

**Xerox Holdings Financial Model
(unaudited)**

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

	2021					2022					2023			
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	YTD
Gross Margins														
- Sales	30.2%	30.1%	24.2%	27.1%	27.9%	26.5%	27.0%	26.4%	32.8%	28.5%	35.5%	35.1%	32.5%	34.4%
- Services/Maintenance/Rentals	38.2%	38.3%	36.7%	35.4%	37.1%	33.6%	34.1%	34.8%	36.1%	34.7%	33.8%	33.5%	32.3%	33.2%
- Financing	49.1%	50.0%	47.3%	52.7%	49.8%	54.7%	50.0%	45.1%	41.2%	47.8%	30.8%	30.6%	34.8%	32.0%
- Total	35.7%	35.6%	32.4%	32.9%	34.1%	31.8%	31.9%	31.8%	34.8%	32.6%	34.3%	34.0%	32.4%	33.6%
SAG as a % of Revenue	26.2%	24.2%	23.5%	23.8%	24.4%	27.3%	26.3%	23.9%	22.1%	24.8%	23.7%	24.7%	25.2%	24.5%
Tax Rate	26.4%	9.1%	-4.8%	5.1%	3.6%	34.8%	-20.0%	-0.8%	16.4%	0.9%	16.5%	31.5%	23.8%	1.7%
Ending Xerox Employment	24,600	24,000	23,600	23,300	23,300	23,400	22,700	21,200	20,500	20,500	20,300	20,300	20,100	20,100

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

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

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

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

	2021					2022					2023			
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	YTD
Revenues														
Sales	602	670	657	653	2,582	592	667	690	851	2,800	659	696	644	1,999
Services, maintenance and rentals	1,053	1,067	1,046	1,069	4,235	1,023	1,028	1,010	1,039	4,100	1,004	1,009	962	2,975
Financing	55	56	55	55	221	53	52	51	51	207	52	49	46	147
Total Revenues	1,710	1,793	1,758	1,777	7,038	1,668	1,747	1,751	1,941	7,107	1,715	1,754	1,652	5,121
Cost of Revenue														
Cost of sales	420	468	498	476	1,862	435	487	508	572	2,002	425	452	435	1,312
Cost of services, maintenance and rentals	651	658	662	691	2,662	679	677	659	664	2,679	665	671	651	1,987
Cost of financing	28	28	29	26	111	24	26	28	30	108	36	34	30	100
Total Cost of Revenue	1,099	1,154	1,189	1,193	4,635	1,138	1,190	1,195	1,266	4,789	1,126	1,157	1,116	3,399
Gross Profit														
Sales gross profit	182	202	159	177	720	157	180	182	279	798	234	244	209	687
Services, maintenance and rentals gross profit	402	409	384	378	1,573	344	351	351	375	1,421	339	338	311	988
Financing gross profit	27	28	26	29	110	29	26	23	21	99	16	15	16	47
Gross Profit	611	639	569	584	2,403	530	557	556	675	2,318	589	597	536	1,722
Research, development & engineering	74	79	82	75	310	78	84	73	69	304	64	57	52	173
Bad Debt Expense	10	3	(4)	(2)	7	15	7	7	14	43	(8)	15	10	17
Selling, administrative and general exp. (Excl Bad Debts)	438	431	417	425	1,711	440	452	411	414	1,717	415	418	406	1,239
Total Selling, administrative and general exp.	448	434	413	423	1,718	455	459	418	428	1,760	407	433	416	1,256
Non-financing interest expense	24	24	23	25	96	29	23	21	18	91	14	12	14	40
Aggregate Exchange losses	2	1	-	1	7	-	1	1	11	13	11	5	6	22
All other, net	(2)	(2)	(37)	3	(38)	2	(37)	(14)	(39)	(88)	(4)	-	(34)	(38)
Total Other, net	24	23	(14)	29	65	31	(13)	8	(10)	16	21	17	(14)	24
Total Costs and Expenses	1,645	1,690	1,670	1,720	6,728	1,702	1,720	1,694	1,753	6,869	1,618	1,664	1,570	4,852
Income (Loss) before Income Taxes & Equity Income	65	103	88	57	310	(34)	27	57	188	238	97	90	82	269
Income Taxes	18	10	(3)	(5)	20	(18)	5	24	41	52	15	18	6	39
Equity in Net Income of Unconsol. Affil.	-	1	1	1	3	1	1	1	-	3	-	1	1	2
Income from Operations	47	94	92	63	293	(15)	23	34	147	189	82	73	77	232
Less: Net (Loss) Income attributable to Noncontrolling Interests	-	-	(1)	1	-	(1)	(1)	1	1	-	-	1	-	1
Net Income (Loss) Attributable to Xerox Holdings	47	94	93	62	293	(14)	24	33	146	189	82	72	77	231

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

	2021					2022					2023			
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	YTD
Earnings Per Share														
Operations:	0.22	0.47	0.48	0.34	1.51	(0.12)	0.13	0.19	0.89	1.12	0.49	0.44	0.46	1.39
Preferred Dividends - Adjusted EPS **	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjusted Earnings per Share	0.22	0.47	0.48	0.34	1.51	(0.12)	0.13	0.19	0.89	1.12	0.49	0.44	0.46	1.39
Adjusted Weighted Average Shares **	198	189	182	173	185	156	155	156	165	157	158	158	159	158
Key Ratios - Adjusted:														
Gross Margins														
- Sales	30.2%	30.1%	24.2%	27.1%	27.9%	26.5%	27.0%	26.4%	32.8%	28.5%	35.5%	35.1%	32.5%	34.4%
- Services/Maintenance/Rentals	38.2%	38.3%	36.7%	35.4%	37.1%	33.6%	34.1%	34.8%	36.1%	34.7%	33.8%	33.5%	32.3%	33.2%
- Financing	49.1%	50.0%	47.3%	52.7%	49.8%	54.7%	50.0%	45.1%	41.2%	47.8%	30.8%	30.6%	34.8%	32.0%
- Total	35.7%	35.6%	32.4%	32.9%	34.1%	31.8%	31.9%	31.8%	34.8%	32.6%	34.3%	34.0%	32.4%	33.6%
Adjusted Operating Margin	5.2%	7.0%	4.2%	4.8%	5.3%	-0.2%	2.0%	3.7%	9.2%	3.9%	6.9%	6.1%	4.1%	5.7%
SAG as a % of Revenue	26.2%	24.2%	23.5%	23.8%	24.4%	27.3%	26.3%	23.9%	22.1%	24.8%	23.7%	24.7%	25.2%	24.5%
Adjusted Effective Tax Rate	27.7%	9.7%	-3.5%	-8.8%	6.5%	52.9%	18.5%	42.1%	21.8%	21.8%	15.5%	20.0%	7.3%	14.5%
Non-GAAP Adjustments:														
Goodwill Impairment	-	-	-	781	781	-	-	412	-	412	-	-	-	-
Restructuring and related costs	17	12	10	(1)	38	18	1	22	24	65	2	23	10	35
Amortization of intangible assets	15	14	13	13	55	11	10	10	11	42	11	10	12	33
Non-service retirement-related costs	(20)	(22)	(22)	(25)	(89)	(7)	(4)	(7)	6	(12)	(1)	11	4	14
PARC Donation	-	-	-	-	-	-	-	-	-	-	-	132	-	132
Loss on extinguishment of debt	-	-	-	-	-	-	4	-	1	5	-	3	-	3
Contract termination cost - product supply	-	-	-	-	-	33	-	-	-	33	-	-	-	-
Tax indemnification - Conduent	-	-	-	-	-	-	-	-	-	-	-	-	(7)	(7)
CEO Accelerated Share Vesting	-	-	-	-	-	-	21	-	-	21	-	-	-	-
Tax on adjusted items	(4)	(1)	(1)	(31)	(37)	(13)	(4)	(21)	(17)	(55)	(1)	(46)	9	(38)
Total Non-GAAP Adjustments	8	3	-	737	748	42	28	416	25	511	11	133	28	172

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(unaudited)**

(in \$ millions)	2021					2022					2023				2023 QOQ CC % Change	2023 YOY CC % Change
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	YTD	Q3	YTD
Revenue																
Entry	68	69	69	76	282	61	66	74	79	280	62	63	56	181	(25.3)%	(10.0)%
Mid-range	238	276	244	214	972	194	221	246	369	1,030	252	270	260	782	4.3%	18.4%
High-end	70	80	68	86	304	54	76	65	100	295	73	82	67	222	0.5%	13.9%
Other	5	4	6	8	23	5	3	5	6	19	4	5	3	12	(40.0)%	(7.7)%
Total Equipment Revenue	381	429	387	384	1,581	314	366	390	554	1,624	391	420	386	1,197	(2.1)%	12.1%
Americas	1,076	1,133	1,127	1,096	4,432	1,071	1,150	1,140	1,277	4,638	1,114	1,154	1,103	3,371	(3.6)%	0.5%
EMEA	587	617	594	636	2,434	554	551	567	619	2,291	556	570	526	1,652	(12.1)%	(0.7)%
Other	47	43	37	45	172	43	46	44	45	178	45	30	23	98	(47.7)%	(26.3)%
Total Revenue	1,710	1,793	1,758	1,777	7,038	1,668	1,747	1,751	1,941	7,107	1,715	1,754	1,652	5,121	(7.4)%	(0.6)%
Installs																
Entry																
Color	14%	21%	24%	13%		15%	69%	18%	3%		(9)%	(43)%	(52)%	(37)%		
B&W	99%	75%	(8)%	32%		(44)%	(36)%	(24)%	(49)%		(1)%	(5)%	(28)%	(12)%		
Mid-range																
Color	11%	62%	1%	(22)%		(8)%	(17)%	10%	56%		26%	21%	(18)%	7%		
B&W	13%	36%	20%	(28)%		(61)%	(22)%	(21)%	68%		160%	16%	(10)%	31%		
High-end																
Color	46%	27%	(7)%	-		(29)%	13%	1%	1%		84%	8%	15%	30%		
B&W	18%	47%	34%	(5)%		(15)%	(29)%	(10)%	(8)%		(23)%	(8)%	(16)%	(16)%		

Notes:

CC = Constant Currency