UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended: June 30, 2026

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

XEROX HOLDINGS CORPORATION
XEROX CORPORATION

(Exact Name of Registrant as specified in its charter)

(State or other jurisdiction of incorporation or organization)	(Commission File Number)	(IRS Employer Identification No.)
New York	001-39013	83-3933743
New York	001-04471	16-0468020

P.O. Box 4505, 401 Merritt 7
Norwalk, Connecticut 06851-1059
(Address of principal executive offices and Zip Code)

(203) 849-5216
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

(Title of each class)	(Trading Symbol)	(Name of each exchange on which registered)
Xerox Holdings Corporation Common Stock, $1 par value	XRX	Nasdaq Global Select Market
Xerox Holdings Corporation Warrants to Purchase Common Stock, $1 par value	XRXDW	Nasdaq Global Select Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Xerox Holdings Corporation Yes ☒ No ☐ **Xerox Corporation** Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Xerox Holdings Corporation Yes ☒ No ☐ **Xerox Corporation** Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company” and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Xerox Holdings Corporation		**Xerox Corporation**	
Large accelerated filer	☒	Large accelerated filer	☐
Accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☐	Non-accelerated filer	☒
Smaller reporting company	☐	Smaller reporting company	☐
Emerging growth company	☐	Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Xerox Holdings Corporation ☐ **Xerox Corporation** ☐

Indicate by a check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Xerox Holdings Corporation Yes ☐ No ☒ **Xerox Corporation** Yes ☐ No ☒

Class	Outstanding at July 31, 2026
Xerox Holdings Corporation Common Stock, $1 par value	131,314,511 shares

XEROX HOLDINGS CORPORATION
XEROX CORPORATION
FORM 10-Q
June 30, 2026

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For additional information about Xerox Holdings Corporation and Xerox Corporation and access to our Annual Reports to Shareholders and SEC filings, free of charge, please visit our website at www.xerox.com/investor. The content of our website is not incorporated by reference into this combined Form 10-Q unless expressly noted.

Cautionary Statement Regarding Forward-Looking Statements

This combined Quarterly Report on Form 10-Q (Form 10-Q), 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 that involve certain risks and uncertainties. The words “anticipate”, “believe”, “estimate”, “expect”, “intend”, “will”, “would”, “could”, “can” “should”, “targeting”, “projecting”, “driving”, “future”, “plan”, “predict”, “may” and similar expressions are intended to identify forward-looking statements. Forward-looking statements are not guarantees of future performance and the Company’s actual results may differ significantly from the results discussed in the forward-looking statements. These forward-looking statements speak only as of the date of this document or as of the date to which they refer, and we assume no obligation to update any forward-looking statements as a result of new information or future events or developments, except as required by law. Factors that might cause such differences include, but are not limited to, those discussed in the Company’s Securities and Exchange Commission filings, including the Company’s reports on Forms 10-K and 10-Q. The Company assumes no obligation to revise or update any forward-looking statements for any reason, except as required by law.

Throughout this Form 10-Q, references to “Xerox Holdings” refer to Xerox Holdings Corporation and its consolidated subsidiaries while references to “Xerox” refer to Xerox Corporation and its consolidated subsidiaries. References herein to “we,” “us,” “our,” or the “Company” refer collectively to both Xerox Holdings and Xerox unless the context suggests otherwise. References to “Xerox Holdings Corporation” refer to the stand-alone parent company and do not include its subsidiaries. References to “Xerox Corporation” refer to the stand-alone company and do not include subsidiaries.

Xerox Holdings Corporation's primary direct operating subsidiary is Xerox and therefore Xerox reflects nearly all of Xerox Holdings' operations.

PART I — FINANCIAL INFORMATION
ITEM 1 — FINANCIAL STATEMENTS

XEROX HOLDINGS CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF INCOME (LOSS) (UNAUDITED)

	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions, except per-share data)	2026	2025	2026	2025
Revenues				
Sales	$ 996	$ 665	$ 1,916	$ 1,222
Services, maintenance, rentals and other	926	911	1,852	1,811
Total Revenues	1,922	1,576	3,768	3,033
Costs and Expenses				
Cost of sales	579	480	1,179	862
Cost of services, maintenance, rentals and other	655	645	1,352	1,294
Research, development and engineering expenses	67	43	131	85
Selling, administrative and general expenses	432	368	862	746
Restructuring and related costs, net	23	10	68	9
Amortization of intangible assets	30	10	60	20
Divestitures	—	—	—	(4)
Non-financing interest expense(1)	100	55	184	88
Other expenses (income), net(1)	5	25	(26)	60
Total Costs and Expenses	1,891	1,636	3,810	3,160
Income (Loss) before Income Taxes	31	(60)	(42)	(127)
Income tax expense	18	46	50	69
Net Income (Loss)	13	(106)	(92)	(196)
Less: Preferred stock dividends, net	(3)	(3)	(7)	(7)
Net Income (Loss) attributable to Common Shareholders	$ 10	$ (109)	$ (99)	$ (203)
Basic Income (Loss) per Share	$ 0.07	$ (0.87)	$ (0.77)	$ (1.62)
Diluted Income (Loss) per Share	$ 0.07	$ (0.87)	$ (0.77)	$ (1.62)

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(1) Prior year amounts have been reclassified to conform to the current year's presentation. Refer to Note 1 - Basis of Presentation for additional information.

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

XEROX HOLDINGS CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (UNAUDITED)

	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions)	2026	2025	2026	2025
Net Income (Loss)	$ 13	$ (106)	$ (92)	$ (196)
Other Comprehensive Income (Loss), Net[(1)]				
Translation adjustments, net	1	229	(76)	334
Unrealized gains (losses), net	4	(4)	8	(6)
Changes in defined benefit plans, net	5	(56)	45	(77)
Other Comprehensive Income (Loss), Net[(1)]	10	169	(23)	251
Comprehensive Income (Loss) , Net	$ 23	$ 63	$ (115)	$ 55

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(1) Refer to Note 18 - Other Comprehensive Income (Loss) for gross components of Other comprehensive income (loss), net reclassification adjustments out of Accumulated other comprehensive loss and related tax effects.

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

XEROX HOLDINGS CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)

(in millions, except share data in thousands)	June 30, 2026	December 31, 2025
Assets		
Cash and cash equivalents	$ 495	$ 512
Accounts receivable, net[(1)]	1,185	1,122
Billed portion of finance receivables, net[(1)]	40	46
Finance receivables, net[(1)]	442	510
Inventories	1,043	1,016
Other current assets	492	362
Total current assets	3,697	3,568
Finance receivables due after one year, net[(1)]	732	846
Equipment on operating leases, net	283	299
Land, buildings and equipment, net	378	390
Intangible assets, net	857	921
Goodwill, net	2,234	2,222
Deferred tax assets	86	98
Other long-term assets	1,457	1,479
Total Assets	$ 9,724	$ 9,823
Liabilities and Equity		
Short-term debt and current portion of long-term debt	$ 70	$ 231
Financing liability – tariff receivables monetization	90	—
Accounts payable	1,456	1,498
Accrued compensation and benefits costs	246	235
Accrued expenses and other current liabilities	1,264	1,258
Total current liabilities	3,126	3,222
Long-term debt	4,153	4,016
Pension and other benefit liabilities	1,027	1,068
Post-retirement medical benefits	148	159
Other long-term liabilities	716	685
Total Liabilities	9,170	9,150
Commitments and Contingencies (See Note 21)		
Noncontrolling Interests	10	10
Convertible Preferred Stock	214	214
Common stock	131	128
Additional paid-in capital	1,200	1,183
Retained earnings	2,326	2,444
Accumulated other comprehensive loss	(3,334)	(3,311)
Xerox Holdings shareholders' equity	323	444
Noncontrolling interests	7	5
Total Equity	330	449
Total Liabilities and Equity	$ 9,724	$ 9,823
Shares of Common Stock Issued and Outstanding	131,243	128,044

(1) For additional information regarding the allowance for doubtful accounts refer to Note 7 - Accounts Receivable, Net and for additional information regarding the allowance for doubtful credit losses refer to Note 8 - Finance Receivables, Net.

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

XEROX HOLDINGS CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

(in millions)	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
Cash Flows from Operating Activities		
Net (Loss)	$ (92)	$ (196)
Adjustments required to reconcile Net (loss) to Net cash used in operating activities:		
Depreciation and amortization	201	117
Provisions	36	48
Net (gain) loss on early extinguishment of debt	(95)	4
Net loss (gain) on sales of businesses and assets	2	(5)
Divestitures	—	(4)
Stock-based compensation	18	26
Restructuring and asset impairment charges	65	10
Payments for restructurings	(40)	(33)
Non-service retirement-related costs	42	37
Contributions to retirement plans	(72)	(67)
Increase in accounts receivable and billed portion of finance receivables	(86)	(44)
Increase in inventories	(60)	(160)
Increase in equipment on operating leases	(67)	(52)
Decrease in finance receivables	157	212
(Increase) decrease in other current and long-term assets	(120)	16
(Decrease) increase in accounts payable	(30)	25
Increase (decrease) in accrued compensation	18	(51)
Increase (decrease) in other current and long-term liabilities	6	(40)
Net change in income tax assets and liabilities	6	35
Other operating, net	4	22
Net cash used in operating activities	(107)	(100)
Cash Flows from Investing Activities		
Cost of additions to land, buildings, equipment and software	(47)	(39)
Proceeds from sales of businesses and assets	8	30
Acquisitions, net of cash acquired	19	1
Other investing, net	(13)	(4)
Net cash used in investing activities	(33)	(12)
Cash Flows from Financing Activities		
Net payments on short term debt	(125)	—
Proceeds from issuance of long-term debt	446	889
Payments on long-term debt	(251)	(343)
Tariff receivables monetization	80	—
Dividends	(16)	(58)
Other financing, net	(6)	(29)
Net cash provided by financing activities	128	459
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(1)	7
(Decrease) increase in cash, cash equivalents and restricted cash	(13)	354
Cash, cash equivalents and restricted cash at beginning of period	565	631
Cash, Cash Equivalents and Restricted Cash at End of Period	$ 552	$ 985

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

XEROX CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF INCOME (LOSS) (UNAUDITED)

(in millions)	Three Months Ended June 30, 2026	Three Months Ended June 30, 2025	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
Revenues				
Sales	$ 996	$ 665	$ 1,916	$ 1,222
Services, maintenance, rentals and other	926	911	1,852	1,811
Total Revenues	1,922	1,576	3,768	3,033
Costs and Expenses				
Cost of sales	579	480	1,179	862
Cost of services, maintenance, rentals and other	655	645	1,352	1,294
Research, development and engineering expenses	67	43	131	85
Selling, administrative and general expenses	430	368	860	745
Restructuring and related costs, net	23	10	68	9
Amortization of intangible assets	30	10	60	20
Divestitures	—	—	—	(4)
Non-financing interest expense[(1)]	100	55	184	88
Other expenses (income), net[(1)]	4	23	(27)	56
Total Costs and Expenses	1,888	1,634	3,807	3,155
Income (Loss) before Income Taxes	34	(58)	(39)	(122)
Income tax expense	18	46	50	69
Net Income (Loss)	$ 16	$ (104)	$ (89)	$ (191)

(1) Prior year amounts have been reclassified to conform to the current year's presentation. Refer to Note 1 - Basis of Presentation for additional information.

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

XEROX CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (UNAUDITED)

(in millions)	Three Months Ended June 30, 2026	Three Months Ended June 30, 2025	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
Net Income (Loss)	$ 16	$ (104)	$ (89)	$ (191)
Other Comprehensive Income (Loss), Net[(1)]				
Translation adjustments, net	1	229	(76)	334
Unrealized gains (losses), net	4	(4)	8	(6)
Changes in defined benefit plans, net	5	(56)	45	(77)
Other Comprehensive Income (Loss), Net[(1)]	10	169	(23)	251
Comprehensive Income (Loss), Net	$ 26	$ 65	$ (112)	$ 60

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(1) Refer to Note 18 - Other Comprehensive Income (Loss) for gross components of Other comprehensive income (loss), net reclassification adjustments out of Accumulated other comprehensive loss and related tax effects.

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

XEROX CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)

(in millions)	June 30, 2026	December 31, 2025
Assets		
Cash and cash equivalents	$ 493	$ 511
Accounts receivable, net[1]	1,185	1,122
Billed portion of finance receivables, net[1]	40	46
Finance receivables, net[1]	442	510
Inventories	1,043	1,016
Other current assets	492	362
Total current assets	3,695	3,567
Finance receivables due after one year, net[1]	732	846
Equipment on operating leases, net	283	299
Land, buildings and equipment, net	378	390
Intangible assets, net	857	921
Goodwill, net	2,234	2,222
Deferred tax assets	86	98
Other long-term assets	1,407	1,438
Total Assets	$ 9,672	$ 9,781
Liabilities and Equity		
Short-term debt and current portion of long-term debt	$ 58	$ 110
Short-term related party debt	12	121
Financing liability – tariff receivables monetization	90	—
Accounts payable	1,456	1,498
Accrued compensation and benefits costs	246	235
Accrued expenses and other current liabilities	1,254	1,245
Total current liabilities	3,116	3,209
Long-term debt	2,483	2,144
Long-term related party debt	1,670	1,872
Pension and other benefit liabilities	1,027	1,068
Post-retirement medical benefits	148	159
Other long-term liabilities	695	685
Total Liabilities	9,139	9,137
Commitments and Contingencies (See Note 21)		
Noncontrolling Interests	10	10
Additional paid-in capital	3,505	3,492
Retained earnings	345	448
Accumulated other comprehensive loss	(3,334)	(3,311)
Xerox shareholder's equity	516	629
Noncontrolling interests	7	5
Total Equity	523	634
Total Liabilities and Equity	$ 9,672	$ 9,781

(1) *For additional information regarding the allowance for doubtful accounts refer to Note 7 - Accounts Receivable, Net and for additional information regarding the allowance for doubtful credit losses refer to Note 8 - Finance Receivables, Net.*

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

XEROX CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

(in millions)	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
Cash Flows from Operating Activities		
Net (Loss)	$ (89)	$ (191)
Adjustments required to reconcile Net (loss) to Net cash used in operating activities:		
Depreciation and amortization	201	117
Provisions	36	48
Net (gain) loss on early extinguishment of debt	(95)	4
Net loss (gain) on sales of businesses and assets	2	(5)
Divestitures	—	(4)
Stock-based compensation	18	26
Restructuring and asset impairment charges	65	10
Payments for restructurings	(40)	(33)
Non-service retirement-related costs	42	37
Contributions to retirement plans	(72)	(67)
Increase in accounts receivable and billed portion of finance receivables	(86)	(44)
Increase in inventories	(60)	(160)
Increase in equipment on operating leases	(67)	(52)
Decrease in finance receivables	157	212
(Increase) decrease in other current and long-term assets	(123)	11
(Decrease) increase in accounts payable	(30)	25
Increase (decrease) in accrued compensation	18	(51)
Increase (decrease) in other current and long-term liabilities	6	(40)
Net change in income tax assets and liabilities	6	35
Other operating, net	4	22
Net cash used in operating activities	(107)	(100)
Cash Flows from Investing Activities		
Cost of additions to land, buildings, equipment and software	(47)	(39)
Proceeds from sales of businesses and assets	8	30
Acquisitions, net of cash acquired	19	1
Net cash used in investing activities	(20)	(8)
Cash Flows from Financing Activities		
Net payments on short term debt	(125)	—
Proceeds from issuance of long-term debt	446	889
Payments on long-term debt	(251)	(343)
Tariff receivables monetization	80	—
Distributions to parent	(33)	(71)
Other financing, net	(3)	(23)
Net cash provided by financing activities	114	452
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(1)	7
(Decrease) increase in cash, cash equivalents and restricted cash	(14)	351
Cash, cash equivalents and restricted cash at beginning of period	564	630
Cash, Cash Equivalents and Restricted Cash at End of Period	$ 550	$ 981

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

XEROX HOLDINGS CORPORATION
XEROX CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

(in millions, except per-share data and where otherwise noted)

Note 1 – Basis of Presentation

References to “Xerox Holdings” refer to Xerox Holdings Corporation and its consolidated subsidiaries, while references to “Xerox” refer to Xerox Corporation and its consolidated subsidiaries. References herein to “we,” “us,” “our,” and the “Company” refer collectively to both Xerox Holdings and Xerox unless the context suggests otherwise. References to "Xerox Holdings Corporation" refer to the stand-alone parent company and do not include its subsidiaries. References to "Xerox Corporation" refer to the stand-alone company and do not include its subsidiaries.

The accompanying unaudited Condensed Consolidated Financial Statements and footnotes represent the respective consolidated results and financial results of Xerox Holdings and Xerox and all respective companies that each registrant directly or indirectly controls, either through majority ownership or otherwise. This is a combined report of Xerox Holdings and Xerox, which includes separate unaudited Condensed Consolidated Financial Statements for each registrant.

The accompanying unaudited Condensed Consolidated Financial Statements of both Xerox Holdings and Xerox have been prepared in accordance with the accounting policies described in the Combined 2025 Annual Report on Form 10-K (the 2025 Annual Report), except as noted herein, and the interim reporting requirements of Form 10-Q. Accordingly, certain information and note disclosures normally included in our annual financial statements prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) have been condensed or omitted. You should read these Condensed Consolidated Financial Statements in conjunction with the Consolidated Financial Statements included in the 2025 Annual Report.

In our opinion, all adjustments necessary for a fair statement of financial position, operating results and cash flows for the interim periods presented have been made. These adjustments consist of normal recurring items. Interim results of operations are not necessarily indicative of the results of the full year. The condensed balance sheet at December 31, 2025, was derived from audited annual financial statements but does not contain all of the footnote disclosures from the annual financial statements.

For convenience and ease of reference, we refer to the financial statement caption “Income (Loss) before Income Taxes” as “pre-tax income (loss)”.

Notes to the Condensed Consolidated Financial Statements reflect the activity for both Xerox Holdings and Xerox for all periods presented, unless otherwise noted.

Joint Venture Arrangement

On February 17, 2026 (the Closing Date), Xerox Corporation and certain investors including certain funds and accounts managed by Angelo, Gordon & Co., L.P. (collectively, TPG) entered into a joint venture arrangement (the Joint Venture) pursuant to which TPG and certain other investors funded $405 aggregate principal amount of senior secured term loans (the Term Loans) to, and purchased $45 of Class A Units from, XRX Brandco Holdings LLC (IPCo Holdings) (the Joint Venture Financing). The proceeds of the Joint Venture Financing were distributed by IPCo Holdings to Xerox and are expected to be used for general corporate purposes.

In connection with the formation of the Joint Venture, Xerox Corporation contributed (the Contribution) certain intellectual property and related assets, including the trademarks associated with the Xerox brand (collectively, the Contributed IP), to IPCo Holdings and received Class B Units of IPCo Holdings. Subsequent to the Joint Venture Financing, the distribution of the proceeds of the Joint Venture from IPCo Holdings to Xerox Corporation, and the Contribution, Xerox Corporation contributed approximately $5 in cash to the common equity capital of IPCo Holdings. IPCo Holdings was formed as an intellectual property holding and licensing entity designed to manage, protect and monetize the Contributed IP.

Xerox evaluated IPCo Holdings under ASC 810, Consolidation, and determined that it is a variable interest entity (VIE) as IPCo Holdings is thinly capitalized and its equity holders lack substantive decision-making rights and participation in residual returns. Xerox also determined that it is the primary beneficiary, as it has the power to direct the activities that most significantly impact IPCo Holdings’ economic performance through its Class B ownership and governance rights and retains a potentially significant residual economic interest. Accordingly, Xerox Corporation began consolidating IPCo Holdings in its Condensed Consolidated Financial Statements in the first quarter of 2026, with all intercompany balances and transactions eliminated in consolidation. At June 30, 2026, total assets and liabilities of IPCo Holdings were $908 and $458, respectively.

The activities that most significantly impact IPCo Holdings' economic performance include the management, protection, enforcement, licensing and monetization of the Contributed IP, including activities under the Shared Services and License Agreement described below.

The assets of IPCo Holdings and its subsidiary are generally not available to satisfy the obligations of Xerox Corporation or Xerox Holdings Corporation, except to the extent distributed or otherwise made available in accordance with the Joint Venture agreements. The obligations of IPCo Holdings under the Term Loans are secured by substantially all assets of IPCo Holdings and IPCo, including specified intellectual property assets, equity interests and related collateral.

Cash and cash equivalents received by IPCo Holdings and XRX Brandco LLC (IPCo) are required to be deposited into a reserve account and may be used only for specified purposes, including payments on the Term Loans, payments or distributions in respect of the Class A Units, permitted overhead and other transactions permitted under the Joint Venture financing documents.

The carrying amounts and classification of IPCo Holdings' consolidated assets and liabilities are included in the Company's Condensed Consolidated Balance Sheet. Such assets principally include the Contributed IP and restricted cash or cash held by IPCo Holdings and IPCo, and such liabilities principally include the Term Loans and related obligations.

The Company's exposure to IPCo Holdings includes its retained Class B Units, its rights and obligations under the SSLA, guarantees and collateral support provided by certain subsidiaries of Xerox Holdings, and its obligation to pay royalties under the SSLA. The Company has not provided financial or other support to IPCo Holdings that it was not contractually required to provide.

Creditors and beneficial interest holders of IPCo Holdings have recourse to IPCo Holdings and IPCo assets and to the specific guarantees and collateral support provided under the SSLA Guarantee and related financing documents, but do not have recourse to the general credit of Xerox Corporation or Xerox Holdings Corporation except as expressly provided under those contractual arrangements.

Refer to Note 12 - Debt for additional information regarding the Joint Venture Financing.

Shared Services and License Agreement

On the Closing Date, in connection with the formation of the Joint Venture, Xerox Holdings, Xerox Corporation, IPCo Holdings and IPCo entered into a Shared Services and License Agreement (the SSLA), pursuant to which (i) Xerox Holdings agreed to provide certain services to IPCo Holdings and IPCo and (ii) IPCo granted licenses to the Contributed IP to Xerox Corporation and, at the election of Xerox Holdings, certain of its subsidiaries (collectively, the Licensees).

The Licensees are required to pay IPCo a royalty fee equal to 2.0% of specified consolidated revenue generated by Holdings and its subsidiaries from the Contributed IP. The royalty is payable quarterly based on the specified consolidated revenue and is eliminated in consolidation along with royalty income recognized by IPCo. The royalty fees are required to be deposited into a reserve account and may be used only for specified purposes under the Joint Venture financing documents, including payments of interest and amortization on the Term Loans and payments or distributions in respect of the Class A Units. The obligations of the Licensees in respect of the SSLA are guaranteed by and secured by the assets of certain subsidiaries of Xerox Holdings (the SSLA Guarantee). The SSLA Guarantee contains representations and warranties and covenants limiting certain such guarantors and certain other subsidiaries of Xerox Holdings from incurring debt and liens, selling assets, making investments and limiting certain other transactions and requiring certain such guarantors and other subsidiaries to maintain at the end of each quarter a specified asset coverage ratio, generally defined as the ratio of certain assets held by such guarantors and subsidiaries to the outstanding amount of the Term Loans and Class A Units (net of cash held by IPCo Holdings). The SSLA Guarantee also contains certain events of default relating to, among others, the breach of such representations, warranties and covenants and defaults under the SSLA or SSLA Guarantee.

The SSLA also contains certain minimum revenue covenants and other provisions that could require Xerox Holdings or its subsidiaries to provide additional support or payments to IPCo Holdings or IPCo in specified circumstances. Any such amounts would be eliminated in consolidation to the extent payable to consolidated entities.

The initial term of the SSLA is 10 years from the effective date, with automatic five-year renewal periods, provided either Xerox Holdings or IPCo may terminate the SSLA effective as of the end of the then-applicable term on 18 months' advance notice to the other parties. In addition, the SSLA may be terminated by IPCo upon certain events of default by Xerox Holdings, including non-payment, material breach, insolvency or change of control, subject to applicable cure periods. Xerox Holdings may terminate the SSLA with IPCo's consent or upon certain breaches by IPCo. Upon termination, the Licensees', and their sublicensees', rights to use the Contributed IP also cease, subject to a 90-day sell-off period for existing inventory.

Because IPCo Holdings is consolidated, royalty expense recognized by Xerox Corporation and royalty income recognized by IPCo, as well as related intercompany balances, are eliminated in consolidation. Amounts payable to holders of the Term Loans and Class A Units that are not eliminated in consolidation are reflected in the Company's Condensed Consolidated Financial Statements based on their respective classification.

Goodwill

Interim Impairment Evaluation

We assess goodwill for impairment at least annually during the fourth quarter and whenever events or changes in circumstances indicate that the carrying value may not be recoverable. As of June 30, 2026, we determined that we did not have a triggering event requiring a quantitative assessment of Goodwill. If the Company's future performance varies from current expectations, assumptions, and estimates, including assumptions related to current macro-economic uncertainties, interest rates, inflationary pressure on product and labor costs, execution of Transformation (formerly Reinvention), and geopolitical uncertainty, the impairment analysis could be impacted and result in a reduction of the underlying cash flows used to estimate fair values resulting in a decline in fair value that may trigger future impairment charges. We will continue to monitor developments throughout the remainder of 2026 including updates to our forecasts as well as discount rates and our market capitalization, and as a result, an update of our assessment and related estimates may be required in the future.

Change in Presentation

During 2026, the Company revised the presentation of its Condensed Consolidated Statements of Income (Loss) to separately present Non-financing interest expense, which was previously included within Other expenses (income), net. Management believes that separate presentation of these captions provides more meaningful information to investors regarding the Company's performance. Prior period amounts have been reclassified to conform to the current period presentation.

The reclassification for Non-financing interest expense impacted the Condensed Consolidated Statements of Income (Loss) of both Xerox Holdings Corporation and Xerox Corporation, however, the reclassification had no impact on previously reported Total Costs and expenses, or Net Income (Loss), and is as follows:

	Three months ended June 30, 2025			Six months ended June 30, 2025		
	Previously Reported	Reclassification	As Reported	Previously Reported	Reclassification	As Reported
Non-financing interest expense	$ —	$ 55	$ 55	$ —	$ 88	$ 88
Other expense (income), net - Xerox Holdings Corporation	80	(55)	25	148	(88)	60
Other expense (income) , net - Xerox Corporation	78	(55)	23	144	(88)	56

Note 2 – Recent Accounting Pronouncements

Xerox Holdings and Xerox consider the applicability and impact of all Accounting Standards Updates (ASUs) issued by the Financial Accounting Standards Board (FASB). The ASUs listed below apply to both registrants. ASUs not listed below were assessed and determined to be not applicable to the Condensed Consolidated Financial Statements of either registrant, nor were they expected to have any significant impact on the Company.

Accounting Standard Updates to be Adopted:

Environmental Credits and Environmental Credit Obligations

In May 2026, the FASB issued **ASU 2026-02**, *Environmental Credits and Environmental Credit Obligations (Topic 818)*, which establishes guidance on the recognition, measurement, presentation, and disclosure of environmental credits and related environmental credit obligations. Under the new guidance, qualifying environmental credits are generally recognized at cost and subsequently measured based on their intended use, while environmental credit obligations are recognized as incurred. The ASU also expands annual disclosure requirements for environmental credit assets, obligations, and related activities. The standard is effective for annual reporting periods beginning after December 15, 2027, including interim periods within those annual reporting periods. Early adoption is permitted as of the beginning of an annual reporting period. Retrospective adoption through a cumulative-effect adjustment to the opening balance of Retained earnings is required. The Company is currently evaluating the impact of this ASU on its consolidated financial statements and related disclosures.

Interim Reporting - Narrow-Scope Improvements

In December 2025, the FASB issued **ASU 2025-11**, *Interim Reporting (Topic 270): Narrow-Scope Improvements,* which amends existing guidance to clarify and improve certain interim reporting requirements, including disclosures and the application of interim period accounting principles in specific circumstances. The amendments in this update also include a disclosure principle that requires entities to disclose events since the end of the last annual reporting period that have a material impact on the entity. The amendments are effective for interim reporting periods beginning after December 15, 2027. Early adoption is permitted. The Company is currently evaluating the impact of this ASU on its interim disclosures and consolidated financial statements.

Derivatives and Hedging (Topic 815): Hedge Accounting Improvements

In November 2025, the FASB issued **ASU 2025-09,** *Derivatives and Hedging (Topic 815): Hedge Accounting Improvements***,** which provides targeted improvements intended to simplify the application of hedge accounting, reduce complexity and cost, and enhance the transparency of hedge-related disclosures. The amendments in this update address certain hedge designation requirements and related documentation, provides targeted relief and clarity regarding methods and timing for assessing effectiveness, improves guidance related to accounting for modifications, and refines and eliminates certain disclosure requirements. The ASU is effective for fiscal years beginning after December 15, 2026, and interim periods therein. Early adoption is permitted. The Company is currently evaluating the impact of this ASU on its hedge accounting policies and consolidated financial statements.

Intangibles - Goodwill and Other - Internal Use Software

In September 2025, the FASB issued **ASU 2025-06**, *Intangibles — Goodwill and Other — Internal-Use Software (Topic 350-40): Targeted Improvements to the Accounting for Internal-Use Software*. The amendments are intended to modernize the recognition and capitalization framework to reflect current software development practices, including iterative and agile methodologies, by removing references to "development stages". It also clarifies the criteria for capitalization, which begins when both of the following occur: (1) management has authorized and committed to funding the software project and (2) it is probable that the project will be completed and the software will be used to perform the function intended. The ASU permits companies to elect one of the following adoption methods to apply its amendments: a prospective transition approach, a retrospective transition approach, or a modified transition approach that is based on the status of the project and whether software costs were capitalized before the date of adoption. The ASU is effective for annual periods beginning after December 15, 2027, and interim periods within those annual periods. Early adoption is permitted as of the beginning of an annual reporting period. We are currently evaluating the adoption of this standard and its impact to the Company's consolidated financial statements and related disclosures.

Income Statement

In November 2024, the FASB issued **ASU 2024-03**, *Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses*, which is intended to improve disclosures related to certain income statement expenses of the Company. This ASU is effective for fiscal years beginning after December 15, 2026, and interim periods within fiscal years beginning after December 15, 2027, with early adoption permitted, and should be applied either prospectively or retrospectively. We are currently evaluating the impact of the adoption of this standard to determine its impact on the Company's disclosures.

Accounting Standard Updates Recently Adopted:

Financial Instruments - Credit Losses

In July 2025, the FASB issued **ASU 2025-05**, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets*, which provides new optional guidance relating to the estimation of expected credit losses on current accounts receivable and current contract assets under Accounting Standards Codification 326. This ASU permits entities to apply a practical expedient when estimating credit losses. We adopted this update prospectively in 2026 and the adoption did not have a material impact on the Company's consolidated financial statements and related disclosures.

Debt

In November 2024, the FASB issued **ASU 2024-04**, *Debt with Conversion and Other Options (Subtopic 470-20): Induced Conversions of Convertible Debt Instruments*, which is intended to clarify requirements for determining whether certain settlements of convertible debt instruments, including convertible debt instruments with cash conversion features or convertible debt instruments that are not currently convertible, should be accounted for as an induced conversion. We adopted this update prospectively in 2026; there were no events or transactions related to our 3.75% Convertible Senior Notes due in 2030 in the first half of 2026 that were affected by this update.

Note 3 – Revenue

Revenues disaggregated by primary geographic markets, major product lines, and sales channels are as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Primary geographical markets[1]:				
United States	$ 1,051	$ 930	$ 2,052	$ 1,780
Europe	531	438	1,060	840
Canada	132	108	258	211
Latin America	97	46	186	87
Asia Pacific	58	10	106	23
Other	53	44	106	92
Total Revenues	$ 1,922	$ 1,576	$ 3,768	$ 3,033
Major product and services lines:				
Equipment	$ 387	$ 336	$ 765	$ 620
Supplies, paper and other sales	469	176	906	344
Maintenance agreements[2]	425	379	842	747
IT products[3]	140	153	245	258
Service arrangements[4]	421	439	843	868
Rental and other	55	61	115	131
Financing	25	32	52	65
Total Revenues	$ 1,922	$ 1,576	$ 3,768	$ 3,033
Sales channels:				
Direct equipment lease[5]	$ 90	$ 108	$ 181	$ 220
Distributors & resellers[6]	523	238	1,048	447
Customer direct	383	319	687	555
Total Sales	$ 996	$ 665	$ 1,916	$ 1,222

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(1) Geographic area data is based upon the location of the subsidiary reporting the revenue.
(2) Includes revenues from maintenance agreements on sold equipment as well as revenues associated with service agreements sold through our channel partners, as well as services revenues related to our IT Solutions.
(3) IT products include IT hardware and software solutions sold by the IT Solutions segment.
(4) Primarily includes revenues from our Print outsourcing arrangements including revenues from embedded operating leases in those arrangements.
(5) Primarily reflects sales through bundled lease arrangements.
(6) Primarily reflects sales through our two-tier distribution channels.

Contract Assets and Liabilities: Our contract assets, which are primarily unbilled accounts receivable that are conditional on something other than the passage of time were $39 and $34 at June 30, 2026 and December 31, 2025, respectively. Our contract liabilities, which represent billings in excess of revenue recognized, are primarily related to advance billings for maintenance and other services to be performed, were approximately $270 and $279 at June 30, 2026 and December 31, 2025, respectively. The majority of the balance at June 30, 2026 will be amortized to revenue over the next 30 months. The following table summarizes our contract liabilities activity:

	2026	2025
Balance at January 1st	$ 279	$ 130
Revenue recognized(1)	(76)	(59)
Billings and customer advances(2)	68	63
Foreign currency and other	—	(4)
Acquisition(3)	—	22
Balance at March 31st	$ 271	$ 152
Revenue recognized(1)	(79)	(76)
Billings and customer advances(2)	72	61
Foreign currency and other	1	—
Acquisition(3)	5	—
Balance at June 30th	$ 270	$ 137

(1) *Reflects amounts included in the January 1st beginning balance.*
(2) *Excludes revenue recognized during the period.*
(3) *2026 relates to Lexmark Acquisition-related activity and 2025 relates to ITSavvy acquisition-related activity.*

Our unsatisfied performance obligations primarily relate to multi-year managed services arrangements and extended warranty contracts where revenue is recognized over time. The aggregate amount of the transaction price allocated to unsatisfied performance obligations including the amounts included in contract liabilities for committed customers was $596 at June 30, 2026. The Company expects to recognize these revenues over the next one to five years based upon the nature of the associated agreements. Estimated amounts are subject to change due to various factors including, but not limited to the following: contract terminations, changes in contract scope, revised estimates, unrealized revenue adjustments, and currency fluctuations.

Contract Costs:

We incur the following contract costs as part of our revenue arrangements:

- Incremental direct costs of obtaining a contract are primarily sales commissions paid to salespeople and agents in connection with the placement of equipment with post sale services arrangements. These costs are deferred and amortized to Selling Expenses on a straight-line basis over the estimated contract term, which is currently estimated to be approximately five years.
- Contract fulfillment costs, which are costs incurred for resources and assets that will be used to satisfy our future performance obligations included in our service arrangements. These costs are amortized over the contractual service period of the arrangement to cost of services.
- Contract inducements are capitalized and amortized as a reduction of revenue over the term of the contract.

Changes in contract costs, net are as follows:

	2026	2025
Balance at January 1st,	$ 163	$ 139
Customer contract costs deferred	17	17
Amortization of customer contract costs	(17)	(16)
Other(1)	(3)	—
Balance at March 31st,	$ 160	$ 140
Customer contract costs deferred	12	18
Amortization of customer contract costs	(18)	(17)
Other(1)	1	2
Balance at June 30th,	$ 155	$ 143

(1) *Includes currency*

Equipment and software used in the fulfillment of service arrangements, and where the Company retains control, are capitalized and depreciated over the shorter of their useful life or the term of the contract if an asset is contract specific.

Note 4 – Segment Reporting

Our reportable segments - **Print and Other** and **IT Solutions** **-** are aligned to how the Chief Operating Decision Maker (CODM), our Chief Executive Officer (CEO), allocates resources and assesses performance against the Company's key growth strategies and are consistent with how we manage the business and view the markets we serve.

Our **Print and Other** segment includes the design, development and sale of document management systems, supplies and services, as well as associated financing and technology-related offerings, digital and print-related software products and services. The segment also includes the delivery of managed services that involve a continuum of solutions and services that help our customers optimize their print and communications infrastructure, apply automation and simplification to maximize productivity, and ensure the highest levels of security. In addition, the segment includes Xerox Financial Services, a global financing solutions provider, primarily enabling the sale of our equipment and services, which includes commissions and other payments for the exclusive right to provide lease financing for Xerox products.

The product groupings range from:

- **"Entry"**, which include A4 devices and desktop printers and multifunction devices that primarily serve small and medium workgroups/work teams.
- **"Mid-Range"**, which include A3 devices that generally serve large workgroup/work team environments as well as products in the Light Production product groups serving centralized print centers, print for pay and low volume production print establishments.
- **"High-End"**, which include production printing and publishing systems that generally serve the graphic communications marketplace and print centers in large enterprises.

Customers range from small and mid-sized businesses to large enterprises. Customers also include graphic communication enterprises as well as channel partners including distributors and resellers.

Our **IT Solutions** segment provides clients of all sizes integrated IT infrastructure solutions, delivering business outcomes through its suite of Device Lifecycle Solutions, and Managed IT Services. The IT Solutions business leverages its professional services and engineering capabilities, along with an extensive partner ecosystem to design, develop and deliver comprehensive Network and Security Solutions, and Infrastructure and Cloud Solutions. This segment provides services to clients in the U.S., Canada, the U.K., and Western Europe.

Selected financial information for our reportable segments was as follows:

	Three months ended June 30, 2026				
	Print and Other	IT Solutions	Total Reportable Segments[10]	Corporate[1]	Total
External revenue	$ 1,733	$ 189	$ 1,922	$ —	$ 1,922
Intersegment revenue[2]	—	5	5	—	5
Total	$ 1,733	$ 194	$ 1,927	$ —	$ 1,927
Reconciliation to Segment Profit					
Cost of sales[3]	$ 459	$ 115	$ 574	$ —	$ 574
Cost of services, maintenance, rentals and other[3][4][5]	608	42	650	—	650
Research, development and engineering expenses[3]	66	—	66	—	66
Selling, administrative and general expenses[3][6][7]	377	28	405	24	429
Intersegment expense[8]	3	2	5	—	5
Segment profit	$ 220	$ 7	$ 227	$ (24)	$ 203
Depreciation	$ 71	$ —	$ 71	$ —	$ 71
Interest income[9]	25	—	25	3	28
Interest expense[5]	18	—	18	100	118

	Three months ended June 30, 2025				
	Print and Other	IT Solutions	Total Reportable Segments[10]	Corporate[1]	Total
External revenue	$ 1,366	$ 210	$ 1,576	$ —	$ 1,576
Intersegment revenue[2]	—	3	3	—	3
Total	$ 1,366	$ 213	$ 1,579	$ —	$ 1,579
Reconciliation to Segment Profit					
Cost of sales	$ 347	$ 127	$ 474	$ —	$ 474
Cost of services, maintenance, rentals and other[4][5]	593	48	641	—	641
Research, development and engineering expenses	43	—	43	—	43
Selling, administrative and general expenses[6][7]	318	25	343	16	359
Intersegment expense[8]	—	3	3	—	3
Segment profit	$ 65	$ 10	$ 75	$ (16)	$ 59
Depreciation	$ 47	$ —	$ 47	$ —	$ 47
Interest income[9]	32	—	32	6	38
Interest expense[5]	23	—	23	55	78

	Six months ended June 30, 2026				
	Print and Other	IT Solutions	Total Reportable Segments[10]	Corporate[1]	Total
External revenue	$ 3,425	$ 343	$ 3,768	$ —	$ 3,768
Intersegment revenue[2]	—	7	7	—	7
Total	$ 3,425	$ 350	$ 3,775	$ —	$ 3,775
Reconciliation to Segment Profit					
Cost of sales[3]	$ 971	$ 198	$ 1,169	$ —	$ 1,169
Cost of services, maintenance, rentals and other[3][4][5]	1,258	83	1,341	—	1,341
Research, development and engineering expenses[3]	130	—	130	—	130
Selling, administrative and general expenses[3][6][7]	756	52	808	45	853
Intersegment expense[8]	3	4	7	—	7
Segment profit	$ 307	$ 13	$ 320	$ (45)	$ 275
Depreciation	$ 140	$ 1	$ 141	$ —	$ 141
Interest income[9]	52	—	52	6	58
Interest expense[5]	37	—	37	184	221

	Six months ended June 30, 2025				
	Print and Other	IT Solutions	Total Reportable Segments[10]	Corporate[1]	Total
External revenue	$ 2,660	$ 373	$ 3,033	$ —	$ 3,033
Intersegment revenue[2]	—	4	4	—	4
Total	$ 2,660	$ 377	$ 3,037	$ —	$ 3,037
Reconciliation to Segment Profit					
Cost of sales	$ 639	$ 212	$ 851	$ —	$ 851
Cost of services, maintenance, rentals and other[4][5]	1,190	98	1,288	—	1,288
Research, development and engineering expenses	85	—	85	—	85
Selling, administrative and general expenses[6][7]	640	48	688	40	728
Intersegment expense[8]	—	4	4	—	4
Segment profit	$ 106	$ 15	$ 121	$ (40)	$ 81
Depreciation	$ 97	$ —	$ 97	$ —	$ 97
Interest income[9]	65	—	65	8	73
Interest expense[5]	45	—	45	88	133

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(1) *Certain administrative and general expenses, which primarily relate to Corporate functions, are not allocated to either of our operating/reportable segments.*
(2) *Intersegment revenue is primarily revenue from IT hardware, software solutions and services, sold by the IT Solutions segment to the Print and Other segment.*
(3) *The Print and Other segment excludes the impact of a fixed asset purchase accounting adjustment related to the Lexmark Acquisition of $5 and $10 to Cost of sales, $5 and $11 to Cost of services, maintenance, rentals and other, $1 and $1 to Research, development, and engineering expenses, and $1 and $1 to Selling, administrative and general expenses for the three and six months ended June 30, 2026, respectively.*
(4) *As a result of the exit of certain production print manufacturing operations, the Print and Other segment excludes inventory-related charges of $6 and $11 within Cost of sales, and $4 and $6 within Cost of services, maintenance, rentals and other for the three and six months ended June 30, 2025, respectively.*
(5) *The Print and Other segment includes equipment financing interest expense associated with the financing debt of the Company. This is fully allocated to the Print and Other segment in support of its Finance assets. No interest expense is allocated to the IT Solutions segment, as the segment has no financing debt. Corporate includes Non-financing interest expense.*
(6) *Selling, administrative and general expenses include bad debt expense related to the Print and Other segment of $11 and $15 for the three months ended June 30, 2026 and 2025, respectively and $17 and $24 for the six months ended June 30, 2026 and 2025, respectively.*
(7) *For the three months ended June 30, 2026 and 2025, the Print and Other segment excludes the following costs: Transformation costs of $2 and $3, respectively and Transaction and related costs, net of $0 and $6, respectively. For the six months ended June 30, 2026 and 2025, the Print and Other segment excludes the following costs: Transformation costs of $4 and $9, respectively and Transaction and related costs, net of $4 and $9, respectively.*
(8) *Intersegment expense primarily consists of costs related to the sale of IT hardware, software solutions and services by the IT Solutions segment, to the Print and Other segment.*
(9) *Print and Other includes financing income, which is included in Services, maintenance rentals and other. This is fully allocated to the Print and Other segment in support of its financing business. No financing income is allocated to the IT Solutions segment, as the segment has no finance assets.*
(10) *The prior year presentation has been updated to conform with the current year's presentation.*

Selected financial information for our reportable segments was as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Pre-tax Income (Loss)				
Total Segment Profit	$ 227	$ 75	$ 320	$ 121
Corporate	(24)	(16)	(45)	(40)
Restructuring and related costs, net	(23)	(10)	(68)	(9)
Amortization of intangible assets	(30)	(10)	(60)	(20)
Transformation-related costs[(1)]	(2)	(3)	(4)	(9)
Purchase Accounting Adjustment - Fixed Assets	(12)	—	(23)	—
Transaction-related costs	—	(6)	(4)	(9)
Inventory-related impact - exit of certain production print manufacturing operations	—	(10)	—	(17)
Divestiture	—	—	—	4
Non-financing interest expense	(100)	(55)	(184)	(88)
Other expenses (income), net	(5)	(25)	26	(60)
Total Pre-tax Income (loss)	$ 31	$ (60)	$ (42)	$ (127)
Depreciation and Amortization				
Total reported segments	$ 71	$ 47	$ 141	$ 97
Amortization of intangible assets	30	10	60	20
Total Depreciation and amortization	$ 101	$ 57	$ 201	$ 117

(1) In the first quarter of 2026, Xerox Holdings Corporation renamed “Reinvention-related costs” to “Transformation-related costs.” This change in terminology did not affect the nature of the costs.

Note 5 – Lessor

Revenue from sales-type leases is presented on a gross basis when the Company enters into a lease to realize value from a product that it would otherwise sell in its ordinary course of business, whereas in transactions where the Company enters into a lease for the purpose of generating revenue by providing financing, the profit or loss, if any, is presented on a net basis. In addition, we have elected to account for sales tax and other similar taxes collected from a lessee as lessee costs and therefore we exclude these costs from contract consideration and variable consideration.

The components of lease income are as follows:

		Three Months Ended June 30,		Six Months Ended June 30,	
	Location in Statements of Income (Loss)	2026	2025	2026	2025
Revenue from sales type leases	Sales	$ 90	$ 108	$ 181	$ 220
Interest income on lease receivables[(1)]	Services, maintenance, rentals and other	25	32	52	65
Lease income - operating leases	Services, maintenance, rentals and other	37	39	77	80
Variable lease income	Services, maintenance, rentals and other	9	10	17	19
Total Lease income		$ 161	$ 189	$ 327	$ 384

(1) Primarily includes interest income from sales-type leases, as well as financing leases.

Profit at lease commencement on sales-type leases was estimated to be $11 and $26 for the three months ended June 30, 2026 and 2025, respectively, and $28 and $57 for the six months ended June 30, 2026 and 2025, respectively.

Note 6 – Acquisition

Lexmark Acquisition

On July 1, 2025, Xerox Corporation completed the acquisition of all of the issued and outstanding equity of Lexmark International II, LLC (Lexmark), a leading developer, manufacturer and supplier of printing, imaging, device management, managed print services (MPS), cloud services, document workflow, and technology solutions (the Lexmark Acquisition).

Total consideration paid to the Seller for the net assets acquired from Lexmark was $749, which included Cash and cash equivalents acquired of $93, as well as a working capital adjustment, which was finalized during the first quarter 2026, resulting in a decrease of $19 to the total consideration paid.

During fourth quarter 2025 and second quarter 2026, adjustments were recorded to correct certain errors in the Lexmark Acquisition preliminary purchase price allocation that existed as of the acquisition date. The errors resulted from misstated balances of accounts receivable, contract assets, and contract liabilities in Lexmark's opening balance sheet as of July 1, 2025. Accordingly, Accounts receivable, net decreased by $81, Other current assets increased by $15, Deferred tax assets increased by $7, Accrued expenses and other liabilities decreased by $11 and Other long-term liabilities decreased by $7. The identified errors had an immaterial impact on the Lexmark preliminary purchase accounting. As a result of the correction of errors, we recorded a total increase of $41 to Goodwill associated with the Lexmark Acquisition, of which $13 was recorded during second quarter 2026, and $28 was recorded during fourth quarter 2025.

In addition, during 2026 and 2025, the Company recorded immaterial measurement period adjustments to the opening balance sheet which resulted in further increases to Goodwill of $28 and $11, respectively. The allocation of the purchase price for this acquisition was finalized during the second quarter 2026.

Transaction expense for the Lexmark Acquisition was approximately $0 and $5 for the three months ended June 30, 2026 and 2025, respectively, and $4 and $7 for the six months ended June 30, 2026 and 2025, respectively, and was recorded in the Condensed Consolidated Statements of Income (Loss) in Selling, administrative and general expenses.

Note 7 – Accounts Receivable, Net

Accounts receivable, net were as follows:

	June 30, 2026	December 31, 2025
Invoiced	$ 1,091	$ 1,024
Accrued[(1)]	168	171
Allowance for doubtful accounts	(74)	(73)
Accounts receivable, net	$ 1,185	$ 1,122

(1) Accrued receivables include amounts to be invoiced in the subsequent quarter for current products and services provided.

The allowance for doubtful accounts was as follows:

	2026	2025
Balance at January 1st	$ 73	$ 69
Provision	3	4
Charge-offs, net	(3)	(6)
Recoveries and other[(1)]	—	1
Balance at March 31st	$ 73	$ 68
Provision	8	8
Charge-offs	(5)	(7)
Recoveries and other[(1)]	(2)	3
Balance at June 30th	$ 74	$ 72

(1) Includes the impacts of foreign currency translation and adjustments to reserves necessary to reflect events of non-payment such as customer accommodations and contract terminations.

We perform ongoing credit evaluations of our customers and adjust credit limits based upon customer payment history and current creditworthiness. The allowance for doubtful accounts receivable is determined based on an assessment of past collection experience as well as consideration of current and future economic conditions and changes in our customer collection trends.

Accounts Receivable Sales Arrangements

We have two facilities in Europe that enable us to sell accounts receivable, without recourse on an ongoing basis. Under these arrangements, we sell our entire interest in the related accounts receivable for cash. Our arrangements are associated with our European distributor network as well as domestic sales in UK, France, Germany and Italy.

Accounts receivable sales activity was as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Accounts receivable sales[1]	$ 121	$ 111	$ 212	$ 196

(1) *Losses on sales were not material.*

Note 8 – Finance Receivables, Net

Finance receivables include sales-type leases and installment loans arising from the sales of our equipment. These receivables are typically collateralized by a security interest in the underlying equipment.

Finance receivables, net were as follows:

	June 30, 2026	December 31, 2025
Gross receivables	$ 1,429	$ 1,643
Unearned income	(171)	(196)
Subtotal	1,258	1,447
Residual values	—	—
Allowance for doubtful credit losses[1]	(44)	(45)
Finance receivables, net	1,214	1,402
Less: Billed portion of finance receivables, net	40	46
Less: Current portion of finance receivables not billed, net	442	510
Finance receivables due after one year, net	$ 732	$ 846

(1) *Reflects the allowance for doubtful credit losses related to (i) Billed portion of finance receivables of $3 and $3, and (ii) the current and non-current portions of finance receivables of $41 and $42 as of June 30, 2026 and December 31, 2025, respectively.*

Finance Receivables – Allowance for Credit Losses and Credit Quality

Our finance receivable portfolios are primarily in the U.S., Canada and EMEA. We generally establish customer credit limits and estimate the allowance for doubtful credit losses on a country or geographic basis. Customer credit limits are based upon an initial evaluation of the customer's credit quality, and are adjusted through ongoing credit assessments of the customer, which includes the past collections experience and changes in credit quality. The allowance for doubtful credit losses is determined based on an assessment of origination year and past collection experience as well as consideration of current and future economic conditions and changes in our customer collection trends.

Our allowance for doubtful credit losses is determined by geography. The risk characteristics in our finance receivable portfolio segments are generally consistent with the risk factors associated with the economies of the countries/regions included in those geographies. Since EMEA is comprised of various countries and regional economies, the risk profile within that portfolio segment is somewhat more diversified due to the varying economic conditions among and within those countries.

Based on that assessment, the allowance for doubtful credit losses as a percentage of gross finance receivables (net of unearned income) was 3.5% at June 30, 2026 and 3.1% at December 31, 2025.

In determining the level of reserve required we critically assessed current and forecasted economic conditions and trends to ensure we objectively considered those expected impacts in the determination of our reserve. Our assessment also included a review of current portfolio credit metrics and the level of write-offs incurred over the past year. We believe our current reserve position remains sufficient to cover expected future losses that may result from current and future macro-economic conditions including higher inflation, interest rates, and the potential for recessions in the geographic areas of our customers. We continue to monitor developments in future economic conditions and trends, and as a result, our reserves may need to be updated in future periods.

The allowance for doubtful credit losses as well as the related investment in finance receivables were as follows:

	United States	Canada	EMEA	Other[(2)]	Total
Balance at December 31, 2025	$ 24	$ 5	$ 16	$ —	$ 45
Provision	—	—	2	—	2
Charge-offs, net	(1)	—	(1)	—	(2)
Other[(1)]	—	—	—	—	—
Balance at March 31, 2026	$ 23	$ 5	$ 17	$ —	$ 45
Provision	2	1	1	—	4
Charge-offs, net	(2)	(1)	(2)	—	(5)
Other[(1)]	—	—	—	—	—
Balance at June 30, 2026	$ 23	$ 5	$ 16	$ —	$ 44
Balance at December 31, 2024	$ 29	$ 5	$ 23	$ —	$ 57
Provision	(1)	1	5	—	5
Charge-offs, net	(3)	(1)	(6)	—	(10)
Other[(1)]	—	—	1	—	1
Balance at March 31, 2025	$ 25	$ 5	$ 23	$ —	$ 53
Provision	5	—	3	—	8
Charge-offs, net	(3)	—	(4)	—	(7)
Other[(1)]	(1)	1	1	—	1
Balance at June 30, 2025	$ 26	$ 6	$ 23	$ —	$ 55

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(1) *Includes the impacts of foreign currency translation and adjustments to reserves necessary to reflect events of non-payment such as customer accommodations and contract terminations.*

(2) *As a result of the Lexmark Acquisition on July 1, 2025, Other includes finance receivables of Latin America, Asia Pacific and South Africa. However, the related allowance for doubtful credit losses of the Other geography for the three and six months ended June 30, 2026 was nil. Refer to Note 6 - Acquisition for additional information regarding the Lexmark Acquisition.*

Customers are further evaluated by class based on the type of lease origination. The primary categories are direct, which primarily includes leases originated directly with end-user customers through bundled lease arrangements, and indirect, which primarily includes leases originated through our XBS sales channel and lease financing to end-user customers who purchased equipment we sold to distributors or resellers.

We evaluate our customers based on the following credit quality indicators:

- **Low Credit Risk:** This rating includes accounts with excellent to good business credit, asset quality and capacity to meet financial obligations. These customers are less susceptible to adverse effects due to shifts in economic conditions or changes in circumstance. Loss rates in this category in the normal course are generally in the range of 1% to 2%.
- **Average Credit Risk:** This rating includes accounts with average credit risk that are more susceptible to loss in the event of adverse business or economic conditions. Although we experience higher loss rates associated with this customer class, we believe the risk is somewhat mitigated by the fact that our leases are fairly well dispersed across a large and diverse customer base. In addition, the higher loss rates are largely offset by the higher rates of return we obtain with such leases. Loss rates in this category in the normal course are generally in the range of 3% to 5%.
- **High Credit Risk:** This rating includes accounts that have marginal credit risk such that the customer's ability to make repayment is impaired or may likely become impaired. We use numerous strategies to mitigate risk including higher rates of interest, prepayments, personal guarantees, etc. Accounts in this category include customers who were downgraded during the term of the lease from low and average credit risk evaluation when the lease was originated. Accordingly, there is a distinct possibility for a loss of principal and interest or customer default. The loss rates in this category in the normal course are generally in the range of 6% to 7%.

Credit quality indicators are updated at least annually, or more frequently to the extent required by economic conditions, and the credit quality of any given customer can change during the life of the portfolio. Details about our finance receivables portfolio based on geography, origination year and credit quality indicators are as follows:

	June 30, 2026						
	2026	2025	2024	2023	2022	Prior	Total Finance Receivables
United States (Direct)							
Low Credit Risk	$ 62	$ 89	$ 57	$ 35	$ 11	$ 2	$ 256
Average Credit Risk	12	16	14	22	5	3	72
High Credit Risk	13	19	19	14	8	4	77
Total	$ 87	$ 124	$ 90	$ 71	$ 24	$ 9	$ 405
Charge-offs	$ —	$ —	$ 1	$ 2	$ —	$ 1	$ 4
United States (Indirect)							
Low Credit Risk	$ 1	$ 2	$ 3	$ 7	$ 10	$ 2	$ 25
Average Credit Risk	4	11	6	17	13	2	53
High Credit Risk	—	—	8	9	3	1	21
Total	$ 5	$ 13	$ 17	$ 33	$ 26	$ 5	$ 99
Charge-offs	$ —	$ —	$ —	$ 1	$ 1	$ 1	$ 3
Canada							
Low Credit Risk	$ 12	$ 26	$ 16	$ 10	$ 2	$ 1	$ 67
Average Credit Risk	13	24	16	10	4	1	68
High Credit Risk	2	4	2	1	1	—	10
Total	$ 27	$ 54	$ 34	$ 21	$ 7	$ 2	$ 145
Charge-offs	$ —	$ —	$ —	$ —	$ 1	$ —	$ 1
EMEA							
Low Credit Risk	$ 58	$ 101	$ 60	$ 70	$ 36	$ 9	$ 334
Average Credit Risk	32	53	37	58	39	12	231
High Credit Risk	4	7	4	7	4	2	28
Total	$ 94	$ 161	$ 101	$ 135	$ 79	$ 23	$ 593
Charge-offs	$ —	$ 1	$ —	$ 2	$ 1	$ —	$ 4
Other							
Low Credit Risk	$ 1	$ 6	$ 3	$ 3	$ 1	$ —	$ 14
Average Credit Risk	1	—	1	—	—	—	2
High Credit Risk	—	—	—	—	—	—	—
Total	$ 2	$ 6	$ 4	$ 3	$ 1	$ —	$ 16
Charge-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Total Finance Receivables							
Low Credit Risk	$ 134	$ 224	$ 139	$ 125	$ 60	$ 14	$ 696
Average Credit Risk	62	104	74	107	61	18	426
High Credit Risk	19	30	33	31	16	7	136
Total	$ 215	$ 358	$ 246	$ 263	$ 137	$ 39	$ 1,258
Total Charge-offs	$ —	$ 1	$ 1	$ 5	$ 3	$ 2	$ 12

	December 31, 2025						
	2025	2024	2023	2022	2021	Prior	Total Finance Receivables
United States (Direct)							
Low Credit Risk	$ 102	$ 66	$ 48	$ 19	$ 7	$ 1	$ 243
Average Credit Risk	49	31	41	14	13	2	150
High Credit Risk	24	23	18	13	5	2	85
Total	$ 175	$ 120	$ 107	$ 46	$ 25	$ 5	$ 478
Charge-offs	$ —	$ 1	$ 3	$ 2	$ 1	$ 2	$ 9
United States (Indirect)							
Low Credit Risk	$ 2	$ 4	$ 10	$ 15	$ 6	$ —	$ 37
Average Credit Risk	12	7	25	22	6	1	73
High Credit Risk	—	8	13	5	2	—	28
Total	$ 14	$ 19	$ 48	$ 42	$ 14	$ 1	$ 138
Charge-offs	$ —	$ —	$ 4	$ 4	$ 2	$ 1	$ 11
Canada							
Low Credit Risk	$ 31	$ 20	$ 13	$ 4	$ 1	$ —	$ 69
Average Credit Risk	29	20	13	7	2	—	71
High Credit Risk	4	3	2	1	1	—	11
Total	$ 64	$ 43	$ 28	$ 12	$ 4	$ —	$ 151
Charge-offs	$ —	$ 1	$ 1	$ 1	$ —	$ —	$ 3
EMEA							
Low Credit Risk	$ 135	$ 76	$ 96	$ 51	$ 14	$ 4	$ 376
Average Credit Risk	68	45	79	49	13	3	257
High Credit Risk	8	5	10	4	2	1	30
Total	$ 211	$ 126	$ 185	$ 104	$ 29	$ 8	$ 663
Charge-offs	$ 5	$ 3	$ 7	$ 4	$ 1	$ —	$ 20
Other							
Low Credit Risk	$ 7	$ 4	$ 3	$ 1	$ —	$ —	$ 15
Average Credit Risk	—	1	1	—	—	—	2
High Credit Risk	—	—	—	—	—	—	—
Total	$ 7	$ 5	$ 4	$ 1	$ —	$ —	$ 17
Charge-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Total Finance Receivables							
Low Credit Risk	$ 277	$ 170	$ 170	$ 90	$ 28	$ 5	$ 740
Average Credit Risk	158	104	159	92	34	6	553
High Credit Risk	36	39	43	23	10	3	154
Total	$ 471	$ 313	$ 372	$ 205	$ 72	$ 14	$ 1,447
Total Charge-offs	$ 5	$ 5	$ 15	$ 11	$ 4	$ 3	$ 43

The aging of our receivables portfolio is based upon the number of days an invoice is past due. Receivables that are more than 90 days past due are considered delinquent. Receivable losses are charged against the allowance when management believes the uncollectibility of the receivable is confirmed and is generally based on individual credit evaluations, results of collection efforts and specific circumstances of the customer. Subsequent recoveries, if any, are credited to the allowance.

We generally continue to maintain equipment on lease and provide services to customers that have invoices for finance receivables that are 90 days or more past due and, as a result of the bundled nature of billings, we also continue to accrue interest on those receivables. However, interest revenue for such billings is only recognized if collectability is deemed probable.

The aging of our billed finance receivables is as follows:

	June 30, 2026						
	Current	31-90 Days Past Due	>90 Days Past Due	Total Billed	Unbilled	Total Finance Receivables	>90 Days and Accruing
Direct	$ 15	$ 5	$ 3	$ 23	$ 382	$ 405	$ 29
Indirect	3	1	1	5	94	99	—
Total United States	18	6	4	28	476	504	29
Canada	3	1	1	5	140	145	5
EMEA	6	3	1	10	583	593	19
Other	—	—	—	—	16	16	—
Total	$ 27	$ 10	$ 6	$ 43	$ 1,215	$ 1,258	$ 53

	December 31, 2025						
	Current	31-90 Days Past Due	>90 Days Past Due	Total Billed	Unbilled	Total Finance Receivables	>90 Days and Accruing
Direct	$ 18	$ 5	$ 4	$ 27	$ 451	$ 478	$ 35
Indirect	4	2	2	8	130	138	—
Total United States	22	7	6	35	581	616	35
Canada	3	1	—	4	147	151	4
EMEA	8	1	1	10	653	663	17
Other	—	—	—	—	17	17	—
Total	$ 33	$ 9	$ 7	$ 49	$ 1,398	$ 1,447	$ 56

Sales of Finance Receivables

The Company has finance receivables funding arrangements with third-party funding partners in the U.S., Canada, and in EMEA. Under these arrangements, the Company sells certain eligible pools of finance receivables. The transfers are structured to qualify for sale accounting treatment and the related receivables are derecognized from the Company's consolidated financial statements. The Company's funding partners generally do not have recourse to the Company for credit losses on the transferred receivables.

In addition, under certain arrangements, the Company may transfer servicing responsibilities for funded receivables to a funding partner. In such cases, the Company pays a servicing fee related to certain retained finance receivables and may continue to service certain finance receivables under prior servicing arrangements with that funding partner for an agreed-upon fee.

Finance receivable sales activity was as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Finance receivable sales - net proceeds[(1)]	$ 80	$ 36	$ 122	$ 111
Gain on sale/Commissions[(2)]	—	4	4	9
Servicing revenue[(2)]	$ 2	$ 1	$ 4	$ 3

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(1) Cash proceeds are reported in Net cash used in operating activities.

(2) Recorded as Other revenue within Services, maintenance, rentals and other. Amounts include revenues associated with the sale of the underlying leased equipment.

Note 9 – Inventories and Equipment on Operating Leases, Net

The following is a summary of Inventories by major category:

	June 30, 2026	December 31, 2025
Finished goods	$ 840	$ 802
Work-in-process	132	142
Raw materials	71	72
Total Inventories	$ 1,043	$ 1,016

The transfer of equipment from our inventories to equipment subject to an operating lease is presented in our Condensed Consolidated Statements of Cash Flows in the operating activities section. Equipment on operating leases and similar arrangements consist of our equipment rented to customers and depreciated to estimated salvage value at the end of the lease term.

Equipment on operating leases and the related accumulated depreciation are as follows:

	June 30, 2026	December 31, 2025
Equipment on operating leases	$ 960	$ 979
Accumulated depreciation	(677)	(680)
Equipment on operating leases, net	$ 283	$ 299

Total contingent rentals on operating leases, consisting principally of usage charges in excess of minimum contracted amounts, were $9 and $10 for the three months ended June 30, 2026 and 2025, respectively, and $17 and $19 for the six months ended June 30, 2026 and 2025, respectively.

Note 10 – Restructuring Programs

In connection with our ongoing Transformation activities, we engage in restructuring actions in order to reduce our cost structure and realign it to the changing nature of our business. Our restructuring actions are currently related to our efforts to integrate and consolidate certain operations of the legacy Xerox and Lexmark businesses following the Lexmark Acquisition in 2025, as well as our prior restructuring programs, including Reinvention (now referred to as Transformation). Our restructuring actions may also include the off-shoring and/or outsourcing of certain operations, services and other functions, exit from certain product lines and geographies, as well as reducing our real estate footprint.

Restructuring and related costs, net reflect the following components:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Restructuring charges, net	$ 26	$ 9	$ 71	$ 14
Asset impairment charges, net[(1)]	(5)	2	(6)	(4)
Related costs, net	2	(1)	3	(1)
Total Restructuring and related costs, net	$ 23	$ 10	$ 68	$ 9

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(1) Impairments for the three and six months ended June 30, 2026 and 2025, respectively, are net of cash receipts.

Restructuring Charges, Net

Restructuring charges, net primarily relate to the Print and Other segment for all restructuring programs, as amounts related to the IT Solutions segment were immaterial for the three and six months ended June 30, 2026. A summary of our restructuring program activity is as follows:

	Severance Costs Prior Actions	Severance Costs Reinvention	Severance Costs Integration	Other Contractual Termination Costs[(2)]	Total
Balance at December 31, 2025	$ 1	$ 43	$ 77	$ 5	$ 126
Restructuring provision	—	—	56	—	56
Reversals of prior charges	—	(2)	(9)	—	(11)
Net current period charges[(1)]	—	(2)	47	—	45
Charges against reserve and currency	—	(1)	(26)	—	(27)
Balance at March 31, 2026	$ 1	$ 40	$ 98	$ 5	$ 144
Restructuring provision	—	—	31	—	31
Reversals of prior charges	—	—	(5)	—	(5)
Net current period charges[(1)]	—	—	26	—	26
Charges against reserve and currency	—	(3)	(17)	—	(20)
Balance at June 30, 2026	$ 1	$ 37	$ 107	$ 5	$ 150

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(1) Represents net amount recognized within the Condensed Consolidated Statements of Income (Loss) for the period for restructuring charges. Reversals of prior charges primarily include net changes in estimated reserves from prior period initiatives accrued for in prior periods, including Reinvention (now referred to as Transformation) and Integration.

(2) Primarily includes additional costs incurred upon the exit from our facilities, including decommissioning costs and associated contractual termination costs. We expect that the majority of these costs will be paid upon the exercise of an early termination clause in 2027.

At June 30, 2026, we expect to pay $78 of the restructuring reserve over the next twelve months.

The following table summarizes the reconciliation to the Condensed Consolidated Statements of Cash Flows:

	Six Months Ended June 30,	
	2026	2025
Restructuring cash payments	$ (40)	$ (33)
Effects of foreign currency and other non-cash items	(7)	6
Charges against reserve and currency	$ (47)	$ (27)

Asset Impairment Charges, Net

Charges associated with asset impairments represent the write-down of the related assets to their new cost basis. Impairments are net of any potential sublease income or other recovery amounts. Asset impairment charges incurred during 2025 related to the impairment of an operating lease ROU asset, as well as the sale of a facility. Both the impairment and sale are associated with strategic actions associated with Reinvention.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Lease right of use assets[(1)]	$ —	$ —	$ —	$ 4
Owned assets[(2)]	—	2	—	11
Asset impairments	—	2	—	15
Less: Proceeds from the sales of owned assets[(3)]	(5)	—	(6)	(19)
Net asset impairment (credit) charge	$ (5)	$ 2	$ (6)	$ (4)

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(1) Primarily related to the exit and abandonment of leased facilities, net of recoveries and any potential sublease income.

(2) Primarily related to the exit and abandonment of owned facilities.

(3) Reflects proceeds on the sales of exited surplus facilities and land.

Related Costs, Net

In connection with our restructuring programs, we also incurred certain related costs as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Contractual severance costs	$ 2	$ (1)	$ 3	$ (1)
Total	$ 2	$ (1)	$ 3	$ (1)

For the six months ended June 30, 2026 and 2025 cash paid for restructuring related costs was $3 and $0, respectively, and the restructuring related costs reserve was $4 and $4 at June 30, 2026 and December 31, 2025, respectively. The balance at June 30, 2026 is expected to be paid over the next twelve months.

Note 11 – Supplementary Financial Information

Cash, Cash Equivalents and Restricted Cash

Restricted cash primarily relates to escrow cash deposits made in Brazil associated with ongoing litigation. As discussed in Note 21 - Contingencies and Litigation, various litigation matters in Brazil require us to make cash deposits to escrow as a condition of the continuing litigation. Restricted cash amounts are classified in our Condensed Consolidated Balance Sheets based on when the cash will be contractually or judicially released.

Cash, cash equivalents and restricted cash amounts are as follows:

	June 30, 2026	December 31, 2025
Cash and cash equivalents	$ 495	$ 512
Restricted cash		
Litigation deposits in Brazil	23	21
Other restricted cash	34	32
Total Restricted cash	57	53
Cash, cash equivalents and restricted cash	$ 552	$ 565

Restricted cash is reported in the Condensed Consolidated Balance Sheets as follows:

	June 30, 2026	December 31, 2025
Other current assets	$ 34	$ 31
Other long-term assets	23	22
Total Restricted cash	$ 57	$ 53

Supplemental Cash Flow Information

Summarized cash flow information is as follows:

		Six Months Ended June 30,	
Source/(Use)	Location in Statement of Cash Flows	2026	2025
Provision for receivables	Operating	$ 17	$ 27
Provision for inventory	Operating	19	21
Depreciation of buildings and equipment	Operating	43	27
Depreciation and obsolescence of equipment on operating leases	Operating	80	59
Amortization of internal use software	Operating	18	11
Amortization of acquired intangible assets	Operating	60	20
Amortization of customer contract costs(1)	Operating	36	33
Cost of additions to land, buildings and equipment	Investing	(26)	(9)
Cost of additions to internal use software	Investing	(21)	(30)
Payments to acquire noncontrolling interests - Xerox Holdings	Investing	(13)	(4)
Common stock dividends - Xerox Holdings	Financing	(9)	(51)
Preferred stock dividends - Xerox Holdings	Financing	(7)	(7)
Commitment fees	Financing	—	(15)

(1) Amortization of customer contract costs is reported in (Increase) decrease in other current and long-term assets in the Condensed Consolidated Statements of Cash Flows. Refer to Note 3 - Revenue - Contract Costs for additional information.

Supplier Finance Program

We have a program through a financial institution that enables vendors and suppliers, at their option, to receive early payment for their invoices. All outstanding amounts related to the program are recorded within Accounts payable in our Condensed Consolidated Balance Sheets, and the associated payments are included in operating activities within our Condensed Consolidated Statements of Cash Flows. The program operates in a similar manner to a purchasing card program, however with this program we directly receive invoices associated with those vendors and suppliers participating in the program and confirm and validate those invoices and the amounts due before submitting the invoices to the financial institution for early payment at a discounted amount. The financial institution subsequently invoices us for the stated or full amount of the invoices paid early and we are required to make payment within 45 days of the statement date. The overall impact of the program generally results in paying our supplier and vendor invoices consistent with their original terms. This program is generally available to all non-inventory vendors and suppliers.

Activity related to the Company's supplier finance program is as follows:

	2026	2025
Balance at January 1st	$ 18	$ 30
Amounts invoiced	18	22
Invoices paid	(18)	(33)
Balance at March 31st	$ 18	$ 19
Amounts invoiced	21	22
Invoices paid	(26)	(21)
Balance at June 30th	$ 13	$ 20

Note 12 – Debt

Joint Venture Financing

As discussed in Note 1 - Basis of Presentation, on February 17, 2026, Xerox and certain investors entered a joint venture arrangement pursuant to which the investors funded $405 aggregate principal amount of senior secured five-year Term Loans to, and purchased $45 of Class A Units from, XRX Brandco Holdings LLC (IPCo Holdings) which is a consolidated VIE. The Class A Units have a mandatory cumulative redemption expected in five years and as a result we have classified these instruments, as well as the Term Loans, as indebtedness totaling approximately $450 in the Condensed Consolidated Balance Sheet.

Transaction costs of $46 were paid at closing resulting in net proceeds of $404. The costs include amounts paid to lenders at closing representing transaction fees associated with underwriting, structuring, and committing capital, legal fees in connection with the debt financing, and advisory fees, as well as debt discounts. During the second quarter 2026, additional transaction costs of $8 for legal fees and expenses related to the joint venture arrangement were incurred. Transaction costs have been accounted for as debt issuance cost and discounts and will be amortized to interest expense over the five-year term. Amounts paid for the formation of the Joint Venture and for other general activities were not significant.

The Term Loans are guaranteed by a wholly owned subsidiary of IPCo Holdings, XRX Brandco LLC (IPCo) whose assets include royalty fees collected on the Contributed IP. The Term Loans bear interest at a per annum rate equal to the term SOFR rate, with a floor of 3.000% plus a margin of 8.125%. The Class A Units carry a per annum rate equal to the term SOFR rate, with a floor of 3.000% plus a margin of 11.875%. Both the Term Loans and the Class A Units amortize at a quarterly rate of 4.50% of the aggregate amount outstanding as of the Closing Date, with such amounts payable in equal installments, commencing following the fiscal quarter ending September 30, 2026. The remaining outstanding balance is due in full at maturity.

This indebtedness is subject to customary voluntary and mandatory prepayment provisions, including requirements to prepay with the proceeds of certain indebtedness and excess cash flow. The Credit Agreement contains customary affirmative covenants, representations and warranties and events of default for borrowers and facilities of this type, including, among others, payment defaults, breaches of representations and warranties, covenant defaults, cross-defaults to other indebtedness and insolvency events. In addition, the Credit Agreement includes customary negative covenants for borrowers and facilities of this type that, among other things, restrict the ability of IPCo Holdings and its subsidiaries to pay dividends or make other distributions, make investments, incur additional debt and engage in certain other activities.

Early Redemptions of Debt

During 2026, the Company repurchased approximately $194 of its 5.50% Senior Unsecured Notes due August 2028 and $6 of its 13.50% Senior Secured Notes due 2031 for an aggregate purchase price of approximately $101. In connection with these transactions, a net gain was recognized on the early extinguishment of the debt of approximately $39 and $95 for the three and six months ended June 30, 2026, respectively, which was recorded to Other expenses (income), net in the Condensed Consolidated Statement of Income (Loss).

Financing Liability – Tariff Receivables Monetization

On February 20, 2026, the U.S. Supreme Court issued a ruling invalidating certain tariffs previously imposed under the International Emergency Economic Powers Act (IEEPA). In addition, on March 4, 2026, the U.S. Court of International Trade (CIT) ruled that U.S. Customs and Border Protection (CBP) must return the IEEPA tariffs that were collected from February 4, 2025 through February 24, 2026. On April 20, 2026, the CBP launched the Consolidated Administration and Processing of Entries (CAPE) system to facilitate returns of previously paid tariffs, and at that time the Company determined that the return of the IEEPA tariffs was estimable and probable, and tariff receivables were recorded within the Condensed Consolidated Balance Sheet in Other current assets. A corresponding reduction to Cost of Sales of $105 was recorded in the Condensed Consolidated Statement of Income (Loss) for the three and six months ended June 30, 2026, respectively. The accounting for the return of the IEEPA tariff applies the loss recovery model, and the receivables represents recovery of tariff costs that were previously paid.

During the second quarter of 2026, the Company entered into a sale agreement to sell its rights to certain tariff receivables with a carrying amount of $105, for cash consideration of approximately $80. The cash consideration received is reported as a financing transaction in the Condensed Consolidated Statement of Cash Flows for the six months ended June 30, 2026. Imputed interest expense of approximately $25 will be recorded to Other expenses (income), net through December 31, 2026, our current estimate of when we will receive all of the refunds and subsequently transfer those refunds to the purchaser. Any cash received associated with the tariff receivable will be deposited and held in a restricted cash account until repayment is made to the purchaser. At June 30, 2026, a liability of $90 was recorded on the Condensed Consolidated Balance Sheet in Financing liability – tariff receivables monetization, reflecting the cash consideration received and the accrual of imputed interest.

Capped Calls

In connection with the issuance of the 2030 3.75% Convertible Senior Notes in 2024 (the 2030 Convertible Notes), the Company entered into privately negotiated capped call transactions (the Capped Calls) with certain of the initial purchasers of the 2030 Convertible Notes or their respective affiliates (the option counterparties) at a cost of approximately $23. The Capped Calls cover, subject to anti-dilution adjustments, the number of shares of the Company's common stock initially underlying the 2030 Convertible Notes. By entering into the Capped Calls, we expect to reduce the potential dilution to the Company's common stock (or, in the event a conversion of the 2030 Convertible Notes is settled in cash, to reduce our cash payment obligation) in the event that at the time of conversion of the 2030 Convertible Notes the trading price of our common stock price exceeds the conversion price of the 2030 Convertible Notes.

The initial cap price of the Capped Calls was approximately $28.34 per share, which represents a premium of 70% over the last reported sale price of our common stock of $16.67 on the NASDAQ Stock Exchange on March 6, 2024, and is subject to certain adjustments under the terms of the Capped Calls.

Under the terms of the Capped Call, a dividend payment below the Company’s $1.00 annual dividend at the time of the purchase of the Capped Call could result in an adjustment to the cap price. This adjustment is intended to preserve the original economics of the Capped Call and is permissible under ASC 815-40, and therefore, the Capped Call continues to meet the conditions for equity classification. The Capped Call cap price was reduced to $27.51 per share as a result of the reduction of our annual dividend from $1.00 to $.50 in the first quarter of 2025. In the second quarter of 2025, the annual dividend was reduced to $.10 per share. The current Capped Call cap price in 2025 was reduced to $20.84 per share, which is the same as the conversion price of the 2030 Convertible Notes.

Revolving Credit Facility

Xerox Corporation, as borrower, and its parent company, Xerox Holdings Corporation, have a revolving credit facility (the ABL Facility), with Citibank, N.A., as administrative agent and collateral agent (the ABL Agent) and several lenders including Citibank N.A. The aggregate outstanding principal amount of the ABL Facility is payable in full at maturity on the earlier of May 22, 2028, and a date that is 91 days prior to the final scheduled maturity date of any Material Springer Debt (as defined in the ABL Facility credit agreement), and there are no scheduled principal payments prior to maturity. The ABL Facility has commitments from the lenders of $425. In May 2026, the Company entered into Amendment No. 3 to the Credit Agreement which, among other things, increased the letter of credit sublimit from $100 to $125.

As of August 6, 2026, and based on our June availability calculation, we have availability of $388 before letters of credit issued under the ABL Facility of approximately $112. There are no current borrowings outstanding. Accordingly, our net availability is approximately $276. Certain debt covenants limit our total amount of secured debt outstanding. As of the date of our filing, our capacity under the ABL was not limited by any debt covenants. Our capacity to borrow under the ABL Facility may be adversely impacted by the terms of the ABL Facility and certain other agreements that govern our indebtedness.

Xerox Holdings Corporation/Xerox Corporation Intercompany Loan

At June 30, 2026 and December 31, 2025, the balance of the Xerox Holdings Corporation Intercompany Loan reported in Xerox Corporation's Condensed Consolidated Balance Sheet was $1,682 and $1,993, respectively, which is net of related debt issuance costs, and the intercompany interest payable was $28 and $36, respectively.

Interest Expense and Income

Interest expense and income were as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Equipment financing interest[1]	$ 18	$ 23	$ 37	$ 45
Non-financing interest expense[2]	100	55	184	88
Interest expense	$ 118	$ 78	$ 221	$ 133
Financing income[3]	$ 25	$ 32	$ 52	$ 65
Other interest income[3]	3	6	6	8
Interest income	$ 28	$ 38	$ 58	$ 73

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(1) Equipment financing interest is included in Cost of services, maintenance, rentals and other in the Condensed Consolidated Statements of Income (Loss).

(2) Interest expense of Xerox Corporation included intercompany interest expense associated with the Xerox Holdings Corporation / Xerox Corporation Intercompany Loan of $35 and $29 for the three months ended June 30, 2026 and 2025, respectively and $72 and $59 for the six months ended June 30, 2026 and 2025.

(3) Financing income is included in Services, maintenance, rentals and other, and other interest income is included in Other expenses (income), net, in the Condensed Consolidated Statements of Income (Loss).

Note 13 – Financial Instruments

Interest Rate Risk Management

We use interest rate swap and interest rate cap agreements to manage our interest rate exposure and to achieve a desired proportion of variable and fixed rate debt. These derivatives may be designated as fair value hedges or cash flow hedges, or non-designated hedges depending on the nature of the risk being hedged. We had no fair value hedges for the three and six months ended June 30, 2026 and 2025, respectively.

Foreign Exchange Risk Management

We are a global company and we are exposed to foreign currency exchange rate fluctuations in the normal course of our business. As a part of our foreign exchange risk management strategy, we use derivative instruments, primarily forward contracts and purchased option contracts, to hedge the following foreign currency exposures, thereby reducing volatility of earnings or protecting fair values of assets and liabilities:

- Foreign currency-denominated assets and liabilities
- Forecasted purchases and sales in foreign currency

At June 30, 2026 and December 31, 2025, we had outstanding forward exchange and purchased option contracts with gross notional values of $2,509 and $2,656 respectively, with terms of less than 12 months. At June 30, 2026, approximately 93% of the contracts mature within three months, 3% mature in three to six months and 4% in six to twelve months.

Foreign Currency Cash Flow Hedges

We designate a portion of our foreign currency derivative contracts as cash flow hedges of our foreign currency-denominated inventory purchases and certain revenue transactions that have a high probability of occurring. All components of each derivative's gain or loss were included in the assessment of hedge effectiveness. The amount of ineffectiveness recorded in the Condensed Consolidated Statements of Income (Loss) for these designated cash flow hedges was not material for the three and six months ended June 30, 2026 and 2025, respectively. The net asset (liability) fair value of these contracts was $3 and $(4) as of June 30, 2026 and December 31, 2025, respectively. The related cash flow impacts of all of our derivative activities are reflected as cash flows from operating activities.

Summary of Derivative Instruments Gains (Losses)

Derivative gains and (losses) affect the income statement based on whether such derivatives are designated as hedges of underlying exposures. The following is a summary of derivative gains (losses).

Designated Derivative Instruments Gains (Losses)

The following table provides a summary of gains (losses) on derivative instruments in cash flow hedging relationships:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Derivative Loss Recognized in OCI (Effective Portion)				
Foreign exchange contracts - forwards and options	$ 2	$ (5)	$ 3	$ (5)
Interest rate contracts	—	(1)	—	(4)
Total	$ 2	$ (6)	$ 3	$ (9)
Location of Derivative Gains (Losses) Reclassified from AOCL to Income (Effective Portion)				
Cost of sales	$ (2)	$ (1)	$ (5)	$ (1)
Total	$ (2)	$ (1)	$ (5)	$ (1)

At June 30, 2026, net after-tax gain of $4 was recorded in Accumulated other comprehensive loss associated with our cash flow hedging activity.

Refer to Note 14 - Fair Value of Financial Assets and Liabilities for additional information related to the fair value of our derivative instruments.

Credit Support Annex

The Company may enter into derivative contracts with derivative counterparties that contain a provision to post collateral to the counterparties when these contracts are in a net liability position. At June 30, 2026, the Company had collateral of $1 posted due to this provision.

Non-Designated Derivative Instruments Gains (Losses)

Non-designated derivative instruments are primarily instruments used to hedge foreign currency-denominated assets and liabilities. They are not designated as hedges since there is a natural offset for the remeasurement of the underlying foreign currency-denominated asset or liability. The net (liability) asset fair value of these contracts was $(14) and $2 as of June 30, 2026 and December 31, 2025, respectively.

The following table provides a summary of gains and (losses) on non-designated derivative instruments:

Derivatives NOT Designated as Hedging Instruments	Location of Derivative Gain (Loss)	Three Months Ended June 30, 2026	Three Months Ended June 30, 2025	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
Foreign exchange contracts – forwards	Other expenses (income), net – Currency (losses) gains, net	$ (18)	$ 3	$ (33)	$ 9

Currency losses, net were $8 and $1 for the three months ended June 30, 2026 and 2025, respectively and $13 and $1 for the six months ended June 30, 2026 and 2025, respectively. Net currency gains and losses include the mark-to-market adjustments of the derivatives not designated as hedging instruments and the related cost of those derivatives as well as the remeasurement of foreign currency-denominated assets and liabilities and are included in Other expenses (income), net.

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Note 14 – Fair Value of Financial Assets and Liabilities

The following table represents assets and liabilities measured at fair value on a recurring basis. With the exception of the warrants, whose basis for the measurement of fair value is Level 1 - Quoted Prices, the basis for measurement at fair value for all other assets and liabilities is Level 2 – Significant Other Observable Inputs.

	June 30, 2026	December 31, 2025
Assets		
Derivatives[(1)]	$ 12	$ 8
Deferred compensation plan investments in mutual funds	13	12
Total	$ 25	$ 20
Liabilities		
Derivatives[(1)]	$ 22	$ 10
Warrant[(2)]	21	—
Deferred compensation plan liabilities	12	11
Total	$ 55	$ 21

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(1) Includes foreign currency derivative contracts. Refer to Note 13 - Financial Instruments for additional information regarding these derivatives.
(2) Refer to Note 16 - Shareholders' Equity of Xerox Holdings for additional information regarding the Warrant Dividend.

We utilize the income approach to measure the fair value for our derivative assets and liabilities. The income approach uses pricing models that rely on market observable inputs such as yield curves, currency exchange rates and forward prices.

The fair value of the warrant liability is determined using the market approach in accordance with ASC 820, and is based on quoted market prices for the identical warrants in an active market at the measurement date, which are derived from observable market prices rather than a valuation model. Accordingly, no unobservable inputs or management assumptions are used in determining the fair value.

Fair value for our deferred compensation plan investments in mutual funds is based on quoted market prices for those funds. Fair value for deferred compensation plan liabilities is based on the fair value of investments corresponding to employees' investment selections.

Summary of Other Financial Assets and Liabilities

The estimated fair values of our other financial assets and liabilities were as follows:

	June 30, 2026		December 31, 2025	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Cash and cash equivalents	$ 495	$ 495	$ 512	$ 512
Accounts receivable, net	1,185	1,185	1,122	1,122
Short-term debt and current portion of long-term debt[(1)]	70	74	231	236
Long-term Debt				
Xerox Holdings Corporation	1,670	845	1,872	800
Xerox Corporation	2,096	1,613	2,142	1,676
Xerox - Other Subsidiaries[(2)]	387	391	2	2
Long-term debt	$ 4,153	$ 2,849	$ 4,016	$ 2,478

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(1) Includes $12 and $121 of Xerox Corporation related party debt for the period ended June 30, 2026 and December 31, 2025 respectively.
(2) Represents subsidiaries of Xerox Corporation

The fair value amounts for Cash and cash equivalents and Accounts receivable, net, approximate carrying amounts due to the short maturities of these instruments. The fair value of Short-term debt, including the current portion of long-term debt, and Long-term debt was estimated based on the current rates offered to us for debt of similar maturities (Level 2). The difference between the fair value and the carrying value represents the theoretical net premium or discount we would pay or receive to retire all debt at such date.

Note 15 – Employee Benefit Plans

The components of Net periodic benefit cost and other changes in plan assets and benefit obligations were as follows:

	Three months ended June 30,					
	Pension Benefits					
	U.S. Plans		Non-U.S. Plans		Retiree Health	
Components of Net Periodic Benefit Costs:	2026	2025	2026	2025	2026	2025
Service cost	$ —	$ —	$ 2	$ 1	$ 1	$ —
Interest cost[(1)]	32	29	50	49	2	2
Expected return on plan assets[(1)]	(27)	(22)	(53)	(53)	—	—
Recognized net actuarial loss (gain)[(1)]	6	4	15	15	(3)	(3)
Amortization of prior service cost (credit)[(1)]	—	—	3	2	(3)	(3)
Other[(1)]	—	—	(1)	—	—	—
Defined benefit plans	11	11	16	14	(3)	(4)
Defined contribution plans	5	(3)	6	4	n/a	n/a
Net Periodic Benefit Cost (Credit)	$ 16	$ 8	$ 22	$ 18	$ (3)	$ (4)

	Six Months Ended June 30,					
	Pension Benefits					
	U.S. Plans		Non-U.S. Plans		Retiree Health	
Components of Net Periodic Benefit Costs:	2026	2025	2026	2025	2026	2025
Service cost	$ —	$ —	$ 4	$ 2	$ 1	$ —
Interest cost[(1)]	64	57	101	95	4	4
Expected return on plan assets[(1)]	(54)	(44)	(107)	(102)	—	—
Recognized net actuarial loss (gain)[(1)]	11	9	30	27	(5)	(6)
Amortization of prior service cost (credit)[(1)]	—	—	5	4	(6)	(6)
Other[(1)]	—	—	(1)	—	—	—
Net Periodic Defined Benefit Cost (Credit)	21	22	32	26	(6)	(8)
Defined contribution plans	10	—	12	10	n/a	n/a
Total Employee Benefit Plans Cost (Credit)	$ 31	$ 22	$ 44	$ 36	$ (6)	$ (8)

(1) Included in Other expenses (income), net in the Consolidated Statements of Income (Loss).

Contributions

The following table summarizes cash contributions to our defined benefit pension plans and retiree health benefit plans:

	Six Months Ended June 30,		Year Ended December 31,	
	2026[(1)]	2025	Estimated 2026[(1)]	2025
U.S. plans	$ 52	$ 44	$ 115	$ 112
Non-U.S. plans	11	12	25	28
Total Pension plans	63	56	140	140
Retiree Health	9	11	20	21
Total Retirement plans	$ 72	$ 67	$ 160	$ 161

(1) Contributions amounts for the six months ended June 30, 2026, as well as full year estimated contributions for 2026, include legacy Lexmark for the entire period. Contributions for 2025 reflect those contributions made for legacy Lexmark beginning July 1, 2025, the date of the Lexmark Acquisition. Refer to Note 6 - Acquisition for additional information regarding the Lexmark Acquisition.

Approximately $95 of the estimated 2026 contributions for our U.S. plans are for our tax-qualified defined benefit plans.

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Note 16 – Shareholders' Equity of Xerox Holdings

(shares in thousands)

The shareholders' equity information presented below reflects the consolidated activity of Xerox Holdings.

	Common Stock[(1)]	Additional Paid-in Capital	Retained Earnings	AOCL[(2)]	Xerox Holdings Shareholders' Equity	Non-controlling Interests	Total Equity
Balance at March 31, 2026	$ 131	$ 1,192	$ 2,320	$ (3,344)	$ 299	$ 6	$ 305
Comprehensive income, net	—	—	13	10	23	—	23
Cash dividends declared - common[(3)]	—	—	(4)	—	(4)	—	(4)
Cash dividends declared - preferred[(4)]	—	—	(3)	—	(3)	—	(3)
Stock option and incentive plans, net	—	8	—	—	8	—	8
Transactions with noncontrolling interests	—	—	—	—	—	1	1
Balance at June 30, 2026	$ 131	$ 1,200	$ 2,326	$ (3,334)	$ 323	$ 7	$ 330

	Common Stock[(1)]	Additional Paid-in Capital	Retained Earnings	AOCL[(2)]	Xerox Holdings Shareholders' Equity	Non-controlling Interests	Total Equity
Balance at March 31, 2025	$ 126	$ 1,141	$ 3,403	$ (3,617)	$ 1,053	$ 4	$ 1,057
Comprehensive (loss) income, net	—	—	(106)	169	63	—	63
Cash dividends declared - common[(3)]	—	—	(4)	—	(4)	—	(4)
Cash dividends declared - preferred[(4)]	—	—	(3)	—	(3)	—	(3)
Stock option and incentive plans, net	—	13	—	—	13	—	13
Transactions with noncontrolling interests	—	—	—	—	—	1	1
Balance at June 30, 2025	$ 126	$ 1,154	$ 3,290	$ (3,448)	$ 1,122	$ 5	$ 1,127

	Common Stock[(1)]	Additional Paid-in Capital	Retained Earnings	AOCL[(2)]	Xerox Holdings Shareholders' Equity	Non-controlling Interests	Total Equity
Balance at December 31, 2025	$ 128	$ 1,183	$ 2,444	$ (3,311)	$ 444	$ 5	$ 449
Comprehensive (loss), net	—	—	(92)	(23)	(115)	—	(115)
Cash dividends declared - common[(3)]	—	—	(7)	—	(7)	—	(7)
Cash dividends declared - preferred[(4)]	—	—	(7)	—	(7)	—	(7)
Distribution of stock warrants[(5)]	—	—	(12)	—	(12)	—	(12)
Stock option and incentive plans, net	3	17	—	—	20	—	20
Transactions with noncontrolling interests	—	—	—	—	—	2	2
Balance at June 30, 2026	$ 131	$ 1,200	$ 2,326	$ (3,334)	$ 323	$ 7	$ 330

	Common Stock[(1)]	Additional Paid-in Capital	Retained Earnings	AOCL[(2)]	Xerox Holdings Shareholders' Equity	Non-controlling Interests	Total Equity
Balance at December 31, 2024	$ 124	$ 1,137	$ 3,514	$ (3,699)	$ 1,076	$ 4	$ 1,080
Comprehensive (loss) income, net	—	—	(196)	251	55	—	55
Cash dividends declared - common[(3)]	—	—	(21)	—	(21)	—	(21)
Cash dividends declared - preferred[(4)]	—	—	(7)	—	(7)	—	(7)
Stock option and incentive plans, net	2	17	—	—	19	—	19
Transactions with noncontrolling interests	—	—	—	—	—	2	2
Distributions to noncontrolling interests	—	—	—	—	—	(1)	(1)
Balance at June 30, 2025	$ 126	$ 1,154	$ 3,290	$ (3,448)	$ 1,122	$ 5	$ 1,127

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(1) Common Stock has a par value of $1 per share.

(2) Refer to Note 18 - Other Comprehensive Income (Loss) for the components of AOCL.

(3) Cash dividends declared on common stock for the three months ended June 30, 2026 and 2025 were $0.025 per share and $0.025 per share, respectively and $0.05 per share and $0.15 per share for the six months ended June 30, 2026 and 2025, respectively.

(4) Cash dividends declared on preferred stock for the three and six months ended June 30, 2026 and 2025 were $20.00 and $40.00 per share, respectively.

(5) Refer to the Warrant Dividend section below for additional information.

Common Stock

The following is a summary of the changes in common stock shares:

	Common Stock Shares
Balance at December 31, 2025	128,044
Stock based compensation plans, net	2,732
Balance at March 31, 2026	130,776
Stock based compensation plans, net	465
Exercise of warrants	2
Balance at June 30, 2026	131,243

Warrant Dividend

In January 2026 the Board of Directors of Xerox Holdings Corporation (Xerox Holdings) approved a pro-rata distribution of warrants to holders (collectively, the Eligible Holders) of Xerox's common stock, par value $1.00 per share (the Common Stock), Series A Convertible Perpetual Voting Preferred Stock (the Series A Preferred Stock) and 3.75% Convertible Senior Notes due 2030 (the Convertible Notes).

On February 12, 2026, 77,271,234 warrants were issued and distributed, at no cost, to the Eligible Holders of record as of the close of business on February 9, 2026. Each holder of record of the Common Stock as of the Record Date received one warrant for every two shares of Xerox Holdings common stock held, rounded down to the nearest whole warrant. Holders of record of the Series A Preferred Stock and the Convertible Notes received warrants based on the same ratio in the manner determined by the charter governing the Series A Preferred Stock and the indenture governing the Convertible Notes, respectively.

Each warrant entitles the holder to purchase one share of Common Stock (the Warrant Exercise Rate) at an exercise price of $8.00 per share (the Warrant Exercise Price), subject to the terms and conditions of the warrant agreement, and may be exercised (a) for cash, at any time prior to expiration of the warrants, and (b) using designated outstanding Xerox debt securities (the Designated Notes) at any time prior to the earlier of the expiration of the warrants and the termination of the right to use Designated Notes to exercise warrants. Xerox Holdings Corporation may also elect, in its sole and absolute discretion, to remove one or more or all series of its or Xerox Corporation's notes from being "Designated Notes," by giving notice to holders of warrants by way of press release. Such redesignation shall only be effective 20 consecutive Business Days from (and including) the date of publication of notice.

The Warrant Exercise Rate is subject to certain customary anti-dilution adjustments as set forth in the warrant agreement and Xerox Holdings Corporation's right to voluntarily increase the Warrant Exercise Rate in its sole and absolute discretion from time to time. The Warrant Exercise Price is subject to Xerox Holdings Corporation's right to voluntarily decrease the Warrant Exercise Price in its sole and absolute discretion from time to time.

The warrants have an expiration date of two years from the distribution date, unless an Early Expiration Price Condition Date (as defined below) is met, in which case the expiration will be accelerated. The warrants will be subject to early expiration if the volume-weighted average price of Xerox common stock equals or exceeds 100% of the then-applicable warrant exercise price for 20 trading days within any 30 consecutive trading day period (such final day, the Early Expiration Price Condition Date). If this condition is met, the warrants will expire at 5:00 p.m. New York City time on the business day immediately following the Early Expiration Price Condition Date or such other date as Xerox Holdings Corporation may elect in accordance with the warrant agreement.

The warrants are classified as derivative liabilities and are remeasured at fair value at each reporting date. Changes in the fair value of the warrant liability are recognized in Other expenses (income), net in the Condensed Consolidated Statements of Income (Loss). On the date of issuance, a warrant liability of $12 was recognized in Other long-term liabilities in the Condensed Consolidated Balance Sheet. For the three and six months ended June 30, 2026, the Company recorded expense of $14 and $9, respectively. At June 30, 2026, the liability included in Other long-term liabilities was $21.

Note 17 – Shareholder's Equity of Xerox

The shareholder's equity information presented below reflects the consolidated activity of Xerox.

	Additional Paid-in Capital	Retained Earnings	AOCL[(1)]	Xerox Shareholder's Equity	Non-controlling Interests	Total Equity
Balance at March 31, 2026	$ 3,491	$ 336	$ (3,344)	$ 483	$ 6	$ 489
Comprehensive income, net	—	16	10	26	—	26
Dividends declared to parent	—	(7)	—	(7)	—	(7)
Transfers from parent	14	—	—	14	—	14
Investment from noncontrolling interests	—	—	—	—	1	1
Balance at June 30, 2026	$ 3,505	$ 345	$ (3,334)	$ 516	$ 7	$ 523

	Additional Paid-in Capital	Retained Earnings	AOCL[(1)]	Xerox Shareholder's Equity	Non-controlling Interests	Total Equity
Balance at March 31, 2025	$ 3,474	$ 1,397	$ (3,617)	$ 1,254	$ 4	$ 1,258
Comprehensive (loss) income, net	—	(104)	169	65	—	65
Dividends declared to parent	—	(6)	—	(6)	—	(6)
Transfers to parent	(6)	—	—	(6)	—	(6)
Transactions with noncontrolling interests	—	—	—	—	1	1
Balance at June 30, 2025	$ 3,468	$ 1,287	$ (3,448)	$ 1,307	$ 5	$ 1,312

	Additional Paid-in Capital	Retained Earnings	AOCL[(1)]	Xerox Shareholder's Equity	Non-controlling Interests	Total Equity
Balance at December 31, 2025	$ 3,492	$ 448	$ (3,311)	$ 629	$ 5	$ 634
Comprehensive (loss), net	—	(89)	(23)	(112)	—	(112)
Dividends declared to parent	—	(14)	—	(14)	—	(14)
Transfers from parent	13	—	—	13	—	13
Transactions with noncontrolling interests	—	—	—	—	2	2
Balance at June 30, 2026	$ 3,505	$ 345	$ (3,334)	$ 516	$ 7	$ 523

	Additional Paid-in Capital	Retained Earnings	AOCL[(1)]	Xerox Shareholder's Equity	Non-controlling Interests	Total Equity
Balance at December 31, 2024	$ 3,487	$ 1,504	$ (3,699)	$ 1,292	$ 4	$ 1,296
Comprehensive (loss) income, net	—	(191)	251	60	—	60
Dividends declared to parent	—	(26)	—	(26)	—	(26)
Transfers to parent	(19)	—	—	(19)	—	(19)
Transactions with noncontrolling interests	—	—	—	—	2	2
Distributions to noncontrolling interests	—	—	—	—	(1)	(1)
Balance at June 30, 2025	$ 3,468	$ 1,287	$ (3,448)	$ 1,307	$ 5	$ 1,312

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(1) Refer to Note 18 - Other Comprehensive Income (Loss) for the components of AOCL.

Note 18 – Other Comprehensive Income (Loss)

Other Comprehensive Income (Loss) is comprised of the following:

	Three Months Ended June 30,				Six Months Ended June 30,			
	2026		2025		2026		2025	
	Pre-tax	Net of Tax	Pre-tax	Net of Tax	Pre-tax	Net of Tax	Pre-tax	Net of Tax
Translation Adjustments Gains (Losses)	$ 1	$ 1	$ 229	$ 229	$ (76)	$ (76)	$ 334	$ 334
Unrealized Gains (Losses)								
Changes in fair value of cash flow hedges gains (losses)	2	2	(6)	(5)	3	3	(9)	(7)
Changes in cash flow hedges reclassed to earnings(1)	2	2	1	1	5	5	1	1
Net Unrealized Gains (Losses)	4	4	(5)	(4)	8	8	(8)	(6)
Defined Benefit Plans (Losses) Gains								
Net actuarial/prior service (losses) gains	(8)	(8)	1	1	(7)	(7)	1	—
Prior service amortization(2)	—	—	(1)	—	(1)	(1)	(2)	—
Actuarial loss amortization/ settlement(2)	18	17	15	13	36	34	30	27
Other (losses) gains(3)	(5)	(4)	(70)	(70)	18	19	(104)	(104)
Changes in Defined Benefit Plans Gains (Losses)	5	5	(55)	(56)	46	45	(75)	(77)
Other Comprehensive Income (Loss)	$ 10	$ 10	$ 169	$ 169	$ (22)	$ (23)	$ 251	$ 251

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(1) *Reclassified to Cost of sales and interest expense - refer to Note 13 - Financial Instruments for additional information regarding our cash flow hedges.*
(2) *Reclassified to Total Net Periodic Benefit Cost - refer to Note 15 - Employee Benefit Plans for additional information.*
(3) *Primarily represents currency impact on cumulative amount of benefit plan net actuarial losses and prior service credits in AOCL.*

Accumulated Other Comprehensive Loss (AOCL)

AOCL is comprised of the following:

	June 30, 2026	December 31, 2025
Cumulative translation adjustments	$ (1,937)	$ (1,861)
Other unrealized gains (losses), net	4	(4)
Benefit plans net actuarial losses and prior service credits	(1,401)	(1,446)
Total Accumulated Other Comprehensive Loss	$ (3,334)	$ (3,311)

Note 19 – Income Taxes

Second quarter 2026 effective tax rate was 58.1% and resulted in tax expense of $18. This rate was higher than the U.S. federal statutory tax rate of 21.0% primarily due to Xerox's inability to benefit from certain current year losses and expenses, as well as the geographical mix of earnings.

Second quarter 2025 effective tax rate was (76.7)% and resulted in tax expense of $46 on a pre-tax (loss). This rate was higher than the U.S. federal statutory tax rate of 21.0%, primarily due to not benefitting from certain current year losses and expenses, as well as the geographical mix of earnings.

The effective tax rate for the six months ended June 30, 2026 was (119.0)% and resulted in tax expense of $50 on a pre-tax (loss). This rate was higher than the U.S. federal statutory tax rate of 21.0% primarily due to Xerox's inability to benefit from certain current year losses and expenses, as well as the geographical mix of earnings.

The effective tax rate for the six months ended June 30, 2025 was (54.3)% and resulted in tax expense of $69 on a pre-tax (loss). This rate was higher than the U.S. federal statutory tax rate of 21.0% primarily due to the establishment of a valuation allowance in the first quarter 2025 against certain deferred tax assets as well as not benefiting from certain current year losses and expenses and the geographical mix of earnings.

The effective tax rate is based on nonrecurring events as well as recurring factors, including the taxation of foreign income. In addition, the effective tax rate will change based on discrete or other nonrecurring events that may not be predictable.

Note 20 – Income (Loss) per Share

(shares in thousands)

The following table sets forth the computation of basic and diluted income (loss) per share of Xerox Holdings Corporation's common stock:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Income (Loss) per Share				
Net Income (Loss)	$ 13	$ (106)	$ (92)	$ (196)
Accrued dividends on preferred stock	(3)	(3)	(7)	(7)
Adjusted Net income (loss) available to common shareholders	$ 10	$ (109)	$ (99)	$ (203)
Weighted average common shares outstanding	130,895	125,791	129,820	125,452
Basic Earnings (Loss) per Share	$ 0.07	$ (0.87)	$ (0.77)	$ (1.62)
Diluted Earnings (Loss) per Share:				
Net Income (Loss)	$ 13	$ (106)	$ (92)	$ (196)
Accrued dividends on preferred stock	(3)	(3)	(7)	(7)
Adjusted Net income (loss) available to common shareholders	$ 10	$ (109)	$ (99)	$ (203)
Weighted average common shares outstanding	130,895	125,791	129,820	125,452
Common shares issuable with respect to:				
Stock options	—	—	—	—
Restricted stock and performance shares	3,893	—	—	—
Convertible preferred stock	—	—	—	—
Adjusted weighted average common shares outstanding	134,788	125,791	129,820	125,452
Diluted Earnings (Loss) per Share	$ 0.07	$ (0.87)	$ (0.77)	$ (1.62)
The following securities were not included in the computation of diluted earnings per share as they were either contingently issuable shares or shares that if included would have been anti-dilutive:				
Stock options	119	132	119	132
Restricted stock and performance shares	17,927	18,522	21,820	18,522
Convertible preferred stock	6,742	6,742	6,742	6,742
Convertible notes	19,196	19,196	19,196	19,196
Warrants	82,464	—	82,464	—
Total Anti-Dilutive Securities	126,448	44,592	130,341	44,592
Dividends per Common Share	$ 0.025	$ 0.025	$ 0.050	$ 0.150

Note 21 – Contingencies and Litigation

Legal Matters

We are involved in a variety of claims, lawsuits, investigations and proceedings concerning: securities law; governmental entity contracting; servicing and procurement law; intellectual property law; environmental law; employment law; the Employee Retirement Income Security Act (ERISA); and other laws and regulations. We determine whether an estimated loss from a contingency should be accrued by assessing whether a loss is deemed probable and can be reasonably estimated. We assess our potential liability by analyzing our litigation and regulatory matters using available information. We develop our views on estimated losses in consultation with outside counsel handling our defense in these matters, which involves an analysis of potential results, assuming a combination of litigation and settlement strategies. Should developments in any of these matters cause a change in our determination as to an unfavorable outcome and result in the need to recognize a material accrual, or should any of these matters result in a final adverse judgment or be settled for significant amounts, they could have a material adverse effect on our results of operations, cash flows and financial position in the period or periods in which such change in determination, judgment or settlement occurs.

Brazil Contingencies

Our Brazilian operations have received or been the subject of numerous governmental assessments related to indirect and other taxes. The tax matters principally relate to claims for taxes on the internal transfer of inventory, municipal service taxes on rentals and gross revenue taxes. We are disputing these tax matters and intend to vigorously defend our positions. Based on the opinion of legal counsel and current reserves for those matters deemed probable of loss, we do not believe that the ultimate resolution of these matters will materially impact our results of operations, financial position or cash flows. Below is a summary of our Brazilian tax contingencies:

	June 30, 2026	December 31, 2025
Tax contingency - unreserved	$ 376	$ 338
Escrow cash deposits	21	20
Surety bonds	97	115
Letters of credit	—	1
Liens on Brazilian assets	—	—

The increase in the unreserved portion of the tax contingency, inclusive of any related interest, was primarily due to currency and adjustments to ongoing cases, as well as interest, all of which was partially offset by the closed cases. With respect to the unreserved tax contingency, the majority has been assessed by management as being remote as to the likelihood of ultimately resulting in a loss to the Company. In connection with the above proceedings, customary local regulations may require us to make escrow cash deposits or post other security of up to half of the total amount in dispute, as well as, additional surety bonds and letters of credit, which include associated indexation. Generally, any escrowed amounts would be refundable and any liens on assets would be removed to the extent the matters are resolved in our favor. We are also involved in certain disputes with contract and former employees. Exposures related to labor matters are not material for the periods presented. We routinely assess all these matters as to the probability of ultimately incurring a liability against our Brazilian operations and record our best estimate of the ultimate loss in situations where we assess the likelihood of an ultimate loss as probable.

Litigation

We are engaged in numerous legal actions arising in the ordinary course of our business. While there can be no assurance, as of June 30, 2026, we believe that the ultimate outcome of these other legal actions will not have a material adverse effect on our business, results of operations, financial condition or cash flows.

Guarantees

We have issued or provided approximately $282 of guarantees as of June 30, 2026 in the form of letters of credit or surety bonds issued to i) support certain insurance programs; ii) support our obligations related to the Brazil contingencies; iii) support our obligations related to our U.K. pension plans; and iv) support certain contracts, primarily with public sector customers, which require us to provide a surety bond as a guarantee of our performance of contractual obligations.

In general, we would only be liable for the amount of these guarantees in the event we, or one of our direct or indirect subsidiaries whose obligations we have guaranteed, defaulted in performing our obligations under each contract; the probability of which we believe is remote. We believe that our capacity in the surety markets as well as under various credit arrangements (including our Credit Facility) is sufficient to allow us to respond to future requests for proposals that require such credit support.

ITEM 2 — MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Throughout the Management's Discussion and Analysis (MD&A) that follows, references to "Xerox Holdings" refer to Xerox Holdings Corporation and its consolidated subsidiaries, while references to "Xerox" refer to Xerox Corporation and its consolidated subsidiaries. References herein to "we," "us," "our," and the "Company" refer collectively to both Xerox Holdings and Xerox unless the context suggests otherwise. References to "Xerox Holdings Corporation" refer to the stand-alone parent company and do not include its subsidiaries. References to "Xerox Corporation" refer to the stand-alone company and do not include its subsidiaries.

Xerox Holdings' primary direct operating subsidiary is Xerox and Xerox reflects nearly all of Xerox Holdings' operations. Accordingly, the following MD&A primarily focuses on the operations of Xerox and is intended to help the reader understand Xerox's business and its results of operations and financial condition. The MD&A is provided as a supplement to, and should be read in conjunction with, the Condensed Consolidated Financial Statements and the accompanying notes. Throughout this MD&A, references are made to various notes in the Condensed Consolidated Financial Statements which appear in Item 1 of this combined Quarterly Report on Form 10-Q (this Form 10-Q), and the information contained in such notes is incorporated by reference into the MD&A in the places where such references are made.

Xerox Holdings' other direct subsidiary is Xerox Ventures LLC, which holds an investment in Myriad Ventures Fund I LP (Myriad). Myriad is fully consolidated by Xerox Holdings. At June 30, 2026 and December 31, 2025 investments in Myriad were $50 million and $41 million, respectively. For ease of discussion, the following MD&A includes the results of Xerox Ventures LLC as they are immaterial to earnings and the balance sheet.

Our results include Lexmark International II, LLC (Lexmark) from July 1, 2025, the effective date of the Lexmark Acquisition. In order to provide a clearer comparison of our results to the prior year, we are also providing a discussion and analysis on a pro forma basis. See the "Pro Forma Basis" section below for further explanation and discussion of pro forma results. In addition, the following discussion includes references to "legacy Xerox", which reflects the financial results of Xerox, excluding the impact of the Lexmark Acquisition, as applicable.

Currency Impact

To understand the trends in the business, we believe that it is helpful to analyze the impact of changes in the translation of foreign currencies into U.S. Dollars on revenue and expenses. We refer to this analysis as "constant currency", "currency impact" or "the impact from 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 the local country currency. We do not hedge the translation effect of revenues or expenses denominated in currencies where the local currency is the functional currency. Management believes the constant currency measure provides an additional perspective on revenue trends. Currency impact can be determined as the difference between actual growth rates and constant currency growth rates.

Overview

In the second quarter 2026, overall market trends remained stable compared to the prior year, with demand broadly consistent with recent quarters. The Supreme Court ruling on IEEPA tariffs provided a meaningful benefit to our cost structure in the second quarter 2026, which we recognized as a receivable and subsequently sold for $80 million in cash. However, ongoing tariff payments, combined with higher memory and oil prices, continue to present headwinds to our cost structure. To date, none of these factors have materially impacted overall demand, apart from certain international markets with exposure to the Middle East conflict.

Second quarter 2026 reflects the continued benefits of the Lexmark Acquisition and Xerox's transformation efforts. Pro forma[1] gross margins expanded year-over-year for the second consecutive quarter, driven by integration synergies, cost discipline, and an increasingly unified operating model. These gains are complemented by new product launches under the unified Xerox brand, growing partner validation, and a more focused go-to-market approach which is collectively positioning the company for continued operational and financial improvement in the second half of 2026 and beyond.

Equipment sales of $387 million in the second quarter 2026 increased 15.2% in actual currency and 15.0% in constant currency[2], as compared to the second quarter 2025. Second quarter 2026 equipment sales included a 33.1-percentage point benefit from the Lexmark Acquisition. Total equipment installations increased approximately 97.0% including the impact of the Lexmark Acquisition, partially offset by declines in legacy Xerox installations, primarily in the entry, and mid-range color equipment categories. Excluding the Lexmark Acquisition, equipment sales declined 17.9% in actual currency due to lower installations and a mix shift toward Entry products. On a pro forma[1] basis, second quarter 2026 revenue declined 13.0%, primarily reflecting the impacts noted above, partially offset by modest growth from Lexmark.

Post sale revenue of $1,346 million in the second quarter 2026 increased 30.7% in actual currency and 29.7% in constant currency[2], as compared to second quarter 2025, and included a 37.5-percentage point benefit from the Lexmark Acquisition. Excluding the Lexmark Acquisition, post sale revenue declined 6.8% in actual currency primarily reflecting lower equipment service revenue and managed print services. Post sale revenue was also adversely impacted by intentional reductions in non-strategic revenue, including the exit of certain production print manufacturing operations in prior years, as well as a decline in financing revenue reflecting the continued sales of finance receivables to our various funding affiliates and lower originations. On a pro forma[1] basis, second quarter 2026 revenue decreased 3.9%, primarily reflecting the impacts noted above.

IT Solutions revenue of $189 million in the second quarter 2026 declined 10.0% in actual currency and 9.0% in constant currency[2], as compared to the second quarter 2025. The decline was primarily driven by a mix of revenue subject to net classifications and revenue deferrals.

Pre-tax Income of $31 million for the second quarter 2026 increased by $91 million as compared to pre-tax (loss) of $(60) million in the second quarter 2025. Pre-tax margin of 1.6% for the second quarter 2026 improved by 5.4-percentage points as compared to the second quarter 2025 pre-tax (loss) of (3.8)% and included an approximate 5.5-percentage point benefit related to the IEEPA tariff receivables and a 3.8-percentage point benefit from the Lexmark Acquisition. On a pro forma[1] basis, second quarter 2026 pre-tax income margin improved by 4.1-percentage points.

Second quarter 2026 adjusted[2] operating income margin of 10.6% increased by 6.9-percentage points compared to second quarter 2025, and included a 6.6-percentage point benefit related to the IEEPA a tariff receivables, as well as an approximate 2.0-percentage point benefit from the Lexmark Acquisition. On a pro forma[1] basis, second quarter 2026 adjusted[2] operating income margin increased by 5.4-percentage points.

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(1) Refer to the "Pro Forma Basis" section for an explanation of this measure. Reflects the inclusion of Lexmark's estimated results from January 1, 2025 through June 30, 2025. Lexmark's actual results are included in Xerox's reported results beginning on July 1, 2025, the effective date of the acquisition.

(2) Refer to the “Non-GAAP Financial Measures" section for an explanation of the non-GAAP financial measure.

Recent Changes and Developments

Acquisition of Lexmark

On July 1, 2025, Xerox Corporation completed its previously announced acquisition of all of the issued and outstanding equity of Lexmark International II, LLC (Lexmark) from Ninestar Group Company Limited. Refer to Note 6 - Acquisition in the Condensed Consolidated Financial Statements for additional information regarding the Lexmark Acquisition.

Joint Venture Arrangement and Shared Services and License Agreement

In February 2026, Xerox Corporation and certain investors including certain funds and accounts managed by Angelo, Gordon & Co., L.P. (collectively, TPG) entered into a joint venture arrangement (the Joint Venture) pursuant to which TPG funded $405 million aggregate principal amount of senior secured term loans (the Term Loans) to, and purchased $45 million of Class A Units from, XRX Brandco Holdings LLC (IPCo Holdings) (the Joint Venture Financing).

Also in February 2026, in connection with the formation of the Joint Venture, Xerox Holdings, Xerox Corporation, IPCo Holdings and XRX Brandco LLC (IPCo) entered into a Shared Services and License Agreement (the SSLA), pursuant to which (i) Xerox Holdings agreed to provide certain services to IPCo Holdings and IPCo and (ii) IPCo granted licenses to the Contributed IP to Xerox Corporation and, at the election of Xerox Holdings, certain of its subsidiaries (collectively, the Licensees).

Refer to Note 1 - Basis of Presentation in the Condensed Consolidated Financial Statements for additional information regarding the Joint Venture Arrangement and the Shared Services and License Agreement, as well as to Note 12 - Debt in the Condensed Consolidated Financial Statements for additional information regarding the Joint Venture Financing.

Warrant Dividend

In January 2026, the Board of Directors of Xerox Holdings Corporation approved a pro-rata distribution of warrants to holders of Xerox Holdings Corporation’s common stock, par value $1.00 per share, Series A Convertible Perpetual Voting Preferred Stock and 3.75% Convertible Senior Notes due 2030. Refer to Note 16 - Shareholders'

Equity of Xerox Holdings in the Condensed Consolidated Financial Statements for additional information regarding the Warrant Dividend.

2026 Review

Total revenue of $1.92 billion for second quarter 2026 increased 22.0% from second quarter 2025, including a 31.6-percentage point benefit from the Lexmark Acquisition, as well as a 0.8-percentage point favorable impact from currency. On a pro forma[1] basis total revenue declined 6.5%. Total revenue reflected the following:

- an increase of 30.7% in Post sale revenue, including a 37.5-percentage point benefit from the Lexmark Acquisition, as well as a 1.0-percentage point favorable impact from currency. On a pro forma[1] basis post sale revenue declined 3.9%.
- an increase of 15.2% in Equipment sales revenue, including a 33.1-percentage point benefit from the Lexmark Acquisition, and a 0.2-percentage point favorable impact from currency. On a pro forma[1] basis equipment sales revenue declined 13.0%.
- a decrease of 10.0% in IT Solutions revenue, including a 1.0-percentage point unfavorable impact from currency.

Total revenue of $3.77 billion for the six months ended June 30, 2026 increased 24.2% as compared to the prior year period, including a 31.7-percentage point benefit from the Lexmark Acquisition, as well as a 1.8-percentage point favorable impact from currency. On a pro forma[1] basis total revenue declined 5.1%. Total revenue reflected the following:

- an increase of 30.4% in Post sale revenue, including a 36.4-percentage point benefit from the Lexmark Acquisition, as well as a 2.3-percentage point favorable impact from currency. On a pro forma[1] basis post sale revenue declined 3.9%.
- an increase of 23.4% in Equipment sales revenue, including a 35.3-percentage point benefit from the Lexmark Acquisition, and a 1.2-percentage point favorable impact from currency. On a pro forma[1] basis equipment sales revenue declined 8.1%.
- a decrease of 8.0% in IT Solutions revenue, including a 0.2-percentage point unfavorable impact from currency.

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(1) Refer to the "Pro Forma Basis" section for an explanation of this measure. Reflects the inclusion of Lexmark's estimated results from January 1, 2025 through June 30, 2025. Lexmark's actual results are included in Xerox's reported results beginning on July 1, 2025, the effective date of the acquisition.

Net Income (Loss) and adjusted[1] Net Income (Loss) were as follows:

	Three months ended June 30,			Six Months Ended June 30,		
(in millions)	2026	2025	B/(W)	2026	2025	B/(W)
Net Income (Loss)	$ 13	$ (106)	$ 119	$ (92)	$ (196)	$ 104
Adjusted[(1)] Net Income (Loss)	55	(77)	132	4	(81)	85

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(1) Refer to the “Non-GAAP Financial Measures” section for an explanation of the non-GAAP financial measure.

Net Income for the second quarter 2026 was $13 million as compared to a Net (Loss) of $(106) million for the second quarter 2025. Net income for the second quarter 2026, which includes the results of Lexmark, increased by $119 million as compared to the second quarter 2025 primarily reflecting higher revenues and higher gross profit, as well as lower Other expenses (income), net and Income tax expense. These benefits were partially offset by higher SAG, Non-financing interest expense, RD&E, Amortization of intangible assets, and Restructuring and related costs, net. Second quarter 2026 adjusted[1] Net Income was $55 million as compared to adjusted[1] Net (Loss) of $(77) million for the second quarter 2025. Adjusted[1] Net Income (Loss), which includes the results of Lexmark, increased by $132 million primarily reflecting primarily reflecting higher revenues and higher gross profit, as well as lower Income tax expense. These benefits were partially offset by higher SAG, Non-financing interest expense, Other expenses (income), net, and RD&E.

Net (Loss) for the six months ended June 30, 2026 was $(92) million as compared to the prior year period Net (Loss) of $(196) million, which reflected the establishment of a valuation allowance of $59 million against certain deferred tax assets to reflect their realizability in 2025. Net (Loss) for the six months ended June 30, 2026, which includes the results of Lexmark, decreased by $104 million primarily reflecting higher revenues and higher gross profit, as well as lower Other expenses (income), net and Income tax expense. These benefits were partially offset by higher SAG, Non-financing interest expense, Restructuring and related costs, net, RD&E, and Amortization of intangible assets. Adjusted[1] Net Income for the six months ended June 30, 2026 was $4 million as compared to the prior year period adjusted[1] Net (Loss) of $(81) million. Adjusted[1] Net Income (Loss), which includes the results of

Lexmark, increased by $85 million primarily reflecting higher revenues and higher gross profit, as well as lower Other expenses (income), net and Income tax expense. These benefits were partially offset by higher SAG, Non-financing interest expense, RD&E, and Other expenses (income), net.

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(1) Refer to the "Non-GAAP Financial Measures" section for an explanation of the non-GAAP financial measure.

The following is a summary of our segments - **Print and Other** and **IT Solutions**:

	Three months ended June 30,			Six Months Ended June 30,		
(in millions)	2026	2025	% Change	2026	2025	% Change
Revenue						
Print and Other	$ 1,733	$ 1,366	26.9 %	$ 3,425	$ 2,660	28.8 %
IT Solutions	194	213	(8.9)%	350	377	(7.2)%
Total Segment revenue	1,927	1,579	22.0 %	3,775	3,037	24.3 %
Intersegment elimination(1)	(5)	(3)	NM	(7)	(4)	NM
Corporate Other	—	—	NM	—	—	NM
Total Revenue	$ 1,922	$ 1,576	22.0 %	$ 3,768	$ 3,033	24.2 %
Expenses						
Print and Other	$ 1,513	$ 1,301	16.3 %	$ 3,118	$ 2,554	22.1 %
IT Solutions	187	203	(7.9)%	337	362	(6.9)%
Total Segment expenses	1,700	1,504	13.0 %	3,455	2,916	18.5 %
Intersegment elimination(2)	(5)	(3)	NM	(7)	(4)	NM
Corporate Other	24	16	50.0 %	45	40	12.5 %
Total Expenses	$ 1,719	$ 1,517	13.3 %	$ 3,493	$ 2,952	18.3 %
Profit						
Print and Other	$ 220	$ 65	238.5 %	$ 307	$ 106	189.6 %
IT Solutions	7	10	(30.0)%	13	15	(13.3)%
Total Segment profit	227	75	202.7 %	320	121	164.5 %
Corporate Other	(24)	(16)	50.0 %	(45)	(40)	12.5 %
Total Profit	$ 203	$ 59	244.1 %	$ 275	$ 81	239.5 %

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(1) Reflects primarily IT hardware, software solutions and services revenues, sold by the IT Solutions segment to the Print and Other segment.
(2) Reflects primarily costs related to the sale of IT hardware, software solutions and services by the IT Solutions segment, to the Print and Other segment.

For the six months ended June 30, 2026, net cash used in operating activities was $107 million, net cash used in investing activities was $33 million, and net cash provided by financing activities was $128 million. Refer to the **Capital Resources and Liquidity** section for additional information regarding our cash flows.

Financial Review

Revenues

(in millions)	Three Months Ended June 30, 2026	Three Months Ended June 30, 2025	% Change	CC % Change	Pro Forma % Change[1]	% of Total Revenue 2026	% of Total Revenue 2025
Equipment sales	$ 387	$ 336	15.2 %	15.0 %	(13.0)%	20 %	21 %
Post sale revenue[2]	1,346	1,030	30.7 %	29.7 %	(3.9)%	70 %	66 %
IT Solutions[3]	189	210	(10.0)%	(9.0)%	(10.0)%	10 %	13 %
Total Revenue	$ 1,922	$ 1,576	22.0 %	21.2 %	(6.5)%	100 %	100 %
Reconciliation to Condensed Consolidated Statements of Income (Loss):							
Equipment Sales	$ 387	$ 336	15.2 %	15.0 %	(13.0)%		
Supplies, paper and other sales[2]	469	176	166.5 %	164.4 %	(0.4)%		
IT products[3]	140	153	(8.5)%	(8.8)%	(8.5)%		
Sales	$ 996	$ 665	49.8 %	49.0 %	(6.8)%		
Services, maintenance, rentals and other[2]	$ 822	$ 785	4.7 %	4.0 %	(4.5)%		
Xerox Financial Services[2]	55	69	(20.3)%	(21.0)%	(20.3)%		
IT services[3]	49	57	(14.0)%	(14.0)%	(14.0)%		
Services, maintenance, rentals and other	$ 926	$ 911	1.6 %	1.0 %	(6.2)%		
Segments[4]							
Print and Other	$ 1,733	$ 1,366	26.9 %	26.0 %	(6.1)%	90 %	87 %
IT Solutions	194	213	(8.9)%	(9.0)%	(8.9)%	10 %	13 %
Intersegment elimination[5]	(5)	(3)	NM	NM	NM	— %	— %
Total Revenue	$ 1,922	$ 1,576	22.0 %	21.2 %	(6.5)%	100 %	100 %

CC - See "Currency Impact" section for a description of Constant Currency.

(1) Refer to the "Pro Forma Basis" section for an explanation of this measure. Reflects the inclusion of Lexmark's estimated results from April 1, 2025 through June 30, 2025. Lexmark's actual results are included in Xerox's reported results beginning on July 1, 2025, the effective date of the acquisition.

(2) Post sale revenue includes Supplies, paper and other sales, Service, maintenance, rentals and other, and Xerox Financial Services. Refer to Reportable Segments - Print and Other, for further information.

(3) IT Solutions includes IT Products and IT Services provided by the IT Solutions segment. Refer to Reportable Segments - IT Solutions for further information.

(4) Refer to Note 4 - Segment Reporting in the Condensed Consolidated Financial Statements for additional information regarding our reportable segments.

(5) Primarily reflects IT hardware, software solutions and services sold by the IT Solutions segment to the Print and Other segment.

(in millions)	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025	% Change	CC % Change	Pro Forma % Change[(1)]	% of Total Revenue 2026	% of Total Revenue 2025
Equipment sales	$ 765	$ 620	23.4 %	22.2 %	(8.1)%	20 %	21 %
Post sale revenue[(2)]	2,660	2,040	30.4 %	28.1 %	(3.9)%	71 %	67 %
IT Solutions[(3)]	343	373	(8.0)%	(7.8)%	(8.0)%	9 %	12 %
Total Revenue	$ 3,768	$ 3,033	24.2 %	22.4 %	(5.1)%	100 %	100 %
Reconciliation to Condensed Consolidated Statements of Income (Loss):							
Equipment Sales	$ 765	$ 620	23.4 %	22.2 %	(8.1)%		
Supplies, paper and other sales[(2)]	906	344	163.4 %	159.9 %	(1.2)%		
IT products[(3)]	245	258	(5.0)%	(5.8)%	(5.0)%		
Sales	$ 1,916	$ 1,222	56.8 %	55.0 %	(4.5)%		
Services, maintenance, rentals and other[(2)]	$ 1,638	$ 1,548	5.8 %	3.8 %	(3.8)%		
Xerox Financial Services[(2)]	116	148	(21.6)%	(23.9)%	(21.6)%		
IT Services[(3)]	98	115	(14.8)%	(14.8)%	(14.8)%		
Services, maintenance, rentals and other	$ 1,852	$ 1,811	2.3 %	0.4 %	(5.8)%		
Segments[(4)]							
Print and Other	$ 3,425	$ 2,660	28.8 %	26.7 %	(4.8)%	91 %	88 %
IT Solutions	350	377	(7.2)%	(7.8)%	(7.2)%	9 %	12 %
Intersegment elimination[(5)]	(7)	(4)	NM	NM	NM	— %	— %
Total Revenue	$ 3,768	$ 3,033	24.2 %	22.4 %	(5.1)%	100 %	100 %

CC - See "Currency Impact" section for a description of Constant Currency.

(1) Refer to the "Pro Forma Basis" section for an explanation of this measure. Reflects the inclusion of Lexmark's estimated results from January 1, 2025 through June 30, 2025. Lexmark's actual results are included in Xerox's reported results beginning on July 1, 2025, the effective date of the acquisition.

(2) Post sale revenue includes Supplies, paper and other sales, Service, maintenance, rentals and other, and Xerox Financial Services. Refer to Reportable Segments - Print and Other, for further information.

(3) IT Solutions includes IT Products and IT Services provided by the IT Solutions segment. Refer to Reportable Segments - IT Solutions for further information.

(4) Refer to Note 4 - Segment Reporting in the Condensed Consolidated Financial Statements for additional information regarding our reportable segments.

(5) Primarily reflects IT hardware, software solutions and services sold by the IT Solutions segment to the Print and Other segment.

Second quarter 2026 total revenue increased 22.0% as compared to second quarter 2025, and included a 31.6-percentage point benefit from the Lexmark Acquisition as well as a 0.8-percentage point benefit from currency. The Lexmark contribution was partially offset by lower revenue at legacy Xerox. Total revenue for legacy Xerox decreased 9.6% in actual currency, primarily reflecting lower installations, reduced equipment service revenue, and declines in managed print services and IT Solutions revenue, as well as the adverse impact of Transformation-related actions. On a pro forma[1] basis, second quarter 2026 total revenue declined 6.5% as compared to the second quarter 2025 primarily reflecting the impacts noted above, partially offset by growth from legacy Lexmark.

Total revenue for the six months ended June 30, 2026 increased 24.2% as compared to the prior year period and included a 31.7-percentage point benefit from the Lexmark Acquisition as well as a 1.8-percentage point benefit from currency. The Lexmark contribution was partially offset by lower revenue at legacy Xerox. Total revenue for legacy Xerox decreased 7.5% in actual currency, primarily reflecting lower installations, reduced equipment service revenue, and declines in managed print services and IT Solutions revenue, as well as the adverse impact of Transformation-related actions. On a pro forma[1] basis, total revenue for the six months ended June 30, 2026 declined 5.1% as compared to the prior period, primarily reflecting the impacts noted above, partially offset by growth from legacy Lexmark

Refer to the **Segment Review - Print and Other** section below for a discussion of Equipment sales revenue and post sale revenue, and the **Segment Review - IT Solutions** section below for a discussion of IT Products and IT Services revenues.

(1) Refer to the "Pro Forma Basis" section for an explanation of this measure. Reflects the inclusion of Lexmark's estimated results from January 1, 2025 through June 30, 2025. Lexmark's actual results are included in Xerox's reported results beginning on July 1, 2025, the effective date of the acquisition.

Costs, Expenses and Other Income

Summary of Key Financial Ratios

The following is a summary of key financial ratios used to assess our performance:

	Three months ended June 30,				Six Months Ended June 30,			
(in millions)	2026	2025	B/(W)	Pro Forma B/(W)[1]	2026	2025	B/(W)	Pro Forma B/(W)[1]
Gross Profit	$ 688	$ 451	$ 237	$ 93	$1,237	$ 877	$ 360	$ 77
RD&E	67	43	(24)	7	131	85	(46)	17
SAG	432	368	(64)	31	862	746	(116)	60
								—
Equipment Gross Margin	19.5 %	24.0 %	(4.5) pts.	12.8 pts.	15.2 %	25.8 %	(10.6) pts.	6.4 pts.
Post sale Gross Margin[2]	39.9 %	29.9 %	10.0 pts.	4.8 pts.	37.3 %	29.7 %	7.6 pts.	2.7 pts.
Total Gross Margin	35.8 %	28.6 %	7.2 pts.	6.9 pts.	32.8 %	28.9 %	3.9 pts.	3.6 pts.
RD&E as a % of Revenue	3.5 %	2.7 %	(0.8) pts.	0.1 pts.	3.5 %	2.8 %	(0.7) pts.	0.2 pts.
SAG as a % of Revenue	22.5 %	23.4 %	0.9 pts.	— pts.	22.9 %	24.6 %	1.7 pts.	0.3 pts.
Pre-tax Income (Loss)	$ 31	$ (60)	$ 91	$ 82	$ (42)	$(127)	$ 85	$ 118
Pre-tax Margin (Loss)	1.6 %	(3.8)%	5.4 pts.	4.1 pts.	(1.1)%	(4.2)%	3.1 pts.	2.9 pts.
Adjusted[3] Operating Income	$ 203	$ 59	$ 144	$ 97	$ 275	$ 81	$ 194	$ 98
Adjusted[3] Operating Income Margin	10.6 %	3.7 %	6.9 pts.	5.4 pts.	7.3 %	2.7 %	4.6 pts.	2.8 pts.

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(1) Refer to the "Pro Forma Basis" section for an explanation of this measure. Reflects the inclusion of Lexmark's estimated results from January 1, 2025 through June 30, 2025. Lexmark's actual results are included in Xerox's reported results beginning on July 1, 2025, the effective date of the acquisition.

(2) Includes the gross margin of IT Solutions.

(3) Refer to the "Non-GAAP Financial Measures" section for an explanation of the non-GAAP financial measure.

Gross Margin

Second quarter 2026 gross margin of 35.8% increased by 7.2-percentage points as compared to second quarter of 2025, which included an approximate 5.5-percentage point benefit related to the IEEPA tariff receivables and a 1.6-percentage point benefit related to the Lexmark Acquisition. The increase in the second quarter 2026 reflects higher revenue and gross profit, which includes the benefits from the IEEPA tariff receivables as well as the benefits associated with Transformation-related cost and productivity actions. These benefits were partially offset by the adverse impact related to an unfavorable revenue mix, including lower equipment service revenue and managed print services, as well as product cost increases. Excluding the impact of the Lexmark Acquisition, gross margin increased 5.6-percentage points reflecting the impacts noted above. On a pro forma[1] basis, second quarter 2026 gross margin of 35.8% increased by 6.9-percentage points driven by the IEEPA tariff receivables.

Gross margin for the six months ended June 30, 2026 of 32.8% increased by 3.9-percentage points as compared to the prior year period, which included an approximate 2.8-percentage point benefit related to the IEEPA tariff receivables and a 1.2-percentage point benefit related to the Lexmark Acquisition. The increase for the six months ended June 30, 2026 primarily reflects higher revenue and gross profit, which includes the benefits from the IEEPA tariff receivables as well as the benefits associated with Transformation-related cost and productivity actions. These benefits were partially offset by the adverse impact related to product cost increases and an unfavorable revenue mix, including lower equipment service revenue and managed print services. Excluding the impact of the Lexmark Acquisition, gross margin increased 2.7-percentage points. On a pro forma[1] basis, gross margin for the six months ended June 30, 2026 of 32.8% increased by 3.6-percentage points, driven by the IEEPA tariff receivables.

Second quarter 2026 equipment gross margin of 19.5% decreased by 4.5-percentage points as compared to second quarter of 2025, and included a 12.5-percentage point adverse impact from the Lexmark Acquisition. Excluding the impact of Lexmark, second quarter 2026 equipment gross margin increased 8.0-percentage points and included a 13.3-percentage point benefit related to the IEEPA tariff receivables, as well as the benefits associated with Transformation-related cost and productivity actions and the absence of a charge recognized in the second quarter of 2025 related to the exit of certain production print manufacturing operations. These benefits were partially offset by the adverse impact of product cost increases and unfavorable revenue mix. On a pro forma[1] basis, second quarter 2026 equipment gross margin of 19.5% increased by 12.8-percentage points, primarily reflecting the impacts noted above.

Equipment gross margin for six months ended June 30, 2026 of 15.2% decreased by 10.6-percentage points as compared to prior year period, and included a 12.3-percentage point adverse impact from the Lexmark Acquisition. Excluding the impact of Lexmark, equipment gross margin for the six months ended June 30, 2026 increased 1.7-percentage points, and included a 5.9-percentage point benefit related to the IEEPA tariff receivables, as well as the benefits associated with Transformation-related cost and productivity actions and the absence of a charge recognized in the second quarter of 2025 related to the exit of certain production print manufacturing operations. The benefits were partially offset by lower gross profit, including the adverse impact of product cost increases and unfavorable revenue mix. On a pro forma[1] basis, six months ended June 30, 2026, equipment gross margin of 15.2% increased by 6.4-percentage points, primarily reflecting the impacts noted above.

Second quarter 2026 post sale gross margin of 39.9% increased by 10.0-percentage points as compared to second quarter of 2025, which included a 5.1-percentage point benefit related to the Lexmark Acquisition, and a 3.4-percentage point benefit related to the IEEPA tariff receivables. Excluding the impact of the Lexmark Acquisition, post sale gross margin increased 4.9-percentage points. The increase in the second quarter 2026 primarily reflects higher revenue and gross profit, including the benefits from the IEEPA tariff receivables and Transformation-related cost and productivity actions. These benefits were partially offset by unfavorable revenue mix, including lower equipment service revenue and managed print services, rental and other revenues, as well as lower financing fees, and higher benefits costs and higher incentive compensation expense. On a pro forma[1] basis, second quarter 2026 post sale gross margin of 39.9% increased 4.8-percentage points, primarily reflecting the impacts noted above.

Post sale gross margin for the six months ended June 30, 2026 of 37.3% increased by 7.6-percentage points as compared to the prior year period, which included a 4.7-percentage point benefit related to the Lexmark Acquisition, and included a 1.7-percentage point benefit related to the IEEPA tariff receivables. Excluding the impact of the Lexmark Acquisition, post sale gross margin increased 2.9-percentage points. The increase for the six months ended June 30, 2026 primarily reflects higher revenue and gross profit, including the benefits from the IEEPA tariff receivables and Transformation-related cost and productivity actions. These benefits were partially offset by the adverse impact related to a fixed asset-related purchase accounting adjustment related to the Lexmark Acquisition, higher incentive compensation expense and benefit costs, unfavorable revenue mix, including lower equipment service revenue and managed print services, rental and other revenues, as well as lower financing fees, and product cost increases. On a pro forma[1] basis, six months ended June 30, 2026 post sale gross margin of 37.3% increased 2.7-percentage points, primarily reflecting the impacts noted above.

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(1) Refer to the "Pro Forma Basis" section for an explanation of this measure. Reflects the inclusion of Lexmark's estimated results from January 1, 2025 through June 30, 2025. Lexmark's actual results are included in Xerox's reported results beginning on July 1, 2025, the effective date of the acquisition.

Research, Development and Engineering Expenses (RD&E)

Second quarter 2026 RD&E as a percentage of revenue of 3.5% increased 0.8-percentage points as compared to second quarter 2025, and included a 0.8-percentage point adverse impact from the Lexmark Acquisition. For the six months ended June 30, 2026, RD&E as a percentage of revenue of 3.5% increased 0.7-percentage points as compared to the prior year period, and included a 0.9-percentage point adverse impact from the Lexmark Acquisition. The increase for both the three and six months ended June 30, 2026 as compared to their respective prior year periods reflected the impact of the Lexmark Acquisition, as the increase in RD&E spending outpaced the increase in revenue.

Second quarter 2026 RD&E of $67 million increased by $24 million as compared to second quarter 2025 and for the six months ended June 30, 2026, RD&E of $131 million increased by $46 million. The increase for both the three and six months ended June 30, 2026 as compared to their respective prior year periods primarily reflected the impact of the Lexmark Acquisition, partially offset by productivity and cost savings related to Transformation actions.

On a pro forma[1] basis, RD&E decreased by $7 million for the second quarter 2026, and decreased by $17 million for the six months ended June 30, 2026. The decrease for both the three and six months ended June 30, 2026 as compared to their respective prior year periods, primarily reflected productivity and cost savings related to Transformation actions.

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(1) Refer to the "Pro Forma Basis" section for an explanation of this measure. Reflects the inclusion of Lexmark's estimated results from January 1, 2025 through June 30, 2025. Lexmark's actual results are included in Xerox's reported results beginning on July 1, 2025, the effective date of the acquisition.

Selling, Administrative and General Expenses (SAG)

Second quarter 2026 SAG as a percentage of revenue of 22.5% decreased by 0.9-percentage points as compared to second quarter 2025, including a 2.4-percentage point benefit from the Lexmark Acquisition. The decrease primarily reflects revenue growth that outpaced the increase in SAG spending.

Second quarter 2026 SAG of $432 million increased by $64 million as compared to second quarter 2025, primarily reflecting the impact of the Lexmark Acquisition, higher incentive compensation expense and benefit costs. These impacts were partially offset by productivity and cost savings related to Transformation actions, including lower marketing spend, as well as lower litigation expense. On a pro forma[1] basis, second quarter 2026 SAG decreased $31 million, primarily reflecting Transformation actions and higher legacy Lexmark SAG expenses in the second quarter of 2025.

For the six months ended June 30, 2026, SAG as a percentage of revenue of 22.9% decreased by 1.7-percentage points as compared to the prior year period, including a 2.4-percentage point benefit from the Lexmark Acquisition. The decrease primarily reflects revenue growth that outpaced the increase in SAG spending.

For the six months ended June 30, 2026, SAG of $862 million increased by $116 million as compared to the prior year period, primarily reflecting the impact of the Lexmark Acquisition, as well as higher incentive compensation expense and benefit costs, and unfavorable translation currency. These impacts were partially offset by productivity and cost savings related to Transformation actions, including lower marketing spend, as well as lower bad debt expense. On a pro forma[1] basis, six months ended June 30, 2026, SAG decreased $60 million, primarily reflecting Transformation actions and higher legacy Lexmark SAG expenses in the second quarter of 2025.

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(1) Refer to the "Pro Forma Basis" section for an explanation of this measure. Reflects the inclusion of Lexmark's estimated results from January 1, 2025 through June 30, 2025. Lexmark's actual results are included in Xerox's reported results beginning on July 1, 2025, the effective date of the acquisition.

Restructuring and Related Costs, Net

Restructuring and related costs, net include the following:

	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions)	2026	2025	2026	2025
Restructuring and severance costs[1]	$ 31	$ 11	$ 87	$ 21
Asset impairments - leased ROU assets[2]	—	—	—	4
Asset impairments - owned assets, net[2]	(5)	2	(6)	(8)
Other contractual termination costs[3]	—	—	—	5
Reversals[4]	(5)	(2)	(16)	(12)
Restructuring and asset impairment costs	21	11	65	10
Contractual severance costs[5]	2	(1)	3	(1)
Restructuring and related costs, net	$ 23	$ 10	$ 68	$ 9

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(1) Includes worldwide headcount reductions for restructuring and severance costs of approximately 475 and 115 for the three months ended June 30, 2026 and 2025, respectively, and approximately 1,255 and 340 for the six months ended June 30, 2026 and 2025, respectively, as a result of our efforts to integrate and consolidate certain operations of the legacy Xerox and Lexmark businesses.

(2) Primarily related to the sale, exit and abandonment of leased and owned facilities, net of any potential sublease income and recoveries. Asset impairments of owned assets include cash proceeds resulting from asset sales and recoveries of $5 million and $0 million for the three months ended June 30, 2026 and 2025, respectively, and $6 million and $19 million for the six months ended June 30, 2026 and 2025, respectively.

(3) Primarily includes additional costs incurred upon the exit from our facilities, including decommissioning costs and associated contractual termination costs.

(4) Reversals of prior charges primarily include net changes in estimated reserves from initiatives accrued for in prior periods.

(5) Amounts primarily reflect severance and other related costs we are contractually required to pay in connection with employees transferred as part of the shared service arrangement entered into with third party providers.

Second quarter 2026 primarily impacted the Print and Other segment in several functional areas, with approximately 40% focused on gross margin improvements, approximately 50% focused on SAG reductions, and the remainder focused on RD&E reductions. Second quarter 2025 actions impacted several functional areas, with approximately 85% focused on gross margin improvements and the remainder focused on SAG reductions.

The Restructuring and related costs, net reserve balance for all programs as of June 30, 2026 was $154 million, of which $82 million is expected to be paid over the next twelve months. Refer to Note 10 - Restructuring Programs in the Condensed Consolidated Financial Statements for additional information regarding our restructuring programs.

Non-Financing Interest Expense

Second quarter 2026 non-financing interest expense of $100 million was $45 million higher than second quarter 2025. For the six months ended June 30, 2026, non-financing interest expense of $184 million increased by $96 million from the prior year period. The increase, as compared to the respective prior year periods, reflected higher interest rates on borrowings in support of the Lexmark Acquisition, as well as funding from the Joint Venture Financing arrangement entered into with TPG in the first quarter of 2026. Also contributing to the increase is a lower debt level allocated to Xerox Financial Services, which reflects a continued reduction in the average finance receivables balance associated with the sales of finance receivables to our various funding affiliates, as well as lower originations. When non-financing interest expense is combined with financing interest expense, total interest expense for the three and six months ended June 30, 2026 increased $40 million and $88 million, respectively, compared to the respective prior year periods.

Refer to Note 12 - Debt in the Condensed Consolidated Financial Statements for additional information regarding debt activity and interest expense.

Worldwide Employment

Worldwide employment was approximately 23,000 as of June 30, 2026, which was relatively consistent with December 31, 2025. Increases to headcount during 2026 were largely offset by the impact of Transformation actions, including workforce reduction actions.

Other Expenses (Income), Net

	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions)	2026	2025	2026	2025
Interest income	$ (3)	$ (6)	$ (6)	$ (8)
Non-service retirement-related costs	21	19	42	37
Currency losses, net	8	1	13	1
Change in fair value of warrant liability	14	—	9	—
Net (Gain) loss on early extinguishment of debt	(39)	4	(95)	4
Commitment fee expenses	—	4	—	22
All other expenses, net	4	3	11	4
Other expenses (income), net	$ 5	$ 25	$ (26)	$ 60

Non-Service Retirement-Related Costs

Second quarter 2026 non-service retirement-related costs of $21 million increased by $2 million as compared to the second quarter 2025, and for the six months ended June 30, 2026, non-service retirement-related costs of $42 million increased by $5 million from the prior year period. The increase as compared to each of the prior year respective periods primarily reflects higher interest costs, as well as higher actuarial losses, both of which were partially offset by higher expected returns on plan assets. Refer to Note 15 - Employee Benefit Plans in the Condensed Consolidated Financial Statements for additional information regarding service and non-service retirement-related costs.

Currency losses, net

Second quarter 2026 currency losses, net of $8 million increased $7 million as compared to the second quarter 2025, and for the six months ended June 30, 2026, currency losses of $13 million increased by $12 million from the prior year period. The increase as compared to each of the prior year respective periods primarily reflects fluctuations in the CNY/USD and EUR/USD exchange rates and hedging costs incurred in connection with the recent acquisition of Lexmark.

Net (Gain) loss on early extinguishment of debt

For the three and six months ended June 30, 2026, the net (gain) on early extinguishment of debt of $(39) million and $(95) million, respectively, primarily reflects the early repayment of a portion of our 5.500% Senior Unsecured Notes due 2028, as well as a portion of our 13.50% Senior Secured Notes due 2031. The net loss on early extinguishment of debt for the three and six months ended June 30, 2025 of $4 million, respectively, reflects the write-off of deferred debt issuance costs and unamortized discount, as well as other extinguishment costs related to the repayment of Senior Notes.

Change in fair value of warrant liability

For the three and six months ended June 30, 2026 the change in fair value of the warrant liability of $14 million and $9 million, respectively, relates to the warrant dividend issued in the first quarter of 2026 and reflects an increase in the fair value of the warrant liability during the respective periods. Refer to Note 16 - Shareholders' Equity of Xerox Holdings in the Condensed Consolidated Financial Statements for additional information regarding the warrant dividend.

Commitment fee expense

Commitment fee expense for the three and six months ended June 30, 2025, primarily reflects fees associated with the Lexmark Acquisition financing which includes: the private offering of $400 million in aggregate principal amount of 10.250% Senior Secured First Lien Notes due 2030; $500 million aggregate principal amount of 13.500% Senior Secured Second Lien Notes due 2031; $250 million aggregate principal amount of 13.00% Senior Notes due 2030; and an incremental term loan borrowing of $327 million under the First Lien Term Loan Credit Agreement.

Pre-tax Income (Loss) Margin

Second quarter 2026 pre-tax income margin of 1.6% improved by 5.4-percentage points as compared to second quarter of 2025 pre-tax (loss) margin of (3.8)% which included a 3.8-percentage point benefit from the Lexmark Acquisition. The improvement in the second quarter 2026 pre-tax margin income was primarily due to higher revenue and gross profit, which includes an approximate 5.5-percentage point benefit related to the IEEPA tariff receivables as well as the benefits associated with Transformation-related cost and productivity actions, and lower Other expenses (income), net. The decrease in Other expenses (income), net reflects a gain on the early repayment of our 5.50% Senior Unsecured Notes due 2028, as well as a portion of our 13.50% Senior Unsecured Notes due 2031, offset in part by the change in fair value of the warrant dividend liability. These benefits were partially offset by higher SAG and non-financing interest expense, as well as higher RD&E, Amortization of intangible assets, and Restructuring and related costs, net driven by the Lexmark Acquisition. On a pro forma[1] basis second quarter 2026 pre-tax margin improved by 4.1-percentage points primarily reflecting the impacts noted above.

Pre-tax margin (loss) for the six months ended June 30, 2026 of (1.1)% improved by 3.1-percentage points as compared to the prior period pre-tax margin (loss) of (4.2)% which included a 3.1-percentage point benefit from the Lexmark Acquisition. Pre-tax margin (loss) for the six months ended June 30, 2026 reflected higher revenue and gross profit, which includes an approximate 2.8-percentage point benefit related to the IEEPA tariff receivables as well as the benefits associated with Transformation-related cost and productivity actions, and lower Other expenses (income), net. The decrease in Other expenses (income), net included a gain on the early repayment of a portion of our 5.50% Senior Unsecured Notes due 2028, and a portion of our 13.50% Senior Unsecured Notes due 2031, as well as the absence of commitment fees incurred during 2025 related to borrowings in support of the Lexmark Acquisition. These benefits were offset by higher SAG and non-financing interest expense, as well as higher Restructuring and related costs, net, RD&E, and Amortization of intangible assets driven by the Lexmark Acquisition. On a pro forma[1] basis, pre-tax margin (loss) for the six months ended June 30, 2026, improved by 2.9-percentage points primarily reflecting the impacts noted above.

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(1) Refer to the "Pro Forma Basis" section for an explanation of this measure. Reflects the inclusion of Lexmark's estimated results from January 1, 2025 through June 30, 2025. Lexmark's actual results are included in Xerox's reported results beginning on July 1, 2025, the effective date of the acquisition.

Adjusted[1] Operating Margin

Second quarter 2026 adjusted[1] operating income margin of 10.6% increased by 6.9-percentage points as compared to second quarter 2025, and included a 6.6-percentage point benefit related to the IEEPA tariff receivables and an approximate 2.0-percentage point benefit from the Lexmark Acquisition. Excluding the impact of the IEEPA tariff receivables and the Lexmark Acquisition, the decrease reflects lower revenue, including post sale revenue and equipment sales revenue, reflecting an unfavorable revenue mix, including lower outsourcing, service, rental, and other revenues, as well as higher incentive compensation, product cost increases and lower financing fees. These impacts were partially offset by lower SAG expenses as well as productivity and cost savings related to Transformation. On a pro forma[2] basis second quarter 2026 adjusted[1] operating margin increased by 5.4-percentage points primarily reflecting the impacts noted above.

Adjusted[1] operating income margin for the six months ended June 30, 2026 of 7.3% increased by 4.6-percentage points as compared to the prior year period, and included a 3.3-percentage point benefit related to the IEEPA tariff receivables and an approximate 2.5-percentage point benefit from the Lexmark Acquisition. Excluding the impact of the IEEPA tariff receivables and the Lexmark Acquisition, the decrease reflects lower revenue, including post sale revenue and equipment sales and lower gross profit, due to as well product cost increases and an unfavorable revenue mix, including lower outsourcing, rental, and other revenues, as well as lower financing fees. These impacts were partially offset by productivity and cost savings related to Transformation, and lower SAG and RD&E expenses. On a pro forma[2] basis adjusted[1] operating margin for the six months ended June 30, 2026 increased by 2.8-percentage points primarily reflecting the impacts noted above, as well as the impact of the Lexmark Acquisition.

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(1) Refer to the Adjusted Operating Income and Margin reconciliation table in the "Non-GAAP Financial Measures" section.

(2) Refer to the "Pro Forma Basis" section for an explanation of this measure. Reflects the inclusion of Lexmark's estimated results from January 1, 2025 through June 30, 2025. Lexmark's actual results are included in Xerox's reported results beginning on July 1, 2025, the effective date of the acquisition.

Income Taxes

Second quarter 2026 effective tax rate was 58.1% and resulted in tax expense of $18 million. On an adjusted[1] basis, the second quarter 2026 effective tax rate was 31.3%, which resulted in tax expense of $25 million. Both of these rates were higher than the U.S. federal statutory tax rate of 21.0% primarily due Xerox's inability to benefit from certain current year losses and expenses, as well as the geographical mix of earnings.

Second quarter 2025 effective tax rate was (76.7)% and resulted in a tax expense of $46 million on a pre-tax (loss). On an adjusted[1] basis, the second quarter 2025 effective tax rate was 527.8%, which resulted in tax expense of $95 million. Both these rates were higher than the U.S. federal statutory tax rate of 21.0% primarily due to not benefiting certain current year losses and expenses, as well as the geographical mix of earnings.

The effective tax rate for the six months ended June 30, 2026 was (119.0)% and resulted in tax expense of $50 million on a pre-tax (loss). On an adjusted[1] basis, the effective tax rate for the six months ended June 30, 2026 was 93.8%, which resulted in tax expense of $60 million. Both of these rates were higher than the U.S. federal statutory tax rate of 21.0% primarily due the inability to benefit from certain current year losses and expenses, as well as the geographical mix of earnings

The effective tax rate for the six months ended June 30, 2025 was (54.3)% and resulted in a tax expense of $69 million on a pre-tax (loss). On an adjusted[1] basis, the effective tax rate for the six months ended June 30, 2025 was 1,112.5%, which resulted in tax expense of $89 million. Both these rates were higher than the U.S. federal statutory tax rate of 21.0% primarily due to the establishment of a valuation allowance in the first quarter 2025 against certain deferred tax assets as well as not benefiting certain current year losses and expenses and the geographical mix of earnings.

The effective tax rate is based on nonrecurring events as well as recurring factors, including the taxation of foreign income. In addition, the effective tax rate will change based on discrete or other nonrecurring events that may not be predictable.

Refer to Note 19 - Income Taxes in the Condensed Consolidated Financial Statements for additional information.

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(1) Refer to the Adjusted Effective Tax Rate reconciliation table in the "Non-GAAP Financial Measures" section.

Net Income (Loss)

Second quarter 2026 Net Income was $13 million, or $0.07 per diluted share, and included a $39 million net gain on the early extinguishment of debt, or $0.29 per diluted share. On an adjusted[1] basis, Net Income was $55 million, or $0.38 per diluted share.

Second quarter 2025 Net (Loss) was $(106) million, or $(0.87) per diluted share and included $22 million ($17 million after-tax) of financing-related charges, net, or $0.13 per diluted share, related to the borrowings in support of the Lexmark Acquisition, and $28 million of tax expense related to non-deductible interest expense, or $0.22 per diluted share. On an adjusted[1] basis, Net (Loss) was $(77) million, or $(0.64) per diluted share.

Net (Loss) for the six months ended June 30, 2026 was $(92) million, or $(0.77) per diluted share, and included a $95 million net gain on the early extinguishment of debt, or $0.73 per diluted share. On an adjusted[1] basis, Net Income for the six months ended June 30, 2026 was $4 million, or $(0.03) per diluted share. The loss per diluted share reflects the impact of preferred stock dividends of $7 million.

Net (Loss) for the six months ended June 30, 2025 was $(196) million, or $(1.62) per diluted share and include a charge to tax expense related to the establishment of $59 million of valuation allowances, or $0.47 per diluted share, financing-related charges, net of $40 million ($30 million after-tax), or $0.24 per diluted share, related to the borrowings in support of the Lexmark Acquisition financing, and tax expense of $28 million, or $0.22 per diluted share, related to non-deductible interest expense. On an adjusted[1] basis, Net (Loss) was $(81) million, or $(0.71) per diluted share.

Refer to Note 20 - Income (Loss) per Share in the Condensed Consolidated Financial Statements for additional information regarding the calculation of basic and diluted loss per share.

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(1) Refer to the Adjusted Net Income (Loss) and EPS reconciliation table in the "Non-GAAP Financial Measures" section. For the calculations of basic and diluted loss per share, refer to Note 20 - Income (Loss) per Share in the Notes to the Condensed Consolidated Financial Statements.

Other Comprehensive Income (Loss)

Second quarter 2026 Other Comprehensive Income, Net was $10 million and included the following: i) $5 million of net gains from the changes in defined benefit plans primarily reflecting the amortization of net actuarial losses, partially offset by actuarial losses and the negative impact of currency; ii) $4 million of net unrealized gains; and iii) net translation adjustment gains of $1 million reflecting the strengthening of the Chinese Yuan and Mexican Peso against the U.S. Dollar, partially offset by the weakening of the Canadian Dollar, Euro, and the Philippine Peso against the U.S. Dollar during the quarter. This compares to Other Comprehensive Income, Net of $169 million for the second quarter 2025, which included the following: i) net translation adjustment gains of $229 million reflecting the strengthening of all of our major foreign currencies against the U.S. Dollar during the quarter; ii) $(56) million of net (losses) from the changes in defined benefit plans reflecting the negative impact of currency, partially offset by the amortization of actuarial losses; and iii) $(4) million of net unrealized (losses).

Other Comprehensive (Loss) for the six months ended June 30, 2026 was $(23) million and included the following: i) net translation adjustment (losses) of $(76) million reflecting the weakening of the Canadian Dollar, Euro, and British Pound against the U.S. Dollar, partially offset by the strengthening of the Chinese Yuan and Mexican Peso against the U.S. Dollar; ii) $45 million of net gains from the changes in defined benefit plans primarily reflecting the amortization of net actuarial losses, and the positive impact of currency; and iii) $8 million of net unrealized gains. This compares to Other Comprehensive Income, Net of $251 million for the six months ended June 30, 2025, which included the following: i) net translation adjustment gains of $334 million reflecting the strengthening of all of our major foreign currencies against the U.S. Dollar; ii) $(77) million of net (losses) from the changes in defined benefit plans reflecting the negative impact of currency, partially offset by amortization of actuarial losses; and iii) $(6) million of net unrealized (losses).

Refer to Note 18 - Other Comprehensive Income (Loss) in the Condensed Consolidated Financial Statements for the components of Other Comprehensive Income (Loss), Note 13 - Financial Instruments in the Condensed Consolidated Financial Statements for additional information regarding Unrealized gains (losses), net, and Note 15 - Employee Benefit Plans in the Condensed Consolidated Financial Statements for additional information regarding net changes in our defined benefit plans.

Reportable Segments

Our business is organized to ensure we focus on efficiently managing operations while serving our customers and the markets in which we operate. We have two operating and reportable segments – **Print and Other** and **IT Solutions**. Refer to Note 4 - Segment Reporting in the Condensed Consolidated Financial Statements for additional information regarding our reportable segments.

Segment Review

(in millions)	Print and Other	IT Solutions	Total Segment	Intersegment Elimination(1)	Corporate Other(2)	Total
	Three Months Ended June 30,					
2026						
Revenues	$ 1,733	$ 194	$ 1,927	$ (5)	$ —	$ 1,922
% of Total Revenue	90 %	10 %	100 %			
Expenses	$ 1,513	$ 187	$ 1,700	$ (5)	$ 24	$ 1,719
Segment Profit (Loss)	$ 220	$ 7	$ 227	$ —	$ (24)	$ 203
Segment Margin(3)	12.7 %	3.7 %			NM	10.6 %
2025						
Revenues	$ 1,366	$ 213	$ 1,579	$ (3)	$ —	$ 1,576
% of Total Revenue	87 %	13 %	100 %			
Expenses	$ 1,301	$ 203	$ 1,504	$ (3)	$ 16	$ 1,517
Segment Profit (Loss)	$ 65	$ 10	$ 75	$ —	$ (16)	$ 59
Segment Margin(3)	4.8 %	4.8 %			NM	3.7 %
2025 Pro Forma(4)						
Revenues	$ 1,846	$ 213	$ 2,059	$ (3)	$ —	$ 2,056
% of Total Revenue	90 %	10 %	100 %			
Expenses	$ 1,730	$ 203	$ 1,933	$ (3)	$ 20	$ 1,950
Segment Profit (Loss)	$ 116	$ 10	$ 126	$ —	$ (20)	$ 106
Segment Margin(3)	6.3 %	4.8 %			NM	5.2 %

(in millions)	Print and Other	IT Solutions	Total Segment	Intersegment Elimination(1)	Corporate Other(2)	Total
	Six Months Ended June 30,					
2026						
Revenues	$ 3,425	$ 350	$ 3,775	$ (7)	$ —	$ 3,768
% of Total Revenue	91 %	9 %	100 %			
Expenses	$ 3,118	$ 337	$ 3,455	$ (7)	$ 45	$ 3,493
Segment Profit (Loss)	$ 307	$ 13	$ 320	$ —	$ (45)	$ 275
Segment Margin(3)	9.0 %	3.8 %	—	—	NM	7.3 %
2025						
Revenues	$ 2,660	$ 377	$ 3,037	$ (4)	$ —	$ 3,033
% of Total Revenue	88 %	12 %	100 %	—	—	— %
Expenses	$ 2,554	$ 362	$ 2,916	$ (4)	$ 40	$ 2,952
Segment Profit (Loss)	$ 106	$ 15	$ 121	$ —	$ (40)	$ 81
Segment Margin(3)	4.0 %	4.0 %			NM	2.7 %
2025 Pro Forma(4)						
Revenues	$3,599	$377	$ 3,976	$ (4)	$ —	$ 3,972
% of Total Revenue	91 %	9 %	100 %		—	
Expenses	$3,389	$362	$ 3,751	$ (4)	$ 48	$ 3,795
Segment Profit (Loss)	$210	$15	$ 225	$ —	$ (48)	$ 177
Segment Margin(3)	5.8 %	4.0 %			NM	4.5 %
Total						

(1) Primarily reflects IT hardware, software solutions and services, sold by the IT Solutions segment to the Print and Other segment.
(2) Corporate Other reflects certain administrative and general expenses, which primarily relate to corporate functions, and are not allocated to either of our reportable segments.
(3) Segment margin is based on total revenue. IT Solutions segment margin is net of Intersegment Elimination.
(4) Reflects the inclusion of Lexmark's estimated results from January 1, 2025 through June 30, 2025. Lexmark's actual results are included in Xerox's reported results beginning on July 1, 2025, the effective date of the acquisition.

Print and Other

The Print and Other segment includes the design, development and sale of document management systems, supplies and services as well as financing and technology-related offerings, digital and print-related software products and services. This segment also includes our recent Lexmark Acquisition, and Xerox Financial Services. In addition to direct sales and end-user customers, we utilize distributors and resellers to sell our equipment, supplies, parts, and maintenance services to end-user customers.

Revenue

(in millions)	Three Months Ended June 30, 2026	Three Months Ended June 30, 2025	% Change	CC % Change	Pro Forma(1) % Change
Equipment sales	$ 387	$ 336	15.2%	15.0%	(13.0)%
Supplies, paper and other sales	469	176	166.5%	164.4%	(0.4)%
Services, maintenance, rentals and other	822	785	4.7%	4.0%	(4.5)%
Xerox Financial Services	55	69	(20.3)%	(21.0)%	(20.3)%
Post sale revenue	1,346	1,030	30.7%	29.7%	(3.9)%
Total Print and Other Revenue	$ 1,733	$ 1,366	26.9%	26.0%	(6.1)%

(in millions)	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025	% Change	CC % Change	Pro Forma(1) % Change
Equipment sales	$ 765	$ 620	23.4%	22.2%	(8.1)%
Supplies, paper and other sales	906	344	163.4%	159.9%	(1.2)%
Services, maintenance, rentals and other	1,638	1,548	5.8%	3.8%	(3.8)%
Xerox Financial Services	116	148	(21.6)%	(23.9)%	(21.6)%
Post sale revenue	2,660	2,040	30.4%	28.1%	(3.9)%
Total Print and Other Revenue	$ 3,425	$ 2,660	28.8%	26.7%	(4.8)%

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CC - See "Currency Impact" section for a description of Constant Currency.

(1) Reflects the inclusion of Lexmark's estimated results from January 1, 2025 through June 30, 2025. Lexmark's actual results are included in Xerox's reported results beginning on July 1, 2025, the effective date of the acquisition.

Second quarter 2026 Print and Other segment revenue increased 26.9% as compared to second quarter 2025 and included a 0.9-percentage point benefit from currency. Print and Other segment revenue increased 28.8% for the six months ended June 30, 2026 as compared to the prior year period and included a 2.1-percentage point benefit from currency. The increase for the three and six months ended June 30, 2026 was due to the Lexmark Acquisition. Print and Other segment revenues included the following:

Equipment sales

Equipment sales revenue increased 15.2% during the second quarter 2026 as compared to second quarter 2025, and included a 33.1-percentage point benefit from the Lexmark Acquisition as well as a 0.2-percentage point benefit from currency. The increase in constant currency[1] was driven by higher installations resulting from the Lexmark Acquisition. Excluding the Lexmark Acquisition, equipment sales declined 17.9% in actual currency due to lower installations and a mix shift toward Entry products. On a pro forma[2] basis, second quarter 2026 equipment sales revenue declined 13.0% as compared to the prior year period, primarily reflecting the impacts noted above, partially offset by modest growth from Lexmark.

During the six months ended June 30, 2026, equipment sales revenue increased 23.4% as compared to prior year period, and included a 35.3-percentage point benefit from the Lexmark Acquisition as well as a 1.2-percentage point benefit from currency. The increase in constant currency[1] was driven by higher installations resulting from the Lexmark Acquisition. Excluding the Lexmark Acquisition, equipment sales declined 11.9% in actual currency due to lower installations and a mix shift toward Entry products. On a pro forma[2] basis, equipment sales revenue for six months ended June 30, 2026 declined 8.1% as compared to the prior year period, primarily reflecting the impacts noted above, partially offset by modest growth from Lexmark.

(1) Refer to the "Currency Impact" section for a description of constant currency.
(2) Reflects the inclusion of Lexmark's estimated results from January 1, 2025 through June 30, 2025. Lexmark's actual results are included in Xerox's reported results beginning on July 1, 2025, the effective date of the acquisition.

Detail by product group is shown below:

	Three Months Ended June 30,				% of Equipment Sales	
(in millions)	2026	2025	% Change	CC % Change	2026	2025
Entry	$ 140	$ 63	122.2%	122.7%	36%	19%
Mid-range	162	181	(10.5)%	(11.2)%	42%	54%
High-end	82	87	(5.7)%	(6.6)%	21%	26%
Other	3	5	(40.0)%	(40.0)%	1%	1%
Equipment sales[(1)(2)]	$ 387	$ 336	15.2%	15.0%	100%	100%

	Six Months Ended June 30,				% of Equipment Sales	
(in millions)	2026	2025	% Change	CC % Change	2026	2025
Entry	$ 278	$ 113	146.0%	144.3%	36%	18%
Mid-range	324	330	(1.8)%	(2.8)%	43%	53%
High-end	154	168	(8.3)%	(9.9)%	20%	27%
Other	9	9	—%	—%	1%	2%
Equipment sales[(1)(2)]	$ 765	$ 620	23.4%	22.2%	100%	100%

CC - See "Currency Impact" section for a description of constant currency.
(1) Refer to the Products and Offerings Definitions section.
(2) Prior year equipment sales revenues by product group were recast in the second quarter of 2026 to conform to the current year's presentation. Refer to the Equipment Sales Revenue - Revision section below.

The change at constant currency[1] primarily reflects the Lexmark Acquisition, as well as the following:

- **Entry** - The increase in the three months ended June 30, 2026 primarily reflects the Lexmark Acquisition. Excluding the Lexmark Acquisition, the decrease was driven by lower installations, partially offset by a shift in mix to color from MFPs. The increase in the six months ended June 30, 2026 primarily reflects the Lexmark Acquisition. Excluding the Lexmark Acquisition, the decrease was driven by a shift in mix from color to black-and-white as well as lower installations as compared to the prior year period.
- **Mid-range** - The decrease for the three and six months ended June 30, 2026 reflects lower installations and a shift in mix from color to black-and-white.
- **High-end** - The decrease for the three months ended June 30, 2026 was primarily due to lower installations partially offset by a shift in mix to color and recent product launches. The decrease for the six months ended June 30, 2026 was primarily due to lower installations of black-and-white systems, partially offset by higher installations of entry production color products

(1) Refer to the "Currency Impact" section for a description of constant currency.

Total Installs

Installs reflect new placements of devices to end-user customers, and sales to distributors and resellers. Revenue associated with equipment installations may be reflected up-front in Equipment sales or over time either through rental income or as part of our services revenues (which are both reported within our Post sale revenues), depending on the terms and conditions of our agreements with customers. Installs include activity for Xerox and non-Xerox branded products.

Detail by product group (see ***Products and Offerings Definitions***) is shown below.

Installs for the three months ended June 30, 2026, as compared to the prior year period, reflect the following:

- **Entry** increased 131% driven by the contribution of Lexmark. Excluding the Lexmark Acquisition, installations were down primarily due to declines in black-and-white printers and MFPs, partially offset by growth in color printers and MFPs.
- **Mid-Range**[1] increased 5% driven by the contribution of Lexmark. Excluding the Lexmark Acquisition, installations were down primarily due to declines in both color and black-and-white MFPs.
- **High-End**[1] decreased 19% primarily reflecting declines in Light Production and EPC Low offerings.

Installs for the six months ended June 30, 2026, as compared to the prior year period, reflect the following:

- **Entry** increased 134% driven by the contribution of Lexmark. Excluding the Lexmark Acquisition, installations declined primarily due to black-and-white printers partially offset growth in color and black-and white printers.
- **Mid-Range**[1] was flat reflecting the contribution of Lexmark as well as color MFPs, partially offset by declines in black-and-white.
- **High-End**[1] decreased 13% primarily reflecting the decision to exit certain production print manufacturing operations in prior years. partially offset by growth in Entry Production Color Mid and High.

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(1) Installations were recast in the second quarter of 2026 to reflect a revision in our classification methodology. Refer to the Equipment Installs - Classification Methodology Revision section below.

Products and Offerings Definitions

Our product groupings range from:

- **"Entry"**, which include A4 devices and desktop printers and multifunction devices that primarily serve small and medium workgroups/work teams.
- **"Mid-Range"**, which include A3 devices that generally serve large workgroup/work teams environments as well as products in the Light Production product groups serving centralized print centers, print for pay and low volume production print establishments.
- **"High-End"**, which include production printing and publishing systems that generally serve the graphic communications marketplace and print centers in large enterprises.

Equipment Sales Revenue - Revision

During second quarter 2026, we revised equipment sales revenue by category for the following: i) to revise our equipment installation classification methodology for certain products, as more fully discussed below in the Equipment Installs - Classification Methodology Revision section and ii) to reflect changes to our product groupings within the XBS sales unit. Accordingly, equipment sales revenue by product group for the periods presented below were revised to conform to the current period presentation, with no impact on reported total equipment sales revenue.

	As Reported					
	2025					2026
	Q1	Q2	Q3	Q4	FY	Q1
Entry	$43	$51	$119	$168	$381	$135
Mid-range	198	235	222	258	913	198
High-end	40	44	39	52	175	40
Other	3	6	3	7	19	5
Total	$284	$336	$383	$485	$1,488	$378

	Change					
	2025					2026
	Q1	Q2	Q3	Q4	FY	Q1
Entry	$7	$12	$10	$11	$40	$3
Mid-range	(50)	(53)	(44)	(53)	(200)	(36)
High-end	41	43	32	43	159	32
Other	2	(2)	2	(1)	1	1
Total	$0	$0	$0	$0	$0	$0

	As Revised					
	2025					2026
	Q1	Q2	Q3	Q4	FY	Q1
Entry	$50	$63	$129	$179	$421	$138
Mid-range	148	182	178	205	713	162
High-end	81	87	71	95	334	72
Other	5	4	5	6	20	6
Total	$284	$336	$383	$485	$1,488	$378

Equipment Installs - Classification Methodology Revision

During second quarter 2026, we revised our equipment installation classification methodology for certain products to reflect the evolution of our product portfolio and the markets in which we sell these products. As our go-to-market strategy advances, certain products previously classified within the mid-range category, including certain product families, increasingly meet the needs of our high-end customers and compete in markets historically associated with our high-end products. Accordingly, to provide a more meaningful disaggregation of our revenue, we have reclassified certain product families from the mid-range to the high-end category. Installations for first quarter 2026 have been revised to conform to the current period presentation.

	Installs % Change YOY			
	Prior Methodology	Revised Methodology		
	2026	2026		
	Q1	Q1	Q2	YTD
Entry	136 %	136 %	131 %	134 %
Mid-range	(5)%	(5)%	5 %	— %
High-end	31 %	(5)%	(19)%	(13)%

Post sale revenue

Post sale revenue primarily reflects revenues from managed print services, supplies, paper and financing. These revenues are associated not only with the population of devices in the field, which is affected by installs and removals, but also by the page volumes generated from the usage of such devices and the revenue per printed page. Post sale revenue also includes revenues from the sale of Digital services, as well as gains, commissions, and servicing revenue associated with the sale of finance receivables.

Post sale revenue for the second quarter 2026 reflected the following:

Supplies, paper and other sales includes unbundled supplies, paper and other sales. Second quarter 2026 revenues increased 166.5% and included a 170.5-percentage point benefit from the Lexmark Acquisition and a 2.1-percentage point benefit from currency. The increase in constant currency[1] was primarily driven by supplies sales from the Lexmark Acquisition as well as higher supplies sales to our distributors and resellers. Excluding the Lexmark Acquisition, revenue decreased 4.0% in actual currency due to lower other sales, as well as lower paper and supplies sales. On a pro forma[2] basis, second quarter 2026 revenue decreased 0.4%, primarily reflecting the impacts noted above.

Supplies, paper and other sales revenue for the six months ended June 30, 2026 increased 163.4% as compared to the prior year period and included a 167.2-percentage point benefit from the Lexmark Acquisition and a 3.5-percentage point benefit from currency. The increase in constant currency[1] was primarily driven by supplies sales from the Lexmark Acquisition as well as higher supplies sales to our distributors and resellers. Excluding the Lexmark Acquisition, revenue decreased 3.8% in actual currency due to lower other sales, as well as lower supplies and paper, reflecting in part the prior-year sale of our European paper business. On a pro forma[2] basis, revenue for the six months ended June 30, 2026 decreased 1.2%, primarily reflecting the impacts noted above.

Services, maintenance, rentals and other revenue includes managed print services revenue, maintenance revenue (including bundled supplies), digital services revenue, rentals, financing, extended warranties, and other revenues. Second quarter 2026 revenues increased 4.7% and included a 10.9-percentage point benefit from the Lexmark Acquisition and a 0.7-percentage point benefit from currency. The increase in constant currency[1] was primarily driven by equipment service revenue associated with the Lexmark Acquisition. Excluding the Lexmark Acquisition, revenue declined 6.2% in actual currency primarily reflecting lower rental revenue, as well as lower equipment service revenue and managed print services, and the impact of exiting certain production print manufacturing operations in prior years. On a pro forma[2] basis, second quarter 2026 revenue decreased 4.5%, primarily reflecting the impacts noted above.

Services, maintenance, rentals and other revenue for the six months ended June 30, 2026 increased 5.8% and included a 10.8-percentage point benefit from the Lexmark Acquisition and a 2.0-percentage point benefit from currency. The increase in constant currency[1] was primarily driven by equipment service revenue associated with the Lexmark Acquisition. Excluding the Lexmark Acquisition, revenue declined 5.0% in actual currency primarily reflecting lower rental revenue as well as lower equipment service revenue and managed print services, and the impact of exiting certain production print manufacturing operations in prior years. On a pro forma[2] basis, revenue for the six months ended June 30, 2026 decreased 3.8%, primarily reflecting the impacts noted above.

Xerox Financial Services is a financing solutions business for direct channel customer purchases of Xerox equipment and solutions, and lease financing to end-user customers who purchase Xerox equipment and solutions. Second quarter 2026 revenues decreased 20.3% compared to second quarter 2025, and included a 0.7-percentage point benefit from currency, and revenues for the six months ended June 30, 2026 decreased 21.6% as compared to the prior year period, and included a 2.3 percentage point benefit from currency. Xerox Financial Services revenue decreased primarily due to a lower average finance receivable balance during 2026, driven by sales of finance receivables in recent quarters to our funding affiliates, as well as lower originations.

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(1) Refer to the “Currency Impact” section for a description of constant currency.
(2) Reflects the inclusion of Lexmark's estimated results from January 1, 2025 through June 30, 2025. Lexmark's actual results are included in Xerox's reported results beginning on July 1, 2025, the effective date of the acquisition.

Segment Expenses

Research, Development and Engineering Expenses (RD&E)

Second quarter 2026 RD&E of $66 million increased $23 million as compared to second quarter 2025. For the six months ended June 30, 2026 , RD&E of $130 million increased $45 million as compared to prior year period. The increase as compared to the respective prior year periods primarily reflected the Lexmark Acquisition, partially offset by productivity and cost savings related to the Company's Transformation actions.

Selling, Administrative and General Expenses (SAG)

Second quarter 2026 SAG of $377 million increased by $59 million as compared to second quarter 2025. For the six months ended June 30, 2026 SAG of $756 million increased by $116 million as compared to the prior year period. The increase as compared to the respective prior year periods primarily reflected the Lexmark Acquisition, as well as higher incentive compensation expense and benefit costs, and unfavorable currency. These impacts were partially offset by productivity and cost savings related to the Company's Transformation initiatives including lower marketing spend.

Segment Margin

Second quarter 2026 Print and Other segment margin of 12.7% increased 7.9-percentage points as compared to second quarter of 2025, and for the six months ended June 30, 2026, Print and Other segment margin of 9.0% increased 5.0-percentage points as compared to prior year period. The increase as compared to the respective prior year periods was primarily due to higher revenues and gross profit. Segment margin expansion was driven by the contribution from the Lexmark Acquisition, benefits from the IEEPA tariff receivables, as well as Transformation-related cost and productivity actions, and lower bad debt expense. These benefits were partially offset by higher SAG expense, including higher incentive compensation expense and benefit costs, as well as RD&E expenses. On a pro forma[1] basis, second quarter 2026 Print and Other segment margin of 12.7% increased by 6.4-percentage points as compared to second quarter of 2025, and for the six months ended June 30, 2026, Print and Other segment margin of 9.0% increased 3.2-percentage points as compared to prior year period. The increase as compared to the respective prior year periods primarily reflected the impacts noted above.

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(1) Reflects the inclusion of Lexmark's estimated results from January 1, 2025 through June 30, 2025. Lexmark's actual results are included in Xerox's reported results beginning on July 1, 2025, the effective date of the acquisition.

IT Solutions

The IT Solutions segment provides clients of all sizes integrated IT infrastructure solutions, delivering business outcomes through its suite of Device Lifecycle Solutions, and Managed IT Services. The IT Solutions business leverages its professional services and engineering capabilities, along with an extensive partner ecosystem to design, develop and deliver comprehensive Network and Security Solutions, and Infrastructure and Cloud Solutions. This segment provides services to clients in the U.S., Canada, the U.K., and Western Europe.

Revenue

	Three Months Ended June 30,				Six Months Ended June 30,			
(in millions)	2026	2025	% Change	CC % Change	2026	2025	% Change	CC % Change
IT Products[(1)]	$ 140	$ 153	(8.5)%	(8.8)%	$ 245	$ 258	(5.0)%	(5.8)%
IT Services[(2)]	49	57	(14.0)%	(14.0)%	98	115	(14.8)%	(14.8)%
Intersegment revenue[(3)]	5	3	NM	NM	7	4	NM	NM
Total IT Solutions	$ 194	$ 213	(8.9)%	(9.0)%	$ 350	$ 377	(7.2)%	(7.8)%

CC - See "Currency Impact" section for a description of Constant Currency.
(1) IT Products reflect the sale of IT hardware and software solutions. Hardware product sales include the sale of notebooks, network communications and other endpoint devices, desktop computers and other IT hardware. Software product sales include deployments of cloud and security solutions, endpoint security application suites, operating systems, other applications and network management solutions.
(2) IT Services reflect revenue associated with the implementation of IT solutions, including product lifecycle, deployment and network monitoring services, and managed services.
(3) Primarily reflects IT hardware, software solutions and services sold by the IT Solutions segment to the Print and Other segment.

Second quarter 2026 IT Solutions segment revenue decreased 8.9% as compared to second quarter of 2025 and included a 0.1-percentage point benefit from currency, and for the six months ended June 30, 2026 decreased 7.2% as compared to the prior year period and included a 0.6-percentage point benefit from currency. IT Solutions segment revenue included the following:

IT Products revenue decreased 8.5% during the second quarter 2026, as compared to the second quarter of 2025. For the six months ended June 30, 2026 revenue decreased 5.0% as compared to the prior year period. For both the three and six months ended June 30, 2026 gross billings growth was offset by the mix of revenue subject to net classifications, and revenue deferrals. IT products revenue for the six months ended June 30, 2026 was also impacted by component cost increases.

IT Services revenue decreased 14.0% during the three months ended June 30, 2026 as compared to the second quarter of 2025. For the six months ended June 30, 2026, revenue decreased 14.8% as compared to the prior year period. The decrease for the three and six months ended June 30, 2026 primarily reflected higher revenue deferrals, as well as the mix of revenue subject to net classifications.

Segment Expenses

Selling, Administrative and General Expenses (SAG)

Second quarter 2026 SAG of $28 million increased by $3 million as compared to second quarter 2025, and SAG of $52 million for the six months ended June 30, 2026 increased by $4 million as compared to the prior year period. The increase as compared to the respective prior year periods primarily reflected increased investments in the sales organization. The adverse impacts were partially offset by productivity and cost savings related to the Company's Transformation initiatives.

Segment Margin

Second quarter 2026 IT Solutions segment margin of 3.7% decreased 1.1-percentage points as compared to second quarter of 2025, and for the six months ended June 30, 2026, IT Solutions segment margin of 3.8% decreased 0.2-percentage points as compared to prior year period. The decrease as compared to the respective prior year periods primarily reflected lower revenues, as well as higher administrative expenses and increased investments in the sales organization, all of which were partially offset by higher gross profit.

Capital Resources and Liquidity

Our liquidity is primarily dependent on our ability to generate positive cash flows from operations. Additional liquidity is also provided through access to the financial capital markets and a committed asset-based revolving credit agreement (the ABL Facility), as well as the sales and assignment of finance lease receivables. Our access to financial capital markets may be limited from time to time due to a number of factors, including our credit ratings, the level of our outstanding indebtedness, and prevailing market conditions, including the trading levels of our existing debt securities. Based on our current level of operations, we do not expect our near term liquidity needs to be dependent on access to the financial capital markets and we believe that our available sources will be adequate to meet our liquidity needs for at least the next 12 months.

Currently, we are not aware of any other trends or demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in our liquidity increasing or decreasing in any material way that will impact our capital needs during or beyond the next 12 months from August 6, 2026, the date these Condensed Consolidated Financial Statements were issued.

We cannot assure you, however, that our business will generate sufficient cash flow from operations or that future borrowings will be available to us under the Company's ABL facility and in amounts sufficient to enable us to repay our indebtedness or to fund our other liquidity needs. The following is a summary of our liquidity position:

- As of June 30, 2026 and December 31, 2025, total cash, cash equivalents and restricted cash of Xerox Holdings Corporation were $552 million and $565 million, respectively, and apart from restricted cash of $57 million and $53 million at June 30, 2026 and December 31, 2025, respectively, was readily accessible for use. The decrease of $13 million primarily reflects net cash used in operating activities of $107 million, as well as net cash used in investing activities of $33 million, both of which were partially offset by net cash provided by financing activities of $128 million, which includes $80 million related to the IEEPA tariff receivables monetization.
- During the second quarter of 2026, the Company entered into a sale agreement to sell its rights to its IEEPA tariff receivables of $105 million, for cash consideration of approximately $80 million, which is reported as a financing transaction in the Condensed Consolidated Statement of Cash Flows for the six months ended June 30, 2026. At June 30, 2026, a liability of $90 million was recorded on the Condensed Consolidated Balance Sheet in Financing liability – tariff receivables monetization. We currently estimate receiving the tariff refunds by December 31, 2026. Subsequent to the receipt, we will transfer any cash received to the purchaser of the tariff receivables.
- Total debt at June 30, 2026 was $4,223 million, of which $1,310 million is allocated to, and supports the Company's finance assets. The remaining debt of $2,913 million is attributable to the non-financing business and increased from $2,759 million at December 31, 2025. Debt at June 30, 2026 consists of senior secured and unsecured notes, secured promissory notes, borrowings under a Term Loan B facility, and senior secured term loans associated with a joint venture financing.
- In connection with Xerox Corporation's joint venture arrangement (the Joint Venture Arrangement) with TPG during the first quarter 2026, XRX Brandco Holdings LLC (IPCo Holdings), a fully consolidated variable interest entity (VIE) of Xerox Corporation, as borrower, entered into a credit agreement with Alter Domus (US) LLC, who provided $405 million aggregate principal amount of senior secured term loans (the Term Loans) (the Joint Venture Financing Arrangement). The Term Loans are accounted for as Debt in the Condensed Consolidated Balance Sheet of Xerox Corporation at June 30, 2026. The proceeds of the Joint Venture Financing Arrangement were distributed by dividend from IPCo Holdings to Xerox Corporation and are expected to be used for general corporate purposes and opportunistically addressing Xerox Holdings' capital structure over time (which may include the redemption or payment of debt). In addition, Xerox Corporation purchased $45 million of Class A Units from IPCo Holdings. The Class A Units have a mandatory cumulative redemption which is expected in 2031.
- During the first half of 2026, the Company repurchased approximately $194 million of its 5.50% Senior Unsecured Notes due 2028 and $6 million of its 13.50% Senior Secured Notes due 2031 for an aggregate purchase price of approximately $101 million. The Company recognized a net gain of approximately $95 million on the early extinguishment of the debt, which was recorded to Other expenses (income), net in the Condensed Consolidated Statements of Income (Loss).
- As of August 6, 2026, and based on our June availability calculation, we have availability of $388 million before letters of credit issued under the ABL Facility of approximately $112 million. There are no current borrowings outstanding. Accordingly, our net availability is approximately $276 million. Certain debt covenants limit our total amount of secured debt outstanding. As of the date of our filing, our capacity under the ABL was not limited by

any debt covenants. Our capacity to borrow under the ABL Facility may be adversely impacted by the terms of the ABL Facility and certain other agreements that govern our indebtedness.

- We now expect operating cash flows to be approximately $340 million, which is a decrease from our previous guidance of $350 million, and includes $80 million related to the IEEPA tariff receivables monetization. The decrease reflects higher restructuring expense resulting from our increased synergy target, higher interest expense resulting from the Joint Venture Financing Arrangement, and lower than previously expected working capital[1]. Although not committed, we believe we have the ability to sell finance receivables for additional liquidity.

Refer to the Condensed Consolidated Financial Statements as follows: Note 1 - Basis of Presentation for additional information related to the Joint Venture Arrangement, Note 11 - Supplementary Financial Information for additional information related to cash, cash equivalents and restricted cash, and supplemental cash flow information, and Note 12 - Debt for additional information related to the monetization of the IEEPA tariff receivables, Debt, and ABL activity.

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(1) Working capital reflects Accounts receivable, net, Inventories and Accounts payable.

Cash Flow Analysis

The following summarizes our cash, cash equivalents and restricted cash:

(in millions)	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025	Change
Net cash used in operating activities	$ (107)	$ (100)	$ (7)
Net cash used in investing activities	(33)	(12)	(21)
Net cash provided by financing activities	128	459	(331)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(1)	7	(8)
(Decrease) increase in cash, cash equivalents and restricted cash	(13)	354	(367)
Cash, cash equivalents and restricted cash at beginning of period	565	631	(66)
Cash, Cash Equivalents and Restricted Cash at End of Period	**$ 552**	**$ 985**	**$ (433)**

Cash Flows from Operating Activities

Net cash used in operating activities was $107 million for the six months ended June 30, 2026, a decrease of $7 million from the prior year period. Cash flow from operating activities was impacted by a $55 million decrease related to finance receivables, primarily due to lower sales of finance receivables, partially offset by increased portfolio run-off as origination volumes declined. Working capital changes contributed to the use of cash, including higher accounts receivable and lower accounts payable. The unfavorable working capital movements were partially offset by lower use of cash for inventory. Refer to Note 8 – Finance Receivables, Net in the Condensed Consolidated Financial Statements for additional information regarding the sale of finance receivables

Cash Flows from Investing Activities

Net cash used in investing activities was $33 million for the six months ended June 30, 2026, a decrease of $21 million from the prior year period. The decrease was primarily driven by the sale of surplus property and assets in the U.S. in the prior year, higher capital expenditures and higher noncontrolling investments offset by a Lexmark Acquisition working capital adjustment.

Cash Flows from Financing Activities

Net cash provided by financing activities was $128 million for the six months ended June 30, 2026, a decrease of $331 million from the prior year period. The decrease in cash primarily reflected lower net debt issuances offset by the sale of IEEPA tariff receivables and lower dividend payments in 2026. During 2025, financing activities included $860 million from Senior Notes issuances and the repayments of existing debt, including secured financing arrangements, secured promissory notes and Term Loan B borrowings. Cash used in financing activities during 2025 also reflected commitment fees associated with the Lexmark Acquisition financing.

Debt and Customer Financing Activities

The following summarizes our debt:

(in millions)	June 30, 2026	December 31, 2025
Xerox Holdings Corporation	$ 1,706	$ 2,025
Xerox Corporation	2,199	2,316
Xerox - Other Subsidiaries[1]	452	3
Subtotal - Principal debt balance	4,357	4,344
Debt issuance costs		
Xerox Holdings Corporation	(16)	(20)
Xerox Corporation	(83)	(39)
Subtotal - Debt issuance costs	(99)	(59)
Net unamortized (discount)	(35)	(38)
Total Debt	$ 4,223	$ 4,247

(1) Includes secured debt issued by subsidiaries of Xerox Corporation as part of the securitization of finance receivables. The balance at June 30, 2026 includes debt of $450 million associated with the Joint Venture Arrangement as described in Note 1 - Basis of Presentation in the Condensed Consolidated Financial Statements, and Note 12 - Debt in the Condensed Consolidated Financial Statements.

Refer to Note 12 - Debt in the Condensed Consolidated Financial Statements for additional information regarding debt.

Finance Assets and Related Debt

The following represents our total finance assets, net associated with our lease and finance operations:

(in millions)	June 30, 2026	December 31, 2025
Total finance receivables, net[1]	$ 1,214	$ 1,402
Equipment on operating leases, net	283	299
Total Finance Assets, net	$ 1,497	$ 1,701

(1) Includes (i) Billed portion of finance receivables, net, (ii) Finance receivables, net and (iii) Finance receivables due after one year, net as included in our Condensed Consolidated Balance Sheets.

Our lease contracts permit customers to pay for equipment over time rather than at the date of installation; therefore, we maintain a certain level of debt (that we refer to as financing debt) to support our investment in these lease contracts, which are reflected in total finance assets, net. For this financing aspect of our business, we maintain an assumed 7:1 leverage ratio of debt to equity as compared to our finance assets.

Based on this leverage, the following represents the breakdown of total debt between financing debt and core debt:

(in millions)	June 30, 2026	December 31, 2025
Finance receivables debt[1]	$ 1,062	$ 1,227
Equipment on operating leases debt	248	261
Financing debt	1,310	1,488
Core debt	2,913	2,759
Total Debt	$ 4,223	$ 4,247

(1) Finance receivables debt is the basis for our calculation of Equipment financing interest expense, which is included in Cost of services, maintenance, rentals and other in the Condensed Consolidated Statements of Income (Loss).

Sales of Finance Receivables and Third Party Leasing Programs

Refer to Note 8 - Finance Receivables, Net in the Condensed Consolidated Financial Statements for additional information regarding our sales of finance receivables and our third party leasing programs.

Capital Market/Debt Activity

Refer to Note 12 - Debt in the Condensed Consolidated Financial Statements for additional information regarding our debt activity including our Joint Venture Financing Arrangement and the early redemptions of debt during the first half of 2026.

Financing Liability – Tariff Receivables Monetization

Refer to Note 12 - Debt in the Condensed Consolidated Financial Statements for additional information related to the monetization of the IEEPA tariff receivables.

Liquidity and Financial Flexibility

We manage our worldwide liquidity using internal cash management practices, which are subject to i) the statutes, regulations and practices of each of the local jurisdictions in which we operate, ii) the legal requirements of the agreements to which we are a party, and iii) the policies and cooperation of the financial institutions we utilize to maintain and provide cash management services. Our principal debt maturities are spread over the next five years as follows:

(in millions)	Xerox Holdings Corporation	Xerox Corporation	Xerox Other Subsidiaries[(1)]	Total
2026 Q3	—	—	—	—
2026 Q4	—	—	21	21
2027	25	50	82	157
2028	581	90	81	752
2029	531	565	81	1,177
2030	569	400	81	1,050
2031 and thereafter	—	1,094	106	1,200
Total	$ 1,706	$ 2,199	$ 452	$ 4,357

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(1) Represents subsidiaries of Xerox Corporation. The balance at June 30, 2026 includes debt of $450 million associated with the Joint Venture Arrangement as described in Note 1 - Basis of Presentation in the Condensed Consolidated Financial Statements, and Note 12 - Debt in the Condensed Consolidated Financial Statements.

Refer to Note 12 - Debt in the Condensed Consolidated Financial Statements for additional information regarding debt.

Treasury Stock

Xerox Holdings Corporation made no open-market repurchases of its Common Stock during 2026.

Financial Risk Management

We are exposed to market risk from foreign currency exchange rates and interest rates, which could affect operating results, financial position and cash flows. We manage our exposure to these market risks through our regular operating and financing activities and, when appropriate, through the use of derivative financial instruments. We utilize derivative financial instruments to hedge economic exposures, as well as to reduce earnings and cash flow volatility resulting from shifts in market rates. We enter into limited types of derivative contracts, including interest rate swap agreements, interest rate caps, foreign currency spot, forward and swap contracts and net purchased foreign currency options to manage interest rate and foreign currency exposures. Our primary foreign currency market exposures include the Euro, U.K. Pound Sterling and Japanese Yen. The fair market values of all our derivative contracts change with fluctuations in interest rates and/or currency exchange rates and are designed so that any changes in their values are offset by changes in the values of the underlying exposures. Derivative financial instruments are held solely as risk management tools and not for trading or speculative purposes.

We are required to recognize all derivative instruments as either assets or liabilities at fair value in the balance sheet. As permitted, certain of these derivative contracts have been designated for hedge accounting treatment. Certain of our derivatives that do not qualify for hedge accounting are effective as economic hedges. These derivative contracts are likewise required to be recognized each period at fair value and therefore do result in some level of volatility. The level of volatility will vary with the type and amount of derivative hedges outstanding, as well as fluctuations in the currency and interest rate markets during the period. The related cash flow impacts of all of our derivative activities are reflected as cash flows from operating activities.

By their nature, all derivative instruments involve, to varying degrees, elements of market and credit risk. The market risk associated with these instruments resulting from currency exchange and interest rate movements is expected to offset the market risk of the underlying transactions, assets and liabilities being hedged. We do not believe there is significant risk of loss in the event of non-performance by the counterparties associated with these instruments because these transactions are executed with a diversified group of major financial institutions. Further, our policy is to deal with counterparties having a minimum investment grade or better credit rating. Credit risk is managed through the continuous monitoring of exposures to such counterparties.

The current market events have not required us to materially modify or change our financial risk management strategies with respect to our exposures to interest rate and foreign currency risk. Refer to Note 13 – Financial Instruments in the Condensed Consolidated Financial Statements for further discussion and information on our financial risk management strategies.

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 Income (Loss) 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 (income), net. Adjusted earnings will continue to include the service cost elements of our retirement costs, which are related to current employee service as well as the cost of our defined contribution plans.

Transaction and related costs, net: Transaction and related costs, net are costs and expenses primarily associated with certain major or significant strategic M&A projects. These costs are primarily for third-party legal, accounting, consulting and other similar types of professional services as well as potential legal settlements that may arise in connection with those M&A transactions. These costs are considered incremental to our normal operating charges and were incurred or are expected to be incurred solely as a result of the planned transactions. Accordingly, we exclude these expenses from our Adjusted Earnings Measures in order to evaluate our performance on a comparable basis.

Discrete, unusual or infrequent items: We exclude the following 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.

- Inventory-related impact - exit of certain production print manufacturing operations
- Divestitures
- Net gain (loss) on early extinguishment of debt
- Transformation-related costs
- Lexmark - fixed asset-related purchase accounting adjustment
- Commitment fee expenses
- Lexmark Acquisition financing - escrow interest, net
- PARC Donation - Income tax
- Deferred tax asset valuation allowance

Adjusted Operating Income and Margin

We calculate and utilize adjusted operating income and margin measures by adjusting our reported pre-tax (loss) and margin amounts. In addition to the costs and expenses noted above as adjustments for our adjusted earnings measures, adjusted operating income and margin also exclude the remaining amounts included in Other expenses (income), net, which include 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.

Constant Currency (CC)

Refer to the "Currency Impact" section above for a discussion of this measure and its use in our analysis of revenue growth.

Adjusted Net Income (Loss) and EPS reconciliation:

	Three Months Ended June 30,				Six Months Ended June 30,			
	2026		2025		2026		2025	
(in millions, except per share amounts)	Net Income	Diluted EPS	Net (Loss)	Diluted EPS	Net (Loss) Income	Diluted EPS	Net (Loss)	Diluted EPS
Reported[1]	$ 13	$ 0.07	$ (106)	$ (0.87)	$ (92)	$ (0.77)	$ (196)	$ (1.62)
Adjustments:								
Inventory-related impact - exit of certain production print manufacturing operations	—		10		—		17	
Restructuring and related costs, net	23		10		68		9	
Amortization of intangible assets	30		10		60		20	
Divestitures	—		—		—		(4)	
Net (gain) loss on early extinguishment of debt[2]	(39)		4		(95)		4	
Non-service retirement-related costs	21		19		42		37	
Transformation-related costs[3]	2		3		4		9	
Transaction and related costs, net	—		6		4		9	
Lexmark - fixed asset-related purchase accounting adjustment [4]	12		—		23		—	
Commitment fee expense [5]	—		4		—		22	
Lexmark Acquisition financing - escrow interest, net[5]	—		12		—		12	
PARC Donation income tax [6]	—		—		—		9	
Deferred tax asset valuation allowance[7]	1		—		9		50	
Income tax on adjustments[8]	(8)		(49)		(19)		(79)	
Adjusted	$ 55	$ 0.38	$ (77)	$ (0.64)	$ 4	$ (0.03)	$ (81)	$ (0.71)
Dividends on preferred stock used in adjusted EPS calculation[9]	$ 3		$ 3		$ 7		$ 7	
Weighted average shares for adjusted EPS[9]	135		126		130		125	
Fully diluted shares at June 30, 2026[10]	135							

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(1) Net Income (Loss) and Income (Loss) per Share. For the three months ended June 30, 2026 Net Income and Diluted Earnings per Share included $39 million gain on the early extinguishment of debt, or $0.29 per diluted share. For the three months ended June 30, 2025, Net (Loss) and Diluted (Loss) include $22 million ($17 million after tax) of financing-related charges, net or $0.13 per share, related to recently completed borrowings in support of the Lexmark Acquisition financing, and $28 million of tax expense, or $0.22 per share, related to interest expense that was not deductible according to tax guidelines in place as of June 30, 2025. For the six months ended June 30, 2026 Net (Loss) and Diluted (Loss) include included $95 million gain on the early extinguishment of debt, or $0.73 per diluted share. For the six months ended June 30, 2025, Net (Loss) and Diluted (Loss) include a charge to tax expense related to the establishment of $59 million of valuation allowances, or $0.47 per share, financing-related charges, net of $40 million ($30 million after-tax), or $0.24 per share, related to recently completed borrowings in support of the Lexmark Acquisition financing, repayment of existing borrowings, and general corporate purposes, and tax expense of $28 million, or $0.22 per share, related to interest expense that was not deductible according to tax guidelines in place as of June 30, 2025.

(2) Reflects the early repayment of a portion of our 5.50% Senior Unsecured Notes due 2028, and a portion of our 13.50% Senior Unsecured Notes due 2031.

(3) In the first quarter of 2026, Xerox Holdings Corporation renamed “Reinvention-related costs” to “Transformation-related costs.” This change in terminology did not affect the nature of the costs.

(4) Reflects purchase accounting adjustments related to the Lexmark Acquisition.

(5) Primarily reflects fees associated with the 2025 private offering of $400 million in aggregate principal amount of 10.25% Senior Secured First Lien Notes and $400 million aggregate principal amount of 13.50% Senior Secured Second Lien Notes Due in 2031.

(6) Reflects the change in the realizability of the PARC donation tax benefit recognized in the second quarter of 2023.

(7) Reflects the establishment of a valuation allowance against certain deferred tax assets to reflect their realizability.

(8) Refer to Adjusted Effective Tax Rate reconciliation.

(9) For those periods that include the preferred stock dividend, the average shares for the calculations of diluted EPS exclude the 7 million shares associated with Xerox Holdings Corporation's Series A Convertible preferred stock.

(10) Reflects common shares outstanding at June 30, 2026, plus potential dilutive common shares used for the calculation of adjusted diluted EPS for the three months ended June 30, 2026. Excludes potentially dilutive common shares associated with our series A convertible preferred stock, shares granted under stock-based compensation programs, as well as warrants and convertible notes, all of which were anti-dilutive.

Adjusted Effective Tax Rate reconciliation:

(in millions)	Three Months Ended June 30, 2026 Pre-Tax Income	2026 Income Tax Expense	2026 Effective Tax Rate	2025 Pre-Tax (Loss) Income	2025 Income Tax Expense	2025 Effective Tax Rate
Reported[1]	$ 31	$ 18	58.1 %	$ (60)	$ 46	(76.7)%
Deferred tax asset valuation allowance[2]	—	(1)		—	—	
Non-GAAP Adjustments[2]	49	8		78	49	
Adjusted	$ 80	$ 25	31.3 %	$ 18	$ 95	527.8 %

(in millions)	Six Months Ended June 30, 2026 Pre-Tax (Loss) Income	2026 Income Tax Expense	2026 Effective Tax Rate	2025 Pre-Tax (Loss) Income	2025 Income Tax Expense	2025 Effective Tax Rate
Reported[1]	$ (42)	$ 50	(119.0)%	$ (127)	$ 69	(54.3)%
Income tax on PARC donation[2]	—	—		—	(9)	
Deferred tax asset valuation allowance[2]	—	(9)		—	(50)	
Non-GAAP Adjustments[2]	106	19		135	79	
Adjusted	$ 64	$ 60	93.8 %	$ 8	$ 89	1,112.5 %

(1) Pre-tax Income (loss) and Income tax expense.
(2) Refer to Adjusted Net Income (Loss) and EPS reconciliation for details.

Adjusted Operating Income and Margin reconciliation:

(in millions)	Three months ended June 30, 2026 Profit	2026 Revenue	2026 Margin	2025 (Loss) Profit	2025 Revenue	2025 Margin
Reported[1]	$ 13	$ 1,922		$ (106)	$ 1,576	
Income tax expense	18	—		46	—	
Pre-tax Income (Loss)	$ 31	$ 1,922	1.6 %	$ (60)	$ 1,576	(3.8)%
Adjustments:						
Inventory-related impact - exit of certain production print manufacturing operations	—			10		
Lexmark - fixed asset-related purchase accounting adjustment[2]	12			—		
Restructuring and related costs, net	23			10		
Amortization of intangible assets	30			10		
Transformation-related costs[3]	2			3		
Transaction and related costs, net	—			6		
Non-financing interest expense[4]	100			55		
Other expenses (income), net[5]	5			25		
Adjusted	$ 203	$ 1,922	10.6 %	$ 59	$ 1,576	3.7 %

(in millions)	Six months ended June 30, 2026 (Loss) Profit		2026 Revenue		2026 Margin	2025 (Loss) Profit		2025 Revenue		2025 Margin
Reported[1]	$	(92)	$	3,768		$	(196)	$	3,033	
Income tax expense		50		—			69		—	
Pre-tax (loss)	$	(42)	$	3,768	(1.1)%	$	(127)	$	3,033	(4.2)%
Adjustments:										
Inventory-related impact - exit of certain production print manufacturing operations		—					17			
Lexmark - fixed asset-related purchase accounting adjustment[2]		23					—			
Restructuring and related costs, net		68					9			
Amortization of intangible assets		60					20			
Divestitures		—					(4)			
Transformation-related costs[3]		4					9			
Transaction and related costs, net		4					9			
Non-financing interest expense[4]		184					88			
Other expenses (income), net[5]		(26)					60			
Adjusted	$	275	$	3,768	7.3 %	$	81	$	3,033	2.7 %

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(1) Net Income (Loss).
(2) Reflects purchase accounting adjustments related to the Lexmark Acquisition.
(3) In the first quarter of 2026, Xerox Holdings Corporation renamed “Reinvention-related costs” to “Transformation-related costs.” This change in terminology did not affect the nature of the costs.
(4) Reflects interest expense primarily related to the borrowings in support of the Lexmark Acquisition financing, as well as interest related to the funding from the Joint Venture Financing arrangement entered into with TPG in the first quarter of 2026.
(5) Includes non-service retirement-related costs as well as a gain of approximately $39 million and $95 million for the three and six months ended June 30, 2026, respectively, on the early repayment of a portion of our 5.500% Senior Unsecured Notes due 2028 and a portion of our 13.50% Senior Secured Notes due 2031.

Pro Forma Basis

To better understand the trends in our business, we discuss our 2026 operating results by comparing them against 2025 pro forma results, which include estimated results of Lexmark. Lexmark is included in our 2025 results as of July 1, 2025, the effective date of acquisition.

We refer to comparisons against these adjusted results as “pro forma” basis comparisons. The pro forma information has been prepared in accordance with Article 11 of Regulation S-X, "Pro Forma Financial Information.” The pro forma information is presented to facilitate comparisons with our results following the acquisition. Xerox and Lexmark's 2025 historical results have been adjusted to reflect the costs of financing the transactions, fair value adjustments related to inventory, real and personal property (equipment and computer hardware and software) and intangible assets. In addition, adjustments were made to conform Lexmark's accounting policies to those of Xerox, including deferred revenue and inventory. In accordance with Article 11 of Regulation S-X, these pro forma results exclude adjustments associated with transaction related costs which are already included in the historical financial statements.

We believe comparisons on a pro forma basis are more meaningful than the actual comparisons given the size and nature of the Lexmark Acquisition. We believe the pro forma basis comparisons allow investors to have a better understanding and additional perspective of the expected trends in our business as well as the impact of the Lexmark Acquisition on the Company’s operations. The pro forma financial information is based upon available information and assumptions that we believe are reasonable and is for illustrative purposes only. The pro forma combined financial information below should be read in conjunction with the Consolidated Financial Statements and related notes to our 2025 Annual Report on Form 10-K.

Pro Forma Adjusted Operating Income and Margin reconciliation

(in millions)	Three Months Ended June 30, As Reported 2026 Profit	As Reported 2025 (Loss) Profit	Pro Forma[(1)] 2025 (Loss) Profit	Change	Pro Forma[(1)] Change
Pre-tax income (loss)	$ 31	$ (60)	$ (51)	$ 91	$ 82
Adjustments:					
Inventory-related impact - exit of certain production print manufacturing operations	—	10	10	(10)	(10)
Lexmark - fixed asset-related purchase accounting adjustment[(2)]	12	—	17	12	(5)
Restructuring and related costs, net	23	10	10	13	13
Amortization of intangible assets	30	10	31	20	(1)
Transformation-related costs[(3)]	2	3	3	(1)	(1)
Transaction and related costs, net	—	6	18	(6)	(18)
Non-financing interest expense[(4)]	100	55	55	45	45
Other expenses (income), net [(5)]	5	25	13	(20)	(8)
Adjusted	$ 203	$ 59	$ 106	$ 144	$ 97
Revenue	$ 1,922	$ 1,576	$ 2,056	$ 346	$ (134)
Pre-tax Margin (Loss)	1.6 %	(3.8)%	(2.5)%	5.4 pts.	4.1 pts.
Adjusted Operating Income Margin	10.6 %	3.7 %	5.2 %	6.9 pts.	5.4 pts.

(in millions)	Six Months Ended June 30, As Reported 2026 (Loss) Profit	As Reported 2025 (Loss) Profit	Pro Forma[(1)] 2025 (Loss) Profit	Change	Pro Forma[(1)] Change
Pre-tax (loss)	$ (42)	$ (127)	$ (160)	$ 85	$ 118
Adjustments:					
Inventory-related impact - exit of certain production print manufacturing operations	—	17	17	(17)	(17)
Lexmark - fixed asset-related purchase accounting adjustment[(2)]	23	—	38	23	(15)
Restructuring and related costs, net	68	9	8	59	60
Amortization of intangible assets	60	20	62	40	(2)
Divestitures	—	(4)	(4)	4	4
Transformation-related costs[(3)]	4	9	9	(5)	(5)
Transaction and related costs, net	4	9	23	(5)	(19)
Non-financing interest expense[(4)]	184	88	88	96	96
Other expenses (income), net [(5)]	(26)	60	96	(86)	(122)
Adjusted	$ 275	$ 81	$ 177	$ 194	$ 98
Revenue	$ 3,768	$ 3,033	$ 3,972	$ 735	$ (204)
Pre-tax (Loss) Margin	(1.1)%	(4.2)%	(4.0)%	3.1 pts.	2.9 pts.
Adjusted Operating Income Margin	7.3 %	2.7 %	4.5 %	4.6 pts.	2.8 pts.

(1) *Reflects the inclusion of Lexmark as if it was acquired on January 1, 2025 through June 30, 2025. Lexmark's actual results are included in Xerox's reported results beginning on July 1, 2025, the effective date of the acquisition.*

(2) *Reflects purchase accounting adjustments related to the Lexmark Acquisition.*

(3) *In the first quarter of 2026, Xerox Holdings Corporation renamed “Reinvention-related costs” to “Transformation-related costs.” This change in terminology did not affect the nature of the costs.*

(4) *Reflects interest expense primarily related to the borrowings in support of the Lexmark Acquisition financing, as well as interest related to the funding from the Joint Venture Financing arrangement entered into with TPG in the first quarter of 2026.*

(5) *Includes non-service retirement-related costs as well as a gain of approximately $39 million and $95 million for the three and six months ended June 30, 2026, respectively, related to the early repayment of a portion of our 5.500% Senior Unsecured Notes due August 2028 and a portion of our 13.50% Senior Secured Notes due 2031.*

ITEM 3 — QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The information set forth under the “Financial Risk Management” section of this Quarterly Report on Form 10-Q is hereby incorporated by reference in answer to this Item.

ITEM 4 — CONTROLS AND PROCEDURES

(a) Evaluation of Disclosure Controls and Procedures

Xerox Holdings Corporation

The management of Xerox Holdings Corporation evaluated, with the participation of its principal executive officer and principal financial officer, or persons performing similar functions, the effectiveness of its disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as of the end of the period covered by this report. Based on this evaluation, the principal executive officer and principal financial officer of Xerox Holdings Corporation have concluded that, as of the end of the period covered by this report, the disclosure controls and procedures of Xerox Holdings Corporation were effective to ensure that information required to be disclosed in the reports filed or submitted under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission’s rules and forms relating to Xerox Holdings Corporation, including its consolidated subsidiaries, and was accumulated and communicated to the management of Xerox Holdings Corporation, including the principal executive officer and principal financial officer, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

Xerox Corporation

The management of Xerox Corporation evaluated, with the participation of its principal executive officer and principal financial officer, or persons performing similar functions, the effectiveness of its disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as of the end of the period covered by this report. Based on this evaluation, the principal executive officer and principal financial officer of Xerox Corporation have concluded that, as of the end of the period covered by this report, the disclosure controls and procedures of Xerox Corporation were effective to ensure that information required to be disclosed in the reports filed or submitted under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission’s rules and forms relating to Xerox Corporation, including its consolidated subsidiaries, and was accumulated and communicated to the management of Xerox Corporation, including the principal executive officer and principal financial officer, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

(b) Changes in Internal Controls

Xerox Holdings Corporation

As required by paragraph (d) of Rule 13a-15 under the Exchange Act, we evaluated changes in our internal control over financial reporting during the last fiscal quarter. There were no changes identified in our internal control over financial reporting that occurred during the last fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Xerox Corporation

As required by paragraph (d) of Rule 13a-15 under the Exchange Act, we evaluated changes in our internal control over financial reporting during the last fiscal quarter. There were no changes identified in our internal control over financial reporting that occurred during the last fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II — OTHER INFORMATION

ITEM 1 — LEGAL PROCEEDINGS

The information set forth under Note 21 – Contingencies and Litigation in the Condensed Consolidated Financial Statements of this Quarterly Report on Form 10-Q is incorporated by reference in answer to this item.

ITEM 1A — RISK FACTORS

As of June 30, 2026, there have been no material changes to the risk factors that were previously disclosed in Part I, Item 1A of the combined Xerox Holdings Corporation and Xerox Corporation Annual Report on Form 10-K for the year ended December 31, 2025.

ITEM 2 — UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

(a) Issuer Purchases of Equity Securities during the Quarter ended June 30, 2026

Repurchases of Xerox Holdings Corporation's Common Stock, par value $1 per share, include the following:

Board Authorized Share Repurchase Program:

There were no repurchases of Xerox Holdings Corporation's Common Stock for the quarter ended June 30, 2026 pursuant to share repurchase programs authorized by Xerox Holdings' Board of Directors.

ITEM 3 — DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4 — MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5 — OTHER INFORMATION

Rule 10b5-1 Trading Plans

None of our directors or officers (as defined in Rule 16a-1(f) under the Exchange Act) adopted or terminated a Rule 10b5-1 trading arrangement or a non-Rule 10b5-1 trading arrangement (as defined in Item 408(c) of Regulation S-K) during the quarterly period covered by this report.

ITEM 6 — EXHIBITS

10.1	Second Amendment to the Xerox Holdings Corporation 2024 Equity and Performance Incentive Plan. Incorporated by reference to Exhibit 10.1 to Xerox Holdings Corporation's and Xerox Corporation's combined Current Report on Form 8-K dated May 20, 2026.
10.2	Xerox Holdings Corporation 2026-2028 Transformation Retention Award Plan. Incorporated by reference to Exhibit 10.1 to Xerox Holdings Corporation’s and Xerox Corporation’s combined Current Report on Form 8-K dated July 2, 2026.
10.3	Amendment No. 3 to Credit Agreement, dated as of May 20, 2026, by and among Xerox Corporation, a New York corporation, Xerox Holdings Corporation, a New York corporation, the other Lenders and Issuing banks party thereto and CITIBANK, N.A., as administrative agent and collateral agent.
31(a)(1)	Certification of Xerox Holdings Corporation CEO pursuant to Rule 13a-14(a) or Rule 15d-14(a).
31(a)(2)	Certification of Xerox Corporation CEO pursuant to Rule 13a-14(a) or Rule 15d-14(a).
31(b)(1)	Certification of Xerox Holdings Corporation CFO pursuant to Rule 13a-14(a) or Rule 15d-14(a).
31(b)(2)	Certification of Xerox Corporation CFO pursuant to Rule 13a-14(a) or Rule 15d-14(a).
32(a)	Certification of Xerox Holdings Corporation CEO and CFO pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32(b)	Certification of Xerox Corporation CEO and CFO pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	Inline XBRL Instance Document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Calculation Linkbase Document
101.LAB	Inline XBRL Taxonomy Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Presentation Linkbase Document
101.DEF	Inline XBRL Taxonomy Definition Linkbase Document
104	The Cover Page Interactive Data File from this Quarterly Report on Form 10-Q, (formatted as Inline XBRL and contained in Exhibit 101).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, each registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized. The signatures for each undersigned shall be deemed to relate only to matters having reference to such company and its subsidiaries.

XEROX HOLDINGS CORPORATION
(Registrant)

By: /S/ WILLIAM TWOMEY

William Twomey
Vice President and
Chief Accounting Officer
(Principal Accounting Officer)

Date: August 6, 2026

XEROX CORPORATION
(Registrant)

By: /S/ WILLIAM TWOMEY

William Twomey
Vice President and
Chief Accounting Officer
(Principal Accounting Officer)

Date: August 6, 2026

EXHIBIT 10.3

AMENDMENT NO. 3 TO CREDIT AGREEMENT

THIS AMENDMENT NO. 3 TO CREDIT AGREEMENT (this "***Amendment***") is entered into as of May 20, 2026 by and among XEROX CORPORATION, a New York corporation (the "***Company***" and the "***Borrower***"), XEROX HOLDINGS CORPORATION, a New York corporation ("***Holdings***"), the Lenders and Issuing Banks party hereto and CITIBANK, N.A. ("***Citi***"), as administrative agent and collateral agent (in such capacities, the "***Administrative Agent***").

W I T N E S S E T H:

WHEREAS, the Company, Holdings, the Subsidiaries of the Company from time to time party thereto, the Subsidiary Borrowers from time to time party thereto, the Lenders and Issuing Banks from time to time party thereto and the Administrative Agent are parties to that certain Credit Agreement dated as of May 22, 2023 (as amended by that certain Amendment No. 1 to Credit Agreement, dated as of February 6, 2024, by that certain Amendment No. 2 to Credit Agreement, dated as of June 10, 2024, and as further amended, restated, supplemented and/or otherwise modified prior to the date hereof, the "***Existing Credit Agreement***", and as amended by this Amendment, the "***Amended Credit Agreement***");

WHEREAS, the Borrower has requested, and Wells Fargo Bank, N.A. (the "***New Issuing Bank***") has agreed, to provide a Letter of Credit Commitment in the aggregate amount of $15,000,000;

WHEREAS, the Borrower has requested, and Citi (the "***Increasing Issuing Bank***") has agreed, to increase its Letter of Credit Commitment to the aggregate amount of $37,500,000; and

WHEREAS, the Borrowers have requested, and the Administrative Agent and the Lenders party hereto (which constitute the Required Lenders) have agreed, to make certain amendments to the Existing Credit Agreement.

NOW, THEREFORE, in consideration of the mutual agreements, provisions and covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

SECTION 1. Defined Terms. Capitalized terms used herein (including in the preamble and recitals above) but not otherwise defined herein shall have the respective meanings ascribed to such terms in the Amended Credit Agreement.

SECTION 2. Amendments to Existing Credit Agreement. Upon the Amendment No. 3 Effective Date (as defined below), the Existing Credit Agreement is hereby amended as follows:

(a) The definition of the term "Letter of Credit Sublimit" in Section 1.01 of the Existing Credit Agreement is hereby amended and restated in its entirety to read as follows:

"***Letter of Credit Sublimit***" means the aggregate Letter of Credit Commitments of the Issuing Banks, in an amount not to exceed $125,000,000.

(b) The definition of the term "Material Real Property" in Section 1.01 of the Existing Credit Agreement is hereby amended and restated in its entirety to read as follows:

"***Material Real Property***" has the meaning assigned to such term in the Term Loan Credit Agreement.

(c) Section 1.01 of the Existing Credit Agreement is hereby amended by adding in the appropriate alphabetical order the following new definitions:

"***Amendment No. 3***" means that certain Amendment No. 3 to Credit Agreement, dated as of the Amendment No. 3 Effective Date, among the Company, Holdings, the Lenders party thereto and the Administrative Agent.

"***Amendment No. 3 Effective Date***" has the meaning assigned to such term in Amendment No. 3.

"***Term Loan Credit Agreement***" means that certain First Lien Term Loan Credit Agreement, dated as of November 17, 2023, by and among the Company, Holdings, the other guarantors party thereto, the lenders party thereto and Jefferies Finance LLC, as administrative agent, as amended, restated, supplemented and/or otherwise modified from time to time.

"***XRX BrandCo Credit Agreement***" means that certain Credit Agreement, dated as of February 17, 2026, by and among XRX BrandCo Holdings LLC, as the borrower, Alter Domus (US) LLC, as the administrative agent and the collateral agent and the lenders party thereto, as amended, restated, supplemented and/or otherwise modified from time to time.

(d) Section 5.04(7) of the Existing Credit Agreement is hereby amended and restated in its entirety as follows:

(e) "(7) promptly after the same has been delivered to the administrative agent or lenders of any Material Indebtedness, the XRX BrandCo Credit Agreement and Term Loan Credit Agreement, copies of all regularly required financial and similar reporting and notices of default or events of default (in each case, other than periodic interest or other administrative notices);"

(f) Schedule 2.01 to the Existing Credit Agreement is hereby amended and restated in its entirety in the form set forth on Exhibit A hereto.

SECTION 3. Conditions. The effectiveness of this Amendment is subject to the satisfaction of the following conditions precedent (the date of such satisfaction or waiver, the "***Amendment No. 3 Effective Date***"):

(a) *Executed Counterparts*. The Administrative Agent shall have received duly executed counterparts of this Amendment from (i) Holdings, (ii) the Borrower, (iii) the Required Lenders, (iv) the New Issuing Bank, (v) the Increasing Issuing Bank and (vi) the Administrative Agent;

(b) *Representations and Warranties*. The representations and warranties set forth in the Loan Documents will be true and correct in all material respects (or, in the case of any representations and warranties qualified by materiality or Material Adverse Effect, in all respects) as of the Amendment No. 3 Effective Date, with the same effect as though made on and as of such date, except to the extent such representations and warranties expressly relate to an earlier date (in which case such representations and warranties will be true and correct in all material respects (or, in the case of any representations and warranties qualified by materiality or Material Adverse Effect, in all respects) as of such earlier date);

(c) *No Default or Event of Default*. At the time of and immediately after giving effect to this Amendment, no Default or Event of Default shall have occurred and be continuing or would result therefrom;

(d) *[Reserved]*;

(e) *Fees and Expenses Paid*. Prior to or substantially concurrently with the Amendment No. 3 Effective Date, the Borrower shall have paid or reimbursed the Administrative Agent for all reasonable and documented fees and expenses required to be paid by the Borrower under the Existing Credit Agreement for which invoices have been presented at least three (3) Business Days prior to the Amendment No. 3 Effective Date or such later date to which the Borrower may agree (limited in the case of legal fees and expenses, to the reasonable and documented legal fees of Latham & Watkins LLP and, if necessary, one firm of counsel in each appropriate jurisdiction); and

(f) *Know Your Customer and Other Required Information*. All documentation and other information about the Loan Parties required by regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations (including without limitation, PATRIOT Act, CAML and Beneficial Ownership Certificates), as has been reasonably requested in writing by the Administrative Agent at least five (5) Business Days prior to the Amendment No. 3 Effective Date, shall have been provided not later than the date that is three (3) Business Days prior to the Amendment No. 3 Effective Date, including, to the extent the Company qualifies as a "legal entity customer" under the Beneficial Ownership Regulation, a Beneficial Ownership Certificate.

SECTION 4. Representations and Warranties. Each Loan Party party hereto hereby represents and warrants to the Administrative Agent that, as of the Amendment No. 3 Effective Date:

(a) the execution, delivery and performance of this Amendment by the Loan Parties party hereto have been duly authorized by all corporate, stockholder, partnership, limited liability company or other applicable action required to be taken by such Loan Party, and will not (i) violate: (1) any provision of law, statute, rule or regulation, or of the certificate or articles of incorporation, amalgamation or continuance or other constitutive documents (including any partnership, limited liability company or operating agreement or by-laws) of any Loan Party; (2) any applicable order of any court or any rule, regulation or order of any Governmental Authority; or (3) any provision of any indenture, certificate of designation for preferred stock, agreement, shareholders' agreement, shareholder declaration or other instrument to which any Loan Party is a party or by which any of them or any of their property is or may be bound; (ii) be in conflict with, result in a breach of, constitute (alone or with notice or lapse of time or both) a default under, or give rise to a right of or result in any cancellation or acceleration of any right or obligation (including any payment) or to a loss of a material benefit under, any such indenture, certificate of designation for preferred stock, shareholders' agreement, shareholder declaration, agreement or other instrument referred to in Section 5(a)(i)(3) above; or (iii) result in the creation or imposition of any Lien upon any property or assets of any Loan Party, other than the Liens created by the Loan Documents and Permitted Liens; except, with respect to clauses (i) and (ii) of this Section 5(a), as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

(b) This Amendment has been duly executed and delivered by each Loan Party party hereto and will constitute a legal, valid and binding obligation of such Loan Party, enforceable against such Loan Party in accordance with its terms, subject to (i) the effects of bankruptcy, insolvency, moratorium, reorganization, restructuring, fraudulent conveyance or other similar laws affecting creditors' rights generally; (ii) general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law); (iii) implied covenants of good faith and fair dealing; (iv) any foreign laws, rules and regulations as they relate to pledges of Equity Interests in Foreign Subsidiaries; and (v) the Legal Reservations; and

(c) No action, consent or approval of, registration or filing with or any other action by any Governmental Authority or third party is or will be required in connection with this Amendment, the perfection or maintenance of the Liens created under the Security Documents or the exercise by the Administrative Agent, Collateral Agent or any Lender of its rights under the Loan Documents or the remedies in respect of the Collateral, except for: (i) the filing of Uniform Commercial Code financing statements, PPSA financing statements and equivalent filings in foreign jurisdictions; (ii) filings as may be required under the Exchange Act and applicable stock exchange rules in connection therewith; (iii) such as have been made or obtained and are in full force and effect; (iv) such actions, consents and approvals the failure of which to be obtained or made would not reasonably be expected to have a Material Adverse Effect; or (v) filings or other actions listed on Schedule 3.04 of the Amended Credit Agreement.

SECTION 5. Reference to the Effect on the Loan Documents.

(a) As of the Amendment No. 3 Effective Date, each reference in the Amended Credit Agreement to "*this Agreement*," "*hereunder*," "*hereof*," "*herein*," or words of like import, and each reference in the other Loan Documents to the "Credit Agreement" (including, without limitation, by means of words like "*thereunder*", "*thereof*" and words of like import), shall mean and be a reference to the Amended Credit Agreement.

(b) Except as specifically amended herein, all Loan Documents shall continue to be in full force and effect and are hereby in all respects ratified and confirmed.

(c) The execution, delivery and effectiveness of this Amendment shall not operate as a waiver of any right, power or remedy of any Lender or the Administrative Agent under any of the Loan Documents, nor constitute a waiver of any provision of the Loan Documents.

(d) The Borrower and the other parties hereto acknowledge and agree that, on and after the Amendment No. 3 Effective Date, this Amendment shall constitute a Loan Document for all purposes of the Amended Credit Agreement.

SECTION 6. Reaffirmation. Subject to any limitations on its obligations expressly stated in the Loan Documents to which it is a party, the Borrower and Holdings, on behalf of itself and each other Loan Party, as of the Amendment No. 3 Effective Date, (i) acknowledges and agrees that all of its obligations under the Amended Credit Agreement and the other the Loan Documents to which it is a party are reaffirmed and remain in full force and effect on a continuous basis as and to the extent provided in the Loan Documents, (ii) reaffirms each Lien granted by each Loan Party to the Administrative Agent for the benefit of the Secured Parties and reaffirms the Guarantees made pursuant to the Guaranty Agreement as and to the extent provided in the Loan Documents and (iii) acknowledges and agrees that the grants of Liens by and the Guarantees of the Loan Parties contained in the Guaranty Agreement and the Security Documents are, and shall remain, in full force and effect after giving effect to this Amendment as and to the extent provided in the Loan Documents. Nothing contained in this Amendment shall be construed as substitution or novation of the obligations outstanding under the Amended Credit Agreement or the other Loan Documents, which shall remain in full force and effect, except to any extent modified hereby. Holdings acknowledges and agrees that (i) notwithstanding the conditions to effectiveness set forth in this Amendment, such Loan Party is not required by the terms of the Existing Credit Agreement, the Amended Credit Agreement or any other Loan Document to consent to the amendment to the Existing Credit Agreement effected pursuant to this Amendment and (ii) nothing in the Existing Credit Agreement, the Amended Credit Agreement, this Amendment or any Loan Document shall be deemed to require the consent of such Loan Party to any future amendments to the Amended Credit Agreement.

SECTION 7. No Modification. Except as expressly set forth herein, nothing contained herein shall be deemed to constitute a waiver of compliance with any term or condition contained in the Amended Credit Agreement or any other Loan Document or constitute a course of conduct or dealing among the parties. The Administrative Agent and the Lenders reserve all rights, privileges and remedies under the Loan Documents. Except as expressly amended hereby, the Amended Credit Agreement and the other

Loan Documents remain unmodified and in full force and effect. The parties hereto agree to be bound by the terms and conditions of the Amended Credit Agreement and the other Loan Documents as amended by this Amendment, as though such terms and conditions were set forth herein. On and after the Amendment No. 3 Effective Date, each reference in the Amended Credit Agreement to "this Agreement", "hereunder", "hereof", "herein" or words of similar import shall mean and be a reference to the Amended Credit Agreement, and each reference in any other Loan Document (including any notice, request, certificate or other document executed concurrently with or after the execution and delivery of this Amendment) to the Existing Credit Agreement shall be deemed to be a reference to the Amended Credit Agreement. This Amendment shall constitute a Loan Document.

SECTION 8. **Successors and Assigns**. The provisions of this Amendment shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns; provided that none of the Loan Parties may assign or transfer any of their rights or obligations under this Amendment without the prior written consent of the Administrative Agent.

SECTION 9. **Miscellaneous Provisions**. The provisions of Sections 10.07, 10.11, 10.12, 10.13, 10.14 and 10.15 of the Amended Credit Agreement are hereby incorporated by reference into this Amendment *mutatis mutandis* and shall apply hereto.

[Remainder of Page Intentionally Left Blank; Signature Pages Follow]

IN WITNESS WHEREOF, each of the undersigned has executed this Amendment as of the date set forth above.

XEROX HOLDINGS CORPORATION, as Holdings

By: ____________________________________
Name:
Title:

XEROX CORPORATION, as the Company

By: ____________________________________
Name:
Title:

CITIBANK, N.A.,
as Administrative Agent, Collateral Agent, Lender, Swing Line Lender and an Issuing Bank

By: ______________________________________
Name:
Title:

[_],
as [a Lender] [and an Issuing Bank]

By: ________________________________
Name:
Title:

Exhibit A

Schedule 2.01

Commitments

Lender	**Revolving Commitment**	**Letter of Credit Commitment**
Citibank, N.A.	$81,000,000.00	$37,500,000.00
Credit Agricole Corporate and Investment Bank	$81,000,000.00	$27,500,000.00
PNC Bank, National Association	$70,000,000.00	$25,000,000.00
Mizuho Bank, Ltd.	$65,000,000.00	$20,000,000.00
The Bank of Nova Scotia	$25,000,000.00	N/A
Siemens Financial Services, Inc.	$33,000,000.00	N/A
HSBC Bank USA, National Association	$25,000,000.00	N/A
Wells Fargo Bank, N.A.	$45,000,000.00	$15,000,000.00
Total	**$425,000,000.00**	**$125,000,000.00**

CEO CERTIFICATIONS

I, Louis J. Pastor, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Xerox Holdings Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

August 6, 2026

/s/ LOUIS J. PASTOR

Louis J. Pastor
Principal Executive Officer

CEO CERTIFICATIONS

I, Louis J. Pastor, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Xerox Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

August 6, 2026

/s/ LOUIS J. PASTOR

Louis J. Pastor
Principal Executive Officer

CFO CERTIFICATIONS

I, Charles Butler, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Xerox Holdings Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

August 6, 2026

/S/ CHARLES BUTLER

Charles Butler
Principal Financial Officer

CFO CERTIFICATIONS

I, Charles Butler, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Xerox Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

August 6, 2026

/S/ CHARLES BUTLER

Charles Butler
Principal Financial Officer

EXHIBIT 32(a)
Xerox Holdings Corporation

CERTIFICATION OF CEO AND CFO PURSUANT TO 18 U.S.C. § 1350, AS ADOPTED PURSUANT TO § 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Form 10-Q of Xerox Holdings Corporation, a New York corporation (the “Company”), for the quarter ended June 30, 2026, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), Louis J. Pastor, Chief Executive Officer of the Company, and Charles Butler, Executive Vice President and Chief Financial Officer of the Company, each hereby certifies, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, to the best of his/her knowledge, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ LOUIS J. PASTOR

Louis J. Pastor
Chief Executive Officer

August 6, 2026

/s/ CHARLES BUTLER

Charles Butler
Chief Financial Officer

August 6, 2026

This certification accompanies this Report pursuant to § 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by the Company for purposes of § 18 of the Securities Exchange Act of 1934, as amended.

A signed original of this written statement required by § 906 has been provided to Xerox Holdings Corporation and will be retained by Xerox Holdings Corporation and furnished to the Securities and Exchange Commission or its staff upon request.

CERTIFICATION OF CEO AND CFO PURSUANT TO 18 U.S.C. § 1350, AS ADOPTED PURSUANT TO § 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Form 10-Q of Xerox Corporation, a New York corporation (the “Company”), for the quarter ended June 30, 2026, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), Louis J. Pastor, Chief Executive Officer of the Company, and Charles Butler, Executive Vice President and Chief Financial Officer of the Company, each hereby certifies, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, to the best of his/her knowledge, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ LOUIS J. PASTOR

Louis J. Pastor
Chief Executive Officer

August 6, 2026

/s/ CHARLES BUTLER

Charles Butler
Chief Financial Officer

August 6, 2026

This certification accompanies this Report pursuant to § 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by the Company for purposes of § 18 of the Securities Exchange Act of 1934, as amended.

A signed original of this written statement required by § 906 has been provided to Xerox Corporation and will be retained by Xerox Corporation and furnished to the Securities and Exchange Commission or its staff upon request.