Xerox Acquires ITsavvy to Grow IT Services Presence

October 17, 2024

NORWALK, Conn.--(BUSINESS WIRE)--Oct. 17, 2024-- Xerox Holdings Corporation (NASDAQ: XRX) today announced it has agreed to acquire ITsavvy, an Oak Brook, Illinois-based provider of integrated IT products and associated services, for $400 million consisting of a $180 million cash payment and secured promissory notes totaling $220 million, subject to certain customary pre- and post-closing adjustments and escrow arrangements. The transaction is expected to close during the fourth quarter of 2024 and remains subject to merger clearance control. ITsavvy is a portfolio company of GenNx360 Capital Partners, a New York-based private equity firm.

"As part of our Reinvention we have created a greater organizational focus on our emerging IT Services capabilities to diversify our revenue streams in the geographies we serve," said John Bruno, president and chief operating officer at Xerox. “ITsavvy’s complementary offerings, aligned with our strong reputation, should accelerate growth in the United States, Canada, and the United Kingdom, while creating new avenues for us to help existing and new clients transform the way they work. They have a proven track record of success, and we look forward to bringing this highly capable and experienced team into the fold.”

ITsavvy is a leading provider of integrated IT infrastructure solutions, delivering business outcomes through frictionless client experiences across multiple segments and industries. Founded in 2004, ITsavvy has grown its revenue to more than $400 million on a trailing twelve-month basis by offering a comprehensive suite of lifecycle, deployment, and managed IT services to assist with clients’ most critical networking, cloud migration and workplace productivity needs.

“We are thrilled to join the Xerox team and eager to contribute to the growth of Xerox IT Services,” said Munu Gandhi, chief executive officer at ITsavvy. “Together with Xerox, we plan to expand the portfolio of high-value services for our growing client base throughout the U.S., U.K. and Canada.”

This acquisition supports the company’s Reinvention and commitment to expand its IT Services business, while continuously bringing innovative solutions to Xerox clients’ workplaces. The acquisition is expected to be immediately accretive to adjusted earnings per share and free cash flow. Xerox management will further discuss the acquisition during its third quarter 2024 results.

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 most recent Annual Report on Form 10-K. 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.

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. Learn more at www.xerox.com and explore our commitment to diversity and inclusion.

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Media Contact:
Justin Capella, Justin.Capella@xerox.com, +1-203-258-6535

Investor Contact:
David Beckel, David.Beckel@xerox.com, +1-203-849-2318

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