



# Fourth Quarter and 2023 Annual Results

April 17, 2024

Par Chadha, Executive Chairman

Matt Brown, Interim Chief Financial Officer

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**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.

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.

**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 solutions with \$1.1 Billion in revenue

## PROVEN TRACK RECORD

**30+**

Years of Experience in Business Process Automation

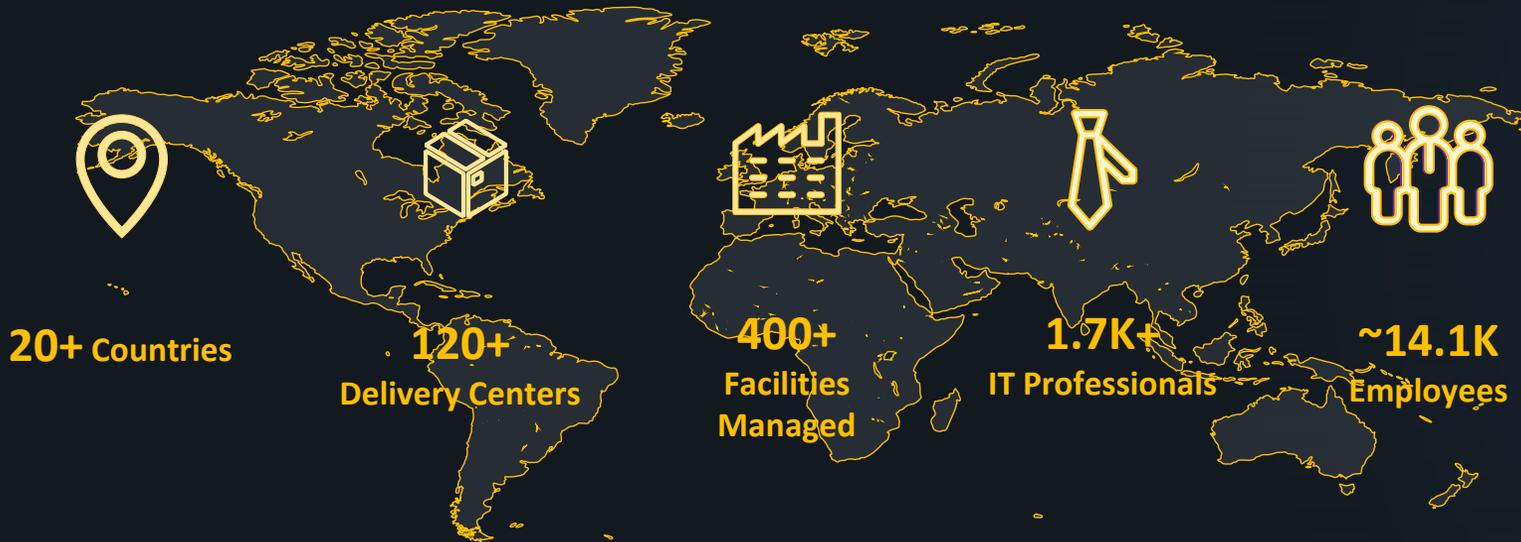
**4,000+**

Global Customers Across 14 Industry Verticals

**60+**

Percent of the Fortune® 100 has Partnered with Exela

## GLOBAL FOOTPRINT



## Award-winning Current and Emerging Solutions



### 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



### Data Science Service and Solutions

# Award-winning best-in-class solutions and services

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

# Select highlights for Q4 and Full Year 2023

1. \$1.064B in annual revenue in FY2023, lower by \$13M or 1.2% YoY
  - Q4 2023 revenue of \$264.4M lower by \$2.5M or 0.9% YoY versus Q4 2022; Q4 2023 revenue higher by \$11.3M or 4.5% sequentially versus Q3 2023
  - Full year gross profit improved by \$31M or 15.5% YoY; Gross margin of 21.7% a YoY increase of 310 bps
  - Adjusted EBITDA for FY 2023 was \$60M, up 5.7% YoY
  - YoY FTE headcount decreased 1,900 FTEs, to approximately 14,100 from 16,000
2. Completed Exchange Offer for 2026 Notes on July 11, 2023 resulting in long-term debt reduction
3. XBP Europe Holdings Inc. started trading under the ticker “XBP” on November 30, 2023



# 2024 Objectives: Continue to optimize profitable revenue and customer base

## ACV conversion from sales pipeline

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New ACV Won	\$198M
ACV renewed / Renewal rate	~\$107M / 75%
New customer logos	Added 130 logos in 2023

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## Demand for Exela's award-winning best-in-class solutions and services, historically rises during periods of macroeconomic uncertainty

- In 2023, experienced drop in revenue due to network outage in 2022
- Demand for digital asset solutions continues with new logos in Enterprise and SMBs

## Investing for future growth

- FAO services continue to add new logos in all regions [Homepage | FAO \(exelatech.com\)](#)
- Launched Reaktr.ai in December 2023 to add new services [Reaktr.ai | Cloud Management, Cybersecurity & AI Services](#)



# Financial Update



# FY 2023 Select Financial Insights

1. \$1.064B in annual revenue in FY2023 lower by \$13M or 1.2% YoY
  - Information and Transaction Processing Solutions: -4.3%
  - Healthcare Solutions: +5.0%
  - Legal & Loss Prevention Solutions: +10.6%
2. Full year gross margins improved YoY to 21.7% or 310 bps
3. CAPEX for FY 2023 was 1.1% lower by 46% YoY, primarily driven by rising OPEX with investments in cloud operations impacting YoY adjusted EBITDA.
4. Net loss for 2023 was \$124.4 million (\$125.1 attributable to Exela Technologies Inc), an improvement of \$291.4M compared with a net loss of \$415.6M in 2022
5. Interest expense for 2023 was \$139.7M, lower by \$25.2M YoY; Q4 2023 was \$25.7M, lower by \$16.3M or 38.8% YoY

**Improved financial metrics led by revenue, cost and debt management actions**

# Exela Technologies, Inc Gross Margin & Adjusted EBTIDA

	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	FY 2022	FY 2023
<b>Revenue by Segment</b>										
(\$ in millions)										
Information and Transaction Processing Solutions (ITPS)	\$205.0	\$190.0	\$185.3	\$184.8	\$193.7	\$185.0	\$172.2	\$181.5	\$765.1	\$732.2
Healthcare Solutions (HS)	56.6	56.4	61.0	65.3	63.0	63.6	62.1	62.6	239.3	251.3
Legal and Loss Prevention Services (LLPS)	17.8	20.4	17.8	16.8	16.9	24.3	18.9	20.3	72.8	80.4
<b>Total Revenue</b>	<b>\$279.4</b>	<b>\$266.8</b>	<b>\$264.0</b>	<b>\$267.0</b>	<b>\$273.6</b>	<b>\$272.9</b>	<b>\$253.1</b>	<b>\$264.4</b>	<b>\$1,077.2</b>	<b>\$1,064.1</b>
<b>Net Loss to Further Adjusted EBITDA Reconciliation</b>										
(\$ in millions)										
<b>Net Loss</b>	<b>(\$57.0)</b>	<b>(\$79.2)</b>	<b>(\$85.3)</b>	<b>(\$194.1)</b>	<b>(\$45.4)</b>	<b>(\$30.9)</b>	<b>(\$23.1)</b>	<b>(\$25.0)</b>	<b>(\$415.6)</b>	<b>(\$124.4)</b>
Taxes	2.5	1.3	1.9	(1.5)	2.7	2.5	1.8	1.9	4.2	8.9
Interest expense	39.8	42.3	40.9	41.9	44.2	45.1	24.7	25.7	164.9	139.7
Depreciation and amortization	18.2	18.0	17.7	17.9	16.6	14.9	14.4	14.7	71.8	60.5
<b>EBITDA</b>	<b>\$3.5</b>	<b>(\$17.6)</b>	<b>(\$24.7)</b>	<b>(\$135.8)</b>	<b>\$18.0</b>	<b>\$31.6</b>	<b>\$17.8</b>	<b>\$17.2</b>	<b>(\$174.7)</b>	<b>\$84.7</b>
Gain / loss on derivative instruments	(0.0)	–	(1.1)	–	–	–	–	–	(1.1)	–
Non-Cash and Other Charges	7.6	25.9	29.9	150.6	(8.4)	(12.0)	(1.7)	(8.6)	214.0	(30.8)
<b>Sub-Total</b>	<b>\$11.1</b>	<b>\$8.3</b>	<b>\$4.0</b>	<b>\$14.8</b>	<b>\$9.6</b>	<b>\$19.6</b>	<b>\$16.1</b>	<b>\$8.6</b>	<b>\$38.2</b>	<b>\$53.9</b>
Transaction and integration costs	3.7	8.6	4.1	2.1	4.5	1.4	(0.2)	0.4	18.6	6.2
Optimization and restructuring expenses	–	–	–	–	–	–	–	–	–	–
<b>Adjusted EBITDA</b>	<b>\$14.8</b>	<b>\$16.9</b>	<b>\$8.2</b>	<b>\$16.9</b>	<b>\$14.1</b>	<b>\$21.0</b>	<b>\$15.9</b>	<b>\$9.0</b>	<b>\$56.8</b>	<b>\$60.0</b>



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# Appendix / Reference



# Defined Terms in Presentation and Notes

1. **ACV: Annual contract value in dollars**
2. **FTE: Full-time equivalent employees**
3. **Network Outage: Network security incident from late June impacting certain of Exela's operational and information technology systems pursuant to which Exela proactively took large parts of its network offline**
4. **ACV Sales Pipeline: Total ACV value of deals in Salesforce that are in pipeline as of current quarter**
5. **ACV Renewal Rate: Success rate of ACV renewals in percent**
6. **ACV Won: Total \$ New ACV value won in Salesforce in quarter**



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**Thank you!**

