Fourth Quarter and Year-End 2018 Results

March 18, 2019

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NASDAQ: XELA

http://investors.exelatech.com/

Disclaimer

Forward-Looking Statements

Certain statements included in this presentation are not historical facts but are forward-looking statements for purposes of the safe harbor provisions under The Private Securities Litigation Reform Act of 1995. Forward-looking statements generally are accompanied by words such as "may", "should", "would", "plan", "intend", "anticipate", "believe", "estimate", "predict", "potential", "seem", "seek", "continue", "future", "will", "expect", "outlook" or other similar words, phrases or expressions. These forward-looking statements include statements regarding our industry, future events, the estimated or anticipated future results and benefits of the business combination of Quinpario Acquisition Corp. 2, SourceHOV Holdings, Inc., ("SourceHOV") and Novitex Holdings, Inc. ("Novitex"), which formed Exela Technologies, Inc. ("Exela"), and closed on July 12, 2017 (including the related transactions, the "Business Combination"), future opportunities for the combined company, and other statements that are not historical facts such as our estimated backlog. These statements are based on the current expectations of Exela management and are not predictions of actual performance. These statements are subject to a number of risks and uncertainties regarding Exela's business, and actual results may differ materially. These risks and uncertainties include, but are not limited to, changes in the business environment in which Exela operates and general financial, economic, regulatory and political conditions affecting the industries in which Exela operates; changes in taxes, governmental laws, and regulations; competitive product and pricing activity; failure to realize the anticipated benefits of the Business Combination, or the Company's backlog including as a result of a delay or difficulty in integrating the businesses of SourceHOV and Novitex or the inability to realize the expected amount and timing of cost savings and operating synergies of the Business Combination; and those factors discussed under the heading "Risk Factors" in Exela's most recent Annual Report on Form 10-K filed with the Securities and Exchange Commission ("SEC"). In addition, forward-looking statements provide Exela's expectations, plans or forecasts of future events and views as of the date of this communication. Exela anticipates that subsequent events and developments will cause Exela's assessments to change. These forward-looking statements should not be relied upon as representing Exela's assessments as of any date subsequent to the date of this presentation.

Pro Forma Financial Information

This presentation includes unaudited pro forma financial information for the full-year 2017 as if the Business Combination had been consummated on January 1, 2017, based on certain estimates and assumptions that Exela management deems to be reasonable. This pro forma financial information may be revised as additional information becomes available. Therefore, it is possible that the actual adjustments will differ from the pro forma adjustments and it is possible that the difference may be material. The unaudited pro forma condensed combined financial statements are not necessarily indicative of what the actual results of operations would have been had the Business Combination taken place on the date indicated, nor are they indicative of the future consolidated results of operations of Exela.

Non-GAAP Financial Measures and Related Information

This presentation includes EBITDA and Adjusted EBITDA each of which is a financial measure that is not prepared in accordance with U.S. generally accepted accounting principles ("GAAP"). Exela believes that the presentation of these non-GAAP financial measures will provide useful information to investors in assessing our financial performance, results of operations and liquidity and allows investors to better understand the trends in our business and to better understand and compare our results. Exela's board of directors and management use EBITDA and Adjusted EBITDA to assess Exela's financial performance, because it allows them to compare Exela's operating performance on a consistent basis across periods by removing the effects of Exela's capital structure (such as varying levels of debt and interest expense, as well as transaction costs resulting from the Business Combination and other such capital markets based activities. Adjusted EBITDA seeks to remove the effects of integration and related costs to achieve the savings, any expected reduction in operating expenses due to the Business Combination, asset base (such as depreciation and amortization) and other similar non-routine items outside the control of our management team. Backlog is a measure of the estimated total dollar value of services expected to be delivered by Exela to its customers under existing contractual terms. Backlog is considered a non-GAAP financial measure as defined by SEC Regulation G. Estimates of future financial results are inherently unreliable. Our methodology for determining backlog may not be comparable to the methodologies used by others. Exela does not consider these non-GAAP measures in isolation or as an alternative to liquidity or financial measures determined in accordance with GAAP. A limitation of these non-GAAP financial measures is that they exclude significant expenses and income that are required by GAAP to be recorded in Exela's financial statements. In addition, they are subject to inherent limitations as they reflect the exercise of judgments by management about which expenses and income are excluded or included in determining these non-GAAP financial measures and therefore the basis of presentation for these measures may not be comparable to similarly-titled measures used by other companies. These non-GAAP financial measures are not required to be uniformly applied, are not audited and should not be considered in isolation or as substitutes for results prepared in accordance with GAAP. Net loss is the GAAP measure most directly comparable to the non-GAAP measures presented here. For reconciliation of the comparable GAAP measures to these non-GAAP financial measures, see the Appendix to this presentation. Optimization and restructuring expenses and merger adjustments are primarily related to the implementation of strategic actions and initiatives related to the Business Combination. All of these costs are variable and dependent upon the nature of the actions being implemented and can vary significantly driven by business needs. Accordingly, due to that significant variability, we exclude these charges since we do not believe they truly reflect our past, current or future operating performance.

Combined Financial Information

This presentation includes unaudited historical financial information for 2016 and 2017 for Novitex and SourceHOV on a combined basis. This combined unaudited historical financial information does not include Quinpario Acquisition Corp. 2 as it was a special purpose acquisition company. Interest (impacting net loss), debt and addbacks to EBITDA are based on credit agreements in place before the Business Combination. No adjustment has been made to restate or reflect Exela's new capital structure. This combined unaudited historical financial information is not necessarily indicative of what the actual results of operations would have been had the Business Combination taken place on January 1, 2016, nor are they indicative of the future consolidated financial condition, results of operations or cash flows of Exela.

Preliminary Results

The financial results discussed herein are presented on a preliminary basis; final data will be included in Exela's Annual Report on Form 10-K for the period ended December 31, 2018.

Rounding

Due to rounding, numbers presented throughout this document may not add up precisely to the totals provided and percentages may not precisely reflect absolute figures.

EXELA TECHNOLOGIES, INC. IS A LOCATION-AGNOSTIC GLOBAL BUSINESS PROCESS AUTOMATION leader combining industry-specific and multi-industry enterprise software and solutions with decades of experience. Our BPA suite of solutions are deployed in banking, healthcare, insurance and other industries to support mission critical environments. Exela is a leader in work flow automation, attended and un-attended cognitive automation, digital mail rooms, print communications, and payment processing with deployments across the globe.

Exela partners with customers to improve user experience and quality through operational efficiency. Exela serves over 4,000 customers worldwide, through a secure, cloud-enabled global delivery model. We are 22,000 employees strong across the Americas, Europe and Asia. Our customer list includes 60% of the Fortune® 100, along with many of the world's largest retail chains, banks, law firms, healthcare insurance payers and providers and telecom companies.

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Delivering simplicity.℠

Exela 2018 financial summary

2018 Financial results

- Revenue of $1.59B, increase of 8.9% yoy; achieved 2018 revenue guidance of $1.58B-$1.59B
- Adjusted EBITDA of $283.8M, increase of 15.7% yoy; achieved revised 2018 Adjusted EBITDA guidance of $280M-$290M
- Adjusted EBITDA margins of 17.9%, increase of 110bps
- Digital Now℠ strategy rewarded with substantial wins and pipeline increases
- Revenue per FTE increased to ~$72,000 from $66,000 yoy

Exela Q4 2018 financial summary

Revenue $399.6M, +3% yoy, and +4% sequential growth

Adjusted EBITDA $75.3M, +20% yoy, and +9% sequential growth

Q4 2018 Highlights

- ✓ Adjusted EBITDA margin of 19%, an increase from 16% in Q4 2017, increase of 260bps
- ✓ $100M contract won in Q4, went live Jan 1'19; client increased tenure by 2 years increasing its TCV to ~$165M
- ✓ Digital Now℠ continues to gain momentum – Won 2 enterprise deals
- ✓ Launching SmartOffice℠ for growth in the front office automation offerings

Exela automation drives higher revenue per FTE

	2017 Pro forma	2018 Actual	2018 Organic[(1)]
FTEs	21,996	22,047	20,772
Revenue ($ in millions)	$1,456	$1,586	$1,520
Revenue per FTE ($ in thousands)	$66	$72	$73
% growth		9%	11%

- ✓ **~$130M in total 2018 revenue growth with 51 net additional FTEs**
- ✓ **Americas split (Revenue / Headcount) 85% / 46% - Growth in revenue mainly driven by automation leading to a headcount decline yoy**
- ✓ **EU split (Revenue / Headcount) 13% / 13% - Growth in revenue mainly driven by acquisition, far outpacing the headcount addition by over 6x**
- ✓ **Rest of World split (Revenue / Headcount) 2% / 41% - Modest growth in headcount enabling global delivery and "right-shoring" model**

(1) Excludes contributions from the acquisitions completed during 2018.

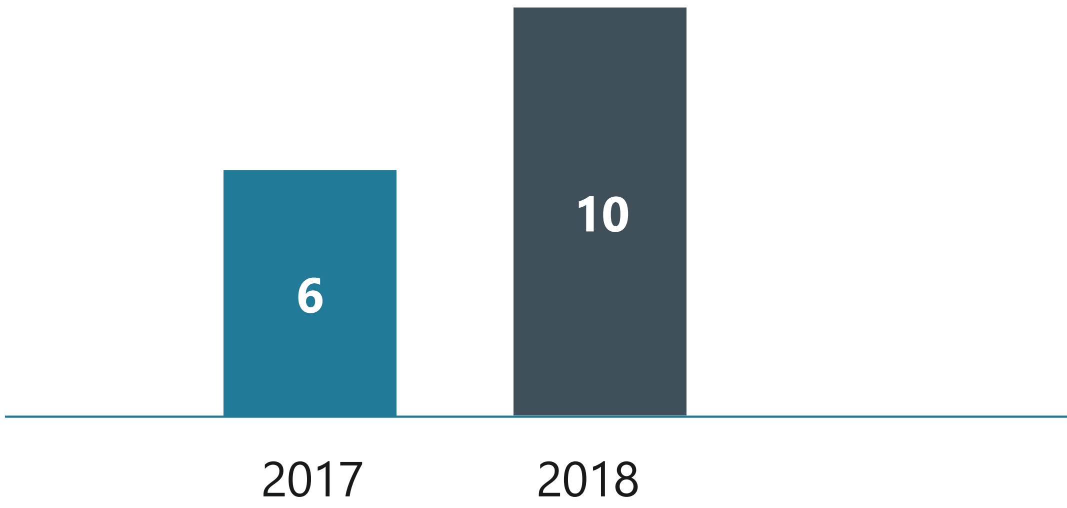
Exela – customer scorecard

2018 Customer revenue concentration:

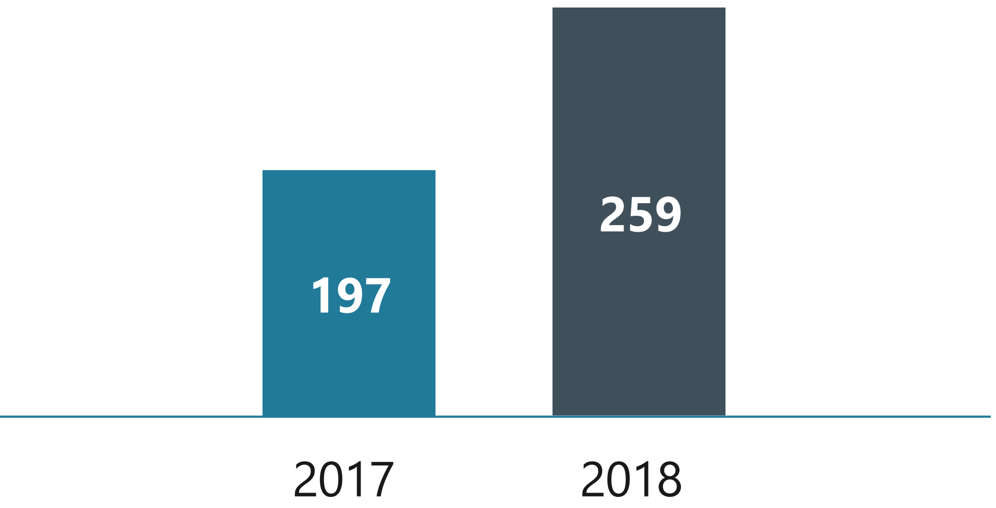
	as % of revenue
Top 20 customers	36%
Top 100 customers	61%
Top 200 customers	73%

- 85% of 2018 revenue in the Americas
- 55% growth in revenue in Europe during 2018
- Customer retention rate 98%

Added 4 customers generating over $25M in annual revenue



Added 62 customers generating over $1M in annual revenue



Exela's growth is accelerating

($ in millions)

	Revenue			Organic revenue	
	2017 Pro forma	**2018 Actual**	**Growth**	**2018 Actual**	**Growth**
Top 20	$471	$573	**22%**	$572	**21%**
Top 100	835	965	**16%**	957	**15%**
Top 200	$1,017	$1,156	**14%**	$1,139	**12%**
All Others	439	431	**-2%**	381	**-13%**
Total	**$1,456**	**$1,586**	**9%**	**$1,520**	**4%**

- **2018 investment in business development and customer awareness showing visible results**
- **Substantial runway for growth by replicating the same strategy within all other customers**

Note Customer rankings are based on 2018 revenue.

Financial Performance

NASDAQ: XELA

Q4 2018 and FY 2018 P&L and Adjusted EBITDA

$ in millions	Q4'17	Q4'18	Change ($)	FY17	FY18	Change ($)
Information and Transaction Processing Solutions	301.5	324.3	22.8	1,131.0	1,273.6	142.6
Healthcare Solutions	60.1	56.3	(3.8)	233.6	228.0	(5.6)
Legal and Loss Prevention Services	24.7	19.1	(5.6)	91.6	84.6	(7.1)
Total Revenue	**386.3**	**399.6**	**13.4**	**1,456.3**	**1,586.2**	**129.9**
% change		*3.4%*			*8.9%*	
Cost of revenue (exclusive of depreciation and amortization)	289.9	306.2	16.3	1,079.9	1,209.9	130.0
Gross profit	**96.4**	**93.5**	**(2.9)**	**376.4**	**376.3**	**(0.0)**
% change		*-3.0%*			*0.0%*	
as a % of revenue	*25.0%*	*23.4%*		*25.8%*	*23.7%*	
SG&A	48.3	47.4	(0.9)	255.8	184.7	(71.1)
Depreciation and amortization	28.1	36.1	7.9	119.5	145.5	26.0
Impairment of goodwill and other intangible assets	69.4	48.1	(21.3)	69.4	48.1	(21.3)
Related party expense	1.7	1.1	(0.6)	33.7	4.3	(29.4)
Operating (loss) income	**(51.2)**	**(39.2)**	**12.0**	**(102.1)**	**(6.2)**	**95.8**
as a % of revenue	*-13.3%*	*-9.8%*		*-7.0%*	*-0.4%*	
Interest expense, net	36.7	38.2	1.5	153.4	153.1	(0.3)
Loss on extinguishment of debt	-	-	-	53.0	1.1	(51.9)
Sundry expense (income) & Other income, net	(2.0)	3.5	5.4	1.1	(6.3)	(7.4)
Net loss before income taxes	**(86.0)**	**(80.9)**	**5.1**	**(309.6)**	**(154.1)**	**155.5**
Income tax expense (benefit)	(27.3)	3.5	30.8	(67.2)	8.4	75.6
Net income (loss)	**(58.7)**	**(84.4)**	**(25.7)**	**(242.4)**	**(162.5)**	**79.9**
as a % of revenue	*-15.2%*	*-21.1%*		*-16.6%*	*-10.2%*	
Depreciation and amortization	28.1	36.1	7.9	119.5	145.5	26.0
Interest expense, net	36.7	38.2	1.5	153.4	153.1	(0.3)
Income tax expense (benefit)	(27.3)	3.5	30.8	(67.2)	8.4	75.6
EBITDA	**(21.1)**	**(6.6)**	**14.5**	**(36.7)**	**144.5**	**181.1**
as a % of revenue	*-5.5%*	*-1.7%*		*-2.5%*	*9.1%*	
EBITDA Adjustments						
1 Transaction and integration costs	2.4	2.0	(0.3)	99.0	4.1	(94.8)
2 Optimization and restructuring expenses	11.0	21.2	10.2	47.9	68.2	20.3
3 Gain / loss on derivative instruments	(1.3)	2.9	4.2	(1.3)	(1.9)	(0.6)
4 Other Charges	71.8	55.8	(16.0)	136.3	69.0	(67.3)
Adjusted EBITDA	**62.7**	**75.3**	**12.6**	**245.2**	**283.8**	**38.6**
% change		*20.0%*			*15.7%*	
as a % of revenue	*16.2%*	*18.8%*		*16.8%*	*17.9%*	

Revenue: Positively impacted by growth in top customers, Digital Now[SM] business model due to faster ramp up of contracts, and acquisitions, offset by a decline in business with lower automation and project driven business.

COGS: Gross margins declined, primarily due to business optimization expenses in 2018 and decline in the higher margin project driven business. The decline was partially offset by cost savings initiatives implemented during 2018. Continued transformation and ramp of contracts to drive future margin improvement.

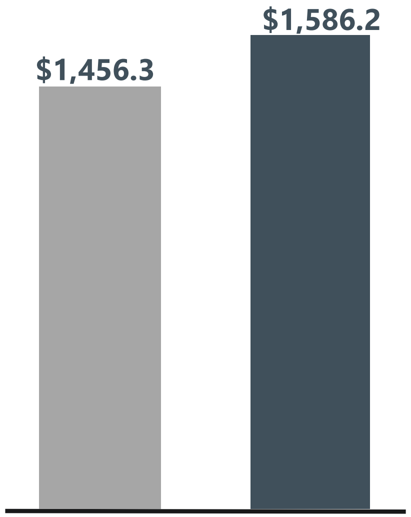
SG&A: SG&A declined on yoy basis excluding the transaction costs last year primarily driven by savings realization. This decline was offset by investments for growth and higher public company costs.

Profitability: Adjusted EBITDA and EBITDA continue to converge with Adjusted EBITDA margins improving by ~110 bps on a yoy basis.

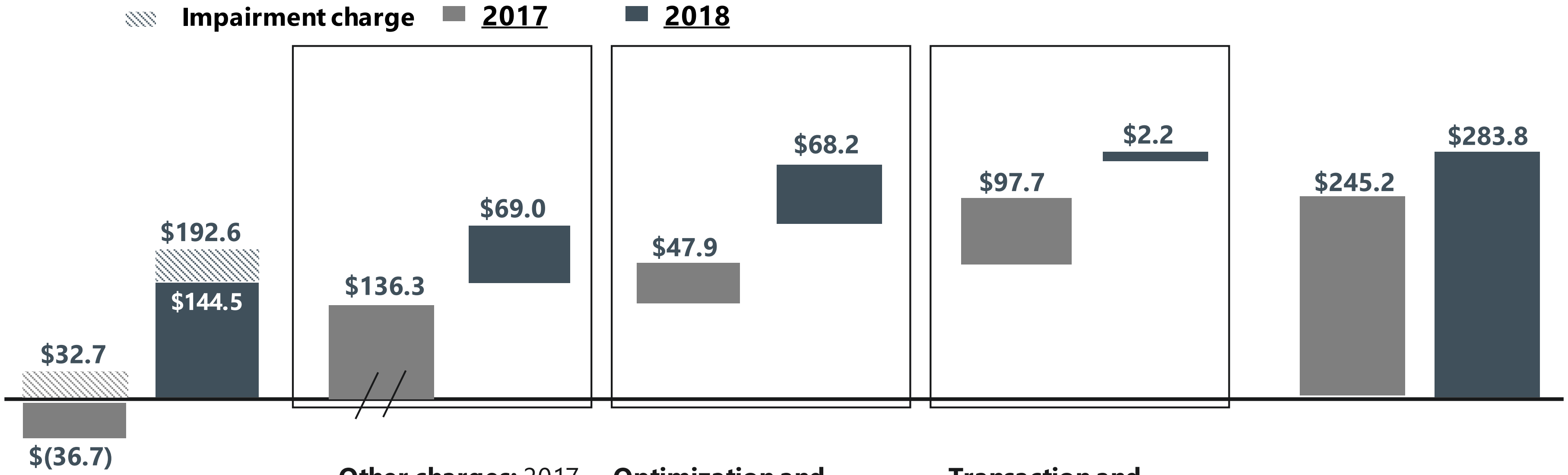
Exela delivers strong 2018 financial performance year-over-year

($ in millions)

- ✓ Revenue growth of 8.9%
- ✓ Adjusted EBITDA growth of 15.7%
- ✓ Impairment charges impact EBITDA performance



Revenue



EBITDA(1)

Other charges: 2017 and 2018 charges mainly driven by non-cash impairment charge

Optimization and restructuring charges: Investment in business optimization and restructuring expenses incurred as part of delivering on savings initiatives

Transaction and integration costs Derivative gain / (loss): 2017 related to business combination, 2018 related to swap on Term Loan put in place in 2018

Adjusted EBITDA(1)

(1) *See 2017 Adjusted EBITDA Reconciliation for additional detail on slide 15.*

Capital structure and other highlights

($ in millions)

Total liquidity[1]	$116
Total cash	$44
Net debt	$1,402

Undrawn revolving credit facility of $100M with $20.6M reserved for letters of credit

Share buyback plan:

Approved share buyback up to	5,000,000 shares
Total shares purchased during 2018	2,499,885
Total shares purchased to-date under program	2,549,185

Common stock: As of December 31, 2018, total shares outstanding were 155,729,299 which includes 5,586,344[2] shares for outstanding preferred shares on an as converted basis

(1) *Excludes restricted cash of $7.7 million.*
(2) *Converted into common shares at a conversion ratio of 1.2226.*

Business Outlook[1]

2019 guidance

- Revenue range $1.66B to $1.70B, growth of approximately 5% - 7%
- Adjusted EBITDA range $305M to $335M, approximately 7% - 18% growth yoy
- Capex as % of revenue in the range of 2% - 2.5%
- Capital Allocation to be prioritized towards debt pre-payment
- Reduction of net leverage ratio by 5% - 7%

Note: Guidance is based on constant-currency.

(1) The company has not forecasted net income/(loss) on a forward-looking basis due to the high variability and difficulty in predicting certain items that affect GAAP net income/(loss). Adjusted EBITDA should not be used to predict net income/(loss) as the difference between the two measures is variable.

Appendix: Reconciliations

NASDAQ: XELA

Adjusted EBITDA reconciliation - 2017

($ in millions)	FY2017[1] As Reported	FY2017[1] Novitex	FY2017[1] Pro Forma
Revenue	**$1,152.3**	**$304.0**	**$1,456.3**
Cost of revenue (exclusive of depreciation and amortization)	829.1	250.8	1,079.9
Selling, general and administrative expenses (Including related party)	254.4	35.1	289.5
Depreciation and amortization	98.9	20.6	119.5
Impairment of goodwill and other intangible assets	69.4	0.0	69.4
Operating income (loss)	(99.5)	(2.5)	(102.1)
Interest expense, net	128.5	24.9	153.4
Loss / (Gain) on extinguishment of debt	35.5	17.5	53.0
Sundry expense & other income, net	1.0	0.0	1.1
Net loss before income taxes	(264.5)	(45.0)	(309.6)
Income tax (benefit) expense	(60.2)	(6.9)	(67.2)
Net loss	($204.3)	($38.0)	($242.4)
Add:			
Taxes	(60.2)	(6.9)	(67.2)
Interest expense	128.5	24.9	153.4
Depreciation and amortization	98.9	20.6	119.5
EBITDA	**($37.2)**	**$0.6**	**($36.7)**
Transaction related costs	88.9	10.0	99.0
Optimization and restructuring expenses	42.5	5.4	47.9
(Gain) / loss on derivative instruments	(1.3)	0.0	(1.3)
Other Charges	115.8	20.5	136.3
Adjusted EBITDA	**$208.8**	**$36.5**	**$245.2**

(1) Net loss for the period is presented on the basis of the previous debt structure of the respective standalone companies that became Exela as a result of the Business Combination. As of July 12, 2017, those debt structures were replaced with new debt consisting of $350 Million Term Loan with the subsequent amendment including $30 million of incremental Term Loan and $1.0 Billion Senior Secured Notes.