



# First-Quarter 2015 Financial Results

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April 23, 2015

# Disclaimer

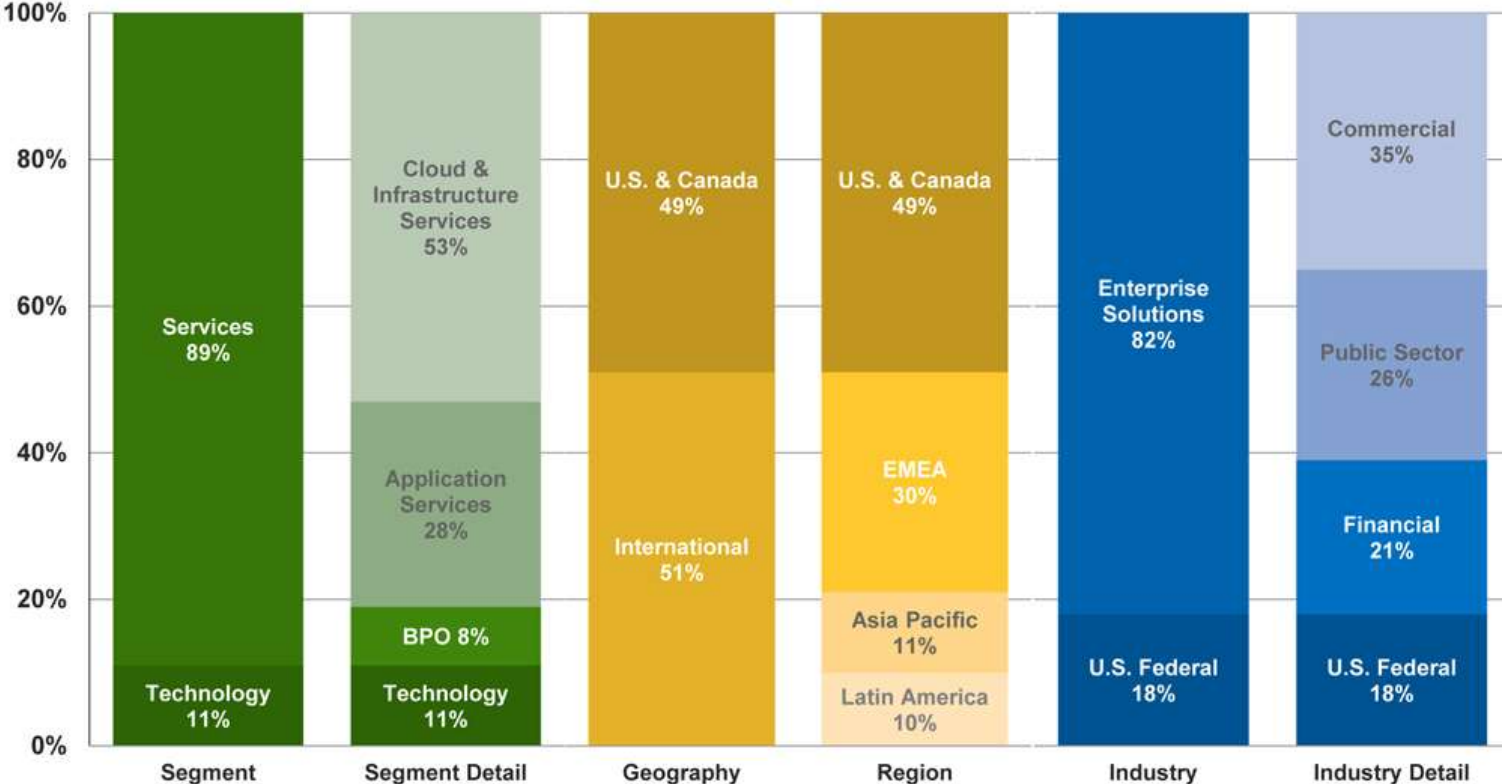
- Statements made by Unisys during today's presentation that are not historical facts, including those regarding future performance, are forward-looking statements under the Private Securities Litigation Reform Act of 1995. These statements are based on current expectations and assumptions and involve risks and uncertainties that could cause actual results to differ from expectations. These risks and uncertainties are discussed in the company's reports filed with the SEC and in today's earnings release.
- This presentation also includes non-GAAP financial measures including Constant Currency, non-GAAP Pretax Profit/Loss, non-GAAP Diluted Earnings/Loss per Share, Free Cash Flow, EBITDA and Adjusted EBITDA. Definitions of these non-GAAP financial measures and reconciliations to GAAP measures are included in this presentation.
- These presentation materials can be accessed on the Unisys Investor Web site at [www.unisys.com/investor](http://www.unisys.com/investor). Information in this presentation is as of April 23, 2015 and Unisys undertakes no duty to update this information.

# Financial Results

\$M (excluding EPS)	1Q15	1Q14	Y/Y Ch
Revenue	\$721	\$762	(5%)
• Gross Profit	\$117	\$133	(12%)
• Gross Profit Margin	16.2%	17.5%	(1.3 pts)
Operating Expenses (SG&A plus R&D)	\$147	\$153	(4%)
• Operating Profit	(\$30)	(\$20)	
• Operating Profit Margin	(4.2%)	(2.6%)	(1.6 pts)
Other Income (Expense)	\$5	(\$10)	
Pretax Loss	(\$28)	(\$32)	
Non-GAAP Pretax Profit (Loss)*	\$0	(\$12)	
Tax Provision	\$13	\$16	
Net Loss	(\$43)	(\$54)	
Diluted Loss per Share	(\$0.87)	(\$1.15)	
Non-GAAP Diluted Loss per Share**	(\$0.32)	(\$0.74)	

See Schedules \*A & \*\*B: GAAP to non-GAAP Reconciliation

# Unisys Revenue Profile - 1Q15



Region Detail	1Q15 Y/Y	Constant Currency
U.S. & Canada	9%	9%
EMEA	(16%)	(4%)
Asia Pacific	(11%)	(5%)
Latin America	(21%)	(9%)

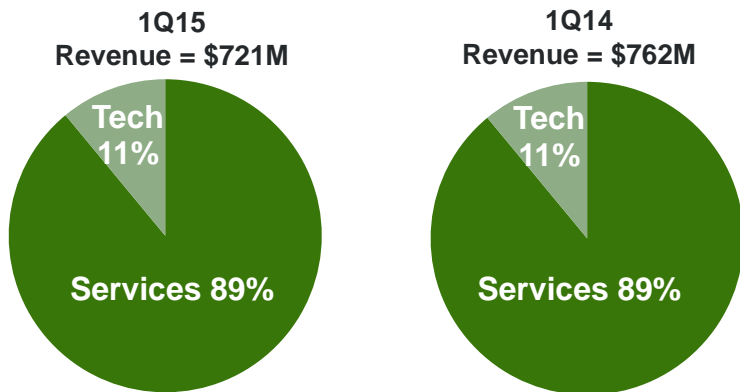
Industry Detail	1Q15 Y/Y	Constant Currency
Commercial	(7%)	1%
Public Sector	(10%)	(3%)
Financial	(10%)	(2%)
U.S. Federal	13%	13%

# Segment Results - 1Q15

## Segment Revenue

- Services revenue
  - Down 6% Y/Y;  
Flat in constant currency
- Technology revenue
  - Up 3% Y/Y;  
Up 13% in constant currency

## Revenue Mix



## Segment Margins

\$M	1Q15	Y/Y Ch
<b>Services Segment</b>		
Services Revenue	\$639	(6%)
Services Gross Margin	14.1%	(170 bps)
Services Operating Margin	(1.3%)	(280 bps)
<b>Technology Segment</b>		
Technology Revenue	\$82	3%
Technology Gross Margin	49.6%	830 bps
Technology Operating Margin	5.2%	2,160 bps

# 1Q15 Services Order and Backlog Highlights

- Services orders up substantially Y/Y
- Services orders by geography:
  - Orders up Y/Y in the U.S. & Canada
  - Orders down Y/Y in Latin America, Asia Pacific, EMEA
- Services orders by portfolio:
  - Cloud & infrastructure services orders grew Y/Y
  - BPO services and application services orders decreased Y/Y
- Closed 1Q15 with \$4.5B in services backlog vs. \$4.5B at 1Q14 and \$4.8B at 4Q14
  - 1Q15 backlog up 11% Y/Y on a constant currency basis
  - 1Q15 backlog down 3% Q/Q on a constant currency basis
  - \$590M of services backlog expected to turn into 2Q15 Services revenue

# Cash Flow Comparison

\$M	1Q15	1Q14
Cash Flow From Operations	(\$43)	\$20
Capital Expenditures	\$58	\$45
Free Cash Flow*	(\$101)	(\$25)
Pension Funding	\$39	\$56
Free Cash Flow Before Pension Funding*	(\$62)	\$31
Depreciation & Amortization	\$41	\$40
EBITDA**	\$13	\$7
Adjusted EBITDA**	\$41	\$27

See Schedules \*C and \*\*D: GAAP to non-GAAP Reconciliation



## Questions & Answers



# Non-GAAP Financial Measures

**In an effort to provide investors with additional information regarding the company's results as determined by generally accepted accounting principles (GAAP), the company also discusses, in its earnings press release and/or earnings presentation materials, the following non-GAAP information which management believes provides useful information to investors.**

**Constant Currency** – The company refers to growth rates at constant currency or adjusting for currency so that the business results can be viewed without the impact of fluctuations in foreign currency exchange rates to facilitate comparisons of the company's business performance from one period to another. Constant currency for revenue is calculated by retranslating current and prior period results at a consistent rate. This approach is based on the pricing currency for each country which is typically the functional currency. Generally, when the dollar either strengthens or weakens against other currencies, the growth at constant currency rates will be higher or lower, respectively, than growth reported at actual exchange rates.

**Non-GAAP Pretax Profit** – Unisys recorded pretax pension expense of \$27.9 million and \$19.5 million, respectively, during the first quarters of 2015 and 2014. In order to provide investors with additional understanding of the company's operating results, these charges are excluded from the pretax profit.

**Non-GAAP Diluted Earnings/Loss Per Share** – Unisys recorded pension expense, net of tax, of \$27.4 million and \$19.3 million, respectively, during the first quarters of 2015 and 2014. In an effort to provide investors with a perspective on the company's earnings without these charges, they are excluded from the non-GAAP diluted earnings/loss per share calculations.

# Non-GAAP Financial Measures

**Free Cash Flow** – To better understand the trends in our business, we believe that it is helpful to present free cash flow, which we define as cash flow from operations less capital expenditures. Management believes this measure gives investors an additional perspective on cash flow from operating activities in excess of amounts required for reinvestment. Because of the significance of the company's pension funding obligations in 2015 and 2014, free cash flow before pension funding is also provided.

**EBITDA** – Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) is an approximate measure of a company's operating cash flow based on data from the company's income statement. EBITDA is calculated as earnings before the deduction of interest expenses, taxes, depreciation, and amortization. Management believes this measure may be relevant to investors due to the level of fixed assets and related depreciation charges. This measure is also of interest to the company's creditors, since it provides a perspective on earnings available for interest payments.

**Adjusted EBITDA** – Unisys recorded pretax pension expense of \$27.9 million and \$19.5 million, respectively, during the first quarters of 2015 and 2014. In order to provide investors with additional understanding of the company's operating results, these charges are excluded from the Adjusted EBITDA calculation.

## Schedule A: GAAP to Non-GAAP Reconciliation

# Non-GAAP Pretax Profit

\$M	1Q15	1Q14
Pretax Loss	(\$27.7)	(\$31.7)
Pension Expense	27.9	19.5
Non-GAAP Pretax Profit (Loss)	\$0.2	(\$12.2)

## Schedule B: GAAP to Non-GAAP Reconciliation

# Non-GAAP Earnings/Loss per Diluted Share

\$M except share and per share data	1Q15	1Q14
GAAP net loss attributable to Unisys Corporation common shareholders	(\$43.2)	(\$53.5)
Pension expense, net of tax	27.4	19.3
Non-GAAP net loss attributable to Unisys Corporation common shareholders	(15.8)	(\$34.2)
Add preferred stock dividends	--	--
<b>Non-GAAP net loss attributable to Unisys Corporation for diluted earnings per share</b>	<b>(\$15.8)</b>	<b>(\$34.2)</b>
Weighted average shares (thousands)	49,821	46,343
Plus incremental shares from assumed conversion of employee stock plans and preferred stock	--	--
<b>Adjusted weighted average shares</b>	<b>49,821</b>	<b>46,343</b>
<b>Diluted Earnings per Share</b>		
<i>GAAP basis</i>		
GAAP net loss attributable to Unisys Corporation common shareholders	(\$43.2)	(\$53.5)
Divided by weighted average shares	49,821	46,343
<b>GAAP loss per diluted share</b>	<b>(\$0.87)</b>	<b>(\$1.15)</b>
<i>Non-GAAP basis</i>		
Non-GAAP net loss attributable to Unisys Corporation for diluted earnings per share	(\$15.8)	(\$34.2)
Divided by adjusted weighted average shares	49,821	46,343
<b>Non-GAAP loss per diluted share</b>	<b>(\$0.32)</b>	<b>(\$0.74)</b>

Schedule C: GAAP to Non-GAAP Reconciliation

# Free Cash Flow

\$M	1Q15	1Q14
Cash Provided by Operations	(\$43.3)	\$20.1
Capital Expenditures	(57.3)	(44.6)
Free Cash Flow	(\$100.6)	(\$24.5)
Pension Funding	38.7	55.5
Free Cash Flow Before Pension Funding	(\$61.9)	\$31.0

Schedule D: GAAP to Non-GAAP Reconciliation

# EBITDA and Adjusted EBITDA

## Earnings before Interest, Taxes, Depreciation and Amortization

\$M	1Q15	1Q14
Net Income Attributable to Unisys	(\$43.2)	(\$50.8)
Interest Expense	2.6	2.0
Income Tax Provision	13.3	16.0
Depreciation & Amortization	40.7	40.0
EBITDA	\$13.4	\$7.2
Pension Expense	27.9	19.5
Adjusted EBITDA	\$41.3	\$26.7

# 1Q15 Segment Revenue Report

1Q15 (\$M)	Revenue	Y/Y Change	% of Total Company
<b>Services</b>			
- Cloud & Infrastructure Services	\$379	(10%)	53%
- Application Services	\$202	3%	28%
- Business Process Outsourcing Services	\$58	(12%)	8%
Total Services Revenue	<b>\$639</b>	<b>(6%)</b>	<b>89%</b>
<b>Technology</b>			
Total Technology Revenue	<b>\$82</b>	<b>3%</b>	<b>11%</b>
<b>Total Customer Revenue</b>	<b>\$721</b>	<b>(5%)</b>	<b>100%</b>

# 2013-2014 Segment Revenue Report

## Customer Revenue by Classes of Similar Products or Services -- by Segment\*

Fiscal year end December 31 (in millions)

2014	1Q	2Q	3Q	4Q	Total
<b>Services</b>					
- Cloud & Infrastructure Services	\$419.4	\$430.8	\$439.2	\$415.5	\$1,704.9
- Application Services	196.2	205.1	207.2	211.3	819.8
- Business Process Outsourcing Services	66.1	67.5	65.5	61.9	261.0
Total Services Revenue	\$681.7	\$703.4	\$711.9	\$688.7	\$2,785.7
<b>Technology</b>					
Total Technology Revenue	\$80.0	\$103.0	\$170.6	\$217.1	\$570.7
<b>Total Customer Revenue</b>	<b>\$761.7</b>	<b>\$806.4</b>	<b>\$882.5</b>	<b>\$905.8</b>	<b>\$3,356.4</b>
2013	1Q	2Q	3Q	4Q	Total
<b>Services</b>					
- Cloud & Infrastructure Services	\$439.4	\$451.9	\$433.1	\$448.0	\$1,772.4
- Application Services	200.1	212.0	205.3	207.3	824.7
- Business Process Outsourcing Services	62.7	62.9	62.0	65.3	252.9
Total Services Revenue	\$702.2	\$726.8	\$700.4	\$720.6	\$2,850.0
<b>Technology</b>					
Total Technology Revenue	\$107.7	\$131.8	\$91.7	\$275.3	\$606.5
<b>Total Customer Revenue</b>	<b>\$809.9</b>	<b>\$858.6</b>	<b>\$792.1</b>	<b>\$995.9</b>	<b>\$3,456.5</b>

\* Changed to conform to 2015 presentation