

UNISYS CORPORATION
CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)
(Millions, except per share data)

	Three Months Ended	
	March 31,	
	2020	2019
Revenue		
Services	\$ 425.9	\$ 474.0
Technology	89.5	80.5
	<u>515.4</u>	<u>554.5</u>
Costs and expenses		
Cost of revenue:		
Services	375.7	396.8
Technology	26.6	32.6
	<u>402.3</u>	<u>429.4</u>
Selling, general and administrative	86.8	90.9
Research and development	6.2	9.0
	<u>495.3</u>	<u>529.3</u>
Operating profit	20.1	25.2
Interest expense	13.9	15.5
Other income (expense), net	(48.1)	(30.4)
Loss from continuing operations before income taxes	(41.9)	(20.7)
Provision for income taxes	10.8	9.4
Consolidated net loss from continuing operations	(52.7)	(30.1)
Net income attributable to noncontrolling interests	0.5	2.6
Net loss from continuing operations attributable to Unisys Corporation	(53.2)	(32.7)
Income from discontinued operations, net of tax	1,068.5	13.3
Net income (loss) attributable to Unisys Corporation	\$ 1,015.3	\$ (19.4)
Earnings (loss) per share attributable to Unisys Corporation		
Basic		
Continuing operations	\$ (0.85)	\$ (0.64)
Discontinuing operations	17.06	0.26
Total	<u>\$ 16.21</u>	<u>\$ 0.38</u>
Diluted		
Continuing operations	\$ (0.85)	\$ (0.64)
Discontinuing operations	17.06	0.26
Total	<u>\$ 16.21</u>	<u>\$ 0.38</u>

UNISYS CORPORATION
SEGMENT RESULTS
(Unaudited)
(Millions)

	<u>Total</u>	<u>Eliminations</u>	<u>Services</u>	<u>Technology</u>
Three Months Ended March 31, 2020				
Customer revenue	\$ 515.4	\$ -	\$ 425.9	\$ 89.5
Intersegment	-	(2.5)	-	2.5
Total revenue	<u>\$ 515.4</u>	<u>\$ (2.5)</u>	<u>\$ 425.9</u>	<u>\$ 92.0</u>
Gross profit percent	<u>21.9 %</u>		<u>12.9 %</u>	<u>68.4 %</u>
Operating profit (loss) percent	<u>3.9 %</u>		<u>(3.3)%</u>	<u>45.9 %</u>
Three Months Ended March 31, 2019				
Customer revenue	\$ 554.5	\$ -	\$ 474.0	\$ 80.5
Intersegment	-	(2.4)	-	2.4
Total revenue	<u>\$ 554.5</u>	<u>\$ (2.4)</u>	<u>\$ 474.0</u>	<u>\$ 82.9</u>
Gross profit percent	<u>22.6 %</u>		<u>15.1 %</u>	<u>58.1 %</u>
Operating profit (loss) percent	<u>4.5 %</u>		<u>(0.3)%</u>	<u>34.1 %</u>

UNISYS CORPORATION
CONSOLIDATED BALANCE SHEETS
(Unaudited)
(Millions)

	<u>March 31, 2020</u>	<u>December 31, 2019</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 789.6	\$ 538.8
Restricted cash	487.3	-
Accounts receivable, net	421.3	417.7
Contract assets	40.9	38.4
Inventories:		
Parts and finished equipment	3.9	10.8
Work in process and materials	6.5	5.6
Prepaid expenses and other current assets	133.8	100.7
Current assets of discontinued operations	-	109.3
Total current assets	<u>1,883.3</u>	<u>1,221.3</u>
Properties	759.4	784.0
Less-Accumulated depreciation and amortization	648.0	668.0
Properties, net	<u>111.4</u>	<u>116.0</u>
Outsourcing assets, net	184.1	202.1
Marketable software, net	190.5	186.8
Operating lease right-of-use assets	71.3	71.4
Prepaid postretirement assets	132.8	136.2
Deferred income taxes	107.7	114.0
Goodwill	108.6	110.4
Restricted cash	10.6	13.0
Other long-term assets	171.3	198.9
Long-term assets of discontinued operations	-	133.9
Total assets	<u>\$ 2,971.6</u>	<u>\$ 2,504.0</u>
Liabilities and deficit		
Current liabilities:		
Notes payable	\$ 59.5	\$ -
Current maturities of long-term-debt	530.1	13.5
Accounts payable	201.1	204.3
Deferred revenue	224.2	246.4
Other accrued liabilities	296.0	316.7
Current liabilities of discontinued operations	-	146.4
Total current liabilities	<u>1,310.9</u>	<u>927.3</u>
Long-term debt	47.1	565.9
Long-term postretirement liabilities	1,593.9	1,960.2
Long-term deferred revenue	134.9	147.0
Long-term operating lease liabilities	53.5	56.0
Other long-term liabilities	40.7	47.6
Long-term liabilities of discontinued operations	-	28.3
Commitments and contingencies	-	-
Total Unisys Corporation stockholders' deficit	<u>(244.7)</u>	<u>(1,265.4)</u>
Noncontrolling interests	35.3	37.1
Total deficit	<u>(209.4)</u>	<u>(1,228.3)</u>
Total liabilities and deficit	<u>\$ 2,971.6</u>	<u>\$ 2,504.0</u>

UNISYS CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(Millions)

	Three Months Ended	
	2020	2019
Cash flows from operating activities		
Consolidated net loss from continuing operations	\$ (52.7)	\$ (30.1)
Income from discontinued operations, net of tax	1,068.5	13.3
Adjustments to reconcile consolidated net income (loss) to net cash used for operating activities:		
Gain on sale of U.S. Federal business	(1,059.5)	-
Foreign currency translation losses	15.8	4.8
Non-cash interest expense	1.5	2.7
Employee stock compensation	5.1	4.7
Depreciation and amortization of properties	8.2	9.2
Depreciation and amortization of outsourcing assets	16.0	15.8
Amortization of marketable software	13.6	9.5
Other non-cash operating activities	0.2	(0.6)
Loss on disposal of capital assets	0.8	1.2
Postretirement contributions	(327.7)	(23.1)
Postretirement expense	23.5	23.5
Decrease in deferred income taxes, net	(5.6)	(3.1)
Changes in operating assets and liabilities:		
Receivables, net	(18.6)	5.5
Inventories	5.6	2.6
Accounts payable and other accrued liabilities	(58.0)	(121.0)
Other liabilities	(0.4)	14.8
Other assets	(14.2)	(0.1)
Net cash used for operating activities	(377.9)	(70.4)
Cash flows from investing activities		
Net proceeds from sale of U.S. Federal business	1,164.7	-
Proceeds from investments	828.8	893.9
Purchases of investments	(870.5)	(887.2)
Investment in marketable software	(17.3)	(18.0)
Capital additions of properties	(5.6)	(10.7)
Capital additions of outsourcing assets	(4.8)	(29.4)
Net proceeds from sale of properties	-	(0.1)
Other	(1.5)	(0.4)
Net cash provided by (used for) investing activities	1,093.8	(51.9)
Cash flows from financing activities		
Net proceeds from the issuance of short-term debt	59.5	-
Proceeds from issuance of long-term debt	2.1	27.7
Payments of long-term debt	(6.1)	(8.7)
Other	(4.7)	(4.4)
Net cash provided by financing activities	50.8	14.6
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(31.0)	0.4
Increase (decrease) in cash, cash equivalents and restricted cash	735.7	(107.3)
Cash, cash equivalents and restricted cash, beginning of period	551.8	624.1
Cash, cash equivalents and restricted cash, end of period	\$ 1,287.5	\$ 516.8

UNISYS CORPORATION
RECONCILIATION OF SELECTED GAAP MEASURES TO NON-GAAP MEASURES
(Unaudited)
(Millions, except per share data)

		Three Months Ended	
		March 31,	
		2020	2019
GAAP net loss from continuing operations attributable to Unisys Corporation		\$ (53.2)	\$ (32.7)
Postretirement expense:	pretax	23.5	23.5
	tax	0.3	(0.1)
	net of tax	<u>23.2</u>	<u>23.6</u>
Cost reduction and other expenses:	pretax	30.9	3.6
	tax	0.6	0.7
	net of tax	<u>30.3</u>	<u>2.9</u>
	minority interest	0.4	0.7
	net of minority interest	<u>30.7</u>	<u>3.6</u>
Non-GAAP net income (loss) from continuing operations attributable to Unisys Corporation		0.7	(5.5)
Add interest expense on convertible notes		<u>-</u>	<u>-</u>
Non-GAAP net income (loss) attributable to Unisys Corporation for diluted earnings per share		\$ 0.7	\$ (5.5)
Weighted average shares (thousands)		62,650	51,418
Plus incremental shares from assumed conversion:			
	Employee stock plans	522	-
	Convertible notes	<u>-</u>	<u>-</u>
Non-GAAP adjusted weighted average shares		<u>63,172</u>	<u>51,418</u>
Diluted earnings (loss) per share from continuing operations			
<u>GAAP basis</u>			
GAAP net loss from continuing operations attributable to Unisys Corporation for diluted earnings per share		\$ (53.2)	\$ (32.7)
Divided by weighted average shares		62,650	51,418
GAAP diluted loss per share		\$ (0.85)	\$ (0.64)
<u>Non-GAAP basis</u>			
Non-GAAP net income (loss) from continuing operations attributable to Unisys Corporation for diluted earnings per share		\$ 0.7	\$ (5.5)
Divided by Non-GAAP adjusted weighted average shares		63,172	51,418
Non-GAAP diluted earnings (loss) per share		\$ 0.01	\$ (0.11)

UNISYS CORPORATION
RECONCILIATION OF GAAP TO NON-GAAP
(Unaudited)
(Millions)

FREE CASH FLOW

	Three Months Ended	
	March 31,	
	2020	2019
Cash used for operations	\$ (377.9)	\$ (70.4)
Additions to marketable software	(17.3)	(18.0)
Additions to properties	(5.6)	(10.7)
Additions to outsourcing assets	(4.8)	(29.4)
Free cash flow	(405.6)	(128.5)
Postretirement funding	327.7	23.1
Cost reduction and other payments, net of reimbursements	9.8	9.5
Adjusted free cash flow	<u><u>\$ (68.1)</u></u>	<u><u>\$ (95.9)</u></u>

UNISYS CORPORATION
RECONCILIATION OF GAAP TO NON-GAAP
(Unaudited)
(Millions)

EBITDA

	Three Months Ended	
	March 31,	
	2020	2019
Net loss from continuing operations attributable to Unisys Corporation	\$ (53.2)	\$ (32.7)
Net income attributable to noncontrolling interests	0.5	2.6
Interest expense, net of interest income of \$2.4, \$2.9, respectively*	11.5	12.6
Provision for income taxes	10.8	9.4
Depreciation	24.2	25.0
Amortization	13.6	9.5
EBITDA	\$ 7.4	\$ 26.4
Postretirement expense	23.5	23.5
Cost reduction and other expenses**	30.9	2.5
Non-cash share based expense	5.1	4.7
Other (income) expense adjustment***	4.5	7.6
Adjusted EBITDA	\$ 71.4	\$ 64.7

*Included in other (income) expense, net on the consolidated statements of income

**Reduced for depreciation and amortization included above

expense, interest income and items included in cost reduction and other expenses

	Three Months Ended	
	March 31,	
	2020	2019
Revenue	\$ 515.4	\$ 554.5
Non-GAAP revenue	\$ 514.5	\$ 552.5
Net loss from continuing operations attributable to Unisys Corporation as a percentage of revenue	(10.3)%	(5.9)%
Non-GAAP net income (loss) from continuing operations attributable to Unisys Corporation as a percentage of Non-GAAP revenue	0.1 %	(1.0)%
Adjusted EBITDA as a percentage of Non-GAAP revenue	13.9 %	11.7 %

UNISYS CORPORATION
RECONCILIATION OF GAAP SEGMENT REPORTING TO NON-GAAP SEGMENT
(Unaudited)
(Millions)

Services Segment	Three Months Ended March 31,	
	2020	2019
GAAP total revenue	\$ 425.9	\$ 474.0
Restructuring reimbursement	(0.9)	(2.0)
Non-GAAP revenue	\$ 425.0	\$ 472.0
GAAP gross margin	\$ 54.8	\$ 71.5
Restructuring reimbursement	(0.9)	(2.0)
Non-GAAP gross margin	\$ 53.9	\$ 69.5
GAAP operating profit	\$ (14.0)	\$ (1.4)
Restructuring reimbursement	(0.9)	(2.0)
Non-GAAP operating profit	\$ (14.9)	\$ (3.4)
GAAP gross margin %	12.9%	15.1%
Non-GAAP gross margin %	12.7%	14.7%
GAAP operating profit %	-3.3%	-0.3%
Non-GAAP operating profit %	-3.5%	-0.7%
Total Unisys	Three Months Ended March 31,	
	2020	2019
GAAP total revenue	\$ 515.4	\$ 554.5
Restructuring reimbursement	(0.9)	(2.0)
Non-GAAP revenue	\$ 514.5	\$ 552.5
GAAP gross margin	\$ 113.10	\$ 125.10
Restructuring reimbursement	(0.9)	(2.0)
Postretirement expense	-	-
Cost reduction expense	5.9	(3.7)
Non-GAAP gross margin	\$ 118.1	\$ 119.4
GAAP operating profit	\$ 20.1	\$ 25.2
Restructuring reimbursement	(0.9)	(2.0)
Postretirement expense	0.8	0.8
Cost reduction and other expense	8.5	2.6
Non-GAAP operating profit	\$ 28.5	\$ 26.6
GAAP gross margin %	21.9%	22.6%
Non-GAAP gross margin %	23.0%	21.6%
GAAP operating profit %	3.9%	4.5%
Non-GAAP operating profit %	5.5%	4.8%