



# Fourth-Quarter 2015 Financial Results

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- This presentation also includes non-GAAP financial measures including Constant Currency, non-GAAP Operating expenses, non-GAAP Diluted Earnings 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.
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# 4Q Highlights

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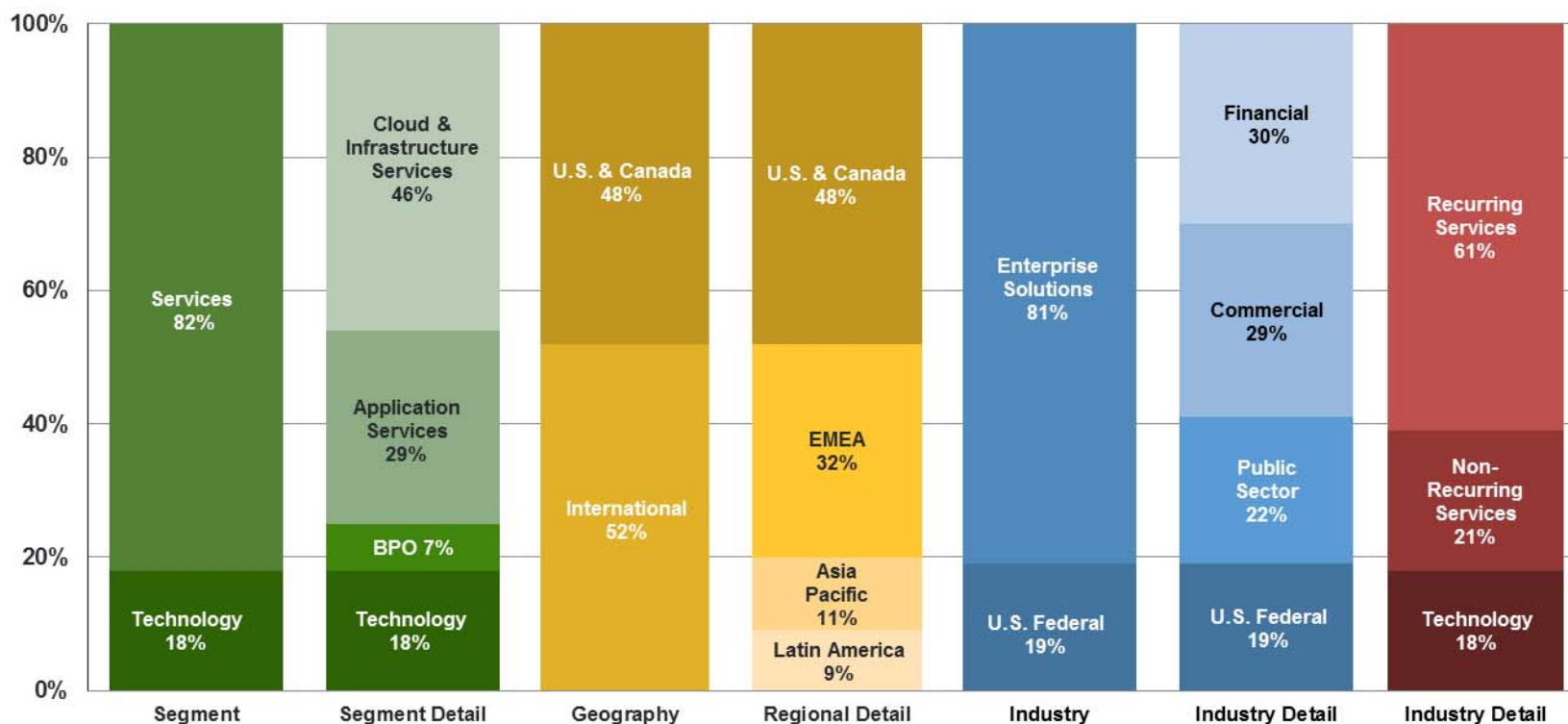
- Services revenue grew in constant currency for the fourth quarter and full year
- Non-GAAP operating profit margin of 12.1%; GAAP operating profit margin of 2.0%
- Exited 2015 with \$100M in annualized savings from cost reduction actions completed in the year
- Key industry leadership positions filled
- Stealth continued to gain traction with several new wins
  - 1Q 2016: Stealth launched on the Amazon Web Services Cloud

# Financial Results

\$M (excluding EPS)	4Q15	4Q14	Y/Y Ch	FY15	FY14	Y/Y Ch
Services Revenue	\$649	\$689	(6%); 2% in CC	\$2,606	\$2,786	(6%); 2% in CC
Technology Revenue	\$141	\$217	(35%); (30%) in CC	\$409	\$571	(28%); (22%) in CC
Total Revenue	\$790	\$906	(13%); (6%) in CC	\$3,015	\$3,356	(10%); (2%) in CC
Operating Expenses (SG&A plus R&D)	\$143	\$162	(12%)	\$596	\$623	(4%)
Non-GAAP Operating Expenses*	\$114	\$156	(27%)	\$493	\$597	(17%)
Operating Profit Margin	2.0%	9.1%	(710 bps)	(1.8%)	4.6%	(640 bps)
Non-GAAP Operating Profit Margin**	12.1%	11.1%	100 bps	5.8%	6.8%	(100 bps)
Diluted Earnings (Loss) per Share	\$0.02	\$1.24	(98%)	(\$2.20)	\$0.89	NM
Non-GAAP Diluted Earnings per Share***	\$1.58	\$1.60	(1%)	\$2.26	\$2.36	(4%)
EBITDA****	\$72	\$125	(43%)	\$134	\$334	(60%)
Adjusted EBITDA****	\$152	\$144	6%	\$366	\$408	(10%)

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

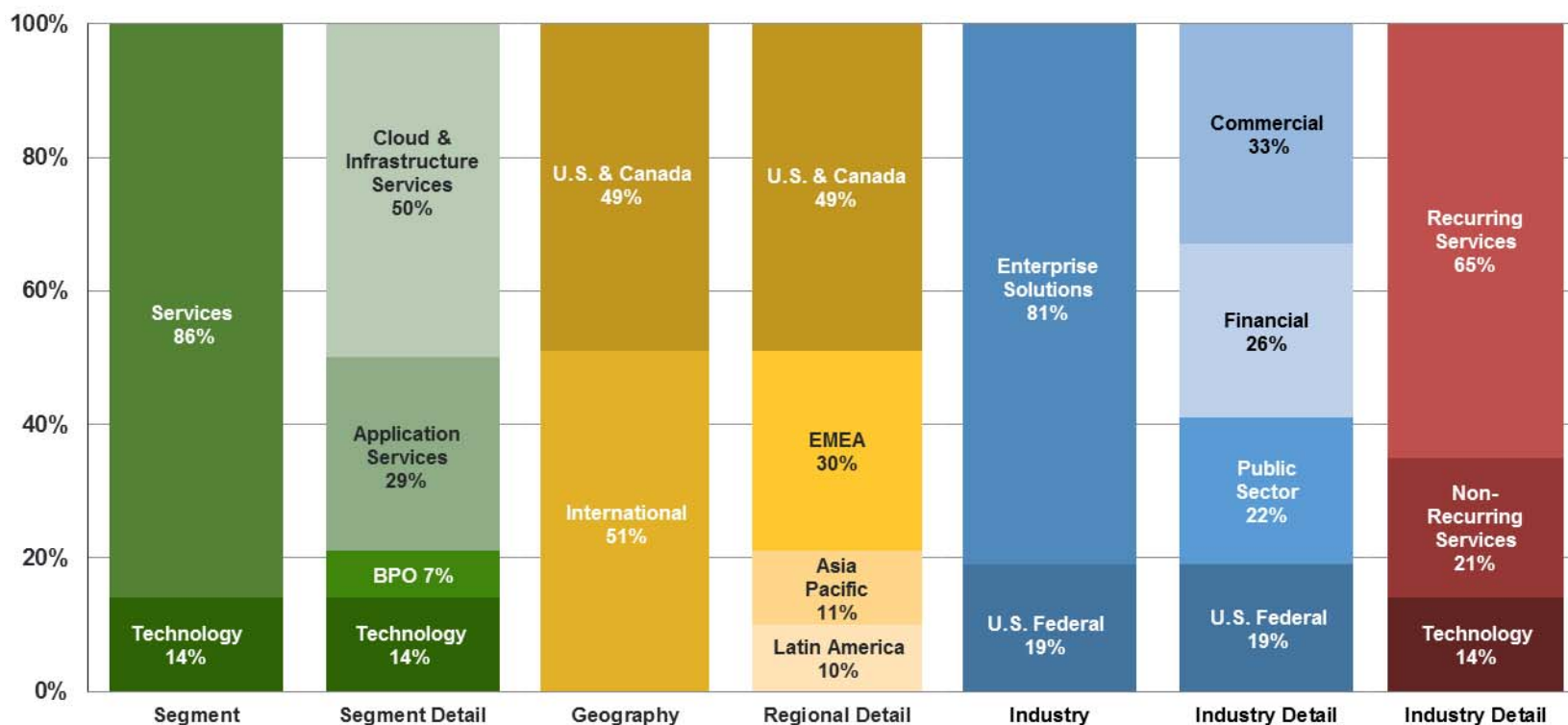
# Unisys Revenue Profile - 4Q15



Regional Detail	4Q15 Y/Y	Constant Currency
U.S. & Canada	(5%)	(5%)
EMEA	(5%)	4%
Asia Pacific	(13%)	(2%)
Latin America	(49%)	(30%)

Industry Detail	4Q15 Y/Y	Constant Currency
Financial	(1%)	10%
Commercial	(23%)	(16%)
Public Sector	(6%)	3%
U.S. Federal	(18%)	(18%)

# Unisys Revenue Profile – Full Year 2015



Regional Detail	FY15 Y/Y	Constant Currency
U.S. & Canada	4%	5%
EMEA	(16%)	(4%)
Asia Pacific	(20%)	(11%)
Latin America	(34%)	(15%)

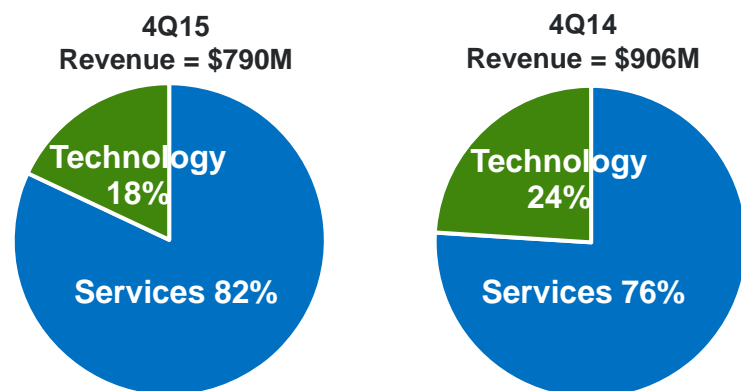
Industry Detail	FY15 Y/Y	Constant Currency
Commercial	(16%)	(8%)
Financial	(10%)	2%
Public Sector	(13%)	(6%)
U.S. Federal	8%	8%

# Segment Results – 4Q15

## Segment Revenue

- **Services Revenue**
  - Down 6% Y/Y;  
Up 2% in constant currency; Fourth consecutive quarter of growth in CC
- **Technology Revenue**
  - Down 35% Y/Y;  
Down 30% in constant currency

## Revenue Mix



## Segment Results

\$M	4Q15	Y/Y Ch
<b>Services Segment</b>		
Services Revenue	\$649	(6%)
Services Gross Profit Margin	16.2%	(170 bps)
Services Operating Profit Margin	3.6%	20 bps
<b>Technology Segment</b>		
Technology Revenue	\$141	(35%)
Technology Gross Profit Margin	68.4%	1,020 bps
Technology Operating Profit Margin	46.8%	1,070 bps

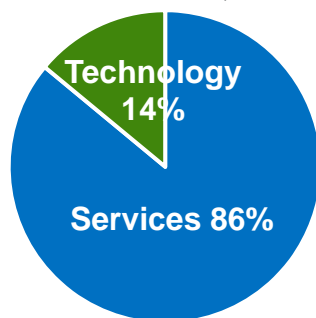
# Segment Results – Full Year 2015

## Segment Revenue

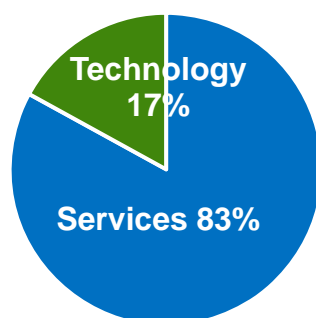
- **Services Revenue**
  - Down 6% Y/Y;  
Up 2% in constant currency; Up every quarter during 2015 in CC
- **Technology Revenue**
  - Down 28% Y/Y;  
Down 22% in constant currency

## Revenue Mix

Full Year 2015  
Revenue = \$3,015M



Full Year 2014  
Revenue = \$3,356M

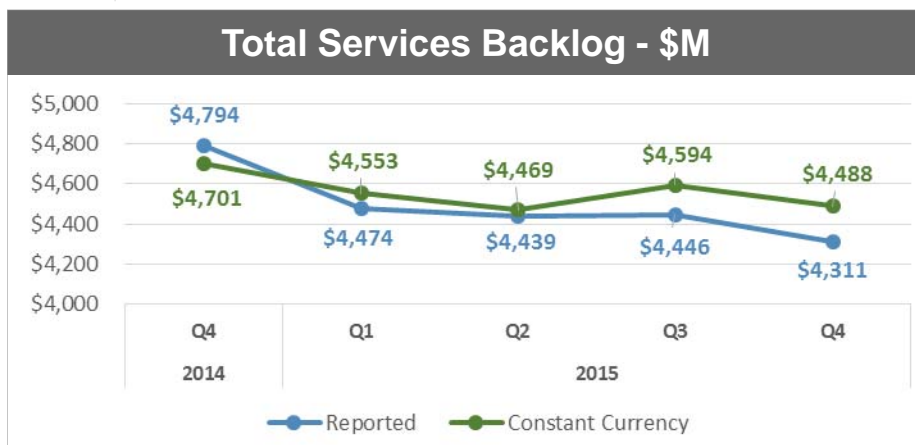
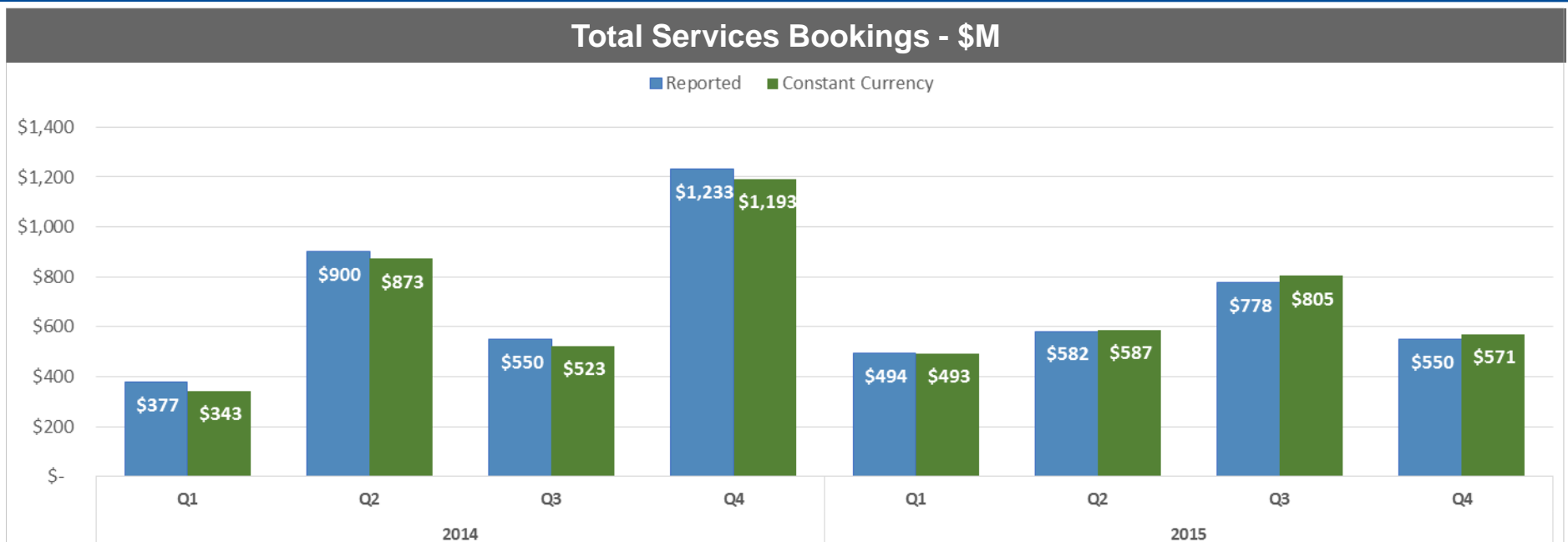


## Segment Results

\$M	FY15	Y/Y Ch
<b>Services Segment</b>		
Services Revenue	\$2,606	(6%)
Services Gross Profit Margin	15.8%	(160 bps)
Services Operating Profit Margin	2.3%	(110 bps)
<b>Technology Segment</b>		
Technology Revenue	\$409	(28%)
Technology Gross Profit Margin	55.3%	Flat
Technology Operating Profit Margin	24.8%	290 bps



# 4Q15 Services Bookings and Backlog



- Services bookings declined 55% Y/Y
- Closed 4Q15 with \$4.3B in services backlog; Down 10% Y/Y; 5% in constant currency
  - \$560M of services backlog expected to turn into 1Q16 Services revenue
  - Approximately \$1.8B (42%) of Services backlog expected to convert to revenue in 2016

# Cash Flow Comparison

\$M	4Q15	4Q14	FY15	FY14
Cash Flow From Operations	\$110	\$106	\$1	\$121
Capital Expenditures	\$46	\$69	\$214	\$212
Free Cash Flow*	\$63	\$37	(\$213)	(\$91)
Pension Funding	\$33	\$22	\$148	\$183
Cost Reduction Payments	\$21	\$0	\$59	\$0
Adjusted Free Cash Flow*	\$117	\$59	(\$6)	\$92
Depreciation & Amortization	\$55	\$43	\$180	\$169
EBITDA**	\$72	\$125	\$134	\$334
Adjusted EBITDA**	\$152	\$144	\$366	\$408

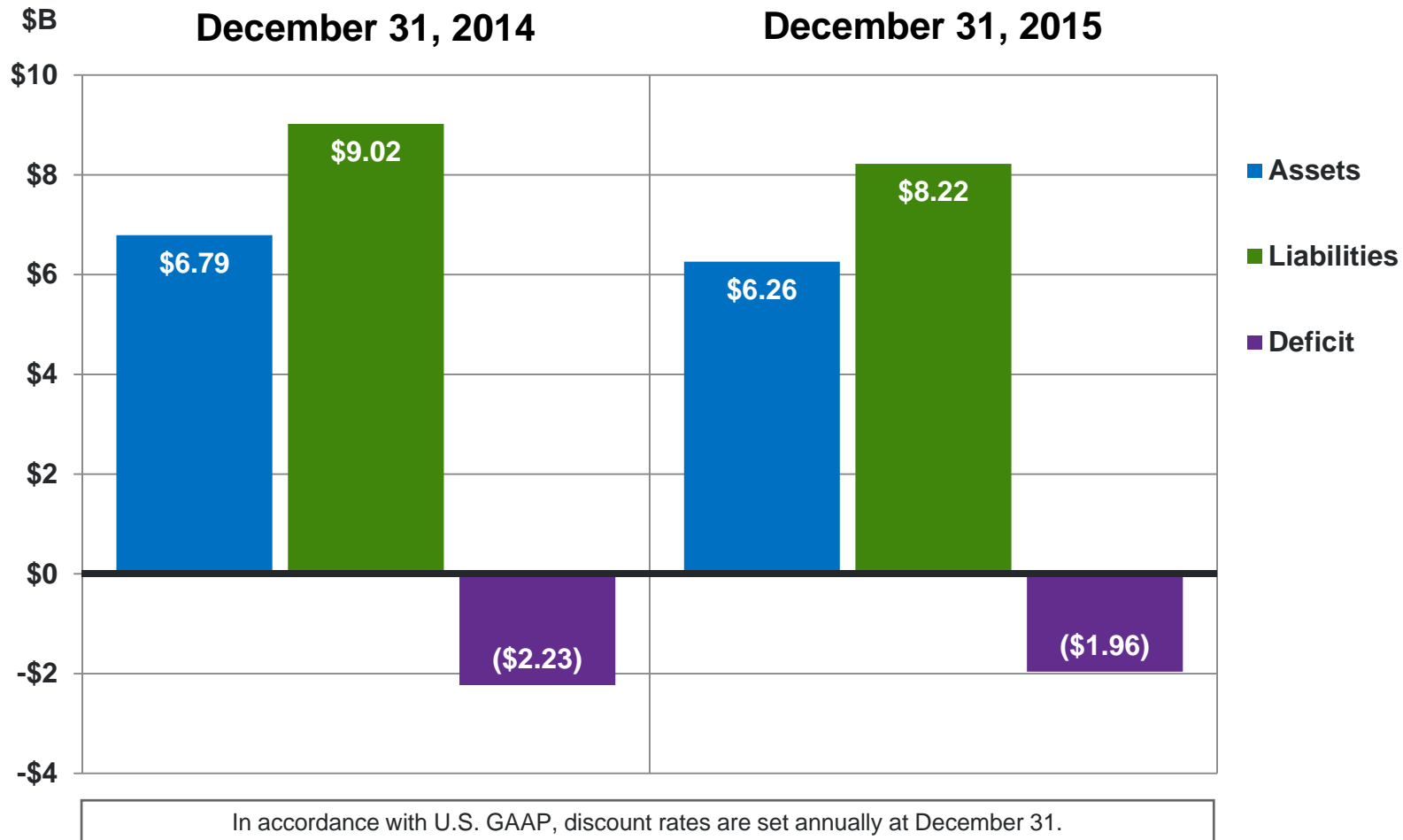
See Schedules \*D and \*\*E: GAAP to non-GAAP Reconciliation

# Update on Defined Benefit Pension Plans

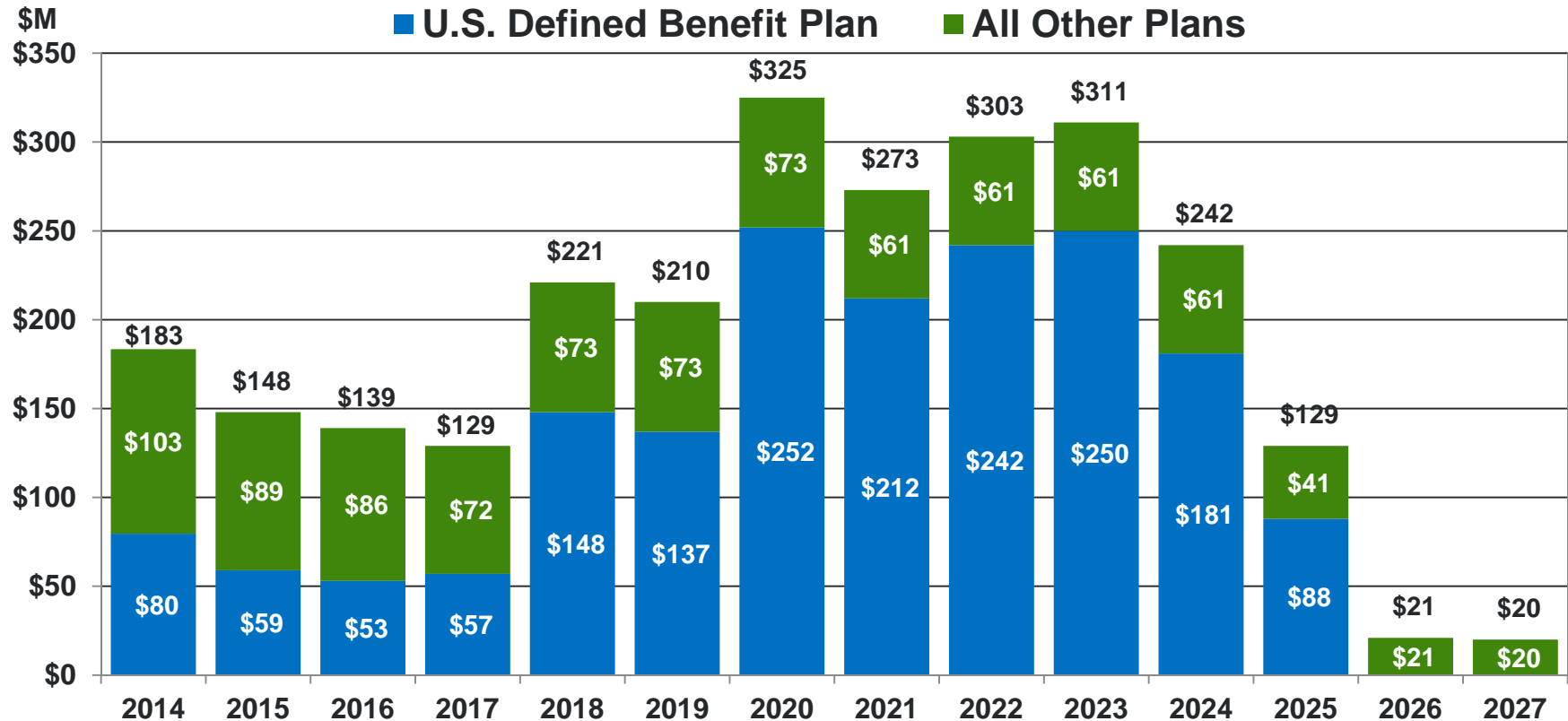
Worldwide P&L Impact (\$M)	2015	2016E
Total Pension Expense*	\$108.7	\$80.3
<b>U.S. Qualified Defined Benefit Pension Plan</b>		
Expected Return on Assets	6.80%	6.80%
Actual Return	0.77%	--
U.S. GAAP Discount Rate	at 12/31/14 4.09%	at 12/31/15 4.56%
<b>International Qualified Defined Benefit Pension Plans</b>		
Expected Return on Assets	6.45%	5.99%
Weighted Average U.S. GAAP Discount Rate	at 12/31/14 3.05%	at 12/31/15 3.30%

\*All estimates are based on expected asset returns and discount rate assumptions as calculated at December 31, 2015.

# Defined Benefit Pension Plans



# Estimated Future Defined Benefit Pension Plans Cash Contributions



The funding estimates for our U.S. qualified defined benefit pension plan are based on current estimated asset returns and the funding discount rates used for the U.S. qualified defined benefit plan which have been updated to reflect the year end 2015 discount rates. The future funding requirements are likely to change based on, among other items, market conditions and changes in discount rates.

Current estimates for future contributions to international plans are based on local funding regulations and agreements and are likely to change in 2016 and beyond based on a number of factors including market conditions, changes in discount rates and changes in currency rates.

# 2016 Financial Guidance

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- Revenue: \$2,775M-\$2,875M
  - Foreign currency: Negative 2% impact
  - 2.9%-6.3% Y/Y decline in constant currency
    - Services revenue: \$2,430M-\$2,510M
    - Technology revenue: \$345M-\$365M
- Improved Non-GAAP Operating Profit Margin: 7.0%-8.0%
  - Excludes Estimated Pension Expense (\$80M) & Cost Reduction Charges (\$85M)
  - Non-GAAP Services Operating Profit Margin: 3.75%-4.5%
- Improved Adjusted Free Cash Flow: \$160M-\$200M
  - Adjusted EBITDA: \$395M-\$425M
    - Estimated Depreciation and Amortization: \$160M-\$170M
    - Estimated Capital Expenditures: \$200M
  - Excludes Estimated Cost Reduction Payments (\$95M-\$100M) & Pension Funding (\$139M)



## Questions & Answers

# Non-GAAP Financial Measures

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**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.**

**Non-GAAP Operating Profit** – Unisys recorded pretax pension expense during the fourth quarters of 2015 and 2014. During the fourth quarter of 2015, Unisys recorded a pretax charge in connection with cost reduction actions and other expense. Unisys recorded pretax pension expense during 2015 and 2014. During 2015, Unisys recorded a pretax charge in connection with cost reduction actions and other expense. In order to provide investors with additional understanding of the company's operating results, these charges are excluded from the operating profit.

**Non-GAAP Diluted Earnings Per Share** – Unisys recorded pension expense, net of tax, during the fourth quarters of 2015 and 2014. During the fourth quarter of 2015, Unisys recorded a charge, net of tax in connection with cost reduction actions and other expense. Unisys recorded pension expense, net of tax, during 2015 and 2014. During 2015, Unisys recorded a charge, in connection with cost reduction actions and other expense. 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 per share calculations.

**Constant Currency** – The company refers to growth rates in constant currency or on a constant currency basis so that the business results can be viewed without the impact of fluctuations in foreign currency exchange rates to facilitate comparisons of the company's business performance from one period to another. Constant currency is calculated by retranslating current and prior period results at a consistent rate.



# Non-GAAP Financial Measures

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**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.

**Adjusted Free Cash Flow** - Adjusted free cash flow provides free cash flow before the company's pension contributions or cost reduction payments in an effort to provide investors with a perspective on the company's free cash flow generation before these items..

**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 net income attributable to noncontrolling interests, other (income) expense, net, interest expense, taxes, depreciation and amortization, and non-cash share-based compensation expense. 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 during the fourth quarters of 2015 and 2014. During the fourth quarter of 2015, Unisys recorded a pretax charge in connection with cost reduction actions and other expense. Unisys recorded pretax pension expense during 2015 and 2014. During 2015, Unisys recorded a pretax charge in connection with cost reduction actions and other expense. 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 Operating Expenses

\$M	4Q15	4Q14	FY15	FY14
Operating Expenses	\$143.2	\$162.3	\$596.0	\$622.9
Pension Expense	(8.2)	(6.2)	(32.7)	(25.5)
Cost Reduction Charges and Other Expense	(21.4)	0.0	(69.9)	0.0
Non-GAAP Operating Expenses	\$113.6	\$156.1	\$493.4	\$597.4

Schedule B: GAAP to Non-GAAP Reconciliation

# Non-GAAP Operating Profit

\$M	4Q15	4Q14	FY15	FY14
Operating Profit (Loss)	\$15.8	\$82.4	(\$55.1)	\$154.9
Pension Expense	27.2	18.3	108.7	73.8
Cost Reduction Charges and Other Expense	52.5	0.0	122.5	0.0
Non-GAAP Operating Profit	\$95.5	\$100.7	\$176.1	\$228.7
Customer Revenue	\$789.9	\$905.8	\$3,015.1	\$3,356.4
GAAP Operating Profit (Loss) %	2.0%	9.1%	(1.8%)	4.6%
Non-GAAP Operating Profit %	12.1%	11.1%	5.8%	6.8%

## Schedule C: GAAP to Non-GAAP Reconciliation

# Non-GAAP Earnings per Diluted Share

<b>\$M except share and per share data</b>	<b>4Q15</b>	<b>4Q14</b>	<b>FY15</b>	<b>FY14</b>
GAAP net income (loss) attributable to Unisys Corporation common shareholders	\$1.1	\$61.8	(\$109.9)	\$44.0
Pension expense, net of tax	26.7	18.1	106.6	73.2
Cost reduction charges and other expense, net of tax	51.5	0.0	116.5	0.0
Non-GAAP net income attributable to Unisys Corporation common shareholders	\$79.3	\$79.9	\$113.2	\$117.2
Add preferred stock dividends	0.0	0.0	0.0	2.7
<b>Non-GAAP net income attributable to Unisys Corporation for diluted earnings per share</b>	<b>\$79.3</b>	<b>\$79.9</b>	<b>\$113.2</b>	<b>\$119.9</b>
Weighted average shares (thousands)	49,937	49,689	49,905	49,280
Plus incremental shares from assumed conversion of employee stock plans and preferred stock	112	259	150	1,476
<b>Adjusted weighted average shares</b>	<b>50,049</b>	<b>49,948</b>	<b>50,055</b>	<b>50,756</b>
<b>Diluted Earnings per Share</b>				
<i>GAAP basis</i>				
GAAP net income (loss) attributable to Unisys Corporation common shareholders	\$1.1	\$61.8	(\$109.9)	\$44.0
Divided by adjusted weighted average shares	50,049	49,948	49,905	49,584
<b>GAAP earnings (loss) per diluted share</b>	<b>\$0.02</b>	<b>\$1.24</b>	<b>(\$2.20)</b>	<b>\$0.89</b>
<i>Non-GAAP basis</i>				
Non-GAAP net income attributable to Unisys Corporation for diluted earnings per share	\$79.3	\$79.9	\$113.2	\$119.9
Divided by adjusted weighted average shares	50,049	49,948	50,055	50,756
<b>Non-GAAP earnings per diluted share</b>	<b>\$1.58</b>	<b>\$1.60</b>	<b>\$2.26</b>	<b>\$2.36</b>

## Schedule D: GAAP to Non-GAAP Reconciliation

# Free Cash Flow

\$M	4Q15	4Q14	FY15	FY14
Cash Provided by (Used for) Operations	\$109.7	\$105.5	\$1.2	\$121.4
Capital Expenditures	(46.3)	(68.9)	(213.7)	(212.8)
Free Cash Flow	\$63.4	\$36.6	(\$212.5)	(\$91.4)
Pension Funding	32.7	22.1	148.3	183.4
Cost Reduction Payments	20.9	0.0	58.5	0.0
Adjusted Free Cash Flow	\$117.0	\$58.7	(\$5.7)	\$92.0

Schedule E: GAAP to Non-GAAP Reconciliation

# EBITDA and Adjusted EBITDA

## Earnings before Interest, Taxes, Depreciation and Amortization

\$M	4Q15	4Q14	FY15	FY14
Net Income (Loss) Attributable to Unisys	\$1.1	\$61.8	(\$109.9)	\$44.0
Preferred Stock Dividend	0.0	0.0	0.0	2.7
Net income Attributable to Noncontrolling Interests	0.2	2.9	6.7	12.6
Other (Income) Expense, net	(0.2)	(8.8)	(8.2)	0.2
Non-Cash Share-Based Compensation Expense	1.5	(0.2)	9.4	10.4
Interest Expense	3.6	2.6	11.9	9.2
Income Tax Provision	11.1	23.9	44.4	86.2
Depreciation & Amortization	54.5	43.0	180.1	168.6
<b>EBITDA</b>	<b>\$71.8</b>	<b>\$125.2</b>	<b>\$134.4</b>	<b>\$333.9</b>
Pension Expense	27.2	18.3	108.7	73.8
Cost Reduction Charges and Other Expense	52.5	0.0	122.5	0.0
<b>Adjusted EBITDA</b>	<b>\$151.5</b>	<b>\$143.5</b>	<b>\$365.6</b>	<b>\$407.7</b>

# 2014-2015 Segment Revenue Report

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

Fiscal year end December 31 (in millions)

2015	1Q	2Q	3Q	4Q	Total
<b>Services</b>					
- Cloud & Infrastructure Services	\$378.4	\$387.7	\$380.0	\$367.0	\$1,513.1
- Application Services	202.4	217.5	220.7	228.3	868.9
- Business Process Outsourcing Services	58.2	56.3	55.3	53.8	223.6
Total Services Revenue	\$639.0	\$661.5	\$656.0	\$649.1	\$2,605.6
<b>Technology</b>					
Total Technology Revenue	\$82.2	\$103.3	\$83.2	\$140.8	\$409.5
<b>Total Customer Revenue</b>	<b>\$721.2</b>	<b>\$764.8</b>	<b>\$739.2</b>	<b>\$789.9</b>	<b>\$3,015.1</b>
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>

\* Changed to conform to 2015 presentation