

Second Quarter 2021 Financial Results

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- Statements made by Unisys during today's presentation that are not historical facts, including those regarding future performance, are forward-looking statements under the Private Securities Litigation Reform Act of 1995. These statements are based on current expectations and assumptions and involve risks and uncertainties that could cause actual results to differ from expectations. These risks and uncertainties are discussed in the company's reports filed with the SEC and in this quarter's earnings release.
- Forward-looking statements include, but are not limited to, any projections or expectations of earnings, revenues, annual contract value ("ACV"), total contract value ("TCV"), new business ACV or TCV, backlog, pipeline or other financial items; any statements of the company's plans, strategies or objectives for future operations; statements regarding future economic conditions or performance; and any statements of belief or expectation.
- The impact from the changing market and economic conditions due to the COVID-19 pandemic is uncertain and is expected to impact our business and consolidated results of operations and could impact our financial condition in the future. At this time, we are unable to accurately predict the full impact that COVID-19 will have due to numerous uncertainties, including the severity of the disease, the duration of the pandemic, actions that may be taken by governmental authorities, the impact to the business of our customers and partners and other factors.
- Although appropriate under generally accepted accounting principles ("GAAP"), the company's results reflect charges that the company believes are not indicative of its ongoing operations and that can make its profitability and liquidity results difficult to compare to prior periods, anticipated future periods, or to its competitors' results. These items consist of post-retirement and cost-reduction and other expense. Management believes each of these items can distort the visibility of trends associated with the company's ongoing performance. Management also believes that the evaluation of the company's financial performance can be enhanced by use of supplemental presentation of its results that exclude the impact of these items in order to enhance consistency and comparativeness with prior or future period results. The following measures are often provided and utilized by the company's management, analysts, and investors to enhance comparability of year-over-year results, as well as to compare results to other companies in our industry: Non-GAAP Operating Profit; EBITDA and Adjusted EBITDA, Non-GAAP Diluted Earnings per Share; Free Cash Flow and Adjusted Free Cash Flow; Constant Currency, Pipeline, ACV, and TCV.
- From time to time Unisys may provide specific guidance regarding its expected future financial performance. Such guidance is effective only on the date given. Unisys generally will not update, reaffirm or otherwise comment on any prior guidance except as Unisys deems necessary, and then only in a manner that complies with Regulation FD.
- These presentation materials can be accessed on the Unisys Investor website at www.unisys.com/investor. Information in this presentation is as of August 3, 2021, and Unisys undertakes no duty to update this information.

Company Insights

Unisys achieved double-digit YoY revenue growth and significant YoY improvements to profitability and cash flow in 2Q21, while continuing execution against strategic goals for sustainable growth and margin expansion, including advancing DWS transformation, broadening Cloud capabilities, and expanding enterprise computing solutions provided to clients.

Double-digit YoY revenue growth and significant improvement in profitability and cash flow

- YoY revenue growth in all three segments
- Operating efficiency enhancements & higher-value solutions driving margin improvements
- Free Cash Flow positive, up significantly YoY

Advanced DWS transformation through execution against build/partner/buy strategy

- Goal has been to transform DWS business to focus on higher-growth and higher-margin solutions through broadening offering portfolio and shifting our focus to proactive experience solutions
- During Q2 we laid foundations for sustainable growth going forward through execution against this strategy, including maturing and enhancing our solution portfolio organically and through the acquisition of Unify Square, expanding our network of partnerships, and improving our ability to sell higher-value solutions

Company Insights (Continued)

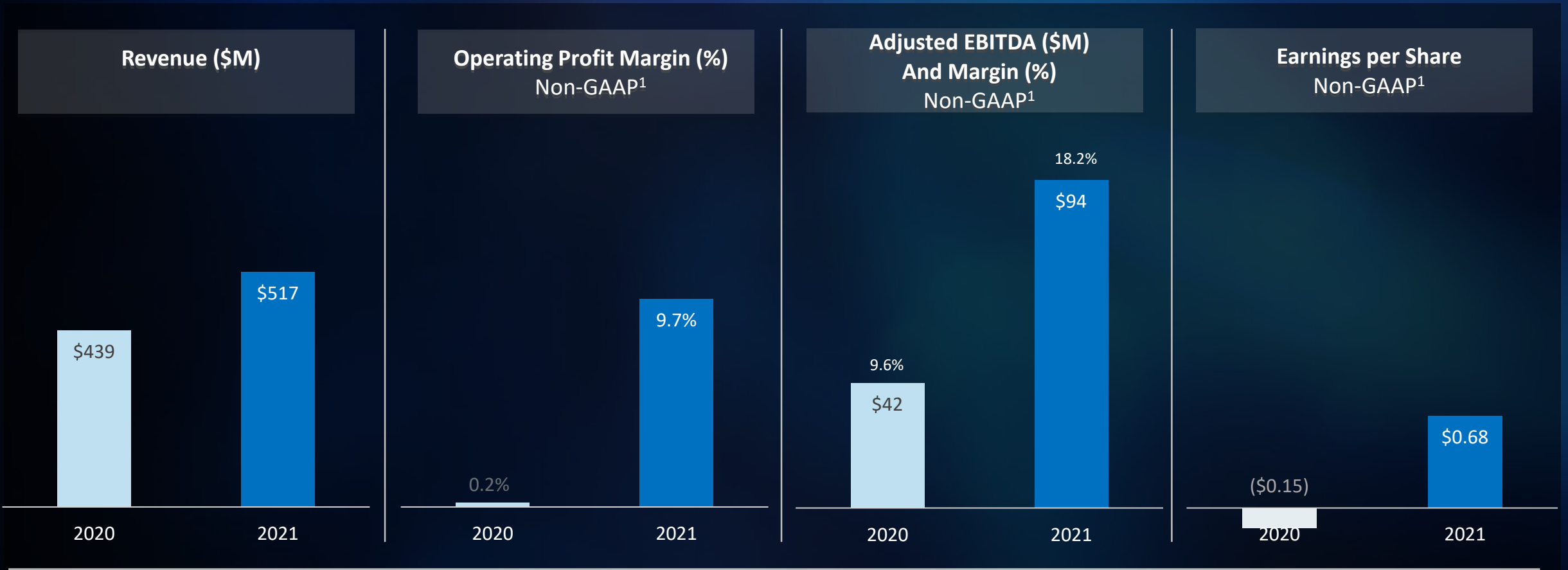
Continued C&I growth

- Goal has been to grow Cloud in select sectors where we have deep expertise and a strong track record of winning
- Strong Cloud revenue YoY growth within C&I in 2Q21 of 28%
- Continued expansion of work at existing U.S. state government clients and with new state government clients
- Flexibility of cloud strategy and focus on end-to-end security is differentiating Unisys

Growing ECS revenue through expanded services and strong license renewals

- Goal has been to grow ECS revenue through expanding and enhancing ECS services, while maintaining stability of license revenue
- Traction with clients for ECS services expansion
- Strong license renewal quarter, helped by higher volumes than anticipated

2Q21 Financial Results



¹See appendix for reconciliation of non-GAAP measures.

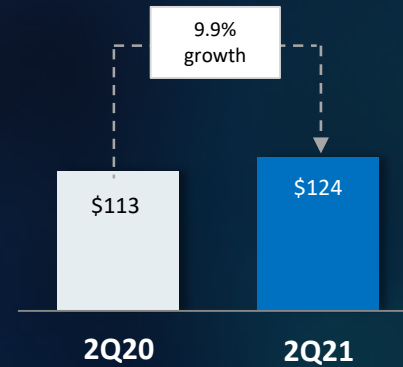
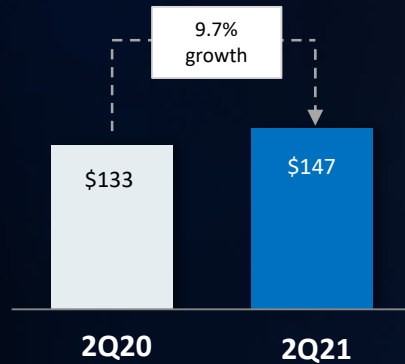
2Q21 Segment Results

Digital Workplace Solutions

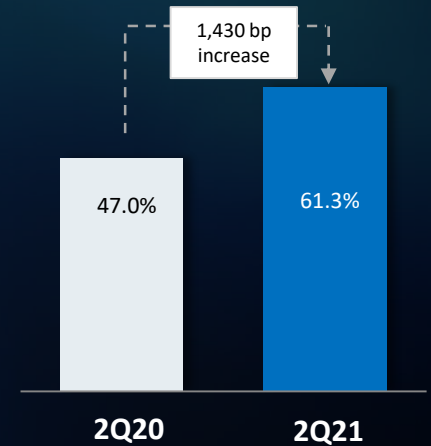
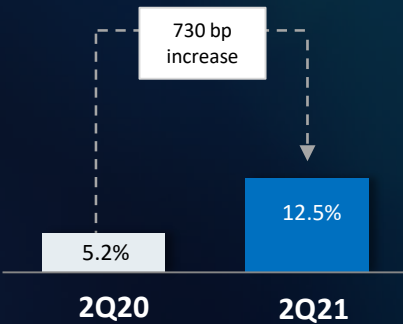
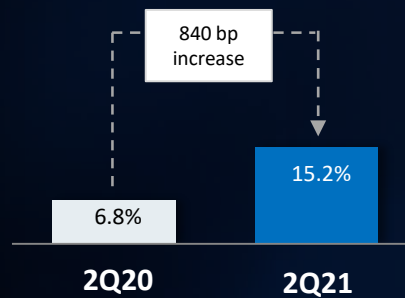
Cloud & Infrastructure Solutions

Enterprise Computing Solutions

Revenue (\$M)



Gross Profit (%)



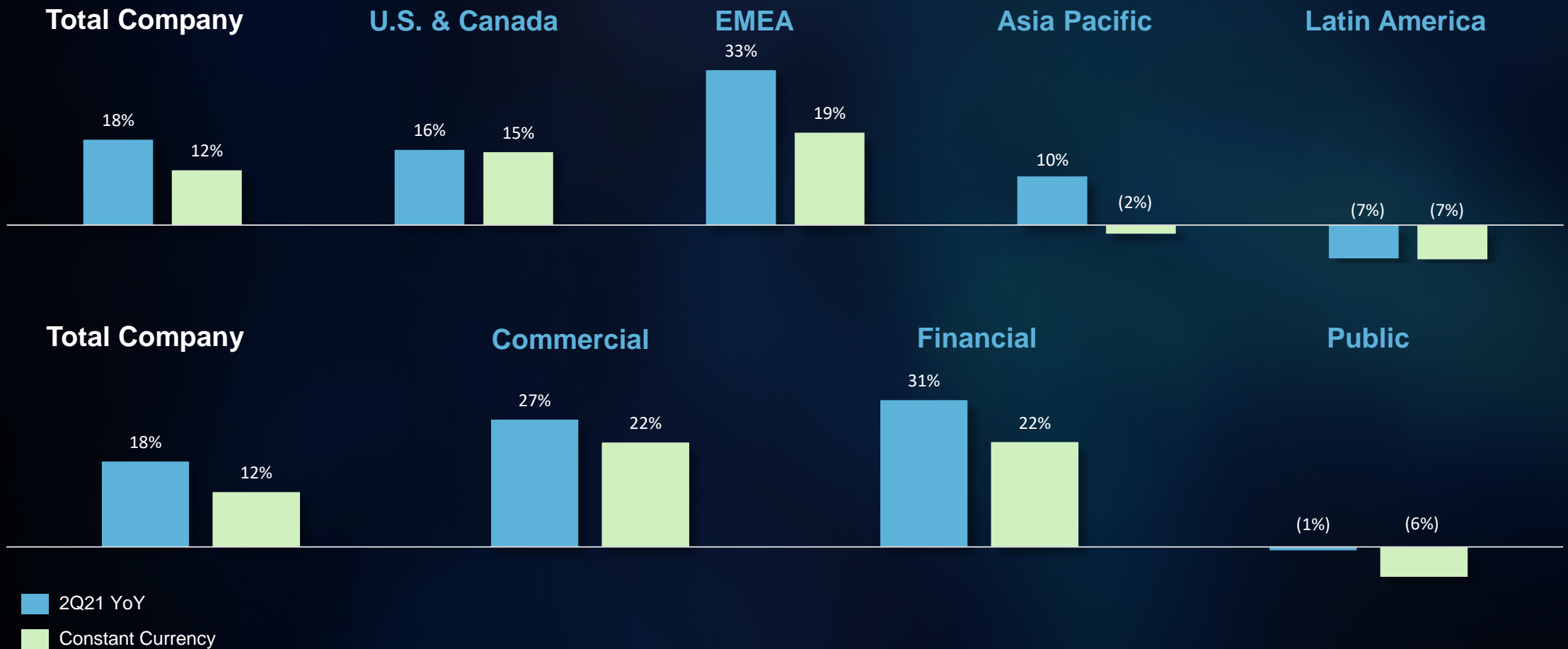
2Q21 Cash Flow and EBITDA Results

\$M	2Q20	2Q21
EBITDA ¹	(\$18.1)	(\$144.8)
Adjusted EBITDA ¹	\$42.0	\$94.4
Adjusted EBITDA Margin ¹	9.6%	18.2%
Operating Cash Flow	(\$14.2)	\$41.9
Capital Expenditures	(\$35.4)	(\$22.9)
Free Cash Flow ¹	(\$49.6)	\$19.0
Adjusted Free Cash Flow ¹	(\$37.1)	\$54.5

¹See appendix for reconciliation of non-GAAP measures.

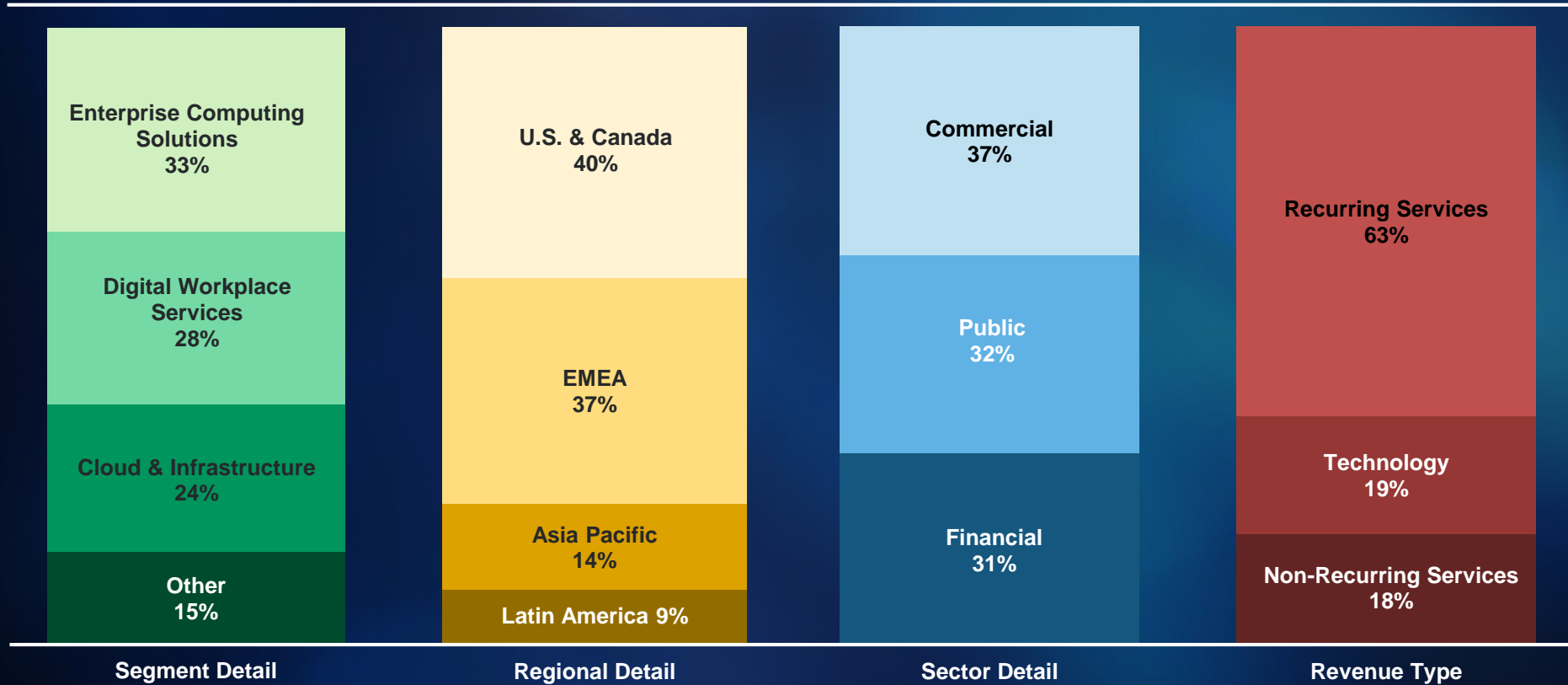
Appendix

2Q21 Revenue Growth by Region and Sector



2Q21 Unisys Revenue Profile

Percent of 2Q21 Revenue



Potential Economic Benefit of Tax Assets

\$ in M	Description	Net Deferred Tax Assets ¹	Future Available Reductions in Taxable Income
	U.S.		
NOLs and Tax Credits	Net Operating Loss – Federal & State	\$518	\$1,514
	Tax Credits	230	1,095
Pension and Other	Pension	192	767
	Other Deferred Tax Assets	<u>48</u>	<u>192</u>
	Total available U.S.	\$988	\$3,568
	Non-U.S.		
Foreign Tax Attributes	Net Operating Loss – Non-U.S.	\$277	\$1,137
	Pension and other – Non-U.S.	<u>116</u>	<u>447</u>
	Total available non-U.S.	\$393	\$1,584
	Total available	\$1,381	\$5,152
	Valuation Allowance ¹	<u>(1,272)</u>	
	Total Net Deferred Tax Asset ¹	\$109	

¹ The elements listed above are for informational purposes only and are based on expectations and assumptions defined in the Form 10-K filed for December 31, 2020. See Critical Accounting Policies – Income Taxes for the assessment of the realization of company's deferred tax assets and liabilities and Footnote 7 in 2020 Form 10-K.

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.

Operating Profit

\$M	2Q20	2Q21
Operating profit (loss)	(8.5)	40.8
Postretirement expense	0.8	0.6
Restructuring reimbursement & cost reduction expense and other charges	8.5	8.7
Non-GAAP operating profit (loss)	0.8	50.1
GAAP operating profit (loss) %	(1.9%)	7.9%
Non-GAAP operating profit (loss) %	0.2%	9.7%

EBITDA and Adjusted EBITDA

\$M	2Q20	2Q21
Net income (loss) from continuing operations attributable to Unisys	(76.5)	(140.8)
Net income (loss) attributable to noncontrolling interests	-	(1.5)
Interest expense, net of interest income*	2.2	6.5
Provision for income tax	9.7	(53.1)
Depreciation	24.1	24.7
Amortization	22.4	19.4
EBITDA	(18.1)	(144.8)
Postretirement expense	24.9	225.7
Cost reduction and other charges**	34.6	10.1
Non-cash share-based expense	2.9	3.7
Other (income) expense adjustment***	(2.3)	(0.3)
Adjusted EBITDA	42.0	94.4

*Included in Other (income) expense, net on the Consolidated Statements of Income

**Reduced for depreciation and amortization included above & Disposals in Other Expense

***Other (income) expense, net as reported on the Consolidated Statements of Income less postretirement expense, interest income and items included in cost reduction and other expenses

Net Income and EBITDA as a Percentage of Revenue

\$M	2Q20	2Q21
Revenue	438.8	517.3
Net income (loss) from continuing operations as percentage of revenue	(17.4%)	(27.2%)
Non-GAAP net income (loss) from continuing operations attributable to Unisys Corporation as a percentage of revenue	(2.2%)	8.9%
Adjusted EBITDA as a percentage of revenue	9.6%	18.2%

Earnings per Diluted Share

\$M except share and per share data		2Q20	2Q21
Net income (loss) from continuing operations attributable to Unisys Corporation common shareholders		(76.5)	(140.8)
Post-retirement expense:	pretax	24.9	225.7
	tax	0.4	52.0
	net of tax	24.5	173.7
Cost reduction and other expense:	pretax	42.8	13.6
	tax and minority interest	0.5	0.5
	net of tax	42.3	13.1
Non-GAAP net income (loss) from continuing operations attributable to Unisys Corporation		(9.7)	46.0
Add interest expense on convertible notes		-	-
Non-GAAP net income (loss) attributable to Unisys Corporation for diluted earnings per share		(9.7)	46.0
Weighted average shares (thousands)		63,010	67,080
Plus incremental shares from assumed conversion of employee stock plans & convertible notes		-	740
GAAP adjusted weighted average shares		63,010	67,821
Diluted earnings (loss) per share			
<i>GAAP basis</i>			
GAAP net income (loss) from continuing operations attributable to Unisys Corporation for diluted earnings per share		(76.5)	(140.8)
Divided by adjusted weighted average shares		63,010	67,080
GAAP earnings (loss) per diluted share		(1.21)	(2.10)
<i>Non-GAAP basis</i>			
Non-GAAP net income (loss) from continuing operations attributable to Unisys Corporation for diluted earnings per share		(9.7)	46.0
Divided by non-GAAP adjusted weighted average shares		63,010	67,821
Non-GAAP earnings (loss) per diluted share		(0.15)	0.68

Free Cash Flow

\$M	2Q20	2Q21
Cash provided by (used for) operations	(14.2)	41.9
Capital expenditures	(35.4)	(22.9)
Free cash flow	(49.6)	19.0
Postretirement funding	5.3	10.5
Discontinued operations	(0.1)	-
Cost reduction funding	7.3	25.0
Adjusted free cash flow	(37.1)	54.5

Non-GAAP and Other Information

Although appropriate under generally accepted accounting principles (“GAAP”), the company’s results reflect charges that the company believes are not indicative of its ongoing operations and that can make its profitability and liquidity results difficult to compare to prior periods, anticipated future periods, or to its competitors’ results. These items consist of certain portions of post-retirement, debt exchange and extinguishment and cost-reduction and other expenses. Management believes each of these items can distort the visibility of trends associated with the company’s ongoing performance. Management also believes that the evaluation of the company’s financial performance can be enhanced by use of supplemental presentation of its results that exclude the impact of these items in order to enhance consistency and comparativeness with prior or future period results. The following measures are often provided and utilized by the company’s management, analysts, and investors to enhance comparability of year-over-year results, as well as to compare results to other companies in our industry.

Constant currency – The company refers to 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 results at a consistent rate.

Non-GAAP operating profit – The company recorded pretax post-retirement expense and pretax charges in connection with cost-reduction activities, debt exchange/extinguishment and other expenses. For the company, non-GAAP operating profit excluded these items. The company believes that this profitability measure is more indicative of the company’s operating results and aligns those results to the company’s external guidance, which is used by the company’s management to allocate resources and may be used by analysts and investors to gauge the company’s ongoing performance. During 2020 and 2021, the company included the non-GAAP adjustments discussed herein.

EBITDA & adjusted EBITDA – Earnings before interest, taxes, depreciation and amortization (“EBITDA”) is calculated by starting with net income (loss) from continuing operations attributable to Unisys Corporation common shareholders and adding or subtracting the following items: net income attributable to noncontrolling interests, interest expense (net of interest income), provision for income taxes, depreciation and amortization. Adjusted EBITDA further excludes post-retirement, debt exchange/extinguishment, and cost-reduction and other expenses, non-cash share-based expense, and other (income) expense adjustment. In order to provide investors with additional understanding of the company’s operating results, these charges are excluded from the adjusted EBITDA calculation. During 2020 and 2021, the company included the adjustments discussed herein.

Non-GAAP diluted earnings per share – The company has recorded post-retirement expense and charges in connection with debt exchange/extinguishment and cost-reduction activities and other expenses. Management believes that investors may have a better understanding of the company’s performance and return to shareholders by excluding these charges from the GAAP diluted earnings/loss per share calculations. The tax amounts presented for 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 amounts. During 2020 and 2021, the company included the adjustments discussed herein.

Free cash flow – The company defines free cash flow as cash flow from operations less capital expenditures. Management believes this liquidity measure gives investors an additional perspective on cash flow from on-going operating activities in excess of amounts used for reinvestment.

Adjusted free cash flow – Because inclusion of the company’s post-retirement contributions, discontinued operations and cost-reduction charges/reimbursements and other payments in free cash flow may distort the visibility of the company’s ability to generate cash flow from its operations without the impact of these non-operational costs, management believes that investors may be interested in adjusted free cash flow, which provides free cash flow before these payments. This liquidity measure was provided to analysts and investors in the form of external guidance and is used by management to measure operating liquidity.