

**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: March 31, 2026**
- TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____**

xerox™

**XEROX HOLDINGS CORPORATION
XEROX CORPORATION**

(Exact Name of Registrant as specified in its charter)

**New York
New York**
(State or other jurisdiction of incorporation or organization)

**001-39013
001-04471**
(Commission File Number)

**83-3933743
16-0468020**
(IRS Employer Identification No.)

**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:

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
(Title of each class)	(Trading Symbol)	(Name of each exchange on which registered)

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

Large accelerated filer
Accelerated filer
Non-accelerated filer
Smaller reporting company
Emerging growth company

Xerox Corporation

Large accelerated filer
Accelerated filer
Non-accelerated filer
Smaller reporting 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

Xerox Holdings Corporation Common Stock, \$1 par value

Outstanding at April 30, 2026

130,779,611 shares

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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 (LOSS) (UNAUDITED)

	Three Months Ended March 31,	
	2026	2025
<i>(in millions, except per-share data)</i>		
Revenues		
Sales	\$ 920	\$ 557
Services, maintenance, rentals and other	926	900
Total Revenues	1,846	1,457
Costs and Expenses		
Cost of sales	600	382
Cost of services, maintenance, rentals and other	697	649
Research, development and engineering expenses	64	42
Selling, administrative and general expenses	430	378
Restructuring and related costs, net	45	(1)
Amortization of intangible assets	30	10
Divestitures	—	(4)
Non-financing interest expense	84	33
Other (income) expenses, net	(31)	35
Total Costs and Expenses	1,919	1,524
(Loss) before Income Taxes	(73)	(67)
Income tax expense	32	23
Net (Loss)	(105)	(90)
Less: Preferred stock dividends, net	(4)	(4)
Net (Loss) attributable to Common Shareholders	\$ (109)	\$ (94)
Basic (Loss) per Share	\$ (0.84)	\$ (0.75)
Diluted (Loss) per Share	\$ (0.84)	\$ (0.75)

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

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

(in millions)	Three Months Ended March 31,	
	2026	2025
Net (Loss)	\$ (105)	\$ (90)
Other Comprehensive (Loss) Income, Net⁽¹⁾		
Translation adjustments, net	(77)	105
Unrealized gains (losses), net	4	(2)
Changes in defined benefit plans, net	40	(21)
Other Comprehensive (Loss) Income, Net	(33)	82
Comprehensive (Loss), Net	\$ (138)	\$ (8)

(1) Refer to Note 18 - Other Comprehensive (Loss) Income for gross components of Other comprehensive (loss) income, 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)	March 31, 2026	December 31, 2025
Assets		
Cash and cash equivalents	\$ 585	\$ 512
Accounts receivable (net of allowance of \$73 and \$73, respectively)	1,218	1,122
Billed portion of finance receivables (net of allowance of \$3 and \$3, respectively)	43	46
Finance receivables, net	476	510
Inventories	1,043	1,016
Other current assets	415	362
Total current assets	3,780	3,568
Finance receivables due after one year (net of allowance of \$42 and \$42, respectively)	797	846
Equipment on operating leases, net	292	299
Land, buildings and equipment, net	378	390
Intangible assets, net	891	921
Goodwill, net	2,201	2,222
Deferred tax assets	96	98
Other long-term assets	1,467	1,479
Total Assets	\$ 9,902	\$ 9,823
Liabilities and Equity		
Short-term debt and current portion of long-term debt	\$ 165	\$ 231
Accounts payable	1,548	1,498
Accrued compensation and benefits costs	223	235
Accrued expenses and other current liabilities	1,266	1,258
Total current liabilities	3,202	3,222
Long-term debt	4,281	4,016
Pension and other benefit liabilities	1,037	1,068
Post-retirement medical benefits	156	159
Other long-term liabilities	697	685
Total Liabilities	9,373	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	1,192	1,183
Retained earnings	2,320	2,444
Accumulated other comprehensive loss	(3,344)	(3,311)
Xerox Holdings shareholders' equity	299	444
Noncontrolling interests	6	5
Total Equity	305	449
Total Liabilities and Equity	\$ 9,902	\$ 9,823
Shares of Common Stock Issued and Outstanding	130,776	128,044

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)	Three Months Ended March 31,	
	2026	2025
Cash Flows from Operating Activities		
Net (Loss)	\$ (105)	\$ (90)
Adjustments required to reconcile Net (loss) to Net cash used in operating activities:		
Depreciation and amortization	100	60
Provisions	18	18
Gain on early extinguishment of debt	(56)	—
Net loss (gain) on sales of businesses and assets	2	(3)
Divestitures	—	(4)
Stock-based compensation	9	12
Restructuring and asset impairment charges	44	(1)
Payments for restructurings	(21)	(18)
Non-service retirement-related costs	21	18
Contributions to retirement plans	(36)	(34)
Increase in accounts receivable and billed portion of finance receivables	(106)	(12)
Increase in inventories	(49)	(137)
Increase in equipment on operating leases	(32)	(30)
Decrease in finance receivables	66	128
Increase in other current and long-term assets	(38)	(16)
Increase in accounts payable	58	89
Decrease in accrued compensation	(8)	(30)
Decrease in other current and long-term liabilities	(9)	(48)
Net change in income tax assets and liabilities	12	(2)
Other operating, net	(14)	11
Net cash used in operating activities	(144)	(89)
Cash Flows from Investing Activities		
Cost of additions to land, buildings, equipment and software	(21)	(20)
Proceeds from sales of businesses and assets	2	27
Acquisitions, net of cash acquired	—	1
Other investing, net	(5)	(2)
Net cash (used in) provided by investing activities	(24)	6
Cash Flows from Financing Activities		
Proceeds from issuance of long-term debt	446	3
Payments on long-term debt	(191)	(107)
Dividends	(10)	(39)
Other financing, net	(3)	(16)
Net cash provided by (used in) financing activities	242	(159)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(2)	1
Increase (decrease) in cash, cash equivalents and restricted cash	72	(241)
Cash, cash equivalents and restricted cash at beginning of period	565	631
Cash, Cash Equivalents and Restricted Cash at End of Period	\$ 637	\$ 390

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

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

(in millions)	Three Months Ended March 31,	
	2026	2025
Revenues		
Sales	\$ 920	\$ 557
Services, maintenance, rentals and other	926	900
Total Revenues	1,846	1,457
Costs and Expenses		
Cost of sales	600	382
Cost of services, maintenance, rentals and other	697	649
Research, development and engineering expenses	64	42
Selling, administrative and general expenses	430	377
Restructuring and related costs, net	45	(1)
Amortization of intangible assets	30	10
Divestitures	—	(4)
Non-financing interest expense	84	33
Other (income) expenses, net	(31)	33
Total Costs and Expenses	1,919	1,521
(Loss) before Income Taxes	(73)	(64)
Income tax expense	32	23
Net (Loss)	\$ (105)	\$ (87)

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

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

(in millions)	Three Months Ended March 31,	
	2026	2025
Net (Loss)	<u>\$ (105)</u>	<u>\$ (87)</u>
Other Comprehensive (Loss) Income, Net⁽¹⁾		
Translation adjustments, net	(77)	105
Unrealized gains (losses), net	4	(2)
Changes in defined benefit plans, net	40	(21)
Other Comprehensive (Loss) Income, Net	<u>(33)</u>	<u>82</u>
Comprehensive (Loss), Net	<u>\$ (138)</u>	<u>\$ (5)</u>

(1) Refer to Note 18 - Other Comprehensive (Loss) Income for gross components of Other comprehensive (loss) income, 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)	March 31, 2026	December 31, 2025
Assets		
Cash and cash equivalents	\$ 583	\$ 511
Accounts receivable (net of allowance of \$73 and \$73, respectively)	1,218	1,122
Billed portion of finance receivables (net of allowance of \$3 and \$3, respectively)	43	46
Finance receivables, net	476	510
Inventories	1,043	1,016
Other current assets	415	362
Total current assets	3,778	3,567
Finance receivables due after one year (net of allowance of \$42 and \$42, respectively)	797	846
Equipment on operating leases, net	292	299
Land, buildings and equipment, net	378	390
Intangible assets, net	891	921
Goodwill, net	2,201	2,222
Deferred tax assets	96	98
Other long-term assets	1,422	1,438
Total Assets	\$ 9,855	\$ 9,781
Liabilities and Equity		
Short-term debt and current portion of long-term debt	\$ 37	\$ 110
Short-term related party debt	128	121
Accounts payable	1,548	1,498
Accrued compensation and benefits costs	223	235
Accrued expenses and other current liabilities	1,256	1,245
Total current liabilities	3,192	3,209
Long-term debt	2,513	2,144
Long-term related party debt	1,768	1,872
Pension and other benefit liabilities	1,037	1,068
Post-retirement medical benefits	156	159
Other long-term liabilities	690	685
Total Liabilities	9,356	9,137
Commitments and Contingencies (See Note 21)		
Noncontrolling Interests		
	10	10
Additional paid-in capital	3,491	3,492
Retained earnings	336	448
Accumulated other comprehensive loss	(3,344)	(3,311)
Xerox shareholder's equity	483	629
Noncontrolling interests	6	5
Total Equity	489	634
Total Liabilities and Equity	\$ 9,855	\$ 9,781

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

XEROX CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

(in millions)	Three Months Ended March 31,	
	2026	2025
Cash Flows from Operating Activities		
Net (Loss)	\$ (105)	\$ (87)
Adjustments required to reconcile Net (loss) to Net cash used in operating activities:		
Depreciation and amortization	100	60
Provisions	18	18
Gain on early extinguishment of debt	(56)	—
Net loss (gain) on sales of businesses and assets	2	(3)
Divestitures	—	(4)
Stock-based compensation	9	12
Restructuring and asset impairment charges	44	(1)
Payments for restructurings	(21)	(18)
Non-service retirement-related costs	21	18
Contributions to retirement plans	(36)	(34)
Increase in accounts receivable and billed portion of finance receivables	(106)	(12)
Increase in inventories	(49)	(137)
Increase in equipment on operating leases	(32)	(30)
Decrease in finance receivables	66	128
Increase in other current and long-term assets	(38)	(19)
Increase in accounts payable	58	89
Decrease in accrued compensation	(8)	(30)
Decrease in other current and long-term liabilities	(9)	(48)
Net change in income tax assets and liabilities	12	(2)
Other operating, net	(14)	11
Net cash used in operating activities	(144)	(89)
Cash Flows from Investing Activities		
Cost of additions to land, buildings, equipment and software	(21)	(20)
Proceeds from sales of businesses and assets	2	27
Acquisitions, net of cash acquired	—	1
Net cash (used in) provided by investing activities	(19)	8
Cash Flows from Financing Activities		
Proceeds from issuance of long-term debt	446	3
Payments on long-term debt	(191)	(107)
Distributions to parent	(18)	(47)
Other financing, net	(1)	(9)
Net cash provided by (used in) financing activities	236	(160)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(2)	1
Increase (decrease) in cash, cash equivalents and restricted cash	71	(240)
Cash, cash equivalents and restricted cash at beginning of period	564	630
Cash, Cash Equivalents and Restricted Cash at End of Period	\$ 635	\$ 390

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 “(Loss) before Income Taxes” as “pre-tax (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 March 31, 2026, total assets and liabilities of IPCo Holdings was \$902 and \$452, 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 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 amounts 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 Xerox 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).

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 and is subject to a subsequent true-up based on specified consolidated revenue and will be 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 March 31, 2026, notwithstanding the decline in the Company's market capitalization during the first quarter, which to some degree was impacted by macro-economic and geopolitical uncertainty, 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 the first quarter 2026, the Company revised the presentation of its Condensed Consolidated Statements of (Loss) to separately present Non-financing interest expense, which was previously included within Other (income) expenses, net. Management believes that separate presentation of this caption provides more meaningful information to investors regarding the Company's financial performance.

Prior period amounts have been reclassified to conform to the current period presentation. This reclassification impacted the Statements of (Loss) of both Xerox Holdings Corporation and Xerox Corporation, however, the reclassification had no impact on previously reported Total Costs and expenses, or Net (Loss):

	Three months ended March 31, 2025		
	Previously Reported	Reclassification	As Reported
Non-financing interest expense	\$ —	\$ 33	\$ 33
Other (income) expense, net - Xerox Holdings Corporation	68	(33)	35
Other (income) expense, net - Xerox Corporation	66	(33)	33

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:

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 quarter 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 March 31,	
	2026	2025
Primary geographical markets⁽¹⁾:		
United States	\$ 1,001	\$ 850
Europe	529	402
Canada	126	103
Latin America	89	41
Asia Pacific	48	13
Other	53	48
Total Revenues	\$ 1,846	\$ 1,457
Major product and services lines:		
Equipment	\$ 378	\$ 284
Supplies, paper and other sales	437	168
Maintenance agreements ⁽²⁾	417	368
IT products ⁽³⁾	105	105
Service arrangements ⁽⁴⁾	422	429
Rental and other	60	70
Financing	27	33
Total Revenues	\$ 1,846	\$ 1,457
Sales channels:		
Direct equipment lease ⁽⁵⁾	\$ 91	\$ 112
Distributors & resellers ⁽⁶⁾	525	209
Customer direct	304	236
Total Sales	\$ 920	\$ 557

- (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 and were \$37 and \$34 at March 31, 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 and were approximately \$271 and \$279 at March 31, 2026 and December 31, 2025, respectively. The majority of the balance at March 31, 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

(1) Reflects amounts included in the January 1st beginning balance.

(2) Excludes revenue recognized during the period.

(3) Includes 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 \$659 at March 31, 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

(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 March 31, 2026				
	Print and Other	IT Solutions	Total Reportable Segments	Corporate ⁽¹⁾	Total
External revenue	\$ 1,692	\$ 154	\$ 1,846	\$ —	\$ 1,846
Intersegment revenue ⁽²⁾	—	2	2	—	2
Total	\$ 1,692	\$ 156	\$ 1,848	\$ —	\$ 1,848
Reconciliation to Segment Profit					
Cost of sales ⁽³⁾	\$ 512	\$ 83	\$ 595	\$ —	\$ 595
Cost of services, maintenance, rentals and other ⁽³⁾⁽⁵⁾	650	41	691	—	691
Research, development and engineering expenses	64	—	64	—	64
Selling, administrative and general expenses ⁽⁶⁾⁽⁷⁾	379	24	403	21	424
Intersegment expense ⁽⁸⁾	—	2	2	—	2
Segment profit	\$ 87	\$ 6	\$ 93	\$ (21)	\$ 72
Depreciation	\$ 69	\$ 1	\$ 70	\$ —	\$ 70
Interest income ⁽⁹⁾	27	—	27	3	30
Interest expense ⁽⁵⁾	19	—	19	84	103

Three months ended March 31, 2025

	Print and Other	IT Solutions	Total Reportable Segments ⁽¹⁰⁾	Corporate ⁽¹⁾	Total
External revenue	\$ 1,294	\$ 163	\$ 1,457	\$ —	\$ 1,457
Intersegment revenue ⁽²⁾	—	1	1	—	1
Total	\$ 1,294	\$ 164	\$ 1,458	\$ —	\$ 1,458

Reconciliation to Segment Profit					
Cost of sales ⁽⁴⁾	\$ 292	\$ 85	\$ 377	\$ —	\$ 377
Cost of services, maintenance, rentals and other ⁽⁴⁾⁽⁵⁾	597	50	647	—	647
Research, development and engineering expenses	42	—	42	—	42
Selling, administrative and general expenses ⁽⁶⁾⁽⁷⁾	322	23	345	24	369
Intersegment expense ⁽⁸⁾	—	1	1	—	1
Segment profit	\$ 41	\$ 5	\$ 46	\$ (24)	\$ 22

Depreciation	\$ 50	\$ —	\$ 50	\$ —	\$ 50
Interest income ⁽⁹⁾	33	—	33	2	35
Interest expense ⁽⁵⁾	22	—	22	33	55

- (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) Excludes the impact of a fixed asset purchase accounting adjustment related to the Lexmark Acquisition of \$5 to Cost of sales and \$6 to Cost of services, maintenance, rentals and other for the Print and Other Segment for the three months ended March 31, 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 \$5 within Cost of sales and \$2 within Cost of services, maintenance, rentals and other for the three months ended March 31, 2025, respectively.
- (5) Print and Other 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 \$5 and \$9 for the three months ended March 31, 2026 and 2025, respectively.
- (7) For the three months ended March 31, 2026 and 2025, the Print and Other segment excludes the following costs: Transformation costs of \$2 and \$6, respectively and Transaction and related costs, net of \$4 and \$3, 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. 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 March 31,	
	2026	2025
Pre-tax Income (Loss)		
Total Segment Profit	\$ 93	\$ 46
Corporate	(21)	(24)
Restructuring and related costs, net	(45)	1
Amortization of intangible assets	(30)	(10)
Transformation-related costs ⁽¹⁾	(2)	(6)
Purchase Accounting Adjustment - Fixed Assets	(11)	—
Transaction-related costs	(4)	(3)
Inventory-related impact - exit of certain production print manufacturing operations ⁽²⁾	—	(7)
Divestiture	—	4
Non-financing interest expense	(84)	(33)
Other (income) expenses, net	31	(35)
Total Pre-tax (Loss)	\$ (73)	\$ (67)
Depreciation and Amortization		
Total reported segments	\$ 70	\$ 50
Amortization of intangible assets	30	10
Total Depreciation and amortization	\$ 100	\$ 60

- (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.
- (2) As a result of the exit of certain production print manufacturing operations, the Print and Other Segment excludes inventory-related charges of \$5 within Cost of sales and \$2 within Cost of services, maintenance, rentals and other for the three months ended March 31, 2025, respectively.

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:

	Location in Statements of (Loss)	Three Months Ended March 31,	
		2026	2025
Revenue from sales type leases	Sales	\$ 91	\$ 112
Interest income on lease receivables ⁽¹⁾	Services, maintenance, rentals and other	27	33
Lease income - operating leases	Services, maintenance, rentals and other	40	41
Variable lease income	Services, maintenance, rentals and other	8	9
Total Lease income		\$ 166	\$ 195

- (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 \$17 and \$31 for the three months ended March 31, 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. The working capital adjustment resulted in a decrease of \$19 to the total consideration paid, however, the cash related to this settlement was not released to Xerox from escrow by March 31, 2026. Accordingly, the Company recorded the working capital settlement as a non-trade receivable in Other current assets in the Condensed Consolidated Balance Sheet at March 31, 2026. Also during the first quarter 2026, the Company recorded additional measurement period adjustments resulting from changes in estimates to taxes as follows: a decrease to Deferred tax assets of \$2, an increase to Accrued expenses and other liabilities of \$5, and an increase to Other long-term liabilities of \$6. The working capital adjustment and the additional measurement period adjustments recorded during the first quarter 2026 resulted in a corresponding decrease to Goodwill of \$6. The allocation of the purchase price for this acquisition has been prepared on a preliminary basis. We expect that adjustments, primarily related to tax, may continue to be required as additional information becomes available.

Transaction expense for the Lexmark Acquisition was approximately \$4 and \$2 during the three months ended March 31, 2026 and 2025, respectively, and was recorded within Selling, administrative and general expenses.

Note 7– Accounts Receivable, Net

Accounts receivable, net were as follows:

	March 31, 2026	December 31, 2025
Invoiced	\$ 1,117	\$ 1,024
Accrued ⁽¹⁾	174	171
Allowance for doubtful accounts	(73)	(73)
Accounts receivable, net	\$ 1,218	\$ 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

(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 March 31,	
	2026	2025
Accounts receivable sales ⁽¹⁾	\$ 91	\$ 85

(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:

	March 31, 2026	December 31, 2025
Gross receivables	\$ 1,545	\$ 1,643
Unearned income	(184)	(196)
Subtotal	1,361	1,447
Residual values	—	—
Allowance for doubtful accounts	(45)	(45)
Finance receivables, net	1,316	1,402
Less: Billed portion of finance receivables, net	43	46
Less: Current portion of finance receivables not billed, net	476	510
Finance receivables due after one year, net	\$ 797	\$ 846

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 effectively 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 3.3% at March 31, 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	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	<u>\$ 23</u>	<u>\$ 5</u>	<u>\$ 17</u>	<u>\$ —</u>	<u>\$ 45</u>
Balance at December 31, 2024	\$ 29	\$ 5	\$ 23	\$ —	\$ 57
Provision	(1)	1	5	—	5
Charge-offs, net	(3)	(1)	(6)	—	(10)
Other	—	—	1	—	1
Balance at March 31, 2025	<u>\$ 25</u>	<u>\$ 5</u>	<u>\$ 23</u>	<u>\$ —</u>	<u>\$ 53</u>

(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.

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:

March 31, 2026								
	2026	2025	2024	2023	2022	Prior	Total Finance Receivables	
United States (Direct)								
Low Credit Risk	\$ 25	\$ 93	\$ 62	\$ 41	\$ 15	\$ 5	\$	241
Average Credit Risk	8	47	28	37	12	10		142
High Credit Risk	7	22	20	16	10	5		80
Total	\$ 40	\$ 162	\$ 110	\$ 94	\$ 37	\$ 20	\$	463
Charge-offs	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 1	\$	1
United States (Indirect)								
Low Credit Risk	\$ —	\$ 2	\$ 4	\$ 8	\$ 12	\$ 4	\$	30
Average Credit Risk	2	11	6	22	18	4		63
High Credit Risk	—	1	8	10	4	1		24
Total	\$ 2	\$ 14	\$ 18	\$ 40	\$ 34	\$ 9	\$	117
Charge-offs	\$ —	\$ —	\$ —	\$ 1	\$ 1	\$ —	\$	2
Canada								
Low Credit Risk	\$ 6	\$ 28	\$ 18	\$ 11	\$ 3	\$ 1	\$	67
Average Credit Risk	7	26	17	12	6	2		70
High Credit Risk	1	4	3	1	1	—		10
Total	\$ 14	\$ 58	\$ 38	\$ 24	\$ 10	\$ 3	\$	147
Charge-offs	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$	—
EMEA								
Low Credit Risk	\$ 31	\$ 113	\$ 67	\$ 82	\$ 42	\$ 11	\$	346
Average Credit Risk	17	64	41	69	41	11		243
High Credit Risk	2	7	4	9	4	2		28
Total	\$ 50	\$ 184	\$ 112	\$ 160	\$ 87	\$ 24	\$	617
Charge-offs	\$ —	\$ —	\$ 1	\$ —	\$ —	\$ —	\$	1
Other⁽¹⁾								
Low Credit Risk	\$ 1	\$ 6	\$ 4	\$ 3	\$ 1	\$ —	\$	15
Average Credit Risk	—	1	—	1	—	—		2
High Credit Risk	—	—	—	—	—	—		—
Total	\$ 1	\$ 7	\$ 4	\$ 4	\$ 1	\$ —	\$	17
Charge-offs	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$	—
Total Finance Receivables								
Low Credit Risk	\$ 63	\$ 242	\$ 155	\$ 145	\$ 73	\$ 21	\$	699
Average Credit Risk	34	149	92	141	77	27		520
High Credit Risk	10	34	35	36	19	8		142
Total	\$ 107	\$ 425	\$ 282	\$ 322	\$ 169	\$ 56	\$	1,361
Total Charge-offs	\$ —	\$ —	\$ 1	\$ 1	\$ 1	\$ 1	\$	4

(1) As a result of the Lexmark Acquisition on July 1, 2025, includes amounts for Latin America, Asia Pacific and South Africa.

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⁽¹⁾							
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

(1) As a result of the Lexmark Acquisition on July 1, 2025, includes amounts for Latin America, Asia Pacific and South Africa.

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:

March 31, 2026							
	Current	31-90 Days Past Due	>90 Days Past Due	Total Billed	Unbilled	Total Finance Receivables	>90 Days and Accruing
Direct	\$ 17	\$ 4	\$ 3	\$ 24	\$ 439	\$ 463	\$ 30
Indirect	4	1	2	7	110	117	—
Total United States	21	5	5	31	549	580	30
Canada	3	1	—	4	143	147	5
EMEA	7	2	1	10	607	617	23
Other ⁽¹⁾	1	—	—	1	16	17	—
Total	\$ 32	\$ 8	\$ 6	\$ 46	\$ 1,315	\$ 1,361	\$ 58

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 ⁽¹⁾	—	—	—	—	17	17	—
Total	\$ 33	\$ 9	\$ 7	\$ 49	\$ 1,398	\$ 1,447	\$ 56

(1) As a result of the Lexmark Acquisition on July 1, 2025, includes amounts for Latin America, Asia Pacific and South Africa.

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 March 31,	
	2026	2025
Finance receivable sales - net proceeds ⁽¹⁾	\$ 42	\$ 75
Gain on sale/Commissions ⁽²⁾	4	5
Servicing revenue ⁽²⁾	\$ 2	\$ 2

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

(2) Recorded in Services, maintenance and rentals as Other Revenue. 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:

	March 31, 2026	December 31, 2025
Finished goods	\$ 851	\$ 802
Work-in-process	118	142
Raw materials	74	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:

	March 31, 2026	December 31, 2025
Equipment on operating leases	\$ 964	\$ 979
Accumulated depreciation	(672)	(680)
Equipment on operating leases, net	\$ 292	\$ 299

Total contingent rentals on operating leases, consisting principally of usage charges in excess of minimum contracted amounts, were \$8 and \$9 for the three months ended March 31, 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. 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 March 31,	
	2026	2025
Restructuring charges, net	\$ 45	\$ 5
Asset impairment charges, net ⁽¹⁾	(1)	(6)
Related costs, net	1	—
Total Restructuring and related costs, net	\$ 45	\$ (1)

(1) Impairments for the three months ended March 31, 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 months ended March 31, 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	<u>\$ 1</u>	<u>\$ 40</u>	<u>\$ 98</u>	<u>\$ 5</u>	<u>\$ 144</u>

(1) Represents net amount recognized within the Condensed Consolidated Statements of (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 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 March 31, 2026, we expect to pay \$77 of the restructuring reserve over the next twelve months.

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

	Three Months Ended March 31,	
	2026	2025
Restructuring cash payments	\$ (21)	\$ (18)
Effects of foreign currency and other non-cash items	(6)	2
Charges against reserve and currency	<u>\$ (27)</u>	<u>\$ (16)</u>

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 sales of facilities. Both the impairment and the sales are associated with strategic actions taken as a result of Reinvention.

	Three Months Ended March 31,	
	2026	2025
Lease right of use assets ⁽¹⁾	\$ —	\$ 4
Owned assets ⁽²⁾	—	9
Asset impairments	—	13
Less: Proceeds from the sales of owned assets ⁽³⁾	(1)	(19)
Net asset impairment credit	<u>\$ (1)</u>	<u>\$ (6)</u>

(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 March 31,	
	2026	2025
Retention related severance/bonuses ⁽¹⁾	\$ —	\$ —
Contractual severance costs	1	—
Total	<u>\$ 1</u>	<u>\$ —</u>

(1) Includes retention-related severance and bonuses for employees expected to continue working beyond their minimum retention period before termination.

For the three months ended March 31, 2026 and 2025 no cash was paid for restructuring related costs, respectively, and the restructuring related costs reserve was \$4 and \$4 at March 31, 2026 and December 31, 2025, respectively. The balance at March 31, 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:

	March 31, 2026	December 31, 2025
Cash and cash equivalents	\$ 585	\$ 512
Restricted cash		
Litigation deposits in Brazil	22	21
Other restricted cash	30	32
Total Restricted cash	<u>52</u>	<u>53</u>
Cash, cash equivalents and restricted cash	<u>\$ 637</u>	<u>\$ 565</u>

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

	March 31, 2026	December 31, 2025
Other current assets	\$ 30	\$ 31
Other long-term assets	22	22
Total Restricted cash	<u>\$ 52</u>	<u>\$ 53</u>

Supplemental Cash Flow Information

Summarized cash flow information is as follows:

Source/(Use)	Location in Statement of Cash Flows	Three Months Ended March 31,	
		2026	2025
Provision for receivables	Operating	\$ 6	\$ 10
Provision for inventory	Operating	12	8
Depreciation of buildings and equipment	Operating	22	15
Depreciation and obsolescence of equipment on operating leases	Operating	39	29
Amortization of internal use software	Operating	9	6
Amortization of acquired intangible assets	Operating	30	10
Amortization of customer contract costs ⁽¹⁾	Operating	17	16
Cost of additions to land, buildings and equipment	Investing	(12)	(5)
Cost of additions to internal use software	Investing	(9)	(15)
Payments to acquire noncontrolling interests - Xerox Holdings	Investing	(5)	(2)
Common stock dividends - Xerox Holdings	Financing	(6)	(35)
Preferred stock dividends - Xerox Holdings	Financing	(4)	(4)

(1) Amortization of customer contract costs is reported in Increase 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	<u>\$ 18</u>	<u>\$ 19</u>

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 \$450 in the Condensed Consolidated Balance Sheet as of March 31, 2026.

Total transaction costs of \$46 were paid at closing resulting in net proceeds of \$404. These costs have been accounted for as Debt issuance cost and discounts and will be amortized to interest expense over the five-year term. 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. 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 new 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 the first quarter 2026, the Company repurchased approximately \$101 of its 5.50% Senior Unsecured Notes due August 2028 for an aggregate purchase price of approximately \$45. In connection with these transactions, the Company recognized a gain of approximately \$56 on the early extinguishment of the debt, which was recorded to Other (income) expenses, net in the Condensed Consolidated Statement of Loss.

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 was reduced to \$20.84 per share, which is the same as the conversion price of the 2030 Convertible Notes, as a result of the reduction of our annual dividend to \$.025 per share during the quarter.

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.

As of May 7, 2026, and based on our March availability calculation, we have availability of \$387 before letters of credit issued under the ABL Facility of approximately \$98. There are no current borrowings outstanding. Accordingly, our net availability is approximately \$289. 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 March 31, 2026 and December 31, 2025, the balance of the Xerox Holdings Corporation Intercompany Loan reported in Xerox Corporation's Condensed Consolidated Balance Sheet was \$1,896 and \$1,993, respectively, which is net of related debt issuance costs, and the intercompany interest payable was \$32 and \$36, respectively.

Interest Expense and Income

Interest expense and income were as follows:

	Three Months Ended March 31,	
	2026	2025
Equipment financing interest ⁽¹⁾	\$ 19	\$ 22
Non-financing interest expense ⁽²⁾	84	33
Interest expense	\$ 103	\$ 55
Financing income ⁽³⁾	\$ 27	\$ 33
Other interest income ⁽³⁾	3	2
Interest income	\$ 30	\$ 35

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

(2) *Interest expense of Xerox Corporation included intercompany interest expense associated with the Xerox Holdings Corporation / Xerox Corporation Intercompany Loan of \$37 and \$30 for the three months ended March 31, 2026 and 2025, respectively*

(3) *Financing income is included in Services, maintenance, rentals and other, and other interest income is included in Other expenses, net, in the Condensed Consolidated Statements of (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 months ended March 31, 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 March 31, 2026 and December 31, 2025, we had outstanding forward exchange and purchased option contracts with gross notional values of \$2,409 and \$2,656 respectively, with terms of less than 12 months. At March 31, 2026, approximately 96% of the contracts mature within three months, 2% mature in three to six months and 2% 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. 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 (Loss) for these designated cash flow hedges was not material for the three months ended March 31, 2026 and 2025, respectively. The net liability fair value of these contracts was \$1 and \$4 as of March 31, 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 March 31,	
	2026	2025
Derivative Loss Recognized in OCI (Effective Portion)		
Foreign exchange contracts - forwards and options	\$ 1	\$ —
Interest rate contracts	—	(3)
Total	\$ 1	\$ (3)
Location of Derivative Gains (Losses) Reclassified from AOCL to Income (Effective Portion)		
Cost of sales	\$ (3)	\$ —
Interest expense	—	—
Total	\$ (3)	\$ —

At March 31, 2026, no loss net of tax 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 March 31, 2026, the Company had no collateral 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 \$(7) and \$2 as of March 31, 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 March 31,	
		2026	2025
Foreign exchange contracts – forwards	Other expenses, net – Currency (losses) gains, net	\$ (15)	\$ 6

Currency losses, net were \$5 and \$0 for three months ended March 31, 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, net.

Note 14 – Fair Value of Financial Assets and Liabilities

The following table represents assets and liabilities measured at fair value on a recurring basis. The basis for the measurement at fair value in all cases is Level 2 – Significant Other Observable Inputs.

	March 31, 2026	December 31, 2025
Assets		
Derivatives	\$ 10	\$ 8
Deferred compensation plan investments in mutual funds	11	12
Total	<u>\$ 21</u>	<u>\$ 20</u>
Liabilities		
Derivatives	\$ 17	\$ 10
Deferred compensation plan liabilities	11	11
Total	<u>\$ 28</u>	<u>\$ 21</u>

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, and therefore are classified as Level 2.

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:

	March 31, 2026		December 31, 2025	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Cash and cash equivalents	\$ 585	\$ 585	\$ 512	\$ 512
Accounts receivable, net	1,218	1,218	1,122	1,122
Short-term debt and current portion of long-term debt ⁽¹⁾	165	164	231	236
Long-term Debt				
Xerox Holdings Corporation	1,768	645	1,872	800
Xerox Corporation	2,106	1,403	2,142	1,676
Xerox - Other Subsidiaries ⁽²⁾	407	411	2	2
Long-term debt	<u>\$ 4,281</u>	<u>\$ 2,459</u>	<u>\$ 4,016</u>	<u>\$ 2,478</u>

(1) Includes \$128 and \$121 of Xerox Corporation related party debt for the period ended March 31, 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:

Components of Net Periodic Benefit Costs:	Three Months Ended March 31,					
	Pension Benefits					
	U.S. Plans		Non-U.S. Plans		Retiree Health	
	2026	2025	2026	2025	2026	2025
Service cost	\$ —	\$ —	\$ 2	\$ 1	\$ —	\$ —
Interest cost ⁽¹⁾	32	28	51	46	2	2
Expected return on plan assets ⁽¹⁾	(27)	(22)	(54)	(49)	—	—
Recognized net actuarial loss (gain) ⁽¹⁾	5	5	15	12	(2)	(3)
Amortization of prior service cost (credit) ⁽¹⁾	—	—	2	2	(3)	(3)
Net Periodic Defined Benefit Cost (Credit)	10	11	16	12	(3)	(4)
Defined contribution plans	5	3	6	6	n/a	n/a
Total Employee Benefit Plans Cost (Credit)	\$ 15	\$ 14	\$ 22	\$ 18	\$ (3)	\$ (4)

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

Contributions

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

	Three Months Ended March 31,		Year Ended December 31,	
	2026 ⁽¹⁾	2025	Estimated 2026 ⁽¹⁾	2025
U.S. plans	\$ 26	\$ 22	\$ 115	\$ 112
Non-U.S. plans	6	6	25	28
Total Pension plans	32	28	140	140
Retiree Health	4	6	20	21
Total Retirement plans	\$ 36	\$ 34	\$ 160	\$ 161

(1) Contributions amounts for the three months ended March 31, 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.

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 December 31, 2025	\$ 128	\$ 1,183	\$ 2,444	\$ (3,311)	\$ 444	\$ 5	\$ 449
Comprehensive (loss), net	—	—	(105)	(33)	(138)	—	(138)
Cash dividends declared - common ⁽³⁾	—	—	(3)	—	(3)	—	(3)
Cash dividends declared - preferred ⁽⁴⁾	—	—	(4)	—	(4)	—	(4)
Distribution of stock warrants ⁽⁵⁾	—	—	(12)	—	(12)	—	(12)
Stock option and incentive plans, net	3	9	—	—	12	—	12
Transactions with noncontrolling interests	—	—	—	—	—	1	1
Balance at March 31, 2026	<u>\$ 131</u>	<u>\$ 1,192</u>	<u>\$ 2,320</u>	<u>\$ (3,344)</u>	<u>\$ 299</u>	<u>\$ 6</u>	<u>\$ 305</u>

	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	—	—	(90)	82	(8)	—	(8)
Cash dividends declared - common ⁽³⁾	—	—	(17)	—	(17)	—	(17)
Cash dividends declared - preferred ⁽⁴⁾	—	—	(4)	—	(4)	—	(4)
Stock option and incentive plans, net	2	4	—	—	6	—	6
Transactions with noncontrolling interests	—	—	—	—	—	1	1
Distributions to noncontrolling interests	—	—	—	—	—	(1)	(1)
Balance at March 31, 2025	<u>\$ 126</u>	<u>\$ 1,141</u>	<u>\$ 3,403</u>	<u>\$ (3,617)</u>	<u>\$ 1,053</u>	<u>\$ 4</u>	<u>\$ 1,057</u>

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

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

(3) Cash dividends declared on common stock for the three months ended March 31, 2026 and 2025 were \$0.025 per share and \$0.125 per share, respectively.

(4) Cash dividends declared on preferred stock for the three months ended March 31, 2026 and 2025 were \$20.00 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	<u>130,776</u>

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.

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 December 31, 2025	\$ 3,492	\$ 448	\$ (3,311)	\$ 629	\$ 5	\$ 634
Comprehensive (loss), net	—	(105)	(33)	(138)	—	(138)
Dividends declared to parent	—	(7)	—	(7)	—	(7)
Transfers to parent	(1)	—	—	(1)	—	(1)
Transactions with noncontrolling interests	—	—	—	—	1	1
Balance at March 31, 2026	<u>\$ 3,491</u>	<u>\$ 336</u>	<u>\$ (3,344)</u>	<u>\$ 483</u>	<u>\$ 6</u>	<u>\$ 489</u>

	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	—	(87)	82	(5)	—	(5)
Dividends declared to parent	—	(20)	—	(20)	—	(20)
Transfers to parent	(13)	—	—	(13)	—	(13)
Transactions with noncontrolling interests	—	—	—	—	1	1
Distributions to noncontrolling interests	—	—	—	—	(1)	(1)
Balance at March 31, 2025	<u>\$ 3,474</u>	<u>\$ 1,397</u>	<u>\$ (3,617)</u>	<u>\$ 1,254</u>	<u>\$ 4</u>	<u>\$ 1,258</u>

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

Note 18 – Other Comprehensive (Loss) Income

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

	Three Months Ended March 31,			
	2026		2025	
	Pre-tax	Net of Tax	Pre-tax	Net of Tax
Translation Adjustments (Losses) Gains	\$ (77)	\$ (77)	\$ 105	\$ 105
Unrealized Gains (Losses)				
Changes in fair value of cash flow hedges gains (losses)	1	1	(3)	(2)
Changes in cash flow hedges reclassified to earnings ⁽¹⁾	3	3	—	—
Net Unrealized Gains (Losses)	4	4	(3)	(2)
Defined Benefit Plans Gains (Losses)				
Net actuarial/prior service gains (losses)	1	1	—	(1)
Prior service amortization ⁽²⁾	(1)	(1)	(1)	—
Actuarial loss amortization/settlement ⁽²⁾	18	17	15	14
Other gains (losses) ⁽³⁾	23	23	(34)	(34)
Changes in Defined Benefit Plans Gains (Losses)	41	40	(20)	(21)
Other Comprehensive (Loss) Income	<u>\$ (32)</u>	<u>\$ (33)</u>	<u>\$ 82</u>	<u>\$ 82</u>

(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:

	March 31, 2026	December 31, 2025
Cumulative translation adjustments	\$ (1,938)	\$ (1,861)
Other unrealized losses, net	—	(4)
Benefit plans net actuarial losses and prior service credits	(1,406)	(1,446)
Total Accumulated Other Comprehensive Loss	<u>\$ (3,344)</u>	<u>\$ (3,311)</u>

Note 19 – Income Taxes

First quarter 2026 effective tax rate was (43.8)% and resulted in tax expense of \$32. This rate was higher than the U.S. federal statutory tax rate of 21.0% primarily due to the inability to benefit from certain current year losses and expenses, as well as the geographical mix of earnings.

First quarter 2025 effective tax rate was (34.3)%. This rate was higher than the U.S. federal statutory tax rate of 21.0% and resulted in tax expense of \$23, primarily due to the establishment of a valuation allowance against certain deferred tax assets and lower tax benefits of some losses and expenses in 2025, partially offset by 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 – (Loss) per Share
(shares in thousands)

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

	Three Months Ended March 31,	
	2026	2025
(Loss) per Share		
Net (Loss)	\$ (105)	\$ (90)
Accrued dividends on preferred stock	(4)	(4)
Adjusted Net loss available to common shareholders	<u>\$ (109)</u>	<u>\$ (94)</u>
Weighted average common shares outstanding	128,985	125,194
Basic (Loss) per Share	\$ (0.84)	\$ (0.75)
Diluted (Loss) per Share:		
Net (Loss)	\$ (105)	\$ (90)
Accrued dividends on preferred stock	(4)	(4)
Adjusted Net (loss) available to common shareholders	<u>\$ (109)</u>	<u>\$ (94)</u>
Weighted average common shares outstanding	128,985	125,194
<u>Common shares issuable with respect to:</u>		
Stock options	—	—
Restricted stock and performance shares	—	—
Convertible preferred stock	—	—
Adjusted weighted average common shares outstanding	<u>128,985</u>	<u>125,194</u>
Diluted (Loss) per Share	\$ (0.84)	\$ (0.75)
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	147
Restricted stock and performance shares	9,440	16,415
Convertible preferred stock	6,742	6,742
Convertible notes	19,196	19,196
Warrants	82,464	—
Total Anti-Dilutive Securities	<u>117,961</u>	<u>42,500</u>
Dividends per Common Share	<u>\$ 0.025</u>	<u>\$ 0.125</u>

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:

	March 31, 2026	December 31, 2025
Tax contingency - unreserved	\$ 367	\$ 338
Escrow cash deposits	20	20
Surety bonds	91	115
Letters of credit	1	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 March 31, 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 \$259 of guarantees as of March 31, 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 March 31, 2026 and December 31, 2025 investments of Myriad were \$45 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 investors 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 first quarter of 2026, overall market trends improved compared to 2025, when demand was affected by DOGE-related spending reductions, tariff uncertainty, and the government shutdown. The February 2026 Supreme Court ruling on tariffs is expected to have a net positive impact on Xerox's cost structure. However, those benefits are expected to be slightly more than offset by higher memory and oil prices. To date, none of these factors have impacted overall demand, apart from certain international markets with exposure to the Middle East conflict.

First quarter 2026 reflects the benefits of the Lexmark Acquisition and from Xerox's Transformation¹ efforts. These gains are complemented by a more unified go-to-market model, increasing partner validation, and strategic initiatives to enhance long-term profitability, positioning the company for sustained operational and financial improvements.

Equipment sales of \$378 million in the first quarter 2026 increased 33.1% in actual currency and 30.7% in constant currency², as compared to the first quarter 2025. First quarter 2026 equipment sales included a 38.0-percentage point benefit from the Lexmark Acquisition. Total equipment installations increased approximately 98.0% including the impact of the Lexmark Acquisition, partially offset by declines in legacy Xerox installations, in the entry-and mid-range color equipment categories. Excluding the Lexmark acquisition, equipment sales declined 4.9% in actual currency due to lower installations, partially offset by entry market lead generation initiatives. On a pro forma³ basis, first quarter 2026 revenue declined 2.3%, primarily reflecting the impacts noted above, partially offset by modest growth from Lexmark.

Post sale revenue of \$1,314 million in the first quarter 2026 increased 30.1% in actual currency and 26.5% in constant currency², as compared to first quarter 2025. First quarter 2026 post sale revenue reflected higher sales of supplies to our distributors and resellers and included a 35.3-percentage point benefit from the Lexmark Acquisition. Excluding the Lexmark Acquisition, post sale revenue declined 5.2% 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 forma³ basis, first quarter 2026 revenue decreased 3.8%, primarily reflecting the impacts noted above.

IT Solutions revenue of \$154 million in the first quarter 2026 declined 5.5% in actual currency and 6.2% in constant currency², compared to the first quarter 2025. The decline was primarily driven by a mix of revenue subject to net classifications, revenue deferrals and impacts on demand resulting from component cost increases.

Pre-tax (loss) of \$(73) million for the first quarter 2026 increased by \$(6) million as compared to pre-tax (loss) of \$(67) million in the first quarter 2025. Pre-tax (loss) margin of (4.0)% for the first quarter 2026 improved by 0.6-percentage points as compared to the first quarter 2025 pre-tax (loss) margin of (4.6)% and included a 2.3-percentage point benefit from the Lexmark acquisition. The improvement in the first quarter 2026 pre-tax (loss) margin was primarily due to higher revenue and gross profit, including Transformation-related¹ cost reductions, productivity actions, and lower Other (income) expenses, net. The decrease in Other (income) expenses, net reflects a gain on the early repayment of a portion of the 2028 Senior Unsecured Notes in the first quarter 2026, and the absence of commitment fees incurred in the first quarter 2025 related to borrowings in support of the Lexmark acquisition. These benefits were partially offset by higher Restructuring and related costs, net and higher Amortization of intangible assets, Selling, administrative and general expenses (SAG) and Research, development and engineering expenses (RD&E), driven by the Lexmark acquisition. On a pro forma³ basis first quarter 2026 pre-tax (loss) margin improved by 1.7-percentage points primarily reflecting the impacts noted above.

First quarter 2026 adjusted² operating income margin of 3.9% increased by 2.4-percentage points compared to first quarter 2025, and included an approximate 3.0-percentage point benefit from the Lexmark acquisition. The increase primarily reflects productivity and cost savings related to Transformation actions, and the benefit of the Lexmark acquisition. These benefits were partially offset by lower legacy Xerox revenue, as well as reduced gross profit, reflecting product cost increases and an unfavorable revenue mix, including declines in managed print services and equipment service revenue. On a pro forma³ basis first quarter 2026 adjusted² operating margin increased by 0.2-percentage points primarily reflecting the impacts noted above, as well as the impact of the Lexmark acquisition.

(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.

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

(3) 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 March 31, 2025. Lexmark's actual results are included in Xerox's reported results beginning on July 1, 2025, the effective date of the acquisition.

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 Xerox 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 \$1.85 billion for first quarter 2026 increased 26.7% from first quarter 2025, including a 31.9-percentage point benefit from the Lexmark Acquisition, as well as a 3.1-percentage point favorable impact from currency. On a pro forma¹ basis total revenue declined 3.7%. Total revenue reflected the following:

- an increase of 30.1% in Post sale revenue, including a 35.3-percentage point benefit from the Lexmark Acquisition, as well as a 3.6-percentage point favorable impact from currency. On a pro forma¹ basis post sale revenue declined 3.8%.
- an increase of 33.1% in Equipment sales revenue, including a 38.0-percentage point benefit from the Lexmark Acquisition, and a 2.4-percentage point favorable impact from currency. On a pro forma¹ basis equipment sales revenue declined 2.3%.
- a decrease of 5.5% in IT Products revenue, including a 0.7-percentage point favorable impact from 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 March 31, 2025. Lexmark's actual results are included in Xerox's reported results beginning on July 1, 2025, the effective date of the acquisition.

Net (loss) and adjusted¹ Net (loss) were as follows:

(in millions)	Three Months Ended March 31,		
	2026	2025	B/(W)
Net (Loss)	\$ (105)	\$ (90)	\$ (15)
Adjusted ⁽¹⁾ Net (Loss)	(51)	(4)	(47)

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

First quarter 2026 Net (Loss) was \$(105) million and increased by \$(15) million as compared to the first quarter 2025 Net (loss) of \$(90) million. Net (Loss) for the first quarter 2025 reflects the establishment of a valuation allowance of \$59 million against certain deferred tax assets to reflect their realizability. First quarter 2026 Net (Loss) reflects higher SAG, Non-financing interest expense, Restructuring and related costs, net, RD&E, Amortization of

intangible assets, and Income tax expense, all of which was partially offset by higher revenues, higher gross profit, and lower Other expenses, net.

First quarter 2026 adjusted¹ Net (Loss) was \$(51) million as compared to Adjusted¹ Net (Loss) of \$(4) million during the first quarter 2025, and includes the results of Lexmark. Adjusted¹ Net (Loss) increased by \$(47) million primarily reflecting higher SAG, Non-financing interest expense, Income tax expense, and RD&E, all of which was partially offset by higher revenues, and higher gross profit.

(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**:

(in millions)	Three Months Ended March 31,		
	2026	2025	% Change
Revenue			
Print and Other	\$ 1,692	\$ 1,294	30.8 %
IT Solutions	156	164	(4.9)%
Total Segment revenue	1,848	1,458	26.7 %
Intersegment Elimination ⁽¹⁾	(2)	(1)	NM
Corporate Other	—	—	NM
Total Revenue	\$ 1,846	\$ 1,457	26.7 %
Expenses			
Print and Other	\$ 1,605	\$ 1,253	28.1 %
IT Solutions	150	159	(5.7)%
Total Segment expenses	1,755	1,412	24.3 %
Intersegment Elimination ⁽²⁾	(2)	(1)	NM
Corporate Other	21	24	(12.5)%
Total Expenses	\$ 1,774	\$ 1,435	23.6 %
Profit			
Print and Other	\$ 87	\$ 41	112.2 %
IT Solutions	6	5	NM
Total Segment profit	93	46	102.2 %
Corporate Other	(21)	(24)	(12.5)%
Total Profit	\$ 72	\$ 22	227.3 %

(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 first quarter 2026 net cash used in operating activities was \$144 million, net cash used in investing activities was \$24 million, and net cash provided by financing activities was \$242 million. Please refer to the **Capital Resources and Liquidity** section for additional information regarding our cash flows.

Financial Review

Revenues

(in millions)	Three Months Ended March 31,			CC % Change	Pro Forma % Change ⁽¹⁾	% of Total Revenue	
	2026	2025	% Change			2026	2025
Equipment sales	\$ 378	\$ 284	33.1 %	30.7 %	(2.3)%	21 %	20 %
Post sale revenue ⁽²⁾	1,314	1,010	30.1 %	26.5 %	(3.8)%	71 %	69 %
IT Solutions ⁽³⁾	154	163	(5.5)%	(6.2)%	(5.5)%	8 %	11 %
Total Revenue	\$ 1,846	\$ 1,457	26.7 %	23.6 %	(3.7)%	100 %	100 %
Reconciliation to Condensed Consolidated Statements of (Loss):							
Equipment sales	\$ 378	\$ 284	33.1 %	30.7 %	(2.3)%		
Supplies, paper and other sales ⁽²⁾	437	168	160.1 %	155.7 %	(2.0)%		
IT Products ⁽³⁾	105	105	— %	— %	— %		
Sales	\$ 920	\$ 557	65.2 %	30.7 %	(1.9)%		
Services, maintenance, rentals and other ⁽²⁾	\$ 816	\$ 763	6.9 %	3.2 %	(3.0)%		
Xerox Financial Services ⁽²⁾	61	79	(22.8)%	(26.5)%	(22.8)%		
IT Services ⁽³⁾	49	58	(15.5)%	(16.8)%	(15.5)%		
Services, maintenance, rentals and other	\$ 926	\$ 900	2.9 %	(0.3)%	(5.3)%		
Segments⁽⁴⁾							
Print and Other	\$ 1,692	\$ 1,294	30.8 %	27.4 %	(3.5)%	92 %	89 %
IT Solutions	156	164	(4.9)%	(5.9)%	(4.9)%	8 %	11 %
Intersegment elimination ⁽⁵⁾	(2)	(1)	NM	NM	NM	— %	— %
Total Revenue	\$ 1,846	\$ 1,457	26.7 %	23.6 %	(3.7)%	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 March 31, 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.

First quarter 2026 total revenue increased 26.7% as compared to first quarter 2025, and included a 31.9-percentage point benefit from the Lexmark Acquisition as well as a 3.1 percentage point benefit from currency. The Lexmark contribution was partially offset by lower revenue at legacy Xerox. Total revenue for legacy Xerox decreased 5.2% 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 forma¹ basis, first quarter 2026 total revenue declined 3.7% as compared to the first quarter 2025 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 March 31, 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 March 31,

(in millions)	2026	2025	B/(W)	Pro Forma B/(W) ⁽¹⁾
Gross Profit	\$ 549	\$ 426	\$ 123	\$ (16)
RD&E	64	42	(22)	10
SAG	430	378	(52)	29
Equipment Gross Margin	10.8 %	27.9 %	(17.1) pts.	(0.3) pts.
Post sale Gross Margin ⁽²⁾	34.6 %	29.6 %	5.0 pts.	0.5 pts.
Total Gross Margin	29.7 %	29.2 %	0.5 pts.	0.2 pts.
RD&E as a % of Revenue	3.5 %	2.9 %	(0.6) pts.	0.4 pts.
SAG as a % of Revenue	23.3 %	25.9 %	2.6 pts.	0.7 pts.
Pre-tax (Loss)	\$ (73)	\$ (67)	\$ (6)	\$ 36
Pre-tax (Loss) Margin	(4.0)%	(4.6)%	0.6 pts.	1.7 pts.
Adjusted ⁽²⁾ Operating Income	\$ 72	\$ 22	\$ 50	\$ 1
Adjusted ⁽²⁾ Operating Income Margin	3.9 %	1.5 %	2.4 pts.	0.2 pts.

(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 March 31, 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

First quarter 2026 gross margin of 29.7% increased by 0.5-percentage points as compared to first quarter of 2025, which included an approximate 0.9-percentage point benefit related to the Lexmark Acquisition. The increase in the first quarter 2026 primarily reflects higher revenue and gross profit, 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 declined 0.4-percentage points. On a pro forma¹ basis, first quarter 2026 gross margin of 29.7% increased by 0.2-percentage points.

First quarter 2026 equipment gross margin of 10.8% decreased by 17.1-percentage points as compared to first quarter of 2025, and included a 12.2-percentage point adverse impact from the Lexmark acquisition. Excluding the impact of Lexmark, equipment gross margin declined 4.9-percentage points. The decrease in the first quarter 2026 primarily reflects lower gross profit, including the adverse impact of product cost increases, as well as incremental tariff-related costs and unfavorable freight costs. These impacts were partially offset by benefits associated with Transformation-related cost and productivity actions and the absence of a charge recognized in the first quarter of 2025 related to the exit of certain production print manufacturing operations. On a pro forma¹ basis, first quarter 2026 equipment gross margin of 10.8% decreased by 0.3-percentage points.

First quarter 2026 Post sale gross margin of 34.6% increased by 5.0-percentage points as compared to first quarter of 2025, which included a 4.4-percentage point benefit related to the Lexmark acquisition. Excluding the impact of the Lexmark acquisition, post sale gross margin increased 0.6-percentage points. The increase in the first quarter 2026 primarily reflects higher revenue and gross profit, including the benefits associated with Transformation-related cost and productivity actions. These benefits were partially offset by the adverse impact related to product cost increases, a fixed asset-related purchase accounting adjustment related to the Lexmark acquisition, unfavorable revenue mix, including lower equipment service revenue and managed print services, rental and other revenues, as well as lower financing fees. On a pro forma¹ basis, first quarter 2026 post sale gross margin of 34.6% increased 0.5 -percentage points.

(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 March 31, 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)

First quarter 2026 RD&E as a percentage of revenue of 3.5% increased 0.6-percentage points as compared to first quarter 2025, and included a 0.9-percentage point adverse impact from the Lexmark acquisition. The increase in RD&E spending outpaced the increase in revenue primarily due to the Lexmark Acquisition.

First quarter 2026 RD&E of \$64 million increased by \$22 million compared to first quarter 2025, due to the Lexmark acquisition, partially offset by productivity and cost savings related to Transformation actions. On a pro forma¹ basis, RD&E decreased by \$10 million for the three months ended March 31, 2026, primarily due to productivity and cost savings related to Transformation actions.

(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 March 31, 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)

First quarter 2026 SAG as a percentage of revenue of 23.3% decreased by 2.6-percentage points as compared to first quarter 2025, including a 2.4-percentage point benefit from the Lexmark Acquisition. The increase in revenue outpaced the increase in SAG spending.

First quarter 2026 SAG of \$430 million increased by \$52 million as compared to first quarter 2025, primarily reflecting the impact of the Lexmark acquisition 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 reductions in incentive compensation and bad debt expense. On a pro forma¹ basis, first quarter 2026 SAG decreased \$29 million, due to the impacts noted above.

(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 March 31, 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:

(in millions)	Three Months Ended March 31,	
	2026	2025
Restructuring and severance costs ⁽¹⁾	\$ 56	\$ 10
Asset impairments - leased ROU assets ⁽²⁾	—	4
Asset impairments - owned assets, net ⁽²⁾	(1)	(10)
Other contractual termination costs ⁽³⁾	—	5
Reversals ⁽⁴⁾	(11)	(10)
Restructuring and asset impairment costs	44	(1)
Contractual severance costs ⁽⁵⁾	1	—
Restructuring and related costs, net	\$ 45	\$ (1)

(1) Restructuring and severance costs for the three months ended March 31, 2026 and 2025 include worldwide headcount reductions of approximately 775 and 130, 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 \$1 million and \$19 million for the three months ended March 31, 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.

First quarter 2026 primarily impacted the Print and Other segment in several functional areas, with approximately 20% focused on gross margin improvements, approximately 75% focused on SAG reductions, and the remainder focused on RD&E reductions. First quarter 2025 actions impacted several functional areas, with approximately 30% focused on gross margin improvements, approximately 60% focused on SAG reductions, and the remainder focused on RD&E optimization.

The Restructuring and related costs, net reserve balance for all programs as of March 31, 2026 was \$148 million, of which \$81 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.

Worldwide Employment

Worldwide employment was approximately 22,900 as of March 31, 2026, which was consistent with December 31, 2025. Increases to headcount in the first quarter 2026 were largely offset by the impact of Transformation actions, including workforce reduction actions.

Non-Financing Interest Expense

First quarter 2026 non-financing interest expense of \$84 million was \$51 million higher than first quarter 2025. The increase, as compared to the prior year period, reflects higher interest rates on the recently completed 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 first quarter 2026 of \$103 million increased by \$48 million compared to the first quarter 2025. Refer to Note 12 - Debt in the Condensed Consolidated Financial Statements for additional information regarding debt activity and interest expense.

Other (Income) Expenses, Net

(in millions)	Three Months Ended March 31,	
	2026	2025
Interest income	\$ (3)	\$ (2)
Non-service retirement-related costs	21	18
Currency losses, net	5	—
Gain on early extinguishment of debt	(56)	—
Commitment fee expenses	—	18
All other expenses, net	2	1
Other (income) expenses, net	\$ (31)	\$ 35

Non-Service Retirement-Related Costs

First quarter 2026 non-service retirement-related costs of \$21 million increased by \$3 million as compared to the first quarter 2025, primarily 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

First quarter 2026 currency losses, net increased \$5 million as compared to the first quarter 2025, primarily due to fluctuations in the EUR/USD exchange rate and hedging costs incurred in connection with the recent acquisition of Lexmark.

Gain on early extinguishment of debt

First quarter 2026 gain on early extinguishment of debt of \$56 million reflects the early repayment of a portion of our 5.500% Senior Unsecured Notes due August 2028.

Commitment fee expenses

First quarter 2025 commitment fee expense primarily reflects fees associated with the private offering of \$400 million in aggregate principal amount of 10.250% Senior Secured First Lien Notes and \$400 million aggregate principal amount of 13.500% Senior Secured Second Lien Notes Due in 2031.

Pre-tax (Loss) Margin

First quarter 2026 pre-tax (loss) margin of (4.0)% improved by 0.6-percentage points as compared to first quarter of 2025 pre-tax (loss) margin of (4.6)% and included a 2.3-percentage point benefit from the Lexmark Acquisition. The improvement in the first quarter 2026 pre-tax (loss) margin was primarily due to higher revenue and gross profit, reflecting Transformation-related cost and productivity actions, as well as lower Other (income) expenses, net. The decrease in Other (income) expenses, net reflects a gain on the early repayment of the 2028 Senior Unsecured Notes in the first quarter 2026 and the absence of commitment fees incurred in the first quarter 2025 related to borrowings in support of the Lexmark acquisition. These benefits were partially offset by higher Restructuring and related costs, net, higher Amortization of intangible assets, as well as higher SAG and RD&E driven by the Lexmark acquisition. On a pro forma¹ basis first quarter 2026 pre-tax (loss) margin improved by 1.7-percentage points primarily reflecting the impacts noted above.

(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 March 31, 2025. Lexmark's actual results are included in Xerox's reported results beginning on July 1, 2025, the effective date of the acquisition.

Adjusted¹ Operating Margin

First quarter 2026 adjusted¹ operating income margin of 3.9% increased by 2.4-percentage points as compared to first quarter 2025, and included an approximate 3.0-percentage point benefit from the Lexmark acquisition. Excluding this acquisition, the decrease reflects lower revenue, including equipment sales and post sale revenue, and lower gross profit, due to 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 RD&E and SAG expenses. On a pro forma² basis first quarter 2026 adjusted¹ operating margin increased by 0.2-percentage points primarily reflecting the impacts noted above, as well as the impact of the Lexmark acquisition.

(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 March 31, 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

First quarter 2026 effective tax rate was (43.8)% and resulted in tax expense of \$32 million. On an adjusted¹ basis, the first quarter 2026 effective tax rate was (218.8)%, which resulted in tax expense of \$35 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.

First quarter 2025 effective tax rate was a (34.3)%. This rate was higher than the U.S. federal statutory tax rate of 21.0% but resulted in tax expense of \$23 million, primarily due to the establishment of a valuation allowance against certain deferred tax assets and lower tax benefits of some current year losses and expenses, partially offset by the geographical mix of earnings. On an adjusted¹ basis, first quarter 2025 effective tax rate was 60.0%, which resulted in a tax (benefit) of \$(6) million and was higher than the U.S. federal statutory tax rate of 21.0% primarily due to lower benefits of certain current year losses and expenses.

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.

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

Net (Loss)

First quarter 2026 Net (Loss) was \$(105) million, or \$(0.84) per diluted share, and included a \$56 million gain on the early extinguishment of debt, or \$0.43 per diluted share. On an adjusted¹ basis, Net (Loss) was \$(51) million, or \$(0.43) per diluted share.

First quarter 2025 Net (Loss) was \$(90) million, or \$(0.75) per diluted share, and included a charge to tax expense related to the establishment of \$59 million of valuation allowances, or \$0.47 per diluted share, and \$14 million of after-tax financing-related charges, or \$0.14 per diluted share, related to a debt offering. On an adjusted¹ basis, Net (Loss) was \$(4) million, or \$(0.06) per diluted share.

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

(1) Refer to the Adjusted Net (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 - (Loss) per Share in the Notes to the Condensed Consolidated Financial Statements.

Other Comprehensive (Loss) Income

First quarter 2026 Other Comprehensive (Loss), Net was \$(33) million and included the following: i) net translation adjustment (losses) of \$(77) million reflecting the weakening of all of our major foreign currencies against the U.S. Dollar during the quarter; ii) \$40 million of net gains from the changes in defined benefit plans primarily reflecting the positive impact of currency, and the amortization of net actuarial losses; and iii) \$4 million of net unrealized gains. This compares to Other Comprehensive Income, Net of \$82 million for the first quarter 2025, which included the following: i) net translation adjustment gains of \$105 million reflecting the strengthening of all of our major foreign currencies against the U.S. Dollar during the quarter; ii) \$(21) 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) \$(2) million of net unrealized (losses).

Refer to Note 18 - Other Comprehensive (Loss) Income in the Condensed Consolidated Financial Statements for the components of Other Comprehensive (Loss) Income, 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)	Three Months Ended March 31,					
	Print and Other	IT Solutions	Total Segment	Intersegment Elimination ⁽¹⁾	Corporate Other ⁽²⁾	Total
2026						
Revenues	\$ 1,692	\$ 156	\$ 1,848	\$ (2)	\$ —	\$ 1,846
% of Total Revenue	92 %	8 %	100 %			
Expenses	\$ 1,605	\$ 150	\$ 1,755	\$ (2)	\$ 21	\$ 1,774
Segment Profit (Loss)	\$ 87	\$ 6	\$ 93	\$ —	\$ (21)	\$ 72
Segment Margin ⁽³⁾	5.1 %	3.9 %			NM	3.9 %
2025						
Revenues	\$ 1,294	\$ 164	\$ 1,458	\$ (1)	\$ —	\$ 1,457
% of Total Revenue	89 %	11 %	100 %			
Expenses	\$ 1,253	\$ 159	\$ 1,412	\$ (1)	\$ 24	\$ 1,435
Segment Profit (Loss)	\$ 41	\$ 5	\$ 46	\$ —	\$ (24)	\$ 22
Segment Margin ⁽³⁾	3.2 %	3.1 %			NM	1.5 %
2025 Pro Forma⁽⁴⁾						
Revenues	\$ 1,753	\$ 164	\$ 1,917	\$ (1)	\$ —	\$ 1,916
% of Total Revenue	91 %	9 %	100 %			
Expenses	\$ 1,659	\$ 159	\$ 1,818	\$ (1)	\$ 28	\$ 1,845
Segment Profit (Loss)	\$ 94	\$ 5	\$ 99	\$ —	\$ (28)	\$ 71
Segment Margin ⁽³⁾	5.4 %	3.1 %			NM	3.7 %

(1) Reflects primarily 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 March 31, 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 March 31,		% Change	CC % Change	Pro Forma ⁽¹⁾ % Change
	2026	2025			
Equipment sales	\$ 378	\$ 284	33.1%	30.7%	(2.3)%
Supplies, paper and other sales	437	168	160.1%	155.7%	(2.0)%
Services, maintenance, rentals and other	816	763	6.9%	3.2%	(3.0)%
Xerox Financial Services	61	79	(22.8)%	(26.5)%	(22.8)%
Post sale revenue	1,314	1,010	30.1%	26.5%	(3.8)%
Total Print and Other Revenue	\$ 1,692	\$ 1,294	30.8%	27.4%	(3.5)%

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 March 31, 2025. Lexmark's actual results are included in Xerox's reported results beginning on July 1, 2025, the effective date of the acquisition.

First quarter 2026 Print and Other segment revenue increased 30.8% as compared to first quarter 2025 and included a 3.4-percentage point benefit from currency. The increase was due to the Lexmark Acquisition.

Print and Other segment revenues included the following:

Equipment sales revenue increased 33.1% during the first quarter 2026 as compared to first quarter 2025, which included a 38.0-percentage point benefit from the Lexmark acquisition and a 2.4-percentage point benefit from currency. The increase in constant currency¹ was driven by higher installations resulting from the Lexmark acquisition. Excluding the Lexmark acquisition, equipment sales declined 4.9% in actual currency due to lower installations, partially offset by the benefit of entry product marketing initiatives. On a pro forma¹ basis, first quarter 2026 equipment sales revenue declined 2.3%, 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 March 31, 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.

(in millions)	Three Months Ended March 31,		% Change	CC % Change	% of Equipment Sales	
	2026	2025			2026	2025
Entry	\$ 135	\$ 43	214.0%	212.7%	36%	15%
Mid-range	198	198	—%	(2.1)%	52%	70%
High-end	40	40	—%	(1.0)%	11%	14%
Other	5	3	66.7%	66.7%	1%	1%
Equipment sales⁽¹⁾	\$ 378	\$ 284	33.1%	30.7%	100%	100%

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

(1) Refer to the Products and Offerings Definitions section.

The change at constant currency¹ primarily reflects the Lexmark Acquisition, as well as the following:

- **Entry** - The increase in the three months ended March 31, 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 installations remained relatively consistent compared to the prior year period.
- **Mid-range** - The decrease for the three months ended March 31, 2026 reflects declines in installations, partially offset by a shift mix to color.
- **High-end** - The decrease for the three months ended March 31, 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 March 31, 2026, as compared to the prior year period, reflect the following:

- **Entry** increased 136% driven by the contribution of Lexmark. Excluding the Lexmark acquisition, installations remained relatively consistent with the prior year period, with growth in black-and-white MFPs offset by declines in color printers and MFPs.
- **Mid-Range** decreased 5% driven by declines in both black-and-white and color MFPs, partially offset by the contribution of Lexmark.
- **High-End** increased 31% primarily reflecting growth in Entry Production Color Mid and High, partially offset by the decision to exit certain production print manufacturing operations in prior years.

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.

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 first quarter 2026 reflected the following:

Supplies, paper and other sales includes unbundled supplies, paper and other sales. First quarter 2026 revenues increased 160.1% and included a 163.7-percentage point benefit from the Lexmark acquisition and a 4.4-percentage point benefit from currency. The increase in constant currency¹ 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 3.6% in actual currency due to lower supplies, paper and other sales reflecting in part the prior-year sale of our European paper business. On a pro forma² basis, first quarter 2026 revenue decreased 2.0%, 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. First quarter 2026 revenues increased 6.9% and included a 10.7-percentage point benefit from the Lexmark acquisition and a 3.7-percentage point benefit from currency. The increase in constant currency¹ was primarily driven by equipment service revenue associated with the Lexmark acquisition. Excluding the Lexmark acquisition, revenue declined 3.8% in actual currency primarily reflecting lower equipment service revenue and managed print services, as well as lower rental revenue and the impact of exiting certain production print manufacturing operations in prior years. On a pro forma² basis, first quarter 2026 revenue decreased 3.0%, 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. First quarter 2026 revenues decreased 22.8% compared to first quarter 2025, and included a 3.7-percentage point benefit from currency. Xerox Financial Services revenue decreased primarily due to a lower average finance receivable balance in the first quarter of 2026, driven by sales of finance receivables in recent quarters to our funding affiliates, as well as lower originations.

(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 March 31, 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)

First quarter 2026 RD&E of \$64 million increased \$22 million as compared to first quarter 2025 due to the Lexmark acquisition, partially offset by productivity and cost savings related to the Company's Transformation actions.

Selling, Administrative and General Expenses (SAG)

First quarter 2026 SAG of \$379 million increased by \$57 million as compared to first quarter 2025, primarily due to expenses related to the Lexmark Acquisition and unfavorable currency. These impacts were partially offset by productivity and cost savings related to the Company's Transformation initiatives including lower marketing spend, as well as reductions in incentive compensation and bad debt expense.

Segment Margin

First quarter 2026 Print and Other segment margin of 5.1% increased 1.9-percentage points as compared to first quarter of 2025, primarily due to higher gross profit, partially offset by higher SAG and RD&E expenses. Segment margin expansion was driven by the contribution of Lexmark, as well as Transformation-related cost and productivity actions. On a pro forma¹ basis, Print and Other segment margin of 5.1% decreased by 0.3-percentage points as compared to first quarter of 2025, due to declines from legacy Xerox.

(1) Reflects the inclusion of Lexmark's estimated results from January 1, 2025 through March 31, 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. Refer to Appendix II, Reportable Segments, for definitions.

Revenue

(in millions)	Three Months Ended March 31,		% Change	CC % Change
	2026	2025		
IT Products ⁽¹⁾	\$ 105	\$ 105	—%	—%
IT Services ⁽²⁾	49	58	(15.5)%	(16.8)%
Intersegment revenue ⁽³⁾	2	1	NM	NM
Total IT Solutions	\$ 156	\$ 164	(4.9)%	(5.9)%

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) Reflects primarily IT hardware, software solutions and services sold by the IT Solutions segment to the Print and Other segment.

First quarter 2026 IT Solutions segment revenue decreased 4.9% as compared to first quarter of 2025 and included a 1.0-percentage point benefit from currency. IT Solutions segment revenue included the following:

IT Products was consistent with the first quarter 2025. Gross billings growth was offset by the mix of revenue subject to net classifications, revenue deferrals and the impact of component cost increases.

IT Services revenue decreased 15.5% during the three months ended March 31, 2026 as compared to the first quarter of 2025, primarily due to higher revenue deferrals.

Segment Expenses

Selling, Administrative and General Expenses (SAG)

First quarter 2026 SAG of \$24 million increased by \$1 million as compared to first quarter 2025, primarily due to higher benefits costs, as well as higher compensation expense.

Segment Margin

First quarter 2026 IT Solutions segment margin of 3.9% increased 0.8-percentage points as compared to first quarter of 2025, primarily driven by higher gross profit, partially offset by lower revenues and higher administrative expenses.

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 May 7, 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 March 31, 2026 and December 31, 2025, total cash, cash equivalents and restricted cash of Xerox Holdings Corporation were \$637 million and \$565 million, respectively, and apart from restricted cash of \$52 million and \$53 million at March 31, 2026 and December 31, 2025, respectively, was readily accessible for use. The increase in total cash, cash equivalents and restricted cash of \$72 million primarily reflects net cash used in operating activities of \$144 million, as well as net cash used in investing activities of \$24 million, both of which were partially offset by net cash provided by financing activities of \$242 million. Refer to Note 11 - Supplementary Financial Information in the Condensed Consolidated Financial Statements for additional information related to cash, cash equivalents and restricted cash, and supplemental cash flow information.
- Total debt at March 31, 2026 was \$4,446 million, of which \$1,407 million is allocated to, and supports the Company's finance assets. The remaining debt of \$3,039 million is attributable to the non-financing business and increased from \$2,759 million at December 31, 2025. Debt at March 31, 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. Refer to Note 12 - Debt in the Condensed Consolidated Financial Statements for additional information related to our Debt activity.
- 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 March 31, 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). Refer to Note 1 - Basis of Presentation in the Condensed Consolidated Financial Statements for additional information related to the Joint Venture Arrangement, and Note 12 - Debt in the Condensed Consolidated Financial Statements for additional information related to the Joint Venture Financing Arrangement.
- During the first quarter 2026, the Company repurchased approximately \$101 million of its 5.50% Senior Unsecured Notes due August 2028 for an aggregate purchase price of approximately \$45 million. The Company recognized a gain of approximately \$56 million on the early extinguishment of the debt, which was recorded to Other (income) expenses, net in the Condensed Consolidated Statement of Loss.
- As of May 7, 2026, and based on our March availability calculation, we have availability of \$387 million before letters of credit issued under the ABL Facility of approximately \$98 million. There are no current borrowings outstanding. Accordingly, our net availability is approximately \$289 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 \$350 million, which is a decrease from our previous guidance of \$360 million, reflecting higher interest expense related to funding from the Joint Venture Financing Arrangement. Although not committed, we believe we have the ability to sell finance receivables for additional liquidity.

Cash Flow Analysis

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

(in millions)	Three Months Ended March 31,		Change
	2026	2025	
Net cash used in operating activities	\$ (144)	\$ (89)	\$ (55)
Net cash (used in) provided by investing activities	(24)	6	(30)
Net cash provided by (used in) financing activities	242	(159)	401
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(2)	1	(3)
Increase (decrease) in cash, cash equivalents and restricted cash	72	(241)	313
Cash, cash equivalents and restricted cash at beginning of period	565	631	(66)
Cash, Cash Equivalents and Restricted Cash at End of Period	\$ 637	\$ 390	\$ 247

Cash Flows from Operating Activities

Net cash used in operating activities was \$144 million for the three months ended March 31, 2026, an increase of \$55 million from the prior year period. Cash flow from operating activities was impacted by a \$62 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 a lower year-over-year benefit from accounts payable, which reflected, in part, our ongoing working capital management initiatives, including the alignment of certain vendor payment terms. These unfavorable working capital movements were partially offset by lower inventory levels. 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 \$24 million for the three months ended March 31, 2026, reflecting a change of \$30 million from the prior year period, which was primarily driven by the sale of surplus property and assets in the U.S. in the prior year.

Cash Flows from Financing Activities

Net cash provided by financing activities was \$242 million for the three months ended March 31, 2026, as compared to net cash used in financing activities of \$159 million in the prior year period. The increase in cash primarily reflected higher net debt issuances and lower dividend payments in 2026. During 2025, financing activities included the repayments of existing debt, including secured financing arrangements, secured promissory notes and Term Loan B borrowings.

Debt and Customer Financing Activities

The following summarizes our debt:

(in millions)	March 31, 2026	December 31, 2025
Xerox Holdings Corporation	\$ 1,924	\$ 2,025
Xerox Corporation	2,205	2,316
Xerox - Other Subsidiaries ⁽¹⁾	452	3
Subtotal - Principal debt balance	4,581	4,344
Debt issuance costs		
Xerox Holdings Corporation	(18)	(20)
Xerox Corporation	(79)	(39)
Subtotal - Debt issuance costs	(97)	(59)
Net unamortized (discount)	(38)	(38)
Total Debt	\$ 4,446	\$ 4,247

(1) As of March 31, 2026, amount reflects 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)	March 31, 2026	December 31, 2025
Total finance receivables, net ⁽¹⁾	\$ 1,316	\$ 1,402
Equipment on operating leases, net	292	299
Total Finance Assets, net	\$ 1,608	\$ 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)	March 31, 2026	December 31, 2025
Finance receivables debt ⁽¹⁾	\$ 1,152	\$ 1,227
Equipment on operating leases debt	255	261
Financing debt	1,407	1,488
Core debt	3,039	2,759
Total Debt	\$ 4,446	\$ 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 (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 quarter 2026.

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 Q2	\$ 125	\$ —	\$ —	\$ 125
2026 Q3	—	—	—	—
2026 Q4	—	—	21	21
2027	25	50	82	157
2028	674	90	81	845
2029	531	565	81	1,177
2030	569	400	81	1,050
2031 and thereafter	—	1,100	106	1,206
Total	\$ 1,924	\$ 2,205	\$ 452	\$ 4,581

(1) Represents subsidiaries of Xerox Corporation. As of March 31, 2026, amount reflects 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 (Loss) and (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 (income) expenses, 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
- Gain on early extinguishment of debt
- Divestitures
- Transformation-related costs
- Lexmark - fixed asset-related purchase accounting adjustment
- Commitment fee expenses
- 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) income 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 (income) expenses, 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 (Loss) and EPS reconciliation:

(in millions, except per share amounts)	Three Months Ended March 31,			
	2026		2025	
	Net (Loss)	Diluted EPS	Net (Loss)	Diluted EPS
Reported⁽¹⁾	\$ (105)	\$ (0.84)	\$ (90)	\$ (0.75)
Adjustments:				
Inventory-related impact - exit of certain production print manufacturing operations	—		7	
Restructuring and related costs, net	45		(1)	
Amortization of intangible assets	30		10	
Divestitures	—		(4)	
Gain on early extinguishment of debt ⁽²⁾	(56)		—	
Non-service retirement-related costs	21		18	
Transformation-related costs ⁽³⁾	2		6	
Transaction and related costs, net	4		3	
Lexmark - fixed asset-related purchase accounting adjustment ⁽⁴⁾	11		—	
Commitment fee expense ⁽⁵⁾	—		18	
PARC Donation income tax ⁽⁶⁾	—		9	
Deferred tax asset valuation allowance ⁽⁷⁾	—		50	
Income tax on adjustments ⁽⁸⁾	(3)		(30)	
Adjusted	<u>\$ (51)</u>	<u>\$ (0.43)</u>	<u>\$ (4)</u>	<u>\$ (0.06)</u>
Dividends on preferred stock used in adjusted EPS calculation ⁽⁹⁾		\$ 4		\$ 4
Weighted average shares for adjusted EPS ⁽⁹⁾		129		125
Fully diluted shares at March 31, 2026 ⁽¹⁰⁾		131		

(1) Net (Loss) and (Loss) per Share. First quarter 2026 Net (Loss) and Diluted (Loss) per Share included a \$56 million gain on the early extinguishment of debt, or \$0.43 per diluted share. First quarter 2025 Net (Loss) and Diluted (Loss) per Share included a charge to tax expense related to the establishment of \$59 million of valuation allowances, or \$0.47 per diluted share, and \$14 million of after-tax financing-related charges, or \$0.14 per diluted share, related to a debt offering.

(2) Reflects the early repayment of a portion of our 5.500% Senior Unsecured Notes due August 2028.

(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 a purchase accounting adjustment 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 13.5% 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 March 31, 2026, plus potential dilutive common shares used for the calculation of adjusted diluted EPS for the three months ended March 31, 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 as of March 31, 2026.

Adjusted Effective Tax Rate reconciliation:

(in millions)	Three Months Ended March 31,					
	2026			2025		
	Pre-Tax (Loss)	Income Tax Expense	Effective Tax Rate	Pre-Tax (Loss)	Income Tax Expense	Effective Tax Rate
Reported⁽¹⁾	\$ (73)	\$ 32	(43.8)%	\$ (67)	\$ 23	(34.3)%
Income tax on PARC donation ⁽²⁾	—	—		—	(9)	
Deferred tax asset valuation allowance ⁽²⁾	—	(8)		—	(50)	
Non-GAAP Adjustments ⁽²⁾	57	11		57	30	
Adjusted	<u>\$ (16)</u>	<u>\$ 35</u>	(218.8)%	<u>\$ (10)</u>	<u>\$ (6)</u>	60.0 %

(1) Pre-tax (loss) and Income tax expense.

(2) Refer to Adjusted Net (Loss) and EPS reconciliation for details.

Adjusted Operating Income and Margin reconciliation:

(in millions)	Three Months Ended March 31,					
	2026			2025		
	Profit (Loss)	Revenue	Margin	(Loss)	Revenue	Margin
Reported⁽¹⁾	\$ (105)	\$ 1,846		\$ (90)	\$ 1,457	
Income tax expense	32	—		23	—	
Pre-tax (loss)	\$ (73)	\$ 1,846	(4.0)%	\$ (67)	\$ 1,457	(4.6)%
Adjustments:						
Inventory-related impact - exit of certain production print manufacturing operations	—			7		
Lexmark - fixed asset-related purchase accounting adjustment ⁽²⁾	11			—		
Restructuring and related costs, net	45			(1)		
Amortization of intangible assets	30			10		
Divestitures	—			(4)		
Transformation-related costs ⁽³⁾	2			6		
Transaction and related costs, net	4			3		
Non-financing interest expense ⁽⁴⁾	84			33		
Other (income) expenses, net ⁽⁵⁾	(31)			35		
Adjusted	<u>\$ 72</u>	<u>\$ 1,846</u>	3.9 %	<u>\$ 22</u>	<u>\$ 1,457</u>	1.5 %

(1) Net (Loss).

(2) Reflects a purchase accounting adjustment 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 recently completed borrowings in support of the Lexmark acquisition financing, repayment of existing borrowings and general corporate purposes, 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 on the early repayment of a portion of our 5.500% Senior Unsecured Notes due August 2028.

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

	Three Months Ended March 31,					
	As Reported		Pro Forma ⁽¹⁾		Change	Pro Forma ⁽¹⁾ Change
	2026	2025	2025	2025		
(in millions)	(Loss) Profit	(Loss) Profit	(Loss) Profit			
Pre-tax (loss)	\$ (73)	\$ (67)	\$ (109)	\$ (6)	\$ 36	
Adjustments:						
Inventory-related impact - exit of certain production print manufacturing operations	—	7	7	(7)	(7)	
Lexmark - fixed asset-related purchase accounting adjustment ⁽²⁾	11	—	21	11	(10)	
Transformation-related costs ⁽³⁾	2	6	6	(4)	(4)	
Restructuring and related costs, net	45	(1)	(2)	46	47	
Amortization of intangible assets	30	10	31	20	(1)	
Divestitures	—	(4)	(4)	4	4	
Transaction and related costs, net	4	3	5	1	(1)	
Non-financing interest expense ⁽⁴⁾	84	33	33	51	51	
Other expenses, net ⁽⁵⁾	(31)	35	83	(66)	(114)	
Adjusted	\$ 72	\$ 22	\$ 71	\$ 50	\$ 1	
Revenue	\$ 1,846	\$ 1,457	\$ 1,916	\$ 389	\$ (70)	
Pre-tax (Loss) Margin	(4.0)%	(4.6)%	(5.7)%	0.6 pts.	1.7 pts.	
Adjusted Operating Income Margin	3.9 %	1.5 %	3.7 %	2.4 pts.	0.2 pts.	

(1) Reflects the inclusion of Lexmark as if it was acquired on January 1, 2025 through March 31, 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 a purchase accounting adjustment 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, repayment of existing borrowings and general corporate purposes, 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 \$56 million related to the early repayment of a portion of our 5.500% Senior Unsecured Notes due August 2028.

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 March 31, 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) Unregistered Sales of Equity Securities during the Quarter ended March 31, 2026

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 Xerox Holdings' Common Stock as of the Record Date received one warrant for every two shares of Xerox 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. Refer to Note 16 - Shareholders Equity of Xerox Holdings' in the Condensed Consolidated Financial Statements for additional information regarding the warrants.

(b) Issuer Purchases of Equity Securities during the Quarter ended March 31, 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 March 31, 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

<u>10.1</u>	<u>Offer Letter, dated March 31, 2026, by and between Xerox Corporation and Louis J. Pastor</u> <u>Incorporated by reference to Exhibit 10.1 to Xerox Holdings Corporation's and Xerox Corporation's combined Current Report on Form 8-K dated April 2, 2026</u>
<u>10.2</u>	<u>General Release, Non-Competition and Non-Solicitation Agreement, dated March 31, 2026, by and between Xerox Corporation and Steven J. Bandrowczak</u> <u>Incorporated by reference to Exhibit 10.2 to Xerox Holdings Corporation's and Xerox Corporation's combined Current Report on Form 8-K dated April 2, 2026</u>
<u>10.3</u>	<u>Warrant Agreement (including Form of Warrant), dated February 12, 2026, among the Company and Computershare Inc. and Computershare Trust Company, N.A., collectively as warrant agent</u> <u>Incorporated by reference to Exhibit 4.1 to Xerox Holdings Corporation's and Xerox Corporation's combined Current Report on Form 8-K dated February 12, 2026</u>
<u>10.4</u>	<u>Credit Agreement, dated as of February 17, 2026, by and among XRX Brandco Holdings LLC, the lenders party thereto from time to time and Alter Domus (US) LLC, as administrative and collateral agent</u> <u>Incorporated by reference to Exhibit 10.1 to Xerox Holdings Corporation's and Xerox Corporation's combined Current Report on Form 8-K dated February 17, 2026</u>
<u>10.5</u>	<u>Shared Services and License Agreement, dated as of February 17, 2026, by and among Xerox Holdings Corporation, Xerox Corporation, XRX Brandco Holdings LLC and XRX Brandco LLC</u> <u>Incorporated by reference to Exhibit 10.2 to Xerox Holdings Corporation's and Xerox Corporation's combined Current Report on Form 8-K dated February 17, 2026</u>
<u>31(a)(1)</u>	<u>Certification of Xerox Holdings Corporation CEO pursuant to Rule 13a-14(a) or Rule 15d-14(a).</u>
<u>31(a)(2)</u>	<u>Certification of Xerox Corporation CEO pursuant to Rule 13a-14(a) or Rule 15d-14(a).</u>
<u>31(b)(1)</u>	<u>Certification of Xerox Holdings Corporation CFO pursuant to Rule 13a-14(a) or Rule 15d-14(a).</u>
<u>31(b)(2)</u>	<u>Certification of Xerox Corporation CFO pursuant to Rule 13a-14(a) or Rule 15d-14(a).</u>
<u>32(a)</u>	<u>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.</u>
<u>32(b)</u>	<u>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.</u>
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: May 7, 2026

XEROX CORPORATION (Registrant)

By: /s/ WILLIAM TWOMEY

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

Date: May 7, 2026

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.

May 7, 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.

May 7, 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.

May 7, 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.

May 7, 2026

/s/ CHARLES BUTLER

Charles Butler
Principal Financial Officer

**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 March 31, 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
May 7, 2026

/s/ CHARLES BUTLER

Charles Butler
Chief Financial Officer
May 7, 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 March 31, 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
May 7, 2026

/s/ CHARLES BUTLER

Charles Butler
Chief Financial Officer
May 7, 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.