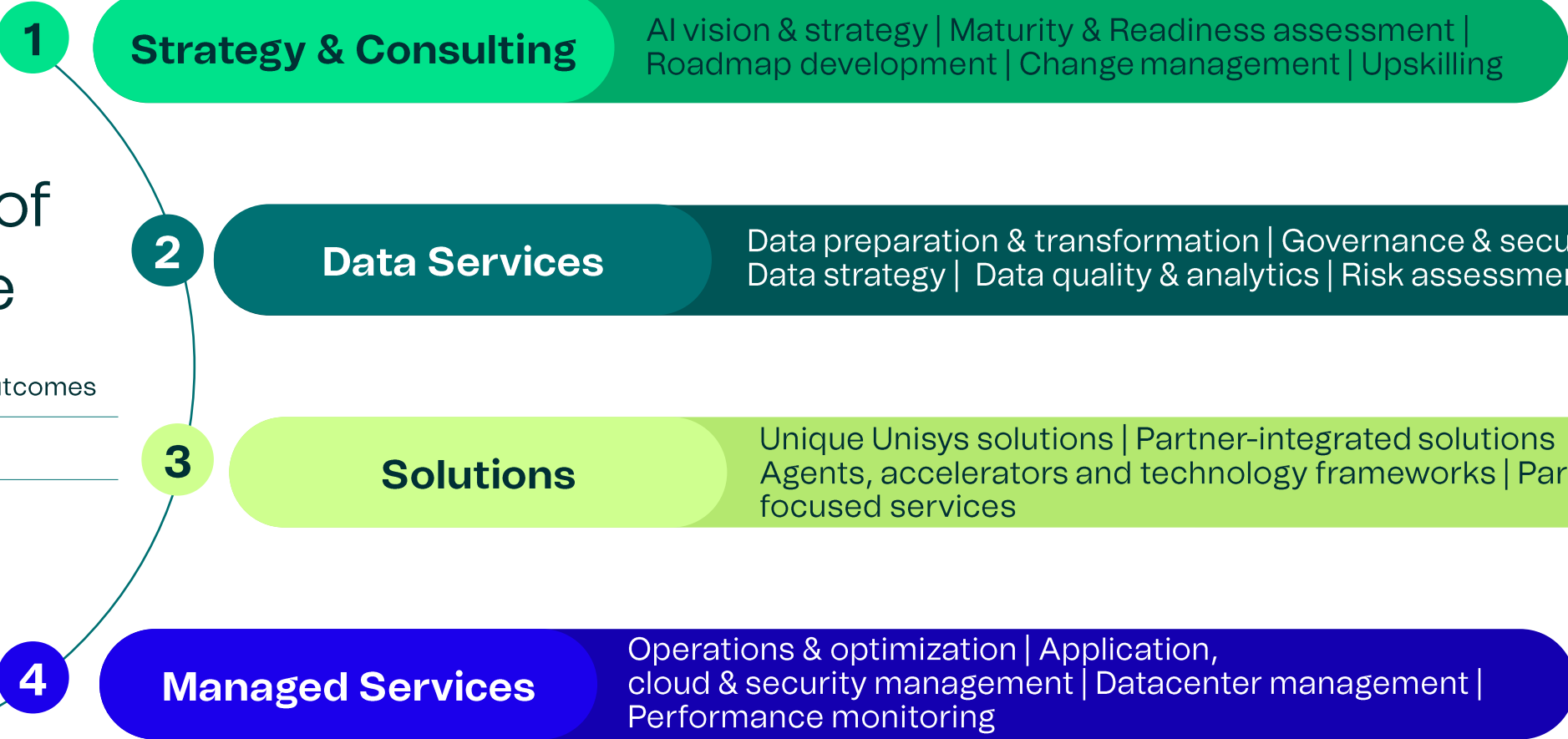
A comprehensive, start-to-future AI portfolio with a pragmatic approach

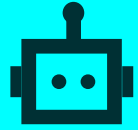
AI Center of Excellence

High-impact business outcomes

Responsible AI

Security and regulatory compliance





Improving restaurant operations through AI

Service Experience Accelerator

- OpenAI-based agent
- Auto-generating knowledge
- Our machine learning teams are building a wide range of AI and GenAI algorithms to enhance global restaurant operations
- Proactive **ticket reduction** keeps crew members focused on running the business
- Reducing **ticket resolution time** minimizes the business impact of incidents

Current incident management

~5.6M global tickets annually

~136.8M hours spent resolving tickets annually

17 different ITSM systems

Cost to the business

Direct revenue loss from restaurant downtime

Indirect revenue loss from crew productivity loss

How to improve



Reduce ticket volumes



Reduce ticket resolution time



Improve crew incident experience



Delivering gross margin expansion

Higher value capabilities
Incorporating generative AI,
hyper-automation, quantum computing

Aligned to future demand
Solutions in areas growing faster
than the broader IT services market

Outcomes-based approach
Allowing us to contract on the
value we are creating for our clients

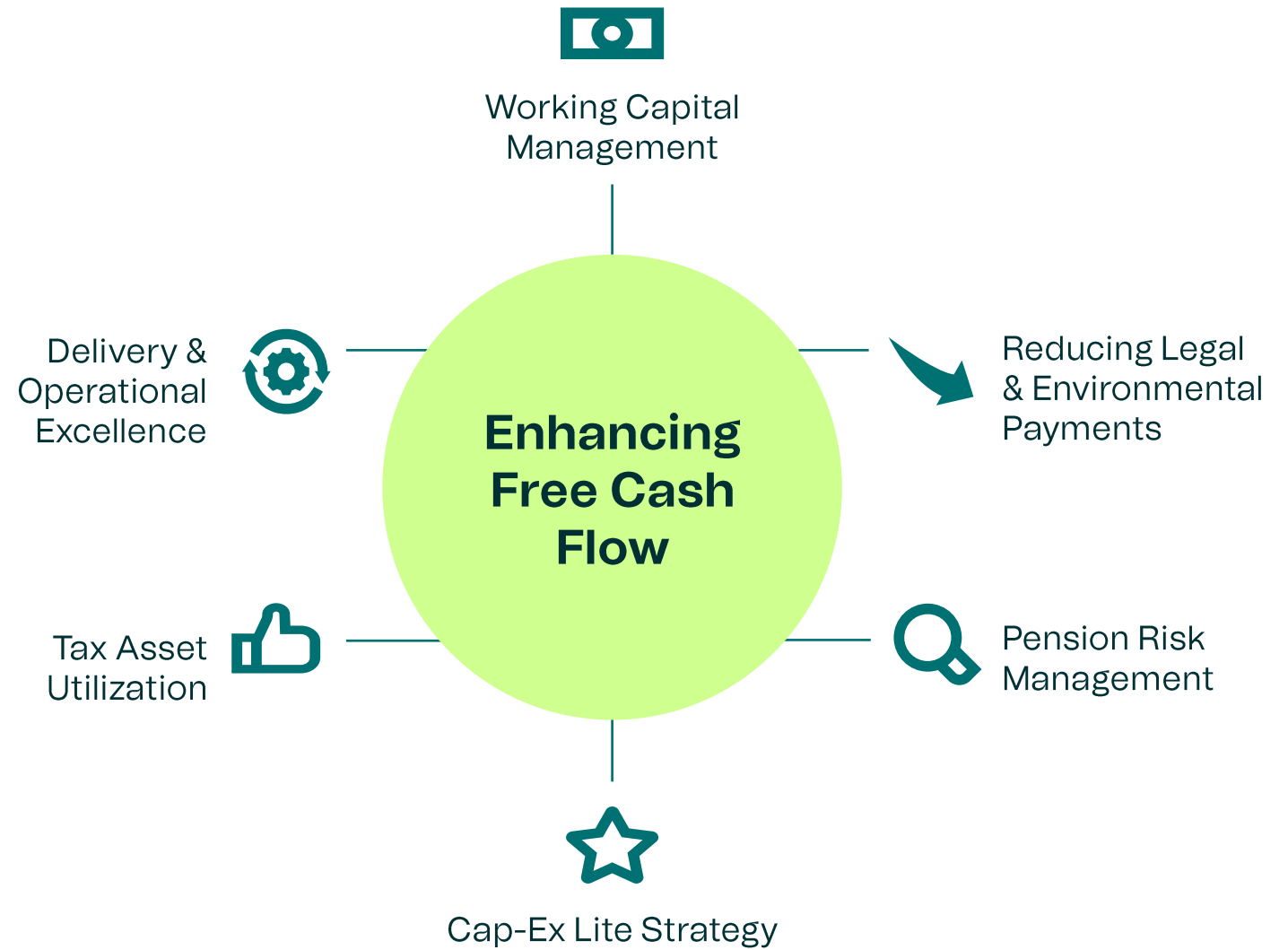


Lower the cost of delivery
through increased use of automation
and labor optimization

Strategic account management
centralized across Unisys touchpoints
and improved contract enforcement

Improve low margin accounts
by getting them on a pathway of
transformation with Unisys

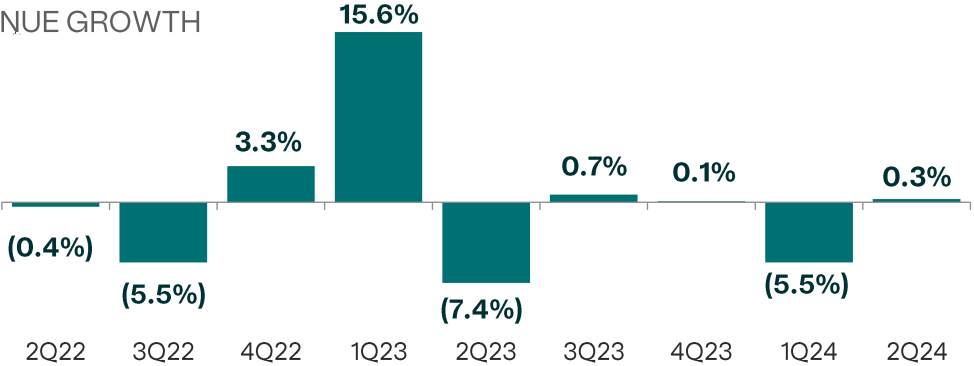
Levers to Improve Free Cash Flow and Unlock Value for Stakeholders



Revenue Growth & Gross Margin Trends

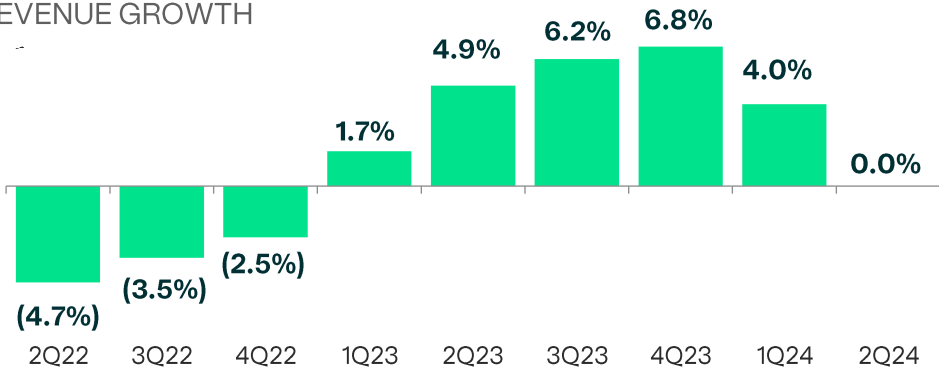
Total Company

REVENUE GROWTH

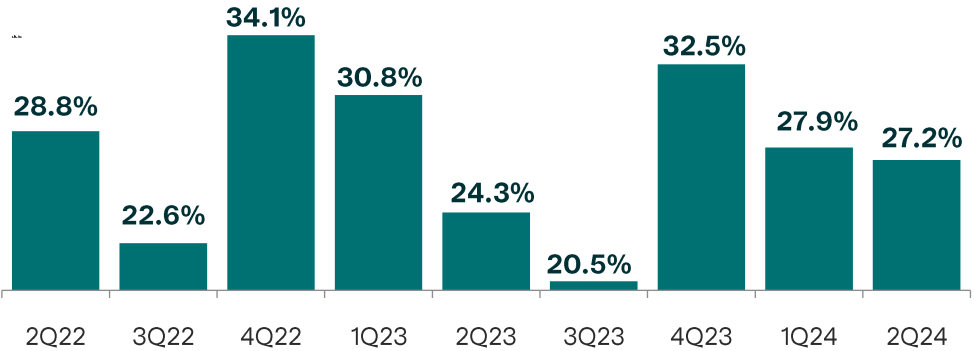


Excluding L&S

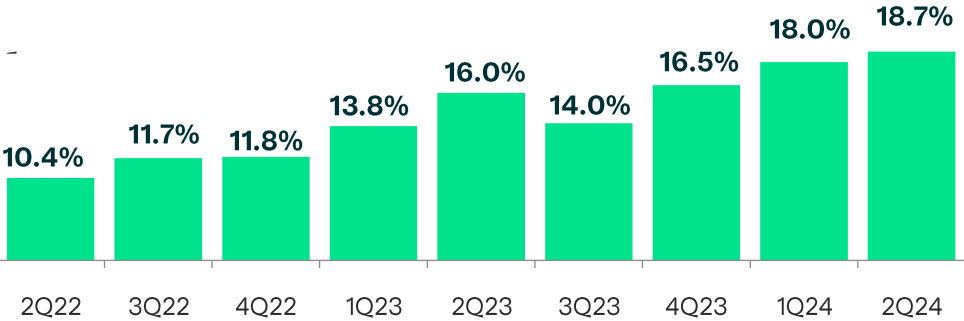
REVENUE GROWTH



GROSS MARGIN



GROSS MARGIN



Leverage Detail

\$M	JUNE 30, 2024	DECEMBER 31, 2023
SENIOR SECURED NOTES ¹	\$ 485.0	\$ 485.0
FINANCE LEASES AND OTHER DEBT	15.4	23.8
TOTAL DEBT	\$ 500.4	\$ 508.8
GLOBAL NET PENSION DEFICIT (AS OF DEC 31, 2023)	703.0	703.0
TOTAL DEBT INCLUDING PENSION DEFICIT	\$ 1,203.4	\$ 1,211.8
CASH	\$ 344.9	\$ 387.7
NET LEVERAGE	\$ 155.5	\$ 121.1
NET LEVERAGE INCLUDING PENSION DEFICIT	\$ 858.5	\$ 824.1
LTM ADJUSTED EBITDA	\$ 261.1	\$ 285.9
NET LEVERAGE RATIO	0.6x	0.4x
NET LEVERAGE RATIO INCLUDING PENSION DEFICIT	3.3x	2.9x



¹ Represents face value of debt.

Our Opportunity

We have **multiple large opportunities** to create significant value for Unisys stakeholders



Grow Ex-L&S revenue

Building awareness and recognition of our solutions & capabilities



Accelerate growth rate

Through AI-related services and industry solutions, such as Unisys Logistics Optimization



Invest in our core L&S platforms

Leveraging expertise in hybrid compute to increase value for clients and use of our systems



Expand profitability

Through delivery efficiency, solution mix shift, and SG&A efficiencies



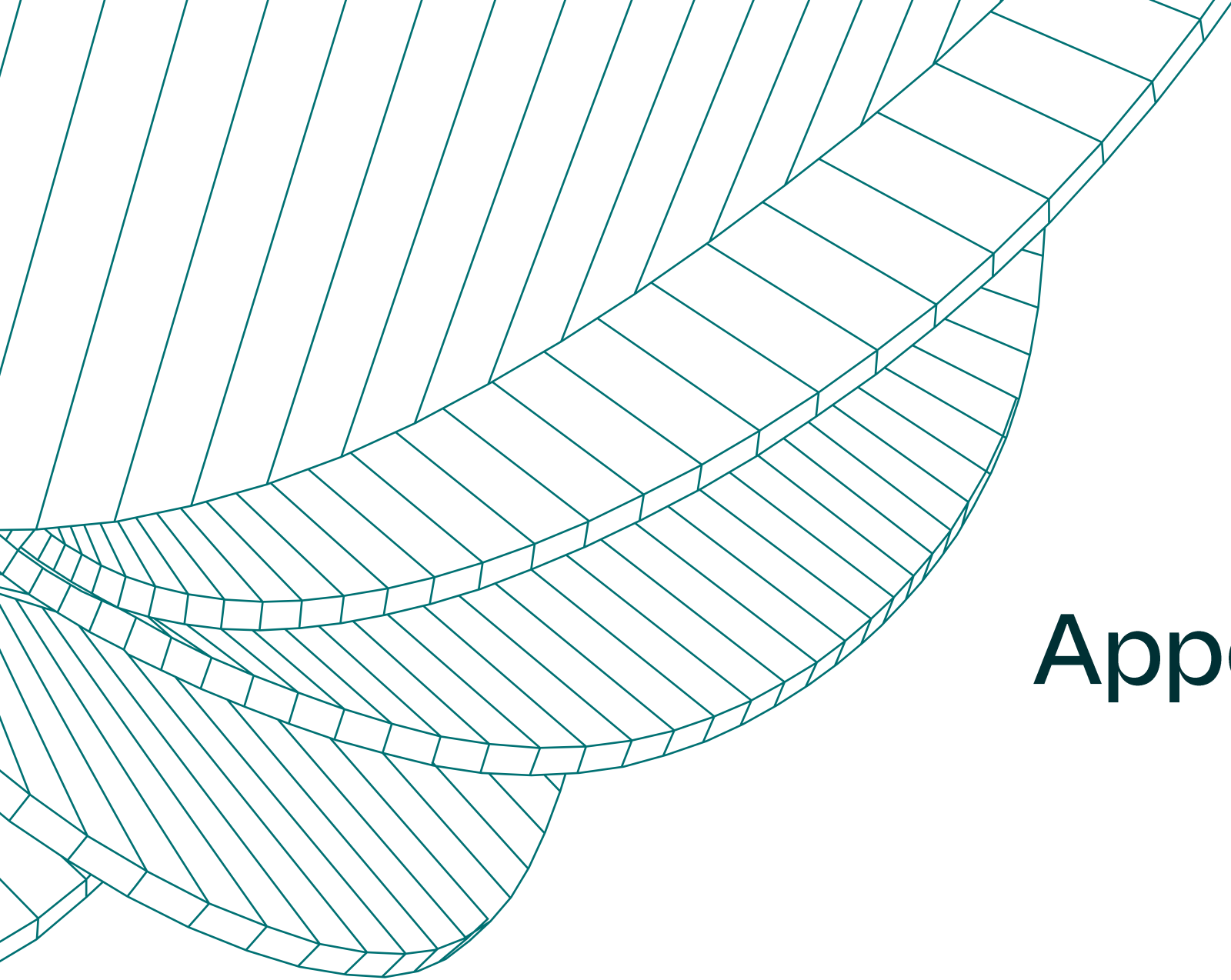
Improve free cash flow conversion

Lower legal & environmental payments, one-time environmental recovery, utilization of tax assets



Sustain flexible capital structure

Pension contributions de-lever capital structure and create stakeholder value

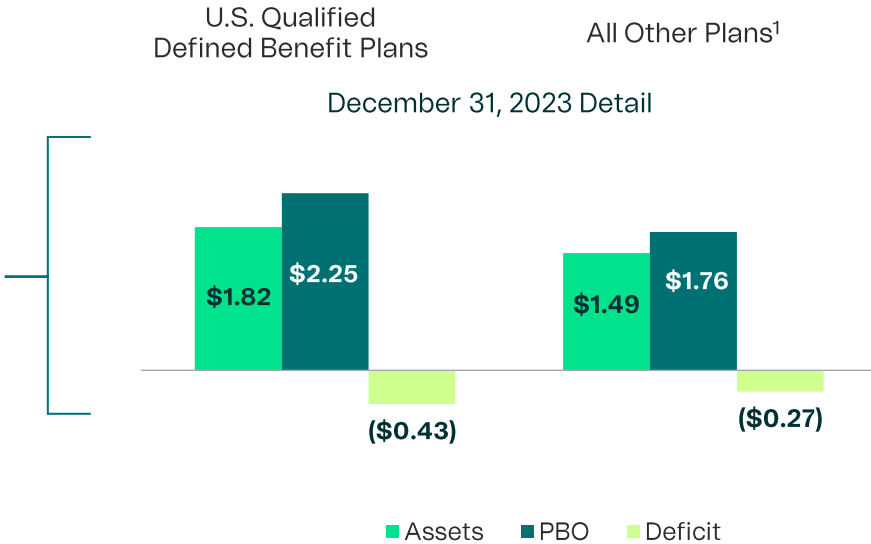
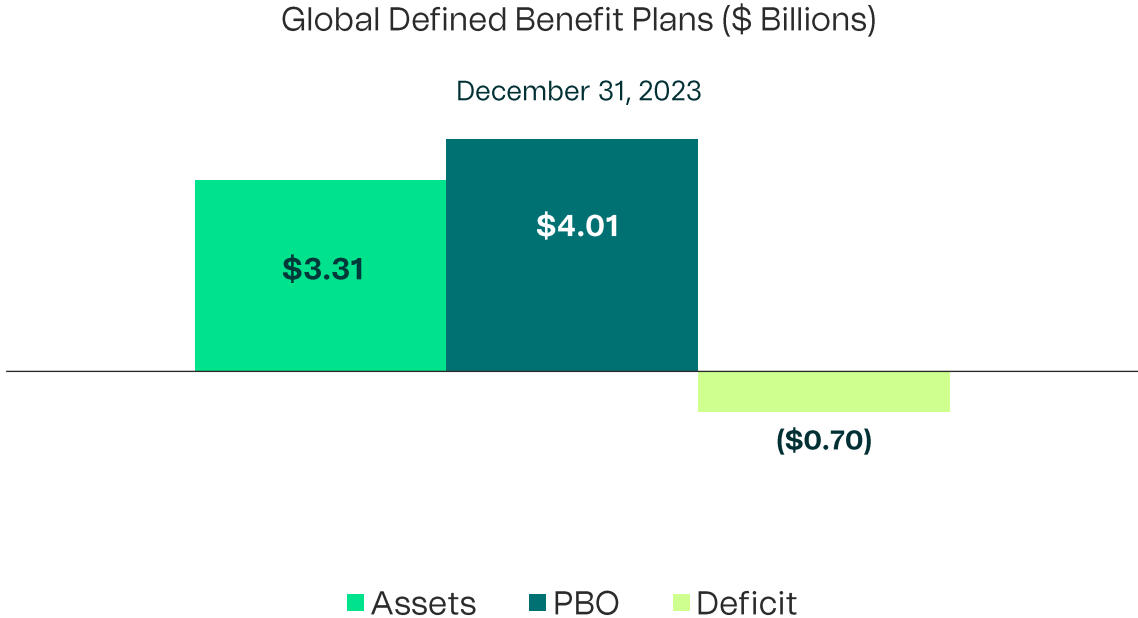


Appendix

Defined Benefit Plans Update

Global GAAP deficit, as of December 31, 2023, is ~\$700 million, including ~\$430 million for U.S. Qualified Defined Benefit Plans

- Two U.S. annuity purchases executed in 2023 reduced global liabilities by approximately half a billion dollars and one annuity purchase in 2024 reduced global liabilities by approximately \$200 million
- Cost of full risk-transfer of U.S. Qualified Defined Benefit Plans estimated as more than \$650 million (GAAP deficit + premium on total liabilities)

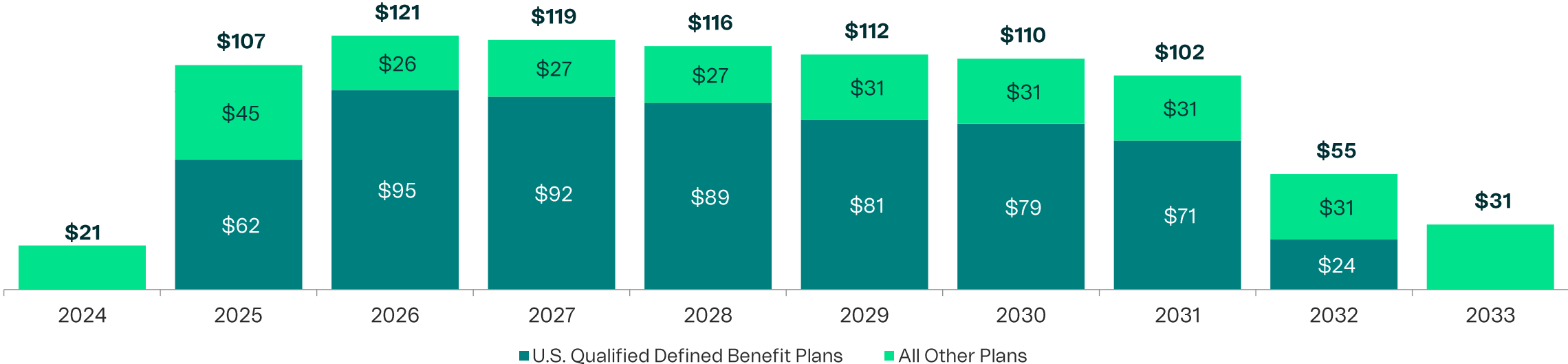


¹ All Other Plans includes all international defined benefit plans and our US non-qualified defined benefit plan.

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

As of December 31, 2023, our expectation is for contributions to our US defined benefit pension plans to begin in 2025 and average \$74M per year through 2032, down from the \$82M we expected at 4Q 2022.

Expected contributions to our global pension plans for the five-year period beginning in 2024 are \$484 million, \$48 million lower than our projections at the end of 2022.



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, 2023. 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 December 31, 2023 and are likely to change based on several factors including market conditions, changes in funding agreements, changes in discount rates and changes in currency rates. No future cash contributions are expected beyond the period shown to U.S. qualified defined plans. Cash contributions to all other plans expected to be approximately the same level as 2032 until 2035, beyond which contributions are expected to average less than \$10 million per year.



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

Potential Economic Benefit of Tax Assets

\$M	DESCRIPTION	NET DEFERRED TAX ASSETS ¹	FUTURE AVAILABLE REDUCTIONS IN TAXABLE INCOME
	<u>U.S.</u>		
NOLS AND TAX CREDITS:	NET OPERATING LOSS – FEDERAL & STATE	\$ 546	\$1,743
	TAX CREDITS	112	533
PENSION AND OTHER:	PENSION	127	519
	OTHER DEFERRED TAX ASSETS	99	405
	TOTAL AVAILABLE U.S.	\$ 884	\$3,200
	<u>NON-U.S.</u>		
FOREIGN TAX ATTRIBUTES	NET OPERATING LOSS – NON-U.S.	\$ 267	\$ 1,024
	PENSION AND OTHER – NON-U.S.	112	406
	TOTAL AVAILABLE NON-U.S.	\$ 379	\$ 1,430
	TOTAL AVAILABLE	\$ 1,263	\$ 4,630
	VALUATION ALLOWANCE ¹	(1,150)	
	TOTAL NET DEFERRED TAX ASSET¹	\$ 113	

¹The 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.



Revenue and Gross Profit Excluding License and Support (Ex-L&S)

\$M	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24
REVENUE	\$ 515.0	\$ 461.2	\$ 557.0	\$ 516.4	\$ 476.8	\$ 464.6	\$ 557.6	\$ 487.8	\$ 478.2
L&S REVENUE	137.6	86.9	170.1	136.9	80.8	67.1	144.3	93.2	82.1
EX-L&S REVENUE	\$ 377.4	\$ 374.3	\$ 386.9	\$ 379.5	\$ 396.0	\$ 397.5	\$ 413.3	\$ 394.6	\$ 396.1
GROSS PROFIT	\$ 148.1	\$ 104.3	\$ 189.8	\$ 159.0	\$ 115.8	\$ 95.3	\$ 181.2	\$ 136.0	\$ 129.9
L&S GROSS PROFIT	108.8	60.5	144.1	106.5	52.4	39.6	112.8	64.8	55.7
EX-L&S GROSS PROFIT	\$ 39.3	\$ 43.8	\$ 45.7	\$ 52.5	\$ 63.4	\$ 55.7	\$ 68.4	\$ 71.2	\$ 74.2
GROSS MARGIN	28.8%	22.6%	34.1%	30.8%	24.3%	20.5%	32.5%	27.9%	27.2%
EX-L&S GROSS MARGIN	10.4%	11.7%	11.8%	13.8%	16.0%	14.0%	16.5%	18.0%	18.7%



Adjusted Free Cash Flow

\$M	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24
CASH PROVIDED BY OPERATIONS	(\$ 33.7)	\$ 44.5	\$ 34.9	\$ 12.8	\$ 42.5	(\$ 4.1)	\$ 23.0	\$ 23.8	\$ 2.7
ADDITIONS TO MARKETABLE SOFTWARE	(12.5)	(11.6)	(11.1)	(10.3)	(11.0)	(11.6)	(13.1)	(13.2)	(12.5)
ADDITIONS TO PROPERTIES	(8.8)	(7.5)	(9.5)	(7.3)	(4.6)	(3.5)	(5.9)	(2.2)	(5.1)
ADDITIONS TO OUTSOURCING ASSETS	(4.1)	(1.6)	(0.5)	(2.7)	(2.2)	(6.5)	(0.0)	(4.5)	(3.6)
FREE CASH FLOW	(\$ 59.1)	\$ 23.8	\$ 13.8	(\$ 7.5)	\$ 24.7	(\$ 25.7)	\$ 4.0	\$ 3.9	(\$ 18.5)
PENSION AND POSTRETIREMENT FUNDING	8.9	8.8	9.8	16.4	14.7	10.2	6.7	7.7	4.7
PRE-PENSION AND POSTRETIREMENT FREE CASH FLOW	(\$ 50.2)	\$ 32.6	\$ 23.6	\$ 8.9	\$ 39.4	(\$ 15.5)	\$ 10.7	\$ 11.6	(\$ 13.8)
CERTAIN LEGAL PAYMENTS	0.0	5.5	0.0	2.1	10.9	7.4	9.7	1.4	1.2
ENVIRONMENTAL MATTERS PAYMENTS	8.1	6.4	11.2	5.8	5.0	3.8	7.2	2.5	2.0
COST REDUCTION AND OTHER PAYMENTS, NET	3.6	8.6	4.5	3.3	12.8	5.7	3.3	1.9	2.6
ADJUSTED FREE CASH FLOW	(\$ 38.5)	\$ 53.1	\$ 39.3	\$ 20.1	\$ 68.1	\$ 1.4	\$ 30.9	\$ 17.4	(\$ 8.0)



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[unisys.com](https://www.unisys.com)

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