

**Xerox Holdings Financial Model**  
**(unaudited)**

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

	2023					2024					
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	
<b>Sales</b>	659	696	644	721	2,720	523	611	588	656	2,378	
Services, maintenance and rentals	1,004	1,009	962	1,000	3,975	937	929	902	924	3,692	
Financing	52	49	46	44	191	42	38	38	33	151	
<b>Total Revenues</b>	<b>1,715</b>	<b>1,754</b>	<b>1,652</b>	<b>1,765</b>	<b>6,886</b>	<b>1,502</b>	<b>1,578</b>	<b>1,528</b>	<b>1,613</b>	<b>6,221</b>	
<b>Cost of Revenue</b>											
Cost of sales	425	452	435	466	1,778	340	387	390	445	1,562	
Cost of services, maintenance, and rentals	665	671	651	677	2,664	692	642	617	642	2,593	
Cost of financing	36	34	30	30	130	27	29	26	24	106	
<b>Total Cost of Revenue</b>	<b>1,126</b>	<b>1,157</b>	<b>1,116</b>	<b>1,173</b>	<b>4,572</b>	<b>1,059</b>	<b>1,058</b>	<b>1,033</b>	<b>1,111</b>	<b>4,261</b>	
<b>Gross Profit</b>											
Sales gross profit	234	244	209	255	942	183	224	198	211	816	
Services, maintenance and rentals gross profit	339	338	311	323	1,311	245	287	285	282	1,099	
Financing gross profit	16	15	16	14	61	15	9	12	9	45	
<b>Gross Profit</b>	<b>589</b>	<b>597</b>	<b>536</b>	<b>592</b>	<b>2,314</b>	<b>443</b>	<b>520</b>	<b>495</b>	<b>502</b>	<b>1,960</b>	
<b>Research, development &amp; engineering</b>	<b>64</b>	<b>57</b>	<b>52</b>	<b>56</b>	<b>229</b>	<b>49</b>	<b>50</b>	<b>45</b>	<b>47</b>	<b>191</b>	
Bad Debt Expense	(8)	15	10	11	28	15	10	10	7	42	
Selling, administrative and general exp. (Excl Bad Debts)	415	418	406	429	1,668	382	383	360	370	1,495	
<b>Total Selling, administrative and general exp.</b>	<b>407</b>	<b>433</b>	<b>416</b>	<b>440</b>	<b>1,696</b>	<b>397</b>	<b>393</b>	<b>370</b>	<b>377</b>	<b>1,537</b>	
Non-financing interest expense	14	12	14	28	68	26	31	31	31	119	
Aggregate Exchange losses	11	5	6	6	28	11	2	2	-	15	
All other, net	(5)	14	(38)	8	(21)	7	-	10	7	24	
<b>Total Other, net</b>	<b>20</b>	<b>31</b>	<b>(18)</b>	<b>42</b>	<b>75</b>	<b>44</b>	<b>33</b>	<b>43</b>	<b>38</b>	<b>158</b>	
Goodwill impairment	-	-	-	-	-	-	-	1,058	-	1,058	
Restructuring and related costs	2	23	10	132	167	39	12	56	5	112	
Amortization of intangible assets	11	10	12	10	43	10	10	10	43	73	
Divestitures	-	-	-	-	-	54	(3)	-	(4)	47	
PARC Donation	-	132	-	-	132	-	-	-	-	-	
<b>Total Costs and Expenses</b>	<b>1,630</b>	<b>1,843</b>	<b>1,588</b>	<b>1,853</b>	<b>6,914</b>	<b>1,652</b>	<b>1,553</b>	<b>2,615</b>	<b>1,617</b>	<b>7,437</b>	
<b>Income (Loss) before Income Taxes</b>	<b>85</b>	<b>(89)</b>	<b>64</b>	<b>(88)</b>	<b>(28)</b>	<b>(150)</b>	<b>25</b>	<b>(1,087)</b>	<b>(4)</b>	<b>(1,216)</b>	
Income Taxes	14	(28)	15	(30)	(29)	(37)	7	118	17	105	
<b>Net Income (Loss)</b>	<b>71</b>	<b>(61)</b>	<b>49</b>	<b>(58)</b>	<b>1</b>	<b>(113)</b>	<b>18</b>	<b>(1,205)</b>	<b>(21)</b>	<b>(1,321)</b>	
Less: Preferred stock dividends, net	(4)	(3)	(4)	(3)	(14)	(4)	(3)	(4)	(3)	(14)	
<b>Net Income (Loss) attributable to Common Shareholders</b>	<b>67</b>	<b>(64)</b>	<b>45</b>	<b>(61)</b>	<b>(13)</b>	<b>(117)</b>	<b>15</b>	<b>(1,209)</b>	<b>(24)</b>	<b>(1,335)</b>	
<b>Preferred Dividends/</b>	- Basic	4	3	4	3	14	4	3	4	3	14
<b>Other</b>	- Diluted **	4	3	4	3	14	4	3	4	3	14
<b>Weighted Average Shares</b>	- Basic	157	157	157	123	149	124	124	124	124	124
	- Diluted **	157	157	157	123	149	124	124	124	124	124

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

	2023					2024				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
<b>Earnings Per Share</b>										
Total Basic Earnings (Loss) per Share	0.43	(0.41)	0.29	(0.50)	(0.09)	(0.94)	0.12	(9.71)	(0.20)	(10.75)
Total Diluted Earnings (Loss) per Share	0.43	(0.41)	0.28	(0.50)	(0.09)	(0.94)	0.11	(9.71)	(0.20)	(10.75)
<b>Key Ratios - GAAP:</b>										
<b>Gross Margins</b>										
- Sales	35.5%	35.1%	32.5%	35.4%	34.6%	35.0%	36.7%	33.7%	32.2%	34.3%
- Services/Maintenance/Rentals	33.8%	33.5%	32.3%	32.3%	33.0%	26.1%	30.9%	31.6%	30.5%	29.8%
- Financing	30.8%	30.6%	34.8%	31.8%	31.9%	35.7%	23.7%	31.6%	27.3%	29.8%
- Total	34.3%	34.0%	32.4%	33.5%	33.6%	29.5%	33.0%	32.4%	31.1%	31.5%
<b>SAG as a % of Revenue</b>	23.7%	24.7%	25.2%	24.9%	24.6%	26.4%	24.9%	24.2%	23.4%	24.7%
<b>Tax Rate</b>	16.5%	31.5%	23.4%	34.1%	103.6%	24.7%	28.0%	-10.9%	-425.0%	-8.6%
<b>Ending Xerox Employment</b>	20,300	20,300	20,100	20,100	20,100	18,700	18,100	17,300	16,800	16,800

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

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

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

<b>Revenues</b>	
Sales	
Services, maintenance and rentals	
Financing	
<b>Total Revenues</b>	
<b>Cost of Revenue</b>	
Cost of sales	
Cost of services, maintenance and rentals	
Cost of financing	
<b>Total Cost of Revenue</b>	
<b>Gross Profit</b>	
Sales gross profit	
Services, maintenance and rentals gross profit	
Financing gross profit	
<b>Gross Profit</b>	
<b>Research, development &amp; engineering</b>	
Bad Debt Expense	
Selling, administrative and general exp. (Excl Bad Debts)	
<b>Total Selling, administrative and general exp.</b>	
Non-financing interest expense	
Aggregate Exchange losses	
All other, net	
<b>Total Other, net</b>	
<b>Total Costs and Expenses</b>	
<b>Income before Income Taxes</b>	
Income Taxes	
<b>Income from Operations</b>	
<b>Net Income</b>	
<b>Earnings Per Share</b>	
Operations:	
Preferred Dividends - Adjusted EPS **	
Adjusted Earnings per Share	
Adjusted Weighted Average Shares **	

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

2023					2024				
Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
659	696	644	721	2,720	523	611	588	656	2,378
1,004	1,009	962	1,000	3,975	937	929	902	924	3,692
52	49	46	44	191	42	38	38	33	151
<b>1,715</b>	<b>1,754</b>	<b>1,652</b>	<b>1,765</b>	<b>6,886</b>	<b>1,502</b>	<b>1,578</b>	<b>1,528</b>	<b>1,613</b>	<b>6,221</b>
425	452	435	466	1,778	340	386	390	438	1,554
665	671	651	677	2,664	656	635	617	642	2,550
36	34	30	30	130	27	29	26	24	106
<b>1,126</b>	<b>1,157</b>	<b>1,116</b>	<b>1,173</b>	<b>4,572</b>	<b>1,023</b>	<b>1,050</b>	<b>1,033</b>	<b>1,104</b>	<b>4,210</b>
234	244	209	255	942	183	226	198	218	825
339	338	311	323	1,311	281	293	285	282	1,141
16	15	16	14	61	15	9	12	9	45
<b>589</b>	<b>597</b>	<b>536</b>	<b>592</b>	<b>2,314</b>	<b>479</b>	<b>528</b>	<b>495</b>	<b>509</b>	<b>2,011</b>
<b>64</b>	<b>57</b>	<b>52</b>	<b>56</b>	<b>229</b>	<b>49</b>	<b>50</b>	<b>45</b>	<b>47</b>	<b>191</b>
(8)	15	10	11	28	15	10	10	7	42
415	418	406	429	1,668	382	383	360	351	1,476
<b>407</b>	<b>433</b>	<b>416</b>	<b>440</b>	<b>1,696</b>	<b>397</b>	<b>393</b>	<b>370</b>	<b>358</b>	<b>1,518</b>
14	12	14	28	68	26	31	31	31	119
11	5	6	6	28	11	2	2	-	15
(4)	-	(35)	(4)	(43)	(13)	(3)	-	-	(16)
<b>21</b>	<b>17</b>	<b>(15)</b>	<b>30</b>	<b>53</b>	<b>24</b>	<b>30</b>	<b>33</b>	<b>31</b>	<b>118</b>
<b>1,618</b>	<b>1,664</b>	<b>1,569</b>	<b>1,699</b>	<b>6,550</b>	<b>1,493</b>	<b>1,523</b>	<b>1,481</b>	<b>1,540</b>	<b>6,037</b>
97	90	83	66	336	9	55	47	73	184
15	18	6	10	49	(2)	14	13	24	49
82	72	77	56	287	11	41	34	49	135
<b>82</b>	<b>72</b>	<b>77</b>	<b>56</b>	<b>287</b>	<b>11</b>	<b>41</b>	<b>34</b>	<b>49</b>	<b>135</b>
0.49	0.44	0.46	0.43	1.82	0.06	0.29	0.25	0.36	0.97
-	-	-	-	-	-	-	-	-	-
0.49	0.44	0.46	0.43	1.82	0.06	0.29	0.25	0.36	0.97
158	158	159	125	151	125	126	126	127	126

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

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

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

	2023					2024				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
<b>Key Ratios - Adjusted:</b>										
<b>Gross Margins</b>										
- Sales	35.5%	35.1%	32.5%	35.4%	34.6%	35.0%	37.0%	33.7%	33.2%	34.7%
- Services/Maintenance/Rentals	33.8%	33.5%	32.3%	32.3%	33.0%	30.0%	31.5%	31.6%	30.5%	30.9%
- Financing	30.8%	30.6%	34.8%	31.8%	31.9%	35.7%	23.7%	31.6%	27.3%	29.8%
- Total	34.3%	34.0%	32.4%	33.5%	33.6%	31.9%	33.5%	32.4%	31.6%	32.3%
<b>Adjusted Operating Margin</b>	6.9%	6.1%	4.1%	5.4%	5.6%	-6.2%	5.4%	6.4%	6.4%	4.7%
<b>SAG as a % of Revenue</b>	23.7%	24.7%	25.2%	24.9%	24.6%	26.4%	24.9%	24.2%	22.2%	24.4%
<b>Adjusted Effective Tax Rate</b>	15.5%	20.0%	7.2%	15.2%	14.6%	-22.2%	25.5%	27.7%	32.9%	26.6%
<b>Non-GAAP Adjustments:</b>										
Goodwill Impairment	-	-	-	-	-	-	-	1,058	-	1,058
Restructuring and related costs	2	23	10	132	167	39	12	56	5	112
Amortization of intangible assets	11	10	12	10	43	10	10	10	43	73
Non-service retirement-related costs	(1)	11	4	5	19	23	26	25	6	80
Transaction and related costs	-	-	-	-	-	-	-	-	7	7
Reinvention costs	-	-	-	-	-	-	-	-	12	12
PARC Donation	-	132	-	-	132	-	-	-	-	-
Loss (Gain) on extinguishment of debt	-	3	-	7	10	(3)	-	-	1	(2)
Divestitures	-	-	-	-	-	54	(3)	-	(4)	47
Tax indemnification - Conduent	-	-	(7)	-	(7)	-	-	-	-	-
Insurance Settlement	-	-	-	-	-	-	(23)	(15)	-	(38)
Inventory impact related to the exit of certain Production Print manufacturing operations	-	-	-	-	-	36	8	-	7	51
Tax on adjusted items	(1)	(46)	9	(40)	(78)	(35)	(7)	105	(7)	56
<b>Total Non-GAAP Adjustments</b>	<b>11</b>	<b>133</b>	<b>28</b>	<b>114</b>	<b>286</b>	<b>124</b>	<b>23</b>	<b>1,239</b>	<b>70</b>	<b>1,456</b>

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

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(unaudited)

(in \$ millions)	2023					2024					2024	2024 YOY
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	YTD	QOQ CC % Change	CC % Change
<b>Revenue</b>												
Entry	62	63	56	56	237	45	56	53	60	214	7.8%	(9.3)%
Mid-range	252	270	260	302	1,084	193	235	224	260	912	(13.6)%	(15.7)%
High-end	73	82	67	94	316	47	60	57	68	232	(26.9)%	(26.4)%
Other	4	5	3	6	18	5	5	5	5	20	(16.7)%	11.1%
<b>Total Equipment Revenue</b>	<b>391</b>	<b>420</b>	<b>386</b>	<b>458</b>	<b>1,655</b>	<b>290</b>	<b>356</b>	<b>339</b>	<b>393</b>	<b>1,378</b>	<b>(13.4)%</b>	<b>(16.5)%</b>
<b>Installs</b>												
<b>Entry</b>												
Color	(9)%	(43)%	(52)%	(37)%	(37)%	(37)%	(13)%	(4)%	20%	(11)%		
B&W	(1)%	(5)%	(28)%	(28)%	(16)%	(47)%	(9)%	34%	31%	(2)%		
<b>Mid-range</b>												
Color	26%	21%	(18)%	(14)%	0%	(18)%	(12)%	3%	5%	(5)%		
B&W	160%	16%	(10)%	(31)%	7%	(28)%	(29)%	(11)%	(5)%	(19)%		
<b>High-end</b>												
Color	84%	8%	15%	15%	25%	(42)%	(22)%	(22)%	(13)%	(25)%		
B&W	(23)%	(8)%	(16)%	(17)%	(16)%	(22)%	(24)%	29%	(42)%	(15)%		

Notes:

CC = Constant Currency