PITNEY BOWES INC /DE/
Form 424B5
September 07, 2017
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This preliminary prospectus supplement relates to an effective registration statement under the Securities Act of 1933 but is not complete and may be changed. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell these securities and are not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Filed Pursuant to Rule 424(b)(5)
Registration No. 333-216744

SUBJECT TO COMPLETION
PRELIMINARY PROSPECTUS SUPPLEMENT DATED SEPTEMBER 7, 2017

Prospectus Supplement
(To Prospectus Dated March 16, 2017)

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$ % Notes Due 20
$ % Notes Due 20

Pitney Bowes is offering $ aggregate principal amount of its % Notes due 20 (the 20 notes) and $ aggregate principal amount of its % Notes due 20 (the 20 notes and, together with the 20 notes, the notes). Pitney Bowes will pay interest on the 20 notes at a rate equal to % per year and will pay such interest semi-annually on the 20 notes on and of each year, commencing , 2018. Pitney Bowes will pay interest on the 20 notes at a rate equal to % per year and will pay such interest semi-annually on the 20 notes on and of each year, commencing , 2018. The interest rate payable on each series of notes will be subject to adjustments from time to time if either Moody s or S&P (or a substitute rating agency therefor) downgrades (or downgrades and subsequently upgrades) the credit rating assigned to such notes as described in Description of the Notes—Interest Rate Adjustment. The 20 notes mature on , 20 and the 20 notes mature on , 20 .

Pitney Bowes may redeem some or all of the notes of either series at any time or from time to time at a redemption price equal to 100% of the principal amount of the notes of such series to be redeemed, plus accrued and unpaid interest, if any, on those notes to the redemption date, plus a make-whole amount, if any, as described under Description of the Notes—Optional Redemption. Notwithstanding the immediately preceding sentence, Pitney Bowes may redeem some or all of the 20 notes at any time or from time to time on or after , 20 (months prior to their maturity) and some or all of the 20 notes at any time or from time to time on or after , 20 (months prior to their maturity), in each case, at a redemption price equal to 100% of the principal amount of the notes of such series to be redeemed, plus accrued and unpaid interest, if any, on those notes to the redemption date. The 20 notes are also subject to special mandatory redemption as described below and elsewhere in this prospectus supplement. If a change of control triggering event occurs with respect to either series of notes, unless we have exercised our option to redeem the notes of such series in whole or, in the case of the 20 notes, unless a special mandatory redemption has occurred, we will be required, subject to certain exceptions, to make an offer to each holder of notes of such series to repurchase all or any part of that holder s notes for cash equal to 101% of the principal amount of the notes of such series to be repurchased, plus accrued and unpaid interest, if any, on those notes to the repurchase date.

On September 6, 2017, Pitney Bowes entered into the Merger Agreement (as defined herein) pursuant to which Pitney Bowes will acquire all of the issued and outstanding equity interests of NGS Holdings, Inc. (the Merger) for $475 million in cash consideration, subject to certain adjustments. Pitney Bowes intends to use a portion of the net proceeds from the sale of the notes offered hereby to fund all or a portion of the consideration for the Merger, to repay our 4.75% notes due May 2018, and for general corporate purposes. See Use of Proceeds. In the event that the closing of the Merger has not occurred on or prior to November 6, 2017 (or, if Pitney Bowes or NGS Holdings, Inc. elect to extend the closing date pursuant to the terms of the Merger Agreement, December 4, 2017) (such date, the Termination Date), or if prior to the Termination Date, the Merger Agreement is terminated in accordance with its terms, Pitney Bowes will be required to redeem all outstanding 20 notes on the Special Mandatory Redemption Date (as defined herein) at a redemption price equal to 101% of the principal amount of the 20 notes to be redeemed, plus accrued and unpaid interest, if any, on those notes, to the Special Mandatory Redemption Date. The 20 notes are not subject to the Special Mandatory Redemption (as defined herein). See Description of the Notes—Special Mandatory Redemption.

There is no sinking fund for the notes. The notes will be issued only in minimum denominations of $2,000 or an integral multiple of $1,000 in excess thereof. The notes will not be listed on any securities exchange.

The notes are our unsecured debt obligations and will rank equally with our other unsecured and unsubordinated debt from time to time outstanding.

Investing in the notes involves risks. See Risk Factors beginning on page S-7 of this prospectus supplement and in our Annual Report on Form 10-K for the year ended December 31, 2016, incorporated by reference into this prospectus supplement and the accompanying prospectus.

	Per 20 Note	Total	Per 20 Note	Total
Public Offering Price	%	$	%	$
Underwriting Discount	%	$	%	$
Proceeds to Pitney Bowes (before expenses)	%	$	%	$

Interest on the notes will accrue from September , 2017 if settlement occurs after that date.

Neither the Securities and Exchange Commission nor any state securities commission or other regulatory body has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the notes in book-entry only form through the facilities of The Depository Trust Company for the accounts of its participants, including Clearstream Banking, S.A., and Euroclear Bank S.A./N.V. as operator of the Euroclear System, against payment in New York, New York on September , 2017.

Joint Book-Running Managers

BofA Merrill Lynch Goldman Sachs & Co. LLC

The date of this prospectus supplement is September , 2017.

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Prospectus Supplement

Prospectus

You should rely only on the information contained in or incorporated by reference into this prospectus supplement and the accompanying prospectus and any free writing prospectus provided, authorized or approved by us. We have not, and the underwriters have not, authorized any other person to provide you with additional or different information. This prospectus supplement and the accompanying prospectus may only be

used where it is legal to offer and sell these securities. The information contained in or incorporated by reference into this prospectus supplement, the accompanying prospectus and any free writing prospectus provided, authorized or approved by us may only be accurate as of their respective dates. Our business, financial condition, liquidity, results of operations and prospects may have changed since those dates.

The distribution of this prospectus supplement and the accompanying prospectus and the offering of the notes in certain jurisdictions may be restricted by law. Persons who come to possess this prospectus supplement and the accompanying prospectus should inform themselves about and observe any such restrictions. This prospectus supplement and the accompanying prospectus do not constitute, and may not be used in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

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ABOUT THIS PROSPECTUS SUPPLEMENT

We provide information to you about the notes in two separate documents: (1) this prospectus supplement, which describes certain specific terms of the notes and also adds to and updates information contained in the accompanying prospectus and the documents incorporated by reference into this prospectus supplement and the accompanying prospectus and (2) the accompanying prospectus, which provides general information about securities we may offer from time to time, including the notes that are being offered by this prospectus supplement. If information in this prospectus supplement is inconsistent with the accompanying prospectus, you should rely on this prospectus supplement.

It is important for you to read and consider all of the information contained in this prospectus supplement and the accompanying prospectus in making your investment decision. You also should read and consider the information in the documents we have referred you to in Where You Can Find More Information on page S-37 of this prospectus supplement and page 1 of the accompanying prospectus.

When we refer to Pitney Bowes, we, our and us in this prospectus supplement, we mean only Pitney Bowes Inc., a not Pitney Bowes Inc. together with any of its subsidiaries, unless the context indicates or requires otherwise.

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FORWARD-LOOKING STATEMENTS

This prospectus supplement, the accompanying prospectus and the documents incorporated herein and therein by reference contain statements that are forward-looking. We want to caution readers that any forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the Securities Act), and Section 21E of the Securities Exchange Act of 1934, as amended (the Exchange Act), in these documents may change based on various factors. These forward-looking statements are based on current expectations and assumptions that are subject to risks and uncertainties and actual results could differ materially. Words such as estimate, target, project, plan, believe, expect, anticipate, intend and similar expressions may identify such forward-looking statements. W undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Factors which could cause future financial performance to differ materially from the expectations as expressed in any forward-looking statement made by us or on our behalf include, without limitation:

- declining physical mail volumes
- competitive factors, including pricing pressures, technological developments, the introduction of new products and services by competitors and fuel prices
- our success in developing new products and services, including digital-based products and services, obtaining regulatory approval if required, and the market's acceptance of these new products and services
- our ability to fully utilize our new Enterprise Resource Planning (ERP) system in North America and successfully implement it internationally without significant disruption to existing operations
- the continued availability and security of key information systems and the cost to comply with information security requirements and privacy laws
- a breach of security, including a cyberattack or other comparable event
- the success of our investment in rebranding the company to build market awareness and to create new demand for our products, services and solutions
- changes in postal or banking regulations
- the loss of some of our larger clients in the Global Ecommerce segment
- macroeconomic factors, including global and regional business conditions that adversely impact customer demand, foreign currency exchange rates, interest rates and labor conditions
- capital market disruptions or credit rating downgrades that adversely impact our ability to access capital markets at reasonable costs
- third-party suppliers' ability to provide product components, assemblies or inventories
- our success at managing the relationships with our outsource providers, including the costs of outsourcing functions and operations not central to our business
- integrating newly acquired businesses, including operations and product and service offerings
- intellectual property infringement claims
- our success at managing customer credit risk
- significant changes in pension, health care and retiree medical costs
- income tax adjustments or other regulatory levies for prior audit years and changes in tax laws, rulings or regulations
- a disruption of our businesses due to changes in international or national political conditions, including the use of the mail for transmitting harmful biological agents or other terrorist attacks
- acts of nature

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SUMMARY

The following information supplements, and should be read together with, the information contained in other parts of this prospectus supplement and in the accompanying prospectus, as well as the documents we incorporate by reference. This summary highlights selected information in, or incorporated by reference in, this prospectus supplement and the accompanying prospectus to help you understand the terms of the notes and this offering. You should read this prospectus supplement and the accompanying prospectus, including the documents we incorporate by reference, carefully to understand fully the terms of the notes and this offering as well as the other considerations that are important to you in making a decision about whether to invest in the notes.

Pitney Bowes

Pitney Bowes Inc. was incorporated in the state of Delaware in 1920. We are a global technology company offering innovative products and solutions that help our clients navigate the complex world of commerce. We provide innovative products and solutions for mailing, shipping and cross border ecommerce that enable the sending of packages globally and products and solutions for customer information management, location intelligence and customer engagement to help our clients market to their customers. Clients around the world rely on our products, solutions and services. Our world headquarters are located at 3001 Summer Street, Stamford, CT 06926. Our telephone number is (203) 356-5000.

Our business is organized around three distinct sets of solutions—Small and Medium Business Solutions (SMB), Enterprise Business Solutions and Digital Commerce Solutions (DCS).

Small and Medium Business Solutions

We are a global leader in providing a full range of equipment, software, supplies and services that enable our clients to efficiently create physical and digital mail, evidence postage and print shipping labels for the sending of mail, flats and parcels. We segment the SMB Solutions group between our North America operations, comprising the U.S. and Canadian businesses, and our International operations, comprising all other SMB businesses globally with about 1.2 million meters installed worldwide. We are also continuing to expand our business to include online offerings without a hardware component. We are a leading provider of mailing systems globally. This business is characterized by a high level of recurring revenue driven by rental, lease and loan arrangements, contract support services and supplies sales. We also offer scalable shipping solutions that can be integrated into mail centers for the office market.

Enterprise Business Solutions

Our Enterprise Business Solutions group includes equipment and services that enable large enterprises to process inbound and outbound mail and parcels. The Enterprise Business Solutions group includes our Production Mail operations and Presort Services operations.

Production Mail

Our product and service offerings enable clients to integrate all areas of print and mail into an end-to-end production environment from message creation to dispatch while realizing cost savings on postage. The core products within this segment include high-speed, high-volume inserting equipment, customized sortation products for mail and parcels and high-speed digital color printing systems that create high-value, relevant and timely communications targeted to our clients customers.

Presort Services

We are a national outsource provider of mail presort services for First Class, Standard, flat and parcels in the U.S. and a workshare partner of the United States Postal Service (USPS). Our Presort Services network and fully-customized proprietary technology provides our clients with end-to-end solutions from pick up at their location to delivery into the postal system network. We process approximately 15 billion pieces of mail annually through our network of operating centers throughout the United States and are able to expedite mail delivery and optimize postage savings for our clients. In 2016, we began offering sortation services for parcels. We have expanded this offering in 2017 and expect continued further expansion of this service.

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Digital Commerce Solutions

Within the Digital Commerce Solutions group, we provide a broad range of solutions, including customer information management, location intelligence, customer engagement software and shipping management and cross border ecommerce solutions for businesses of all sizes. These solutions are delivered as traditional software licenses, enterprise platforms, software-as-a-service (SaaS) or on-demand applications. Our Digital Commerce Solutions group includes Software Solutions and Global Ecommerce.

Software Solutions

Customer information management solutions help businesses harness and develop a deep and broad understanding of their customers and their context, such as location, relationships, propensity, sentiment and influence. The trusted data and associated insights allow our clients to deliver a personalized customer experience across multiple channels, manage risk and compliance, and improve sales, marketing and service effectiveness. We are one of the market leaders in the data quality segment. Large corporations and government agencies rely on our products in complex, high-volume, transactional environments to support their business processes.

Location intelligence solutions enable our clients to organize and understand the complex relationships between location, geographic and other forms of data to drive business decisions and customer experiences. Our location intelligence solutions use predictive analytics, location, geographic and socio-demographic characteristics, which enable our clients to harness the power of location to better serve their customers, solve business problems, deliver location-based services and ultimately drive business growth.

Customer engagement solutions provide clients with insight and understanding into customer behavior and interactions across the entire customer lifecycle, enabling them to orchestrate impactful, relevant and timely physical and digital interactions. When coupled with our inserting, sortation and digital print products, we are able to provide clients an all-inclusive solution that enables them to create, print and distribute wide-spread targeted customer communications. Our customer engagement solutions enable our clients to create connected experiences that positively influence future consumer behavior and generate business growth.

Within Software Solutions we are seeing progress in our build-out of our partner sales channel by adding new regional systems integrators and location intelligence partners. This effort includes continued investment in expanding the indirect channel and training partner sales and technical resources.

Global Ecommerce

Global Ecommerce includes our cross-border ecommerce solutions and retail and warehouse shipping management solutions. Global Ecommerce provides a full suite of domestic and cross-border solutions that help businesses of all sizes conduct commerce and participate in the parcel journey from Anywhere to Everywhere TM. It is our technology, services and industry expertise that have made us an industry leader in global commerce. We offer a unified commerce platform of capabilities for cross-border, marketplaces and shipping that center around the consumer. With our proprietary technology, we are able to manage all aspects of the international shopping and shipping experience, including multi-currency pricing, payment processing, fraud management, calculation of fully landed costs by quoting duty, taxes and shipping at checkout, compliance with product restrictions, export complexities and documentation requirements for customs clearance and brokerage and global logistics services. Our cross-border ecommerce software platforms are currently utilized by direct merchants as well as a major online marketplace enabling millions of parcels to be shipped to countries and territories worldwide. Our platform also connects retailers to marketplaces around the world, opening new markets and expanding existing markets for their goods.

Our shipping management solutions enable clients to reduce transportation and logistics costs, to select the best carrier based on need and cost, to improve delivery times and to track packages in real-time. Our Shipping API technology, an integral part of the Pitney Bowes Commerce Cloud, provides easy access to shipping and tracking services that can be easily integrated into any web application such as online shopping carts or ecommerce sites.

Recent Developments

Acquisition of NGS Holdings, Inc.

Pitney Bowes entered into an Agreement and Plan of Merger (the Merger Agreement), dated as of September 6, 2017, among Pitney Bowes, Neutron Acquisition Corp., an indirect wholly-owned subsidiary of

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Pitney Bowes, NGS Holdings, Inc. (the Target) and Littlejohn Fund IV, L.P., solely in its capacity as stockholder representative, pursuant to which Pitney Bowes has agreed, among other things, to acquire all of the issued and outstanding equity interests of the Target for $475 million (equal to approximately 1.0x the Target s revenue for the year ended December 31, 2016) in cash consideration, subject to certain adjustments.

The consummation of the Merger is subject to customary conditions, including the expiration or termination of any applicable waiting period (and any extension thereof) under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the absence of any government order or other legal restraint prohibiting the consummation of the transactions contemplated by the Merger Agreement. In addition, the obligation of Pitney Bowes to consummate the Merger is subject to the absence of any event, change, occurrence, development or effect having occurred from the date of the Merger Agreement that has had or continues to have a Material Adverse Effect (as defined in the Merger Agreement).

The Merger Agreement contains provisions giving each of Pitney Bowes and the Target rights to terminate the Merger Agreement under specified circumstances, including if the closing has not occurred on or before the Termination Date.

$150 Million Bilateral Term Loan Credit Facility

On August 30, 2017, Pitney Bowes entered into a term loan facility (the Bilateral Credit Facility) in an aggregate principal amount of $150 million with The Bank of Tokyo-Mitsubishi UFJ, Ltd. as the lender. The entire aggregate principal amount of the Bilateral Credit Facility was available in one drawdown at any time within two calendar weeks following the closing date of the Bilateral Credit Facility. On August 30, 2017, Pitney Bowes delivered to The Bank of Tokyo-Mitsubishi UFJ, Ltd. a borrowing notice, pursuant to which Pitney Bowes borrowed the full amount of the Bilateral Credit Facility on September 6, 2017. The Bilateral Credit Facility accrues interest at a rate per annum equal to the applicable LIBOR rate, plus a spread ranging between 1.125% and 1.625%, based upon the corporate credit rating of Pitney Bowes. The Bilateral Credit Facility matures on August 29, 2018, provided that, subject to certain conditions, Pitney Bowes may, at its option, extend the maturity date one year.

$200 Million Syndicated Term Loan Credit Facility

Pitney Bowes expects to enter into a term loan facility (the Syndicated Credit Facility) in an aggregate principal amount of $200 million with a syndicate of financial institutions as lenders. Although the terms of the Syndicated Credit Facility have not been finalized and are subject to change, we expect the Syndicated Credit Facility to mature three years after the date of the funding, and for the loans to accrue interest at a rate per annum equal to, at Pitney Bowes option, the applicable LIBOR rate, plus a spread ranging between 1.125% and 2.250% or the applicable Base Rate (to be defined in the definitive documentation), plus a spread ranging between 0.125% and 1.250%, based upon the corporate credit rating of Pitney Bowes. In addition, we expect that Pitney Bowes will be required, beginning March 15, 2018, to make quarterly amortization payments in an amount equal to 2.50% of the aggregate principal amount of the loans made on the date of the funding. There can be no assurance that Pitney Bowes will enter into the Syndicated Credit Facility on the terms contemplated or at all. The consummation of this offering is not conditioned upon the closing of the Syndicated Credit Facility.

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