Earnings Presentation

Q1 2022 Results

April 21, 2022

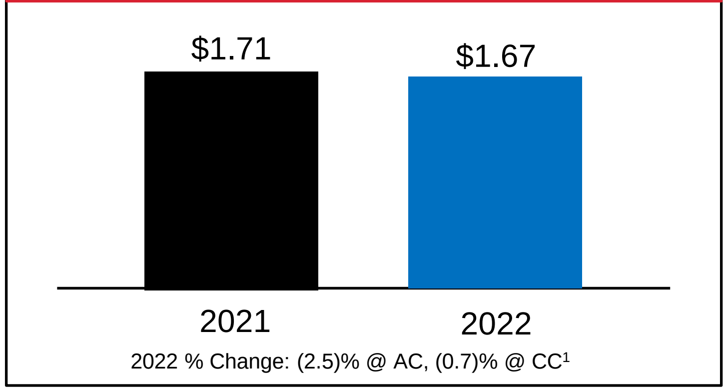
Forward-Looking Statements

This presentation, and other written or oral statements made from time to time by management contain “forward looking statements” as defined in the Private Securities Litigation Reform Act of 1995. The words “anticipate”, “believe”, “estimate”, “expect”, “intend”, “will”, “should”, “targeting”, “projecting”, “driving” and similar expressions, as they relate to us, our performance and/or our technology, are intended to identify forward-looking statements. These statements reflect management’s current beliefs, assumptions and expectations and are subject to a number of factors that may cause actual results to differ materially. Such factors include but are not limited to: the effects pandemics, such as the COVID-19 pandemic, on our and our customers' businesses and the duration and extent to which this will impact our future results of operations and overall financial performance; our ability to address our business challenges in order to reverse revenue declines, reduce costs and increase productivity so that we can invest in and grow our business; our ability to successfully develop new products, technologies and service offerings and to protect our intellectual property rights; reliance on third parties, including subcontractors, for manufacturing of products and provision of services and the shared service arrangements entered into by us as part of Project Own It; our ability to attract and retain key personnel; the risk that confidential and/or individually identifiable information of ours, our customers, clients and employees could be inadvertently disclosed or disclosed as a result of a breach of our security systems due to cyber attacks or other intentional acts or that cyberattacks could result in a shutdown of our systems; the risk that partners, subcontractors and software vendors will not perform in a timely, quality manner; actions of competitors and our ability to promptly and effectively react to changing technologies and customer expectations; our ability to obtain adequate pricing for our products and services and to maintain and improve cost efficiency of operations, including savings from restructuring and transformation actions; our ability to manage changes in the printing environment like the decline in the volume of printed pages and extension of equipment placements; changes in economic and political conditions, trade protection measures, licensing requirements and tax laws in the United States and in the foreign countries in which we do business; the risk that multi-year contracts with governmental entities could be terminated prior to the end of the contract term and that civil or criminal penalties and administrative sanctions could be imposed on us if we fail to comply with the terms of such contracts and applicable law; interest rates, cost of borrowing and access to credit markets; the imposition of new or incremental trade protection measures such as tariffs and import or export restrictions; funding requirements associated with our employee pension and retiree health benefit plans; changes in foreign currency exchange rates; the risk that our operations and products may not comply with applicable worldwide regulatory requirements, particularly environmental regulations and directives and anti-corruption laws; the outcome of litigation and regulatory proceedings to which we may be a party; and any impacts resulting from the restructuring of our relationship with Fujifilm Holdings Corporation. Additional risks that may affect Xerox’s operations and other factors are set forth in the “Risk Factors” section, the “Legal Proceedings” section, the “Management’s Discussion and Analysis of Financial Condition and Results of Operations” section and other sections of Xerox Holdings Corporation's and Xerox Corporations combined 2021 Annual Report on Form 10-K and combined Quarterly Reports on Form 10-Q, as well as in Xerox Holdings Corporation’s and Xerox Corporation’s Current Reports on Form 8-K filed with the Securities and Exchange Commission.

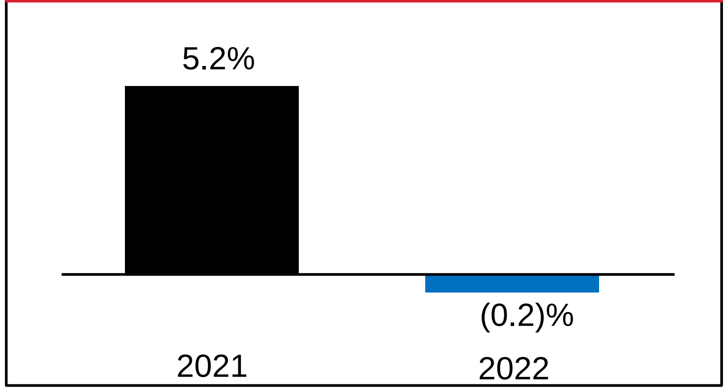
These forward-looking statements speak only as of the date of this presentation or as of the date to which they refer, and Xerox assumes no obligation to update any forward-looking statements as a result of information or future developments, except as required by law.

Q1 2022 Key Financial Measures

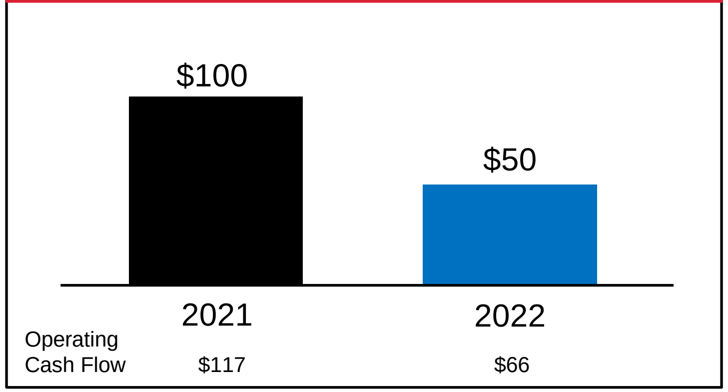
Revenue ($B)



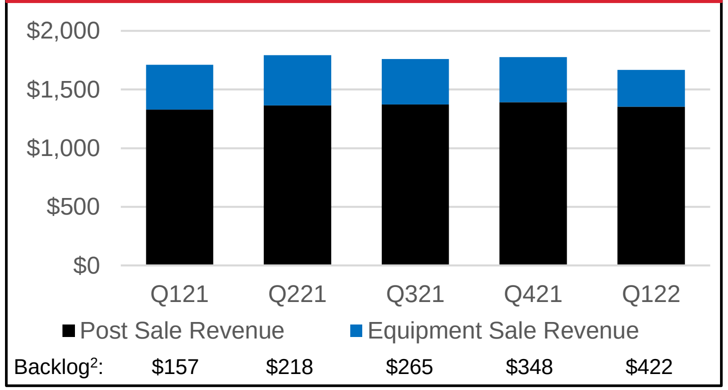
Adj[1] Operating Margin



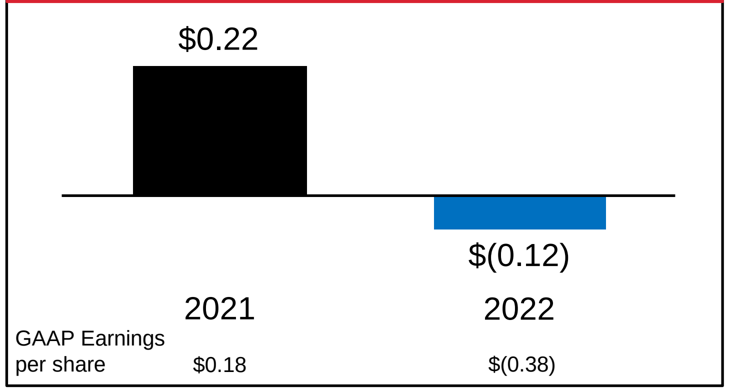
Free Cash Flow[1] ($M)



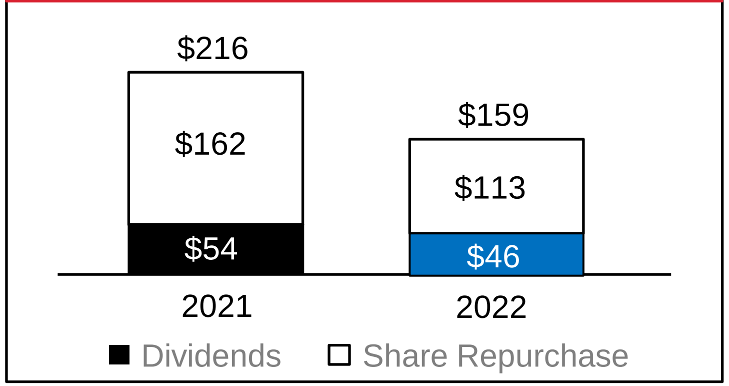
Revenue and Backlog Trend ($M)



Adj[1] Earnings (Loss) Per Share



Shareholder Returns ($M)



[1] Adjusted Measures, Free Cash Flow and Constant Currency (CC): see Non-GAAP Financial Measures.
[2] Order backlog is measured as the value of unfulfilled sales orders, shipped and non-shipped, received from our clients waiting to be installed, including orders with future installation dates. It includes printing devices as well as IT hardware associated with our IT services offerings. First quarter 2022 backlog of $422 million excludes sales orders from Russia and Powerland Computers, Ltd., which was acquired in the first quarter of 2022.

Strategic Initiatives to Transform Xerox

Optimize operations for simplicity

- Continuously improve operating efficiency, revenue flow through and return on assets
- Invest in augmented reality, robotic process automation, business process outsourcing, analytics and system enhancements to drive efficiencies

Drive revenue

- Expand distribution of digital solutions among existing Print & Services clients and scale IT Services and robotic process automation in the SMB market
- Drive increased adoption and utilization of CareAR
- Grow FITTLE as a global payment solutions business

Monetize Innovation

- Leverage $250 million corporate venture fund to bolster investment & innovation
- Add value-added equity partners to accelerate development and market penetration
- Embed PARC's technology into new and existing businesses

Focus on cash flow and capital returns

- Generate at least $400 million of free cash flow[1] in 2022
- Return at least 50% of free cash flow to shareholders and reduce debt
- Deploy excess capital for strategic M&A

[1] Free Cash Flow: see Non-GAAP Financial Measures.

Business Update: Q1 2022

FITTLE

- **Rebranded XFS as FITTLE**, signifying an increased focus on providing business financing and solutions across a range of offerings beyond Xerox equipment and services
- **On track to meet FY22 performance targets:**
    - $650 million of revenue
    - 8-9% profit margin
- **Growth in Indirect originations:** 7% growth in indirect originations, including a doubling of non-Xerox volume. Indirect growth was more than offset by declines in Xerox direct originations, driven by supply chain constraints
- **Grew dealer presence globally:** Added 24 dealers in Q1 and 102 dealers in the last 12 months

CareAR

- **Pipeline progress:** $22 million of ACV added; 34% sequential growth
    - Added three System Integrator (SI) partners; SI's are increasingly closing business on CareAR's behalf
- **Customer growth:** 47 new logos; 60 customer expansions
    - Expanded offering to four new industries: banking, education, oil & gas and pharma; expanded use cases within existing industry coverage
- **Launched CareAR Instruct**, a key product differentiation and driver of self-service instructional guidance
- **First deployment of smart glasses** hands-free solution for field services

PARC Innovation

Elem Additive Manufacturing (3D Print)

- Announced partnerships with Vertex, Oak Ridge National Laboratory and Siemens to strengthen the value proposition and use cases for ElemX

Eloque (IoT)

- Will triple the number of Eloque's bridges deployed with sensors in Australia in H1 2022
- Continuing discussions with select European countries and multiple U.S. states to deploy pilots in 2022

Novity (IoT)

- Launched Novity to commercialize PARC's IoT-driven predictive maintenance technology
- Healthy pipeline of companies in the manufacturing and oil & gas industries; signed two customers

Frequently Asked Questions

Return to Office Trends

Are you seeing an increase in page volumes and revenue as employees return to work?
We saw slight improvements in page volumes and volume-driven post sale revenue in Q1, particularly in March as the Omicron variant waned and more businesses welcomed employees back to the office. Third-party data points to gathering momentum in return to office trends. We expect progressive improvement in workplace attendance each month, and a broader return of employees to the office in the second half of the year. Correlations between workplace attendance, page volumes and post sale revenue remain high.

Supply Chain & Geopolitical Effects on Guidance

How have ongoing supply chain challenges and the war in Ukraine affected Q1 results and your outlook for the year?
Supply constraints continued to inhibit our ability fulfill demand in Q1, resulting in growth of our backlog to $422 million, a 21% sequential increase and close to three times last year's levels. As demand and backlog grow, we are focused on maintaining our high levels of client satisfaction. We continue to expect supply chain constraints to begin easing in the second half of the year. With respect to the war in Ukraine, we halted shipments to Russia when the conflict started. The resulting financial impact has thus far been minimal. The Eurasian region in total comprised a low single digit percentage of our revenue and profits in 2021. Despite an elevated level of uncertainty associated with our outlook, we are not adjusting our guidance for revenue or cash flow, as supply chain, geopolitical and return-to-work dynamics remain fluid.

Margin Trajectory

Do you still expect to grow operating margin in 2022?
We are seeing an acceleration of inflationary pressure on costs throughout our business. We have enacted a series of price increases and currently expect to offset most inflation-related cost increases over time as we enforce price adjustments within our contractual business and further rationalize our cost base. We are expecting quarterly sequential margin improvement, but the realization of that improvement will largely depend on macroeconomic factors.

Value Realization

How do you plan to unlock the value highlighted in your Sum-of-the-Parts analysis at Investor Day?
At our Investor Day, we presented a sum-of-the-parts analysis that provided a range of values for our stock of $32 to $58 per share. We expect some of the valuation upside presented in that analysis to require incremental monetization of our investments in innovation, which we increasingly look to do through strategic transactions. These transactions could take the form of minority investments, sales, partnerships or mergers of our businesses not adjacent to our Print & Services business. We expect these transactions to create shareholder value by providing our newer businesses access to additional capital and domain expertise, our investors with market-based valuations for these businesses, and Xerox with reduced funding requirements for each business as it scales.

Financial Results Summary

(in millions, except per share data)

P&L Measures	Q1 2022	B/(W) YOY	% Change YOY
Revenue	$ 1,668	$ (42)	(2.5)% AC (0.7)% CC[1]
Operating Loss – Adjusted[1]	$ (3)	$ (92)	NM
Other Expenses, net[2]	$ 57	$ (53)	NM
Net Loss	$ (56)	$ (95)	NM
Net Loss – Adjusted[1]	$ (14)	$ (61)	NM
GAAP Loss Per Share	$ (0.38)	$ (0.56)	NM
Loss per Share – Adjusted[1]	$ (0.12)	$ (0.34)	NM

P&L Ratios	Q1 2022	B/(W) YOY
Gross Margin	31.8%	(390) bps
RD&E %	4.7%	(40) bps
SAG %	27.3%	(110) bps
Operating Margin – Adjusted[1]	(0.2)%	(540) bps
Tax Rate – Adjusted[1]	52.9%	NM

[1] Adjusted Measures and Constant Currency (CC): see Non-GAAP Financial Measures. The adjusted effective tax rate reflects benefits from additional tax incentives as well as a change in our indefinite reinvestment tax liability due to a recent acquisition. [2] Includes a $33 million charge ($25 million after-tax) associated with the termination of a product supply agreement.

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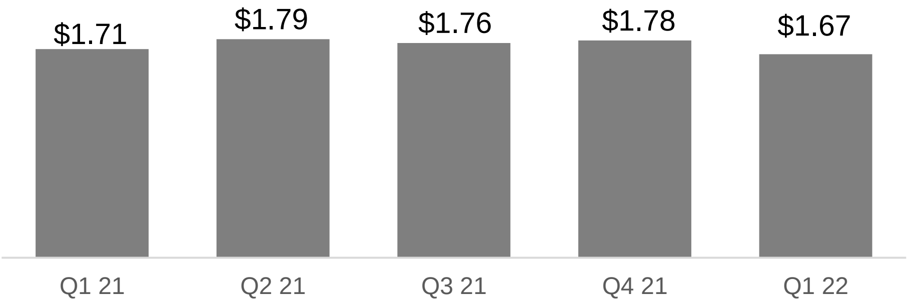
Revenue

			% Change YOY	
(in millions)	Q1 2022	% Mix	AC	CC[1]
Equipment	$314	19%	(17.6)%	(16.1)%
Post Sale	$1,354	81%	1.9%	3.7%
Total Revenue	$1,668	100%	(2.5)%	(0.7)%
Americas	1,071	64%	(0.5)%	(0.4)%
EMEA	554	33%	(5.6)%	(0.8)%
Other[2]	43	3%	(8.5)%	(8.5)%

Quarterly Revenue Trend ($B)



Equipment Backlog as a % of ESR:

Q1 21	Q2 21	Q3 21	Q4 21	Q1 22
34%	41%	59%	82%	115%

Installs B/(W) YOY

	Q1 2022	
	Color	B&W
Entry A4 MFPs	(0)%	(39)%
Mid-Range	(9)%	(61)%
High-End	(29)%	(15)%

[1] Constant Currency (CC): see Non-GAAP Financial Measures. [2] Other total revenue includes sales to FUJIFILM Business Innovation Corp. (formerly Fuji Xerox)(FX) and licensing.

Cash Flow

(in millions)	Q1 2022	Q1 2021
Pre-tax (Loss) Income	$ (89)	$ 53
Non-Cash Add-Backs[1]	119	123
Restructuring Payments	(7)	(27)
Pension Contributions	(38)	(41)
Working Capital, net[2]	93	43
Change in Finance Assets[3]	5	9
Other[4]	(17)	(43)
Cash from Operations	$ 66	$ 117
Cash used in Investing	$ (75)	$ (17)
Cash used in Financing	$ (149)	$ (318)
Ending Cash, Cash Equivalents and Restricted Cash[5]	$ 1,761	$ 2,461
Free Cash Flow[6]	$ 50	$ 100

[1] Non-cash add-backs include depreciation & amortization (including equipment on operating lease), provisions, stock-based compensation, defined benefit pension expense, restructuring and asset impairment charges and gain on sales of businesses and assets. [2] Working Capital, net includes accounts receivable, accounts payable and inventory. [3] Includes equipment on operating leases (excluding its related depreciation) and finance receivables. [4] Includes other current and long-term assets and liabilities, accrued compensation, derivative assets and liabilities, other operating, net, distributions from net income of unconsolidated affiliates and taxes. [5] Includes restricted cash of $80 million in Q1 2022 and $82 million in Q1 2021. [6] Free Cash Flow: see Non-GAAP Financial Measures.

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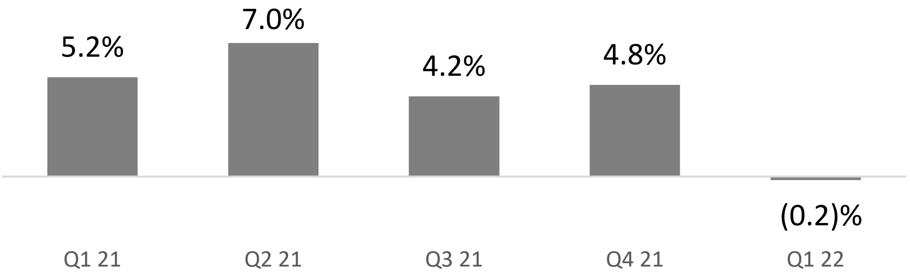
Profitability and Earnings

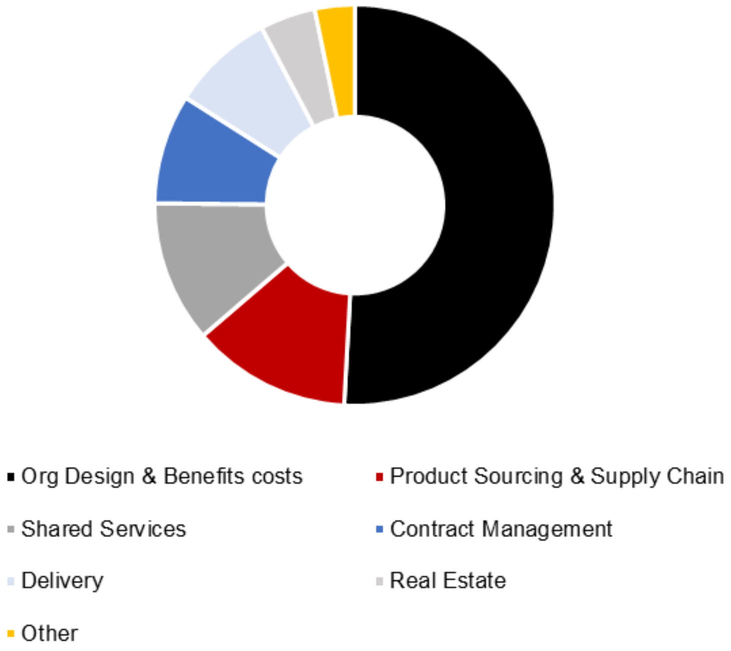
Adjusted[1] Operating Margin



Adjusted[1] Earnings (Loss) Per Share

GAAP EPS:	$0.18	$0.46	$0.48	$(3.97)	$(0.38)

Project Own It



- Project Own It is a multi-year program to simplify our operations and instill a culture of continuous improvement
- Achieved ~$1.8B of gross cost savings since 2018
- Targeting a 50% increase above our initial gross cost savings target of $300M for 2022

[1] Adjusted Measures: see Non-GAAP Financial Measures.

Segment Results

Revenue and (Loss) Profit

(in millions)	Q1 2022 Print & Other	Q1 2022 Financing (FITTLE)	Q1 2022 Intersegment Eliminations[1]	Q1 2022 Total Xerox
Total Revenue	$ 1,550	$ 158	$ (40)	$ 1,668
Segment (Loss) Profit	**$ (20)**	**$ 17**	**$ -**	**$ (3)**
Segment Margin[2]	(1.3%)	11.0%		(0.2%)

	B/(W) YoY Print & Other	B/(W) YoY Financing (FITTLE)	B/(W) YoY Total Xerox
Total Revenue	(2.0)%	(12.2)%	(2.5)%
Segment (Loss) Profit	**NM**	**(5.6)%**	**NM**
Segment Margin (bps)[2]	(590)	80	(540)

Financing (FITTLE) Assets and Debt

(in billions)	Q1 2022	Q4 2021
Equipment on Operating Leases	$ 0.25	$ 0.25
Finance Receivables	$ 3.01	$ 3.07
Total Finance Assets	**$ 3.26**	**$ 3.32**
FITTLE Allocated Debt	**$ 2.85**	**$ 2.91**

Financing (FITTLE): Key Performance Indicators

- ~700,000 equipment leases across ~150,000 customers
- FITTLE finance assets: $3.3 billion, down slightly QoQ
- Origination : 7% indirect growth (22% decline direct)
- Q1 Return on Equity: 12.3%
- Q1 Net Loan Loss Rate: 0.5%

[1] Intersegment Net Revenue is primarily commissions and other payments made by the Financing Segment to the Print and Other Segment for the lease of Xerox Equipment placements.
[2] Segment margin calculated using revenue after eliminations.

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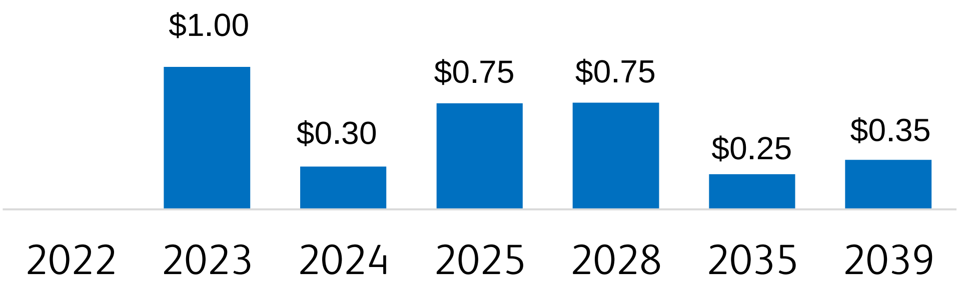
Capital Structure

Debt and Cash

(in billions)	Q1 2022	Q4 2021
Total Debt	$(4.3)	$(4.2)
Less: FITTLE Allocated Debt	2.9	2.9
Core Debt	(1.4)	(1.3)
Less: Cash[1]	1.8	1.9
Net Core Cash	$0.4	$0.6

Senior Unsecured Debt Maturity Ladder ($B) [2]



- Ending net core cash of $0.4B, net core debt of $1.4B with ending cash of $1.8B.
- A balanced debt maturity ladder is maintained; near-term bonds allocated to FITTLE and longer-term bonds support corporate strategy. No remaining unsecured debt maturities in 2022

[1] Cash, cash equivalents and restricted cash.
[2] Debt payable in 2025 and 2028 was issued by Xerox Holdings Corporation, remaining debt issued by Xerox Corporation.

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2022 Guidance

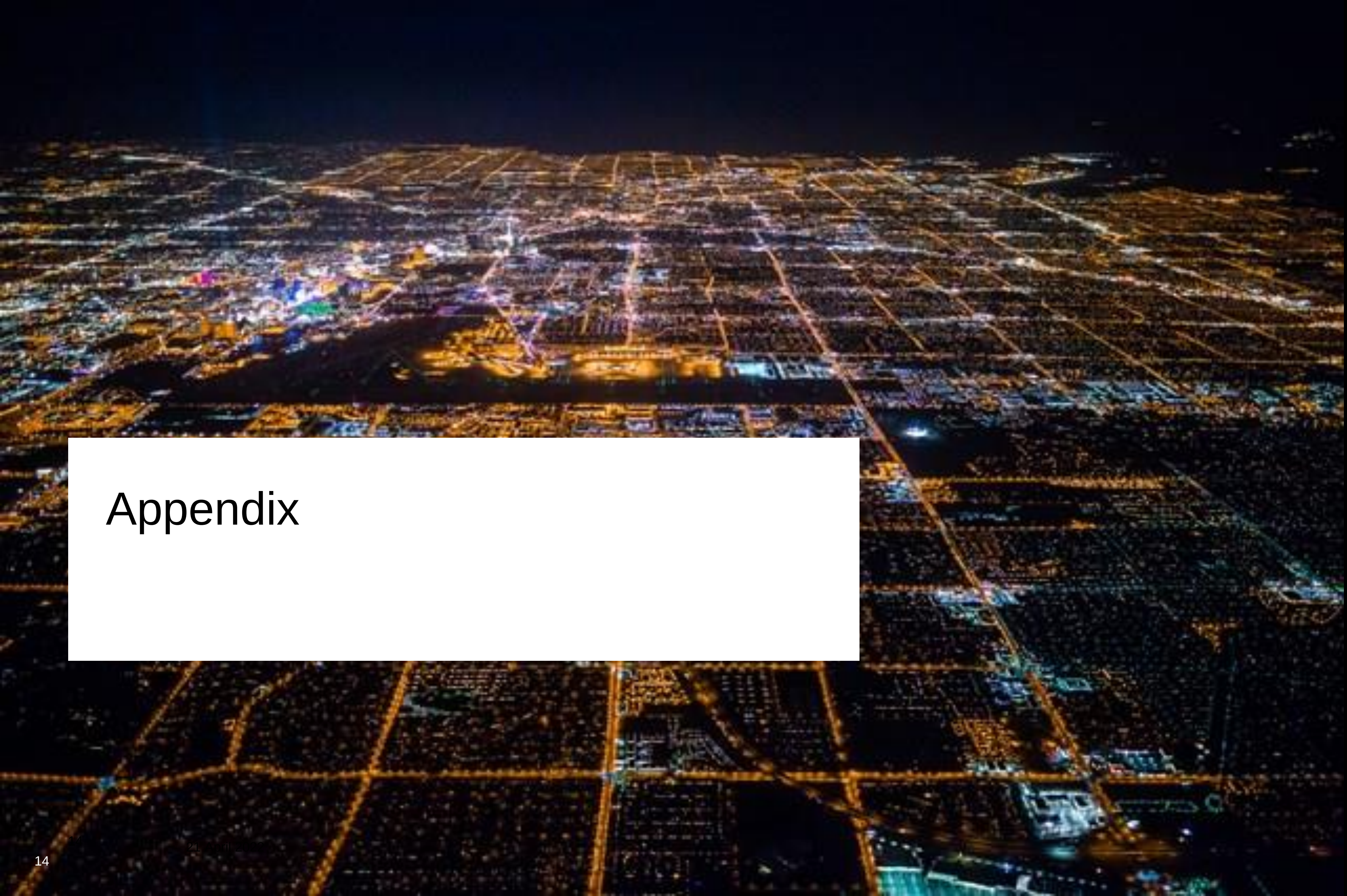
Full-Year Guidance

- **Revenue:** At least $7.1 billion of revenue, in actual currency
- **Free Cash Flow [1]:** At least $400M
- **Shareholder Returns:** At least 50% of annual Free Cash Flow[1]

Our business is facing a range of operational challenges in 2022, including supply chain disruption, inflationary pressure on costs, geopolitical uncertainty in Europe and the threat of additional COVID-19 variants – each of which carries a certain degree of risk to our outlook.

Despite these uncertainties, we are maintaining our revenue and cash flow guidance, subject to improvements in supply chain constraints and return to office trends in the second half of the year. We are implementing counteractive measures to help stabilize our profitability and maintain our free cash flow target in response to geopolitical uncertainty and inflationary pressures.

[1] Constant Currency (CC) and Free Cash Flow: see Non-GAAP Financial Measures.



Appendix

Operating Trends – Continuing Operations

(in millions, except EPS)	2020 FY	2021 Q1	2021 Q2	2021 Q3	2021 Q4	2021 FY	2022 Q1
Total Revenue	**$7,022**	**$1,710**	**$1,793**	**$1,758**	**$1,777**	**$7,038**	**$1,668**
% Change	*(22.5)%*	*(8.1)%*	*22.4%*	*(0.5)%*	*(7.9)%*	*0.2%*	*(2.5)%*
CC[1] % Change	*(22.7)%*	*(10.4)%*	*18.1%*	*(1.6)%*	*(7.4)%*	*(1.4)%*	*(0.7)%*
Adj[1] Operating Margin	6.6%	5.2%	7.0%	4.2%	4.8%	5.3%	(0.2)%
GAAP EPS (Loss)[2]	$0.84	$0.18	$0.46	$0.48	$(3.97)	$(2.56)	$(0.38)
Adj[1] EPS (Loss)	$1.41	$0.22	$0.47	$0.48	$0.34	$1.51	$(0.12)
Operating Cash Flow	$548	$117	$214	$100	$198	$629	$66
Free Cash Flow[1]	$474	$100	$198	$81	$182	$561	$50

[1] Adjusted measures, Free Cash Flow, and Constant Currency (CC): see Non-GAAP Financial Measures. [2] Both Q4 2021 and FY 2021 GAAP EPS include an after-tax non-cash goodwill impairment charge of $750 million or $4.38 and $4.08 per share, respectively.

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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. 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.

A reconciliation of these non-GAAP financial measures to the most directly comparable financial measures calculated and presented in accordance with GAAP are set forth below. 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.

<u>Adjusted Earnings Measures</u>

- Net (Loss) Income and Earnings per share (EPS)
- Effective Tax Rate

The above measures were adjusted for the following items:

- <u>Restructuring and related costs, net</u>: 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.

- <u>Amortization of intangible assets</u>: 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.

- <u>Transaction and related costs, net</u>: Transaction and related costs, net are costs and expenses primarily associated with certain strategic M&A projects. These costs are primarily for third-party legal, accounting, consulting and other similar type 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 are excluding these expenses from our Adjusted Earnings Measures in order to evaluate our performance on a comparable basis.

- <u>Non-service retirement-related costs</u>: 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, net. Adjusted earnings will continue to include the service cost elements of our retirement costs, which is related to current employee service as well as the cost of our defined contribution plans.

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Non-GAAP Financial Measures

- Other discrete, unusual or infrequent items: We excluded the following items given their discrete, unusual or infrequent nature and their impact on our results for the period:
  - Non-cash Goodwill impairment charge.
  - Losses on early extinguishment of debt.
  - Contract termination costs - IT services
  - Contract termination costs – product supply

Adjusted Operating Income and Margin

We calculate and utilize adjusted operating income and margin measures by adjusting our reported pre-tax income and margin amounts. In addition to the costs and expenses noted as adjustments for our adjusted earnings measures, adjusted operating income and margin also exclude the remaining amounts included in Other expenses, net, which are primarily non-financing interest expense and 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

To better understand trends in our business, we believe that it is helpful to adjust revenue to exclude the impact of changes in the translation of foreign currencies into U.S. dollars. We refer to this adjusted revenue as "constant 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 not the U.S. dollar. Management believes the constant currency measure provides investors an additional perspective on revenue trends. Currency impact can be determined as the difference between actual growth rates and constant currency growth rates.

Free Cash Flow

To better understand trends in our business, we believe that it is helpful to adjust operating cash flows by subtracting amounts related to capital expenditures. Management believes this measure gives investors an additional perspective on cash flow from operating activities in excess of amounts required for reinvestment. It provides a measure of our ability to fund acquisitions, dividends and share repurchase.

Summary

Management believes that all of these non-GAAP financial measures provide an additional means of analyzing the current period's results against the corresponding prior period's results. 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. Our 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.

A reconciliation of these non-GAAP financial measures and the most directly comparable measures calculated and presented in accordance with GAAP are set forth on the following tables:

Net (Loss) Income and EPS Reconciliation

(in millions, except per share amounts)	Three Months Ended March 31, 2022 Net Loss	Three Months Ended March 31, 2022 EPS	Three Months Ended March 31, 2021 Net Income	Three Months Ended March 31, 2021 EPS
Reported[1]	$ (56)	$ (0.38)	$ 39	$ 0.18
Adjustments:				
Restructuring and related costs, net	18		17	
Amortization of intangible assets	11		15	
Non-service retirement-related costs	(7)		(20)	
Contract termination costs - product supply	33		—	
Income tax on adjustments[2]	(13)		(4)	
Adjusted	$ (14)	$ (0.12)	$ 47	$ 0.22
Dividends on preferred stock used in adjusted EPS calculation[3]		$ 4		$ 4
Weighted average shares for adjusted EPS[3]		156		198
Fully diluted shares at end of period[4]		155		

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(1) *Net (loss) income and EPS attributable to Xerox Holdings.*

(2) *Refer to Effective Tax Rate reconciliation.*

(3) *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.*

(4) *Represents common shares outstanding at March 31, 2022 and excludes potential dilutive common shares used for the calculation of adjusted diluted EPS for the first quarter 2022 as well as shares associated with our Series A convertible preferred stock, all of which were anti-dilutive for the first quarter 2022.*

Effective Tax Rate Reconciliation

(in millions)	Three Months Ended March 31, 2022			Three Months Ended March 31, 2021		
	Pre-Tax Loss	Income Tax Benefit	Effective Tax Rate	Pre-Tax Income	Income Tax Expense	Effective Tax Rate
Reported[1]	$ (89)	$ (31)	34.8 %	$ 53	$ 14	26.4 %
Non-GAAP Adjustments[2]	55	13		12	4	
Adjusted[3]	$ (34)	$ (18)	52.9 %	$ 65	$ 18	27.7 %

(1) *Pre-tax (loss) income and income tax (benefit) expense.*
(2) *Refer to Net (Loss) Income and EPS reconciliation for details.*
(3) *The tax impact on Adjusted Pre-Tax (Loss) Income is calculated under the same accounting principles applied to the Reported Pre-Tax (Loss) Income under ASC 740, which employs an annual effective tax rate method to the results.*

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Operating (Loss) Income and Margin Reconciliation

(in millions)	Three Months Ended March 31, 2022			Three Months Ended March 31, 2021		
	Loss	Revenue	Margin	Profit	Revenue	Margin
Reported[1]	$ (89)	$ 1,668	(5.3)%	$ 53	$ 1,710	3.1 %
Adjustments:						
Restructuring and related costs, net	18			17		
Amortization of intangible assets	11			15		
Other expenses, net	57			4		
Adjusted	$ (3)	$ 1,668	(0.2)%	$ 89	$ 1,710	5.2 %

[1] *Pre-tax (loss) income.*

Free Cash Flow Reconciliation

(in millions)	Three Months Ended March 31, 2022	Three Months Ended March 31, 2021
Reported[(1)]	$ 66	$ 117
Less: capital expenditures	(16)	(17)
Free Cash Flow	$ 50	$ 100

(1) *Net cash provided by operating activities.*

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Other Expenses, Net Reconciliation

(in millions)	Three Months Ended March 31, 2022	2021
Reported[1]	$57	$4
Less: non-service retirement-related costs	(7)	(20)
Less: contract termination cost - product supply	33	-
Adjusted	**$31**	**$24**

Net Income (Loss) and EPS Reconciliation - Historical

(in millions, except per share amounts)	Year Ended December 31, 2020 Net Income	Year Ended December 31, 2020 EPS	Q1-21 Net Income	Q1-21 EPS	Q2-21 Net Income	Q2-21 EPS	Q3-21 Net Income	Q3-21 EPS	Q4-21 Net (Loss) Income	Q4-21 EPS	Year Ended December 31, 2021 Net (Loss) Income	Year Ended December 31, 2021 EPS
Reported [1]	$ 192	$ 0.84	$ 39	$ 0.18	$ 91	$ 0.46	$ 90	$ 0.48	$ (675)	$ (3.97)	$ (455)	$ (2.56)
Goodwill Impairment [2]	-		-		-		-		781		781	
Restructuring and related costs, net	93		17		12		10		(1)		38	
Amortization of intangible assets	56		15		14		13		13		55	
Transaction and related costs, net	18		-		-		-		-		-	
Non-service retirement-related costs	(29)		(20)		(22)		(22)		(25)		(89)	
Loss on early extinguishment of debt	26		-		-		-		-		-	
Contract termination costs - IT services	3		-		-		-		-		-	
Income tax on adjustments	(46)		(4)		(1)		(1)		(31)		(37)	
Adjusted	$ 313	$ 1.41	$ 47	$ 0.22	$ 94	$ 0.47	$ 90	$ 0.48	$ 62	$ 0.34	$ 293	$ 1.51
Dividends on preferred stock used in adjusted EPS calculation [3]		$ 14		$ 4		$ 3		$ 4		$ 3		$ 14
Weighted average shares for adjusted EPS [3]		211		198		189		182		173		185

[1] *Net Income and EPS from continuing operations attributable to Xerox Holdings.*
[2] *Fourth quarter and full-year 2021 earnings and EPS include an after-tax non-cash goodwill impairment charge of $750 million ($781 million pre-tax) or $4.38 and $4.08 per share, respectively.*
[3] *For those periods that exclude the preferred stock dividend the average shares for the calculations of diluted EPS include 7 million shares associated with Xerox Holdings Corporation's Series A convertible preferred stock, as applicable.*

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Operating Income (Loss) and Margin Reconciliation - Historical

(in millions)	Year Ended December 31, 2020			Q1-21			Q2-21			Q3-21			Q4-21			Year Ended December 31, 2021		
	Profit	Revenue	Margin	Profit	Revenue	Margin	Profit	Revenue	Margin	Profit	Revenue	Margin	(Loss) Profit	Revenue	Margin	(Loss) Profit	Revenue	Margin
Reported [1]	$ 252	$ 7,022	3.6%	$ 53	$ 1,710	3.1%	$ 99	$ 1,793	5.5%	$ 84	$ 1,758	4.8%	$ (711)	$ 1,777	(40.0%)	$ (475)	$ 7,038	(6.7%)
Goodwill impairment	-			-			-			-			781			781		
Restructuring and related costs, net	93			17			12			10			(1)			38		
Amortization of intangible assets	56			15			14			13			13			55		
Transaction and related costs, net	18			-			-			-			-			-		
Other expenses, net	45			4			1			(33)			4			(24)		
Adjusted	$ 464	$ 7,022	6.6%	$ 89	$ 1,710	5.2%	$ 126	$ 1,793	7.0%	$ 74	$ 1,758	4.2%	$ 86	$ 1,777	4.8%	$ 375	$ 7,038	5.3%

[1] *Pre-Tax Income (Loss).*

Free Cash Flow Reconciliation - Historical

(in millions)	Year Ended December 31, 2020	Q1-21	Q2-21	Q3-21	Q4-21	Year Ended December 31, 2021
Reported[(1)]	$548	$117	$214	$100	$198	$629
Less: capital expenditures	(74)	(17)	(16)	(19)	(16)	(68)
Free Cash Flow	$474	$100	$198	$81	$182	$561

[(1)] *Net cash provided by operating activities.*

2021 Quarterly Segment Results

(in millions)	External Net Revenue		Intersegment Net Revenue[1]		Total Segment Revenues		% of Total Revenue	Segment Profit		Segment Margin[2]
Q1 2021										
Print & Services	$	1,533	$	48	$	1,581	90%	$	71	4.6%
Financing (FITTLE)		177		3		180	10%		18	10.2%
Total	$	1,710	$	51	$	1,761	100%	$	89	5.2%
Q2 2021										
Print & Services	$	1,619	$	53	$	1,672	90%	$	111	6.9%
Financing (FITTLE)		174		3		177	10%		15	8.6%
Total	$	1,793	$	56	$	1,849	100%	$	126	7.0%
Q3 2021										
Print & Services	$	1,590	$	46	$	1,636	91%	$	50	3.1%
Financing (FITTLE)		168		3		171	9%		24	14.3%
Total	$	1,758	$	49	$	1,807	100%	$	74	4.2%
Q4 2021										
Print & Services	$	1,613	$	46	$	1,659	91%	$	61	3.8%
Financing (FITTLE)		164		3		167	9%		25	15.2%
Total	$	1,777	$	49	$	1,826	100%	$	86	4.8%
2021										
Print & Services	$	6,355	$	193	$	6,548	90%	$	293	4.6%
Financing (FITTLE)		683		12		695	10%		82	12.0%
Total	$	7,038	$	205	$	7,243	100%	$	375	5.3%

Free Cash Flow - Guidance

(in millions)	FY 2022
Operating Cash Flow [(1)]	At least $475
Less: capital expenditures	(75)
Free Cash Flow	**At least $400**

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(1) *Net cash provided by operating activities.*
NOTE: Free cash flow guidance excludes payments associated with a first quarter 2022 contract termination charge.

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