

**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	
Sales	602	670	657	653	2,582	592	667	690	851	2,800	659	
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	
Financing	55	56	55	55	221	53	52	51	51	207	52	
<b>Total Revenues</b>	<b>1,710</b>	<b>1,793</b>	<b>1,758</b>	<b>1,777</b>	<b>7,038</b>	<b>1,668</b>	<b>1,747</b>	<b>1,751</b>	<b>1,941</b>	<b>7,107</b>	<b>1,715</b>	
<b>Cost of Revenue</b>												
Cost of sales	420	468	498	476	1,862	435	487	508	572	2,002	425	
Cost of services, maintenance, and rentals	651	658	662	691	2,662	679	677	659	664	2,679	665	
Cost of financing	28	28	29	26	111	24	26	28	30	108	36	
<b>Total Cost of Revenue</b>	<b>1,099</b>	<b>1,154</b>	<b>1,189</b>	<b>1,193</b>	<b>4,635</b>	<b>1,138</b>	<b>1,190</b>	<b>1,195</b>	<b>1,266</b>	<b>4,789</b>	<b>1,126</b>	
<b>Gross Profit</b>												
Sales gross profit	182	202	159	177	720	157	180	182	279	798	234	
Services, maintenance and rentals gross profit	402	409	384	378	1,573	344	351	351	375	1,421	339	
Financing gross profit	27	28	26	29	110	29	26	23	21	99	16	
<b>Gross Profit</b>	<b>611</b>	<b>639</b>	<b>569</b>	<b>584</b>	<b>2,403</b>	<b>530</b>	<b>557</b>	<b>556</b>	<b>675</b>	<b>2,318</b>	<b>589</b>	
<b>Research, development &amp; engineering</b>	<b>74</b>	<b>79</b>	<b>82</b>	<b>75</b>	<b>310</b>	<b>78</b>	<b>84</b>	<b>73</b>	<b>69</b>	304	<b>64</b>	
Bad Debt Expense	10	3	(4)	(2)	7	15	7	7	14	43	(8)	
Selling, administrative and general exp. (Excl Bad Debts)	438	431	417	425	1,711	440	452	411	414	1,717	415	
<b>Total Selling, administrative and general exp.</b>	<b>448</b>	<b>434</b>	<b>413</b>	<b>423</b>	<b>1,718</b>	<b>455</b>	<b>459</b>	<b>418</b>	<b>428</b>	<b>1,760</b>	<b>407</b>	
Non-financing interest expense	24	24	23	25	96	29	23	21	18	91	14	
Aggregate Exchange losses	2	1	3	1	7	-	1	1	11	13	11	
All other, net	(22)	(24)	(59)	(22)	(127)	28	(16)	(21)	(32)	(41)	(5)	
<b>Total Other, net</b>	<b>4</b>	<b>1</b>	<b>(33)</b>	<b>4</b>	<b>(24)</b>	<b>57</b>	<b>8</b>	<b>1</b>	<b>(3)</b>	<b>63</b>	<b>20</b>	
Goodwill impairment	-	-	-	781	781	-	-	412	-	412	-	
Restructuring and related costs	17	12	10	(1)	38	18	1	22	24	65	2	
Amortization of intangible assets	15	14	13	13	55	11	10	10	11	42	11	
<b>Total Costs and Expenses</b>	<b>1,657</b>	<b>1,694</b>	<b>1,674</b>	<b>2,488</b>	<b>7,513</b>	<b>1,757</b>	<b>1,752</b>	<b>2,131</b>	<b>1,795</b>	<b>7,435</b>	<b>1,630</b>	
<b>Income (Loss) before Income Taxes &amp; Equity Income</b>	<b>53</b>	<b>99</b>	<b>84</b>	<b>(711)</b>	<b>(475)</b>	<b>(89)</b>	<b>(5)</b>	<b>(380)</b>	<b>146</b>	<b>(328)</b>	<b>85</b>	
Income Taxes	14	9	(4)	(36)	(17)	(31)	1	3	24	(3)	14	
Equity in net income of unconsolidated affiliates	-	1	1	1	3	1	1	1	-	3	-	
<b>Net Income (Loss)</b>	<b>39</b>	<b>91</b>	<b>89</b>	<b>(674)</b>	<b>(455)</b>	<b>(57)</b>	<b>(5)</b>	<b>(382)</b>	<b>122</b>	<b>(322)</b>	<b>71</b>	
Less: (Loss) Income attributable to noncontrolling interests	-	-	(1)	1	-	(1)	(1)	1	1	-	-	
<b>Net Income (Loss) Attributable to Xerox Holdings</b>	<b>39</b>	<b>91</b>	<b>90</b>	<b>(675)</b>	<b>(455)</b>	<b>(56)</b>	<b>(4)</b>	<b>(383)</b>	<b>121</b>	<b>(322)</b>	<b>71</b>	
<b>Preferred Dividends/</b>	- Basic											
<b>Other</b>	- Diluted **											
		4	3	4	3	14	4	3	4	3	14	4
		4	3	4	3	14	4	3	4	-	14	4

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(unaudited)**

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

		2021					2022					2023
		Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1
<b>Weighted Average Shares</b>	- Basic	196	187	179	171	183	156	155	156	156	156	157
	- Diluted **	198	187	179	173	185	156	155	156	156	156	157
<b>Earnings Per Share</b>												
Total Basic Earnings (Loss) per Share		0.18	0.47	0.48	(3.97)	(2.56)	(0.38)	(0.05)	(2.48)	0.76	(2.15)	0.43
Total Diluted Earnings (Loss) per Share		0.18	0.46	0.48	(3.97)	(2.56)	(0.38)	(0.05)	(2.48)	0.74	(2.15)	0.43
<b>Key Ratios - GAAP:</b>												
<b>Gross Margins</b>												
- Sales		30.2%	30.1%	24.2%	27.1%	27.9%	26.5%	27.0%	26.4%	32.8%	28.5%	35.5%
- 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%
- Financing		49.1%	50.0%	47.3%	52.7%	49.8%	54.7%	50.0%	45.1%	41.2%	47.8%	30.8%
- Total		35.7%	35.6%	32.4%	32.9%	34.1%	31.8%	31.9%	31.8%	34.8%	32.6%	34.3%
<b>SAG as a % of Revenue</b>		26.2%	24.2%	23.5%	23.8%	24.4%	27.3%	26.3%	23.9%	22.1%	24.8%	23.7%
<b>Tax Rate</b>		26.4%	9.1%	-4.8%	5.1%	3.6%	34.8%	-20.0%	-0.8%	16.4%	0.9%	16.5%
<b>Ending Xerox Employment</b>		24,600	24,000	23,600	23,300	23,300	23,400	22,700	21,200	20,500	20,500	20,300

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

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

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

<b>Revenues</b>	
Sales	
Services, maintenance and rentals	
Financing	
<b>Total Revenues</b>	
<b>Cost of Revenue</b>	
Cost of sales	
Cost of services, maintenance and rentals	
Cost of financing	
<b>Total Cost of Revenue</b>	
<b>Gross Profit</b>	
Sales gross profit	
Services, maintenance and rentals gross profit	
Financing gross profit	
<b>Gross Profit</b>	
<b>Research, development &amp; engineering</b>	
Bad Debt Expense	
Selling, administrative and general exp. (Excl Bad Debts)	
<b>Total Selling, administrative and general exp.</b>	
Non-financing interest expense	
Aggregate Exchange losses	
All other, net	
<b>Total Other, net</b>	
<b>Total Costs and Expenses</b>	
<b>Income (Loss) before Income Taxes &amp; Equity Income</b>	
Income Taxes	
Equity in Net Income of Unconsol. Affil.	
<b>Income from Operations</b>	
Less: Net (Loss) Income attributable to Noncontrolling Interests	
<b>Net Income (Loss) Attributable to Xerox Holdings</b>	

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

2021					2022					2023
Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1
602	670	657	653	2,582	592	667	690	851	2,800	659
1,053	1,067	1,046	1,069	4,235	1,023	1,028	1,010	1,039	4,100	1,004
55	56	55	55	221	53	52	51	51	207	52
<b>1,710</b>	<b>1,793</b>	<b>1,758</b>	<b>1,777</b>	<b>7,038</b>	<b>1,668</b>	<b>1,747</b>	<b>1,751</b>	<b>1,941</b>	<b>7,107</b>	<b>1,715</b>
420	468	498	476	1,862	435	487	508	572	2,002	425
651	658	662	691	2,662	679	677	659	664	2,679	665
28	28	29	26	111	24	26	28	30	108	36
<b>1,099</b>	<b>1,154</b>	<b>1,189</b>	<b>1,193</b>	<b>4,635</b>	<b>1,138</b>	<b>1,190</b>	<b>1,195</b>	<b>1,266</b>	<b>4,789</b>	<b>1,126</b>
182	202	159	177	720	157	180	182	279	798	234
402	409	384	378	1,573	344	351	351	375	1,421	339
27	28	26	29	110	29	26	23	21	99	16
<b>611</b>	<b>639</b>	<b>569</b>	<b>584</b>	<b>2,403</b>	<b>530</b>	<b>557</b>	<b>556</b>	<b>675</b>	<b>2,318</b>	<b>589</b>
<b>74</b>	<b>79</b>	<b>82</b>	<b>75</b>	<b>310</b>	<b>78</b>	<b>84</b>	<b>73</b>	<b>69</b>	<b>304</b>	<b>64</b>
10	3	(4)	(2)	7	15	7	7	14	43	(8)
438	431	417	425	1,711	440	452	411	414	1,717	415
<b>448</b>	<b>434</b>	<b>413</b>	<b>423</b>	<b>1,718</b>	<b>455</b>	<b>459</b>	<b>418</b>	<b>428</b>	<b>1,760</b>	<b>407</b>
24	24	23	25	96	29	23	21	18	91	14
2	1	3	1	7	-	1	1	11	13	11
(2)	(2)	(37)	3	(38)	2	(37)	(14)	(39)	(88)	(4)
<b>24</b>	<b>23</b>	<b>(11)</b>	<b>29</b>	<b>65</b>	<b>31</b>	<b>(13)</b>	<b>8</b>	<b>(10)</b>	<b>16</b>	<b>21</b>
<b>1,645</b>	<b>1,690</b>	<b>1,673</b>	<b>1,720</b>	<b>6,728</b>	<b>1,702</b>	<b>1,720</b>	<b>1,694</b>	<b>1,753</b>	<b>6,869</b>	<b>1,618</b>
65	103	85	57	310	(34)	27	57	188	238	97
18	10	(3)	(5)	20	(18)	5	24	41	52	15
-	1	1	1	3	1	1	1	-	3	-
47	94	89	63	293	(15)	23	34	147	189	82
-	-	(1)	1	-	(1)	(1)	1	1	-	-
<b>47</b>	<b>94</b>	<b>90</b>	<b>62</b>	<b>293</b>	<b>(14)</b>	<b>24</b>	<b>33</b>	<b>146</b>	<b>189</b>	<b>82</b>

**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
<b>Earnings Per Share</b>												
	Operations:	0.22	0.47	0.48	0.34	1.51	(0.12)	0.13	0.19	0.89	1.12	0.49
	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
	Adjusted Weighted Average Shares **	198	189	182	173	185	156	155	156	165	157	158
<b>Key Ratios - Adjusted:</b>												
<b>Gross Margins</b>	- Sales	30.2%	30.1%	24.2%	27.1%	27.9%	26.5%	27.0%	26.4%	32.8%	28.5%	35.5%
	- 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%
	- Financing	49.1%	50.0%	47.3%	52.7%	49.8%	54.7%	50.0%	45.1%	41.2%	47.8%	30.8%
	- Total	35.7%	35.6%	32.4%	32.9%	34.1%	31.8%	31.9%	31.8%	34.8%	32.6%	34.3%
	<b>Adjusted Operating Margin</b>	5.2%	7.0%	4.2%	4.8%	5.3%	-0.2%	2.0%	3.7%	9.2%	3.9%	6.9%
	<b>SAG as a % of Revenue</b>	26.2%	24.2%	23.5%	23.8%	24.4%	27.3%	26.3%	23.9%	22.1%	24.8%	23.7%
	<b>Adjusted Effective Tax Rate</b>	27.7%	9.7%	-3.5%	-8.8%	6.5%	52.9%	18.5%	42.1%	21.8%	21.8%	15.5%
<b>Non-GAAP Adjustments:</b>												
	Goodwill Impairment	-	-	-	781	781	-	-	412	-	412	-
	Restructuring and related costs	17	12	10	(1)	38	18	1	22	24	65	2
	Amortization of intangible assets	15	14	13	13	55	11	10	10	11	42	11
	Non-service retirement-related costs	(20)	(22)	(22)	(25)	(89)	(7)	(4)	(7)	6	(12)	(1)
	Loss on extinguishment of debt	-	-	-	-	-	-	4	-	1	5	-
	Contract termination cost - product supply	-	-	-	-	-	33	-	-	-	33	-
	CEO Accelerated Share Vesting	-	-	-	-	-	-	21	-	-	21	-
	Tax on adjusted items	(4)	(1)	(1)	(31)	(37)	(13)	(4)	(21)	(17)	(55)	(1)
	<b>Total Non-GAAP Adjustments</b>	<b>8</b>	<b>3</b>	<b>-</b>	<b>737</b>	<b>748</b>	<b>42</b>	<b>28</b>	<b>416</b>	<b>25</b>	<b>511</b>	<b>11</b>

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

**Xerox Holdings Financial Model  
(unaudited)**

(in \$ millions)	2021					2022					2023	2023
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1	Q1
<b>Revenue</b>												
Entry	68	69	69	76	282	61	66	74	79	280	62	2.3%
Mid-range	238	276	244	214	972	194	221	246	369	1,030	252	32.4%
High-end	70	80	68	86	304	54	76	65	100	295	73	38.3%
Other	5	4	6	8	23	5	3	5	6	19	4	(20.0)%
<b>Total Equipment Revenue</b>	<b>381</b>	<b>429</b>	<b>387</b>	<b>384</b>	<b>1,581</b>	<b>314</b>	<b>366</b>	<b>390</b>	<b>554</b>	<b>1,624</b>	<b>391</b>	<b>27.0%</b>
Americas	1,076	1,133	1,127	1,096	4,432	1,071	1,150	1,140	1,277	4,638	1,114	4.6%
EMEA	587	617	594	636	2,434	554	551	567	619	2,291	556	7.3%
Other	47	43	37	45	172	43	46	44	45	178	45	4.7%
<b>Total Revenue</b>	<b>1,710</b>	<b>1,793</b>	<b>1,758</b>	<b>1,777</b>	<b>7,038</b>	<b>1,668</b>	<b>1,747</b>	<b>1,751</b>	<b>1,941</b>	<b>7,107</b>	<b>1,715</b>	<b>5.5%</b>
<b>Installs</b>												
<b>Entry</b>												
Color	14%	21%	24%	13%		15%	69%	18%	3%		(9)%	
B&W	99%	75%	(8)%	32%		(44)%	(36)%	(24)%	(49)%		(1)%	
<b>Mid-range</b>												
Color	11%	62%	1%	(22)%		(8)%	(17)%	10%	56%		26%	
B&W	13%	36%	20%	(28)%		(61)%	(22)%	(21)%	68%		100%+	
<b>High-end</b>												
Color	46%	27%	(7)%	-		(29)%	13%	1%	1%		84%	
B&W	18%	47%	34%	(5)%		(15)%	(29)%	(10)%	(8)%		(23)%	

CC = Constant Currency