

**Xerox Holdings Financial Model
(unaudited)**

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

	2020					2021					2022			
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	YTD
Sales	565	460	651	773	2,449	602	670	657	653	2,582	592	667	690	1,949
Services, maintenance and rentals	1,236	949	1,061	1,101	4,347	1,053	1,067	1,046	1,069	4,235	1,023	1,028	1,010	3,061
Financing	59	56	55	56	226	55	56	55	55	221	53	52	51	156
Total Revenues	1,860	1,465	1,767	1,930	7,022	1,710	1,793	1,758	1,777	7,038	1,668	1,747	1,751	5,166
Cost of Revenue														
Cost of sales	387	338	476	541	1,742	420	468	498	476	1,862	435	487	508	1,430
Cost of services, maintenance, and rentals	731	533	611	658	2,533	651	658	662	691	2,662	679	677	659	2,015
Cost of financing	30	30	29	32	121	28	28	29	26	111	24	26	28	78
Total Cost of Revenue	1,148	901	1,116	1,231	4,396	1,099	1,154	1,189	1,193	4,635	1,138	1,190	1,195	3,523
Gross Profit														
Sales gross profit	178	122	175	232	707	182	202	159	177	720	157	180	182	519
Services, maintenance and rentals gross profit	505	416	450	443	1,814	402	409	384	378	1,573	344	351	351	1,046
Financing gross profit	29	26	26	24	105	27	28	26	29	110	29	26	23	78
Gross Profit	712	564	651	699	2,626	611	639	569	584	2,403	530	557	556	1,643
Research, development & engineering	84	76	76	75	311	74	79	82	75	310	78	84	73	235
Bad Debt Expense	74	13	16	13	116	10	3	(4)	(2)	7	15	7	7	29
Selling, administrative and general exp. (Excl Bad Debts)	467	413	428	427	1,735	438	431	417	425	1,711	440	452	411	1,303
Total Selling, administrative and general exp.	541	426	444	440	1,851	448	434	413	423	1,718	455	459	418	1,332
Non-financing interest expense	21	18	30	30	99	24	24	23	25	96	29	23	21	73
Aggregate Exchange losses / (gains)	2	2	-	(1)	3	2	1	3	1	7	-	1	1	2
All other, net	-	(13)	(45)	1	(57)	(22)	(24)	(59)	(22)	(127)	28	(16)	(21)	(9)
Total Other, net	23	7	(15)	30	45	4	1	(33)	4	(24)	57	8	1	66
Goodwill impairment	-	-	-	-	-	-	-	-	781	781	-	-	412	412
Restructuring and related costs	41	3	20	29	93	17	12	10	(1)	38	18	1	22	41
Amortization of intangible assets	11	10	13	22	56	15	14	13	13	55	11	10	10	31
Transaction and related costs	17	7	(6)	-	18	-	-	-	-	-	-	-	-	-
Total Costs and Expenses	1,865	1,430	1,648	1,827	6,770	1,657	1,694	1,674	2,488	7,513	1,757	1,752	2,131	5,640
(Loss) Income before Income Taxes & Equity Income	(5)	35	119	103	252	53	99	84	(711)	(475)	(89)	(5)	(380)	(474)
Income Taxes	(1)	8	29	28	64	14	9	(4)	(36)	(17)	(31)	1	3	(27)
Equity in net income of unconsolidated affiliates	2	-	-	2	4	-	1	1	1	3	1	1	1	3
Net (Loss) Income	(2)	27	90	77	192	39	91	89	(674)	(455)	(57)	(5)	(382)	(444)
Less: (Loss) Income attributable to noncontrolling interests	-	-	-	-	-	-	-	(1)	1	-	(1)	(1)	1	(1)
Net (Loss) Income Attributable to Xerox Holdings	(2)	27	90	77	192	39	91	90	(675)	(455)	(56)	(4)	(383)	(443)

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

		2020					2021					2022			
		Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	YTD
Preferred Dividends/	- Basic	4	3	4	3	14	4	3	4	3	14	4	3	4	11
Other	- Diluted **	4	3	4	3	14	4	3	4	3	14	4	3	4	11
Weighted Average Shares	- Basic	213	213	211	200	209	196	187	179	171	183	156	155	156	156
	- Diluted **	213	213	213	202	211	198	187	179	173	185	156	155	156	156
Earnings Per Share															
<u>Total Basic Earnings (Loss) per Share</u>		<u>(0.03)</u>	<u>0.11</u>	<u>0.41</u>	<u>0.37</u>	<u>0.85</u>	<u>0.18</u>	<u>0.47</u>	<u>0.48</u>	<u>(3.97)</u>	<u>(2.56)</u>	<u>(0.38)</u>	<u>(0.05)</u>	<u>(2.48)</u>	<u>(2.91)</u>
<u>Total Diluted Earnings (Loss) per Share</u>		<u>(0.03)</u>	<u>0.11</u>	<u>0.41</u>	<u>0.36</u>	<u>0.84</u>	<u>0.18</u>	<u>0.46</u>	<u>0.48</u>	<u>(3.97)</u>	<u>(2.56)</u>	<u>(0.38)</u>	<u>(0.05)</u>	<u>(2.48)</u>	<u>(2.91)</u>
Key Ratios - GAAP:															
Gross Margins															
	- Sales	31.5%	26.5%	26.9%	30.0%	28.9%	30.2%	30.1%	24.2%	27.1%	27.9%	26.5%	27.0%	26.4%	26.6%
	- Services/Maintenance/Rentals	40.9%	43.8%	42.4%	40.2%	41.7%	38.2%	38.3%	36.7%	35.4%	37.1%	33.6%	34.1%	34.8%	34.2%
	- Financing	49.2%	46.4%	47.3%	42.9%	46.5%	49.1%	50.0%	47.3%	52.7%	49.8%	54.7%	50.0%	45.1%	50.0%
	- Total	38.3%	38.5%	36.8%	36.2%	37.4%	35.7%	35.6%	32.4%	32.9%	34.1%	31.8%	31.9%	31.8%	31.8%
SAG as a % of Revenue		29.1%	29.1%	25.1%	22.8%	26.4%	26.2%	24.2%	23.5%	23.8%	24.4%	27.3%	26.3%	23.9%	25.8%
Tax Rate		20.0%	22.9%	24.4%	27.2%	25.4%	26.4%	9.1%	-4.8%	5.1%	3.6%	34.8%	-20.0%	-0.8%	5.7%
Ending Xerox Employment***		26,300	26,100	25,500	25,100	25,100	24,600	24,000	23,600	23,300	23,300	23,400	22,700	21,200	21,200

*Amounts have been revised to reflect discontinued operations reporting for FX and XIP.

**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.

*** Revised headcount at December 31, 2020 of 25,150 from 24,700 (as previously reported) due to redefinition of full-time equivalent employee.

**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, transaction and related costs, 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

	2020					2021					2022			
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	YTD
Revenues														
Sales	565	460	651	773	2,449	602	670	657	653	2,582	592	667	690	1,949
Services, maintenance and rentals	1,236	949	1,061	1,101	4,347	1,053	1,067	1,046	1,069	4,235	1,023	1,028	1,010	3,061
Financing	59	56	55	56	226	55	56	55	55	221	53	52	51	156
Total Revenues	1,860	1,465	1,767	1,930	7,022	1,710	1,793	1,758	1,777	7,038	1,668	1,747	1,751	5,166
Cost of Revenue														
Cost of sales	387	338	476	541	1,742	420	468	498	476	1,862	435	487	508	1,430
Cost of services, maintenance and rentals	731	533	611	658	2,533	651	658	662	691	2,662	679	677	659	2,015
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Gross Profit														
Sales gross profit	178	122	175	232	707	182	202	159	177	720	157	180	182	519
Services, maintenance and rentals gross profit	505	416	450	443	1,814	402	409	384	378	1,573	344	351	351	1,046
Financing gross profit	29	26	26	24	105	27	28	26	29	110	29	26	23	78
Gross Profit	712	564	651	699	2,626	611	639	569	584	2,403	530	557	556	1,643
Research, development & engineering	84	76	76	75	311	74	79	82	75	310	78	84	73	235
Bad Debt Expense	74	13	16	13	116	10	3	(4)	(2)	7	15	7	7	29
Selling, administrative and general exp. (Excl Bad Debts)	467	413	428	427	1,735	438	431	417	425	1,711	440	452	411	1,303
Total Selling, administrative and general exp.	541	426	444	440	1,851	448	434	413	423	1,718	455	459	418	1,332
Non-financing interest expense	21	18	30	30	99	24	24	23	25	96	29	23	21	73
Aggregate Exchange losses / (gains)	2	2	-	(1)	3	2	1	3	1	7	-	1	1	2
All other, net	(4)	(5)	(32)	(16)	(57)	(2)	(2)	(37)	3	(38)	2	(37)	(14)	(49)
Total Other, net	19	15	(2)	13	45	24	23	(11)	29	65	31	(13)	8	26
Total Costs and Expenses	1,792	1,418	1,634	1,759	6,603	1,645	1,690	1,673	1,720	6,728	1,702	1,720	1,694	5,116
Income before Income Taxes & Equity Income	68	47	133	171	419	65	103	85	57	310	(34)	27	57	50
Income Taxes	20	11	28	51	110	18	10	(3)	(5)	20	(18)	5	24	11
Equity in Net Income of Unconsol. Affil.	2	-	-	2	4	-	1	1	1	3	1	1	1	3
Income from Continuing Operations	50	36	105	122	313	47	94	89	63	293	(15)	23	34	42
Less: Net (Loss) Income attributable to Noncontrolling Interests	-	-	-	-	-	-	-	(1)	1	-	(1)	(1)	1	(1)
Net Income Attributable to Xerox Holdings	50	36	105	122	313	47	94	90	62	293	(14)	24	33	43

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

Non-GAAP basis is adjusted to exclude restructuring and related costs, amortization of intangible assets, transaction and related costs, 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

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

	2020					2021					2022			
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	YTD
Earnings Per Share														
Continuing Operations:	0.21	0.15	0.48	0.58	1.41	0.22	0.47	0.48	0.34	1.51	(0.12)	0.13	0.19	0.21
Preferred Dividends - Adjusted EPS **	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjusted Earnings per Share	0.21	0.15	0.48	0.58	1.41	0.22	0.47	0.48	0.34	1.51	(0.12)	0.13	0.19	0.21
Adjusted Weighted Average Shares **	216	216	213	209	211	198	189	182	173	185	156	155	156	156
Key Ratios - Adjusted:														
Gross Margins														
- Sales	31.5%	26.5%	26.9%	30.0%	28.9%	30.2%	30.1%	24.2%	27.1%	27.9%	26.5%	27.0%	26.4%	26.6%
- Services/Maintenance/Rentals	40.9%	43.8%	42.4%	40.2%	41.7%	38.2%	38.3%	36.7%	35.4%	37.1%	33.6%	34.1%	34.8%	34.2%
- Financing	49.2%	46.4%	47.3%	42.9%	46.5%	49.1%	50.0%	47.3%	52.7%	49.8%	54.7%	50.0%	45.1%	50.0%
- Total	38.3%	38.5%	36.8%	36.2%	37.4%	35.7%	35.6%	32.4%	32.9%	34.1%	31.8%	31.9%	31.8%	31.8%
Adjusted Operating Margin	4.7%	4.2%	7.4%	9.5%	6.6%	5.2%	7.0%	4.2%	4.8%	5.3%	-0.2%	2.0%	3.7%	1.9%
SAG as a % of Revenue	29.1%	29.1%	25.1%	22.8%	26.4%	26.2%	24.2%	23.5%	23.8%	24.4%	27.3%	26.3%	23.9%	25.8%
Adjusted Effective Tax Rate	29.4%	23.4%	21.1%	29.8%	26.3%	27.7%	9.7%	-3.5%	-8.8%	6.5%	52.9%	18.5%	42.1%	22.0%
Non-GAAP Adjustments:														
Goodwill Impairment	-	-	-	-	-	-	-	-	781	781	-	-	412	412
Restructuring and related costs	41	3	20	29	93	17	12	10	(1)	38	18	1	22	41
Amortization of intangible assets	11	10	13	22	56	15	14	13	13	55	11	10	10	31
Non-service retirement-related costs	1	(8)	(13)	(9)	(29)	(20)	(22)	(22)	(25)	(89)	(7)	(4)	(7)	(18)
Contract termination costs - IT service provider	3	-	-	-	3	-	-	-	-	-	-	-	-	-
Transaction and related costs	17	7	(6)	-	18	-	-	-	-	-	-	-	-	-
Loss on extinguishment of debt	-	-	-	26	26	-	-	-	-	-	-	4	-	4
Contract termination cost - product supply	-	-	-	-	-	-	-	-	-	-	33	-	-	33
CEO Accelerated Share Vesting	-	-	-	-	-	-	-	-	-	-	-	21	-	21
Tax on adjusted items	(21)	(3)	1	(23)	(46)	(4)	(1)	(1)	(31)	(37)	(13)	(4)	(21)	(38)
US Tax Act	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-GAAP Adjustments	52	9	15	45	121	8	3	-	737	748	42	28	416	486

*Amounts have been revised to reflect discontinued operations reporting for FX and XIP.

**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)	2020*					2021					2022					2022	2022 YOY
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	YTD	QOQ CC % Change	CC % Change	
Revenue																	
Entry	48	44	66	70	228	68	69	69	76	282	61	66	74	201	13.1%	1.7%	
Mid-range	206	195	276	309	986	238	276	244	214	972	194	221	246	661	6.7%	(9.4)%	
High-end	67	67	72	119	325	70	80	68	86	304	54	76	65	195	1.0%	(6.7)%	
Other	4	4	5	12	25	5	4	6	8	23	5	3	5	13	(16.7)%	(13.3)%	
Total Equipment Revenue	325	310	419	510	1,564	381	429	387	384	1,581	314	366	390	1,070	6.7%	(7.0)%	
Americas	1,239	990	1,152	1,208	4,589	1,076	1,133	1,127	1,096	4,432	1,071	1,150	1,140	3,361	1.7%	0.8%	
EMEA	575	428	568	675	2,246	587	617	594	636	2,434	554	551	567	1,672	9.3%	2.4%	
Other	46	47	47	47	187	47	43	37	45	172	43	46	44	133	18.9%	4.7%	
Total Revenue	1,860	1,465	1,767	1,930	7,022	1,710	1,793	1,758	1,777	7,038	1,668	1,747	1,751	5,166	4.7%	1.7%	
Installs (1)																	
Entry A4 MFPs																	
Color	(19)%	(33)%	(9)%	(22)%	(21)%	9%	19%	17%	(10)%	7%	-	66%	28%	30%			
B&W	3%	(8)%	54%	28%	20%	97%	63%	(7)%	24%	36%	(39)%	(34)%	(28)%	(34)%			
Mid-range																	
Color	(26)%	(42)%	(19)%	(20)%	(26)%	11%	62%	1%	(22)%	8%	(9)%	(17)%	10%	(6)%			
B&W	(16)%	(35)%	(20)%	(16)%	(22)%	13%	36%	20%	(28)%	7%	(61)%	(22)%	(21)%	(33)%			
High-end																	
Color	(50)%	(55)%	(39)%	(26)%	(42)%	46%	27%	(7)%	-	12%	(29)%	13%	1%	(6)%			
B&W	(30)%	(2)%	(13)%	(6)%	(13)%	18%	47%	34%	(5)%	19%	(15)%	(29)%	(10)%	(18)%			

Notes:

(1) Entry installations exclude OEM sales; Mid-range and High-end color installations exclude Fuji Xerox digital front-end sales.

* Restated

CC = Constant Currency