

**Xerox Holdings Financial Model
(unaudited)**

(in \$ millions, except per-share data)

		2021					2022					2023		
		Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	YTD
Sales		602	670	657	653	2,582	592	667	690	851	2,800	659	696	1,355
Services, maintenance and rentals		1,053	1,067	1,046	1,069	4,235	1,023	1,028	1,010	1,039	4,100	1,004	1,009	2,013
Financing		55	56	55	55	221	53	52	51	51	207	52	49	101
Total Revenues		1,710	1,793	1,758	1,777	7,038	1,668	1,747	1,751	1,941	7,107	1,715	1,754	3,469
Cost of Revenue														
Cost of sales		420	468	498	476	1,862	435	487	508	572	2,002	425	452	877
Cost of services, maintenance, and rentals		651	658	662	691	2,662	679	677	659	664	2,679	665	671	1,336
Cost of financing		28	28	29	26	111	24	26	28	30	108	36	34	70
Total Cost of Revenue		1,099	1,154	1,189	1,193	4,635	1,138	1,190	1,195	1,266	4,789	1,126	1,157	2,283
Gross Profit														
Sales gross profit		182	202	159	177	720	157	180	182	279	798	234	244	478
Services, maintenance and rentals gross profit		402	409	384	378	1,573	344	351	351	375	1,421	339	338	677
Financing gross profit		27	28	26	29	110	29	26	23	21	99	16	15	31
Gross Profit		611	639	569	584	2,403	530	557	556	675	2,318	589	597	1,186
Research, development & engineering		74	79	82	75	310	78	84	73	69	304	64	57	121
Bad Debt Expense		10	3	(4)	(2)	7	15	7	7	14	43	(8)	15	7
Selling, administrative and general exp. (Excl Bad Debts)		438	431	417	425	1,711	440	452	411	414	1,717	415	418	833
Total Selling, administrative and general exp.		448	434	413	423	1,718	455	459	418	428	1,760	407	433	840
Non-financing interest expense		24	24	23	25	96	29	23	21	18	91	14	12	26
Aggregate Exchange losses		2	1	3	1	7	-	1	1	11	13	11	5	16
All other, net		(22)	(24)	(59)	(22)	(127)	28	(16)	(21)	(32)	(41)	(5)	14	9
Total Other, net		4	1	(33)	4	(24)	57	8	1	(3)	63	20	31	51
Goodwill impairment		-	-	-	781	781	-	-	412	-	412	-	-	-
Restructuring and related costs		17	12	10	(1)	38	18	1	22	24	65	2	23	25
Amortization of intangible assets		15	14	13	13	55	11	10	10	11	42	11	10	21
PARC Donation		-	-	-	-	-	-	-	-	-	-	-	132	132
Total Costs and Expenses		1,657	1,694	1,674	2,488	7,513	1,757	1,752	2,131	1,795	7,435	1,630	1,843	3,473
Income (Loss) before Income Taxes & Equity Income		53	99	84	(711)	(475)	(89)	(5)	(380)	146	(328)	85	(89)	(4)
Income Taxes		14	9	(4)	(36)	(17)	(31)	1	3	24	(3)	14	(28)	(14)
Equity in net income of unconsolidated affiliates		-	1	1	1	3	1	1	1	-	3	-	1	1
Net Income (Loss)		39	91	89	(674)	(455)	(57)	(5)	(382)	122	(322)	71	(60)	11
Less: (Loss) Income attributable to noncontrolling interests		-	-	(1)	1	-	(1)	(1)	1	1	-	-	1	1
Net Income (Loss) Attributable to Xerox Holdings		39	91	90	(675)	(455)	(56)	(4)	(383)	121	(322)	71	(61)	10
Preferred Dividends/ Other														
- Basic		4	3	4	3	14	4	3	4	3	14	4	3	7
- Diluted **		4	3	4	3	14	4	3	4	-	14	4	3	7
Weighted Average Shares														
- Basic		196	187	179	171	183	156	155	156	156	156	157	157	157
- Diluted **		198	187	179	173	185	156	155	156	156	156	157	157	157
Earnings Per Share														
Total Basic Earnings (Loss) per Share		0.18	0.47	0.48	(3.97)	(2.56)	(0.38)	(0.05)	(2.48)	0.76	(2.15)	0.43	(0.41)	0.02
Total Diluted Earnings (Loss) per Share		0.18	0.46	0.48	(3.97)	(2.56)	(0.38)	(0.05)	(2.48)	0.74	(2.15)	0.43	(0.41)	0.02

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	2021					2022					2023		
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	YTD
Key Ratios - GAAP:													
Gross Margins													
- Sales	30.2%	30.1%	24.2%	27.1%	27.9%	26.5%	27.0%	26.4%	32.8%	28.5%	35.5%	35.1%	35.3%
- Services/Maintenance/Rentals	38.2%	38.3%	36.7%	35.4%	37.1%	33.6%	34.1%	34.8%	36.1%	34.7%	33.8%	33.5%	33.6%
- Financing	49.1%	50.0%	47.3%	52.7%	49.8%	54.7%	50.0%	45.1%	41.2%	47.8%	30.8%	30.6%	30.7%
- Total	35.7%	35.6%	32.4%	32.9%	34.1%	31.8%	31.9%	31.8%	34.8%	32.6%	34.3%	34.0%	34.2%
SAG as a % of Revenue	26.2%	24.2%	23.5%	23.8%	24.4%	27.3%	26.3%	23.9%	22.1%	24.8%	23.7%	24.7%	24.2%
Tax Rate	26.4%	9.1%	-4.8%	5.1%	3.6%	34.8%	-20.0%	-0.8%	16.4%	0.9%	16.5%	31.5%	350.0%
Ending Xerox Employment	24,600	24,000	23,600	23,300	23,300	23,400	22,700	21,200	20,500	20,500	20,300	20,300	20,300

***For those periods that exclude the preferred stock dividend the average shares for the calculations of diluted EPS include 7 million shares associated with our Series A or Series B convertible preferred stock.*

**Xerox Holdings Financial Model - Non-GAAP basis
(unaudited)**

(in \$ millions, except per-share data)

Non-GAAP basis is adjusted to exclude restructuring and related costs, amortization of intangible assets, non-service retirement-related costs as well as other discrete, unusual or infrequent items as described in our Non-GAAP Financial Measures section of our Quarterly Reports on Form 10-Q and our Annual Report on Form 10-K

	2021					2022					2023		
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	YTD
Revenues													
Sales	602	670	657	653	2,582	592	667	690	851	2,800	659	696	1,355
Services, maintenance and rentals	1,053	1,067	1,046	1,069	4,235	1,023	1,028	1,010	1,039	4,100	1,004	1,009	2,013
Financing	55	56	55	55	221	53	52	51	51	207	52	49	101
Total Revenues	1,710	1,793	1,758	1,777	7,038	1,668	1,747	1,751	1,941	7,107	1,715	1,754	3,469
Cost of Revenue													
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Gross Profit													
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Gross Profit	611	639	569	584	2,403	530	557	556	675	2,318	589	597	1,186
Research, development & engineering	74	79	82	75	310	78	84	73	69	304	64	57	121
Bad Debt Expense	10	3	(4)	(2)	7	15	7	7	14	43	(8)	15	7
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Total Selling, administrative and general exp.	448	434	413	423	1,718	455	459	418	428	1,760	407	433	840
Non-financing interest expense	24	24	23	25	96	29	23	21	18	91	14	12	26
Aggregate Exchange losses	2	1	-	1	7	-	1	1	11	13	11	5	16
All other, net	(2)	(2)	(37)	3	(38)	2	(37)	(14)	(39)	(88)	(4)	-	(4)
Total Other, net	24	23	(14)	29	65	31	(13)	8	(10)	16	21	17	38
Total Costs and Expenses	1,645	1,690	1,670	1,720	6,728	1,702	1,720	1,694	1,753	6,869	1,618	1,664	3,282
Income (Loss) before Income Taxes & Equity Income	65	103	88	57	310	(34)	27	57	188	238	97	90	187
Income Taxes	18	10	(3)	(5)	20	(18)	5	24	41	52	15	18	33
Equity in Net Income of Unconsol. Affil.	-	1	1	1	3	1	1	1	-	3	-	1	1
Income from Operations	47	94	92	63	293	(15)	23	34	147	189	82	73	155
Less: Net (Loss) Income attributable to Noncontrolling Interests	-	-	(1)	1	-	(1)	(1)	1	1	-	-	1	1
Net Income (Loss) Attributable to Xerox Holdings	47	94	93	62	293	(14)	24	33	146	189	82	72	154

**Xerox Holdings Financial Model - Non-GAAP basis
(unaudited)**

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(in \$ millions, except per-share data)

	2021					2022					2023		
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	YTD
Earnings Per Share													
Operations:	0.22	0.47	0.48	0.34	1.51	(0.12)	0.13	0.19	0.89	1.12	0.49	0.44	0.93
Preferred Dividends - Adjusted EPS **	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjusted Earnings per Share	0.22	0.47	0.48	0.34	1.51	(0.12)	0.13	0.19	0.89	1.12	0.49	0.44	0.93
Adjusted Weighted Average Shares **	198	189	182	173	185	156	155	156	165	157	158	158	158
Key Ratios - Adjusted:													
Gross Margins													
- Sales	30.2%	30.1%	24.2%	27.1%	27.9%	26.5%	27.0%	26.4%	32.8%	28.5%	35.5%	35.1%	35.3%
- Services/Maintenance/Rentals	38.2%	38.3%	36.7%	35.4%	37.1%	33.6%	34.1%	34.8%	36.1%	34.7%	33.8%	33.5%	33.6%
- Financing	49.1%	50.0%	47.3%	52.7%	49.8%	54.7%	50.0%	45.1%	41.2%	47.8%	30.8%	30.6%	30.7%
- Total	35.7%	35.6%	32.4%	32.9%	34.1%	31.8%	31.9%	31.8%	34.8%	32.6%	34.3%	34.0%	34.2%
Adjusted Operating Margin	5.2%	7.0%	4.2%	4.8%	5.3%	-0.2%	2.0%	3.7%	9.2%	3.9%	6.9%	6.1%	6.5%
SAG as a % of Revenue	26.2%	24.2%	23.5%	23.8%	24.4%	27.3%	26.3%	23.9%	22.1%	24.8%	23.7%	24.7%	24.2%
Adjusted Effective Tax Rate	27.7%	9.7%	-3.5%	-8.8%	6.5%	52.9%	18.5%	42.1%	21.8%	21.8%	15.5%	20.0%	17.6%
Non-GAAP Adjustments:													
Goodwill Impairment	-	-	-	781	781	-	-	412	-	412	-	-	-
Restructuring and related costs	17	12	10	(1)	38	18	1	22	24	65	2	23	25
Amortization of intangible assets	15	14	13	13	55	11	10	10	11	42	11	10	21
Non-service retirement-related costs	(20)	(22)	(22)	(25)	(89)	(7)	(4)	(7)	6	(12)	(1)	11	10
PARC Donation	-	-	-	-	-	-	-	-	-	-	-	132	132
Loss on extinguishment of debt	-	-	-	-	-	-	4	-	1	5	-	3	3
Contract termination cost - product supply	-	-	-	-	-	33	-	-	-	33	-	-	-
CEO Accelerated Share Vesting	-	-	-	-	-	-	21	-	-	21	-	-	-
Tax on adjusted items	(4)	(1)	(1)	(31)	(37)	(13)	(4)	(21)	(17)	(55)	(1)	(46)	(47)
Total Non-GAAP Adjustments	8	3	-	737	748	42	28	416	25	511	11	133	144

**For those periods that exclude the preferred stock dividend the average shares for the calculations of diluted EPS include 7 million shares associated with our Series A or Series B convertible pref stock.

**Xerox Holdings Financial Model
(unaudited)**

(in \$ millions)	2021					2022					2023			2023 QOQ CC % Change	2023 YOY CC % Change
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	YTD	Q2	YTD
Revenue															
Entry	68	69	69	76	282	61	66	74	79	280	62	63	125	(4.3)%	(1.1)%
Mid-range	238	276	244	214	972	194	221	246	369	1,030	252	270	522	21.9%	26.8%
High-end	70	80	68	86	304	54	76	65	100	295	73	82	155	8.0%	20.6%
Other	5	4	6	8	23	5	3	5	6	19	4	5	9	66.7%	12.5%
Total Equipment Revenue	381	429	387	384	1,581	314	366	390	554	1,624	391	420	811	14.3%	20.2%
Americas	1,076	1,133	1,127	1,096	4,432	1,071	1,150	1,140	1,277	4,638	1,114	1,154	2,268	0.7%	2.6%
EMEA	587	617	594	636	2,434	554	551	567	619	2,291	556	570	1,126	3.1%	5.2%
Other	47	43	37	45	172	43	46	44	45	178	45	30	75	(34.8)%	(15.7)%
Total Revenue	1,710	1,793	1,758	1,777	7,038	1,668	1,747	1,751	1,941	7,107	1,715	1,754	3,469	0.5%	2.9%
Installs															
Entry															
Color	14%	21%	24%	13%		15%	69%	18%	3%		(9)%	(43)%	(28)%		
B&W	99%	75%	(8)%	32%		(44)%	(36)%	(24)%	(49)%		(1)%	(5)%	(3)%		
Mid-range															
Color	11%	62%	1%	(22)%		(8)%	(17)%	10%	56%		26%	21%	23%		
B&W	13%	36%	20%	(28)%		(61)%	(22)%	(21)%	68%		160%	16%	61%		
High-end															
Color	46%	27%	(7)%	-		(29)%	13%	1%	1%		84%	8%	38%		
B&W	18%	47%	34%	(5)%		(15)%	(29)%	(10)%	(8)%		(23)%	(8)%	(16)%		

Notes:

CC = Constant Currency