# ARCHIVED REPORT

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Unisys

Outlook

- In March 2020, Unisys sold its U.S. Federal business to SAIC for $1.2 billion in cash

- The company undertook the divestiture in order to concentrate on serving state and local government clients

- With Unisys no longer heavily involved in the aerospace and defense market, this report will be archived

Sales & Net Income Trends
Unisys
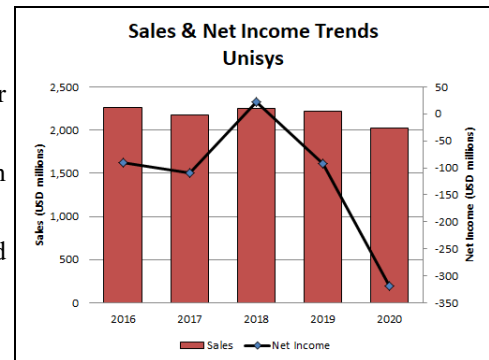
Headquarters

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Unisys is one of the world's largest designers, manufacturers, and marketers of computer-based information systems and related services and products. The primary vertical markets Unisys serves worldwide include financial services, communications, transportation, commercial entities, and the public sector, including the U.S. federal government.

In 1995, Unisys sold its defense systems business, which comprised a large portion of the Government Systems group, to Loral for $862 million. The sale included Unisys' military electronics systems integration, program management, software and custom product design, and manufacturing businesses. The sale also included some non-defense operations, such as air traffic control systems.

In 2020, Unisys made another exit from government IT contracting with the sale of Unisys Federal to SAIC in a $1.2 billion deal.

Today, Unisys specializes in tailored information technology systems including security solutions, advanced data analytics, cloud and infrastructure services, application services, and application and server software.

Structure and Personnel

Peter Altabef
   President and Chief Executive Officer
Eric Hutto
   President and Chief Operating Officer
Dwayne L. Allen
   Chief Technology Officer and Senior Vice President, Solution Innovation and Architecture
Gene Chao
   Senior Vice President and General Manager, ClearPath Forward

Katie Ebrahimi
   Senior Vice President and Chief Human Resources Officer
Leon Gilbert
   Senior Vice President and General Manager, Digital Workplace Services
Shalabh Gupta
   Vice President Strategy, Tax and Treasurer
Gerald P. Kenney
   Senior Vice President, General Counsel and Secretary

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Lisa Madion
  Senior Vice President, Corporate Services
Erin Mannix
  Vice President and Corporate Controller
Mike Morrison
  Senior Vice President and General Manager,
  Cloud and Infrastructure

Mathew Newfield
  Senior Vice President and Chief Security and
  Infrastructure Officer
Maureen Sweeny
  Senior Vice President and Chief Revenue Officer
Mike Thomson
  Vice President and Corporate Controller

Product Area

Unisys is one of the largest computer companies in the world and one of the top-ranked companies engaged in the design, manufacture, and marketing of computer-based information systems and related products and services. The company manages its operations as follows:

1. Services
2. Technology

Services. In the Services segment, Unisys provides services and solutions designed to help clients improve their competitiveness and efficiency in the global marketplace. Services include cloud and infrastructure services, application services, and business process outsourcing services. More specifically, these solutions and services include systems integration and consulting; outsourcing (including the management of customers' internal information systems and specific business processes, such as check processing, insurance claims processing, health claims processing, mortgage administration, and cargo management); infrastructure services involving the design and support of customers' IT infrastructure, including desktops, servers, mobile and wireless systems, and networks; enterprise-wide security solutions to protect systems, networks, applications, and data; and core maintenance (on Unisys proprietary products).

Technology. The Technology segment develops servers, software, and related products. Major offerings include enterprise-class servers based on the Unisys Cellular MultiProcessing architecture, such as the ClearPath Plus family of servers, which integrates proprietary and "open" platforms, as well as the Unisys Stealth family of security software, operating system software, and middleware.

Facilities

Cargo Portal Services. CPS, built and operated by Unisys, is an electronic booking and Cargo 2000-accredited shipment management service for the air cargo industry. It was designed in cooperation with major carriers and forwarders and is operated by Unisys. CPS serves the global cargo networks of American Airlines, Air Canada, Air France-KLM Cargo, Austrian Airlines, Continental Airlines, Lufthansa Cargo, Northwest Airlines, Scandinavian Airlines, and United Airlines.

Website: http://www.cargoportalservices.com

Corporate Overview

Unisys provides information technology (IT) systems and services to clients in the Government, Financial Services, and Commercial markets.

New Products and Services

Unisys Stealth. In May 2020, Unisys announced the U.S. government certification of Unisys Stealth to protect information as it flows between Stealth-enabled endpoints. Stealth is the first microsegmentation cybersecurity solution to be validated by the National Information Assurance Partnership (NIAP). The new certification confirms that Stealth meets the stringent requirements of the NIAP Virtual Private Network (VPN) PP-Module for VPN Client Version 2.1 and the NIAP Protection Profile for Application Software

Version 1.3. These profiles assure clients their data will be protected as it travels between endpoints protected by Stealth. Stealth provides business and governments "Always On" security by establishing a software-defined perimeter that creates a Zero Trust environment.

Website: www.unisys.com/stealth

AirCore Additions. In May 2017, Unisys launched a new suite of advanced transportation solutions that allow airlines to optimize their sales and customer service capabilities. The cloud-based solutions are the latest additions to Unisys' AirCore passenger services suite. The new suite consists of the following four modules:

- *AirCore Predictive Reaccommodation* identifies all passengers impacted by a flight delay or cancellation and immediately obtains alternate flight availability to get them to their final destination.

- *AirCore Timeline* advances an airline's customer engagement program by integrating "sales, servicing and social" in one stream within an airline's engagement platform.

- *AirCore Rescue* serves as either a backup to an airline's primary disaster recovery system or as a primary DR solution for airlines without a solution in place.

- *AirCore Order Manager* is an omni-channel solution that provides master order control for both new distribution capability orders and non-NDC orders and runs parallel to any airline passenger services system.

Unisys AirCore is a passenger IT system covering both reservations and departure control for air carriers. According to Unisys, the modular design is based on open technology and industry standards to make it easier to add new applications or integrate with other systems. It is suitable for a wide range of airline business models.

Website: https://www.unisys.com/offerings/industry-solutions/transportation-industry-solutions/aircore-airline-passenger-services

Plant Expansion/Organization Update

Segment Reorganization. In December 2020, the company changed its reportable segments as follows:

Digital Workplace Services, which provides services and IP-led solutions that support clients' employees' productivity and ability to securely work anywhere, any time.

Cloud & Infrastructure, which provides hybrid and multicloud solutions in select markets.

ClearPath Forward, which provides server systems and operating system software and services.

Other, which is principally comprised of business processing outsourcing (BPO) solutions, which will provide management of critical processes and functions for clients in select industries.

Mergers/Acquisitions/Divestitures

SAIC Buys U.S. Federal Business. In March 2020, Unisys sold its U.S. Federal business to Science Applications International Corporation (SAIC) for $1.2 billion in cash. Unisys Federal is a provider of infrastructure modernization, cloud migration, managed services, and enterprise IT-as-a-service through scalable and repeatable solutions serving U.S. federal civilian agencies and the Department of Defense. With Unisys Federal, SAIC gains an attractive portfolio of scalable and repeatable IT solutions, greater customer access, a commercial-like service delivery model, and expanded relationships with strategic alliances, SAIC said in a statement. The business employs 1,900, with approximately $689 million in revenue for the period ended September 2019. The deal was first announced in February 2020.

Unisys Insurance Services Ltd Sold. In September 2010, Unisys sold Unisys Insurance Services Ltd to Diligenta Ltd, a subsidiary of Tata Consultancy Services Ltd. UISL, which is headquartered in the U.K. and has operations in Liverpool and Bournemouth, provides business process outsourcing services to the U.K. life and pensions industry. Terms of the transaction were not disclosed.

Health Information Unit Sold. In May 2010, Unisys completed the sale of its health information management business to Molina Healthcare Inc for $135 million. The HIM business, which provides system solutions and business process outsourcing services to state governments for administering Medicaid and other state healthcare programs, represented approximately $110 million in revenue for Unisys in 2009.

Check and Cash Automation Unit Sold. In February 2010, Unisys sold its check and cash automation equipment and related U.S. maintenance, printer, and direct supply business to a new company formed by Marlin Equity Partners - Burroughs Payment Systems Inc. Terms were not disclosed.

BCC Acquired. In July 2004, Unisys acquired Baesch Computer Consulting Inc, a provider of technology solutions and services to the U.S. intelligence and defense communities. BCC, headquartered in Glen Burnie, Maryland, was established as a privately held firm in 1995 by Bobby Baesch, who served as CEO and majority owner of the company. After the acquisition, he became vice president and general manager within the Unisys Global Public Sector group, specializing in intelligence and defense offerings. Approximately 90 former BCC employees were expected to join him at Unisys, increasing Unisys' base of employees cleared to work in the intelligence community. Terms were not disclosed.

Unisys Acquires ePresence Security Services. In June 2004, Unisys completed the acquisition of the assets of ePresence's security services and identity and access management solutions business. Unisys added

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approximately 90 staff and a suite of next-generation identity and access management solutions to extend and enhance Unisys' security services.

Teaming/Competition/Joint Ventures

AcSys Biometrics. In 2002, as part of its homeland security efforts, Unisys partnered with AcSys Biometrics Corp (Burlington, Ontario) to develop face-recognition systems and integrate them with biomimetic technology. Biomimetic technology mimics the analytical processes of the human mind by modeling the neural structure of the brain rather than relying on measurements for recognition. Under the agreement, Unisys and AcSys deliver tools to accurately identify individuals as a way to control access to physical environments and information systems.

TravelSky. In March 2014, Unisys announced that it was working with TravelSky, a provider of information technology solutions for China's air travel and tourism industry, to build the next generation of the Unisys Logistics Management System. The new version will be known as LMS Next Generation. The LMS NG will provide a range of advanced features, including additional mobile capabilities and proactive monitoring. The new version will incorporate an enhanced Java-based rules engine to help air cargo carriers more quickly respond to market opportunities, because changes can easily be made to business process rules without the need to write code. The LMS NG will be available via a software-as-a-service (SaaS) model or as a licensed product.

Financial Results/Corporate Statistics

For 2020, Unisys reported sales of $2.0 billion, down almost 9 percent to $2.2 billion from $2.8 billion in 2019. The company posted a loss of $318 million, compared to a loss $92 million in 2019. The 2019 net loss was primarily attributed to an accounting change and reflects a $20.1 million charge related to the convertible note transaction, along with post-retirement expense that was $12.8 million, and a $13.0 million charge related to costs to close out the remediation of a site the company no longer operates. During 2017 and 2016, Unisys recognized charges of $146.8 million and $82.1, respectively, in connection with a corporate restructuring, principally related to a reduction in employees. The company's latest full-year statistics, restated to the current presentation, are as follows. R&D figures are company-sponsored only.

Unisys (NYSE: UIS)

(USD millions)	2016	2017	2018	2019	2020
Net Sales	2,257	2,171	2,251	2,223	2,026
Net Income	-90	-110	22	-92	-318
R&D Expenditures	47	39	32	31	27
Total Backlog	3,900	4,300	4,800	4,300	3,400
Long-Term Debt	194	634	643	566	527
Shareholder Deficit	-1,631	-1,326	-1,300	-1,228	-357
Debt-to-Equity Ratio	-.11	-.47	-.49	-.46	-1.47
Employees	*21,000*	*20,500*	*21,700*	*21,000*	*17,200*
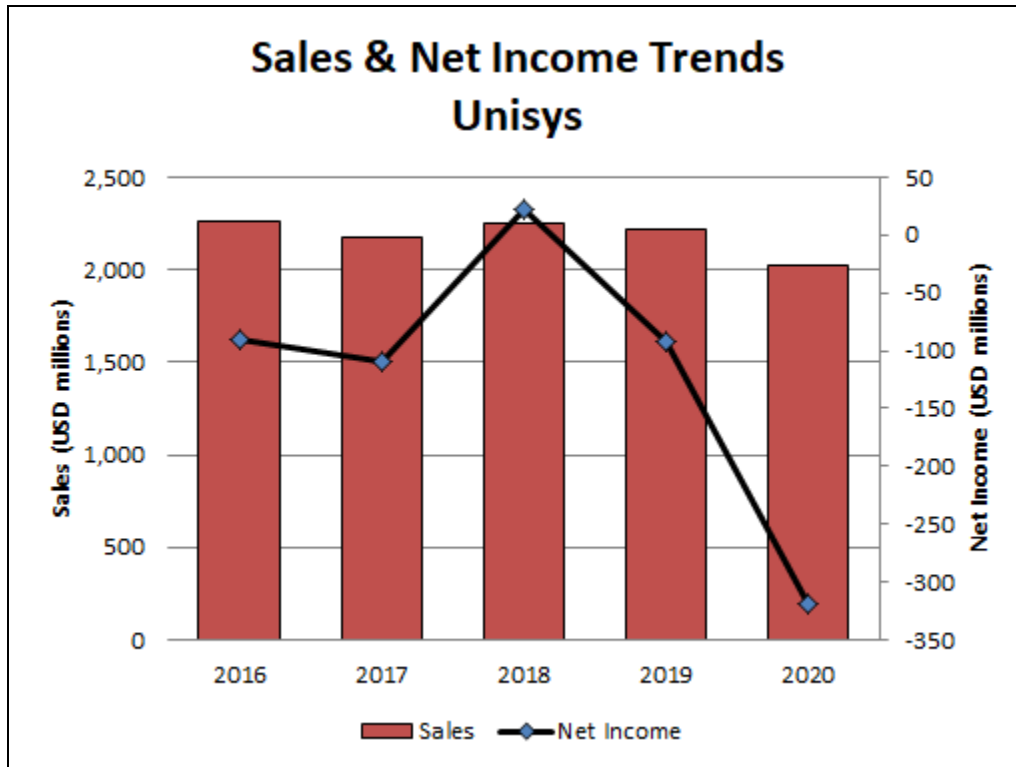
Industry Segments

Sales by Unisys segments are as follows:

SALES	2018	2019	2020
(USD millions)			
Services	**1,858**	**1,893**	**1,693**
Cloud & Infrastructure	*1,225*	*1,287*	*1,178*
Application Services	*382*	*371*	*350*
BPO Services	*251*	*235*	*165*
Technology	**394**	**330**	**333**
TOTAL	**2,252**	**2,223**	**2,026**

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2020 Sales by Segment
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Cloud & Infrastructure
58%

Application Services
17%

Technology
17%

BPO Services
8%
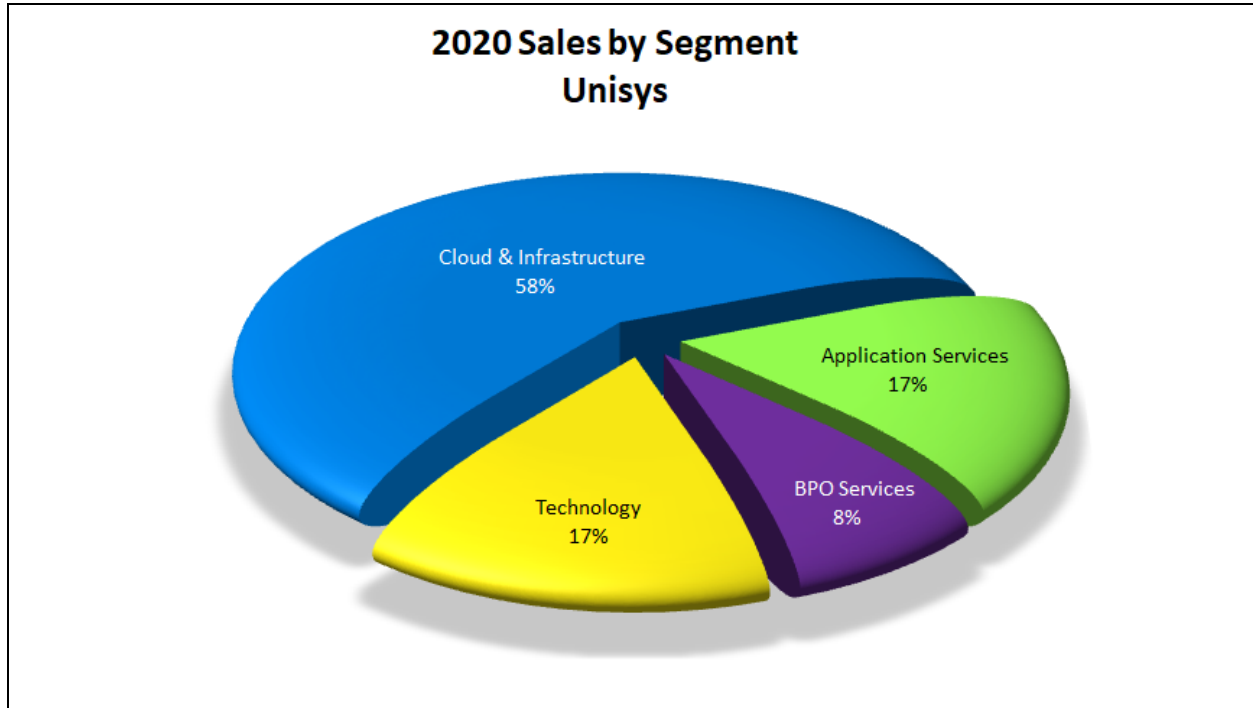
Strategic Outlook

As part of an effort to further focus its operations, Unisys sold its Federal business to SAIC in 2020. Through Unisys Federal Systems, the company provided all agencies of the federal government with systems integration and information technology services.

The company undertook the divestiture in order to concentrate on serving state and local government clients. The proceeds from the sale will also help with unfunded pension obligations and reduce debt, the company said.

As it looks for growth, Unisys has been tightening its focus. The company has divested assets no longer considered core and is concentrating on four targeted, high-potential market areas: security (including IT security and physical security), data center transformation and outsourcing services, end user outsourcing and support services, and applications modernization and outsourcing services.

With the firm no longer heavily involved in the aerospace and defense market, this report will be archived.

Prime Award Summary

Unisys did not rank the Federal Procurement Data System - Next Generation (www.fpds.gov) Top 100 Contractors Report. Information on the company's Federal contracting can be sourced from the database of www.USAspending.gov, the official U.S. government source for data on federal awards. Individual contract awards are listed in the U.S. Contract Awards section of this report (below).

Program Activity

Unisys' business interests are as follows:

- Computers and Software
- Systems Integration

Electronic Programs

All Source Analysis System

The All Source Analysis System is a battlefield intelligence management system. The ASAS automates the fusion of intelligence with combat information on the type of enemy units, and processes information on their location, movements, projected capabilities, and intentions. In addition, the ASAS automates data analysis and supplies a coherent picture of the enemy situation, disseminating this information to commanders to allow them to make timely, well-informed decisions. Unisys provides application software for this system.

U.S. Contract Awards

The following is a listing of major contracts awarded to Unisys from the U.S. government in recent years. Note that the Description section is excerpted directly from U.S. DoD listings. For full details on individual contracts and their associated modifications, visit: http://www.defense.gov/contracts and enter the contract number in the Search Contracts box.

Date	Award (USD millions)	Contract #	DESCRIPTION
3/29/18	20.0	N00039-18-C-0005	DEVELOP, MAINTAIN & SUSTAIN U.S. NAVY NUCLEAR COMMAND, CONTROL & COMMUNICATIONS MODERNIZED HYBRID SOLUTION MESSAGING SOFTWARE & ASSOCIATED COMPUTER SOFTWARE, PLUS DOCUMENTATION. THE MESSAGE-HANDLING SOFTWARE IS USED TO RECEIVE, VALIDATE, AND STORE MESSAGES FROM MILITARY COMMANDERS AND FORWARD THEM TO TACTICAL MILITARY FORCES.
9/25/18	?	W52P1J-18-D-A130	UNISYS WILL COMPETE FOR EACH ORDER OF THE $12,100,000,000 HYBRID (COST, FFP, AND TIME-AND-MATERIALS) CONTRACT FOR INFORMATION TECHNOLOGY ENTERPRISE SOLUTIONS-3 SERVICES (ITES-3S).
12/3/18	?	N00178-18-R-7000	ONE OF 1,870 INDEFINITE DELIVERY/INDEFINITE QUANTITY, MULTIPLE-AWARD CONTRACTS (MACS) TO BUSINESSES IN MULTIPLE LOCATIONS ACROSS 46 OF THE 50 UNITED STATES, THE DC, AND GUAM FOR FUTURE COMPETITION OF SUPPORT SERVICE REQ TO BE SOLICITED BY DEPARTMENT OF THE NAVY ACTIVITIES UNDER THE SEAPORT NEXT GENERATION (SEAPORT-NXG) MULTIPLE-AWARD CONTRACT VEHICLE. ALL WORK UNDER THE CONTRACTS WILL FALL UNDER TWO CATEGORIES (ENGINEERING SUPPORT SERVICES & PROGRAM MANAGEMENT SUPPORT SERVICES), WHICH ARE FURTHER DIVIDED INTO 23 FUNCTIONAL AREAS. THE GOVERNMENT ESTIMATES APPROXIMATELY $5,000,000,000 OF SERVICES WILL BE PROCURED PER YEAR VIA ORDERS ISSUED UNDER THE SEAPORT-NXG MULTIPLE-AWARD CONTRACTS.

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Date	Award (USD millions)	Contract #	DESCRIPTION
2/28/19	76.3	FA8726-19-9-0001	EXECUTE THE ENTERPRISE IT AS A SERVICE END USER SERVICES RISK REDUCTION EFFORT EXPERIMENT. THIS AGREEMENT PROVIDES FOR AN EXPERIMENT OF THE COMMERCIAL DELIVERY OF STANDARDIZED, INNOVATIVE, AND AGILE INFORMATION TECHNOLOGY SERVICES, INCLUDING AN ENTERPRISE SERVICE DESK & END USER DEVICES, TO A SELECT GROUP OF BASES. WORK WILL BE PERFORMED AT BUCKLEY CO (AFB), CO, MAXWELL AFB, AL; SPANGDAHLEM AIR BASE, GERMANY; OFFUTT AFB, NE; JOINT BASE ELEMENDORF-RICHARDSON, AK; CANNON AFB, NM; HURLBURT FIELD, FL; & POPE FIELD, NC, WITH POSSIBLE SCALING OF UP TO 20 BASES DURING THE EXPERIMENT.
12/1/19	80.5	HC1084-20-D-0002	CONTRACT FOR UNISYS OPERATING SYSTEM 2200 CAPACITY SERVICES. THE PLACE OF PERFORMANCE WILL BE AT CURRENT DEFENSE INFORMATION SYSTEMS AGENCY DATA CENTERS.
1/2/20	17.1	FA8726-19-9-0001	END USER SERVICES RISK REDUCTION EFFORT EXPERIMENT. THIS MODIFICATION PROVIDES FOR AN EXPERIMENT OF THE COMMERCIAL DELIVERY OF STANDARDIZED, INNOVATIVE, AND AGILE INFORMATION TECHNOLOGY SERVICES, INCLUDING AN ENTERPRISE SERVICE DESK & END USER DEVICES, TO A SELECT GROUP OF BASES.
2/25/20	14.0	W52P1J-20-C-0010	CONTRACT FOR AN 18-MONTH BRIDGE TO CONTINUE SUPPORT FOR THE ARMY ENTERPRISE SERVICE DESK.

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