exela TECHNOLOGIES

Second Quarter 2019 Results

August 8, 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. 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, 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 may 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 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 Business Combination and other such capital markets based activities. Adjusted EBITDA seeks to remove the effects of integration and related costs to achieve 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. Estimates of future financial results are inherently unreliable. 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. The Company evaluates results of operations on both an as reported and a constant currency basis. The constant currency presentation, which is a non-GAAP measure, excludes the impact of fluctuations in foreign currency exchange rates. The Company believes providing constant currency information provides valuable supplemental information regarding results of operations, consistent with how Exela evaluates performance. We calculate constant currency revenue and adjusted EBITDA 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 financial measures presented here. For reconciliation of the comparable GAAP measures to these non-GAAP financial measures, see the Appendix to this presentation.

Combined Financial Information

This presentation includes unaudited historical financial information for 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, 2017, nor are they indicative of the future consolidated financial condition, results of operations or cash flows of Exela.

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 is a business process automation (BPA) leader, leveraging a global footprint and proprietary technology to provide digital transformation solutions enhancing quality, productivity, and end-user experience. With decades of expertise operating mission-critical processes, Exela serves a growing roster of more than 4,000 customers throughout 50 countries, including over 60% of the Fortune® 100.

With foundational technologies spanning information management, workflow automation, and integrated communications, Exela's software and services include multi-industry department solution suites addressing finance and accounting, human capital management, and legal management, as well as industry-specific solutions for banking, healthcare, insurance, and public sectors. Through cloud-enabled platforms, built on a configurable stack of automation modules, and over 22,000 employees operating in 23 countries, Exela rapidly deploys integrated technology and operations as an end-to-end digital journey partner.

Embracing complexity.
Delivering simplicity.℠

Exela financial summary and highlights

Financial Summary and Highlights

- **Revenue $390.2M, a decline of 4.9% yoy; $394.6M on a constant currency[1] basis, a decline of 3.8% yoy**
- **Adjusted EBITDA of $69.4M, a decline of 1.0% yoy; $69.7M on a constant currency[1] basis, as compared to $70.1M in Q2 2018**
- **Adjusted EBITDA margin increased 70 bps yoy to 17.8%**
- **Total liquidity[2] of $97.5M, up $39.4M sequentially**
- **Revenue, excluding postage and postage handling with either zero or nominal margins and revenue from the previously announced contract exit, was $650M in 1H 2019, an increase of 4.0% yoy**
- **Adjusted EBITDA margin for 1H 2019 was 22% based on the $650.0M revenue as described above**

(1) *Constant currency excludes the impact of foreign currency fluctuations and is computed by applying the average exchange rates for the three months and six months ended June 30, 2018, to the revenues during the corresponding period in 2019.*

(2) *At June 30, 2019, total cash and cash equivalents was $18.4 million (including restricted cash not subject to legal restriction). The Company has a revolving credit facility of $100 million, of which an aggregate amount of $79.1 million was available at June 30, 2019 after $20.9 million reserved for letters of credit.*

Exela business transformation Q2 2019

Optimization & restructuring (O&R) charges summary:

- O&R charges primarily related to headcount within COGS are $14.2 million
- SG&A related O&R charges are $4.5 million primarily due to headcount

($ in millions)	Q2 2019			
	People	**Facilities**	**Vendors**	**Total**
M&A	$0.7	$0.4	$0.1	$1.1
Process Transformation	15.0	0.7	1.8	17.6
Customer Transformation	0.0	0.0	0.0	0.0
Total	**$15.8**	**$1.1**	**$1.8**	**$18.7**

	P&L Impact		
	COGS	**SG&A**	**Total**
M&A	$0.8	$0.3	$1.1
Process Transformation	13.4	4.2	17.6
Customer Transformation	0.0	0.0	0.0
Total	**$14.2**	**$4.5**	**$18.7**

Exela business transformation Q2 2019

10+ years

~35%
Gross Margin

45% - 50%
Revenue*

+

2+ years

~15%
Gross Margin

35% - 40%
Revenue*

+

5+ years

~30%
Gross Margin

15% - 20%
Revenue*

=

Total COGS
O&R: $14.2*

~28%
Gross Margin

100%
Revenue*

* Revenue excludes postage and postage handling revenue with either zero or nominal margins and revenue from previously announced contract exit.

Transformation update - people

Headcount expected to increase in Asia, offset by movement from Americas and Europe

- **Majority of the increase is in delivery operations driven by our right-shoring model**
- **Remainder of the increase is through expansion of technology teams in Asia and Europe**

Region	FY 2018	Q1' 19	% Mix	Q2' 19	% Mix	Q1'19 - Q2' 19
North America	**11,078**	**11,837**	52%	**11,816**	50%	-21
Asia	**8,177**	**8,427**	37%	**8,864**	38%	437
Europe	**2,354**	**2,321**	10%	**2,397**	10%	76
Africa	**438**	**391**	2%	**424**	2%	33
Total Headcount	**22,047**	**22,976**	**100%**	**23,501**	**100%**	525
Change	-503	929		525		

Top 200 and all other customer trends

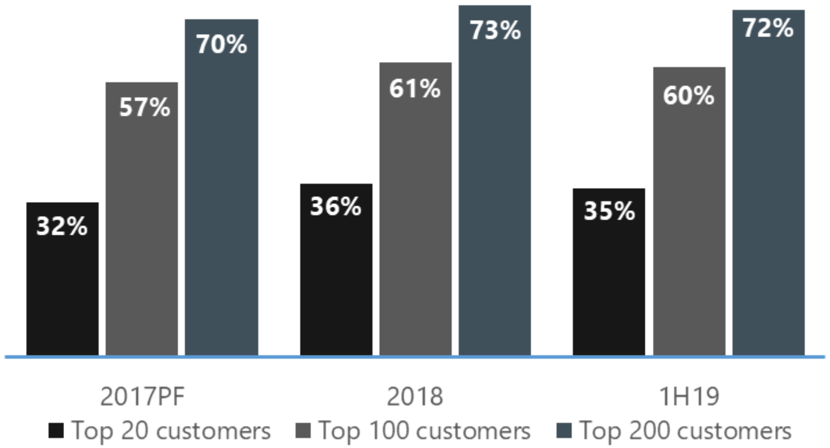
Slowing rate of attrition is partly due to pursuing growth beyond the top 200 customers

($ in millions)

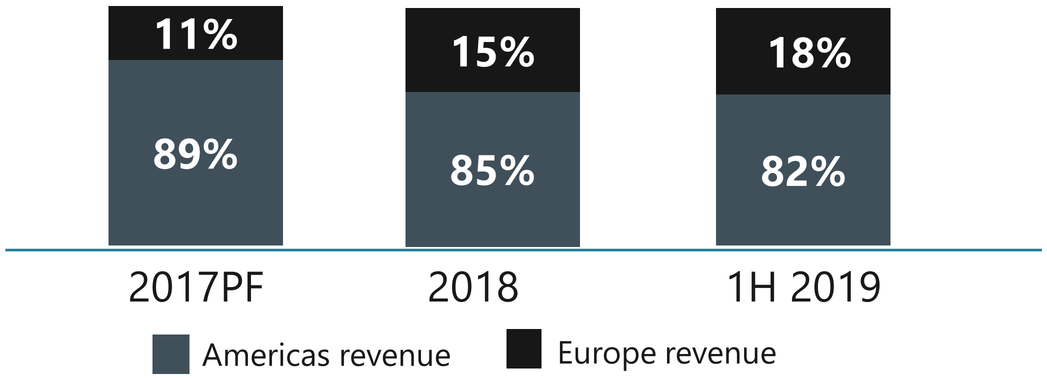
Customers	Reported revenue			Organic basis		Reported revenue	
	2017	2018	%	2018	%	1H 2019	%
Top 200	$1,017	$1,156	**73%**	$1,139	**75%**	$569	**72%**
All Others	439	431	**27%**	381	**25%**	225	**28%**
Total	$1,456	$1,586	**100%**	$1,520	**100%**	$794	**100%**

Customer scorecard for 1H2019, 2018 and 2017

Diversified revenue base

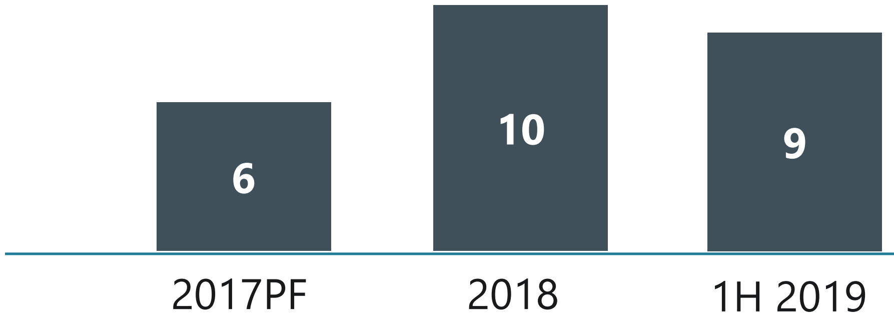


Revenue by geography



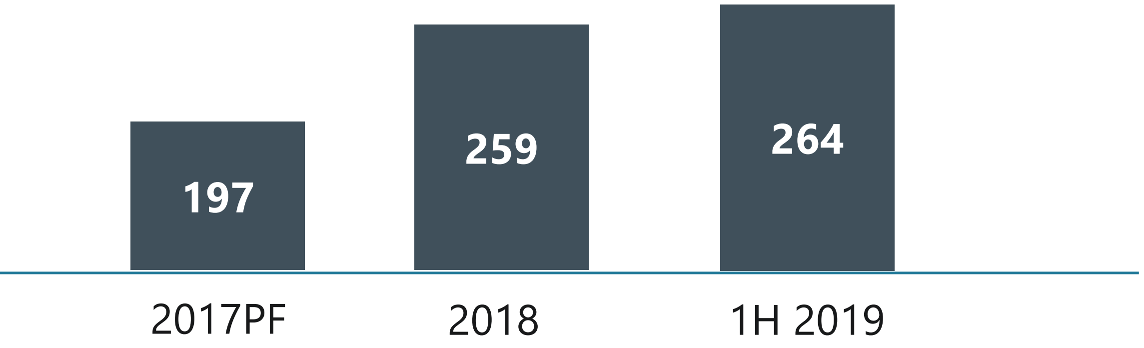
10 customers with over
$25M each in annual revenue

9 customers with over
$12.5M each in 1H 2019 revenue



259 customers with over
$1M each in annual revenue

264 customers with over
$0.5M each in 1H 2019 revenue



Financial Performance

NASDAQ: XELA

Q2 2019 P&L and Adjusted EBITDA

$ in millions	Q2'18	Q2'19	Change ($) Vs. Q2'18	Change ($) Vs. Q1'19	YTD Q2'18	YTD Q2'19	Change ($)
Information and Transaction Processing Solutions	330.1	309.2	(20.9)	(15.4)	642.0	633.8	(8.2)
Healthcare Solutions	56.3	63.4	7.1	2.1	114.9	124.7	9.8
Legal and Loss Prevention Services	23.9	17.6	(6.3)	(0.2)	46.5	35.4	(11.1)
Total Revenue	**410.4**	**390.2**	**(20.2)**	**(13.6)**	**803.5**	**793.9**	**(9.5)**
% change		*-4.9%*				*-1.2%*	
Cost of revenue (exclusive of depreciation and amortization)	314.0	298.0	(15.9)	(8.9)	607.7	604.9	(2.9)
Gross profit	**96.4**	**92.2**	**(4.3)**	**(4.7)**	**195.7**	**189.0**	**(6.7)**
% change		*-4.4%*				*-3.4%*	
as a % of revenue	*23.5%*	*23.6%*			*24.4%*	*23.8%*	
SG&A	46.7	51.6	4.8	1.6	92.3	101.5	9.2
Depreciation and amortization	36.4	27.2	(9.2)	(0.8)	74.4	55.2	(19.2)
Impairment of goodwill and other intangible assets	-	-	-	-	-	-	-
Related party expense	1.4	1.1	(0.3)	0.1	2.5	2.0	(0.5)
Operating (loss) income	**11.9**	**12.3**	**0.4**	**(5.6)**	**26.5**	**30.3**	**3.8**
as a % of revenue	*2.9%*	*3.2%*			*3.3%*	*3.8%*	
Interest expense, net	38.5	39.1	0.6	0.2	76.5	78.0	1.5
Loss on extinguishment of debt	-	1.4	1.4	1.4	-	1.4	1.4
Sundry expense (income) & Other income, net	(3.0)	1.2	4.2	(3.0)	(6.4)	5.4	11.8
Net loss before income taxes	**(23.6)**	**(29.4)**	**(5.8)**	**(4.2)**	**(43.6)**	**(54.6)**	**(11.0)**
Income tax expense (benefit)	1.6	4.7	3.1	0.0	5.6	9.5	3.8
Net income (loss)	**(25.2)**	**(34.1)**	**(9.0)**	**(4.2)**	**(49.3)**	**(64.1)**	**(14.8)**
as a % of revenue	*-6.1%*	*-8.8%*			*-6.1%*	*-8.1%*	
Depreciation and amortization	36.4	27.2	(9.2)	(0.8)	74.4	55.2	(19.2)
Interest expense, net	38.5	39.1	0.6	0.2	76.5	78.0	1.5
Income tax expense (benefit)	1.6	4.7	3.1	0.0	5.6	9.5	3.8
EBITDA	**51.3**	**36.9**	**(14.4)**	**(4.8)**	**107.3**	**78.6**	**(28.7)**
as a % of revenue	*12.5%*	*9.5%*			*13.4%*	*9.9%*	
EBITDA Adjustments							
1 Transaction and integration costs	0.8	2.0	1.2	1.0	1.9	3.0	1.2
2 Optimization and restructuring expenses	8.9	18.7	9.8	(5.0)	18.6	42.4	23.7
Process Transformation	8.9	17.6	8.7	(4.4)	18.6	39.5	20.9
Customer Transformation	-	0.0	0.0	(0.1)	-	0.1	0.1
M & A	-	1.1	1.1	(0.5)	-	2.8	2.8
3 Gain / loss on derivative instruments	(0.7)	2.7	3.4	1.0	(4.0)	4.4	8.4
4 Non-Cash and Other Charges	9.7	9.0	(0.7)	3.1	15.8	15.0	(0.8)
Adjusted EBITDA	**70.1**	**69.4**	**(0.7)**	**(4.7)**	**139.6**	**143.5**	**3.9**
% change		*-1.0%*				*2.8%*	
as a % of revenue	*17.1%*	*17.8%*			*17.4%*	*18.1%*	

Revenue: Revenue for our Information and Transaction Processing Solutions segment declined 6.3% year-over-year, driven primarily by the exit of a low margin contract partially offset by growth from acquisitions and existing customers. Healthcare Solutions revenue grew by 12.6% year-over-year and was consistent with expectations. Results in Legal and Loss Prevention Services are event driven and were negatively impacted by projects that generated lower revenue.

COGS: Gross margins improved by 10 bps primarily due to continued transformation and cost saving initiatives.

SG&A: SG&A increased on a year-over-year basis, primarily driven by higher expense related to stock compensation, investments for growth and one-time customer exit costs, offset by savings realization.

D&A: Higher amortization charges as a result of accelerated write off of trade names in the prior year is the key driver for the difference in the comparative period.

Sundry: Includes expenses and changes to foreign currency gain/loss and interest-rate swaps.

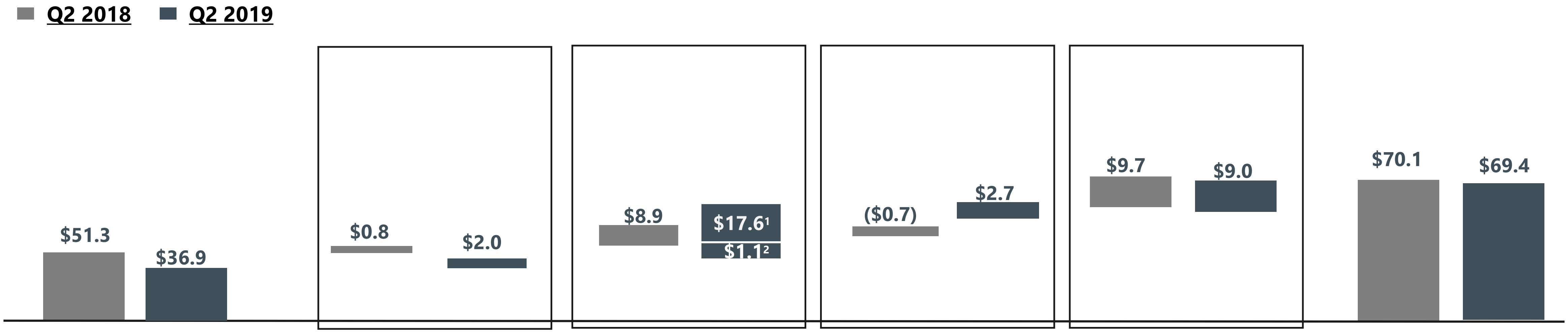
Profitability: Adjusted EBITDA margin for the second quarter of 2019 was 17.8%, an increase of 70 basis points as compared to an Adjusted EBITDA margin of 17.1% in the second quarter of 2018.

Note : Adjustments for optimization and restructuring expenses have been adjusted for comparability purposes in the table above.
EBITDA and Adjusted EBITDA for the reported periods remain unchanged.

Exela Q2 2019 EBITDA to Adjusted EBITDA[1] Bridge

✓ **Q2 2019 Adjusted EBITDA of $69.4M; $69.7M on a constant currency basis**

($ in millions)



EBITDA[1]

Transaction and integration costs: Primarily consist of legal fees and advisory fees incurred

Optimization and restructuring charges: Q2 2019 $17.6M related to Process Transformation and $1.1M related to Merger related Transformation and $25K of Customer Transformation

Gain / loss on Derivative instruments: Charges related to the fair value accounting of the interest rate swap on the Term Loan

Non-Cash and Other charges: Q2 2019 charges mainly driven by non-cash equity expense, non-cash extinguishment of debt, and employee cash severance and exit costs

Adjusted EBITDA[1]

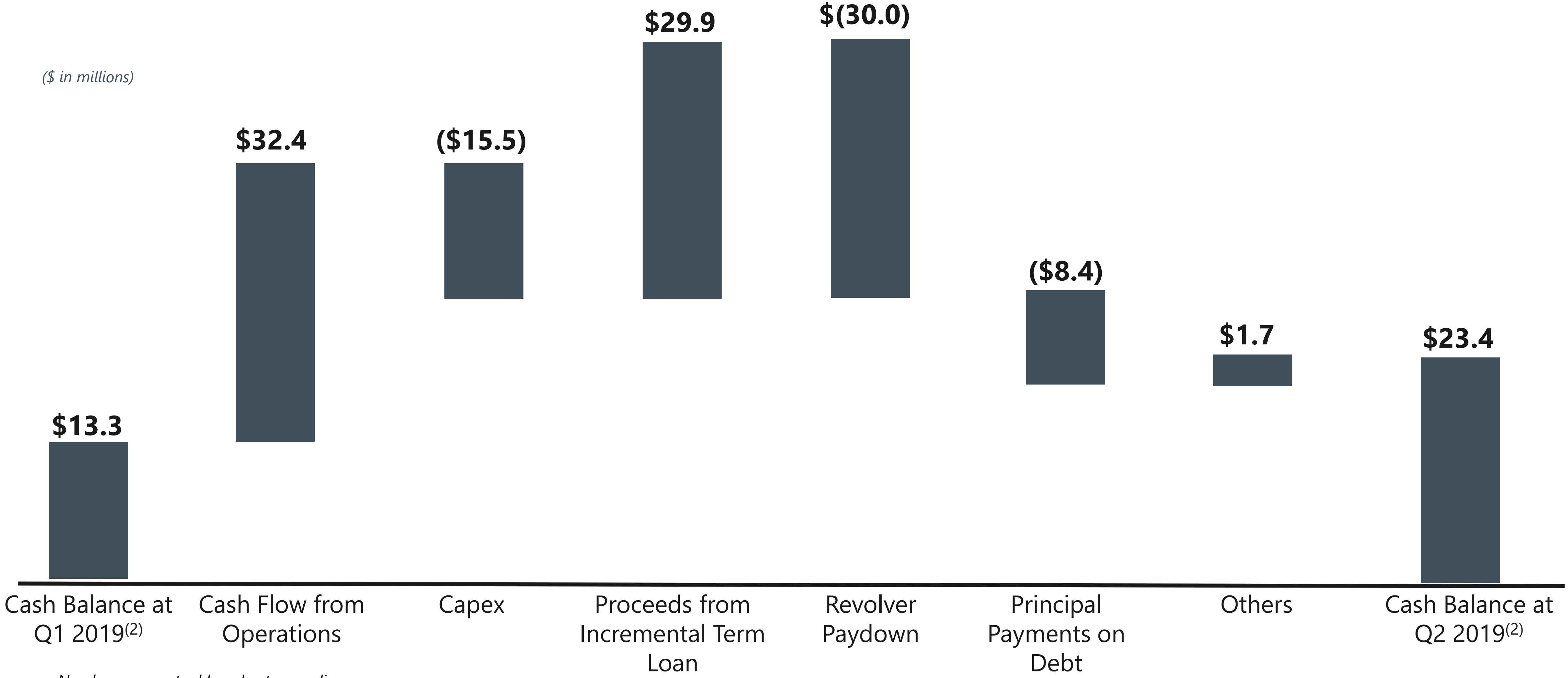
1 - Process Transformation

2 – M&A Transformation

Numbers may not add up due to rounding.

(1) See appendix for Adjusted EBITDA Reconciliation.

Exela generated $10.2 million of net cash flow(1) during Q2 2019



Numbers may not add up due to rounding.

(1) Net cash flow is defined as the total of net cash (used in) provided by operating activities, net cash (used in) provided by investing activities, net cash (used in) provided by financing obligations and effect of exchange rates on cash.

(2) Includes restricted cash as prepared in accordance with US GAAP.

Capital structure

($ in millions)

	Q2 2019
Total liquidity[1]	$97.5
Total cash	$23.4
$100 million revolver (undrawn and net of $20.9 million in letters of credit)	$79.1
Net debt	$1,446

Share buyback plan (authorization for up to 5,000,000 shares)

Total shares purchased during Q2 2019	237,962
Total shares purchased to-date under program	2,787,147

(1) At June 30, 2019, total cash and cash equivalents was $18.4 million (including restricted cash not subject to legal restriction). The Company has a revolving credit facility of $100 million, of which an aggregate amount of $79.1 million was available at June 30, 2019 after $20.9 million reserved for letters of credit.

Business Outlook[1]

2019 Guidance	2018 Actuals	Prior FY 2019 Guidance	Updated FY 2019 Guidance[2]
Revenue	$1.586B	$1.66B to $1.70B	$1.59B to $1.61B
Revenue % growth yoy		5% to 7%	0% to 1%
Adjusted EBITDA	$283.8M	$305M to $335M	$290M to $300M
Adjusted EBITDA % growth yoy		7% - 18%	2% - 6%
Capex as % of revenue		2.0% - 2.5%	~ 2.5%
Prioritized capital allocation towards debt pre-payment		Affirmed	Affirmed
Net leverage ratio		5% - 7% reduction	~4.0x

Note: Guidance is based on constant-currency.

(1) Exela 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.

(2) Guidance as of August 8, 2019.

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Appendix

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Reconciliation of non-GAAP measures – Revenue and Adjusted EBITDA

Non-GAAP constant currency revenue reconciliation

	Three months ended		Six months ended	
($ in millions)	30-Jun-19	30-Jun-18	30-Jun-19	30-Jun-18
Revenues, as reported (GAAP)	**$390.2**	**$410.4**	**$793.9**	**$803.5**
Foreign currency exchange impact [1]	4.4		10.4	
Revenues, at constant currency (Non-GAAP)	**$394.6**	**$410.4**	**$804.3**	**$803.5**

(1) Constant currency excludes the impact of foreign currency fluctuations and is computed by applying the average exchange rates for the three months and six months ended June 30, 2018, to the revenues during the corresponding period in 2019.

Reconciliation of Adjusted EBITDA

	Three months ended		Six months ended	
($ in millions)	30-Jun-19	30-Jun-18	30-Jun-19	30-Jun-18
Net loss (GAAP)	**($34.1)**	**($25.2)**	**($64.1)**	**($49.3)**
Interest expense	39.1	38.5	78.0	76.5
Taxes	4.7	1.6	9.5	5.6
Depreciation and amortization	27.2	36.4	55.2	74.4
EBITDA (Non-GAAP)	**$36.9**	**$51.3**	**$78.6**	**$107.3**
Transaction and integration costs	2.0	0.8	3.0	1.9
Optimization and restructuring expenses	18.7	8.9	42.4	18.6
Gain / loss on derivative instruments	2.7	(0.7)	4.4	(4.0)
Other Charges	9.0	9.7	15.0	15.8
Adjusted EBITDA (Non-GAAP)	**$69.4**	**$70.1**	**$143.5**	**$139.6**
Foreign currency exchange impact [1]	0.2		1.1	-
Adjusted EBITDA, at constant currency (Non-GAAP)	**$69.7**	**$70.1**	**$144.5**	**$139.6**

(1) Constant currency excludes the impact of foreign currency fluctuations and is computed by applying the average exchange rates for the three months and six months ended June 30, 2018, to the adjusted EBITDA during the corresponding period in 2019.