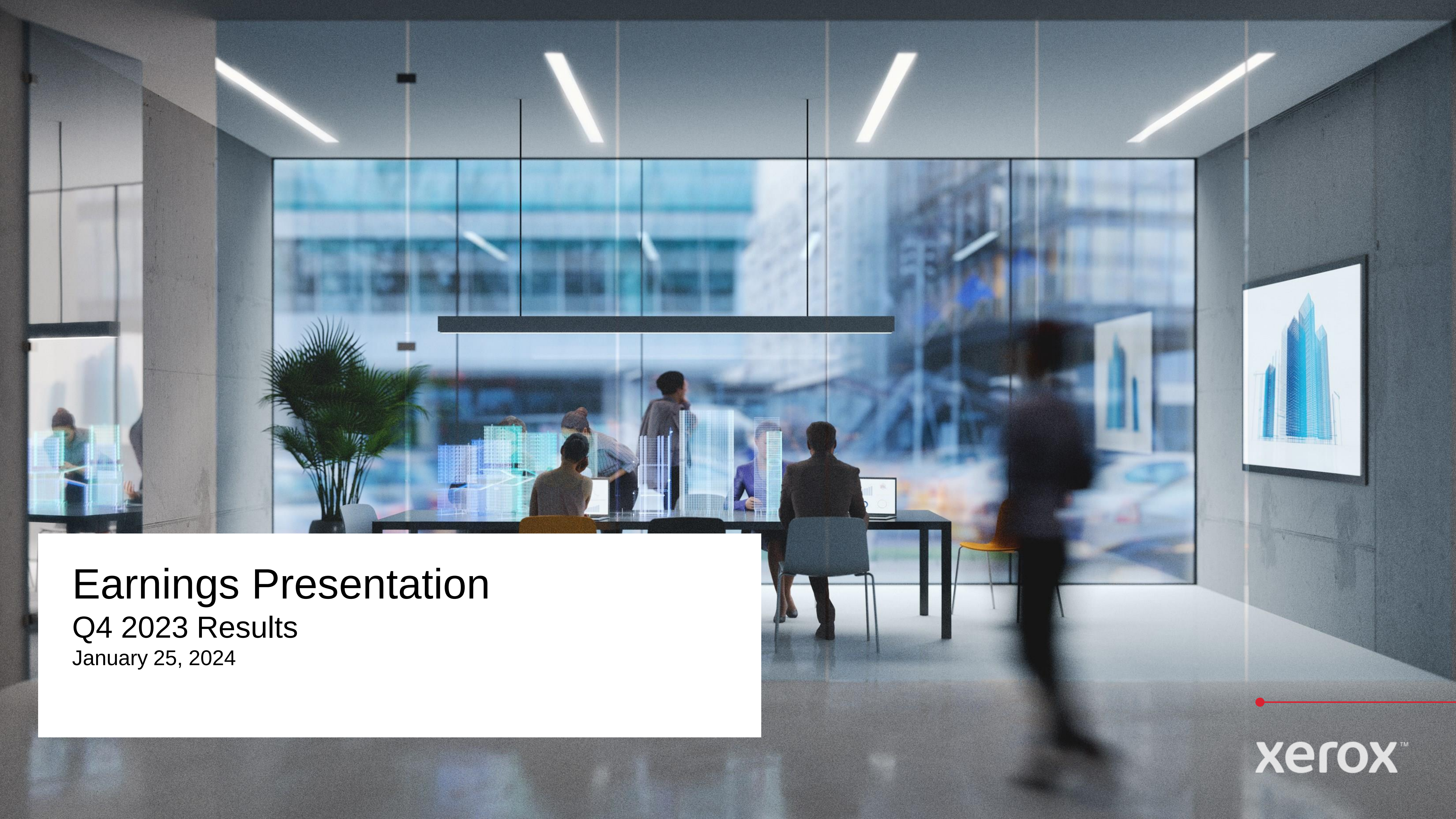

Earnings Presentation

Q4 2023 Results

January 25, 2024

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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, 2022. 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.

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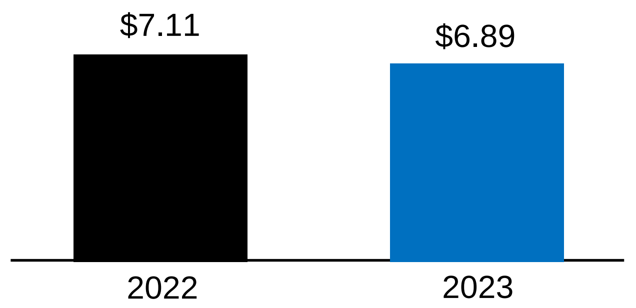
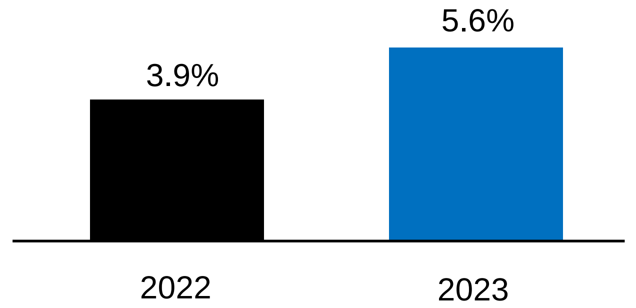
Full Year 2023 Key Financial Measures

Revenue ($B)

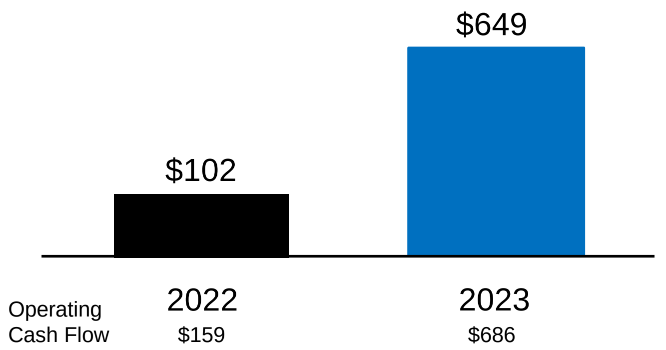


2023 % Change: (3.1)% @ AC, (3.3)% @ CC[1]

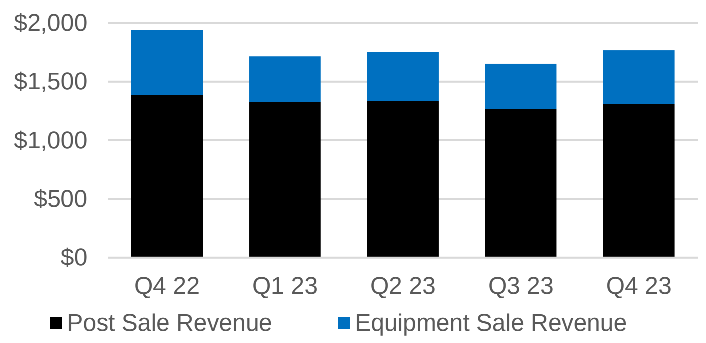
Adj[1] Operating Margin



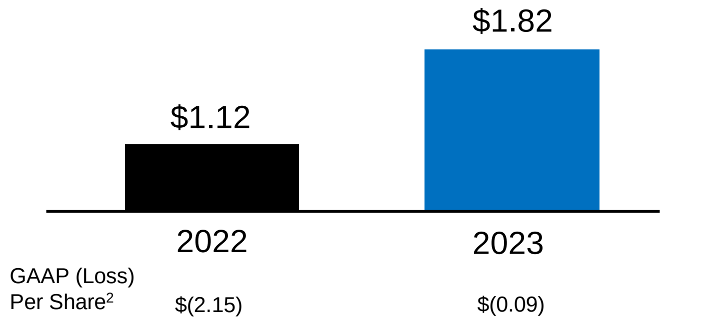
Free Cash Flow[1] ($M)



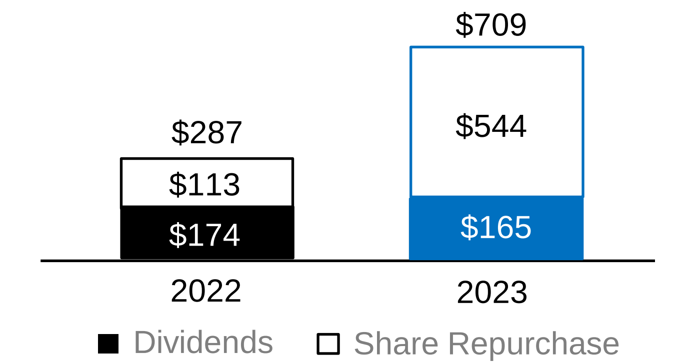
Revenue Trend ($M)



Adj[1] Earnings Per Share



Shareholder Returns[3] ($M)



[1] Adjusted measures, Free Cash Flow and Constant Currency (CC): see Non-GAAP Financial Measures. [2] 2022 GAAP (Loss) per share includes a Q3 after-tax non-cash goodwill impairment charge of $395 million, or $2.54 per share. 2023 GAAP (Loss) per share includes a Q2 after-tax PARC donation charge of $92 million, or $0.58 per share, and a Q4 after-tax Restructuring and related costs, net charge of $78 million, or $0.62 per share, related to the recently announced workforce reduction. [3] 2023 consists of a share repurchase of $544 million from Carl Icahn and Affiliates.

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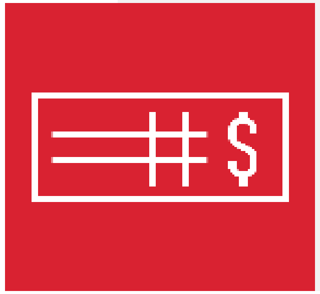
Achievement of 2023 Priorities

		Priorities	Accomplishments
	**Client Success**	Employ a holistic, client-centric approach to deliver essential products and services that address the productivity challenges of a hybrid workplace and distributed workforce	Enabled greater focus on client success and positive client outcomes by divesting or deemphasizing businesses not core to Print, Digital and IT Services ✓ Grew net promotor score and market share in core Print business ✓ Revenue renewal rate greater than 100% across large account contract renewals
	**Focus on Profitability**	Implement a more flexible cost base and operating model to expand margins and direct investments towards margin-accretive growth opportunities with nearer-term returns	Improved profitability through divestitures, business simplification efforts, reductions in non-strategic revenue and pricing initiatives ✓ Grew adjusted[1] operating income more than $100M y/y ✓ Improved adjusted[1] operating income margin 170 basis points y/y
	**Shareholder Returns**	Manage the business to optimize free cash flow[1] generation, and return at least 50% of free cash flow[1] to shareholders	Generated more than $600 million in free cash flow[1]; achieved shareholder return policy while reducing debt ✓ Paid $1/share, or $165 million in dividend distributions ✓ Reduced share count by ~33 million (21%) ✓ Lowered debt balance by ~$450 million

[1] Adjusted measures and Free Cash Flow: see Non-GAAP Financial Measures

Strategic Priorities for 2024

Strengthen Core Businesses

- Re-align products, services and distribution with the needs of economic buyers of today's hybrid workplace
- Business unit-led operating model to drive incremental Print, Digital and IT services penetration with existing and prospective clients
- Pursue strategic market share gains by increasing indirect channel reach, improving cost to serve, and enhancing partner profitability

Structural Cost Improvements

- Leverage newly-formed Global Business Services (GBS) organization to drive enterprise-wide efficiencies and technology-enabled productivity gains
- Optimize global routes-to-market, leveraging partners over direct distribution where reach and regional profitability can be improved
- Narrow offerings to focus on products and services with greatest levels of competitive differentiation

Balanced Capital Allocation

- Optimize free cash flow[1] generation through working capital efficiencies and forward flow finance receivable funding program
- Maintain $1/share dividend and pay down existing debt obligations as they come due
- Invest in projects or acquisitions with high rates of return on invested capital

[1] Free Cash Flow: see Non-GAAP Financial Measures

Reinvention Roadmap

Reinvention Goal: Strengthen core businesses while building the foundation for long-term, sustainable growth in revenue and profits through expanded penetration of services that address clients' workplace productivity needs.

2023

- Structural simplification through divestment or deemphasis of businesses that are noncore to Print, Digital and IT Services
- Established strategic Program Management Office to define, design and execute Xerox's Reinvention

2024

- Implement business unit-led operating model to more closely align leaders with economic buyers
- Establish Global Business Services (GBS) organization to enable enterprise-wide efficiencies and productivity gains
- Optimize geographic distribution and offerings to enhance profits

2025 – 2026

Operating Model Simplification

- Continuous, tech-driven operating efficiencies enabled by ongoing simplification, led by GBS

Geographic and Offering Simplification

- Replace direct with partner-led distribution model in certain markets
- Narrow focus, simplify product and service offerings

Reposition for Growth

- Tactical investments in Digital and IT Services
- Expand services penetration among existing, new clients

Reinvention: Adj.[1] Operating Income Improvement[2]	>$100M	At least $300M
Total Adjusted[1] Operating Income Objective	*~$500m*	*~$700m*

[1] Adjusted measures: see Non-GAAP Financial Measures. [2] Profit improvement above 2023 adjusted[1] operating income of $389M.

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Frequently Asked Questions

Demand Outlook	**How did underlying demand fare in 2023? What outlook for demand is embedded in guidance for 2024?** In the back half of 2023, we experienced a mild softening of demand in our European markets, reflecting weakening macroeconomic conditions. Further, the cumulative effect of tighter global financial conditions resulted in a slightly weaker-than-expected level of Q4 order activity among our distribution partners. Macro volatility notwithstanding, underlying demand for our equipment and services remained stable throughout 2023, and equipment order activity gained momentum in Q4 as backlog and macroeconomic conditions stabilized. Services signings similarly displayed momentum toward the end of 2023, growing double digits in Q4, the highest rate of the year. In 2024, we expect revenue to decline 3% to 5% in constant currency. Revenue guidance reflects stable Print demand, growth in Digital and IT Services and neutral macroeconomic conditions. The expected decline is attributable to the following: around 200 basis points of headwind from prior-year backlog reduction and around 200 basis points from the exit or deemphasis of non-strategic revenue, including lower sales of paper. Both effects are unrelated to underlying trends in our core businesses.
Reorganization	**How do the recent reorganization announcement and operating model changes align with your Reinvention strategy?** In January, we announced a new business unit-led operating model, which aligns key Xerox decision makers more closely with the needs of economic buyers and establishes a Global Business Services organization to simplify operations and drive continuous cost efficiencies organization-wide. The changes are critical to enabling the next stages of our Reinvention including further operating model simplification, geographic and product optimization and revenue diversification through tactical investments in Digital and IT Services. This reorganization, along with strategic simplification actions taken in 2023, put us firmly on the path to returning Xerox to double digit profitability by 2026 and improves our capacity for reinvestment in growth areas.
Operating Income Improvement	**How much progress toward your $300 million adjusted[1] operating income improvement objective will you make in 2024?** We expect to realize more than one-third of our three-year, $300 million adjusted[1] operating income improvement target in 2024, resulting in a year-over-year increase in adjusted[1] operating income of at least $100 million, which follows more than $100 million of improvement realized in 2023. Improvement in 2024 will be enabled by the reorganization and resulting workforce reduction, as well as the early benefits of geographic and offering-related simplification efforts. We continue to expect at least $300 million of adjusted[1] operating income improvement above 2023 levels by the end of 2026, which will be enabled by ongoing geographic and offering simplification efforts, as well as continuous cost efficiencies driven by our Global Business Services organization.
Capital Allocation	**How will Free Cash Flow[1] be deployed in 2024?** We expect to generate at least $600 million of free cash flow[1] in 2024, inclusive of the impact of cash restructuring payments. Cash flow will be used to pay our $1/share dividend, upcoming debt maturities and for tactical investment in projects or acquisitions with high rates of expected return on invested capital.

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

Financial Results Summary

(in millions, except per share data)

P&L Measures	Q4 2023	B/(W) YOY	% Change YOY
Revenue	$ 1,765	$ (176)	(9.1)% AC (10.6)% CC[1]
Operating Income – Adjusted[1]	$ 96	$ (82)	(46)%
Other Expenses, net – Adjusted[1]	$ 37	$ (45)	NM
Net Loss[2]	$ (58)	$ (179)	NM
Net Income – Adjusted[1]	$ 56	$ (90)	(62)%
GAAP Loss Per Share[2]	$ (0.50)	$ (1.24)	NM
Earnings per Share – Adjusted[1]	$ 0.43	$ (0.46)	(52)%

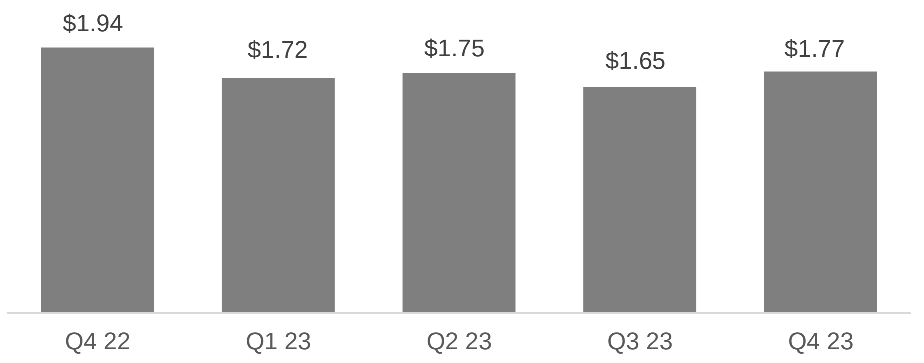
P&L Ratios	Q4 2023	B/(W) YOY
Gross Margin	33.5%	(130) bps
RD&E %	3.2%	40 bps
SAG %	24.9%	(280) bps
Operating Margin – Adjusted[1]	5.4%	(380) bps
Tax Rate – Adjusted[1]	15.2%	670 bps

[1] Adjusted Measures and Constant Currency (CC): see Non-GAAP Financial Measures. [2] Q4 2023 GAAP net loss and loss per share include an after-tax Restructuring and related costs, net charge of $78 million, or $0.62 per share, related to the recently announced workforce reduction.

Revenue

(in millions)	Q4 2023	% Change YOY AC	% Change YOY CC[1]	FY 2023	% Change YOY AC	% Change YOY CC[1]
Equipment	$458	(17.3)%	(18.3)%	$1,655	1.9%	1.7%
Post Sale	$1,307	(5.8)%	(7.5)%	$5,231	(4.6)%	(4.8)%
Total Revenue	$1,765	(9.1)%	(10.6)%	$6,886	(3.1)%	(3.3)%
Americas	1,153	(9.7)%	(10.1)%	4,524	(2.5)%	(2.4)%
EMEA	589	(4.8)%	(9.0)%	2,241	(2.2)%	(2.9)%
Other[2]	23	(48.9)%	(48.9)%	121	(32.0)%	(32.0)%

Quarterly Revenue Trend ($B)



Installs[3] & CC[1] Equipment Sales Revenue B/(W) YOY

	Q4 2023		2023	
	Total	CC[1] Revenue	Total	CC[1] Revenue
Entry	(31)%	(31)%	(23)%	(16)%
Mid-Range	(19)%	(19)%	2%	5%
High-End	12%	(7)%	21%	7%
Total	**(27)%**	**(18)%**	**(17)%**	**2%**

[1] Constant Currency (CC): see Non-GAAP Financial Measures. [2] Other revenue includes royalties and licensing revenue. [3] Reflects install activity for total Entry product group.

Cash Flow

(in millions)	Q4 2023	Change YOY	FY 2023	Change YOY
Pre-tax Income (Loss)	($88)	($233)	($28)	$297
Non-Cash Add-Backs[1]	96	35	339	(3)
Non-Cash Goodwill Impairment, Net of Tax	-	-	-	(395)
Restructuring Charges	121	103	146	84
Restructuring Payments	(4)	10	(27)	25
Pension Contributions	(27)	(9)	(102)	22
Working Capital, net[2]	115	42	(172)	(259)
Change in Finance Assets[3]	92	261	473	726
PARC donation	-	-	132	132
Other[4]	84	(6)	(75)	(102)
Cash provided by Operations	389	203	686	527
Cash used in Investing	(8)	(25)	(5)	73
Cash used in Financing	(383)	(316)	(1,202)	(380)
Ending Cash, Cash Equivalents and Restricted Cash[5]	617	(522)	617	(522)
Free Cash Flow[6]	379	211	649	547

[1] Non-cash add-backs include depreciation & amortization (including equipment on operating lease), provisions, stock-based compensation, non-service retirement-related costs, and gain on sales of businesses and assets (as applicable). [2] Working Capital, net includes accounts receivable, accounts payable and inventory. [3] Includes equipment on operating leases (excluding its related depreciation) and finance receivables. [4] Includes other current and long-term assets and liabilities, accrued compensation, derivative assets and liabilities, other operating, net, and taxes. [5] Includes restricted cash of $98 million at December 31, 2023. [6] Free Cash Flow: see Non-GAAP Financial Measures.

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Segment Results

Revenue and Profit

(in millions)	Q4 2023 Print & Other		Q4 2023 FITTLE		Q4 2023 Intersegment Eliminations[1]		Q4 2023 Total Xerox	
Total Revenue	$	1,686	$	100	$	(21)	$	1,765
Segment Profit	**$**	**89**	**$**	**7**	**$**	**-**	**$**	**96**
Segment Margin[2]		5.3%		7.0%				5.4%

	B/(W) YoY Print & Other	B/(W) YoY FITTLE	B/(W) YoY Total Xerox
Total Revenue	(9.5)%	(1.0)%	(9.1)%
Segment Profit	**(49.7)%**	**NM**	**(46.1)%**
Segment Margin (bps)[2]	(430)	600	(380)

Financing Assets and Debt

(in billions)		Q4 2023		Q3 2023
Equipment on Operating Leases	$	0.27	$	0.26
FITTLE Finance Receivables	$	2.51	$	2.59
Total Finance Assets	**$**	**2.78**	**$**	**2.85**
Financing Allocated Debt	**$**	**2.43**	**$**	**2.49**

FITTLE: Key Performance Indicators

- FITTLE finance receivables: $2.5 billion, ~3% lower Q/Q due primarily to the run-off of existing finance receivables as well as lower originations
- Originations in Q4: 25% YoY decline, driven by indirect channels, partially offset by growth for Xerox products
- ~30% of originations in Q4 sold to HPS
- LTM Net Loan Loss Rate: 0.9%

[1] Reflects revenue, primarily commissions and other payments, made by the FITTLE segment to the Print and Other segment, for the lease of Xerox equipment placements. [2] Segment margin based on external revenue only.

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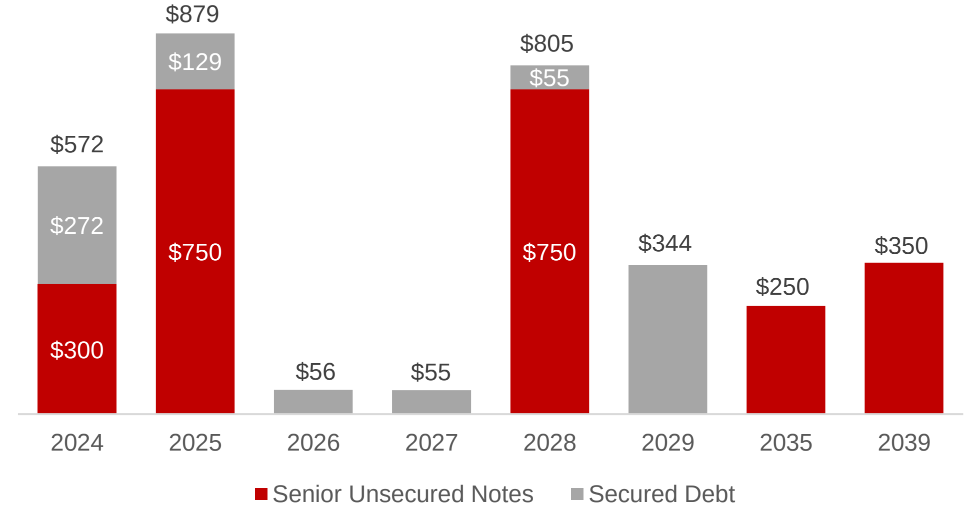
Capital Structure

Debt and Cash

(in billions)	Q4 2023	Q4 2022
Total Debt	($3.3)	($3.7)
Less: Financing Allocated Debt	$2.4	$2.9
Core Debt	($0.9)	($0.8)
Less: Cash[1]	$0.6	$1.1
Net Core Debt	($0.3)	$0.3
Total Debt to TTM Adj.[2] EBITDA	5.0x	6.7x
Net Core Debt to TTM Adj.[2] EBITDA	0.4x	(0.6x)

Debt Maturity Ladder[3] ($M)



- Core debt of $0.9B with ending cash[1] of $0.6B.
- Repaid bridge loan in Q4 2023 with proceeds from new Term Loan B credit facility.
- A balanced debt maturity ladder is maintained.

[1] Cash, cash equivalents and restricted cash. [2] Adjusted Measures: see Non-GAAP Financial Measures. [3] Total debt does not include the effect of deferred issuance costs, discounts and premiums which totaled $34 million as of December 31, 2023.

2024 Full-Year Guidance

Guidance

- **Revenue:** Decline of 3% to 5% in constant currency
- **Adjusted[1] Operating Margin:** At least 7.5%
- **Free Cash Flow[1]:** At least $600 million

Revenue: The company expects stable Print demand, growth in Digital and IT Services and neutral macroeconomic conditions. The guided year-over-year decline in revenue is attributable to the following: around 200 basis points of headwind from prior-year backlog reduction and around 200 basis points from the deemphasis of certain non-strategic revenue, including lower sales of paper.

Adjusted[1] Operating Margin: Year-over-year improvement of at least 190 basis points driven primarily by operating efficiencies enabled by Reinvention actions.

Free Cash Flow[1]: Consistent with 2023 levels, driven by improvements in operating profit, offset by cash restructuring costs and higher pension contributions.

[1] Adjusted Measures and Free Cash Flow (FCF): see Non-GAAP Financial Measures.

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Appendix

Operating Trends

(in millions, except EPS)	2022 Q1	2022 Q2	2022 Q3	2022 Q4	2022 FY	2023 Q1	2023 Q2	2023 Q3	2023 Q4	2023 FY
Total Revenue	**$1,668**	**$1,747**	**$1,751**	**$1,941**	**$7,107**	**$1,715**	**$1,754**	**$1,652**	**$1,765**	**$6,886**
% Change	*(2.5)%*	*(2.6)%*	*(0.4)%*	*9.2%*	*1.0%*	*2.8%*	*0.4%*	*(5.7)%*	*(9.1)%*	*(3.1)%*
CC[1] % Change	*(0.7)%*	*1.1%*	*4.7%*	*13.9%*	*4.8%*	*5.5%*	*0.5%*	*(7.4)%*	*(10.6)%*	*(3.3)%*
Adj[1] Operating Margin	(0.2)%	2.0%	3.7%	9.2%	3.9%	6.9%	6.1%	4.1%	5.4%	5.6%
GAAP (Loss) EPS[2]	($0.38)	($0.05)	($2.48)	$0.74	($2.15)	$0.43	($0.41)	$0.28	($0.50)	($0.09)
Adj[1] (Loss) EPS	($0.12)	$0.13	$0.19	$0.89	$1.12	$0.49	$0.44	$0.46	$0.43	$1.82
Operating Cash Flow	$66	($85)	($8)	$186	$159	$78	$95	$124	$389	$686
Free Cash Flow[1]	$50	($98)	($18)	$168	$102	$70	$88	$112	$379	$649

[1] Adjusted measures, Free Cash Flow, and Constant Currency (CC): see Non-GAAP Financial Measures. [2] Both Q3 2022 and FY 2022 GAAP (Loss) per share include an after-tax non-cash goodwill impairment charge of $395 million, or $2.54 per share, respectively. 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 recently announced workforce reduction

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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 Earnings Measures
• Adjusted Net Income (Loss) and Earnings per share (EPS)
• Adjusted Effective Tax Rate

The above measures were 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.

- 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
  - PARC donation
  - Contract termination costs – product supply
  - Accelerated share vesting - stock compensation expense associated with the accelerated vesting of all outstanding equity awards, according to the terms of the award agreement, in connection with the passing of Xerox Holdings Corporation's former CEO.
  - Loss on early extinguishment of debt
  - Tax Indemnification – Conduent

Non-GAAP Financial Measures

Adjusted Operating Income (Loss) 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.

A reconciliation of the estimated adjusted operating income expected to be delivered by the Reinvention to the closest GAAP financial measure, pre-tax income, is not provided because pre-tax income for those periods is not available without unreasonable effort, in part because the amount of estimated restructuring and other incremental costs related to the Reinvention is not available at this time.

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.

Adjusted Net (Loss) Income and EPS Reconciliation

(in millions, except per share amounts)	Q1-22 Net Loss	Q1-22 EPS	Q2-22 Net (Loss) Income	Q2-22 EPS	Q3-22 Net (Loss) Income	Q3-22 EPS	Q4-22 Net Income	Q4-22 EPS	Year Ended December 31, 2022 Net (Loss) Income	Year Ended December 31, 2022 EPS
Reported (1)	$ (56)	$ (0.38)	$ (4)	$ (0.05)	$ (383)	$ (2.48)	$ 121	$ 0.74	$ (322)	$ (2.15)
Goodwill Impairment	-		-		412		-		412	
Restructuring and related costs, net	18		1		22		24		65	
Amortization of intangible assets	11		10		10		11		42	
Non-service retirement-related costs	(7)		(4)		(7)		6		(12)	
Accelerated Share Vesting	-		21		-		-		21	
Loss on early extinguishment of debt	-		4		-		1		5	
Contract termination costs - product supply	33		-		-		-		33	
Income tax on adjustments (2)	(13)		(4)		(21)		(17)		(55)	
Adjusted	$ (14)	$ (0.12)	$ 24	$ 0.13	$ 33	$ 0.19	$ 146	$ 0.89	$ 189	$ 1.12
Dividends on preferred stock used in adjusted EPS calculation (3)		$ 4		$ 3		$ 4		$ -		$ 14
Weighted average shares for adjusted EPS (3)		156		156		157		165		157

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

(2) *Refer to Adjusted Effective Tax Rate Reconciliation.*

(3) *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.*

(in millions, except per share amounts)	Q1-23 Net Income	Q1-23 EPS	Q2-23 Net (Loss) Income	Q2-23 EPS	Q3-23 Net Income	Q3-23 EPS	Q4-23 Net Income	Q4-23 EPS	Year Ended December 31, 2023 Net (Loss) Income	Year Ended December 31, 2023 EPS
Reported (1)	$ 71	$ 0.43	$ (61)	$ (0.41)	$ 49	$ 0.28	$ (58)	$ (0.50)	$ 1	$ (0.09)
PARC donation	-		132		-		-		132	
Restructuring and related costs, net	2		23		10		132		167	
Amortization of intangible assets	11		10		12		10		43	
Non-service retirement-related costs	(1)		11		4		5		19	
Tax indemnification - Conduent	-		-		(7)		-		(7)	
Loss on early extinguishment of debt	-		3		-		7		10	
PARC donation income tax (2)	-		(40)		-		-		(40)	
Income tax on adjustments (2)	(1)		(6)		9		(40)		(38)	
Adjusted	$ 82	$ 0.49	$ 72	$ 0.44	$ 77	$ 0.46	$ 56	$ 0.43	$ 287	$ 1.82
Dividends on preferred stock used in adjusted EPS calculation (3)		$ 4		$ 3		$ 4		$ 3		$ 14
Weighted average shares for adjusted EPS (3)		158		158		159		125		151

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

(2) *Refer to Adjusted Effective Tax Rate Reconciliation.*

(3) *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.*

Adjusted Effective Tax Rate Reconciliation

(in millions)	Q4-23 Pre-Tax (Loss) Income	Q4-23 Income Tax (Benefit) Expense	Q4-23 Effective Tax Rate	Q4-22 Pre-Tax Income	Q4-22 Income Tax Expense	Q4-22 Effective Tax Rate	Year Ended December 31, 2023 Pre-Tax (Loss) Income	Year Ended December 31, 2023 Income Tax (Benefit) Expense	Year Ended December 31, 2023 Effective Tax Rate	Year Ended December 31, 2022 Pre-Tax (Loss) Income	Year Ended December 31, 2022 Income Tax (Benefit) Expense	Year Ended December 31, 2022 Effective Tax Rate
Reported[1]	$ (88)	$ (30)	34.1%	$ 145	$ 24	16.6%	$ (28)	$ (29)	103.6%	$ (325)	$ (3)	0.9%
PARC Donation	-	-		-	-		132	40		-	-	
Goodwill Impairment	-	-		-	-		-	-		412	17	
Non-GAAP Adjustments[2]	154	40		42	17		232	38		154	38	
Adjusted [3]	$ 66	$ 10	15.2%	$ 187	$ 41	21.9%	$ 336	$ 49	14.6%	$ 241	$ 52	21.6%

(1) *Pre-Tax (Loss) Income and Income Tax (benefit) expense.*

(2) *Refer to Adjusted Net Income and EPS reconciliations for details.*

(3) *The tax impact on the Adjusted Pre-Tax Income' is calculated under the same accounting principles applied to the Reported Pre-Tax (Loss) Income under ASC 740, which employs an annual effective tax rate method to the results.*

Adjusted Operating (Loss) Income and Margin Reconciliation

(in millions)	Q1-22 (Loss) Profit	Q1-22 Revenue	Q1-22 Margin	Q2-22 (Loss) Profit	Q2-22 Revenue	Q2-22 Margin	Q3-22 (Loss) Profit	Q3-22 Revenue	Q3-22 Margin	Q4-22 Profit	Q4-22 Revenue	Q4-22 Margin	Year Ended December 31, 2022 (Loss) Profit	Year Ended December 31, 2022 Revenue	Year Ended December 31, 2022 Margin
Reported [1]	$ (56)	$ 1,668		$ (4)	$ 1,747		$ (383)	$ 1,751		$ 121	$ 1,941		$ (322)	$ 7,107	
Income tax (benefit) expense	(31)			1			3			24			(3)		
Pre-tax (loss) income	$ (87)	$ 1,668	(5.2%)	$ (3)	$ 1,747	(0.2%)	$ (380)	$ 1,751	(21.7%)	$ 145	$ 1,941	7.5%	$ (325)	$ 7,107	(4.6%)
Adjustments:															
Goodwill impairment	-			-			412			-			412		
Restructuring and related costs, net	18			1			22			24			65		
Amortization of intangible assets	11			10			10			11			42		
Accelerated Share Vesting	-			21			-			-			21		
Other expenses, net	55			6			1			(2)			60		
Adjusted	$ (3)	$ 1,668	(0.2%)	$ 35	$ 1,747	2.0%	$ 65	$ 1,751	3.7%	$ 178	$ 1,941	9.2%	$ 275	$ 7,107	3.9%

[1] *Pre-Tax (Loss) Income.*

(in millions)	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 Profit	Q4-23 Revenue	Q4-23 Margin	Year Ended December 31, 2023 (Loss) Profit	Year Ended December 31, 2023 Revenue	Year Ended December 31, 2023 Margin
Reported [1]	$ 71	$ 1,715		$ (61)	$ 1,754		$ 49	$ 1,652		$ (58)	$ 1,765		$ 1	$ 6,886	
Income tax (benefit) expense	14			(28)			15			(30)			(29)		
Pre-tax (loss) income	$ 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:															
Restructuring and related costs, net	2			23			10			132			167		
Amortization of intangible assets	11			10			12			10			43		
PARC donation	-			132			-			-			132		
Other expenses, net	20			31			(18)			42			75		
Adjusted	$ 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] *Pre-Tax Income (Loss).*

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Adjusted EBITDA and Margin Reconciliation

(in millions)	Q1-22 (Loss) Profit	Q1-22 Revenue	Q1-22 Margin	Q2-22 (Loss) Profit	Q2-22 Revenue	Q2-22 Margin	Q3-22 (Loss) Profit	Q3-22 Revenue	Q3-22 Margin	Q4-22 Profit	Q4-22 Revenue	Q4-22 Margin	Year Ended December 31, 2022 (Loss) Profit	Year Ended December 31, 2022 Revenue	Year Ended December 31, 2022 Margin
Reported [(1)]	$ (56)	$ 1,668		$ (4)	$ 1,747		$ (383)	$ 1,751		$ 121	$ 1,941		$ (322)	$ 7,107	
Adjustments:															
Other expenses, net [(2)]	55			6			1			(2)			60		
Income tax (benefit) expense	(31)			1			3			24			(3)		
Depreciation and amortization [(3)]	72			68			65			65			270		
Goodwill impairment	-			-			412			-			412		
EBITDA [(4) (6)]	$ 40	$ 1,668	2.4%	$ 71	$ 1,747	4.1%	$ 98	$ 1,751	5.6%	$ 208	$ 1,941	10.7%	$ 417	$ 7,107	5.9%
Adjustments:															
Stock-based compensation	15			35			13			12			75		
Restructuring and related costs, net [(5)]	18			1			22			24			65		
Adjusted EBITDA [(6)]	$ 73	$ 1,668	4.4%	$ 107	$ 1,747	6.1%	$ 133	$ 1,751	7.6%	$ 244	$ 1,941	12.6%	$ 557	$ 7,107	7.8%

(1) *Net (Loss) Income*
(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 FITTLE 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.*

(in millions)	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	Year Ended December 31, 2023 Profit	Year Ended December 31, 2023 Revenue	Year Ended December 31, 2023 Margin
Reported [(1)]	$ 71	$ 1,715		$ (61)	$ 1,754		$ 49	$ 1,652		$ (58)	$ 1,765		$ 1	$ 6,886	
Adjustments:															
Other expenses, net [(2)]	20			31			(18)			42			75		
Income tax (benefit) expense	14			(28)			15			(30)			(29)		
Depreciation and amortization [(3)]	64			62			63			62			251		
EBITDA [(4) (6)]	$ 169	$ 1,715	9.9%	$ 4	$ 1,754	0.2%	$ 109	$ 1,652	6.6%	$ 16	$ 1,765	0.9%	$ 298	$ 6,886	4.3%
Adjustments:															
Stock-based compensation	14			14			12			14			54		
Restructuring and related costs, net [(5)]	2			23			10			132			167		
PARC donation	-			132			-			-			132		
Adjusted EBITDA [(6)]	$ 185	$ 1,715	10.8%	$ 173	$ 1,754	9.9%	$ 131	$ 1,652	7.9%	$ 162	$ 1,765	9.2%	$ 651	$ 6,886	9.5%

(1) *Net (Loss) Income*
(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 FITTLE 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.*

Free Cash Flow Reconciliation

(in millions)	Q1-22	Q2-22	Q3-22	Q4-22	Year Ended December 31, 2022	Q1-23	Q2-23	Q3-23	Q4-23	Year Ended December 31, 2023
Reported[(1)]	$66	($85)	($8)	$186	$159	$78	$95	$124	$389	$686
Less: capital expenditures	16	13	10	18	57	8	7	12	10	37
Free Cash Flow	$50	($98)	($18)	$168	$102	$70	$88	$112	$379	$649
Add: one-time contract termination charge - product supply	-	41	-	-	41	-	-	-	-	-
Free Cash Flow - Adjusted	$50	($57)	($18)	$168	$143	$70	$88	$112	$379	$649

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

Other Expenses, net Reconciliation

(in millions)	Three Months Ended December 31, 2023	Three Months Ended December 31, 2022	Year Ended December 31, 2023	Year Ended December 31, 2022
Reported	$ 42	$ (2)	$ 75	$ 60
Less: non-service retirement-related costs	5	6	19	(12)
Adjusted	$ 37	$ (8)	$ 56	$ 72

Adjusted Operating Income and Margin – Guidance

	FY 2024		
(in millions)	Profit	Revenue (CC) [2, 3]	Margin
Estimated [1]	~$335	~$6,610	~5.1%
Adjustments:			
Restructuring and related costs, net	40		
Amortization of intangible assets	40		
Other expenses, net	85		
Adjusted [4]	~$500	~$6,610	At least 7.5%

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

(2) *Full-year revenue is estimated to decline 3% to 5% in constant currency. Revenue of $6.6 billion reflects the midpoint of the guidance range.*

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

(4) *Adjusted pre-tax income reflects the mid-point of the adjusted operating margin guidance range.*

Free Cash Flow – Guidance

(in millions)	FY 2024
Operating Cash Flow[1]	At least $650
Less: capital expenditures	50
Free Cash Flow	At least $600

[1] *Net cash provided by operating activities.*