



First Quarter 2024 Results

May 28, 2024

Par Chadha, Executive Chairman

Matt Brown, Interim Chief Financial Officer

[Webcast Link](#)

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, estimated or anticipated future results and benefits, future opportunities for Exela Technologies, Inc. (“Exela” or the “Company”), and other statements that are not historical facts. 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, including without limitation the network outage described herein and those discussed under the heading “Risk Factors” in our most recent annual report on Form 10-K for the year ended December 31, 2023, as filed with the Securities and Exchange Commission (“SEC”) on April 3, 2024, and any updates thereto in the Company’s quarterly reports on Form 10-Q and current reports on Form 8-K, as well as the “Risk Factors” section of our prospectus supplements and tender offer documents filed with the 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.

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Non-GAAP Financial Measures: This presentation includes constant currency, 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 constant currency, 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 combination of Quinpario Acquisition Corp. 2, SourceHOV Holdings, Inc. and Novitex Holdings, Inc. on July 12, 2017 (the “Novitex Business Combination”) and capital markets-based activities). Adjusted EBITDA also seeks to remove the effects of integration and related costs to achieve the savings, any expected reduction in operating expenses due to the Novitex Business Combination, asset base (such as depreciation and amortization) and other similar non-routine items outside the control of our management team. Optimization and restructuring expenses and merger adjustments are primarily related to the implementation of strategic actions and initiatives related to the Novitex 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. The constant currency presentation excludes the impact of fluctuations in foreign currency exchange rates. We calculate constant currency revenue and Adjusted EBITDA on a constant currency basis by converting our current-period local currency financial results using the exchange rates from the corresponding prior-period and compare these adjusted amounts to our corresponding prior period reported results. 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 slide titled *Reconciliation of non-GAAP measures*.

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 at a Glance

LEADER IN BUSINESS PROCESS MANAGEMENT WITH \$1.1 BILLION IN 2023 REVENUE

AWARD-WINNING SOLUTIONS AND SERVICES WITH PROVEN TRACK RECORD

30+

Years of Experience in Business Process Automation

4,000+

Global Customers Across 14 Industry Verticals

60+

Percent of the Fortune® 100 has Partnered with Exela



Liquidity Solutions:

- Procure-to-Pay
- Order-to-Cash
- Expense Management
- Finance and Accounting Services



Payment Technologies and Services



Human Capital Management



Healthcare Payers and RCM



Hyper-Automation and Work from Anywhere (WFA) Services














AI led Cybersecurity, Infrastructure, Marketing Automation Services and Solutions

GLOBAL FOOTPRINT



Award-winning best-in-class solutions and services

<p>Leader</p>  <p>Healthcare Payer Operational Transformation</p>	<p>Leader</p>  <p>Intelligent Automation in Healthcare, 2022-23</p>	<p>Leader</p>  <p>Medical Coding Operations</p>	<p>Major Player</p>  <p>U.S. RCM Service Solutions</p>	<p>Major Contender</p>  <p>RCM Operations Services</p>	<p>Emerging Player</p>  <p>FAO Hackett Value Matrix, 2023</p> <p>NEW</p>	<p>Major Player</p>  <p>Worldwide F&A Cloud BPS</p>
<p>Niche Player</p>  <p>F&A Business Process Outsourcing, 2023</p>	<p>Major Contender</p>  <p>FAO – Service Provider Landscape</p>	<p>Contender</p>  <p>Healthcare Payer Operations</p>	<p>Major Contender</p>  <p>Healthcare Payer Operations</p>	<p>Major Contender</p>  <p>FCC Operations Service Providers</p>	<p>Contender</p>  <p>Worldwide eSignature Software</p> <p>NEW</p>	<p>Disrupter</p>  <p>Talent Acquisition BPT, 2023-24</p> <p>NEW</p>

1Q 2024 at a Glance

Revenue
\$259M

YoY (5.4%) ▼
Sequentially (2.1%) ▼

Gross Margin
22.0%

YoY 1.1% ▲
Sequentially 0% ▲

Adj EBITDA ⁽¹⁾
\$12.9M

YoY 11.3% ▼
Sequentially 42.4% ▲

Interest Expense
\$21.1M

YoY (52.3%) ▼
Sequentially (17.9%) ▼

Glassdoor Rating

3.7 ★

Employees
13.6K

YoY (9.3%) ▼
Sequentially (3.5)% ▼

SG&A
\$40.9M

YoY (7.9%) ▼
Sequentially 5.1% ▲

Net Loss
\$(25.6M)

YoY +\$19.9M ▼
Sequentially (\$0.6M) ▲

(1) See Appendix for reconciliation of Adj EBITDA to EBITDA

Big picture

Successful execution + Cost management = Delivering Positive Results

01

Drive operating leverage

02

Invest in growth

03

Manage effects of network event

04

Optimize Cash and credit facilities

Highlights

Emphasis on Growth and Cost Management

Growth

New ACV won
~\$27.3M

New Logos Won
85

Stability

ACV renewed
~\$43.9M

96% Renewal Rate

Alliances

Focus in 2024, globally

- ✓ Revenue Cycle Management
- ✓ Finance & Accounting
- ✓ Reaktr.AI

\$25M+ Savings in Process

Financial Highlights

Revenue and Gross Margin Growth by Segment

Healthcare Solutions

Revenue \$64.9M
YoY 2.9% ▲

Gross Margin 28.8%
YoY 3.0% ▲

Information and Transaction Processing Solutions

Revenue \$176.1M
YoY 9.1% ▼

Gross Margin 18.0%
YoY (0.2)% ▼

Legal and Loss Prevention Services

Revenue \$17.8M
YoY 5.6% ▲

Gross Margin 35.9%
YoY 2.4% ▲

Earnings Highlights

Reduced Fixed Costs Driving Operational Leverage

- Gross margin increased to 22.0% up 107 bps year-over-year
- SG&A at 15.9% of revenue down 43 bps year-over-year, primarily driven by reductions in legal and professional fees
- Facility consolidation of 340K SqFt in process with 104K SqFt completed in 1Q
- Reduction in YoY CAPEX offset by increased OPEX with migration to cloud

In (\$) MM's	1Q 2023	1Q 2024
Sales	\$273.6	\$258.8
Operating Profit (loss)	(6.9)	0.1
Net Loss	\$(45.4)	\$(25.6)
Adj EBITDA	\$14.5	\$12.9
% EBITDA Margin	5.1%	5.0%

Financial Updates

Highlights

1. 107 bp year-over-year GM improvement
2. 52% year-over-year interest expense reduction
3. 96% Q1 annual contract value renewal rate

Lowlights

1. \$27M ACV reduction from a customer exit
2. Taxes rising as NOL's reduced
3. Need to expand liquidity

Appendix / Reference

Reconciliation of non-GAAP measures – Revenue and Adjusted EBITDA

Non-GAAP constant currency revenue reconciliation

(\$ in millions)	Three months ended			Year ended (YTD)	
	31-Mar-24	31-Mar-23	31-Dec-23	31-Mar-24	31-Mar-23
Revenues, as reported (GAAP)	\$258.8	\$273.6	\$264.4	\$258.8	\$273.6
Foreign currency exchange impact ⁽¹⁾	(0.7)	3.2	(1.8)	(0.7)	3.2
Revenues, at constant currency (Non-GAAP)	\$258.1	\$276.8	\$262.6	\$258.1	\$276.8

Reconciliation of Adjusted EBITDA

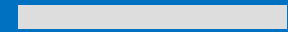
(\$ in millions)	Three months ended			Year ended (YTD)	
	31-Mar-24	31-Mar-23	31-Dec-23	31-Mar-24	31-Mar-23
Net loss (GAAP)	(\$25.6)	(\$45.4)	(\$25.0)	(\$25.6)	(\$45.4)
Interest expense	21.1	44.2	25.7	21.1	44.2
Taxes	3.1	2.7	1.9	3.1	2.7
Depreciation and amortization	13.5	16.6	14.7	13.5	16.6
EBITDA (Non-GAAP)	\$12.1	\$18.0	\$17.2	\$12.1	\$18.0
Transaction and integration costs	0.1	5.2	0.4	0.1	5.2
Gain / loss on derivative instruments	-	-	-	-	-
Other Charges / (gains)	0.6	(8.7)	(8.6)	0.6	(8.7)
Adjusted EBITDA (Non-GAAP)	\$12.9	\$14.5	\$9.0	\$12.9	\$14.5

(1) Constant currency excludes the impact of foreign currency fluctuations and is computed by applying the average exchange rates for the three months ended March 31, 2023 to the revenues during the corresponding period in 2024.



Defined Terms in Presentation and Notes

1. ACV: Annual contract value in dollars
2. ACV Renewal Rate: Success rate of ACV renewals in percent
3. ACV Won: Total \$ New ACV value won in Salesforce in quarter



Q&A