Earnings Presentation

Q1 2021 Results

April 20, 2021

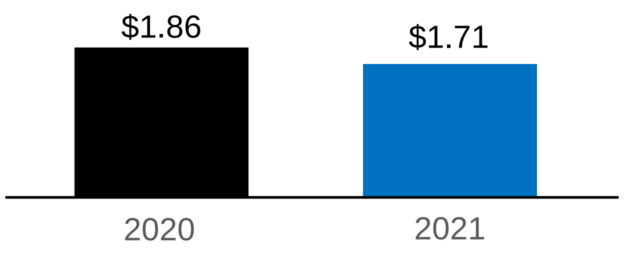
Forward-Looking Statements

This presentation, and other written or oral statements made from time to time by management contain “forward-looking statements” as defined in the Private Securities Litigation Reform Act of 1995. The words “anticipate”, “believe”, “estimate”, “expect”, “intend”, “will”, “should”, "targeting", "projecting", "driving" and similar expressions, as they relate to us, our performance and/or our technology, are intended to identify forward-looking statements. These statements reflect management’s current beliefs, assumptions and expectations and are subject to a number of factors that may cause actual results to differ materially. Such factors include but are not limited to: the effects of the COVID-19 pandemic on our and our customers' businesses and the duration and extent to which this will impact our future results of operations and overall financial performance; our ability to address our business challenges in order to reverse revenue declines, reduce costs and increase productivity so that we can invest in and grow our business; our ability to attract and retain key personnel; changes in economic and political conditions, trade protection measures, licensing requirements and tax laws in the United States and in the foreign countries in which we do business; the imposition of new or incremental trade protection measures such as tariffs and import or export restrictions; changes in foreign currency exchange rates; our ability to successfully develop new products, technologies and service offerings and to protect our intellectual property rights; the risk that multi-year contracts with governmental entities could be terminated prior to the end of the contract term and that civil or criminal penalties and administrative sanctions could be imposed on us if we fail to comply with the terms of such contracts and applicable law; the risk that partners, subcontractors and software vendors will not perform in a timely, quality manner; actions of competitors and our ability to promptly and effectively react to changing technologies and customer expectations; our ability to obtain adequate pricing for our products and services and to maintain and improve cost efficiency of operations, including savings from restructuring actions; the risk that confidential and/or individually identifiable information of ours, our customers, clients and employees could be inadvertently disclosed or disclosed as a result of a breach of our security systems due to cyber attacks or other intentional acts; reliance on third parties, including subcontractors, for manufacturing of products and provision of services; the exit of the United Kingdom from the European Union; our ability to manage changes in the printing environment and expand equipment placements; interest rates, cost of borrowing and access to credit markets; funding requirements associated with our employee pension and retiree health benefit plans; the risk that our operations and products may not comply with applicable worldwide regulatory requirements, particularly environmental regulations and directives and anti-corruption laws; the outcome of litigation and regulatory proceedings to which we may be a party; any impacts resulting from the restructuring of our relationship with Fujifilm Holdings Corporation; and the shared services arrangements entered into by us as part of Project Own It. Additional risks that may affect Xerox’s operations and other factors that are set forth in the “Risk Factors” section, the “Legal Proceedings” section, the “Management’s Discussion and Analysis of Financial Condition and Results of Operations” section and other sections of Xerox Holdings Corporation’s and Xerox Corporation’s combined 2020 Annual Report on Form 10-K, as well as in Xerox Holdings Corporation's and Xerox Corporation's Quarterly Reports on Form 10-Q and Current Reports on Form 8-K filed with the SEC.

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

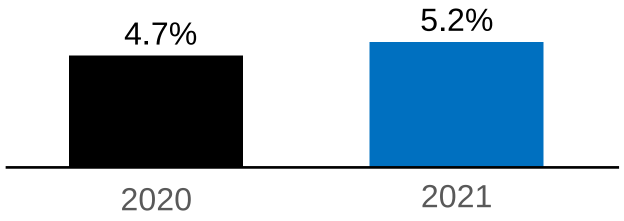
Q1 2021 Key Financial Measures

Revenue ($B)

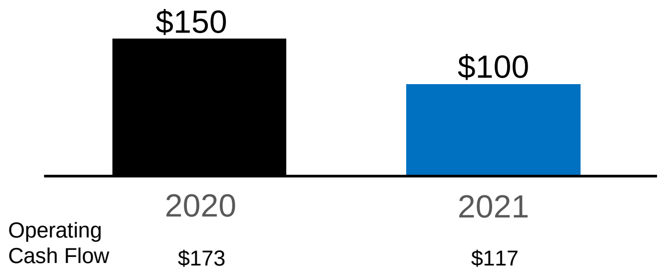


2021 % Change: (8.1)% @ AC, (10.4)% @ CC[1]

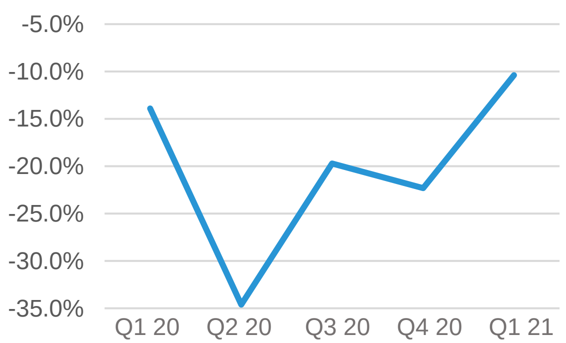
Adj[1] Operating Margin



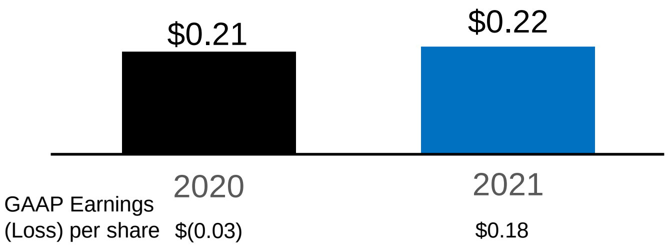
Free Cash Flow[1] ($M)



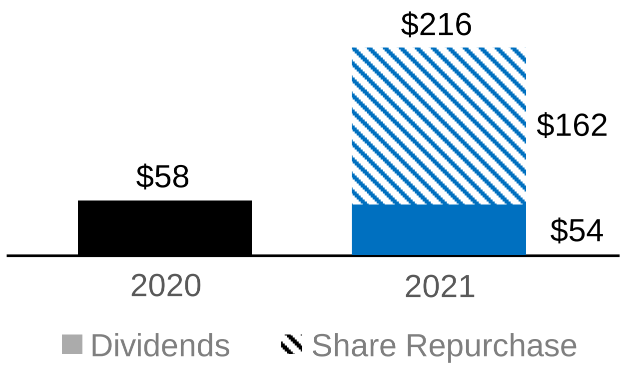
Revenue Trend[1]



Adj[1] Earnings Per Share



Shareholder Returns ($M)



NOTE 1: The financial results presented in these slides are from continuing operations and exclude the results of FUJIFILM Business Innovation Corp. (formerly Fuji Xerox Co., Ltd.) (“FX”) equity income and XIP, which were presented as discontinued operations in our 2019 10-K, and our 2020 10-Q and 10-K filings with the SEC.

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

Strategic Initiatives to Transform Xerox

Optimize operations for simplicity

- Continuously improve our operating model for greater efficiency
- Invest in augmented reality and analytics to drive efficiencies
- Reduce complexity and simplify billing and offerings

Drive revenue

- Expand software offerings to transform the service experience
- Scale IT Services & launch robotic process automation in the SMB
- Grow XFS as a global payment solutions business

Re-energize the innovation engine

- Commercialize 3D and IoT solutions
- Launch a $250 million corporate venture capital fund
- Embed PARC's AI technology into new and existing software offerings

Focus on cash flow and increasing capital returns

- Generate at least $500 million of free cash flow[1]
- Deploy excess capital for strategic M&A
- Opportunistic share repurchases

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

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Frequently Asked Questions

Global Macro	**How do you expect the global macro environment to impact your business in 2021?** We have witnessed a correlation between COVID vaccine distribution, businesses coming back to the office and increased page volumes. Our strong performance in Q1 Equipment sales across our portfolio provides us with continued confidence in our return to growth in 2021. On the macro front, we are seeing modest supply side constraints, partly from global semiconductor, shipping, and labor/production shortages, but also as a result of improving demand.
Guidance	**With one quarter of the year completed, have there been any adjustments to guidance?** We are maintaining 2021 guidance of at least $7.2 billion in revenue and at least $500 million in free cash flow[1]. During Q1, strong Equipment revenue was offset by light Post Sale revenue, impacted by lower page volumes year-over-year. We are confident in our ability to grow Print and adjacencies such as IT Services, which grew for the third consecutive quarter, and Software. We are focused on managing cash while protecting growth investments that are reflected in our guidance.
Operating Margin	**What are normalized long-term adjusted operating margins for Xerox?** We expect 2021 adjusted operating margins to improve in aggregate throughout the year and to be higher than the 6.6% achieved in 2020. This will result from revenue growth and $375 million of targeted gross cost savings from Project Own It, partially offset by investments in growth initiatives and 2020 one-time benefits. We will continue to manage our expense profile beyond 2021 and expect long-term adjusted operating margins for our print business to grow.
Business Strategy	**What progress have you made in standing up XFS, Software, and Innovation?** We are accelerating the timeline to complete these actions in calendar 2021. In the coming quarters, we will be providing financial metrics and KPI's for each business – such as loan originations for XFS. We are confident in the future of our company and execution of our strategy to drive revenue and grow cash flow for the long-term, which is reflected in our share repurchase at 162% of free cash flow[1] in the first quarter.

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

Financial Results Summary

(in millions, except per share data)

P&L Measures	Q1 2021	B/(W) YOY	% Change YOY
Revenue	$ 1,710	$ (150)	(8.1)% AC (10.4)% CC[1]
Operating Income – Adjusted[1]	$ 89	$ 2	2.3%
Other Expenses, net	$ 4	$ 19	NM
Net Income	$ 39	$ 41	NM
Net Income – Adjusted[1]	$ 47	$ (3)	(6.0)%
GAAP Earnings Per Share	$ 0.18	$ 0.21	NM
EPS – Adjusted[1]	$ 0.22	$ 0.01	4.8%

P&L Ratios	Q1 2021	B/(W) YOY
Gross Margin	35.7%	(260) bps
RD&E %	4.3%	20 bps
SAG %	26.2%	290 bps
Operating Margin – Adjusted[1]	5.2%	50 bps
Tax Rate – Adjusted[1]	27.7%	170 bps

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

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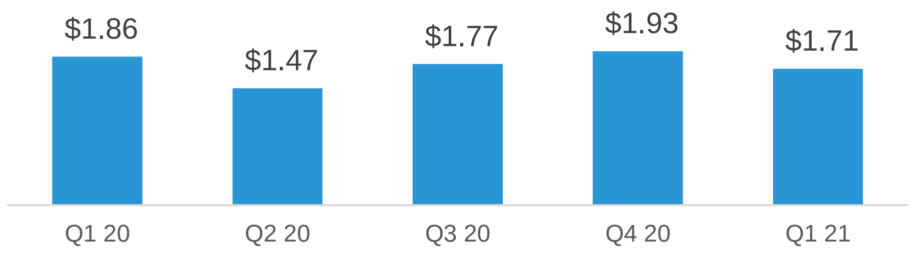
Revenue

			% Change YOY	
(in millions)	Q1 2021	% Mix	AC	CC[1]
Equipment	$ 381	22%	17.2%	14.2%
Post Sale	$ 1,329	78%	(13.4)%	(15.6)%
Total Revenue	$ 1,710	100%	(8.1)%	(10.4)%
Americas	1,076	63%	(13.2)%	(13.4)%
EMEA	587	34%	2.1%	(4.6)%
Other[2]	47	3%	2.2%	2.2%

Quarterly Revenue Trend ($B)



YOY Change (CC[1]):
(13.9)% (34.6)% (19.7)% (22.3)% (10.4)%

Installs[3] B/(W) YOY

	Q1 2021	
	Color	B&W
Entry A4 MFPs	9%	97%
Mid-Range	11%	13%
High-End	46%	18%

[1] Constant Currency (CC): see Non-GAAP Financial Measures. [2] Other total revenue includes sales to FX and licensing. [3] Mid-Range and High-End color installations exclude FX digital front-end sales.

Cash Flow

(in millions)	Q1 2021	Q1 2020
Pre-tax Income (Loss)	$ 53	$ (5)
Non-Cash Add-Backs[1]	143	237
Restructuring Payments	(27)	(35)
Pension Contributions	(35)	(33)
Working Capital, net[2]	43	91
Change in Finance Assets[3]	9	61
Other[4]	(69)	(143)
Cash from Operations	$ 117	$ 173
Cash used in Investing	$ (17)	$ (214)
Cash used in Financing	$ (318)	$ (60)
Ending Cash, Cash Equivalents and Restricted Cash[5]	$ 2,461	$ 2,665
Free Cash Flow[6]	$ 100	$ 150

[1] Non-cash add-backs include depreciation & amortization (including equipment on operating lease), provisions, stock-based compensation, defined benefit pension expense, restructuring and asset impairment charges and gain on sales of businesses and assets. [2] Working Capital, net includes accounts receivable, accounts payable and inventory. [3] Includes equipment on operating leases (excluding its related depreciation) and finance receivables. [4] Includes other current and long-term assets and liabilities, accrued compensation, derivative assets and liabilities, other operating, net, distributions from net income of unconsolidated affiliates and taxes. [5] Includes restricted cash of $82M in Q1 2021 and $43M in Q1 2020. [6] Free Cash Flow: see Non-GAAP Financial Measures.

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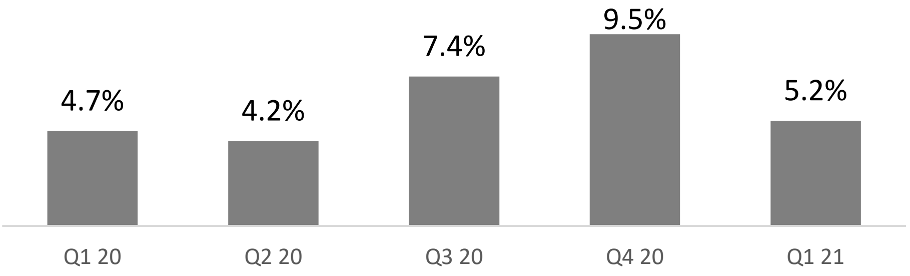
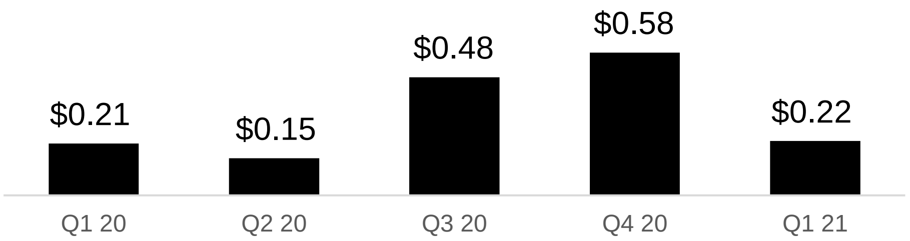
Profitability and Earnings

Adjusted[1] Operating Margin

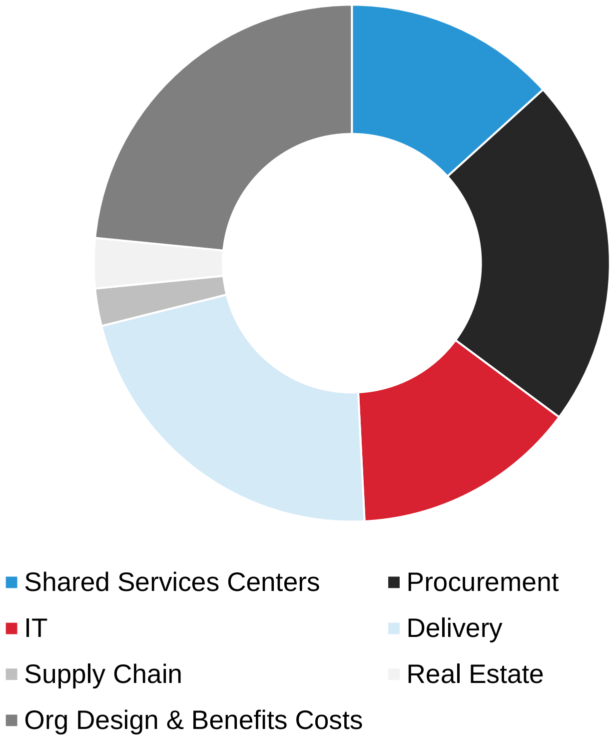


Adjusted[1] EPS



GAAP EPS:	$(0.03)	$0.11	$0.41	$0.36	$0.18

Project Own It



- Project Own It is a multi-year program to simplify our operations and instill a culture of continuous improvement
- Achieved ~$1.4B of gross cost savings through 2020 since inception
- On track to achieve targeted $375M gross cost savings in 2021

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

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Xerox Financial Services (XFS)

XFS Strategy

- Create a global leasing solutions business serving technology, office equipment and adjacent markets
- Growth will be driven by expanding the portfolio, offering vendor financing for a broader array of partner office solutions, software and IT services and OEM partnerships. Xerox recently announced its first partner, Lexmark.

XFS Portfolio

- XFS assets: $3.4 billion as of March 31, 2021
- Leases managed: Over 700,000 equipment leases
- Customers served: ~150,000, diverse portfolio across geographies and industries
- Annualized loss rates: historically less than 1.5% of portfolio

Assets and Debt

(in millions)	Q1 2021	Q4 2020
Equipment on Operating Leases	$ 0.3	$ 0.3
Finance Receivables	3.1	3.2
Total Finance Assets	**$ 3.4**	**$ 3.5**
XFS Debt	**$ 2.9**	**$ 3.0**

Leverage

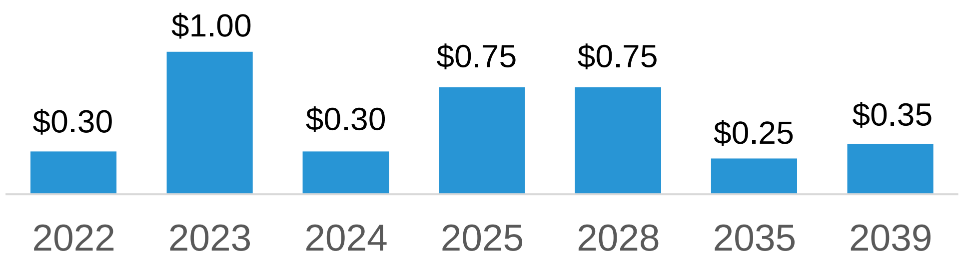
- XFS Debt allocated on a 7:1 ratio of debt to equity on finance assets
- $2.23 billion of senior unsecured debt and approximately $670 million of securitization allocated to XFS as of March 31, 2021
- Increased securitization to improve future cost of debt

Capital Structure

Debt and Cash

(in billions)	Q1 2021	Q4 2020
Total Debt	$ (4.4)	$ (4.4)
Less: XFS debt	2.9	3.0
Core Debt[1]	(1.5)	(1.4)
Less: Cash[2]	2.5	2.7
Net Core Cash	$ 1.0	$ 1.3

Senior Unsecured Debt Maturity Ladder ($B)[3]



- Ending net core cash of $1.0B, nets core debt of $1.5B with ending cash of $2.5B.
- A balanced debt maturity ladder is maintained; near-term bonds allocated to XFS and longer-term bonds support corporate strategy. No senior unsecured debt maturities in 2021; $300 million to mature in 2022.

[1] Q1 2021 core debt includes rounder of $(0.1).
[2] Cash, cash equivalents and restricted cash.
[3] Debt payable in 2025 and 2028 were issued by Xerox Holdings Corporation, remaining debt issued by Xerox Corporation.

Summary and 2021 Guidance

Full-Year Guidance

- **Revenue** (CC)[1]**:** At least $7.2B, ~2.5% growth
- **Free Cash Flow**[1]**:** At least $500M
- **Shareholder Returns:** At least 50% of annual Free Cash Flow[1]

In 2021, our four strategic initiatives—optimize operations for simplicity, drive revenue, reenergize the innovation engine and focus on cash flow and increasing capital returns—remain at the center of what we do to deliver results for all stakeholders.

While COVID-19 is still impacting the global economy, our 2021 model assumes a modest economic recovery as the year progresses and continued execution of our growth strategy, which gives us confidence in our full-year guidance.

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

Appendix

Operating Trends – Continuing Operations

(in millions, except EPS)	2019 FY	2020 Q1	2020 Q2	2020 Q3	2020 Q4	2020 FY	2021 Q1
Total Revenue	**$9,066**	**$1,860**	**$1,465**	**$1,767**	**$1,930**	**$7,022**	**$1,710**
% Change	*(6.2)%*	*(14.7)%*	*(35.3)%*	*(18.9)%*	*(21.0)%*	*(22.5)%*	*(8.1)%*
CC[1] % Change	*(4.7)%*	*(13.9)%*	*(34.6)%*	*(19.7)%*	*(22.3)%*	*(22.7)%*	*(10.4)%*
Adj[1] Operating Margin	13.1%	4.7%	4.2%	7.4%	9.5%	6.6%	5.2%
GAAP EPS (Loss)	$2.78	$(0.03)	$0.11	$0.41	$0.36	$0.84	$0.18
Adj[1] EPS	$3.55	$0.21	$0.15	$0.48	$0.58	$1.41	$0.22
Operating Cash Flow	$1,244	$173	$34	$106	$235	$548	$117
Free Cash Flow[1]	$1,179	$150	$15	$88	$221	$474	$100

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

Non-GAAP Financial Measures

Non-GAAP Financial Measures

We have reported our financial results in accordance with generally accepted accounting principles (GAAP). In addition, we have discussed our financial results using the non-GAAP measures described below. We believe these non-GAAP measures allow investors to better understand the trends in our business and to better understand and compare our results. Accordingly, we believe it is necessary to adjust several reported amounts, determined in accordance with GAAP, to exclude the effects of certain items as well as their related income tax effects.

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

These non-GAAP financial measures should be viewed in addition to, and not as a substitute for, the company's reported results prepared in accordance with GAAP.

Adjusted Earnings Measures
- Net Income (Loss) and Earnings (Loss) per share (EPS)
- 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-GAAP Financial Measures (cont'd)

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

- *Non-service retirement-related costs:* Our defined benefit pension and retiree health costs include several elements impacted by changes in plan assets and obligations that are primarily driven by changes in the debt and equity markets as well as those that are predominantly legacy in nature and related to employees who are no longer providing current service to the company (e.g. retirees and ex-employees). These elements include (i) interest cost, (ii) expected return on plan assets, (iii) amortization of prior plan amendments, (iv) amortized actuarial gains/losses and (v) the impacts of any plan settlements/curtailments. Accordingly, we consider these elements of our periodic retirement plan costs to be outside the operational performance of the business or legacy costs and not necessarily indicative of current or future cash flow requirements. This approach is consistent with the classification of these costs as non-operating in other expenses, net. Adjusted earnings will continue to include the service cost elements of our retirement costs, which is related to current employee service as well as the cost of our defined contribution plans.

- *Other discrete, unusual or infrequent items:* We excluded the following items given their discrete, unusual or infrequent nature and their impact on our results for the period:

    - Contract termination costs - IT services,
    - Loss on early extinguishment of debt, and
    - US Tax Act.

We believe the exclusion of these items allows investors to better understand and analyze the results for the period as compared to prior periods and expected future trends in our business.

Non-GAAP Financial Measures (cont'd)

Adjusted Operating Income and Margin
We calculate and utilize adjusted operating income and margin measures by adjusting our reported pre-tax income and margin amounts. In addition to the costs and expenses noted as adjustments for our Adjusted Earnings measures, adjusted operating income and margin also exclude the remaining amounts included in Other expenses, net, which are primarily non-financing interest expense and certain other non-operating costs and expenses. We exclude these amounts in order to evaluate our current and past operating performance and to better understand the expected future trends in our business.

Constant Currency
To better understand trends in our business, we believe that it is helpful to adjust revenue to exclude the impact of changes in the translation of foreign currencies into U.S. dollars. We refer to this adjusted revenue as "constant currency." This impact is calculated by translating current period activity in local currency using the comparable prior year period's currency translation rate. This impact is calculated for all countries where the functional currency is not the U.S. dollar. Management believes the constant currency measure provides investors an additional perspective on revenue trends. Currency impact can be determined as the difference between actual growth rates and constant currency growth rates.

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

Summary:
Management believes that all of these non-GAAP financial measures provide an additional means of analyzing the current period's results against the corresponding prior period's results. However, these non-GAAP financial measures should be viewed in addition to, and not as a substitute for, the company's reported results prepared in accordance with GAAP. Our non-GAAP financial measures are not meant to be considered in isolation or as a substitute for comparable GAAP measures and should be read only in conjunction with our consolidated financial statements prepared in accordance with GAAP. Our management regularly uses our supplemental non-GAAP financial measures internally to understand, manage and evaluate our business and make operating decisions. These non-GAAP measures are among the primary factors management uses in planning for and forecasting future periods. Compensation of our executives is based in part on the performance of our business based on these non-GAAP measures.

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

Net Income (Loss) and EPS reconciliation

(in millions, except per share amounts)	Three Months Ended March 31, 2021 Net Income	Three Months Ended March 31, 2021 EPS	Three Months Ended March 31, 2020 Net (Loss) Income	Three Months Ended March 31, 2020 EPS
Reported[1]	$ 39	$ 0.18	$ (2)	$ (0.03)
Adjustments:				
Restructuring and related costs, net	17		41	
Amortization of intangible assets	15		11	
Transaction and related costs, net	-		17	
Non-service retirement-related costs	(20)		1	
Contract termination costs – IT services	-		3	
Income tax on adjustments[2]	(4)		(21)	
Adjusted	$ 47	$ 0.22	$ 50	$ 0.21
Dividends on preferred stock used in adjusted EPS calculation[3]	-	$ 4	-	$ 4
Weighted average shares for adjusted EPS[3]		198		216
Fully diluted shares at March 31, 2021[4]		194		

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

(2) Refer to Effective Tax Rate reconciliation.

(3) Average shares for the calculation of adjusted diluted EPS for the three months ended March 31, 2021 and 2020, excludes 7 million shares associated with our Series A convertible preferred stock and therefore earnings includes the preferred stock dividend. In addition, adjusted diluted EPS shares for 2020 include 4 million shares for potential dilutive common shares, which are not in the GAAP EPS calculation since it was a loss.

(4) Represents common shares outstanding plus potential dilutive common shares at March 31, 2021.

Effective Tax Rate reconciliation

(in millions)	Three Months Ended March 31, 2021			Three Months Ended March 31, 2020		
	Pre-Tax Income	Income Tax Expense	Effective Tax Rate	Pre-Tax (Loss) Income	Income Tax (Benefit) Expense	Effective Tax Rate
Reported[(1)]	$ 53	$ 14	26.4%	$ (5)	$ (1)	20.0%
Non-GAAP Adjustments[(2)]	12	4		73	21	
Adjusted[(3)]	$ 65	$ 18	27.7%	$ 68	$ 20	29.4%

(1) Pre-tax income (loss) and income tax expense (benefit).

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

(3) The tax impact on Adjusted Pre-Tax Income (Loss) is calculated under the same accounting principles applied to the Reported Pre-Tax Income (Loss) under ASC 740, which employs an annual effective tax rate method to the results.

Operating Income and Margin reconciliation

	Three Months Ended March 31, 2021			Three Months Ended March 31, 2020		
(in millions)	Profit	Revenue	Margin	(Loss) Profit	Revenue	Margin
Reported [(1)]	$ 53	$ 1,710	3.1%	$ (5)	$ 1,860	(0.3)%
Adjustments:						
Restructuring and related costs, net	17			41		
Amortization of intangible assets	15			11		
Transaction and related costs, net	-			17		
Other expenses, net	4			23		
Adjusted	$ 89	$ 1,710	5.2%	$ 87	$ 1,860	4.7%

(1) Pre-tax Income (Loss).

Free Cash Flow reconciliation

	Three Months Ended March 31,		
(in millions)	2021	2020	Change
Reported [1]	$ 117	$ 173	$ (56)
Capital expenditures	(17)	(23)	6
Free Cash Flow	$ 100	$ 150	$ (50)

[1] Net cash provided by operating activities.

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Other Expenses, Net reconciliation

	Three Months Ended March 31,	
(in millions)	2021	2020
Reported	**$ 4**	**$ 23**
Less: Non-service retirement-related costs	(20)	1
Less: Contract termination costs – IT services	-	3
Adjusted	**$ 24**	**$ 19**

Free Cash Flow – Guidance

(in millions)	FY 2021
Operating Cash Flow[1]	At least $600
Less: Capital expenditures	(100)
Free Cash Flow	At least $500

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

Net Income (Loss) and EPS reconciliation – historical

(in millions, except per share amounts)	Year Ended December 31, 2019 Net Income	Year Ended December 31, 2019 EPS	Q1-20 Net (Loss) Income	Q1-20 EPS	Q2-20 Net Income	Q2-20 EPS	Q3-20 Net Income	Q3-20 EPS	Q4-20 Net Income	Q4-20 EPS	Year Ended December 31, 2020 Net Income	Year Ended December 31, 2020 EPS
Reported [1]	$ 648	$ 2.78	$ (2)	$ (0.03)	$ 27	$ 0.11	$ 90	$ 0.41	$ 77	$ 0.36	$ 192	$ 0.84
Restructuring and related costs, net	229		41		3		20		29		93	
Amortization of intangible assets	45		11		10		13		22		56	
Transaction and related costs, net	12		17		7		(6)		-		18	
Non-service retirement-related costs	18		1		(8)		(13)		(9)		(29)	
Loss on early extinguishment of debt	-		-		-		-		26		26	
Contract termination costs - IT services	(12)		3		-		-		-		3	
Income tax on adjustments	(77)		(21)		(3)		1		(23)		(46)	
US Tax Act	(35)		-		-		-		-		-	
Adjusted	$ 828	$ 3.55	$ 50	$ 0.21	$ 36	$ 0.15	$ 105	$ 0.48	$ 122	$ 0.58	$ 313	$ 1.41
Dividends on preferred stock used in adjusted EPS calculation[2]		$ -		$ 4		$ 3		$ 4		$ -		$ 14
Weighted average shares for adjusted EPS [2]		233		216		216		213		209		211

[1] Net Income (Loss) and EPS from continuing operations attributable to Xerox Holdings.

[2] 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 convertible preferred stock, as applicable. In addition, adjusted diluted EPS shares for 2020 include 4 million shares for potential dilutive common shares, which are not in the GAAP EPS calculation since it was a loss.

Operating Income and Margin reconciliation – historical

(in millions)	Year Ended December 31, 2019 Profit	Year Ended December 31, 2019 Revenue	Year Ended December 31, 2019 Margin	Q1-20 (Loss) Profit	Q1-20 Revenue	Q1-20 Margin	Q2-20 Profit	Q2-20 Revenue	Q2-20 Margin	Q3-20 Profit	Q3-20 Revenue	Q3-20 Margin	Q4-20 Profit	Q4-20 Revenue	Q4-20 Margin	Year Ended December 31, 2020 Profit	Year Ended December 31, 2020 Revenue	Year Ended December 31, 2020 Margin
Reported [1]	$ 822	$ 9,066	9.1%	$ (5)	$ 1,860	(0.3%)	$ 35	$ 1,465	2.4%	$ 119	$ 1,767	6.7%	$ 103	$ 1,930	5.3%	$ 252	$ 7,022	3.6%
Adjustments:																		
Restructuring and related costs, net	229			41			3			20			29			93		
Amortization of intangible assets	45			11			10			13			22			56		
Transaction and related costs, net	12			17			7			(6)			-			18		
Other expenses, net	84			23			7			(15)			30			45		
Adjusted	$ 1,192	$ 9,066	13.1%	$ 87	$ 1,860	4.7%	$ 62	$ 1,465	4.2%	$ 131	$ 1,767	7.4%	$ 184	$ 1,930	9.5%	$ 464	$ 7,022	6.6%

[1] *Pre-Tax Income (Loss) and revenue from continuing operations.*

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Free Cash Flow reconciliation – historical

(in millions, except per share amounts)	Year Ended December 31, 2019	Q1-20	Q2-20	Q3-20	Q4-20	Year Ended December 31, 2020
Reported [1]	$ 1,244	$ 173	$ 34	$ 106	$ 235	$ 548
Capital expenditures	(65)	(23)	(19)	(18)	(14)	(74)
Free Cash Flow from Continuing Operations	$ 1,179	$ 150	$ 15	$ 88	$ 221	$ 474

[1] Net cash provided by operating activities from continuing operations.

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