Xerox Holdings Corporation Announces Full Exercise of Over-Allotment Option for its 3.75% Convertible Senior Notes due 2029, and Completion of Series of Financing Transactions

March 25, 2024

NORWALK, Conn.--(BUSINESS WIRE)--Mar. 25, 2024-- Xerox Holdings Corporation (NASDAQ: XRX) (the "Company") today announced the full exercise of the over-allotment option for its offering of 3.75% Convertible Senior Notes due 2030 (the "Convertible Notes"), raising an additional $50,000,000 and bringing the total gross proceeds from the Convertible Notes offering to $400,000,000. This announcement follows the Company's announcements last week of the closing of its offering of $500,000,000 aggregate principal amount of 8.875% Senior Notes due 2029 (the "Senior Notes"), as well as the early settlement of its previously announced cash tender offers, resulting in the repurchase of $82,842,000 aggregate principal amount of its 3.800% senior notes due 2024 ("2024 Notes") and $362,000,000 aggregate principal amount of its 5.000% senior notes due 2025 ("2025 Notes").

"The recently completed note offerings and repurchase of our 2024 and 2025 Notes greatly enhance the Company's financial flexibility as we execute Xerox's Reinvention and invest in our growing Digital and IT businesses," said Xavier Heiss, Chief Financial Officer of Xerox Holdings Corporation. "We intend to use the remaining net proceeds to repay the balance of the 2024 Notes at maturity and a portion of our other outstanding indebtedness, resulting in a cost-effective extension of our debt maturity profile. We are pleased with the outcome of the note offerings, with strong demand for both the Convertible Notes and Senior Notes allowing us to upsize the final issuance size of each offering."

The aggregate principal amount of the Convertible Notes is convertible into cash only and the remainder, if any, can be settled in cash, stock or a combination thereof, at the Company's election. To further reduce potential dilution to the holders of the Company's common stock upon conversion of the Convertible Notes, the Company entered into privately negotiated capped call transactions which effectively raise the strike price on the Convertible Notes from $20.84 to $28.34 (~70% effective conversion premium relative to the last reported sale price as of the pricing date of March 6, 2024).

The offerings of the Convertible Notes and Senior Notes were made in private placements to persons reasonably believed to be qualified institutional buyers pursuant to Rule 144A under the Securities Act of 1933, as amended (the "Act"), and, in the case of the Senior Notes offering, to non- U.S. persons outside the United States pursuant to Regulation S under the Act.

This press release shall not constitute an offer to sell, or a solicitation of an offer to buy, the Convertible Notes or the Senior Notes, the related guarantees or any other security, and shall not constitute an offer, solicitation or sale of any securities in any state or jurisdiction in which, or to any persons to whom, such offering, solicitation or sale would be unlawful. In addition, this press release shall not constitute an offer to purchase or a solicitation of an offer to purchase the 2024 Notes or the 2025 Notes. Any tender offer will be made solely pursuant to an offer to purchase to the holders of the 2024 Notes and the 2025 Notes.

About Xerox Holdings Corporation (NASDAQ: XRX)

For more than 100 years, Xerox has continually redefined the workplace experience. Harnessing our leadership position in office and production print technology, we've expanded into software and services to sustainably power the hybrid workplace of today and tomorrow. Today, Xerox is continuing its legacy of innovation to deliver client-centric and digitally-driven technology solutions and meet the needs of today's global, distributed workforce. From the office to industrial environments, our differentiated business and technology offerings and financial services are essential workplace technology solutions that drive success for our clients. At Xerox, we make work, work.

Forward-Looking Statements

This release 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 anticorruption 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 release and does not undertake to update or revise them

as more information becomes available, except as required by law.

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Source: Xerox Holdings Corporation