Xerox Holdings Corp.

Strategic and Financial Overview

December 2024

Forward-Looking Statements

This presentation and other written or oral statements made from time to time by management contain “forward looking statements” as defined in the Private Securities Litigation Reform Act of 1995. The words “anticipate”, “believe”, “estimate”, “expect”, “intend”, “will”, “should”, “targeting”, “projecting”, “driving” and similar expressions, as they relate to us, our performance and/or our technology, are intended to identify forward-looking statements. These statements reflect management’s current beliefs, assumptions and expectations and are subject to a number of factors that may cause actual results to differ materially.

Such factors include but are not limited to: Global macroeconomic conditions, including inflation, slower growth or recession, delays or disruptions in the global supply chain, higher interest rates, and wars and other conflicts, including the current conflict between Russia and Ukraine; our ability to succeed in a competitive environment, including by developing new products and service offerings and preserving our existing products and market share as well as repositioning our business in the face of customer preference, technological, and other change, such as evolving return-to-office and hybrid working trends; failure of our customers, vendors, and logistics partners to perform their contractual obligations to us; our ability to attract, train, and retain key personnel; execution risks around our Reinvention; the risk of breaches of our security systems due to cyber, malware, or other intentional attacks that could expose us to liability, litigation, regulatory action or damage our reputation; our ability to obtain adequate pricing for our products and services and to maintain and improve our cost structure; changes in economic and political conditions, trade protection measures, licensing requirements, and tax laws in the United States and in the foreign countries in which we do business; the risk that multi-year contracts with governmental entities could be terminated prior to the end of the contract term and that civil or criminal penalties and administrative sanctions could be imposed on us if we fail to comply with the terms of such contracts and applicable law; interest rates, cost of borrowing, and access to credit markets; risks related to our indebtedness; the imposition of new or incremental trade protection measures such as tariffs and import or export restrictions; funding requirements associated with our employee pension and retiree health benefit plans; changes in foreign currency exchange rates; the risk that our operations and products may not comply with applicable worldwide regulatory requirements, particularly environmental regulations and directives and anti-corruption laws; the outcome of litigation and regulatory proceedings to which we may be a party; laws, regulations, international agreements and other initiatives to limit greenhouse gas emissions or relating to climate change, as well as the physical effects of climate change; and other factors as set forth from time to time in the Company’s Securities and Exchange Commission filings, including the Company’s Annual Report on Form 10-K for the year ended December 31, 2023.

The Company intends these forward-looking statements to speak only as of the date of this presentation and does not undertake to update or revise them as more information becomes available, except as required by law.

xerox™

Why Invest in Xerox?

Reinvention expected to drive sustainably higher profits and improved revenue mix

Long-term Reinvention Targets

• Return to double-digit adj.[1] operating income margin	>20% of revenue from Digital & IT Services

- Adj.[1] operating income improvement driven by end-to-end organizational and structural simplification
- Revenue mix improvement driven by investments in organic and inorganic growth

+

Strong Free Cash Flow[1] generation, supported by

Adj.[1] Operating Income Growth	+	**Finance Receivable Sales**
• Driven by rev. stabilization and pipeline of >$400m unrealized Reinvention gross cost savings		• Sales directly flow to FCF[1] as finance receivable balance is expected to be reduced to ~$1bn by 2027

- Revenue is expected to stabilize on a run-rate, organic basis by 2027 as growth in Digital & IT Services offsets declines in the Print business

1) Adjusted measures and Free Cash Flow: see Non-GAAP Financial Measures.

Reinvention: Financial Algorithm

Savings Unlocks and Q3 Progress

Geographic Simplification

- Transitioned Hungary and Bulgaria's operations to indirect distribution models
- Signed agreement to sell EMEA paper business to Antalis

Offering Simplification

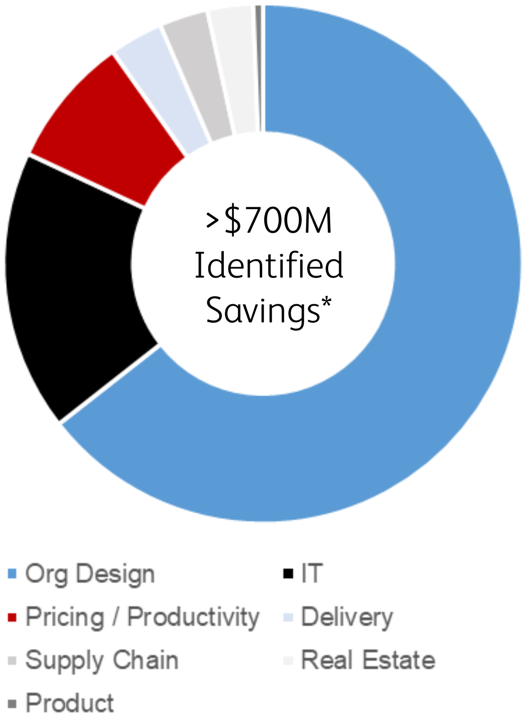
- New A4 300, A3 Altalink and Primelink printers consolidate configurations in office and light production categories
- Announced collaboration with Taktiful to offer an expanded set of capabilities supporting digital embellishments on Xerox Production Print products

Operating Model Simplification

- Restructured agreement with a key business process outsourcing partner to mutually incentivize expense reduction through continuous process engineering

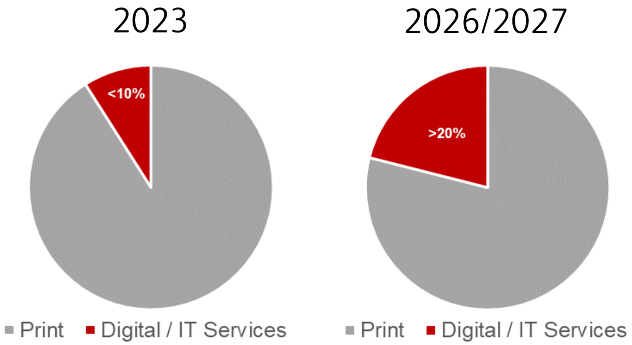
Geographic and offering simplification will result in short-term reductions in revenue and gross profit as actions are implemented. Gross profit reductions are expected to be more than offset by associated reductions in overhead expenses over time.

Estimated Gross Cost Savings



*Expected gross cost savings through 2026 identified as of Q3 2024, inclusive of more than $100 million of gross cost savings realized in 2023.

Estimated Revenue Mix Shift



Drivers of Digital & IT Services Revenue

- Organic and inorganic growth opportunities, targeting markets with high underlying rates of market growth and cross-sales opportunities with existing print clients
- ITsavvy acquisition increases revenue from Digital and IT Services to ~15% on a pro forma LTM basis, improves underlying rate of IT Services growth and provides opportunities to expand penetration of IT Services among existing client base

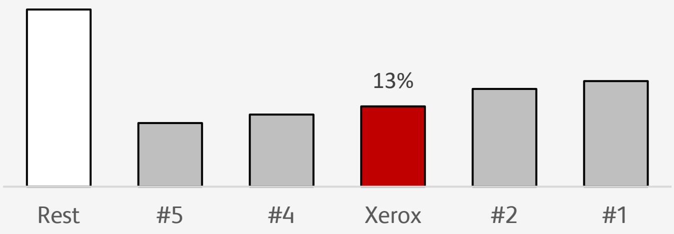
xerox™

Xerox Growth Opportunities

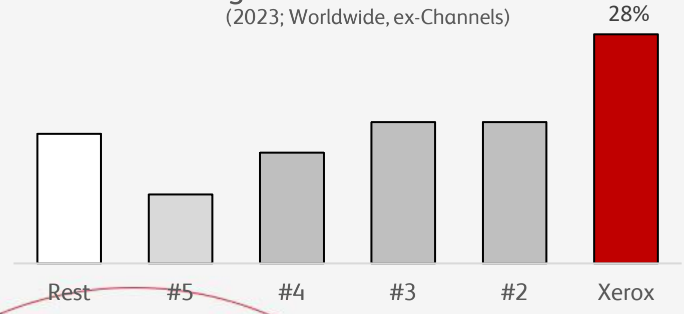
Structural simplification through Reinvention enables reinvestment in organic and inorganic growth opportunities in Print and high-growth adjacencies

Build on Leading Position in Print Services

Print Equip Revenue Mkt Share[1]
(LTM as of Q3 2024; Entry, Mid, Production)



Managed Print Serv Mkt Share[2]
(2023; Worldwide, ex-Channels)



Adjacent Market Expansion Opportunities

IT Services	
• Full suite of enterprise-class IT Services offerings for small and mid-sized clients • Leverages industry-leading direct sales model focused on the mid-market	TAM: $682B MARKET CAGR: 6 %

Digital Services	
• Helps clients accelerate digital transformation of document workflows • Intelligent document processing and personalized communications	TAM: $68B MARKET CAGR: 5 %

Strong Foundation for Growth

IT and Digital Services comprise ~15 % of Xerox's revenue, pro forma for the acquisition of ITsavvy

2023 Results

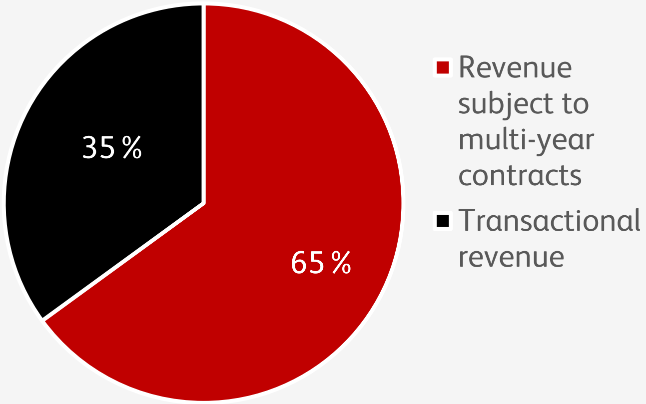
- Double-digit Managed IT Services revenue growth
- Double-digit Digital Services revenue and signings growth
- Digital Services drove >100 % revenue replacement rate for large customer service contracts renewals

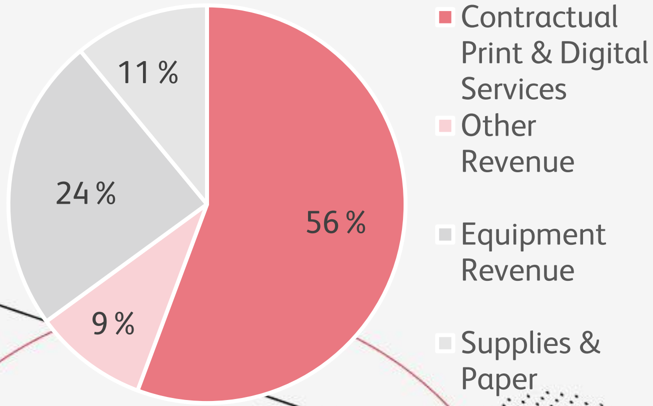
1. Source: Xerox analysis of IDC WW Quarterly Hardcopy Peripherals Tracker, Last twelve months (Q3 2024) using custom categories and segments.Total print ESR market share includes only geographies where Xerox competes (e.g., ex-Asia Pacific and Japan).
2. Source: IDC, Worldwide and U.S. Managed Print and Document Services and Basic Print Services Market Shares, 2023: Market Stabilizes as Revenue Mix Continues to Shift, July 2024, IDC #US51495624.

Business Overview

Approximately two-thirds of Xerox revenue is contracted over a multi-year period; more than half is comprised of stable Contractual Print & Digital Services revenue

Revenue Mix (2023)





Transactional Revenue

Equipment Sales

- Design, development and sale of document management systems
- Includes equipment portion of sales-type leases

Supplies & Paper

- Direct and indirect sales of supplies and paper not included as part of a bundled lease agreement

Revenue Subject to Multi-year Contracts

Contractual Print & Digital Services

- Maintenance revenue (including bundled supplies), document services revenue, and rentals.
- Includes Digital Services, such as Capture & Content and Customer Engagement and Managed IT Services
- Service contracts typically last 4-5 years

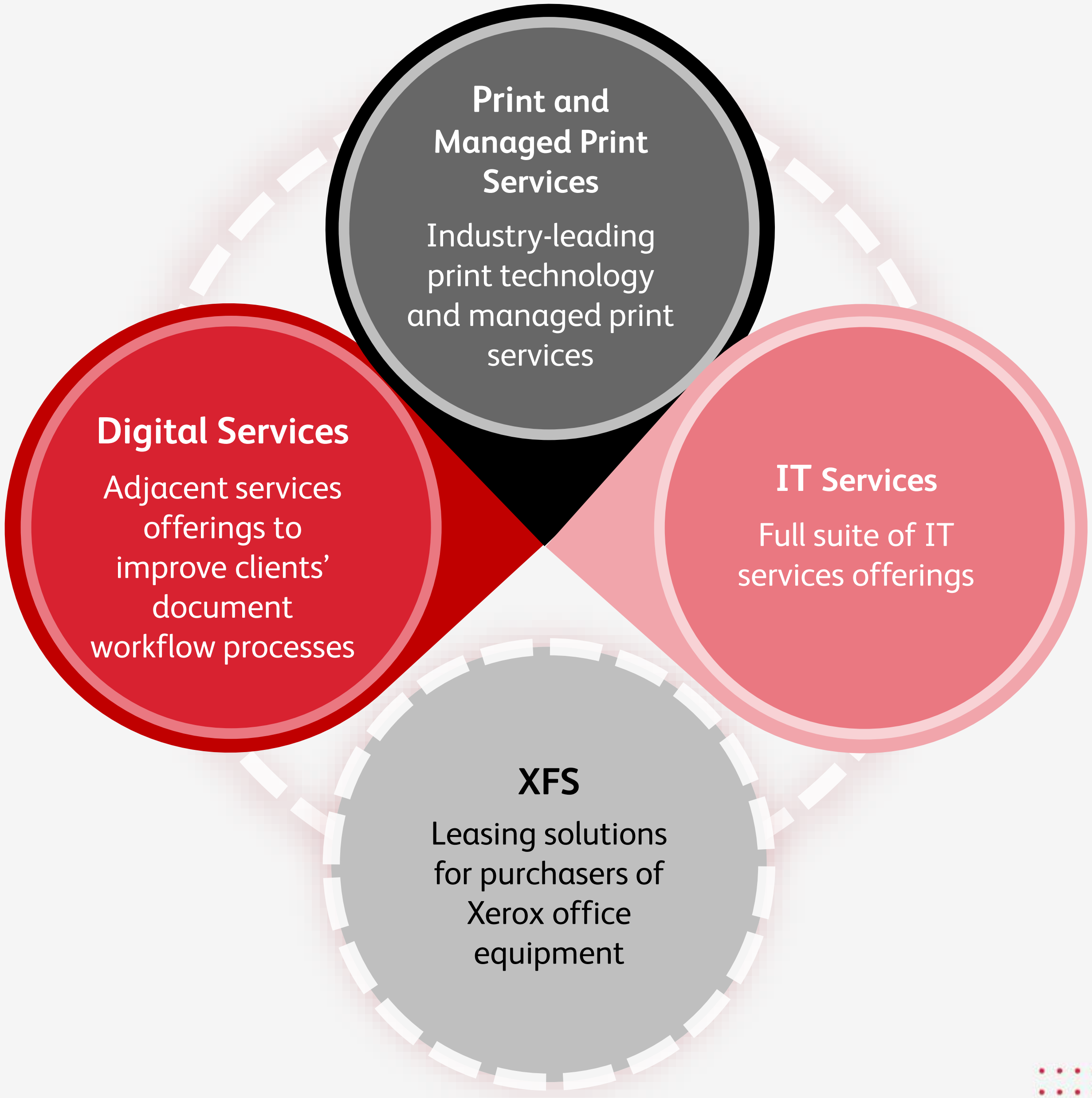
Other Revenue

- IT Hardware endpoint placements
- XFS lease financing income
- Other agreements

xerox™

Xerox Offerings

Xerox product and service offerings are designed to address the productivity challenges of a hybrid workplace and distributed workforce.

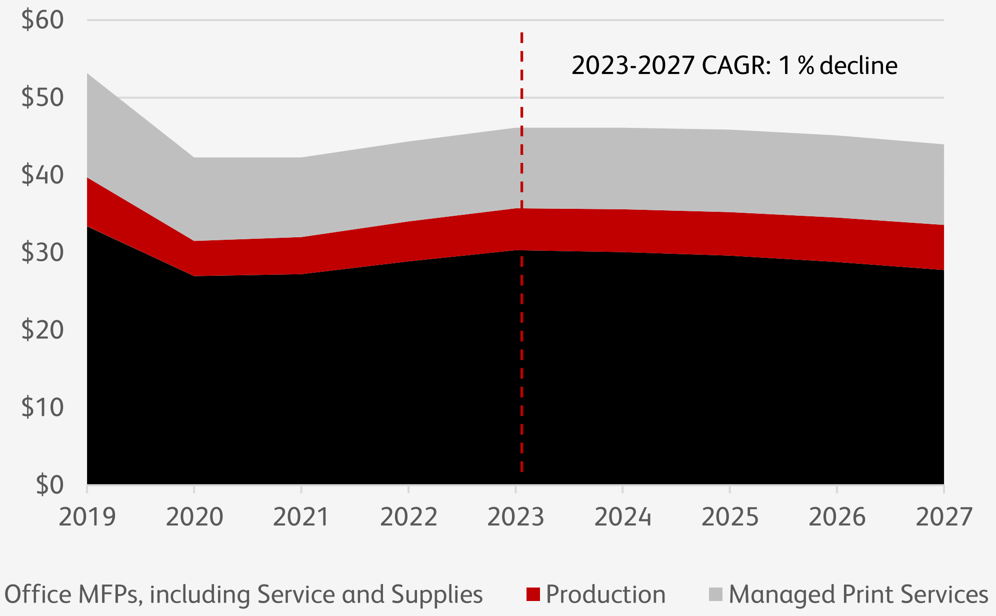


xerox™

Print and Services Market / Xerox Print Strategy

We expect to gain share in Print by optimizing product offerings and distribution within the strongest sub-markets

Print and Print Services Market Size ($B)[1]



- The Print & Print Services market in which we operate are expected to decline slightly through 2027

Xerox Print Equipment: Market Share Opportunities

Category	Market Share[2]	Strategy
Entry / A4	7	Grow share with enhanced channel-ready products and capabilities
Mid-Range / A3	1	Differentiate with value-added services to protect and grow #1 share
High-End	2	Refine focus to fastest growing submarkets, gain share with advanced software and services

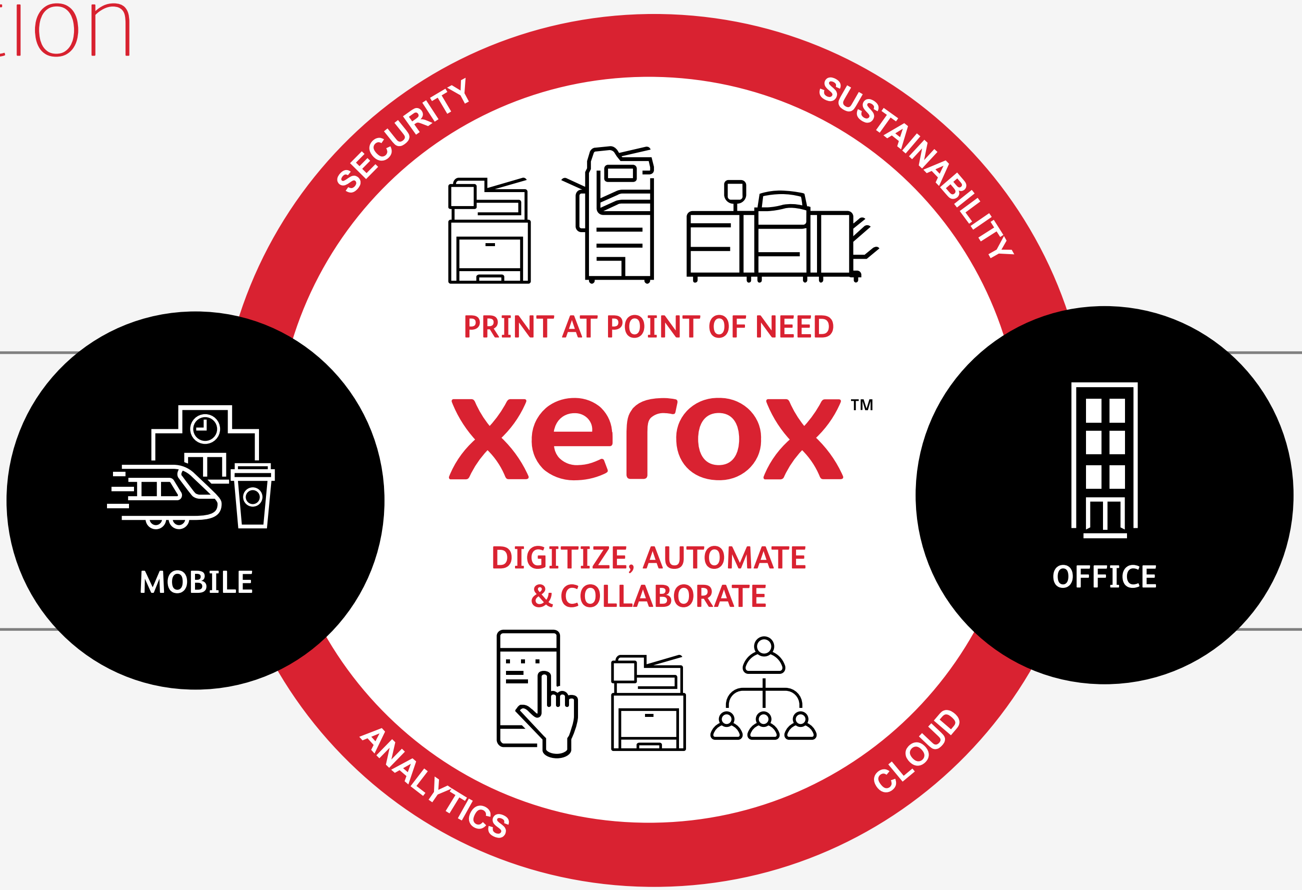
- Xerox's breadth of offerings and value-based approach to selling differentiated customer solutions are expected to drive market share gains

1) Xerox internal analysis leveraging third party sources, including IDC. 2) Based on IDC data. Market share based on LTM and includes only geographies where Xerox competes (e.g., ex-Asia Pacific and Japan).

Breadth and Quality of Offerings Underpin Leading Market Position

TECHNOLOGY

- #3 share[1] in Office & Production Print
- Integrated Workflow Automation software
- Top-rated security
- Hybrid-capable document processing solutions



AS A SERVICE

- #1 share[2] in Managed Print Services
- Leader in Cloud-enabled Print solutions
- Advanced, real-time fleet management analytics

MID-MARKET ← HORIZONTAL AND SECTOR SPECIFIC SOLUTIONS → **ENTERPRISE**

1) Source: Xerox analysis of IDC WW Quarterly Hardcopy Peripherals Tracker, LTM as of Q3 2024. Total print ESR market share includes only geographies where Xerox competes (e.g., ex-Asia Pacific and Japan).
2) Source: IDC, Worldwide and U.S. Managed Print and Document Services and Basic Print Services Market Shares, 2023: SMB Growth Helps Sustain Overall Market, July 2024, IDC.

xerox™

Leader in Print across Large Enterprise and Mid-markets

Xerox's position as a trusted provider of workplace technology solutions provides a platform for additional services growth across Enterprise and Mid-market clients

	Enterprise			Mid-market Businesses	
Customer Profile	>30,000 contracts	90 % of Fortune 500	More than 250 clients with Annual Rev >$1M	~175,000 contracts	Primarily serving the US, with growth opportunities across EMEA

Differentiated Print Services Technology Solutions

ConnectKey® Apps

- Xerox's app ecosystem, extends MFP capabilities beyond printing and scanning
- Apps seamlessly integrate to business productivity solutions like Salesforce and Concur

Workflow Central

- Platform provides secure, intelligent document processing solutions wherever employees work
- e.g., text to audio, PDF to MS format, translation, redaction

Note: Click on links above to access video demonstration

Workflow Cloud

- Award-winning Cloud Print platform
- Employees can print from any device to any printer, anywhere in the world
- Employers can set security controls and monitor security risk and usage in real time

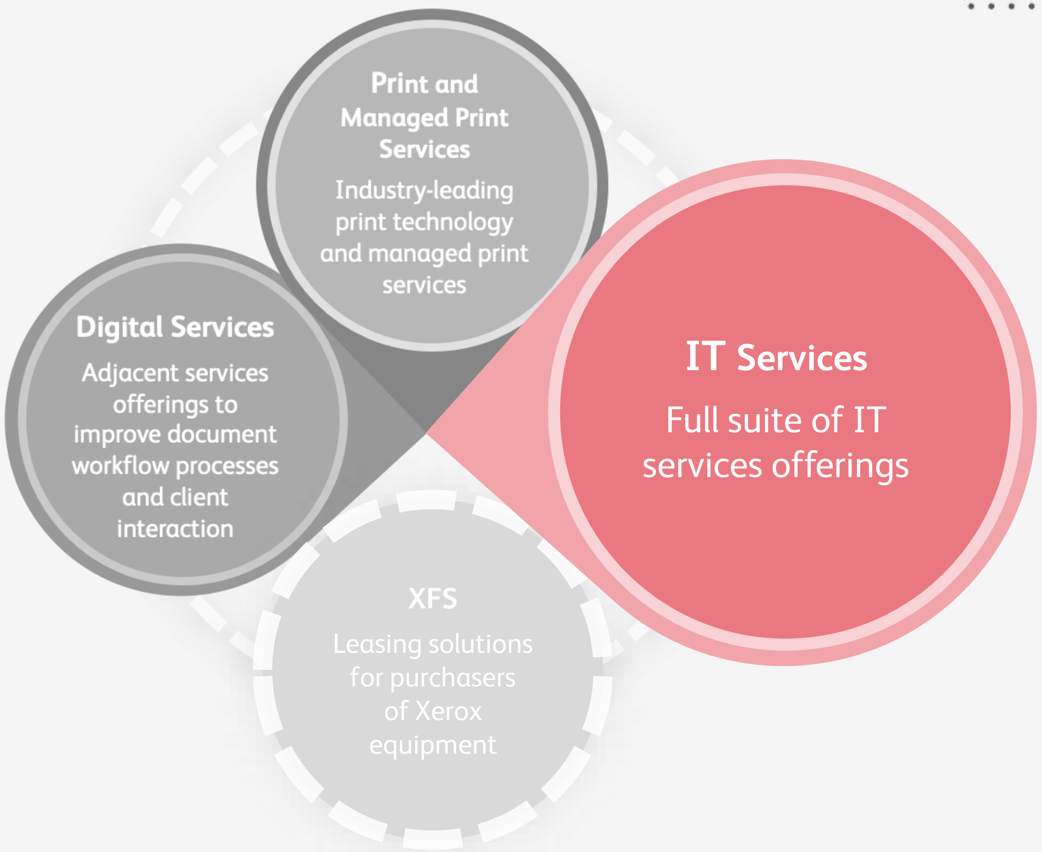
Advanced Analytics

- Dashboard view of managed print fleet allows employers to monitor and optimize print utilization in real-time
- With usage data, Xerox can customize service offerings based on client needs

IT Services: Wallet Share Expansion Opportunities

IT Services leverage existing Print Service relationships in the mid-market, providing ample opportunity to expand client wallet share

	IT Services
Description	• Full-service IT solutions and services provider • Portfolio of offerings enhanced by recent acquisition of ITsavvy • Capitalizes on strong direct sales teams, partner relationships and the Xerox brand
TAM / Growth	$682B / 6 % CAGR[1]
Route to Market	**Current**: Regionally-focused direct sales teams **Opportunity**: Further penetrate the global mid-market Print Service base
Select Technology Solutions	**Xerox Automation** • RPA is a differentiated service offering for IT Services clients • High-growth business with strong repeat rates; helps clients automate routine processes **Master Data Management** • MDM assists clients with the aggregation and assimilation of data across systems to derive key operational insights • Capabilities acquired from acquisition of C2



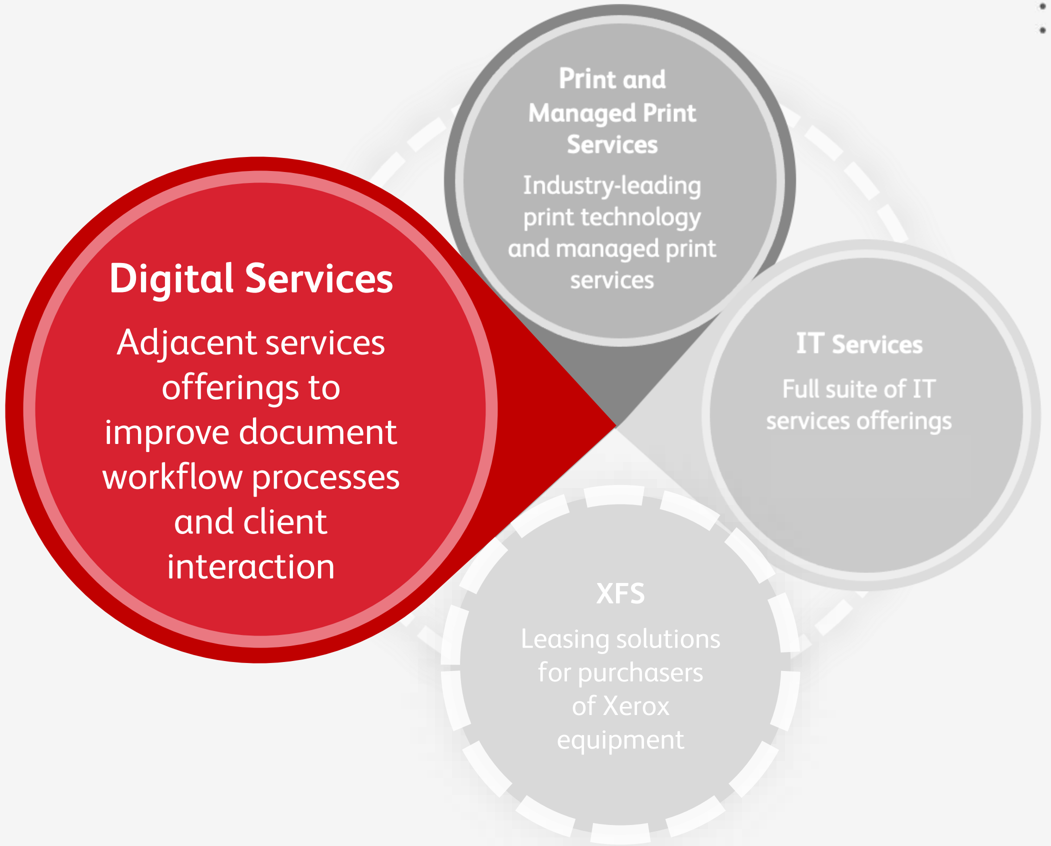
1) Refer to slide 20 for TAM, CAGR, and source of data.

xerox™

Digital Services: Digital Transformation Adjacencies

Digital Services are natural adjacencies to Print Services, delivering improved client outcomes and incremental sales opportunities

	Digital Services
Description	• Suite of services that enable digital transformation of clients' documentation workflows • Broadly categorized as Capture & Content (CCS) and Customer Engagement (CES)
TAM / Growth	$68B / 5 % CAGR[1]
Route to Market	**Current**: Primarily sold direct to Enterprise customers **Opportunity**: Expansion to mid-market; new service offerings
Select Technology Solutions	**Go Inspire** • Provides data-driven, results-focused marketing campaign management solutions to engage customers across print and digital media **Intelligent Data Processing Platform** • Leverages AI, ML, object content recognition and natural language tools to automate document and data processing



1) Refer to slide 20 for TAM, CAGR, and source of data.

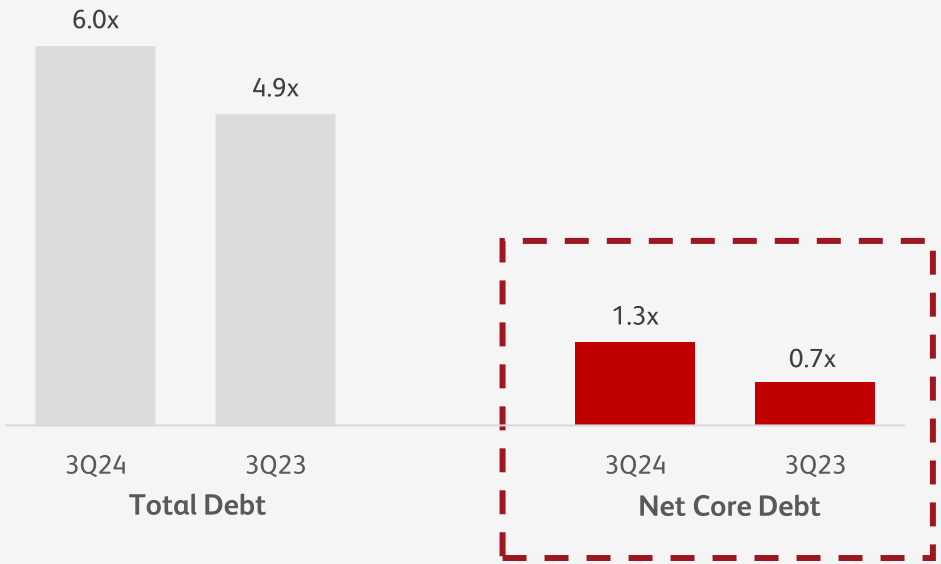
Leverage – Reported vs ex-Financing Allocated Debt

Xerox has a modest net core debt position, excluding debt associated with financing

Capital structure

(in billions)	Q3 2024	Q3 2023
Total Debt	($3.3)	($3.6)
Less: Financing Allocated Debt	$2.0	$2.5
Core Debt	($1.3)	($1.1)
Less: Cash[1]	$0.6	$0.6
Net Core Debt	($0.7)	($0.5)

Debt to TTM Adjusted[2] EBITDA



1) Cash, cash equivalents and restricted cash.
2) Adjusted EBITDA: See Non-GAAP Financial Measures.

xerox™

XFS: Strategic Evolution

Evolution of XFS Strategy

2022 Investor Day (Feb 2022)

- Revealed XFS' growth strategy, which involved an expansion of non-Xerox financial lease originations
- Strategy required significant cash investment

Change in market conditions

Forward Funding Agreement (Dec 2022)

- Agreement with PEAC Solutions to sell pools of direct U.S. lease receivables
- Expected to reduce Xerox's origination obligations by approximately $600 million in first year

Expansion of PEAC Partnership (Sept 2023)

- PEAC to provide leasing and financing programs for Xerox and non-Xerox equipment to XFS' network of independent resellers
- Effective return of XFS to a captive financing business

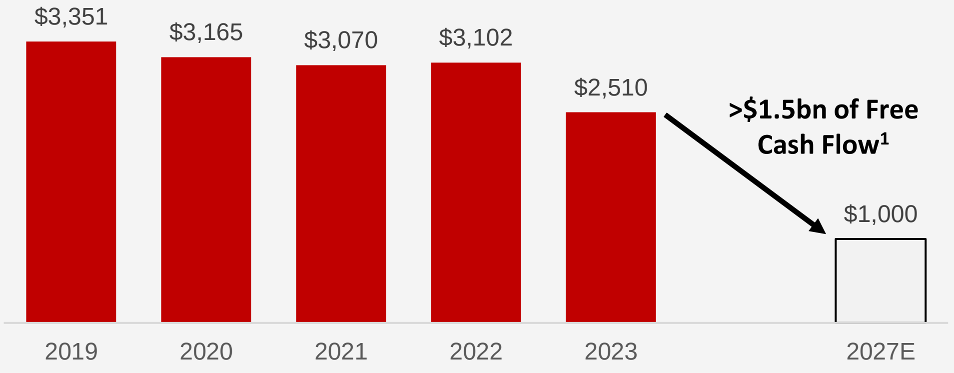
Expansion into Canada (Oct 2024)

- Agreement with De Lage Landen Financial Services Canada Inc (DLL) to sell certain pools of lease receivables

Free Cash Flow[1] Effects

- XFS' return to a captive financing business, in combination with expanded forward funding agreements, is expected to result in a systematic reduction of Xerox's finance receivable portfolio
- Reduction of finance receivable balance provides annual benefits to FCF[1], expected to total more than $1.5 billion through 2027
- Free cash flow[1] expected to contribute to funding of Reinvention growth initiatives and pay down debt

Historical and Projected Finance Receivables ($m)



1) Free Cash Flow: see Non-GAAP Financial Measures

xerox™

Why Invest in Xerox?

- Reinvention expected to drive sustainably higher profits and improved revenue mix
  - Targeting a return to double digit adjusted[1] operating income margin over the course of Reinvention
  - Increased revenue mix to higher growth markets, including Digital and Managed IT Services
- Strong free cash flow[1] generation, supported by adjusted[1] operating income growth and finance receivable sales
  - Expect sustainable long-term growth in adjusted[1] operating income through revenue stabilization and pipeline of >$400 million of unrealized gross cost Reinvention savings
  - Reduction in finance receivable balance, to ~$1 billion by 2027, flows directly to free cash flow[1]

1) Adjusted measures and Free Cash Flow: see Non-GAAP Financial Measures.

xerox™

Appendix

Reinvention Journey To-Date

Reinvention is a multi-year strategy to drive long-term, sustainable growth in profits and cash flow through structural simplification, continuous operating efficiencies and improvements in the Core business; cash flow earmarked for debt reduction and investments in Digital and IT Services

Jan 2023
- Repayment of 2023 Senior Notes

Mar 2023
- Donated PARC to SRI International

Apr 2023

Jul/Aug 2023
- Sold Xerox Research Centre of Canada (XRCC) and Elem Additive Solutions (3D Printing) in July/August, respectively

Sept 2023
- Expanded agreement with PEAC Solutions, effectively returning XFS to a captive-only financing business
- Completed repurchase of shares held by Carl Icahn and Affiliates

Oct 2023
- Publicly announced Reinvention

Jan-Mar 2024
- Established Global Business Services (GBS) to drive efficiency and productivity gains by coordinating internal processes
- Company-wide reorganization, including shift to business unit-led operating model

Mar 2024
- Sold direct operations in Argentina and Chile
- Redeemed a portion of 2024 and 2025 Senior Notes through refinancing transaction

Apr 2024
- Announced decision to cease manufacturing of certain Production equipment

Apr-Jun 2024
- Signed agreements to transform operations through technology-led process improvements

May-Jun 2024
- Sold direct operations in Peru and Ecuador
- Repaid remaining 2024 Senior Notes
- Expanded ABL facility by $125 million

July 2024

Aug 2024
- Sold direct operations in Hungary and Bulgaria

Sept 2024
- Signed agreement to sell EMEA paper operations

Oct 2024
- Signed agreement with DLL to sell certain pools of lease receivables in Canada

Reinvention Actions
- Reinvention enablers
- Organizational simplification
- Geographic simplification
- Offering Simplification
- Reduce debt / Improve liquidity

xerox™

Acquisition of ITsavvy

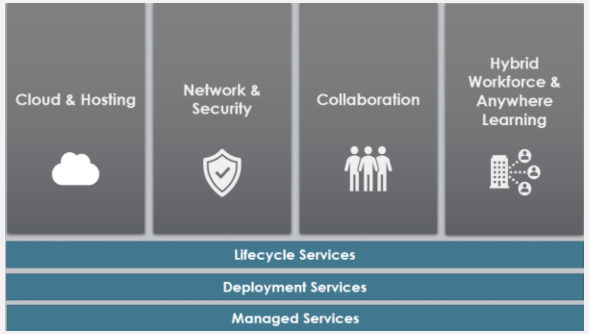
Transaction Overview

- Xerox recently acquired ITsavvy, for total consideration of $400 million.
- ITsavvy is a Top 100[1] provider of integrated IT products and associated services, delivering business outcomes through a frictionless client experience.
- Transaction funded with $180 million of cash on hand and the issuance of Seller Notes, payable in 2025 and 2026.
- Acquisition is expected to be immediately accretive to adjusted[2] earnings per share and free cash flow[2].

ITsavvy Platform and Key Metrics

~$445m
LTM Revenue
(9 % growth y/y)

~$30m
LTM EBITDA



~500 Employees

120+ Sales Enablement

250+ Engineers

Strategic Rationale

- **Experienced Team, Proven Platform.** ITsavvy management team to lead Xerox IT Services, implement proven, integrated IT infrastructure services platform.
- **Enhanced IT Services Offering.** Expands Xerox's portfolio of IT infrastructure services and its addressable markets, extending market coverage to Enterprise and SLED clients.
- **Strong Synergy Potential**
  - Expect >$15 million of run rate cost synergies
  - Revenue synergies from incremental penetration of IT Services among Xerox's existing client base

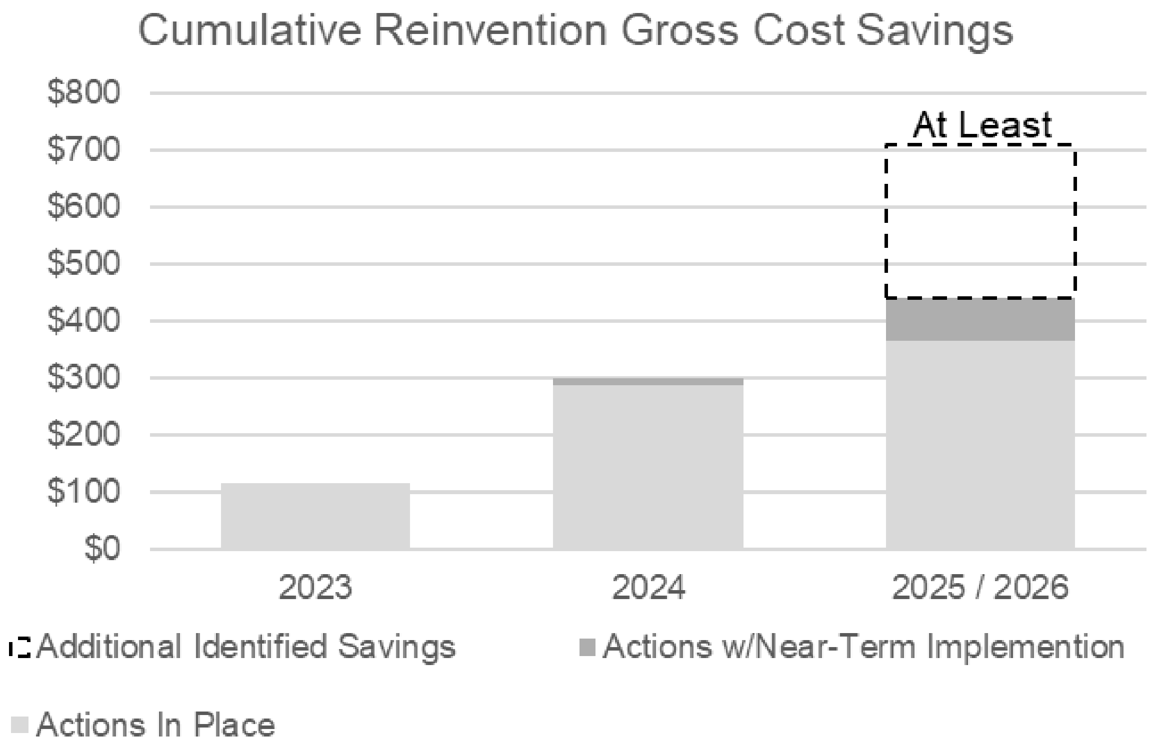
Combined IT Services Scale

- 12,000 clients supported by 600 engineers and 350 sales enablement specialists
- ~1 million managed endpoints across 3 integration centers
- 250,000+ infrastructure devices supported on AIOps Platform

[1] Per CRN, 2024 Solution Provider 500. [2] Adjusted measures and Free Cash Flow: see Non-GAAP Financial Measures

Reinvention: Gross Cost Savings

Estimated Reinvention Gross Cost Savings



Realized/Expected Gross Cost Savings by Year

2023
- More than $100 million in gross savings realized

2024
- Expect ~$200 million in incremental gross cost Reinvention savings

2025-2026
- Expect ~$125 million of incremental gross cost Reinvention savings from actions taken or expected to be taken in the near-term
- Expect more than $275 million of gross cost savings from actions identified and expected to be implemented in 2025 and 2026

TAM Definitions and CAGR Timeframes

Target Market	TAM ($B)	CAGR	CAGR Timeframe	Selected Sources Used in Xerox Analysis
Print Technology (incl. Maintenance and Supplies)	$35	Flat	2021-2024	• Xerox internal analysis leveraging third party sources.
Managed Print Services	$11	1 %	2021-2024	• Xerox internal analysis leveraging third party sources.
Digital Services	$68	5 %	2020-2024	• "Customer Communications Delivery Forecast." *Keypoint Intelligence*. January 2021. • "Worldwide and U.S. Outsourced Document Services Forecast, 2020–2024." *IDC*. June 2020.
IT Services	$682	6 %	2022-2025	• "SMB IT Spend Forecast (North America + W. Europe)." *Techaisle*. January 2022.
Global Office Equipment & IT Leasing	$270	9 %	2020-2025	• Calculations & extrapolations performed by Xerox based on: "Monitor 100 Vol. 48, No. 4." *Monitor 100*. 2021; "Leasing Global Market Report 2021: COVID-19 Impact and Recovery." *The Business Research Company*. December 2021.

xerox™

Operating Trends

(in millions, except EPS)	2022 FY	2023 Q1	2023 Q2	2023 Q3	2023 Q4	2023 FY	2024 Q1	2024 Q2	2024 Q3
Total Revenue	**$7,107**	**$1,715**	**$1,754**	**$1,652**	**$1,765**	**$6,886**	**$1,502**	**$1,578**	**$1,528**
% Change	*1.0%*	*2.8%*	*0.4%*	*(5.7)%*	*(9.1)%*	*(3.1)%*	*(12.4)%*	*(10.0)%*	*(7.5)%*
CC[1] % Change	*4.8%*	*5.5%*	*0.5%*	*(7.4)%*	*(10.6)%*	*(3.3)%*	*(13.2)%*	*(9.6)%*	*(7.3)%*
Adj[1] Operating Margin	3.9%	6.9%	6.1%	4.1%	5.4%	5.6%	2.2%	5.4%	5.2%
GAAP (Loss) EPS[2]	($2.15)	$0.43	($0.41)	$0.28	($0.50)	($0.09)	($0.94)	$0.11	($9.71)
Adj[1] EPS	$1.12	$0.49	$0.44	$0.46	$0.43	$1.82	$0.06	$0.29	$0.25
Operating Cash Flow	$159	$78	$95	$124	$389	$686	($79)	$123	$116
Free Cash Flow[1]	$102	$70	$88	$112	$379	$649	($89)	$115	$107

[1] Adjusted measures, Free Cash Flow, and Constant Currency (CC): see Non-GAAP Financial Measures. [2] FY2022 GAAP (Loss) per share include an after-tax non-cash goodwill impairment charge of $395 million, or $2.54 per share. Both Q2 2023 and FY 2023 GAAP (Loss) per share include the after-tax PARC donation charge of $92 million, or $0.58 per share. Both Q4 2023 and FY 2023 GAAP (Loss) per share include an after-tax Restructuring and related costs, net charge of $78 million, or $0.62 per share, related to the previously announced workforce reduction. Q1 2024 GAAP (Loss) per share includes after-tax, Project Reinvention related charges of approximately $100 million, or $0.80 per share. Q3 2024 GAAP (Loss) per share includes an after-tax non-cash goodwill impairment charge of approximately $1.0 billion, or $8.16 per share and a tax expense charge of $161 million, or $1.29 per share, related to the establishment of a valuation allowance against certain deferred tax assets to reflect their realizability.

Non-GAAP Financial Measures

Non-GAAP Financial Measures

We have reported our financial results in accordance with generally accepted accounting principles (GAAP). In addition, we have discussed our financial results using the non-GAAP measures described below. We believe these non-GAAP measures allow investors to better understand the trends in our business and to better understand and compare our results. Management regularly uses our supplemental non-GAAP financial measures internally to understand, manage and evaluate our business and make operating decisions. These non-GAAP measures are among the primary factors management uses in planning for and forecasting future periods. Compensation of our executives is based in part on the performance of our business based on these non-GAAP measures. Accordingly, we believe it is necessary to adjust several reported amounts, determined in accordance with GAAP, to exclude the effects of certain items as well as their related income tax effects.

However, these non-GAAP financial measures should be viewed in addition to, and not as a substitute for, the Company's reported results prepared in accordance with GAAP. Our non-GAAP financial measures are not meant to be considered in isolation or as a substitute for comparable GAAP measures and should be read only in conjunction with our Condensed Consolidated Financial Statements prepared in accordance with GAAP.

Reconciliations of these non-GAAP financial measures to the most directly comparable financial measures calculated and presented in accordance with GAAP are set forth below.

Adjusted Net Income and EPS

The above measure was adjusted for the following items:

Restructuring and related costs, net: Restructuring and related costs, net include restructuring and asset impairment charges as well as costs associated with our transformation programs beyond those normally included in restructuring and asset impairment charges. Restructuring consists of costs primarily related to severance and benefits paid to employees pursuant to formal restructuring and workforce reduction plans. Asset impairment includes costs incurred for those assets sold, abandoned or made obsolete as a result of our restructuring actions, exiting from a business or other strategic business changes. Additional costs for our transformation programs are primarily related to the implementation of strategic actions and initiatives and include third-party professional service costs as well as one-time incremental costs. All of these costs can vary significantly in terms of amount and frequency based on the nature of the actions as well as the changing needs of the business. Accordingly, due to that significant variability, we will exclude these charges since we do not believe they provide meaningful insight into our current or past operating performance, nor do we believe they are reflective of our expected future operating expenses as such charges are expected to yield future benefits and savings with respect to our operational performance.

Amortization of intangible assets: The amortization of intangible assets is driven by our acquisition activity which can vary in size, nature and timing as compared to other companies within our industry and from period to period. The use of intangible assets contributed to our revenues earned during the periods presented and will contribute to our future period revenues as well. Amortization of intangible assets will recur in future periods.

Non-service retirement-related costs: Our defined benefit pension and retiree health costs include several elements impacted by changes in plan assets and obligations that are primarily driven by changes in the debt and equity markets as well as those that are predominantly legacy in nature and related to employees who are no longer providing current service to the Company (e.g. retirees and ex-employees). These elements include (i) interest cost, (ii) expected return on plan assets, (iii) amortization of prior plan amendments, (iv) amortized actuarial gains/losses and (v) the impacts of any plan settlements/curtailments. Accordingly, we consider these elements of our periodic retirement plan costs to be outside the operational performance of the business or legacy costs and not necessarily indicative of current or future cash flow requirements. This approach is consistent with the classification of these costs as non-operating in Other expenses, net. Adjusted earnings will continue to include the service cost elements of our retirement costs, which is related to current employee service as well as the cost of our defined contribution plans.

Transaction and related costs, net: Transaction and related costs, net are costs and expenses primarily associated with certain major or significant strategic M&A projects.

xerox™

Non-GAAP Financial Measures

These costs are primarily for third-party legal, accounting, consulting and other similar type professional services as well as potential legal settlements that may arise in connection with those M&A transactions. These costs are considered incremental to our normal operating charges and were incurred or are expected to be incurred solely as a result of the planned transactions. Accordingly, we are excluding these expenses from our Adjusted Earnings Measures in order to evaluate our performance on a comparable basis.

Discrete, unusual or infrequent items: We exclude these item(s), when applicable, given their discrete, unusual or infrequent nature and their impact on the comparability of our results for the period to prior periods and future expected trends.

- Goodwill impairment charge
- PARC donation
- Contract termination costs – product supply
- Deferred tax asset valuation allowance
- Accelerated share vesting – in connection with the passing of Xerox Holding's former CEO
- Loss (gain) on early extinguishment of debt
- Tax indemnification – Conduent
- Inventory-related impact - exit of certain Production Print manufacturing operations
- Divestitures

Adjusted Operating Income and Margin

We calculate and utilize adjusted operating income (loss) and margin measures by adjusting our reported pre-tax income (loss) and margin amounts. In addition to the costs and expenses noted as adjustments for our adjusted earnings measures, adjusted operating income (loss) and margin also exclude the remaining amounts included in Other expenses, net, which are primarily non-financing interest expense and certain other non-operating costs and expenses. We exclude these amounts in order to evaluate our current and past operating performance and to better understand the expected future trends in our business.

Adjusted EBITDA and Margin

Earnings before interest, taxes, depreciation and amortization adjusted for additional items, when applicable, given their discrete, unusual or infrequent nature and their impact on comparability of our results for the period to prior periods and future expected trends.

Constant Currency (CC)

To better understand trends in our business, we believe that it is helpful to adjust revenue to exclude the impact of changes in the translation of foreign currencies into U.S. dollars. We refer to this adjusted revenue as “constant currency.” This impact is calculated by translating current period activity in local currency using the comparable prior year period’s currency translation rate. This impact is calculated for all countries where the functional currency is not the U.S. dollar. Management believes the constant currency measure provides investors an additional perspective on revenue trends. Currency impact can be determined as the difference between actual growth rates and constant currency growth rates.

Free Cash Flow

To better understand trends in our business, we believe that it is helpful to adjust operating cash flows by subtracting amounts related to capital expenditures. Management believes this measure gives investors an additional perspective on cash flow from operating activities in excess of amounts required for reinvestment. It provides a measure of our ability to fund acquisitions, dividends and share repurchase.

A reconciliation of the estimated three-year target of Adjusted Net Income and EPS, Adjusted Operating Income and Margin, Adjusted EBITDA, and Free Cash Flow to the closest GAAP financial measures, Pre-tax Margin, and Operating Cash Flow, is not provided. GAAP measures for those periods are not available without unreasonable effort, in part because certain incremental costs related to the Reinvention, as well as costs and expenses noted below, are not available at this time.

Non-GAAP Financial Measures

- Adjusted Operating Income and Margin (Costs and expenses noted above as adjustments for our Adjusted Net Income and EPS measure, as well as amounts included in Other expenses, net, which are primarily non-financing interest expense and certain other non-operating costs and expenses, and other discrete, unusual or infrequent items);

- Adjusted EBITDA (Restructuring and related costs, net, Stock-based compensation, and other discrete, unusual or infrequent items);

- Free Cash Flow (Capital expenditures).

Non-GAAP Financial Measures – continued

Adjusted Net Income and EPS Reconciliation

(in millions, except per share amounts)	FY-22		Q1-23		Q2-23		Q3-23		Q4-23		FY-23		Q1-24		Q2-24		Q3-24	
	Net (Loss) Income	EPS	Net Income	EPS	Net (Loss) Income	EPS	Net Income	EPS	Net (Loss) Income	EPS	Net Income	EPS	Net (Loss) Income	EPS	Net Income	EPS	Net (Loss) Income	EPS
Reported [1]	$ (322)	$ (2.15)	$ 71	$ 0.43	$ (61)	$ (0.41)	$ 49	$ 0.28	$ (58)	$ (0.50)	$ 1	$ (0.09)	$ (113)	$ (0.94)	$ 18	$ 0.11	$ (1,205)	$ (9.71)
Goodwill Impairment	412		-		-		-		-		-		-		-		1,058	
PARC Donation	-		-		132		-		-		132		-		-		-	
Inventory-related impact - exit of certain Production Print manufacturing operations	-		-		-		-		-		-		36		8		-	
Restructuring and related costs, net	65		2		23		10		132		167		39		12		56	
Amortization of intangible assets	42		11		10		12		10		43		10		10		10	
Divestitures	-		-		-		-		-		-		54		(3)		-	
Non-service retirement-related costs	(12)		(1)		11		4		5		19		23		26		25	
Transaction and related costs, net	-		-		-		-		-		-		-		(23)		(15)	
Tax indemnification - Conduent	-		-		-		(7)		-		(7)		-		-		-	
Accelerated Share Vesting	21		-		-		-		-		-		-		-		-	
Loss (gain) on early extinguishment of debt	5		-		3		-		7		10		(3)		-		-	
Contract termination costs - product supply	33		-		-		-		-		-		-		-		-	
PARC donation income tax	-		-		(40)		-		-		(40)		-		-		(43)	
Deferred tax asset valaution allowance	-		-		-		-		-		-		-		-		161	
Income tax on adjustments	(55)		(1)		(6)		9		(40)		(38)		(35)		(7)		(13)	
Adjusted	$ 189	$ 1.12	$ 82	$ 0.49	$ 72	$ 0.44	$ 77	$ 0.46	$ 56	$ 0.43	$ 287	$ 1.82	$ 11	$ 0.06	$ 41	$ 0.29	$ 34	$ 0.25
Dividends on preferred stock used in adjusted EPS calculation [2]		$ 14		$ 4		$ 3		$ 4		$ 3		$ 14		$ 4		$ 3		$ 4
Weighted average shares for adjusted EPS [2]		157		158		158		159		125		151		125		126		126

[1] *Net (Loss) Income and EPS.*

[2] *For those periods that include the preferred stock dividend the average shares for the calculations of diluted EPS exclude 7 million shares associated with our Series A convertible preferred stock, as applicable.*

xerox™

Non-GAAP Financial Measures – continued

Adjusted Operating Income and Margin Reconciliation

	FY-22			Q1-23			Q2-23			Q3-23			Q4-23			FY-23		
(in millions)	(Loss) Profit	Revenue	Margin	Profit	Revenue	Margin	(Loss) Profit	Revenue	Margin	Profit	Revenue	Margin	(Loss) Profit	Revenue	Margin	Profit	Revenue	Margin
Reported [1]	$ (322)	$7,107		$ 71	$1,715		$ (61)	$1,754		$ 49	$1,652		$ (58)	$1,765		$ 1	$6,886	
Income tax (benefit) expense	(3)			14			(28)			15			(30)			(29)		
Pre-tax (loss) income	$ (325)	$7,107	(4.6%)	$ 85	$1,715	5.0%	$ (89)	$1,754	(5.1%)	$ 64	$1,652	3.9%	$ (88)	$1,765	(5.0%)	$ (28)	$6,886	(0.4%)
Adjustments:																		
Goodwill impairment	412			-			-			-			-			-		
PARC donation	-			-			132			-			-			132		
Restructuring and related costs, net	65			2			23			10			132			167		
Amortization of intangible assets	42			11			10			12			10			43		
Accelerated Share Vesting	21			-			-			-			-			-		
Other expenses, net	60			20			31			(18)			42			75		
Adjusted	$ 275	$7,107	3.9%	$ 118	$1,715	6.9%	$ 107	$1,754	6.1%	$ 68	$1,652	4.1%	$ 96	$1,765	5.4%	$ 389	$6,886	5.6%

[1] *Net (Loss) Income.*

Non-GAAP Financial Measures – continued

Adjusted Operating Income and Margin Reconciliation - continued

	Q1-24			Q2-24			Q3-24		
(in millions)	(Loss) Profit	Revenue	Margin	Profit	Revenue	Margin	(Loss) Profit	Revenue	Margin
Reported (1)	$ (113)	$1,502		$ 18	$1,578		$ (1,205)	$1,528	
Income tax (benefit) expense	(37)			7			118		
Pre-tax (loss) income	$ (150)	$1,502	(10.0%)	$ 25	$1,578	1.6%	$ (1,087)	$1,528	(71.1%)
Adjustments:									
Goodwill impairment	-			-			1,058		
Inventory-related impact - exit of certain Production Print manufacturing operations	36			8			-		
Restructuring and related costs, net	39			12			56		
Amortization of intangible assets	10			10			10		
Divestitures	54			(3)			-		
Other expenses, net	44			33			43		
Adjusted	$ 33	$1,502	2.2%	$ 85	$1,578	5.4%	$ 80	$1,528	5.2%

(1) *Net (Loss) Income. Third quarter 2024 Net (Loss) includes an after-tax non-cash goodwill impairment charge of approximately $1.0 billion (approximately $1.1 billion pre-tax), or $8.16 per share. In addition, third quarter 2024 includes a tax expense charge of $161 million, or $1.29 per share, related to the establishment of a valuation allowance against certain deferred tax assets to reflect their realizability. This adjustment was excluded due to its unique nature and significant impact which is not considered part of our core operations.*

xerox™

Non-GAAP Financial Measures – continued

Adjusted EBITDA and Margin Reconciliation

(in millions)	Q4-22 Profit	Q4-22 Revenue	Q4-22 Margin	FY-22 (Loss) Profit	FY-22 Revenue	FY-22 Margin	Q1-23 Profit	Q1-23 Revenue	Q1-23 Margin	Q2-23 (Loss) Profit	Q2-23 Revenue	Q2-23 Margin	Q3-23 Profit	Q3-23 Revenue	Q3-23 Margin	Q4-23 (Loss) Profit	Q4-23 Revenue	Q4-23 Margin
Reported [1]	$ 121	$ 1,941		$ (322)	$ 7,107		$ 71	$ 1,715		$ (61)	$ 1,754		$ 49	$ 1,652		$ (58)	$ 1,765	
Adjustments:																		
Other expenses, net [2]	(2)			60			20			31			(18)			42		
Income tax (benefit) expense	24			(3)			14			(28)			15			(30)		
Depreciation and amortization [3]	65			270			64			62			63			62		
Goodwill impairment	-			412			-			-			-			-		
EBITDA [4] [6]	$ 208	$ 1,941	10.7%	$ 417	$ 7,107	5.9%	$ 169	$ 1,715	9.9%	$ 4	$ 1,754	0.2%	$ 109	$ 1,652	6.6%	$ 16	$ 1,765	0.9%
Adjustments:																		
Stock-based compensation	12			75			14			14			12			14		
Restructuring and related costs, net [5]	24			65			2			23			10			132		
PARC donation	-			-			-			132			-			-		
Divestitures	-			-			-			-			-			-		
Adjusted EBITDA [6]	$ 244	$ 1,941	12.6%	$ 557	$ 7,107	7.8%	$ 185	$ 1,715	10.8%	$ 173	$ 1,754	9.9%	$ 131	$ 1,652	7.9%	$ 162	$ 1,765	9.2%

(1) *Net Income (Loss)*

(2) *Other expenses, net, primarily includes non-financing interest expense and certain other non-operating costs, expenses, gains and losses.*

(3) *Excludes amortization of customer contract costs*

(4) *EBITDA includes Financing Revenues and Cost of financing, for all periods presented as these amounts are associated with our XFS segment.*

(5) *Restructuring and related costs, net include restructuring and asset impairment charges as well as costs associated with our transformation programs beyond those normally included in restructuring and asset impairment charges.*

(6) *EBITDA & Adj. EBITDA included above are internal measures used by Management to assess performance. The amounts and related calculation are different than consolidated EBITDA determined as part of our Credit Facility financial maintenance covenants.*

xerox™

Non-GAAP Financial Measures – continued

Adjusted EBITDA and Margin Reconciliation - continued

	FY-23			Q1-24			Q2-24			Q3-24		
(in millions)	Profit	Revenue	Margin	(Loss) Profit	Revenue	Margin	Profit	Revenue	Margin	(Loss) Profit	Revenue	Margin
Reported [1]	$ 1	$ 6,886		$ (113)	$ 1,502		$ 18	$ 1,578		$ (1,205)	$ 1,578	
Adjustments:												
Other expenses, net [2]	75			44			33			43		
Income tax (benefit) expense	(29)			(37)			7			118		
Depreciation and amortization [3]	251			59			59			59		
Goodwill Impairment	-			-			-			1,058		
EBITDA [4] [6]	$ 298	$ 6,886	4.3%	$ (47)	$ 1,502	(3.1)%	$ 117	$ 1,578	7.4%	$ 73	$ 1,578	4.6%
Adjustments:												
Stock-based compensation	54			12			17			9		
Restructuring and related costs, net [5]	167			39			12			56		
PARC donation	132			-			-			-		
Inventory-related impact - exit of certain Production Print manufacturing operations	-			36			8			-		
Divestitures	-			54			(3)			-		
Adjusted EBITDA [6]	$ 651	$ 6,886	9.5%	$ 94	$ 1,502	6.3%	$ 151	$ 1,578	9.6%	$ 138	$ 1,578	8.7%

___

[1] *Net Income (Loss)*

[2] *Other expenses, net, primarily includes non-financing interest expense and certain other non-operating costs, expenses, gains and losses.*

[3] *Excludes amortization of customer contract costs*

[4] *EBITDA includes Financing Revenues and Cost of financing, for all periods presented as these amounts are associated with our XFS segment.*

[5] *Restructuring and related costs, net include restructuring and asset impairment charges as well as costs associated with our transformation programs beyond those normally included in restructuring and asset impairment charges.*

[6] *EBITDA & Adj. EBITDA included above are internal measures used by Management to assess performance. The amounts and related calculation are different than consolidated EBITDA determined as part of our Credit Facility financial maintenance covenants.*

Non-GAAP Financial Measures – continued

Free Cash Flow Reconciliation

(in millions)	FY-22	Q1-23	Q2-23	Q3-23	Q4-23	FY-23	Q1-24	Q2-24	Q3-24
Reported[(1)]	$159	$78	$95	$124	$389	$686	($79)	$123	$116
Less: capital expenditures	57	8	7	12	10	37	10	8	9
Free Cash Flow	$102	$70	$88	$112	$379	$649	($89)	$115	$107
Add: one-time contract termination charge - product supply	41	-	-	-	-	-	-	-	-
Free Cash Flow - Adjusted	$143	$70	$88	$112	$379	$649	($89)	$115	$107

(1) *Net cash provided by (used in) operating activities.*

xerox™

Non-GAAP Financial Measures – continued

Guidance – adjusted operating income

	FY 2024		
(in millions)	Profit	Revenue (CC) [2, 3]	Margin
Estimated [1]	~($1,170)	~$6,200	~(19.0)%
Adjustments:			
Goodwill impairment	1,058		
Restructuring and related costs, net	110		
Amortization of intangible assets	40		
Other expenses, net	272		
Adjusted [4]	~$310	~$6,200	~5.0%

(1) *Pre-tax loss and revenue.*

(2) *Full-year revenue is estimated to decline around 10% Y/Y in constant currency.*

(3) *See "Constant Currency" in the Non-GAAP Financial Measures section for a description of constant currency.*

(4) *Adjusted pre-tax income reflects the adjusted operating margin guidance of around 5.0%.*

Guidance – free cash flow

(in millions)	FY 2024
Operating Cash Flow[1]	$490-540
Less: capital expenditures	40
Free Cash Flow	$450-500

(1)Net cash provided by operating activities.