

Xerox Holdings Financial Model
(unaudited)

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

	2024					2025					
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	
Sales	523	611	588	656	2,378	557	665	993	1,068	3,283	
Services, maintenance, rentals and other	979	967	940	957	3,843	900	911	968	960	3,739	
Total Revenues	1,502	1,578	1,528	1,613	6,221	1,457	1,576	1,961	2,028	7,022	
Cost of Revenue											
Cost of sales	340	387	390	445	1,562	382	480	788	717	2,367	
Cost of services, maintenance, rentals and other	719	671	643	666	2,699	649	645	728	732	2,754	
Total Cost of Revenue	1,059	1,058	1,033	1,111	4,261	1,031	1,125	1,516	1,449	5,121	
Gross Profit											
Sales gross profit	183	224	198	211	816	175	185	205	351	916	
Services, maintenance and rentals gross profit	260	296	297	291	1,144	251	266	240	228	985	
Gross Profit	443	520	495	502	1,960	426	451	445	579	1,901	
Research, development & engineering	49	50	45	47	191	42	43	74	71	230	
Bad Debt Expense	15	10	10	7	42	9	15	9	6	39	
Selling, administrative and general exp. (Excl Bad Debts)	382	383	360	370	1,495	369	353	468	425	1,615	
Total Selling, administrative and general exp.	397	393	370	377	1,537	378	368	477	431	1,654	
Non-financing interest expense	26	31	31	31	119	33	55	80	80	248	
Aggregate Exchange losses	11	2	2	-	15	-	1	5	6	12	
All other, net	7	-	10	7	24	35	24	20	21	100	
Total Other, net	44	33	43	38	158	68	80	105	107	360	
Goodwill impairment	-	-	1,058	-	1,058	-	-	-	-	-	
Restructuring and related costs	39	12	56	5	112	(1)	10	59	(2)	66	
Amortization of intangible assets	10	10	10	43	73	10	10	30	33	83	
Divestitures	54	(3)	-	(4)	47	(4)	-	-	-	(4)	
Total Costs and Expenses	1,652	1,553	2,615	1,617	7,437	1,524	1,636	2,261	2,089	7,510	
(Loss) Income before Income Taxes	(150)	25	(1,087)	(4)	(1,216)	(67)	(60)	(300)	(61)	(488)	
Income Taxes	(37)	7	118	17	105	23	46	460	12	541	
Net (Loss) Income	(113)	18	(1,205)	(21)	(1,321)	(90)	(106)	(760)	(73)	(1,029)	
Less: Preferred stock dividends, net	(4)	(3)	(4)	(3)	(14)	(4)	(3)	(4)	(3)	(14)	
Net (Loss) Income attributable to Common Shareholders	(117)	15	(1,209)	(24)	(1,335)	(94)	(109)	(764)	(76)	(1,043)	
Preferred Dividends/	- Basic										
Other	- Diluted **										
		4	3	4	3	14	4	3	4	3	14
		4	3	4	3	14	4	3	4	3	14

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		2024					2025				
		Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Weighted Average Shares	- Basic	124	124	124	124	124	125	126	127	128	126
	- Diluted **	124	124	124	124	124	125	126	127	128	126
Earnings Per Share											
Total Basic (Loss) Earnings per Share		(0.94)	0.12	(9.71)	(0.20)	(10.75)	(0.75)	(0.87)	(6.01)	(0.60)	(8.25)
Total Diluted (Loss) Earnings per Share		(0.94)	0.11	(9.71)	(0.20)	(10.75)	(0.75)	(0.87)	(6.01)	(0.60)	(8.25)
Key Ratios - GAAP:											
Gross Margins	- Sales	35.0%	36.7%	33.7%	32.2%	34.3%	31.4%	27.8%	20.6%	32.9%	27.9%
	- Services/Maintenance/Rentals/Other	26.6%	30.6%	31.6%	30.4%	29.8%	27.9%	29.2%	24.8%	23.8%	26.3%
	- Total	29.5%	33.0%	32.4%	31.1%	31.5%	29.2%	28.6%	22.7%	28.6%	27.1%
SAG as a % of Revenue		26.4%	24.9%	24.2%	23.4%	24.7%	25.9%	23.4%	24.3%	21.3%	23.6%
Tax Rate		24.7%	28.0%	-10.9%	-425.0%	-8.6%	-34.3%	-76.7%	-153.3%	-19.7%	-110.9%
Ending Xerox Employment		18,700	18,100	17,300	16,800	16,800	16,800	16,600	26,300	24,600	24,600

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

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

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

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

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

2024					2025						
Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY		
523	611	588	656	2,378	557	665	993	1,068	3,283		
979	967	940	957	3,843	900	911	968	960	3,739		
1,502	1,578	1,528	1,613	6,221	1,457	1,576	1,961	2,028	7,022		
340	386	390	438	1,554	377	474	679	713	2,243		
683	664	643	666	2,656	647	641	716	719	2,723		
1,023	1,050	1,033	1,104	4,210	1,024	1,115	1,395	1,432	4,966		
183	225	198	218	824	180	191	314	355	1,040		
296	303	297	291	1,187	253	270	252	241	1,016		
479	528	495	509	2,011	433	461	566	596	2,056		
49	50	45	47	191	42	43	74	69	228		
15	10	10	7	42	9	15	9	6	39		
382	383	360	351	1,476	360	344	418	419	1,541		
397	393	370	358	1,518	369	359	427	425	1,580		
26	31	31	31	119	33	55	80	80	248		
11	2	2	-	15	-	1	5	6	12		
(13)	(3)	-	-	(16)	(1)	(15)	-	(1)	(17)		
24	30	33	31	118	32	41	85	85	243		
1,493	1,523	1,481	1,540	6,037	1,467	1,558	1,981	2,011	7,017		
9	55	47	73	184	(10)	18	(20)	17	5		
(2)	14	13	24	49	(6)	95	(47)	25	67		
11	41	34	49	135	(4)	(77)	27	(8)	(62)		
0.06	0.29	0.25	0.36	0.97	(0.06)	(0.64)	0.20	(0.10)	(0.60)		
-	-	-	-	-	-	-	-	-	-		
0.06	0.29	0.25	0.36	0.97	(0.06)	(0.64)	0.20	(0.10)	(0.60)		
125	126	126	127	126	126	126	129	128	126		
Key Ratios - Adjusted:											
Gross Margins	- Sales	35.0%	36.8%	33.7%	33.2%	34.7%	32.3%	28.7%	31.6%	33.2%	31.7%

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

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

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

	2024					2025				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
- Services/Maintenance/Rentals/Other	30.2%	31.3%	31.6%	30.4%	30.9%	28.1%	29.6%	26.0%	25.1%	27.2%
- Total	31.9%	33.5%	32.4%	31.6%	32.3%	29.7%	29.3%	28.9%	29.4%	29.3%
Adjusted Operating Margin	-6.2%	5.4%	6.4%	6.4%	4.9%	1.5%	3.7%	3.3%	5.0%	3.5%
SAG as a % of Revenue	26.4%	24.9%	24.2%	22.2%	24.4%	25.3%	22.8%	21.8%	21.0%	22.5%
Adjusted Effective Tax Rate	-22.2%	25.5%	27.7%	32.9%	26.6%	60.0%	527.8%	235.0%	147.1%	1340.0%
Non-GAAP Adjustments:										
Goodwill Impairment	-	-	1,058	-	1,058	-	-	-	-	-
Restructuring and related costs	39	12	56	5	112	(1)	10	59	(2)	66
Amortization of intangible assets	10	10	10	43	73	10	10	30	33	83
Non-service retirement-related costs	23	26	25	6	80	18	19	20	21	78
Transaction and related costs	-	-	-	7	7	3	6	47	3	59
Reinvention costs	-	-	-	12	12	6	3	3	5	17
Purchase accounting adjustments to fixed assets	-	-	-	-	-	-	-	16	13	29
Purchase accounting adjustments to inventory	-	-	-	-	-	-	-	102	-	102
Loss (Gain) on extinguishment of debt	(3)	-	-	1	(2)	-	4	-	1	5
Divestitures	54	(3)	-	(4)	47	(4)	-	-	-	(4)
Commitment Fee expense	-	-	-	-	-	18	4	-	-	22
Insurance Settlement	-	(23)	(15)	-	(38)	-	-	-	-	-
Escrow interest	-	-	-	-	-	-	12	-	-	12
Inventory impact related to the exit of certain Production Print manufacturing operations	36	8	-	7	51	7	10	3	4	24
Tax on adjusted items	(35)	(7)	105	(7)	56	29	(49)	507	(13)	474
Total Non-GAAP Adjustments	124	23	1,239	70	1,456	86	29	787	65	967

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

Xerox Holdings Financial Model
(unaudited)

(in \$ millions)	2024					2025					2025 QOQ CC % Change	2025 YOY CC % Change
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q4	FY
Revenue												
Entry	45	56	53	60	214	43	51	119	168	381	180.3%	77.2%
Mid-range	193	235	224	260	912	198	235	222	258	913	(2.3)%	(50.0)%
High-end	47	60	57	68	232	40	44	39	52	175	(24.6)%	(25.2)%
Other	5	5	5	5	20	3	6	3	7	19	40.0%	(5.0)%
Total Equipment Revenue	290	356	339	393	1,378	284	336	383	485	1,488	21.1%	7.1%
Installs												
Entry												
Color	(37)%	(13)%	(4)%	20%	(11)%	18%	(4)%	(0)%	(4)%	2%		
B&W	(47)%	(9)%	34%	31%	(2)%	39%	(18)%	(38)%	(8)%	(12)%		
Mid-range												
Color	(18)%	(12)%	3%	5%	(5)%	11%	0%	2%	(21)%	(4)%		
B&W	(28)%	(29)%	(11)%	(5)%	(19)%	(11)%	(23)%	(17)%	(23)%	(19)%		
High-end												
Color	(42)%	(22)%	(22)%	(13)%	(25)%	(19)%	(16)%	(31)%	(21)%	(22)%		
B&W	(22)%	(24)%	29%	(42)%	(15)%	(67)%	(73)%	(97)%	(83)%	(83)%		

Notes:

CC = Constant Currency