

The UNISYS logo is displayed in a bold, white, sans-serif font in the top left corner. The background of the slide is a dark blue and purple gradient with a complex digital theme. It features a large, semi-transparent globe on the right side, overlaid with a grid of red and white lines. In the center, there is a magnifying glass icon over a hexagonal shape. To the left of the globe, there are several data visualization elements: a bar chart with teal bars, a line graph with a blue line, and a small hourglass icon. Binary code (0s and 1s) is scattered throughout the background, particularly around the globe and the central hexagon.

UNISYS

Full Year & Fourth Quarter 2021 Financial Results

Peter Altabef, Chair & CEO

Mike Thomson, CFO

February 21, 2022

Disclaimer

- 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 February 21, 2022, and Unisys undertakes no duty to update this information.

Company Insights

The company made advances on revenue, profit and cash flow during 2021, and its investments in solutions, go-to-market, and workforce management planning have positioned it to advance its momentum in 2022.

Results

- Execution against strategic initiatives resulted in YoY growth in FY21 revenue, profitability and free cash flow, supported by YoY gross profit and gross margin increases in each of company's three segments
- The company achieved all guided metrics for FY21, and FY22 guidance indicates expectations for accelerated revenue growth and additional profitability improvement, which is also expected to further improve cash flow

Solutions

- Expanded and enhanced solutions portfolio during FY21 in targeted areas in each segment
- Received validation of new offerings in the form of industry analyst recognition and client receptivity

Revenue

- Throughout FY21, invested in sales force, solutions architects and marketing initiatives, leading to strongest TCV and ACV of FY21 in the fourth quarter and YoY growth in pipeline
- Investing in the Unisys brand and have brought in world-class agencies to support these branding efforts
- Investments expected to help accelerate revenue growth in 2022

Company Insights (Cont.)

People

- Adapted quickly to competitive labor market with targeted talent attraction and retention initiatives, resulting in voluntary attrition for 2021 that was below pre-pandemic levels (17.1% vs. 17.9% for 2019)
- Expanded ESG commitments, taking steps such as joining the UN Global Compact in 4Q21. Expect to achieve 2026 goal for reduced Scope 1 and 2 GHG emissions in 2022.
- Remained committed to advancing DEI through training initiatives, leadership development and recruitment efforts, resulting in a 3-point increase from 2020 to 2021 at the leadership level¹ for both women and associates from underrepresented ethnic groups as a % of total.

Margin

- Evolved pricing for new contracts to offset anticipated cost increases related to competitive labor market, and the weighted-average expected gross margin for contracts signed in 2021 was higher than in 2020

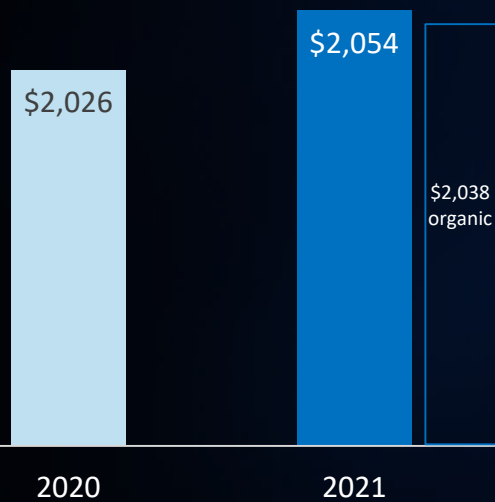
Balance Sheet & Liquidity

- Net leverage of 0.6x as of 12/31/2021 (see slide 12) and cash balance of \$553M
- Free cash flow positive for the full year 2021
- Based on calculations and actuarial assumptions as of 12/31/2021, no future cash contributions to qualified U.S. pension plans required for at least the next 10 years (~\$40M required for all other plans in 2022, stepping down to ~\$35M/year from 2023 – 2026)
- Global pension deficit reduced by \$283M versus 12/31/2020 to \$753M as of 12/31/2021
- Gross pension liabilities decreased \$1.7B during 2021, including \$1.2B (in addition to \$300M in 4Q20) as a result of pension liability management initiatives

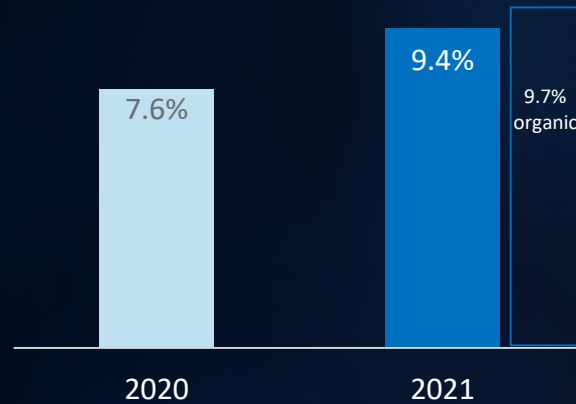
¹ Directors and above, excluding CompuGain acquisition

FY21 Financial Results

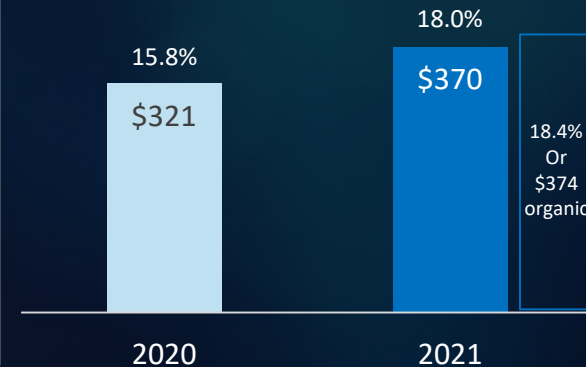
Revenue (\$M)



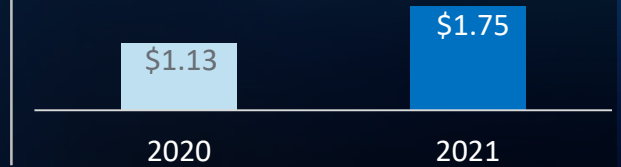
Operating Profit Margin (%) Non-GAAP¹



Adjusted EBITDA (\$M) And Margin (%) Non-GAAP¹



Earnings per Share Non-GAAP¹



¹See appendix for reconciliation of non-GAAP measures.

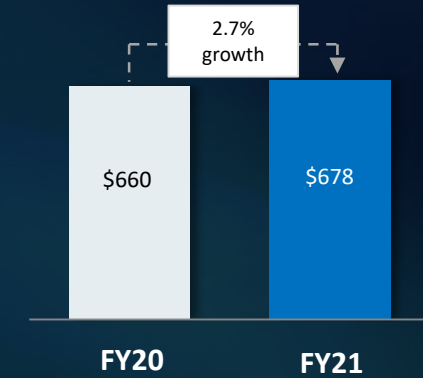
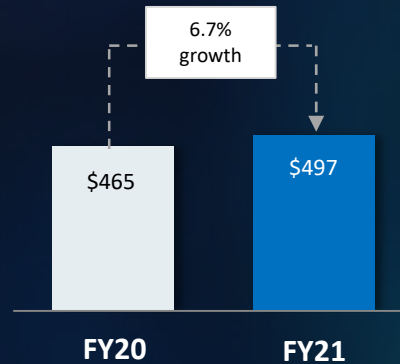
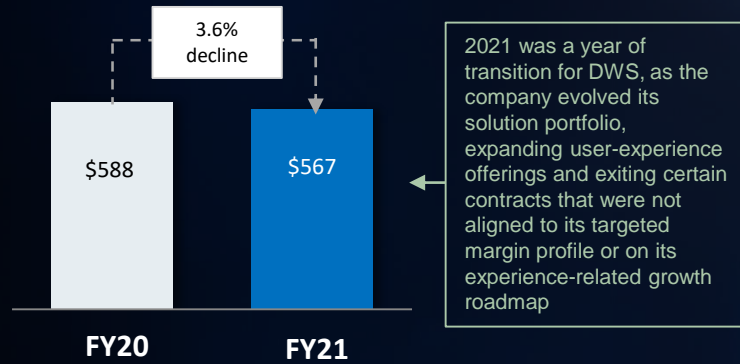
FY21 Segment Results

Digital Workplace Solutions

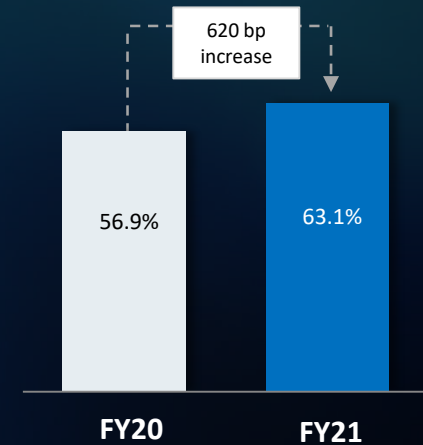
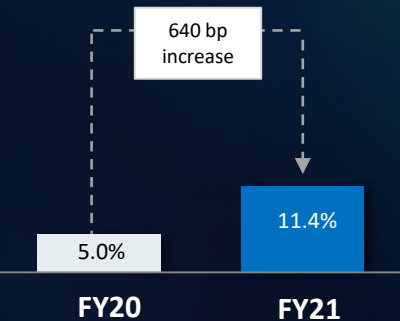
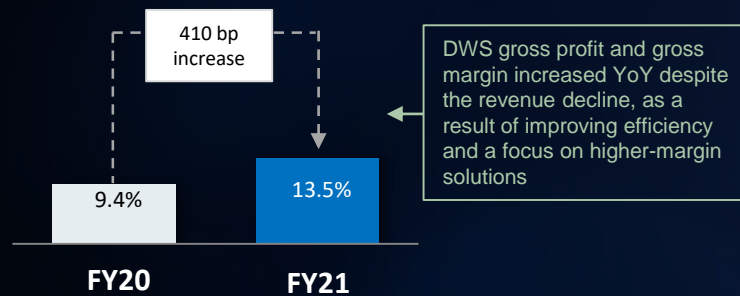
Cloud & Infrastructure Solutions

Enterprise Computing Solutions

Revenue (\$M)

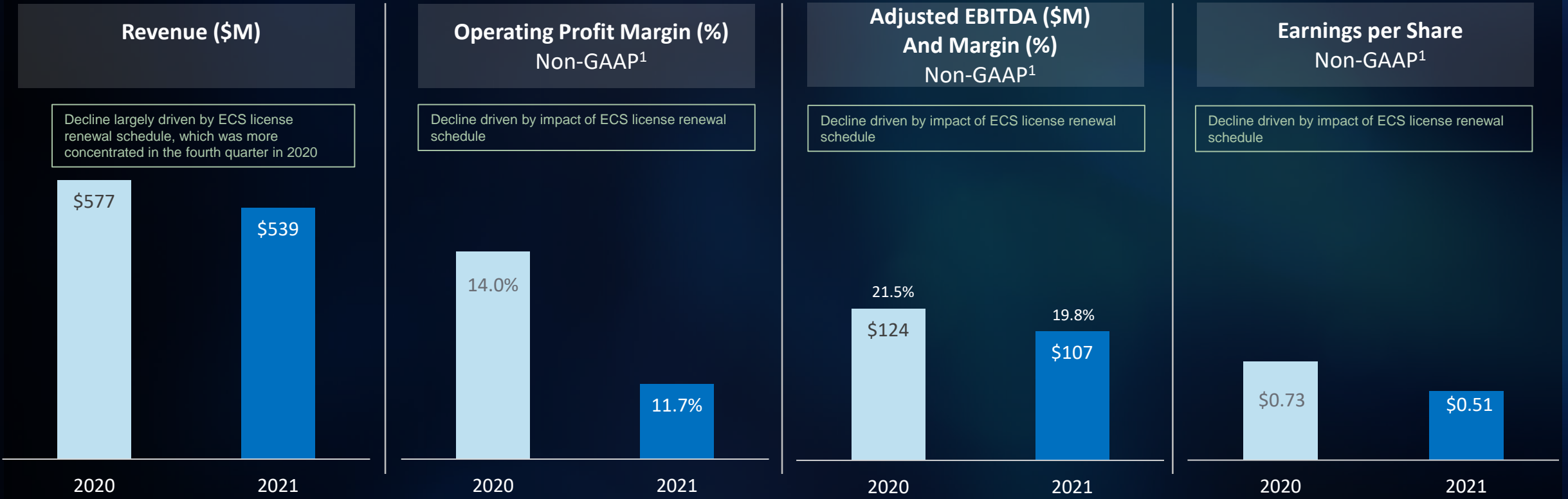


Gross Profit (%)



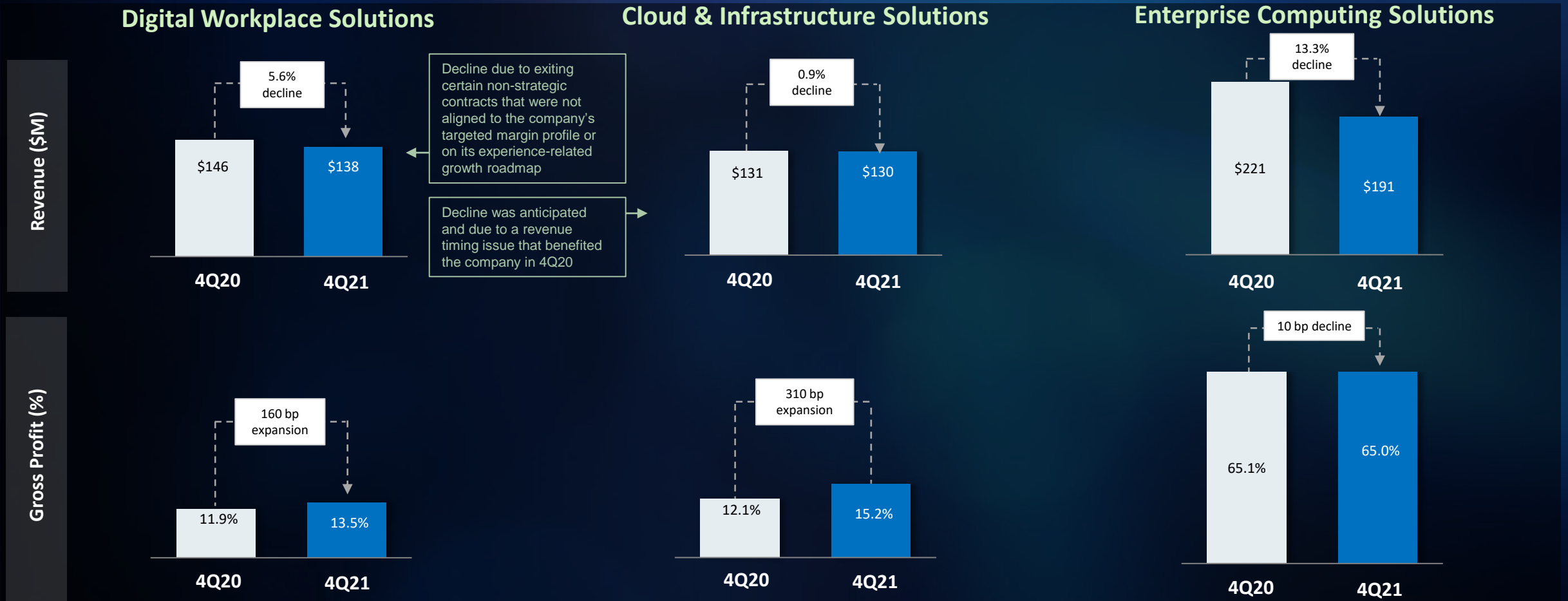
4Q21 Financial Results

Overall 4Q21 results were in line with or slightly ahead of internal expectations, as evidenced by achievement of guidance on all metrics for FY21



¹See appendix for reconciliation of non-GAAP measures.

4Q21 Segment Results

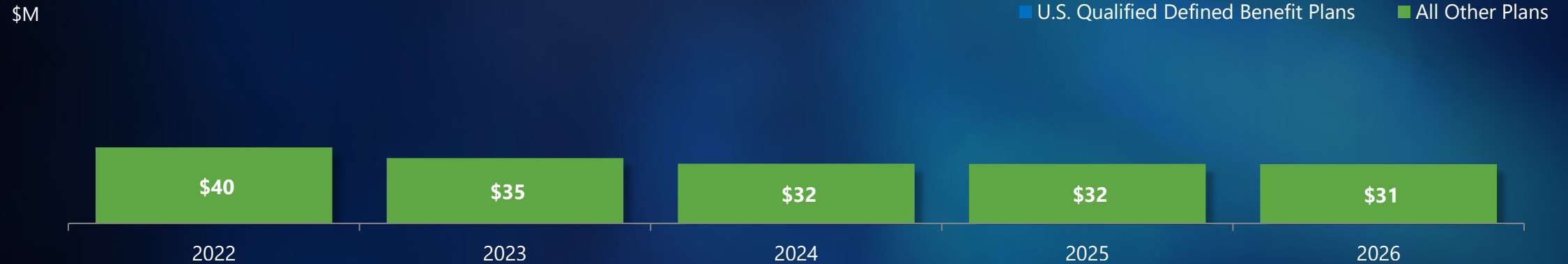


4Q21 & FY21 Cash Flow and EBITDA Results

\$M	4Q20	4Q21	FY20	FY21
EBITDA ¹	(\$109.0)	(\$56.8)	(\$88.9)	(\$260.7)
Adjusted EBITDA ¹	\$124.2	\$107.0	\$320.8	\$369.9
Adjusted EBITDA Margin ¹	21.5%	19.8%	15.8%	18.0%
Operating Cash Flow	(\$355.4)	\$68.0	(\$681.2)	\$132.5
Capital Expenditures	(\$35.0)	(\$23.7)	(\$130.1)	(\$100.2)
Free Cash Flow ¹	(\$390.4)	\$44.3	(\$811.3)	\$32.3
Adjusted Free Cash Flow ¹	\$104.6	\$72.2	\$42.6	\$172.2

¹See appendix for reconciliation of non-GAAP measures.

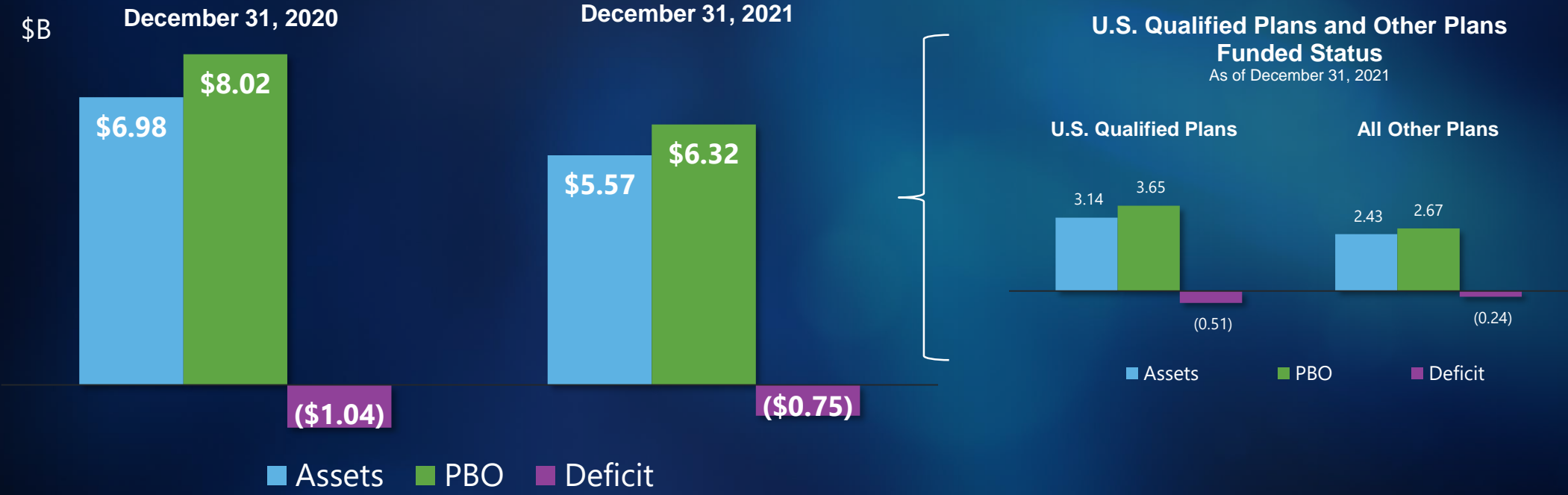
Estimated Remaining Future Pension Cash Contributions Through 2026



The funding estimates for our U.S. qualified defined benefit pension plans are based on estimated asset returns and the funding discount rates used for the U.S. qualified defined benefit plans as of year-end 2021. 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 2021 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.

Defined Benefit Pension Plans Funded Status



Capital Structure as of 12/31/2021

(\$ in M)

Pension Deficit Excl. U.S. Qualified Plans ¹	\$241
Senior Secured Notes	485
Other Debt	51
Total Debt	\$777
Cash	553
Net Debt	\$224
TTM Adj. EBITDA	\$370
Net Leverage Ratio	0.6x

¹Pension deficit based on 12/31/2021 valuation excluding U.S. qualified defined benefit pension deficit. Based on calculations and actuarial assumptions as of 12/31/2021, no future cash contributions to qualified defined U.S. pension plans are required for at least the next 10 years.

2022 Financial Guidance

Revenue Growth: 5 – 7%¹

Non-GAAP Operating Profit Margin: 9.5 – 10.5%

Adj. EBITDA Margin: 18.0 – 19.0%

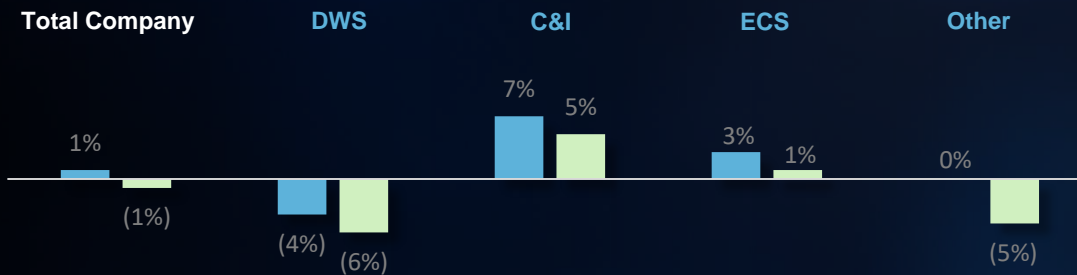
¹1% - 3% growth expected excluding the full-year annualization of acquisitions made in 2021.



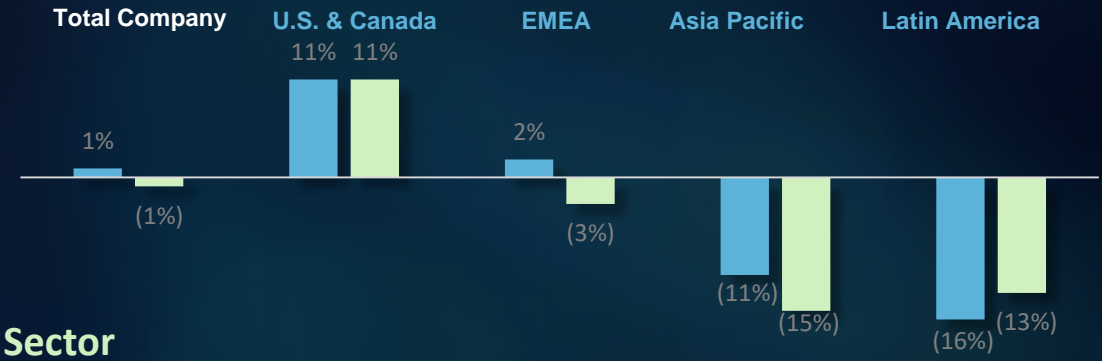
Appendix

FY21 Revenue Growth by Segment, Region and Sector

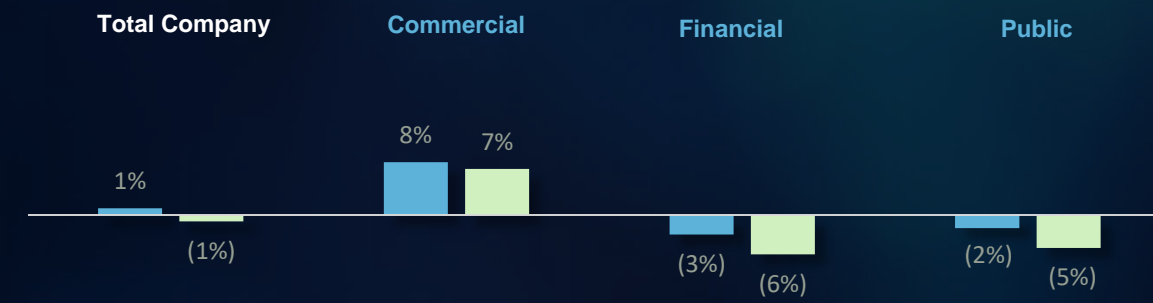
Revenue by Segment



Revenue by Region



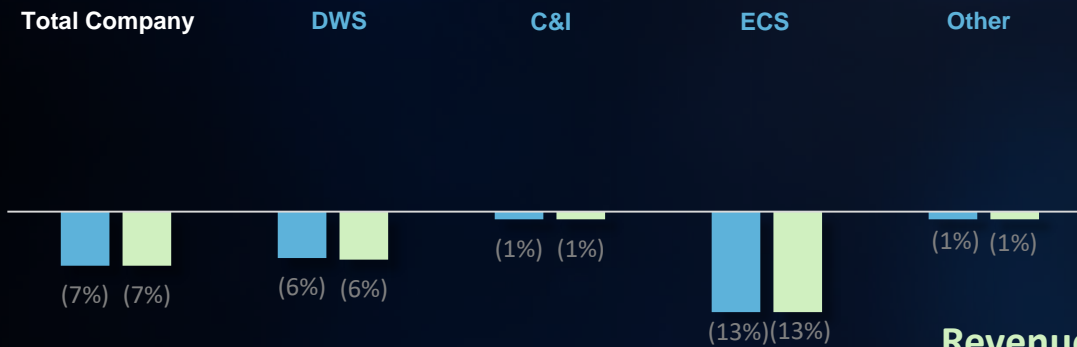
Revenue by Sector



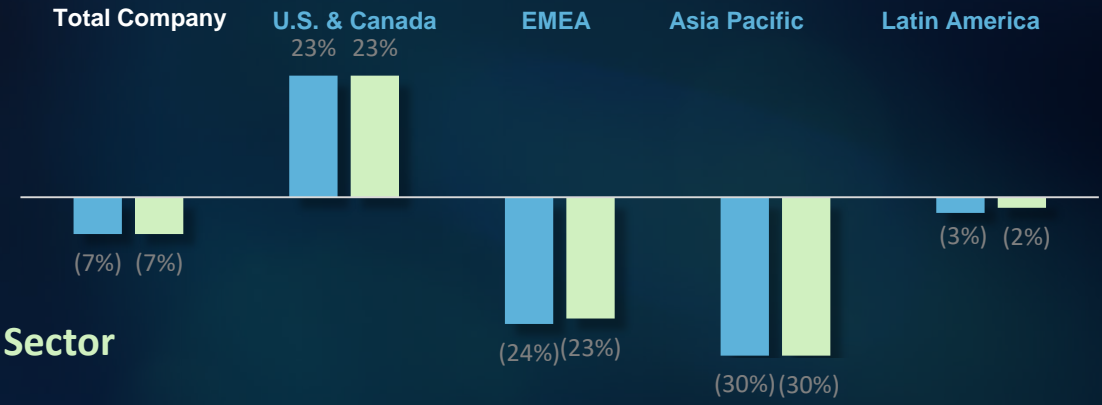
■ YoY
■ Constant Currency

4Q21 Revenue Growth by Segment, Region and Sector

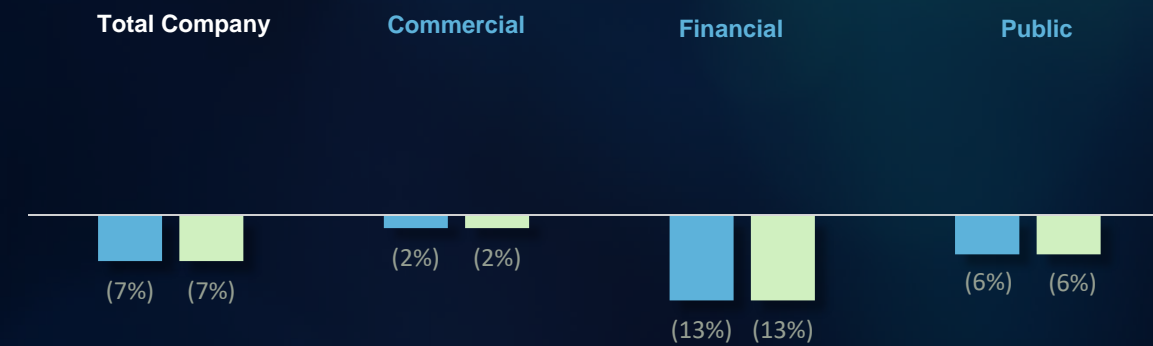
Revenue by Segment



Revenue by Region



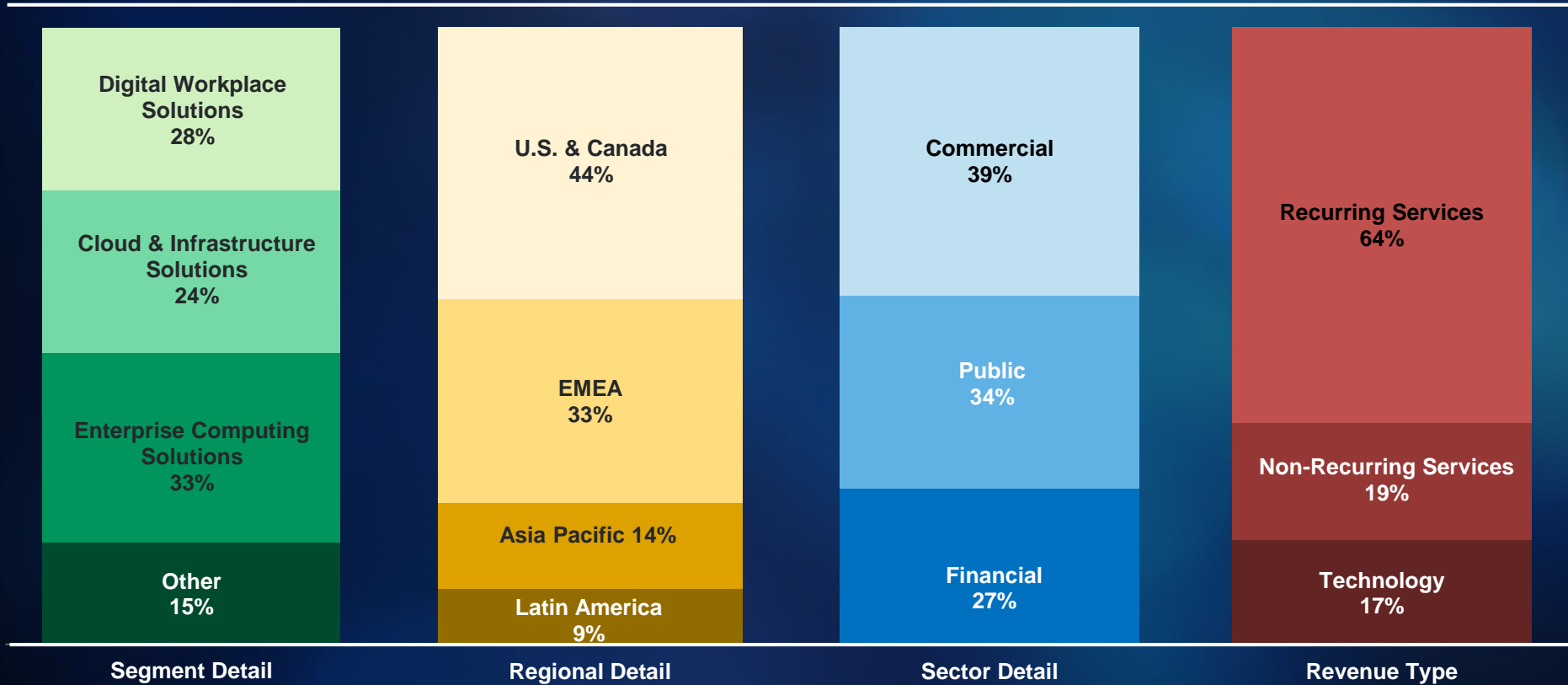
Revenue by Sector



■ YoY
■ Constant Currency

FY21 Unisys Revenue Profile

Percent of FY21 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	\$574	\$1,763
	Tax Credits	177	843
Pension and Other	Pension	162	641
	Other Deferred Tax Assets	<u>49</u>	<u>194</u>
	Total available U.S.	\$962	\$3,441
	Non-U.S.		
Foreign Tax Attributes	Net Operating Loss – Non-U.S.	\$266	\$1,022
	Pension and other – Non-U.S.	<u>104</u>	<u>368</u>
	Total available non-U.S.	\$370	\$1,390
	Total available	\$1,332	\$4,831
	Valuation Allowance ¹	<u>(1,226)</u>	
	Total Net Deferred Tax Asset ¹	\$106	

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, 2021. See Critical Accounting Policies – Income Taxes for the assessment of the realization of company's deferred tax assets and liabilities and Footnote 8 in 2021 Form 10-K filed in February 2022.

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.

Update on Defined Benefit Pension Plans

Worldwide P&L Impact (\$M)	2021	2022E
One-time Settlement Charges	\$499.4	--
Other Pension Expense ¹	\$54.5	\$42.3
U.S. Qualified Defined Benefit Pension Plans		
Expected Return on Assets	6.07%	6.50%
Actual Return	4.7%	
U.S. GAAP Discount Rate	at 12/31/20 2.85%	at 12/31/21 3.18%
International Defined Benefit Pension Plans		
Expected Return on Assets	3.30%	3.88%
Weighted Average GAAP Discount Rate	at 12/31/20 1.23%	at 12/31/21 1.73%

¹All estimates are based on expected asset returns and discount rate assumptions as calculated at December 31, 2021.

Operating Profit

\$M	4Q20	4Q21	FY20	FY21
Operating profit (loss)	47.7	44.5	87.0	154.0
Postretirement expense	0.8	0.8	3.3	3.5
Cost Reduction & Other Charges	32.4	18.0	63.2	35.3
Non-GAAP operating profit (loss)	80.9	63.3	153.5	192.8
GAAP operating profit (loss) %	8.3%	8.3%	4.3%	7.5%
Non-GAAP operating profit (loss) %	14.0%	11.7%	7.6%	9.4%

EBITDA and Adjusted EBITDA

\$M	4Q20	4Q21	FY20	FY21
Net income (loss) from continuing operations attributable to Unisys	(174.7)	(131.2)	(317.7)	(448.5)
Net income (loss) attributable to noncontrolling interests	-	(0.3)	0.5	(1.3)
Interest expense, net of interest income*	7.0	6.0	21.9	27.6
Provision for income tax	18.8	21.9	45.4	(11.9)
Depreciation	24.6	24.5	95.5	98.5
Amortization	15.3	22.3	65.5	74.9
EBITDA	(109.0)	(56.8)	(88.9)	(260.7)
Postretirement expense	166.4	144.3	239.2	552.0
Debt extinguishment, cost reduction and other charges***	58.6	16.3	148.8	57.3
Non-cash share-based expense	3.4	2.7	14.5	14.2
Other (income) expense adjustment**	4.8	0.5	7.2	7.1
Adjusted EBITDA	124.2	107.0	320.8	369.9

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

** 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

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

Net Income and EBITDA as a Percentage of Revenue

\$M	4Q20	4Q21	FY20	FY21
Revenue	576.9	539.3	2,026.3	2,054.4
Net income (loss) from continuing operations as percentage of revenue	(30.3%)	(24.3%)	(15.7%)	(21.8%)
Non-GAAP net income from continuing operations attributable to Unisys Corporation as a percentage of revenue	8.5%	6.5%	3.7%	5.7%
Adjusted EBITDA as a percentage of revenue	21.5%	19.8%	15.8%	18.0%

Earnings per Diluted Share

\$M except share and per share data		4Q20	4Q21	FY20	FY21
Net income (loss) from continuing operations attributable to Unisys Corporation common shareholders		(174.7)	(131.2)	(317.7)	(488.5)
Post-retirement expense:	pretax	166.4	144.3	239.2	552.0
	tax	0.4	0.4	1.5	53.2
	net of tax	166.0	143.9	237.7	498.8
Cost reduction and other expense:	pretax	58.6	22.1	157.0	67.8
	tax and minority interest	0.7	0.0	1.6	0.6
	net of tax	57.9	22.1	155.4	67.2
Non-GAAP net income (loss) from continuing operations attributable to Unisys Corporation		49.2	34.8	75.4	117.5
Add interest expense on convertible notes		-	-	-	-
Non-GAAP net income (loss) attributable to Unisys Corporation for diluted earnings per share		49.2	34.8	75.4	117.5
Weighted average shares (thousands)		63,038	67,170	62,932	66,451
Plus incremental shares from assumed conversion of employee stock plans & convertible notes		4,230	914	4,004	871
GAAP adjusted weighted average shares		67,268	68,084	66,936	67,322
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		(174.7)	(131.2)	(317.7)	(448.5)
Divided by adjusted weighted average shares		63,038	67,170	62,932	66,451
GAAP earnings (loss) per diluted share		(2.77)	(1.95)	(5.05)	(6.75)
<i>Non-GAAP basis</i>					
Non-GAAP net income (loss) from continuing operations attributable to Unisys Corporation for diluted earnings per share		49.2	34.8	75.4	117.5
Divided by non-GAAP adjusted weighted average shares		67,268	68,084	66,936	67,322
Non-GAAP earnings (loss) per diluted share		0.73	0.51	1.13	1.75

Free Cash Flow

\$M	4Q20	4Q21	FY20	FY21
Cash provided by (used for) operations	(355.4)	68.0	(681.2)	132.5
Capital expenditures	(35.0)	(23.7)	(130.1)	(100.2)
Free cash flow	(390.4)	44.3	(811.3)	32.3
Postretirement funding	487.7	12.8	832.2	56.4
Discontinued operations	0.7	-	(8.4)	-
Cost reduction funding	6.6	15.1	30.1	83.5
Adjusted free cash flow	104.6	72.2	42.6	172.2

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