UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

☑ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2023

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number: 1-03579

PITNEY BOWES INC.

(Exact name of registrant as specified in its charter)

State of incorporation:	**Delaware**	I.R.S. Employer Identification No.	**06-0495050**
Address of Principal Executive Offices:	**3001 Summer Street, Stamford, Connecticut 06926**		
Telephone Number:	**(203) 356-5000**		

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Common Stock, $1 par value per share	PBI	New York Stock Exchange
6.7% Notes due 2043	PBI.PRB	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes þ No o

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes þ No o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	þ	Accelerated filer	☐	Non-accelerated filer	o		
Smaller reporting company	☐	Emerging growth company	☐				

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No þ

As of April 28, 2023, 175,625,660 shares of common stock, par value $1 per share, of the registrant were outstanding.

PITNEY BOWES INC.
INDEX

		Page Number
Part I - Financial Information:		
Item 1:	Financial Statements	
	Condensed Consolidated Statements of Operations for the Three Months Ended March 31, 2023 and 2022	3
	Condensed Consolidated Statements of Comprehensive Income for the Three Months Ended March 31, 2023 and 2022	4
	Condensed Consolidated Balance Sheets at March 31, 2023 and December 31, 2022	5
	Condensed Consolidated Statements of Cash Flows for the Three Months Ended March 31, 2023 and 2022	6
	Notes to Condensed Consolidated Financial Statements	7
Item 2:	Management's Discussion and Analysis of Financial Condition and Results of Operations	29
Item 3:	Quantitative and Qualitative Disclosures about Market Risk	37
Item 4:	Controls and Procedures	37
Part II - Other Information:		
Item 1:	Legal Proceedings	38
Item 1A:	Risk Factors	38
Item 2:	Unregistered Sales of Equity Securities and Use of Proceeds	38
Item 6:	Exhibits	39
Signatures		40

PART I. FINANCIAL INFORMATION

Item 1: Financial Statements

PITNEY BOWES INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited; in thousands, except per share amounts)

	Three Months Ended March 31,	
	2023	2022
Revenue:		
Business services	**$ 523,491**	$ 597,384
Support services	**105,284**	110,352
Financing	**67,049**	72,029
Equipment sales	**82,610**	89,296
Supplies	**38,835**	41,061
Rentals	**17,269**	16,820
Total revenue	**834,538**	926,942
Costs and expenses:		
Cost of business services	**446,317**	503,215
Cost of support services	**36,840**	37,134
Financing interest expense	**14,536**	11,602
Cost of equipment sales	**57,171**	63,771
Cost of supplies	**11,225**	11,517
Cost of rentals	**5,428**	5,309
Selling, general and administrative	**242,120**	242,785
Research and development	**10,493**	11,334
Restructuring charges	**3,599**	4,184
Interest expense, net	**22,342**	22,124
Other components of net pension and postretirement (income) cost	**(1,710)**	844
Other income, net	**(2,836)**	(11,901)
Total costs and expenses	**845,525**	901,918
(Loss) income before taxes	**(10,987)**	25,024
(Benefit) provision for income taxes	**(3,250)**	4,203
Net (loss) income	**$ (7,737)**	$ 20,821
Basic net (loss) earnings per share	**$ (0.04)**	$ 0.12
Diluted net (loss) earnings per share	**$ (0.04)**	$ 0.12

See Notes to Condensed Consolidated Financial Statements

PITNEY BOWES INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited; in thousands)

	Three Months Ended March 31,	
	2023	2022
Net (loss) income	**$ (7,737)**	$ 20,821
Other comprehensive income (loss), net of tax:		
Foreign currency translation, net of tax of $174 and $(167), respectively	**10,887**	(17,565)
Net unrealized (loss) gain on cash flow hedges, net of tax of $(687) and $1,768, respectively	**(2,062)**	5,333
Net unrealized gain (loss) on investment securities, net of tax of $1,028 and $(5,146), respectively	**3,272**	(15,522)
Amortization of pension and postretirement costs, net of tax of $1,142 and $2,461, respectively	**3,489**	7,736
Other comprehensive income (loss), net of tax	**15,586**	(20,018)
Comprehensive income	**$ 7,849**	$ 803

See Notes to Condensed Consolidated Financial Statements

PITNEY BOWES INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited; in thousands, except per share amount)

	March 31, 2023	December 31, 2022
ASSETS		
Current assets:		
Cash and cash equivalents	**$ 511,761**	$ 669,981
Short-term investments (includes $2,388 and $1,882, respectively, reported at fair value)	**15,614**	11,172
Accounts and other receivables (net of allowance of $6,083 and $5,344, respectively)	**271,496**	343,557
Short-term finance receivables (net of allowance of $11,683 and $11,395, respectively)	**551,348**	564,972
Inventories	**94,016**	83,720
Current income taxes	**19,318**	8,790
Other current assets and prepayments	**125,746**	115,824
Total current assets	**1,589,299**	1,798,016
Property, plant and equipment, net	**411,793**	420,672
Rental property and equipment, net	**26,955**	27,487
Long-term finance receivables (net of allowance of $10,221 and $10,555 respectively)	**636,518**	627,124
Goodwill	**1,069,660**	1,066,951
Intangible assets, net	**74,028**	77,944
Operating lease assets	**287,703**	296,129
Noncurrent income taxes	**44,595**	46,613
Other assets (includes $231,732 and $229,936, respectively, reported at fair value)	**390,298**	380,419
Total assets	**$ 4,530,849**	$ 4,741,355
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	**$ 800,050**	$ 907,083
Customer deposits at Pitney Bowes Bank	**594,546**	628,072
Current operating lease liabilities	**53,848**	52,576
Current portion of long-term debt	**262,439**	32,764
Advance billings	**86,802**	105,207
Current income taxes	**981**	2,101
Total current liabilities	**1,798,666**	1,727,803
Long-term debt	**1,910,529**	2,172,502
Deferred taxes on income	**268,193**	263,131
Tax uncertainties and other income tax liabilities	**23,778**	23,841
Noncurrent operating lease liabilities	**256,158**	265,696
Other noncurrent liabilities	**213,561**	227,729
Total liabilities	**4,470,885**	4,680,702
Commitments and contingencies (See Note 13)		
Stockholders' equity:		
Common stock, $1 par value (480,000 shares authorized; 323,338 shares issued)	**323,338**	323,338
Retained earnings	**5,060,852**	5,125,677
Accumulated other comprehensive loss	**(819,978)**	(835,564)
Treasury stock, at cost (147,714 and 149,307 shares, respectively)	**(4,504,248)**	(4,552,798)
Total stockholders' equity	**59,964**	60,653
Total liabilities and stockholders' equity	**$ 4,530,849**	$ 4,741,355

See Notes to Condensed Consolidated Financial Statements

PITNEY BOWES INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited; in thousands)

	Three Months Ended March 31,	
	2023	2022
Cash flows from operating activities:		
Net (loss) income	**$ (7,737)**	$ 20,821
Adjustments to reconcile net (loss) income to net cash from operating activities:		
Depreciation and amortization	**39,897**	42,002
Allowance for credit losses	**4,308**	2,024
Stock-based compensation	**3,245**	4,495
Amortization of debt fees	**2,118**	1,479
(Gain) loss on debt redemption/refinancing	**(2,836)**	4,993
Restructuring charges	**3,599**	4,184
Restructuring payments	**(4,641)**	(3,285)
Pension contributions and retiree medical payments	**(19,938)**	(13,517)
Gain on sale of assets	**—**	(14,372)
Gain on sale of businesses	**—**	(2,522)
Changes in operating assets and liabilities, net of acquisitions/divestitures:		
Accounts and other receivables	**69,841**	33,086
Finance receivables	**15,596**	(172)
Inventories	**(10,226)**	(7,936)
Other current assets and prepayments	**(8,380)**	(25,426)
Accounts payable and accrued liabilities	**(103,990)**	(38,647)
Current and noncurrent income taxes	**(6,070)**	(3,836)
Advance billings	**(18,672)**	2,422
Other, net	**4,172**	4,769
Net cash from operating activities	**(39,714)**	10,562
Cash flows from investing activities:		
Capital expenditures	**(28,666)**	(32,555)
Purchases of investment securities	**(5,180)**	(3,988)
Proceeds from sales/maturities of investment securities	**5,976**	11,020
Net investment in loan receivables	**(12,879)**	(11,230)
Proceeds from asset sales	**—**	50,766
Proceeds from sale of businesses	**—**	9,016
Other investing activities	**(664)**	5,000
Net cash from investing activities	**(41,413)**	28,029
Cash flows from financing activities:		
Repayments of debt	**(31,018)**	(100,595)
Premiums and fees paid to redeem/refinance debt	**—**	(4,759)
Dividends paid to stockholders	**(8,725)**	(8,688)
Customer deposits at Pitney Bowes Bank	**(33,526)**	(12,959)
Common stock repurchases	**—**	(13,446)
Other financing activities	**(6,173)**	(5,411)
Net cash from financing activities	**(79,442)**	(145,858)
Effect of exchange rate changes on cash and cash equivalents	**2,349**	(2,638)
Change in cash and cash equivalents	**(158,220)**	(109,905)
Cash and cash equivalents at beginning of period	**669,981**	732,480
Cash and cash equivalents at end of period	**$ 511,761**	$ 622,575

See Notes to Condensed Consolidated Financial Statements

1. Description of Business and Basis of Presentation

Description of Business

Pitney Bowes Inc. (we, us, our, or the company) is a global shipping and mailing company that provides technology, logistics, and financial services to small and medium sized businesses, large enterprises, including more than 90 percent of the Fortune 500, retailers and government clients around the world. These clients rely on us to remove the complexity and increase the efficiency in their sending of mail and parcels. For additional information, visit www.pitneybowes.com.

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) for interim financial information and the instructions to Rule 10-01 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. In addition, the December 31, 2022 Condensed Consolidated Balance Sheet data was derived from audited financial statements, but does not include all disclosures required by GAAP. In management's opinion, all adjustments, consisting only of normal recurring adjustments, considered necessary to fairly state our financial position, results of operations and cash flows for the periods presented have been included. Operating results for the periods presented are not necessarily indicative of the results that may be expected for any other interim period or for the year ending December 31, 2023. These statements should be read in conjunction with the financial statements and notes thereto included in our Annual Report to Stockholders on Form 10-K for the year ended December 31, 2022 (2022 Annual Report).

During the second quarter of 2022, we determined that $5 million of cash outflows were incorrectly classified as operating activities instead of investing activities within the Condensed Consolidated Statement of Cash Flows for the three months ended March 31, 2022. During the second quarter of 2022, we corrected this misstatement for the six months ended June 30, 2022. The impact of the adjustments is not material to the consolidated financial statements for any prior quarterly or annual periods.

Factors Affecting Comparability

Certain transactions and changes occurred during 2022 that impact the comparability of our 2023 financial results to the prior periods. These transactions and changes include:

- The sale of our Borderfree cross-border ecommerce solutions business (Borderfree) in July 2022. Accordingly, reported revenue and costs for the first half of 2022 include revenue and costs for Borderfree. Net income of Borderfree in the first half of 2022 was not significant.
- A change in the presentation of revenue for digital delivery services effective October 1, 2022, from a gross basis to a net basis. Accordingly, in 2023, revenue and costs of revenue for certain digital delivery services are reported on a net basis as business services revenue; whereas for the first nine months of 2022, revenue and cost of revenue for these services are reported as business services revenue and cost of business services, respectively. The change primarily impacts our Global Ecommerce business.

Accounting Pronouncements Adopted in 2023

On January 1, 2023, we adopted ASU 2022-02, *Financial Instruments - Credit Losses (Topic 326): Troubled Debt Restructurings and Vintage Disclosures,* which requires disclosure of gross write-offs of finance receivables by year of origination. The adoption of this standard did not have a material impact on our financial statement disclosures.

Accounting Pronouncements Not Yet Adopted

In March 2020, the FASB issued ASU 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting.* The transition to new reference interest rates will require certain contracts to be modified and the ASU is intended to provide temporary optional expedients and exceptions to U.S. GAAP guidance on contract modifications and hedge accounting to ease the financial reporting burdens related to the expected market transition from the London Interbank Offered Rate (LIBOR) and other interbank offered rates to alternative reference rates. The accommodations provided by the ASU are effective through December 31, 2024, and may be applied at the beginning of any interim period within that time frame. We continue to assess the impact of this standard on our condensed consolidated financial statements.

2. Revenue

Disaggregated Revenue

The following tables disaggregate our revenue by source and timing of recognition:

	Three Months Ended March 31, 2023					
	Global Ecommerce	Presort Services	SendTech Solutions	Revenue from products and services	Revenue from leasing transactions and financing	Total consolidated revenue
Major products/service lines						
Business services	**$ 348,391**	**$ 158,902**	**$ 16,198**	**$ 523,491**	**$ —**	**$ 523,491**
Support services	**—**	**—**	**105,284**	**105,284**	**—**	**105,284**
Financing	**—**	**—**	**—**	**—**	**67,049**	**67,049**
Equipment sales	**—**	**—**	**19,995**	**19,995**	**62,615**	**82,610**
Supplies	**—**	**—**	**38,835**	**38,835**	**—**	**38,835**
Rentals	**—**	**—**	**—**	**—**	**17,269**	**17,269**
Subtotal	**348,391**	**158,902**	**180,312**	**687,605**	**$ 146,933**	**$ 834,538**
Revenue from leasing transactions and financing	**—**	**—**	**146,933**	**146,933**		
Total revenue	**$ 348,391**	**$ 158,902**	**$ 327,245**	**$ 834,538**		
Timing of revenue recognition from products and services						
Products/services transferred at a point in time	**$ —**	**$ —**	**$ 77,064**	**$ 77,064**		
Products/services transferred over time	**348,391**	**158,902**	**103,248**	**610,541**		
Total	**$ 348,391**	**$ 158,902**	**$ 180,312**	**$ 687,605**		

	Three Months Ended March 31, 2022					
	Global Ecommerce	Presort Services	SendTech Solutions	Revenue from products and services	Revenue from leasing transactions and financing	Total consolidated revenue
Major products/service lines						
Business services	$ 418,527	$ 160,544	$ 18,313	$ 597,384	$ —	$ 597,384
Support services	—	—	110,352	110,352	—	110,352
Financing	—	—	—	—	72,029	72,029
Equipment sales	—	—	21,299	21,299	67,997	89,296
Supplies	—	—	41,061	41,061	—	41,061
Rentals	—	—	—	—	16,820	16,820
Subtotal	418,527	160,544	191,025	770,096	$ 156,846	$ 926,942
Revenue from leasing transactions and financing	—	—	156,846	156,846		
Total revenue	$ 418,527	$ 160,544	$ 347,871	$ 926,942		
Timing of revenue recognition from products and services						
Products/services transferred at a point in time	$ —	$ —	$ 78,373	$ 78,373		
Products/services transferred over time	418,527	160,544	112,652	691,723		
Total	$ 418,527	$ 160,544	$ 191,025	$ 770,096		

Our performance obligations for revenue from products and services are as follows:

Business services includes fulfillment, delivery and return services, cross-border solutions, mail processing services and shipping subscription solutions. Revenue for fulfillment, delivery and return services and cross-border solutions and mail processing services is recognized over time using an output method based on the number of parcels or mail pieces either processed or delivered, depending on the service type, since that measure best depicts the value of goods and services transferred to the client over the contract period. Contract terms for these services initially range from one to five years and contain annual renewal options. Revenue for shipping subscription solutions is recognized ratably over the contract period as the client obtains equal benefit from these services through the period.

Support services includes providing maintenance, professional and subscription services for our equipment and digital mailing and shipping technology solutions. Contract terms range from one to five years, depending on the term of the lease contract for the related equipment. Revenue for maintenance and subscription services is recognized ratably over the contract period and revenue for professional services is recognized when services are provided.

Equipment sales generally includes the sale of mailing and shipping equipment, excluding sales-type leases. We recognize revenue upon delivery for self-install equipment and upon acceptance or installation for other equipment. We provide a warranty that the equipment is free of defects and meets stated specifications. The warranty is not considered a separate performance obligation.

Supplies includes revenue from supplies for our mailing equipment and is recognized upon delivery.

Revenue from leasing transactions and financing includes revenue from sales-type and operating leases, finance income, late fees and investment income, gains and losses at the Pitney Bowes Bank.

Advance Billings from Contracts with Customers

	Balance sheet location	March 31, 2023	December 31, 2022	Increase/ (decrease)
Advance billings, current	Advance billings	**$ 78,363**	$ 97,904	$ (19,541)
Advance billings, noncurrent	Other noncurrent liabilities	**$ 949**	$ 906	$ 43

Advance billings are recorded when cash payments are due in advance of our performance. Revenue is recognized ratably over the contract term. Items in advance billings primarily relate to support services on mailing equipment. Revenue recognized during the period includes $57 million of advance billings at the beginning of the period. Advance billings, current, at March 31, 2023 and December 31, 2022 also includes $8 million and $7 million, respectively, from leasing transactions.

Future Performance Obligations

Future performance obligations include revenue streams bundled with our leasing contracts, primarily maintenance and subscription services. The transaction prices allocated to future performance obligations will be recognized as follows:

	Remainder of 2023	2024	2025-2028	Total
SendTech Solutions	$ 193,946	$ 220,083	$ 293,623	$ 707,652

The amounts above do not include revenue for performance obligations under contracts with terms less than 12 months or revenue for performance obligations where revenue is recognized based on the amount billable to the customer.

3. Segment Information

Our reportable segments are Global Ecommerce, Presort Services and SendTech Solutions. The principal products and services of each reportable segment are as follows:

Global Ecommerce: Includes the revenue and related expenses from domestic parcel services, cross-border services and digital delivery services.

Presort Services: Includes revenue and related expenses from sortation services to qualify large volumes of First Class Mail, Marketing Mail, Marketing Mail Flats and Bound Printed Matter for postal worksharing discounts.

SendTech Solutions: Includes the revenue and related expenses from physical and digital mailing and shipping technology solutions, financing, services, supplies and other applications to help simplify and save on the sending, tracking and receiving of letters, parcels and flats.

Management measures segment profitability and performance using adjusted segment earnings before interest and taxes (EBIT). Adjusted segment EBIT is calculated by deducting from segment revenue the related costs and expenses attributable to the segment. Adjusted segment EBIT excludes interest, taxes, unallocated corporate expenses, restructuring charges and other items not allocated to business segments. Costs related to shared assets are allocated to the relevant segments. Management believes that adjusted segment EBIT provides investors a useful measure of operating performance and underlying trends of the business. Adjusted segment EBIT may not be indicative of our overall consolidated performance and therefore, should be read in conjunction with our consolidated results of operations. The following tables provide information about our reportable segments and a reconciliation of adjusted segment EBIT to net (loss) income.

	Revenue	
	Three Months Ended March 31,	
	2023	2022
Global Ecommerce	**$ 348,391**	$ 418,527
Presort Services	**158,902**	160,544
SendTech Solutions	**327,245**	347,871
Total revenue	**$ 834,538**	$ 926,942

	Adjusted Segment EBIT	
	Three Months Ended March 31,	
	2023	2022
Global Ecommerce	**$ (34,206)**	$ (13,696)
Presort Services	**26,905**	19,632
SendTech Solutions	**96,671**	104,575
Total adjusted segment EBIT	**89,370**	110,511
Reconciliation of Adjusted Segment EBIT to net (loss) income:		
Unallocated corporate expenses	**(56,349)**	(57,834)
Restructuring charges	**(3,599)**	(4,184)
Interest expense, net	**(36,878)**	(33,726)
Proxy solicitation fees	**(6,367)**	—
Gain (loss) on debt redemption/refinancing	**2,836**	(4,993)
Gain on sale of assets	**—**	14,372
Gain on sale of businesses, including transaction costs	**—**	878
Benefit (provision) for income taxes	**3,250**	(4,203)
Net (loss) income	**$ (7,737)**	$ 20,821

4. Earnings per Share

The calculation of basic and diluted earnings per share (EPS) is presented below.

	Three Months Ended March 31,	
	2023	2022
Numerator:		
Net (loss) income	**$ (7,737)**	$ 20,821
Denominator:		
Weighted-average shares used in basic EPS	**174,626**	174,115
Dilutive effect of common stock equivalents [(1)]	**—**	3,919
Weighted-average shares used in diluted EPS	**174,626**	178,034
Basic net (loss) earnings per share	**$ (0.04)**	$ 0.12
Diluted net (loss) earnings per share	**$ (0.04)**	$ 0.12
Common stock equivalents excluded from calculation of diluted earnings per share because their impact would be anti-dilutive:	**8,148**	9,590

(1) Due to the net loss for the three months ended March 31, 2023, an additional 4.7 million of common stock equivalents were also excluded from the calculation of diluted earnings per share.

5. Inventories

Inventories are stated at the lower of cost, determined on the first-in, first-out (FIFO) basis, or net realizable value. Inventories consisted of the following:

	March 31, 2023	December 31, 2022
Raw materials	**$ 28,372**	$ 25,539
Supplies and service parts	**35,239**	27,573
Finished products	**30,405**	30,608
Total inventory, net	**$ 94,016**	$ 83,720

6. Finance Assets and Lessor Operating Leases

Finance Assets

Finance receivables are comprised of sales-type lease receivables, secured loans and unsecured loans. Sales-type leases and secured loans are from financing options for the purchase or lease of Pitney Bowes equipment or other manufacturers' equipment and are generally due in installments over periods ranging from three to five years. Unsecured loans comprise revolving credit lines offered to our clients for postage, supplies and working capital purposes. These revolving credit lines are generally due monthly; however, clients may rollover outstanding balances. Interest is recognized on finance receivables using the effective interest method. Annual fees are recognized ratably over the period covered and client acquisition costs are expensed as incurred. All finance receivables are in our SendTech Solutions segment and we segregate finance receivables into a North America portfolio and an International portfolio.

Finance receivables consisted of the following:

	March 31, 2023			December 31, 2022		
	North America	**International**	**Total**	North America	International	Total
Sales-type lease receivables						
Gross finance receivables	**$ 971,663**	**$ 149,227**	**$ 1,120,890**	$ 967,298	$ 158,167	$ 1,125,465
Unguaranteed residual values	**38,688**	**8,628**	**47,316**	38,832	8,798	47,630
Unearned income	**(242,564)**	**(47,243)**	**(289,807)**	(239,238)	(48,334)	(287,572)
Allowance for credit losses	**(13,458)**	**(2,873)**	**(16,331)**	(14,131)	(2,893)	(17,024)
Net investment in sales-type lease receivables	**754,329**	**107,739**	**862,068**	752,761	115,738	868,499
Loan receivables						
Loan receivables	**313,945**	**17,426**	**331,371**	311,887	16,636	328,523
Allowance for credit losses	**(5,423)**	**(150)**	**(5,573)**	(4,787)	(139)	(4,926)
Net investment in loan receivables	**308,522**	**17,276**	**325,798**	307,100	16,497	323,597
Net investment in finance receivables	**$ 1,062,851**	**$ 125,015**	**$ 1,187,866**	$ 1,059,861	$ 132,235	$ 1,192,096

Maturities of gross finance receivables at March 31, 2023 were as follows:

	Sales-type Lease Receivables			Loan Receivables		
	North America	**International**	**Total**	**North America**	**International**	**Total**
Remainder 2023	$ 279,986	$ 52,333	$ 332,319	$ 229,683	$ 17,426	$ 247,109
2024	299,265	44,812	344,077	31,141	—	31,141
2025	207,186	28,061	235,247	24,666	—	24,666
2026	126,392	16,005	142,397	15,966	—	15,966
2027	55,014	6,320	61,334	10,122	—	10,122
Thereafter	3,820	1,696	5,516	2,367	—	2,367
Total	$ 971,663	$ 149,227	$ 1,120,890	$ 313,945	$ 17,426	$ 331,371

Aging of Receivables

The aging of gross finance receivables was as follows:

	March 31, 2023				
	Sales-type Lease Receivables		Loan Receivables		
	North America	International	North America	International	Total
Past due amounts 0 - 90 days	**$ 963,890**	**$ 146,958**	**$ 310,819**	**$ 17,321**	**$ 1,438,988**
Past due amounts > 90 days	**7,773**	**2,269**	**3,126**	**105**	**13,273**
Total	**$ 971,663**	**$ 149,227**	**$ 313,945**	**$ 17,426**	**$ 1,452,261**

	December 31, 2022				
	Sales-type Lease Receivables		Loan Receivables		
	North America	International	North America	International	Total
Past due amounts 0 - 90 days	$ 959,203	$ 155,596	$ 308,872	$ 16,503	$ 1,440,174
Past due amounts > 90 days	8,095	2,571	3,015	133	13,814
Total	$ 967,298	$ 158,167	$ 311,887	$ 16,636	$ 1,453,988

Allowance for Credit Losses

We provide an allowance for credit losses based on historical loss experience, the nature of our portfolios, adverse situations that may affect a client's ability to pay and current economic conditions and outlook based on reasonable and supportable forecasts. We continually evaluate the adequacy of the allowance for credit losses and adjust as necessary. The assumptions used in determining an estimate of credit losses are inherently subjective and actual results may differ significantly from estimated reserves.

We established credit approval limits based on the credit quality of the client and the type of equipment financed. We cease financing revenue recognition for lease receivables and for unsecured loan receivables that are more than 90 days past due. Revenue recognition is resumed when the client's payments reduce the account aging to less than 60 days past due. Finance receivables are written off against the allowance after all collection efforts have been exhausted and management deems the account to be uncollectible. We believe that our credit risk is low because of the geographic and industry diversification of our clients and small account balances for most of our clients.

Activity in the allowance for credit losses for finance receivables was as follows:

	Sales-type Lease Receivables		Loan Receivables		
	North America	International	North America	International	Total
Balance at January 1, 2023	$ 14,131	$ 2,893	$ 4,787	$ 139	$ 21,950
Amounts charged to expense	**395**	**238**	**1,097**	**55**	**1,785**
Write-offs	**(1,683)**	**(267)**	**(1,109)**	**(46)**	**(3,105)**
Recoveries	**614**	**111**	**648**	**—**	**1,373**
Other	**1**	**(102)**	**—**	**2**	**(99)**
Balance at March 31, 2023	**$ 13,458**	**$ 2,873**	**$ 5,423**	**$ 150**	**$ 21,904**

	Sales-type Lease Receivables		Loan Receivables		
	North America	International	North America	International	Total
Balance at January 1, 2022	$ 19,546	$ 3,246	$ 3,259	$ 167	$ 26,218
Amounts charged to expense	297	47	616	143	1,103
Write-offs	(1,640)	(360)	(1,341)	(117)	(3,458)
Recoveries	744	—	761	—	1,505
Other	13	(143)	2	(9)	(137)
Balance at March 31, 2022	$ 18,960	$ 2,790	$ 3,297	$ 184	$ 25,231

The table below shows write-offs of gross finance receivables by year of origination.

	March 31, 2023						
	Sales Type Lease Receivables						
	2022	2021	2020	2019	Prior	Loan Receivables	Total
Write-offs	**$ 455**	**$ 675**	**$ 412**	**$ 250**	**$ 158**	**$ 1,155**	**$ 3,105**

Credit Quality

The extension of credit and management of credit lines to new and existing clients uses a combination of a client's credit score, where available, a detailed manual review of their financial condition and payment history, or an automated process. Once credit is granted, the payment performance of the client is managed through automated collections processes and is supplemented with direct follow up should an account become delinquent. We have robust automated collections and extensive portfolio management processes to ensure that our global strategy is executed, collection resources are allocated and enhanced tools and processes are implemented as needed.

Over 85% of our finance receivables are within the North American portfolio. We use a third-party to score the majority of this portfolio on a quarterly basis using a proprietary commercial credit score. The relative scores are determined based on a number of factors, including financial information, payment history, company type and ownership structure. We stratify the third party's credit scores of our clients into low, medium and high-risk accounts. Due to timing and other issues, our entire portfolio may not be scored at period end. We report these amounts as "Not Scored"; however, absence of a score is not indicative of the credit quality of the account. The third-party credit score is used to predict the payment behaviors of our clients and the probability that an account will become greater than 90 days past due during the subsequent 12-month period.

- Low risk accounts are companies with very good credit scores and a predicted delinquency rate of less than 5%.
- Medium risk accounts are companies with average to good credit scores and a predicted delinquency rate between 5% and 10%.
- High risk accounts are companies with poor credit scores, are delinquent or are at risk of becoming delinquent. The predicted delinquency rate would be greater than 10%.

We do not use a third-party to score our International portfolio because the cost to do so is prohibitive as there is no single credit score model that covers all countries. Accordingly, the entire International portfolio is reported in the Not Scored category. This portfolio comprises less than 15% of total finance receivables. Most of the International credit applications are small dollar applications (i.e. below $50 thousand) and are subjected to an automated review process. Larger credit applications are manually reviewed, which includes obtaining client financial information, credit reports and other available financial information.

The table below shows gross finance receivables by relative risk class and year of origination based on the relative scores of the accounts within each class.

	March 31, 2023							
	Sales Type Lease Receivables							
	2023	**2022**	**2021**	**2020**	**2019**	**Prior**	**Loan Receivables**	**Total**
Low	**$ 77,542**	**$ 266,461**	**$ 193,093**	**$ 127,566**	**$ 81,723**	**$ 32,032**	**$ 243,405**	**$ 1,021,822**
Medium	**15,687**	**49,635**	**36,497**	**27,075**	**18,527**	**8,744**	**55,282**	**211,447**
High	**1,251**	**5,104**	**3,358**	**2,806**	**1,326**	**996**	**6,080**	**20,921**
Not Scored	**40,595**	**58,689**	**38,828**	**19,716**	**10,064**	**3,575**	**26,604**	**198,071**
Total	**$ 135,075**	**$ 379,889**	**$ 271,776**	**$ 177,163**	**$ 111,640**	**$ 45,347**	**$ 331,371**	**$ 1,452,261**

	December 31, 2022							
	Sales Type Lease Receivables							
	2022	**2021**	**2020**	**2019**	**2018**	**Prior**	**Loan Receivables**	**Total**
Low	$ 286,297	$ 206,511	$ 140,800	$ 95,485	$ 34,721	$ 12,674	$ 239,635	$ 1,016,123
Medium	53,419	40,669	27,013	19,668	6,751	3,441	56,048	207,009
High	6,492	3,840	3,119	1,942	750	508	6,800	23,451
Not Scored	71,435	53,831	29,957	19,232	5,889	1,021	26,040	207,405
Total	$ 417,643	$ 304,851	$ 200,889	$ 136,327	$ 48,111	$ 17,644	$ 328,523	$ 1,453,988

Lease Income

Lease income from sales-type leases, excluding variable lease payments, was as follows:

	Three Months Ended March 31,	
	2023	2022
Profit recognized at commencement	**$ 31,822**	$ 35,040
Interest income	**38,931**	42,283
Total lease income from sales-type leases	**$ 70,753**	$ 77,323

Lessor Operating Leases

We also lease mailing equipment under operating leases with terms of one to five years. Maturities of these operating leases are as follows:

Remainder 2023	$ 15,217
2024	17,812
2025	19,591
2026	5,808
2027	2,205
Thereafter	434
Total	$ 61,067

7. Intangible Assets and Goodwill

Intangible Assets

Intangible assets consisted of the following:

	March 31, 2023			December 31, 2022		
	Gross Carrying Amount	**Accumulated Amortization**	**Net Carrying Amount**	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Customer relationships	**$ 155,718**	**$ (83,997)**	**$ 71,721**	$ 155,715	$ (80,188)	$ 75,527
Software & technology	**22,020**	**(19,713)**	**2,307**	22,000	(19,583)	2,417
Total intangible assets	**$ 177,738**	**$ (103,710)**	**$ 74,028**	$ 177,715	$ (99,771)	$ 77,944

Amortization expense for the three months ended March 31, 2023 and 2022 was $4 million and $8 million, respectively.

Future amortization expense as of March 31, 2023 is shown in the table below. Actual amortization expense may differ due to, among other things, fluctuations in foreign currency exchange rates, acquisitions, divestitures and impairment charges.

Remainder 2023	$ 11,795
2024	15,727
2025	15,523
2026	14,534
2027	11,478
Thereafter	4,971
Total	$ 74,028

Goodwill

Changes in the carrying value of goodwill by reporting segment are shown in the table below.

	December 31, 2022	**Currency impact**	**March 31, 2023**
Global Ecommerce	$ 339,184	**$ —**	**$ 339,184**
Presort Services	223,763	**—**	**223,763**
SendTech Solutions	504,004	**2,709**	**506,713**
Total goodwill	$ 1,066,951	**$ 2,709**	**$ 1,069,660**

At December 31, 2022, the estimated fair value of the Global Ecommerce reporting unit exceeded its carrying value by less than 10%. The fair value of the reporting unit was estimated using a discounted cash flow model based on management developed cash flow projections, which included judgements and assumptions related to revenue growth rates, operating margins, operating income, and a discount rate. During the first quarter of 2023, there were no triggering events that required us to determine if the goodwill of this reporting unit was impaired. However, the judgements and assumptions used to estimate the fair value of this reporting unit at December 31, 2022 were inherently subjective and changes in any of the judgements or assumptions used could result in a different fair value determination in a future period.

8. Fair Value Measurements and Derivative Instruments

We measure certain financial assets and liabilities at fair value on a recurring basis. Fair value is a market-based measure considered from the perspective of a market participant rather than an entity-specific measure. An entity is required to classify certain assets and liabilities measured at fair value based on the following fair value hierarchy that prioritizes the inputs used to measure fair value:

Level 1 – Unadjusted quoted prices in active markets for identical assets and liabilities.

Level 2 – Quoted prices for identical assets and liabilities in markets that are not active, quoted prices for similar assets and liabilities in active markets or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3– Unobservable inputs that are supported by little or no market activity, may be derived from internally developed methodologies based on management's best estimate of fair value and that are significant to the fair value of the asset or liability.

Financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. Our assessment of the significance of a particular input to the fair value measurement requires judgment and may affect its placement within the fair value hierarchy. The following tables show, by level within the fair value hierarchy, our financial assets and liabilities that are accounted for at fair value on a recurring basis.

	March 31, 2023			
	Level 1	Level 2	Level 3	Total
Assets:				
Investment securities				
Money market funds	$ 13,523	$ 201,911	$ —	$ 215,434
Equity securities	—	15,327	—	15,327
Commingled fixed income securities	1,553	5,360	—	6,913
Government and related securities	10,370	18,869	—	29,239
Corporate debt securities	—	53,607	—	53,607
Mortgage-backed / asset-backed securities	—	126,737	—	126,737
Derivatives				
Interest rate swap	—	12,697	—	12,697
Foreign exchange contracts	—	1,818	—	1,818
Total assets	$ 25,446	$ 436,326	$ —	$ 461,772
Liabilities:				
Derivatives				
Foreign exchange contracts	$ —	$ (53)	$ —	$ (53)
Total liabilities	$ —	$ (53)	$ —	$ (53)

	December 31, 2022			
	Level 1	Level 2	Level 3	Total
Assets:				
Investment securities				
Money market funds	$ 29,087	$ 238,536	$ —	$ 267,623
Equity securities	—	13,233	—	13,233
Commingled fixed income securities	1,520	6,526	—	8,046
Government and related securities	10,253	18,796	—	29,049
Corporate debt securities	—	52,319	—	52,319
Mortgage-backed / asset-backed securities	—	126,882	—	126,882
Derivatives				
Interest rate swap	—	15,283	—	15,283
Foreign exchange contracts	—	479	—	479
Total assets	$ 40,860	$ 472,054	$ —	$ 512,914
Liabilities:				
Derivatives				
Foreign exchange contracts	$ —	$ (1,472)	$ —	$ (1,472)
Total liabilities	$ —	$ (1,472)	$ —	$ (1,472)

Investment Securities

The valuation of investment securities is based on the market approach using inputs that are observable, or can be corroborated by observable data, in an active marketplace. The following information relates to our classification within the fair value hierarchy:

- *Money Market Funds:* Money market funds typically invest in government securities, certificates of deposit, commercial paper and other highly liquid, low risk securities. Money market funds are principally used for overnight deposits and are classified as Level 1 when unadjusted quoted prices in active markets are available and as Level 2 when they are not actively traded on an exchange.
- *Equity Securities*: Equity securities are comprised of mutual funds investing in U.S. and foreign stocks. These mutual funds are classified as Level 2.
- *Commingled Fixed Income Securities:* Commingled fixed income securities are comprised of mutual funds that invest in a variety of fixed income securities, including securities of the U.S. government and its agencies, corporate debt, mortgage-backed securities and asset-backed securities. Fair value is based on the value of the underlying investments owned by each fund, minus its liabilities, divided by the number of shares outstanding, as reported by the fund manager. These mutual funds are classified as Level 1 when unadjusted quoted prices in active markets are available and as Level 2 when they are not actively traded on an exchange.
- *Government and Related Securities:* Debt securities are classified as Level 1 when unadjusted quoted prices in active markets are available. Debt securities are classified as Level 2 where fair value is determined using quoted market prices for similar securities or benchmarking model derived prices to quoted market prices and trade data for identical or comparable securities.
- *Corporate Debt Securities:* Corporate debt securities are valued using recently executed comparable transactions, market price quotations or bond spreads for the same maturity as the security. These securities are classified as Level 2.
- *Mortgage-Backed Securities / Asset-Backed Securities:* These securities are valued based on external pricing indices or external price/spread data. These securities are classified as Level 2.

Derivative Securities

- *Foreign Exchange Contracts:* The valuation of foreign exchange derivatives is based on the market approach using observable market inputs, such as foreign currency spot and forward rates and yield curves. These securities are classified as Level 2.
- *Interest Rate Swaps:* The valuation of interest rate swaps is based on an income approach using inputs that are observable or that can be derived from, or corroborated by, observable market data. These securities are classified as Level 2.

Available-For-Sale Securities

Investment securities classified as available-for-sale are recorded at fair value with changes in fair value due to market conditions (i.e., interest rates) recorded in accumulated other comprehensive loss (AOCL), and changes in fair value due to credit conditions recorded in earnings. There were no unrealized losses due to credit losses charged to earnings in the three months ended March 31, 2023.

Available-for-sale securities consisted of the following:

	March 31, 2023			
	Amortized cost	Gross unrealized gains	Gross unrealized losses	Estimated fair value
Government and related securities	$ 35,263	$ —	$ (7,442)	$ 27,821
Corporate debt securities	66,020	1	(12,414)	53,607
Commingled fixed income securities	1,759	—	(206)	1,553
Mortgage-backed / asset-backed securities	154,256	—	(27,519)	126,737
Total	$ 257,298	$ 1	$ (47,581)	$ 209,718

	December 31, 2022			
	Amortized cost	Gross unrealized gains	Gross unrealized losses	Estimated fair value
Government and related securities	$ 35,744	$ 11	$ (8,210)	$ 27,545
Corporate debt securities	66,300	—	(13,981)	52,319
Commingled fixed income securities	1,749	—	(229)	1,520
Mortgage-backed / asset-backed securities	156,352	—	(29,470)	126,882
Total	$ 260,145	$ 11	$ (51,890)	$ 208,266

Investment securities in a loss position were as follows:

	March 31, 2023		December 31, 2022	
	Fair Value	Gross unrealized losses	Fair Value	Gross unrealized losses
Greater than 12 continuous months				
Government and related securities	$ 17,515	$ 2,388	$ 17,063	$ 2,753
Corporate debt securities	52,359	12,398	48,812	13,749
Mortgage-backed / asset-backed securities	117,321	26,504	114,839	28,040
Total	$ 187,195	$ 41,290	$ 180,714	$ 44,542
Less than 12 continuous months				
Government and related securities	$ 10,306	$ 5,054	$ 10,061	$ 5,457
Corporate debt securities	1,180	16	3,508	232
Commingled fixed income securities	1,553	206	1,520	229
Mortgage-backed / asset-backed securities	9,416	1,015	12,042	1,430
Total	$ 22,455	$ 6,291	$ 27,131	$ 7,348

At March 31, 2023, approximately 99% of total securities in the investment portfolio were in a loss position. However, we have the ability and intent to hold these securities until recovery of the unrealized losses or expect to receive the stated principal and interest at maturity. Accordingly, we have not recognized an impairment loss and our allowance for credit losses on these investment securities is not significant.

Scheduled maturities of available-for-sale securities at March 31, 2023 were as follows:

	Amortized cost	Estimated fair value
Within 1 year	$ 2,601	$ 2,388
After 1 year through 5 years	15,175	13,873
After 5 years through 10 years	72,323	60,012
After 10 years	167,199	133,445
Total	$ 257,298	$ 209,718

Actual maturities may not coincide with scheduled maturities as certain securities contain early redemption features and/or allow for the prepayment of obligations.

Held-to-Maturity Securities

Held-to-maturity securities at March 31, 2023 and December 31, 2022 totaled $23 million and $22 million, respectively. Held-to-maturity securities primarily consist of highly-liquid government securities with maturities less than two years.

Derivative Instruments

In the normal course of business, we are exposed to the impact of changes in foreign currency exchange rates and interest rates. We limit these risks by following established risk management policies and procedures, including the use of derivatives. We use derivative instruments to limit the effects of currency exchange rate fluctuations on financial results and manage the cost of debt. We do not use derivatives for trading or speculative purposes. Derivative instruments are recorded at fair value and the accounting for changes in fair value depends on the intended use of the derivative, the resulting designation and the effectiveness of the instrument in offsetting the risk exposure it is designed to hedge.

Foreign Exchange Contracts

We enter into foreign exchange contracts to mitigate the currency risk associated with anticipated inventory purchases between affiliates and from third parties. These contracts are designated as cash flow hedges. The effective portion of the gain or loss on cash flow hedges is included in AOCL in the period that the change in fair value occurs and is reclassified to earnings in the period that the hedged item is recorded in earnings. At both March 31, 2023 and December 31, 2022, outstanding contracts associated with these anticipated transactions had a notional value of $1 million. Amounts included in AOCL at March 31, 2023 will be recognized in earnings within the next 12 months. No amount of ineffectiveness was recorded in earnings for these designated cash flow hedges.

Interest Rate Swaps

We have interest rate swap agreements with an aggregate notional value of $200 million that are designated as cash flow hedges. The fair value of the interest rate swaps is recorded as a derivative asset or liability at the end of each reporting period with the change in fair value reflected in AOCL.

The fair value of derivative instruments was as follows:

Designation of Derivatives	Balance Sheet Location	March 31, 2023	December 31, 2022
Derivatives designated as hedging instruments			
Foreign exchange contracts	Other current assets and prepayments	**$ —**	$ 15
	Accounts payable and accrued liabilities	**(34)**	(23)
Interest rate swaps	Other assets	**12,697**	15,283
Derivatives not designated as hedging instruments			
Foreign exchange contracts	Other current assets and prepayments	**1,818**	464
	Accounts payable and accrued liabilities	**(19)**	(1,449)
	Total derivative assets	**$ 14,515**	$ 15,762
	Total derivative liabilities	**(53)**	(1,472)
	Total net derivative asset	**$ 14,462**	$ 14,290

Results of cash flow hedging relationships were as follows:

	Three Months Ended March 31,				
	Derivative Gain (Loss) Recognized in AOCL (Effective Portion)			Gain (Loss) Reclassified from AOCL to Earnings (Effective Portion)	
Derivative Instrument	2023	2022	Location of Gain (Loss) (Effective Portion)	2023	2022
Foreign exchange contracts	**$ 25**	$ 23	Revenue	**$ —**	$ —
			Cost of sales	**1**	14
Interest rate swap	**(2,586)**	7,210	Interest expense	**137**	137
	$ (2,561)	$ 7,233		**$ 138**	$ 151

Nondesignated Derivative Instruments

We also enter into foreign exchange contracts to minimize the impact on earnings from the revaluation of short-term intercompany loans and related interest denominated in a foreign currency. These foreign exchange contracts are not designated as hedging instruments. Accordingly, the revaluation of intercompany loans and interest and the change in fair value of these derivatives are recorded in earnings. All outstanding contracts at March 31, 2023 mature within three months.

The impact on earnings from the change in fair value of these foreign exchange contracts, exclusive of the corresponding impact on earnings from the revaluation of the intercompany loans and related interest, was as follows:

		Three Months Ended March 31,	
		Derivative Gain (Loss) Recognized in Earnings	
Derivatives Instrument	Location of Derivative Gain (Loss)	2023	2022
Foreign exchange contracts	Selling, general and administrative expense	**$ 1,571**	$ (3,414)

Fair Value of Financial Instruments

Our financial instruments include cash and cash equivalents, available-for-sale and held-to-maturity investment securities, accounts receivable, loan receivables, derivative instruments, accounts payable and debt. The carrying value of cash and cash equivalents, held-to-maturity investment securities, accounts receivable, loans receivable, and accounts payable approximate fair value. The fair value of available-for-sale investment securities and derivative instruments are presented above. The fair value of debt is estimated based on recently executed transactions and market price quotations. The inputs used to determine the fair value of debt were classified as Level 2 in the fair value hierarchy. The carrying value and estimated fair value of debt was as follows:

	March 31, 2023	December 31, 2022
Carrying value	**$ 2,172,968**	$ 2,205,266
Fair value	**$ 1,803,375**	$ 1,856,878

9. Restructuring Charges

Activity in our restructuring reserves was as follows:

	Severance and other exit costs
Balance at January 1, 2023	$ 7,647
Amounts charged to expense	**3,599**
Cash payments	**(4,641)**
Balance at March 31, 2023	**$ 6,605**
Balance at January 1, 2022	$ 5,747
Amounts charged to expense	4,184
Cash payments	(3,285)
Noncash activity	(172)
Balance at March 31, 2022	$ 6,474

The majority of the restructuring reserves are expected to be paid over the next 12 to 24 months.

In May 2023, management approved a worldwide plan (the 2023 Plan) designed to improve profitability and cash flow by reducing complexity, streamlining processes, and driving further operational efficiencies. The 2023 Plan includes the elimination of 400-500 positions worldwide, in part, through the expansion of the Company's shared services activities, further centralization and standardization of processes, increased automation and the closure and consolidation of select facilities in North America. Total charges are expected to be $40 million - $50 million, consisting of employee-related costs and facility consolidation costs. We expect to substantially complete these actions by the first half of 2024.

10. Debt

Total debt consisted of the following:

	Interest rate	March 31, 2023	December 31, 2022
Notes due March 2024	4.625%	**$ 227,083**	$ 236,749
Term loan due March 2026	SOFR + 2.0%	**345,500**	351,500
Notes due March 2027	6.875%	**380,000**	396,750
Term loan due March 2028	SOFR + 4.0%	**441,000**	442,125
Notes due March 2029	7.25%	**350,000**	350,000
Notes due January 2037	5.25%	**35,841**	35,841
Notes due March 2043	6.70%	**425,000**	425,000
Other debt		**2,132**	2,446
Principal amount		**2,206,556**	2,240,411
Less: unamortized costs, net		**33,588**	35,145
Total debt		**2,172,968**	2,205,266
Less: current portion long-term debt		**262,439**	32,764
Long-term debt		**$ 1,910,529**	$ 2,172,502

During 2023, we purchased an aggregate $26 million of the March 2024 notes and March 2027 notes and recognized a gain of $3 million. Additionally, we made scheduled principal repayments of $7 million on our term loans. At March 31, 2023, the interest rate on the 2026 Term Loan was 6.7% and the interest rate of the 2028 Term Loan was 8.7%.

The credit agreement that governs our $500 million secured revolving credit facility and term loans contains financial and non-financial covenants. At March 31, 2023, we were in compliance with all covenants and there were no outstanding borrowings under the revolving credit facility. Borrowings under the revolving credit facility and term loans are secured by assets of the company.

We have outstanding interest rate swaps that effectively convert $200 million of our variable rate debt to fixed rates. Effective January 2023, the reference rate of the interest rate swaps was amended to align with the secured revolving credit facility. Under the terms of the interest rate swaps, we pay fixed-rate interest of 0.585% and receive variable-rate interest based on one-month SOFR plus 0.1%. The variable interest rates under the term loans and the swaps reset monthly.

The Pitney Bowes Bank (the Bank), a wholly owned subsidiary, is a member of the Federal Home Loan Bank of Des Moines and has access to certain credit products as a funding source known as "advances." As of March 31, 2023, the Bank had yet to apply for any advances.

11. Pensions and Other Benefit Programs

The components of net periodic benefit (income) cost were as follows:

	Defined Benefit Pension Plans				Nonpension Postretirement Benefit Plans	
	United States		Foreign			
	Three Months Ended March 31,		Three Months Ended March 31,		Three Months Ended March 31,	
	2023	2022	**2023**	2022	**2023**	2022
Service cost	**$ 10**	$ 24	**$ 194**	$ 355	**$ 89**	$ 179
Interest cost	**16,089**	11,141	**5,222**	3,634	**1,305**	940
Expected return on plan assets	**(21,613)**	(17,863)	**(7,344)**	(7,205)	**—**	—
Amortization of prior service (credit) cost	**(5)**	(11)	**70**	68	**—**	—
Amortization of net actuarial loss (gain)	**4,417**	8,232	**505**	1,821	**(356)**	87
Net periodic benefit (income) cost	**$ (1,102)**	$ 1,523	**$ (1,353)**	$ (1,327)	**$ 1,038**	$ 1,206
Contributions to benefit plans	**$ 1,127**	$ 1,138	**$ 15,033**	$ 8,221	**$ 3,778**	$ 4,158

12. Income Taxes

The effective tax rate for the three months ended March 31, 2023 was 29.6%. The effective tax rate for the three months ended March 31, 2022 was 16.8% and includes a benefit of $1 million associated with the 2019 sale of a business.

As is the case with other large corporations, our tax returns are examined by tax authorities in the U.S. and other global taxing jurisdictions in which we have operations. As a result, it is reasonably possible that the amount of unrecognized tax benefits will decrease in the next 12 months, and this decrease could be up to 15% of our unrecognized tax benefits.

With regard to U.S Federal income tax, the Internal Revenue Service examination of our consolidated U.S. income tax returns for tax years prior to 2019 are closed to audit, but for review of the Tax Cuts and Jobs Act (TCJA) Sec 965 transition tax. On a state and local level, the Company is closed through 2017 in most jurisdictions. For our significant non-U.S. jurisdictions, Canada is closed to examination through 2017 except for a specific issue under current exam. For France, Germany and the U.K., the Company is closed through 2019, 2016, and 2020 respectively. We also have other less significant tax filings currently subject to examination.

13. Commitments and Contingencies

From time to time, in the ordinary course of business, we are involved in litigation pertaining to, among other things, contractual rights under vendor, insurance or other contracts; intellectual property or patent rights; equipment, service, payment or other disputes with clients; or disputes with employees. Some of these actions may be brought as a purported class action on behalf of a purported class of customers, employees, or others. Due to uncertainties inherent in litigation, any actions could have an adverse effect on our financial position, results of operations or cash flows; however, in management's opinion, the final outcome of outstanding matters will not have a material adverse effect on our business.

As of March 31, 2023, we have entered into real estate and equipment leases with aggregate payments of $62 million and terms ranging from three to seven years that have not commenced.

14. Stockholders' Equity

Changes in stockholders' equity were as follows:

	Common stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive loss	Treasury stock	Total equity
Balance at January 1, 2023	**$ 323,338**	**$ —**	**$ 5,125,677**	**$ (835,564)**	**$ (4,552,798)**	**$ 60,653**
Net loss	**—**	**—**	**(7,737)**	**—**	**—**	**(7,737)**
Other comprehensive income	**—**	**—**	**—**	**15,586**	**—**	**15,586**
Dividends paid ($0.05 per common share)	**—**	**—**	**(8,725)**	**—**	**—**	**(8,725)**
Issuance of common stock	**—**	**(3,245)**	**(48,363)**	**—**	**48,550**	**(3,058)**
Stock-based compensation expense	**—**	**3,245**	**—**	**—**	**—**	**3,245**
Balance at March 31, 2023	**$ 323,338**	**$ —**	**$ 5,060,852**	**$ (819,978)**	**$ (4,504,248)**	**$ 59,964**

	Common stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive loss	Treasury stock	Total equity
Balance at January 1, 2022	$ 323,338	$ 2,485	$ 5,169,270	$ (780,312)	$ (4,602,149)	$ 112,632
Net income	—	—	20,821	—	—	20,821
Other comprehensive loss	—	—	—	(20,018)	—	(20,018)
Dividends paid ($0.05 per common share)	—	—	(8,688)	—	—	(8,688)
Issuance of common stock	—	(6,980)	(39,767)	—	43,833	(2,914)
Stock-based compensation expense	—	4,495	—	—	—	4,495
Repurchase of common stock	—	—	—	—	(13,446)	(13,446)
Balance at March 31, 2022	$ 323,338	$ —	$ 5,141,636	$ (800,330)	$ (4,571,762)	$ 92,882

15. Accumulated Other Comprehensive Loss

Reclassifications out of AOCL were as follows:

	Gain (Loss) Reclassified from AOCL Three Months Ended March 31,	
	2023	2022
Cash flow hedges		
Cost of sales	**$ 1**	$ 14
Interest expense, net	**137**	137
Total before tax	**138**	151
Income tax provision	**34**	37
Net of tax	**$ 104**	$ 114
Available-for-sale securities		
Financing revenue	**$ 10**	$ (2)
Selling, general and administrative expense	**—**	(13)
Total before tax	**10**	(15)
Income tax provision (benefit)	**2**	(3)
Net of tax	**$ 8**	$ (12)
Pension and postretirement benefit plans		
Prior service costs	**$ (65)**	$ (57)
Actuarial losses	**(4,566)**	(10,140)
Total before tax	**(4,631)**	(10,197)
Income tax benefit	**(1,142)**	(2,461)
Net of tax	**$ (3,489)**	$ (7,736)

Changes in AOCL, net of tax were as follows:

	Cash flow hedges	**Available for sale securities**	**Pension and postretirement benefit plans**	**Foreign currency adjustments**	**Total**
Balance at January 1, 2023	$ 12,503	$ (39,440)	$ (716,056)	$ (92,571)	$ (835,564)
Other comprehensive (loss) income before reclassifications	**(1,958)**	**3,280**	**—**	**10,887**	**12,209**
Reclassifications into earnings	**(104)**	**(8)**	**3,489**	**—**	**3,377**
Net other comprehensive (loss) income	**(2,062)**	**3,272**	**3,489**	**10,887**	**15,586**
Balance at March 31, 2023	**$ 10,441**	**$ (36,168)**	**$ (712,567)**	**$ (81,684)**	**$ (819,978)**

	Cash flow hedges	Available for sale securities	Pension and postretirement benefit plans	Foreign currency adjustments	Total
Balance at January 1, 2022	$ 3,803	$ (6,249)	$ (756,639)	$ (21,227)	$ (780,312)
Other comprehensive income (loss) before reclassifications	5,447	(15,534)	—	(17,565)	(27,652)
Reclassifications into earnings	(114)	12	7,736	—	7,634
Net other comprehensive income (loss)	5,333	(15,522)	7,736	(17,565)	(20,018)
Balance at March 31, 2022	$ 9,136	$ (21,771)	$ (748,903)	$ (38,792)	$ (800,330)

16. Supplemental Financial Statement Information

Activity in the allowance for credit losses on accounts and other receivables and other assets is presented below. See Note 7 for information regarding the allowance for credit losses on finance receivables.

	Three Months Ended March 31,	
	2023	2022
Balance at beginning of year	**$ 5,864**	$ 29,179
Amounts charged to expense	**2,523**	921
Write-offs, recoveries and other	**(2,304)**	(19,519)
Balance at end of period	**$ 6,083**	$ 10,581
Accounts and other receivables	**$ 6,083**	$ 10,061
Other assets	**—**	520
Total	**$ 6,083**	$ 10,581

Other income, net consisted of the following:

	Three Months Ended March 31,	
	2023	2022
(Gain) loss on debt redemption/refinancing	**$ (2,836)**	$ 4,993
Gain on sale of assets	**—**	(14,372)
Gain on sale of businesses, including transaction costs	**—**	(2,522)
Other income, net	**$ (2,836)**	$ (11,901)

In 2022, we entered into a sale and leaseback agreement for our Shelton, Connecticut office building and received proceeds of $51 million and recognized a gain of $14 million and received proceeds of $9 million and recognized a gain of $3 million on the prior year sale of a business.

Supplemental cash flow information is as follows:

	Three Months Ended March 31,	
	2023	2022
Cash interest paid	**$ 53,721**	$ 49,430
Cash income tax payments, net of refunds	**$ 2,781**	$ 8,079
Noncash activity		
Capital assets obtained under capital lease obligations	**$ 721**	$ 8,721

Item 2: Management's Discussion and Analysis of Financial Condition and Results of Operations

Forward-Looking Statements

This Management's Discussion and Analysis of Financial Condition and Results of Operations (MD&A) contains statements that are forward-looking. We caution readers that any forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 (Securities Act) and Section 21E of the Securities Exchange Act of 1934 (Exchange Act) may change based on various factors. Forward-looking statements are based on current expectations and assumptions, which we believe are reasonable; however, such statements are subject to risks and uncertainties, and actual results could differ materially from those projected or assumed in any of our forward-looking statements. Words such as "estimate," "target," "project," "plan," "believe," "expect," "anticipate," "intend" and similar expressions may identify such forward-looking statements. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. Forward-looking statements in this Form 10-Q speak only as of the date hereof, and forward-looking statements in documents that are incorporated by reference speak only as of the date of those documents.

Although we believe that the expectations reflected in any of our forward-looking statements are reasonable, actual results could differ materially from those projected or assumed in our forward-looking statements. Our results of operations, financial condition and forward-looking statements are subject to change and to inherent risks and uncertainties, such as those disclosed or incorporated by reference in our filings with the Securities and Exchange Commission. While conditions related to the COVID-19 pandemic have improved, the pandemic continues to be dynamic, and near-term challenges across the economy remain; and the effects that they may have on our, and our clients' businesses remain uncertain. Other factors which could cause future financial performance to differ materially from expectations, include, without limitation:

- declining physical mail volumes
- changes in postal regulations or the operations and financial health of posts in the U.S. or other major markets, or changes to the broader postal or shipping markets
- our ability to continue to grow and manage unexpected fluctuations in volumes, gain additional economies of scale and improve profitability within our Global Ecommerce segment
- the loss of some of our larger clients in our Global Ecommerce and Presort Services segments
- the loss of, or significant changes to, United States Postal Service (USPS) commercial programs or our contractual relationships with the USPS or USPS' performance under those contracts
- the impacts of inflation and rising prices, higher interest rates and a slow-down in economic activity, including a global recession, to the company, our clients and retail consumers
- changes in labor and transportation availability and costs
- the impacts on our cost of debt due to recent increases in interest rates and the potential for future interest rate hikes
- declines in demand for our ecommerce services resulting from supply chain delays or interruptions affecting our retail clients, or changes in retail consumer behavior or spending patterns
- competitive factors, including pricing pressures, technological developments and the introduction of new products and services by competitors
- changes in foreign currency exchange rates, especially the impact a strengthening U.S. dollar could have on our global operations
- global supply chain issues adversely impacting our third-party suppliers' ability to provide us products and services
- expenses and potential impacts resulting from a breach of security, including cyber-attacks or other comparable events
- our success at managing customer credit risk
- changes in banking regulations, major bank failures or the loss of our Industrial Bank charter
- changes in tax laws, rulings or regulations
- capital market disruptions or credit rating downgrades that adversely impact our ability to access capital markets at reasonable costs
- our success in developing and marketing new products and services and obtaining regulatory approvals, if required
- the continued availability and security of key information technology systems and the cost to comply with information security requirements and privacy laws
- changes in international trade policies, including the imposition or expansion of trade tariffs, and other geopolitical risks
- our success at managing relationships and costs with outsource providers of certain functions and operations
- increased environmental and climate change requirements or other developments in these areas
- intellectual property infringement claims
- the use of the postal system for transmitting harmful biological agents, illegal substances or other terrorist attacks
- impact of acts of nature on the services and solutions we offer

Further information about factors that could materially affect us, including our results of operations and financial condition, is contained in Item 1A. "Risk Factors" in our 2022 Annual Report, as supplemented by Part II, Item 1A in this Quarterly Report on Form 10-Q.

OUTLOOK

We expect consolidated revenue in 2023, on a comparable basis, to range from a low-single digit decline to a low-single digit increase as compared to 2022, and we expect the percentage of adjusted EBIT growth to outpace revenue performance.

Within Global Ecommerce, we anticipate growth in Domestic Parcel, partially offset by continued softness in our Cross-border operations. We anticipate Domestic Parcel margin and profit improvements from higher parcel volumes and the investments we made in our facilities and network. We expect our cross-border operations to be adversely impacted by macroeconomic challenges and a reduction in parcel volumes primarily from two clients in 2023 compared to 2022.

Within Presort Services, revenue is expected to benefit from pricing actions designed to offset inflationary pressure on costs, a full year of mail volumes from prior year acquisitions and growth in Marketing Mail and Bound and Packet Mail volumes, which are expected to offset the impact on revenue from the expected decline in First Class Mail volumes. We expect margin and profit improvements driven by our investments in automation and facilities consolidation.

In SendTech Solutions, we expect revenue growth from new products and our cloud-enabled shipping solutions to partially offset an expected decline in mailing related revenues. Overall segment margins are expected to remain strong.

In May 2023, management approved a worldwide plan (the 2023 Plan) designed to improve profitability and cash flow by reducing complexity, streamlining its operating processes, and driving further operational efficiencies. The 2023 Plan includes the elimination of 400-500 positions worldwide, in part, through the expansion of the Company's shared services activities, further centralization and standardization of processes, increased automation and the closure and consolidation of select facilities in North America. Total charges are expected to be $40 million - $50 million. Total cash payments are expected to be $20 million - $30 million of which a majority will be paid in 2023. We expect to substantially complete these actions by the first half of 2024. As a result of the 2023 Plan, we expect annualized cost savings of $35 million - $45 million by the end of 2024.

Certain factors beyond our control could have adverse impacts on our 2023 results including, but not limited to, reduced consumer spending due to inflationary pressures and rising prices, higher interest rates, a slow-down in economic activity, higher fuel and transportation costs and other adverse geopolitical developments. Inflationary pressures and rising prices could put increase pressure on wages, particularly warehouse and transportation employees, and result in higher component costs. Higher fuel and freight costs could also adversely impact our operations. We expect interest expense for 2023 will be about $30 million higher than 2022 due to the recent increases in interest rates and additional increases anticipated in 2023.

OVERVIEW OF CONSOLIDATED RESULTS

Factors Affecting Comparability

Certain transactions and changes occurred in 2022 that impact the comparability of our 2023 financial results to the prior periods. These transactions and changes include:

- The sale of our Borderfree cross-border ecommerce solutions business (Borderfree) in July 2022. Accordingly, reported revenue and costs for the first half of 2022 include revenue and costs for Borderfree. Net income of Borderfree in the first half of 2022 was not significant.
- A change in the presentation of revenue for digital delivery services effective October 1, 2022, from a gross basis to a net basis. Accordingly, in 2023, revenue and costs of revenue for certain digital delivery services are reported on a net basis as business services revenue; whereas for the first nine months of 2022, revenue and cost of revenue for these services are reported as business services revenue and cost of business services, respectively. The change primarily impacts our Global Ecommerce business.

Constant Currency

In this discussion, we refer to revenue growth on a constant currency basis. Constant currency measures exclude the impact of changes in currency exchange rates from the prior period under comparison. We believe that excluding the impacts of currency exchange rates provides investors with a better understanding of the underlying revenue performance. Constant currency change is calculated by converting the current period non-U.S. dollar denominated revenue using the prior year's exchange rate. Where constant currency measures are not provided, the actual change and constant currency change are the same.

Financial Results Summary - Three Months Ended March 31:

	Three Months Ended March 31,			
			Favorable/(Unfavorable)	
	2023	2022	Actual % Change	Constant Currency % change
Total revenue	**$ 834,538**	$ 926,942	(10)%	(9)%
Total costs and expenses	**845,525**	901,918	6 %	
(Loss) income before taxes	**(10,987)**	25,024	>(100%)	
(Benefit) provision for income taxes	**(3,250)**	4,203	>100%	
Net (loss) income	**$ (7,737)**	$ 20,821	>(100%)	

Revenue decreased 10% (9% at constant currency) in the first quarter of 2023 compared to the prior year primarily due to a decrease in business services revenue. Revenue also declined due to lower equipment sales, support services revenue and financing revenue.

Total costs and expenses declined $56 million compared to the prior year primarily due to:

- Costs of revenue (excluding financing interest expense) decreased $64 million primarily due to lower cost of business services of $57 million and lower cost of equipment sales of $7 million.

- Selling, general and administrative (SG&A) expense was flat compared to the prior year period as incremental proxy solicitation fees of $6 million and higher outsourcing fees of $4 million were offset by a decline in consulting fees of $6 million and lower variable compensation expense of $4 million.

- Interest expense represents interest on our outstanding debt, net of interest income. We allocate a portion of total interest expense to financing interest expense based on our effective interest rate and average finance receivables for the period. Total interest expense, net, including financing interest expense, for the first quarter of 2023 increased $3 million compared to the prior year period primarily due to rising interest rates which resulted in higher interest expense on our debt of $6 million, which was partially offset by higher interest income of $3 million.

- Other income, net for the first quarter of 2023 declined $9 million compared to the prior year period primarily driven by gains on asset sales in the first quarter of 2022. Other income for the current period includes a $3 million gain on the purchase of debt.

The effective tax rate for the three months ended March 31, 2023 and 2022 was 29.6% and 16.8%, respectively.

Net loss for the quarter was $8 million compared to net income of $21 million in the prior year period.

SEGMENT RESULTS

Management measures segment profitability and performance by deducting from segment revenue the related costs and expenses attributable to the segment. Segment results exclude interest, taxes, unallocated corporate expenses, restructuring charges, and other items not allocated to a business segment.

Global Ecommerce

Global Ecommerce includes the revenue and related expenses from domestic parcel services, cross-border services and digital delivery services. Our domestic parcel services provide retailers domestic parcel delivery and returns services for its end consumers through our nationwide parcel sortation centers and transportation network. Our cross-border services offers our clients a range of services to manage their international shopping and parcel shipping experience. Using our digital delivery services, clients can purchase postage, print shipping labels and access shipping and tracking services from multiple carriers. Delivery and return parcels using our digital delivery services are not physically processed through our network.

Financial performance for the Global Ecommerce segment was as follows:

	Three Months Ended March 31,			
			Favorable/(Unfavorable)	
	2023	2022	Actual % Change	Constant Currency % change
Business Services Revenue	**$ 348,391**	$ 418,527	(17)%	(16)%
Cost of Business Services	**326,746**	368,468	11 %	
Gross Margin	**21,645**	50,059	(57)%	
Gross Margin %	***6.2 %***	*12.0 %*		
Selling, general and administrative	**53,210**	60,861	13 %	
Research and development	**2,641**	2,894	9 %	
Adjusted segment EBIT	**$ (34,206)**	$ (13,696)	>(100%)	

Global Ecommerce revenue decreased 17% (16% at constant currency) in the first quarter of 2023 compared to the prior year period. The change in revenue presentation for digital delivery services and the sale of Borderfree impacted current period revenue by $38 million and $12 million, respectively, adversely contributing a 12% revenue decline. Global Ecommerce revenue was also adversely impacted by lower cross-border parcel volumes primarily driven by changes in how two of our largest clients access our services, which contributed a 7% revenue decline and a decline in the number of shipping labels printed for digital delivery services contributed a revenue decline of 3%. These declines were partially offset by an increase in domestic parcel delivery volumes contributing revenue growth of 6%.

Gross margin decreased $28 million and gross margin percentage decreased to 6.2% from 12.0% compared to the prior year period. Cross-border services gross margin declined $16 million, primarily due to a decline in higher-margin parcel volumes. Digital delivery services gross margin declined $5 million primarily due to the decline in the number of shipping labels printed. The sale of Borderfree contributed a decline in gross margin of $4 million. Offsetting these declines, domestic parcel delivery services gross margin increased $1 million compared to the prior year primarily due to higher parcel volumes.

Selling, general and administrative expenses declined $8 million, primarily due to lower amortization expense of $4 million and lower credit card fees of $3 million.

As a result of the factors above, adjusted segment loss for the first quarter of 2023 increased $21 million to a loss of $34 million compared to the prior year period.

Presort Services

We are the largest workshare partner of the USPS and national outsource provider of mail sortation services that allow clients to qualify large volumes of First Class Mail, Marketing Mail, and Marketing Mail Flats and Bound Printed Matter for postal worksharing discounts.

Financial performance for the Presort Services segment was as follows:

	Three Months Ended March 31,			
			Favorable/(Unfavorable)	
	2023	2022	Actual % Change	Constant Currency % change
Business Services Revenue	**$ 158,902**	$ 160,544	(1)%	(1)%
Cost of Business Services	**112,496**	124,652	10 %	
Gross Margin	**46,406**	35,892	29 %	
Gross Margin %	***29.2 %***	*22.4 %*		
Selling, general and administrative	**19,446**	16,212	(20)%	
Other components of net pension and postretirement costs	**55**	48	(15)%	
Adjusted segment EBIT	**$ 26,905**	$ 19,632	37 %	

Total mail volumes sorted in the quarter declined 9% compared to the prior year quarter. Revenue decreased 1% driven by the decline in mail volumes offset by pricing actions to mitigate inflationary pressures on costs. The processing of Marketing Mail and First Class Mail contributed revenue declines of 2% and 1%, respectively, which was partially offset by an increase in revenue of 2% from the processing of Marketing Mail Flats and Bound Printed Matter.

Gross margin increased $11 million and gross margin percentage increased from 22.4% to 29.2% compared to the prior year period. These margin improvements were driven by investments we made in network management, automation and higher-throughput sortation equipment. As a result of these investments, transportation costs declined $5 million due to improved network management and production labor costs declined $4 million due to higher mail throughput per labor hour.

Selling, general and administrative expenses increased $3 million primarily due to higher salaries and variable compensation expense.

As a result of the above, adjusted segment profit increased $7 million, or 37%, compared to the prior year period.

SendTech Solutions

SendTech Solutions provides clients with physical and digital mailing and shipping technology solutions and other applications to help simplify and save on the sending, tracking and receiving of letters, parcels and flats, as well as supplies and maintenance services for these offerings. We offer financing alternatives that enable clients to finance equipment and product purchases, and a revolving credit solution that enables clients to make meter rental payments and purchase postage, services and supplies and an interest-bearing deposit solution to clients who prefer to prepay postage. We also offer financing alternatives that enable clients to finance or lease other manufacturers' equipment and provide working capital.

Financial performance for the SendTech Solutions segment was as follows:

	Three Months Ended March 31,			
			Favorable/(Unfavorable)	
	2023	2022	Actual % change	Constant Currency % change
Business services	**$ 16,198**	$ 18,313	(12)%	(11)%
Support services	**105,284**	110,352	(5)%	(3)%
Financing	**67,049**	72,029	(7)%	(6)%
Equipment sales	**82,610**	89,296	(7)%	(6)%
Supplies	**38,835**	41,061	(5)%	(3)%
Rentals	**17,269**	16,820	3 %	4 %
Total revenue	**327,245**	347,871	(6)%	(5)%
Cost of business services	**6,667**	9,882	33 %	
Cost of support services	**36,532**	36,935	1 %	
Cost of equipment sales	**56,716**	63,441	11 %	
Cost of supplies	**11,156**	11,475	3 %	
Cost of rentals	**5,360**	5,267	(2)%	
Total costs of revenue	**116,431**	127,000	8 %	
Gross margin	**210,814**	220,871	(5)%	
Gross margin %	***64.4 %***	*63.5 %*		
Selling, general and administrative	**109,697**	110,842	1 %	
Research and development	**5,044**	5,539	9 %	
Other components of pension and post retirement costs	**(598)**	(85)	>(100%)	
Adjusted Segment EBIT	**$ 96,671**	$ 104,575	(8)%	

SendTech Solutions revenue decreased 6% (5% at constant currency) in the first quarter of 2023 compared to the prior year period. Equipment sales declined 7% (6% at constant currency) primarily due to unusually high demand in the last half of 2021 that translated into higher than normal installations in the first quarter of 2022. Support services revenue declined 5% (3% at constant currency) primarily due to the continuing shift to cloud-enabled products that do not include an annual maintenance agreement option. Financing revenue declined 7% (6% at constant currency) primarily due to $2 million of lower lease extensions as more clients are opting to lease new equipment rather than extend leases on existing equipment and lower late fees of $1 million.

Gross margin decreased $10 million primarily due to the decline in revenue, but gross margin percentage increased to 64.4% from 63.5% compared to the prior year period, primarily due to improvements in business services, equipment sales and rentals margins.

Adjusted segment EBIT decreased $8 million, or 8%, primarily due to the decrease in gross margin of $10 million, partially offset by lower operating expenses of $2 million.

UNALLOCATED CORPORATE EXPENSES

The majority of our operating expenses are recorded directly or allocated to our reportable segments. Operating expenses not recorded directly, or allocated to our reportable segments, are reported as unallocated corporate expenses. Unallocated corporate expenses primarily represents corporate administrative functions such as finance, marketing, human resources, legal, information technology, and research and development.

Unallocated corporate expenses were as follows:

	Three Months Ended March 31,		
			Favorable/(Unfavorable)
	2023	2022	Actual % change
Unallocated corporate expenses	**$ 56,349**	$ 57,834	(3)%

Unallocated corporate expenses for the first quarter of 2023 decreased $1 million, compared to the prior year period primarily due to lower variable compensation expense of $4 million, partially offset by higher insurance costs of $1 million.

LIQUIDITY AND CAPITAL RESOURCES

At March 31, 2023, we had cash, cash equivalents and short-term investments of $527 million, which includes $140 million held at our foreign subsidiaries used to support the liquidity needs of those subsidiaries. Our ability to maintain adequate liquidity for our operations is dependent upon a number of factors, including our revenue and earnings, our clients' ability to pay their balances on a timely basis, the impacts of changing macroeconomic and geopolitical conditions and our ability to manage costs and improve productivity. At this time, we believe that existing cash and investments, cash generated from operations and borrowing capacity under our $500 million revolving credit facility will be sufficient to fund our cash needs for the next 12 months.

Cash Flow Summary

Changes in cash and cash equivalents were as follows:

	2023	2022	Change
Net cash from operating activities	**$ (39,714)**	$ 10,562	$ (50,276)
Net cash from investing activities	**(41,413)**	28,029	(69,442)
Net cash from financing activities	**(79,442)**	(145,858)	66,416
Effect of exchange rate changes on cash and cash equivalents	**2,349**	(2,638)	4,987
Change in cash and cash equivalents	**$ (158,220)**	$ (109,905)	$ (48,315)

Operating Activities

Cash flows from operating activities in 2023 declined $50 million compared to the prior year period. This decline was driven in part by lower net income and higher payments of accounts payable ($44 million) and accrued liabilities ($21 million), partially offset by higher cash of $53 million from changes in accounts and finance receivables.

Investing Activities

Cash flows from investing activities for 2023 declined $69 million compared to the prior year period as the prior year benefited from proceeds of $60 million from the sale of a business and our Shelton, Connecticut office building.

Financing Activities

Cash flows from financing activities for 2023 improved $66 million compared to the prior year period primarily due to lower net repayments of debt of $70 million and prior year common stock repurchases of $13 million, partially offset by a decline in reserve account deposits at the Bank of $21 million.

Financings and Capitalization

During 2023, we purchased an aggregate $26 million of the March 2024 notes and March 2027 notes in the open market and made scheduled term loan principal repayments of $7 million.

The credit agreement that governs our $500 million secured revolving credit facility and term loans contains financial and non-financial covenants. At March 31, 2023, we were in compliance with all covenants and there were no outstanding borrowings under the revolving credit facility. Borrowings under the revolving credit facility and term loans are secured by assets of the company.

We have $262 million of debt that is due withing the next 12 months, including our March 2024 notes. We are currently planning to refinance these notes in the U.S. capital markets. However, in the event we are unable to obtain acceptable terms and conditions in the U.S. capital markets, we plan to use a combination of cash on hand and capacity under our secured revolving credit facility to repay the obligation.

The Pitney Bowes Bank, a wholly owned subsidiary, is a member of the Federal Home Loan Bank of Des Moines. As a member, the Bank has access to certain credit products as a funding source known as "advances." As of March 31, 2023, the Bank had yet to apply for any advances.

Each quarter, our Board of Directors considers whether to approve the payment, as well as the amount, of a dividend. There are no material restrictions on our ability to declare dividends. We expect to continue to pay a quarterly dividend; however, no assurances can be given.

Contractual Obligations and Off-Balance Sheet Arrangements

At March 31, 2023, we have entered into real estate and equipment leases with aggregate payments of $62 million and terms ranging from three to seven years that have not commenced. Most of these leases are expected to commence in the first half of 2023.

At March 31, 2023, there are no off-balance sheet arrangements that have, or are reasonably likely to have, a material effect on our financial condition, results of operations or liquidity.

Critical Accounting Estimates

Goodwill

At December 31, 2022, the estimated fair value of the Global Ecommerce reporting unit exceeded its carrying value by less than 10%. The fair value of the reporting unit was estimated using a discounted cash flow model based on management developed cash flow projections, which included judgements and assumptions related to revenue growth rates, operating margins, operating income, and a discount rate. During the first quarter of 2023, there were no triggering events that required us to determine if the goodwill of this reporting unit was impaired. However, the judgements and assumptions used to estimate the fair value of this reporting unit at December 31, 2022 were inherently subjective and changes in any of the judgements or assumptions used could result in a different fair value determination in a future period.

Regulatory Matters

There have been no significant changes to the regulatory matters disclosed in our 2022 Annual Report.

Item 3: Quantitative and Qualitative Disclosures About Market Risk

There were no material changes to the disclosures made in our 2022 Annual Report.

Item 4: Controls and Procedures

Disclosure controls and procedures are designed to ensure that information required to be disclosed in reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms. Disclosure controls and procedures are also designed to reasonably ensure that such information is accumulated and communicated to management, including our Chief Executive Officer (CEO) and Chief Financial Officer (CFO), to allow timely decisions regarding disclosures.

With the participation of our CEO and CFO, management evaluated our disclosure controls and procedures (as defined in Rule 13a-15(e) and Rule 15d-15(e) under the Exchange Act) and internal controls over financial reporting as of the end of the period covered by this report. Our CEO and CFO concluded that, as of the end of the period covered by this report, such disclosure controls and procedures were effective to ensure that information required to be disclosed in reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the required time periods. In addition, no changes in internal control over financial reporting occurred during the quarter covered by this report that materially affected, or are reasonably likely to materially affect, such internal control over financial reporting.

It should be noted that any system of controls is based in part upon certain assumptions designed to obtain reasonable (and not absolute) assurance as to its effectiveness, and there can be no assurance that any design will succeed in achieving its stated goals. Notwithstanding this caution, the CEO and CFO have reasonable assurance that the disclosure controls and procedures were effective as of March 31, 2023.

PART II. OTHER INFORMATION

Item 1: Legal Proceedings

See Note 13 to the Condensed Consolidated Financial Statements.

Item 1A: Risk Factors

There were no material changes to the risk factors identified in our 2022 Annual Report.

Item 2: Unregistered Sales of Equity Securities and Use of Proceeds

Repurchases of Equity Securities

We periodically repurchase shares of our common stock in the open market to manage the dilution created by shares issued under employee stock plans and for other purposes. There were no purchases of our common stock during the three months ended March 31, 2023. We have remaining authorization to purchase up to $3 million of our common stock.

Item 6: Exhibits

Exhibit Number	Description	Exhibit Number in this Form 10-Q
3(i)(a)	Amended and Restated Certificate of Incorporation of Pitney Bowes Inc. (incorporated by reference to Exhibit 3(i)(a) to the Form 8-K filed with the Commission on September 30, 2019)	3(i)(a)
3	Pitney Bowes Inc. Amended and Restated By-laws effective May 13, 2013 (incorporated by reference to Exhibit 3 to the Form 8-K filed with the Commission on May 15, 2013)	3
10	Pitney Bowes Inc. Key Employees' Incentive Plan (as amended and restated January 23, 2023)	10
31.1	Certification of Chief Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as amended	31.1
31.2	Certification of Chief Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as amended	31.2
32.1	Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350	32.1
32.2	Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350	32.2
101.SCH	Inline XBRL Taxonomy Extension Schema Document	
101.CAL	Inline XBRL Taxonomy Calculation Linkbase Document	
101.DEF	Inline XBRL Taxonomy Definition Linkbase Document	
101.LAB	Inline XBRL Taxonomy Label Linkbase Document	
101.PRE	Inline XBRL Taxonomy Presentation Linkbase Document	
104	The cover page from the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2023, formatted in Inline XBRL. (included as Exhibit 101).	

* Pursuant to Item 601(a)(5) of Regulation S-K, certain exhibits and schedules have been omitted. The registrant hereby agrees to furnish supplementally a copy of any omitted attachment to the SEC upon request.

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

PITNEY BOWES INC.

Date: May 5, 2023

/s/ Ana Maria Chadwick

Ana Maria Chadwick
Executive Vice President and Chief Financial Officer
(Duly Authorized Officer and Principal Financial Officer)

/s/ Joseph R. Catapano

Joseph R. Catapano
Vice President and Chief Accounting Officer
(Duly Authorized Officer and Principal Accounting Officer)

Exhibit 10

PITNEY BOWES INC.
KEY EMPLOYEES INCENTIVE PLAN
(As Amended and Restated: February 4, 2019, February 1, 2021, and January 23, 2023)

1. PURPOSE

(A) The Pitney Bowes Inc. Key Employees Incentive Plan (the "Plan") is designed to provide additional cash incentives for key employees of Pitney Bowes Inc. (the "Company") and its subsidiaries and affiliates by the making of awards of supplemental compensation related to the achievement of certain performance criteria specified from time to time by the Company. It is intended that such awards will be given in a way designed to retain or attract, and to provide additional incentive to key employees in order to align their efforts with the Company and its stockholders.

(B) The Plan shall award short-term incentives in the form of annual cash incentives, long-term cash-based incentives (e.g., Cash Incentive Units and Stock Cash Incentive Units), and such other cash incentives as the Company deems reasonable and appropriate from time to time (e.g., retention awards).

2. ELIGIBILITY

(A) Key employees of the Company and its subsidiaries and affiliates shall be eligible for awards under the Plan. The Committee, as defined in Section 7, shall determine from time to time who is a key employee of the Company and its subsidiaries and affiliates.

3. AWARDS & PAYMENT

(A) From time to time, the Committee may make awards to such key employees as it determines to be appropriate under the terms of the Plan. All awards under the Plan shall be made on such terms and subject to such conditions as the Committee may determine, including the following:

(i) The Committee shall decide who shall receive awards for the year and shall make rules determining how each award is to be calculated. Awards may be made in cash, Units (as defined in subparagraph 3(iii) below), or any combination thereof, as may, in the judgment of the Committee be best calculated to further the purposes of the Plan.

(ii) Amounts paid to a Key Employee during any fiscal year of the Company shall not exceed the maximum amount of $5,000,000 for annual awards and $15,000,000 for Units.

(iii) A “Unit” is an award which entitles the recipient to receive cash in an amount which is calculated based upon the business performance of the Company or any of its divisions, subsidiaries, or affiliates or the value of the Company stock during a stated period (Cash Incentive Unit or Stock Cash Incentive Unit”). The Company may base the Unit award on the achievement of one or more pre-established objective performance measures or any other measure specified by the Committee. The Committee shall fix the period during which such performance is to be measured (the

"Cycle"), the time at which the value of the Units is to be paid, and the form of the payment to be made in respect of the Units. The Board may determine from time to time that a Unit award shall be settled in whole or in part in Company stock. The Units shall be awarded under the "Pitney Bowes Cash Incentive Units Program" and/or the “Pitney Bowes Stock Cash Incentive Units Program.”

(iv) All other cash awards made under the Plan, other than Units described in subparagraph (ii) above, are referred to as "Incentive Awards," which shall include "Annual Incentive Awards" made under the Pitney Bowes Incentive Program. Incentive Awards may be based on a participant's incentive target, individual performance, the achievement by the organization or business unit of one or more pre-established objective performance measures or any other measure that the Company determines appropriate to meet the purposes of the Plan.

(v) The making of awards under this Plan and the calculation of the award value by the Company is made at the discretion of the Company and is final binding and conclusive on all parties. Awards made under this Plan both rewards past performance and incentivizes future performance.

(B) Payments with respect to maturing Cash Incentive Units shall be paid between February 1 and March 15 of the calendar year following the final year in the Cycle. Payments with respect to maturing Stock Cash Incentive Units shall be paid between February 1 and March 15 of the calendar year following the corresponding performance period for each vesting. Payments to participants who reside outside the United States shall be made in such currencies and such exchange rates as are consistent with the patterns and practices under this Plan as well as local patterns and practices. Annual Incentive Awards shall be paid no later than March 15 of the calendar year following the performance year applicable to the Incentive Awards. All other cash awards made under this Plan shall be paid and governed pursuant to the terms of the written award document or notification.

(C) The Committee may from time to time establish rules and procedures pursuant to which participants will be permitted or required to defer receipt of Incentive Awards or Units under the Company's Deferred Incentive Savings Plan.

4. RETIREMENT, DISABILITY, DEATH, LEAVE OR TERMINATION

(A) If a participant's employment with the Company terminates for any reason before the distribution or payment of an Annual Incentive Award, a Cash Incentive Unit award, or a Stock Cash Incentive Unit award, the award will be forfeited and will not be paid, except as provided in this Section or except as otherwise determined by the Committee.

(B) Incentive Award. If the participant's employment ceases on account of:

i. Retirement (or bridged to Retirement pursuant to a written severance agreement), Total Disability as defined under the Company's disability plans or because of a Company-approved leave of absence, the participant shall be entitled to payment of the Annual Incentive Award on a pro-rata basis. ("Retirement" is defined as in the Pitney Bowes Pension Plan.) The payment will be based on the number of days the participant was actively employed during the performance measurement period, the participant's incentive percentage based on performance targets met and the participant's salary during the performance period. The payment will be made when the award otherwise would be paid whether or not the participant is actively employed at the time the payment is scheduled to be made. Actively employed for purposes of this

Plan means the participant is physically at work or on a Company-approved paid leave of absence.

ii. In the event of death during the performance year, the award will be pro-rated and paid to the participant's spouse or designated beneficiary, or if none, to the participant's estate.

iii. If the participant terminates employment under the terms of a written severance agreement, the Company may, in its sole discretion, provide (a) in the event of a nonretirement eligible employee that all or a pro-rata portion of the participant's award is earned by and payable to the participant, or (b) in the event of a retirement eligible employee that the participant's award will be paid at the time of termination from employment in lieu of when the Annual Incentive Award is normally paid under the program.

iv. In the event of a sale, spin-off or outsourcing of a business or business unit, the Company shall determine whether eligible participants are entitled to an Incentive Award and the criteria to be used in calculating the award.

(C) Cash Incentive Unit. If the participant's employment ceases on account of:

i. Retirement (or bridged to Retirement pursuant to a written severance agreement), or Total Disability as defined under the Company's disability plans, the participant will be entitled to payment of the Cash Incentive Units on a pro-rated basis based on the number of full calendar months of service during the Cycle through the last day actually worked or the date of Total Disability. ("Retirement" is defined as in the Pitney Bowes Pension Plan.) However, for Retirement eligible participants who have attained age 60 with at least 5 years of service *with at least one Cash Incentive Unit award outstanding for one year or longer*, or for non-Retirement eligible participants who have attained age 60 with at least 5 years of service, for Cash Incentive Unit awards that were awarded more than 12 months prior to the participant's separation from employment, the participant will be entitled to continue to vest in such Cash Incentive Units (i.e., not pro-rated); for Cash Incentive Unit awards that were awarded within 12 months of the participant's separation from employment, those awards will be forfeited. During a paid leave of absence, Family Medical Leave Act of 1993 and military leaves of absence, and disability leave where the participant is receiving benefits under the Company's disability benefit plans, the participant will be treated as actively employed with respect to the participant's outstanding Cash Incentive Unit awards. The payment of the Cash Incentive Unit will be made when the award is otherwise paid to the other eligible participants, whether or not the participant is actively employed at the time the payment is scheduled to be made. A participant will be considered actively at work if physically at work or on a Company-approved paid leave of absence.

ii. In the event of death during a performance cycle, the award will be pro-rated through the date of death based on the full calendar month of service and will be paid to the participant's spouse or designated beneficiaries, or if none, to the participant's estate. The payment will be made when the award is otherwise paid to other eligible participants.

iii. If the participant terminates employment under the terms of a written severance agreement but is not otherwise retirement eligible, Cash Incentive Units outstanding for 12 months or more from the date of termination will be paid on a pro-rated basis based on the number of full calendar months of service during the

Cycle through the last day of work. The payment will be made when the award is otherwise paid to other eligible participants. Cash Incentive Units outstanding less than 12 months from the date of termination shall be forfeited.

iv. In the event of a sale, spin-off or outsourcing of a business or business unit, Cash Incentive Units will be paid on a pro-rated basis based on the number of full calendar months' of service during the Cycle through the last day of work. The payment will be made when the award is otherwise paid to other eligible participants.

(D) Stock Cash Incentive Unit. If the participant's employment ceases on account of:

i. Retirement (or bridged to Retirement pursuant to a written severance agreement), the participant will be entitled to continued vesting during the bridging period and full vesting at retirement, provided that the award is outstanding for one year or longer as of the last day actually worked. ("Retirement" is defined as in the Pitney Bowes Pension Plan.) For participants who have attained age 60 with at least 5 years of service, for Stock Cash Incentive Unit awards that were awarded more than 12 months prior to the participant's separation from employment, the participant will be entitled to continue to vest in such Stock Cash Incentive Units; for Stock Cash Incentive Unit awards that were awarded within 12 months of the participant's separation from employment, those awards will be forfeited. The payment of the Stock Cash Incentive Units will be made when the award is otherwise paid to the other eligible participants, whether or not the participant is actively employed at the time the payment is scheduled to be made. Stock Cash Incentive Units outstanding less than 12 months from the date of termination shall be forfeited.

ii. In the event of Total Disability, as defined under the Company's disability plans, the participant will be entitled to full vesting on the date of termination due to disability. During a paid leave of absence, Family Medical Leave Act of 1993 and military leaves of absence, and disability leave where the participant is receiving benefits under the Company's disability benefit plans, the participant will be treated as actively employed with respect to the participant's outstanding Stock Cash Incentive Unit awards. The payment of the Stock Cash Incentive Units will be made when the award is otherwise paid to the other eligible participants, whether or not the participant is actively employed at the time the payment is scheduled to be made. A participant will be considered actively at work if physically at work or on a Company-approved paid leave of absence.

iii. In the event of death during a performance cycle, the participant will be entitled to full vesting of the award on the date of termination due to death and the award will be paid to the participant's spouse or designated beneficiaries, or if none, to the participant's estate. The payment will be made when the award is otherwise paid to other eligible participants.

iv. If the participant terminates employment under the terms of a written severance agreement, but is not otherwise retirement eligible, for Stock Cash Incentive Unit awards that were awarded more than 12 months prior to the participant's separation from employment, the Company may, in its sole discretion, provide that all or a pro-rata portion of the participant's award is earned by and payable to the participant when the award is otherwise paid to other eligible participants. Stock Cash Incentive Units outstanding less than 12 months from the date of termination shall be forfeited.

v. In the event of a sale, spin-off or outsourcing of a business or business unit, the participant will be entitled to full vesting of the award on the date of termination due to a sale, spin-off or outsourcing of a business or business unit. The payment will be made when the award is otherwise paid to other eligible participants.

(E) Recoupment. Compensation under this plan will be subject to any claw back policy adopted by the Board of Directors, including, without limitation, by adjusting, recouping or forfeiting any awards made or paid under this Plan to executive officers during the past 36 months where the payment or award was predicated upon the achievement of certain financial results that were subsequently subject of a restatement.

In addition the Board, or its delegate, may adjust, recoup or forfeit any award made or paid under this Plan to any employee if the Board, or its delegate, reasonably believes that a Participant has (i) breached a covenant under the Proprietary Interest Protection Agreement ("PIP") executed by the employee or (ii) engaged in Gross Misconduct, where Gross Misconduct includes (a) the conviction of a felony, or crime of similar magnitude, in connection with the performance or non-performance of the employee's duties or (b) the willful act or failure to act in a way that results in material injury to the business or its employees. "Material injury" for this purpose means substantial and not inconsequential as determined by the Board or its delegate. The Board, or its delegate, shall determine in its/their sole discretion whether there has been a Gross Misconduct. The Board, or its delegate, will take into account the timing and magnitude of the injury to the business in determining the extent of adjustment, recoupment or forfeiture.

(F) The Company, in its sole discretion, shall determine whether there has been a Gross Misconduct and the Company's determination shall be final, conclusive and binding on all parties.

5. CHANGE OF CONTROL

Notwithstanding anything in the Plan to the contrary, if a Change of Control occurs, the following provisions shall apply:

(A) Annual Incentive Awards. A participant, who has previously been notified by the Company that he or she was eligible to receive an Annual Incentive Award for the year in which the Change of Control occurs, shall be paid a target incentive award for the calendar year of the Change of Control. The award shall be paid on the date on which Annual Incentive Awards would otherwise have been paid absent a Change of Control notwithstanding, except if a participant suffers a termination of employment on account of a Change of Control as defined under the Pitney Bowes Senior Executive Severance Policy, such participant shall be paid a prorated target incentive award no later than fifteen (15) days after the participant terminates employment.

(B) Cash Incentive Units. In the event of a Change of Control, all outstanding Cash Incentive Unit awards shall be valued at target, as established for each outstanding Cycle, and paid on the date on which such Cycle would otherwise be paid absent a Change of Control, except if a participant suffers a termination of employment on account of a Change of Control as defined under the Pitney Bowes Senior Executive Severance Policy, such participant shall be paid no later than fifteen (15) days after the participant terminates employment.

(C) Stock Cash Incentive Units. In the event of a Change of Control, all outstanding Stock Cash Incentive Unit awards shall be valued based upon the value of the shares underlying the award at the time of the Change of Control subject to any limitations (e.g. payout thresholds or maximums) contained in applicable award agreements, and paid on the date on which such award would otherwise be paid absent a Change of Control, except if a participant suffers a termination of employment on account of a Change of Control as defined

under the Pitney Bowes Senior Executive Severance Policy, such participant shall be paid no later than fifteen (15) days after the participant terminates employment.

(D) For purposes of this Plan, a "Change of Control" and "Termination of Employment" shall be defined as provided in the Pitney Bowes Senior Executive Severance Policy from time to time.

(E) The foregoing is intended to set forth the minimum amount of Annual Incentive Award, Cash Incentive Unit payments, and Stock Cash Incentive Unit payments that shall be made in the circumstances described above but are not intended to limit any additional payments that the Committee may desire to make as in its discretion it deems appropriate.

(F) Any right to a payment as provided in this Section shall be a contract right of the key employees as herein described, enforceable against the Company, its assigns and successors. Upon and following the occurrence of a Change of Control, any decision rendered pursuant to this. Section 5 may be contested by any claimant, and the Company agrees to pay, to the full extent permitted by law, all legal fees and expenses which a claimant may reasonably incur as a result of any contest, provided the claimant substantially prevails in the outcome thereof.

6. NO ASSIGNMENT

(A) No award, and no right under any award shall be assignable, alienable, saleable, or transferable by a participant other than by will or by the laws of descent and distribution or pursuant to a qualified domestic relations order as defined in the Code (as defined below), or Title I of the Employee Retirement Income Security Act of 1974, as amended, or the rules thereunder; provided however, that if so determined by the Committee, a participant may in the manner established by the Committee, designate a beneficiary or beneficiaries to exercise the rights of the participant, and to receive any cash distributable, with respect to any award upon the death of the participant. Each award, and each right under any award, shall be issuable or payable only to the participant, or, if permissible under applicable law, to the participant's guardian or legal representative or to a transferee receiving such award pursuant to a qualified domestic relations order referred to above. No award, and no right under any such award, may be pledged, alienated, attached, or otherwise encumbered and any purported pledge, alienation, attachment, or encumbrance thereof shall be void and unenforceable against the Company or any affiliate.

7. ADMINISTRATION

(A) The Plan shall be administered by a committee designated by the Board of Directors to administer the Plan (the "Committee").

(B) The Committee may establish rules for the administration of the Plan and may make administrative decisions regarding the Plan and awards hereunder. The Committee may delegate its functions hereunder to the extent consistent with applicable law.

(C) Unless otherwise expressly provided in the Plan, all designations, determinations, interpretations, and other decisions under or with respect to the Plan, any award, or any award agreement or certificate shall be with and in the sole discretion of the Committee, may be made at any time, and shall be final, conclusive, and binding upon all persons, including the Company, any affiliate, any participant, any holder or beneficiary of any award, and any employee of the Company or of any affiliate.

8. PLAN AMENDMENT AND TERMINATION

(A) The Committee may amend, suspend, or terminate the Plan in whole or in part at any time, provided, however, that if in the judgment of the Committee such amendment or other action would have a material effect on the Plan, such amendment or other action must be taken by the Board of Directors of the Company. No amendment which would materially increase the cost of the Plan shall be made effective unless approved by the shareholders of the Company. This Plan may not be amended, suspended or terminated from and after the date of a Change of Control as defined above) or in anticipation of a Change of Control so as to reduce or otherwise adversely affect the benefits to which participants in the Plan are entitled upon a Change of Control, calculated as of the date of the amendment, suspension or termination. Any termination of the Plan shall be made in accordance with the requirements of Section 409A of the Code, if applicable.

9. IRC SECTION 409A.

(A) It is anticipated that payments under this Plan (except for certain Unit payments after a Change of Control) shall not be subject to Section 409A of the Code as a result of the "short-term deferral" exception set forth in applicable guidance. However, if and to the extent that section 409A of the Code applies to amounts payable under the Plan, distributions may only be made under the Plan upon an event and in a manner permitted by Code Section 409A. To the extent that any provision of the Plan would cause a conflict with any applicable requirements of Code Section 409A or would cause the administration of the Plan to fail to satisfy the applicable requirements of Section 409A, such provision shall be deemed null and void.

(B) Notwithstanding anything in the Plan to the contrary, if Section 409A of the Code applies to the Plan and if a participant is a "specified employee," as defined in Code Section 409A, payment of benefits under this Plan upon termination of employment shall be postponed for six months after termination of employment if required in order to avoid adverse taxation under Code Section 409A. If payment of benefits under the Plan is required to be postponed pursuant to Section 409A, the accumulated amounts withheld on account of Section 409A shall be paid in a lump sum payment within fifteen days after the end of the required postponement period along with interest at the Applicable Federal Rate short-term rate on the unpaid balance for the postponement period. If the participant dies during such postponement period prior to the payment of benefits, the amounts withheld on account of Section 409A shall be paid to the participant's beneficiary determined under Section 6.

10. WITHHOLDING

(A) All payments under the Plan shall be subject to applicable tax withholding under various taxing jurisdictions as well as various liens that are legally placed on such payments as determined by the Company.

11. CONTROLLING LAW

(A) The Plan shall be construed and enforced according to the laws of the state of Connecticut, exclusive of conflict of law provisions thereof, to the extent not preempted by Federal law, which shall otherwise control.

12. OTHER PLANS; NO RIGHTS

(A) Nothing in the Plan shall prevent a participant from being included in any other employee benefit or stock option or purchase plan of the Company or its subsidiaries or affiliates, or from receiving any compensation provided by them. Neither the Plan nor any action taken thereunder shall be understood as giving any person any right to be retained in the employ of the Company or any subsidiary or affiliate, nor shall any person (including persons participating for a prior year) be entitled as of right to be selected as a participant in the Plan for any year.

13. EFFECTIVE DATE

The Plan, as amended and restated herein, shall become effective on **January 23, 2023**.

Exhibit 31.1

CERTIFICATION PURSUANT TO

SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Marc B. Lautenbach, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Pitney Bowes Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 5, 2023

/s/ Marc B. Lautenbach

Marc B. Lautenbach

President and Chief Executive Officer

Exhibit 31.2

CERTIFICATION PURSUANT TO

SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Ana Maria Chadwick, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Pitney Bowes Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 5, 2023

/s/ Ana Maria Chadwick

Ana Maria Chadwick

Executive Vice President and Chief Financial Officer (Principal Financial Officer)

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Pitney Bowes Inc. (the "Company") on Form 10-Q for the period ended March 31, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Marc B. Lautenbach, President and Chief Executive Officer of the Company, certify, to the best of my knowledge, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Marc B. Lautenbach
Marc B. Lautenbach
President and Chief Executive Officer

Date: May 5, 2023

The foregoing certification is being furnished solely to accompany this report pursuant to 18 U.S.C. §1350, and is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not to be incorporated by reference into any filing of the Company.

Exhibit 32.2

CERTIFICATION PURSUANT TO

18 U.S.C. SECTION 1350

AS ADOPTED PURSUANT TO

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Pitney Bowes Inc. (the "Company") on Form 10-Q for the period ended March 31, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Ana Maria Chadwick, Executive Vice President, Chief Operating Officer and Chief Financial Officer of the Company, certify, to the best of my knowledge, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Ana Maria Chadwick

Ana Maria Chadwick

Executive Vice President and Chief Financial Officer (Principal Financial Officer)

Date: May 5, 2023

The foregoing certification is being furnished solely to accompany this report pursuant to 18 U.S.C. §1350, and is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not to be incorporated by reference into any filing of the Company.