Xerox Holdings Corp.

Strategic and Financial Overview

August 2024

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: Global macroeconomic conditions, including inflation, slower growth or recession, delays or disruptions in the global supply chain, higher interest rates, and wars and other conflicts, including the current conflict between Russia and Ukraine; our ability to succeed in a competitive environment, including by developing new products and service offerings and preserving our existing products and market share as well as repositioning our business in the face of customer preference, technological, and other change, such as evolving return-to-office and hybrid working trends; failure of our customers, vendors, and logistics partners to perform their contractual obligations to us; our ability to attract, train, and retain key personnel; execution risks around our Reinvention; the risk of breaches of our security systems due to cyber, malware, or other intentional attacks that could expose us to liability, litigation, regulatory action or damage our reputation; our ability to obtain adequate pricing for our products and services and to maintain and improve our cost structure; changes in economic and political conditions, trade protection measures, licensing requirements, and tax laws in the United States and in the foreign countries in which we do business; the risk that multi-year contracts with governmental entities could be terminated prior to the end of the contract term and that civil or criminal penalties and administrative sanctions could be imposed on us if we fail to comply with the terms of such contracts and applicable law; interest rates, cost of borrowing, and access to credit markets; risks related to our indebtedness; the imposition of new or incremental trade protection measures such as tariffs and import or export restrictions; funding requirements associated with our employee pension and retiree health benefit plans; changes in foreign currency exchange rates; the risk that our operations and products may not comply with applicable worldwide regulatory requirements, particularly environmental regulations and directives and anti-corruption laws; the outcome of litigation and regulatory proceedings to which we may be a party; laws, regulations, international agreements and other initiatives to limit greenhouse gas emissions or relating to climate change, as well as the physical effects of climate change; and other factors as set forth from time to time in the Company’s Securities and Exchange Commission filings, including the Company’s Annual Report on Form 10-K for the year ended December 31, 2023.

The Company intends these forward-looking statements to speak only as of the date of this presentation and does not undertake to update or revise them as more information becomes available, except as required by law.

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Why Invest in Xerox?

Reinvention expected to drive sustainably higher profits and improved revenue mix

Targets Entering 2027

• $300 million adj.[1] operating income improvement over 2023 levels • Return to double-digit adj.[1] operating income margin	>20% of revenue from Digital & IT Services

- Adj.[1] operating income improvement driven by end-to-end organizational and structural simplification
- Revenue mix improvement driven by investments in organic and inorganic growth

+

Valuation support from dividend yield and expected growth in adjusted profits/FCF

Today	FY 2026 Target	
~10% dividend yield[2]	Adjusted[1] EPS	>$3/Share
	Adjusted[1] EBITDA	>$900 million
	Cumulative (3-yr) Free Cash Flow[1]	>$1.5 billion

- Investors can benefit from a strong dividend yield as the Reinvention progresses

1) Adjusted measures and Free Cash Flow: see Non-GAAP Financial Measures.
2) As of 8/14//24.

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Reinvention Journey To-Date

Reinvention is a multi-year strategy to drive long-term, sustainable growth in profits and cash flow through structural simplification, continuous operating efficiencies and improvements in the Core business; cash flow earmarked for debt reduction and investments in Digital and IT Services

- **Jan 2023** – Repayment of 2023 Senior Notes
- **Mar 2023** – Donated PARC to SRI International
- **Jul/Aug 2023** – Sold Xerox Research Centre of Canada (XRCC) and Elem Additive Solutions (3D Printing) in July/August, respectively
- **Sept 2023** – Expanded agreement with PEAC Solutions, effectively returning XFS to a captive-only financing business
- **Sept 2023** – Completed repurchase of shares held by Carl Icahn and Affiliates
- **Oct 2023** – Publicly announced Reinvention, with 3-year adj.[1] operating income improvement target of $300M[2] (2023-26E) and double-digit adj.[1] operating income margin in 2026
- **Jan-Mar 2024** – Established Global Business Services (GBS) to drive efficiency and productivity gains by coordinating internal processes
- **Jan-Mar 2024** – Company-wide reorganization, including shift to business unit-led operating model
- **Mar 2024** – Sold direct operations in Argentina and Chile
- **Mar 2024** – Redeemed a portion of 2024 and 2025 Senior Notes through refinancing transaction
- **Apr 2024** – Announced decision to cease manufacturing of certain Production equipment
- **Apr 2024** – Repaid remaining 2024 Senior Notes
- **Apr 2024** – Expanded ABL facility by $125 million
- **Apr-Jun 2024** – Signed agreements to transform operations through technology-led process improvements
- **July 2024** – Sold direct operations in Peru and Ecuador

Reinvention Actions

- Reinvention enablers
- Organizational simplification
- Geographic simplification
- Offering Simplification
- Reduce debt / Improve liquidity

[1] Adjusted measures and Free Cash Flow: see Non-GAAP Financial Measures. [2] Expected savings through 2026 identified as of Q2 2024, inclusive of more than $100 million of savings realized in 2023

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Reinvention: Financial Algorithm

Savings Unlocks and Q2 Progress

Geographic Simplification

- Transitioned Ecuador/Peru to indirect distribution model
- Evaluating optimal mix of direct versus indirect distribution, by country, across Western and Eastern Europe

Offering Simplification

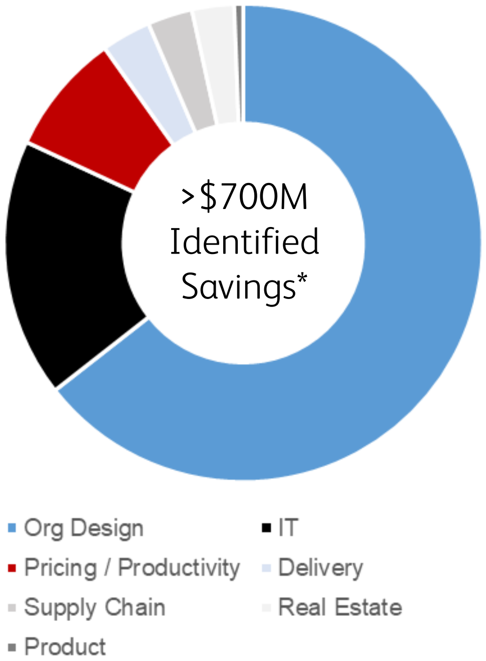
- Consolidated Production manufacturing globally
- Evaluating optimal alignment of product portfolio by client segment and route to market

Operating Model Simplification

- Executed first phase of Global Business Services roadmap
- Signed agreements to transform operations through technology-led process improvements
- Redesigned transportation network

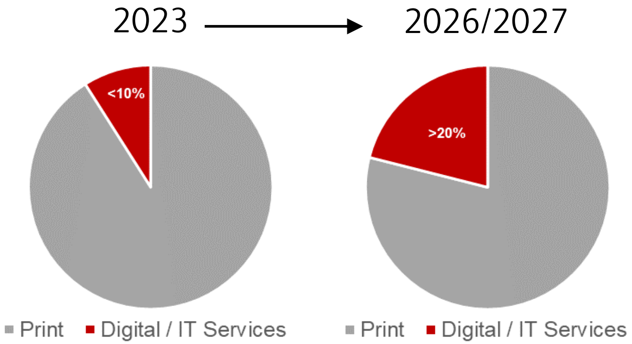
Geographic and offering simplification will result in short-term reductions in revenue and gross profit as actions are implemented. Gross profit reductions are expected to be more than offset by associated reductions in overhead expenses over time.

Estimated Gross Cost Savings



*Expected savings through 2026 identified as of Q2 2024, inclusive of more than $100 million of savings realized in 2023.

Estimated Revenue Mix Shift



Drivers of Digital & IT Services Revenue

- Organic growth, driven by healthy underlying rates of market growth and cross-sales opportunities to new and existing Print clients
- Inorganic growth, through opportunistic tuck-in acquisitions

Expected >$300 million in adjusted[1] operating income improvement

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

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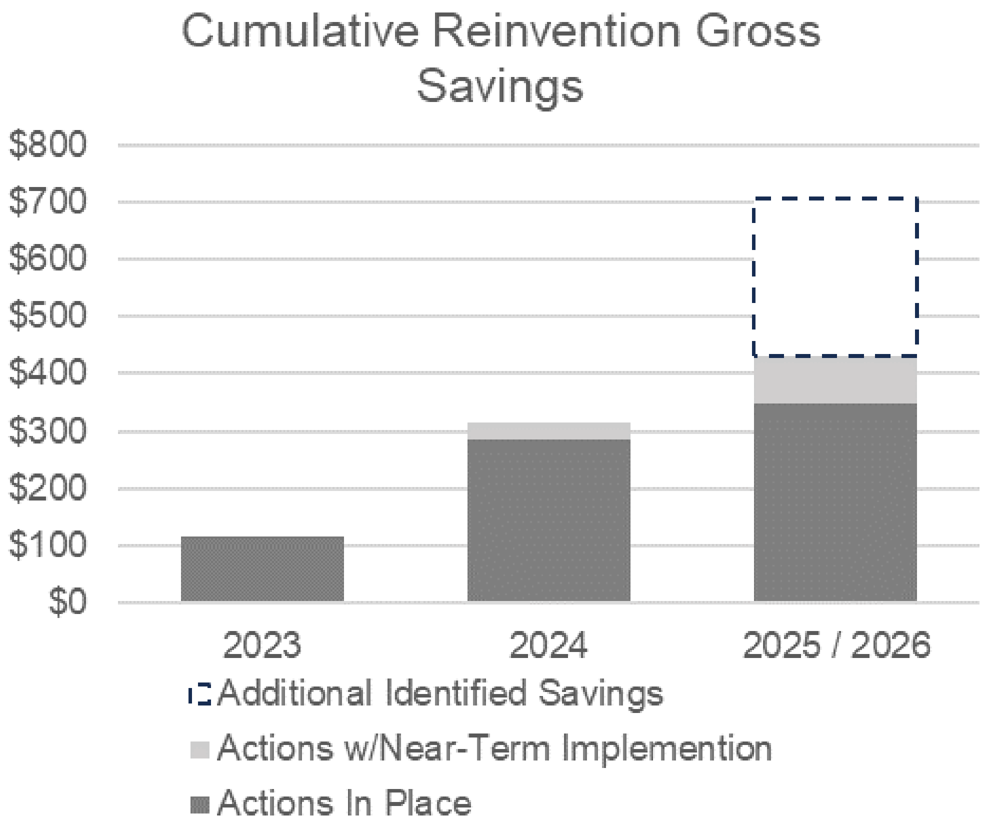
Reinvention: Financial Implications

Estimated Reinvention Gross Cost Savings



Targeted Reinvention Outcomes (2026)*

Adjusted[1] EPS: >$3.00

Adjusted[1] EBITDA: >$900 million

Cumulative FCF[1]: >$1.5 billion
(2024-2026)

**Financial outcomes above assume $300 million of adjusted[1] operating income improvement above 2023 levels, or nearly $700 million of adjusted[1] operating income by the end of 2026*

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

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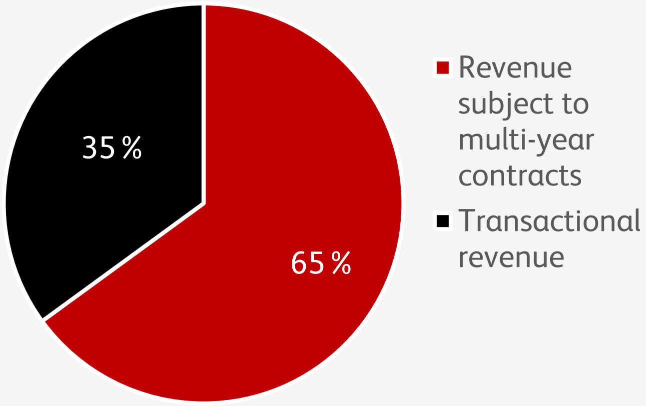
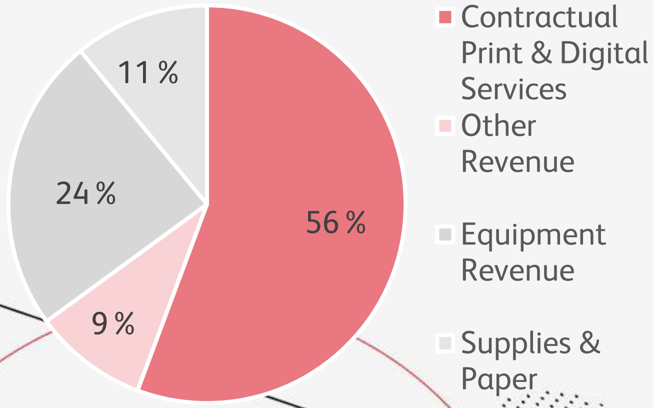
Business Overview

Approximately two-thirds of Xerox revenue is contracted over a multi-year period; more than half is comprised of stable Contractual Print & Digital Services revenue

Revenue Mix (2023)





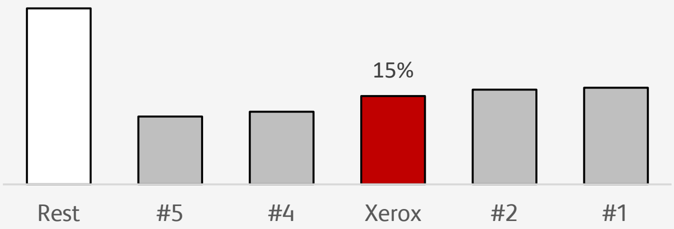
Transactional Revenue	Equipment Sales	• Design, development and sale of document management systems • Includes equipment portion of sales-type leases
	Supplies & Paper	• Direct and indirect sales of supplies and paper not included as part of a bundled lease agreement
Revenue Subject to Multi-year Contracts	Contractual Print & Digital Services	• Maintenance revenue (including bundled supplies), document services revenue, and rentals. • Includes Digital Services, such as Capture & Content and Customer Engagement and Managed IT Services • Service contracts typically last 4-5 years
	Other Revenue	• IT Hardware endpoint placements • XFS lease financing income • Other agreements

Xerox Growth Opportunities

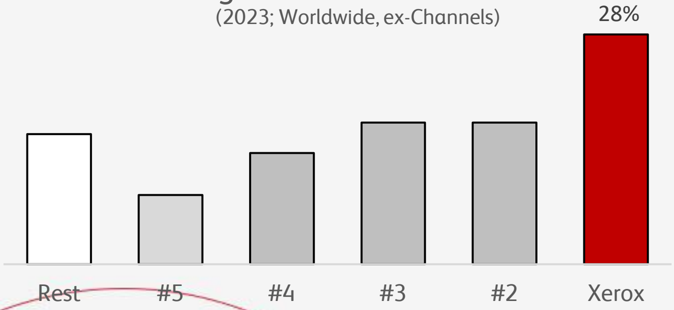
Structural simplification through Reinvention enables reinvestment in organic and inorganic growth opportunities in Print and high-growth adjacencies

Build on Leading Position in Print Services

Print Equip Revenue Mkt Share[1]
(LTM as of Q1 2024; Entry, Mid, Production)



Managed Print Serv Mkt Share[2]
(2023; Worldwide, ex-Channels)



Adjacent Market Expansion Opportunities

IT Services

- Full suite of enterprise-class IT Services offerings for small and mid-sized clients
- Leverages industry-leading direct sales model focused on the mid-market

TAM: $682B

MARKET CAGR: 6 %

Digital Services

- Helps clients accelerate digital transformation of document workflows
- Intelligent document processing and personalized communications

TAM: $68B

MARKET CAGR: 5 %

Strong Foundation for Growth

IT and Digital Services comprise close to 10 % of Xerox's revenue

2023

- Double-digit Managed IT Services revenue growth
- Double-digit Digital Services revenue and signings growth
- Digital Services drove >100 % revenue replacement rate for large customer service contracts renewals

1. Source: Xerox analysis of IDC WW Quarterly Hardcopy Peripherals Tracker, Last twelve months (Q1 2024) using custom categories and segments.Total print ESR market share includes only geographies where Xerox competes (e.g., ex-Asia Pacific and Japan).
2. Source: IDC, Worldwide and U.S. Managed Print and Document Services and Basic Print Services Market Shares, 2023: Market Stabilizes as Revenue Mix Continues to Shift, July 2024, IDC #US51495624.

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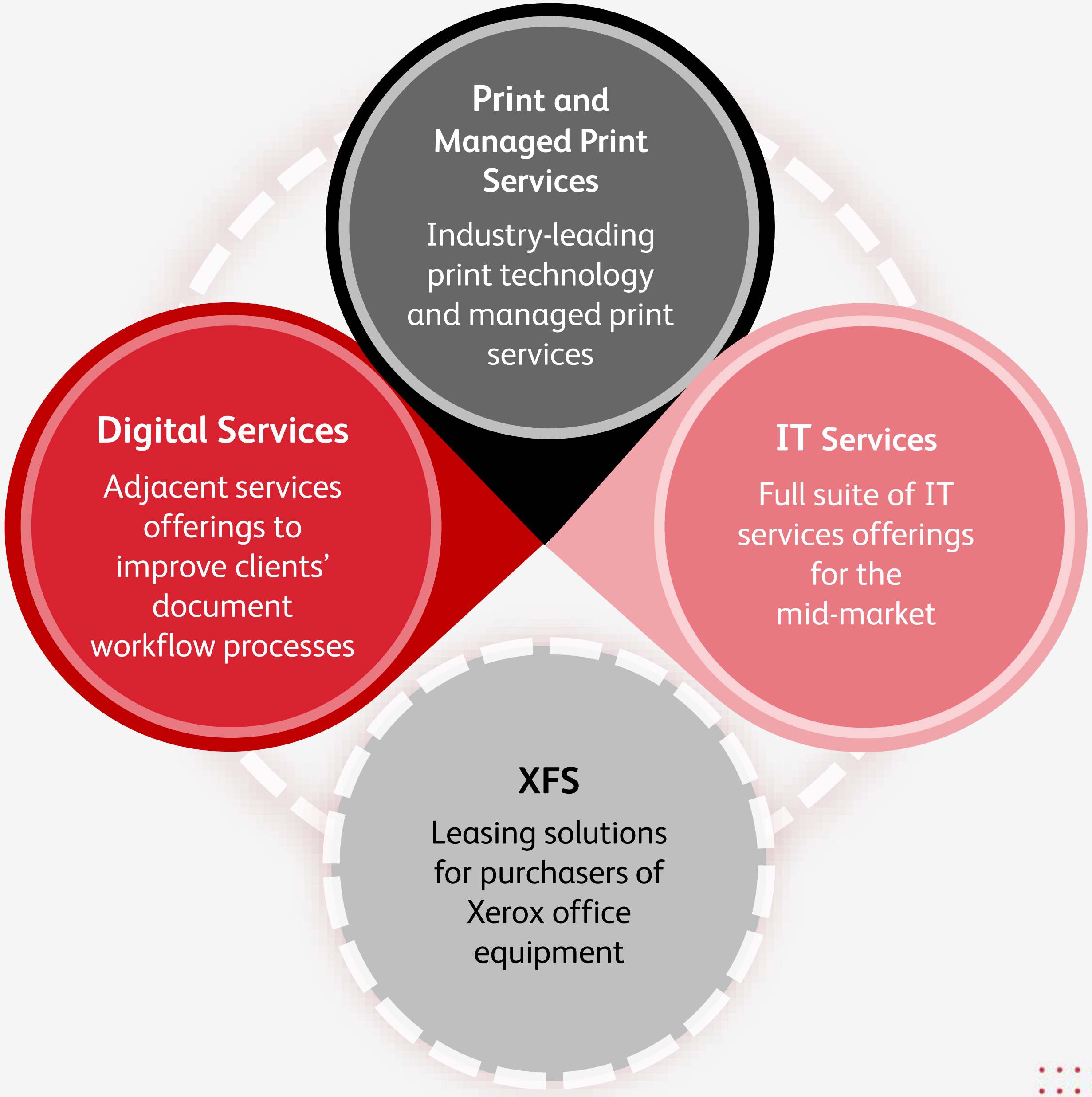
Xerox Offerings

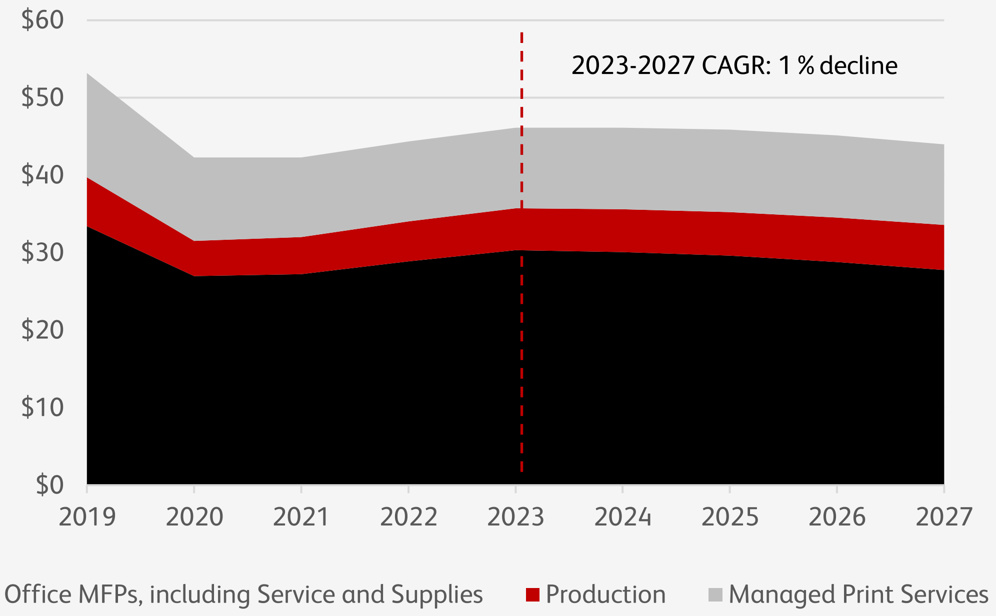
Xerox product and service offerings are designed to address the productivity challenges of a hybrid workplace and distributed workforce.



Print and Services Market / Xerox Print Strategy

We expect to gain share in Print by optimizing product offerings and distribution within the strongest sub-markets

Print and Print Services Market Size ($B)[1]



- The Print & Print Services market in which we operate are expected to decline slightly through 2027

Xerox Print Equipment: Market Share Opportunities

Category	Market Share[2]	Strategy
Entry / A4	7	Grow share with enhanced channel-ready products and capabilities
Mid-Range / A3	1	Differentiate with value-added services to protect and grow #1 share
High-End	2	Refine focus to fastest growing submarkets, gain share with advanced software and services

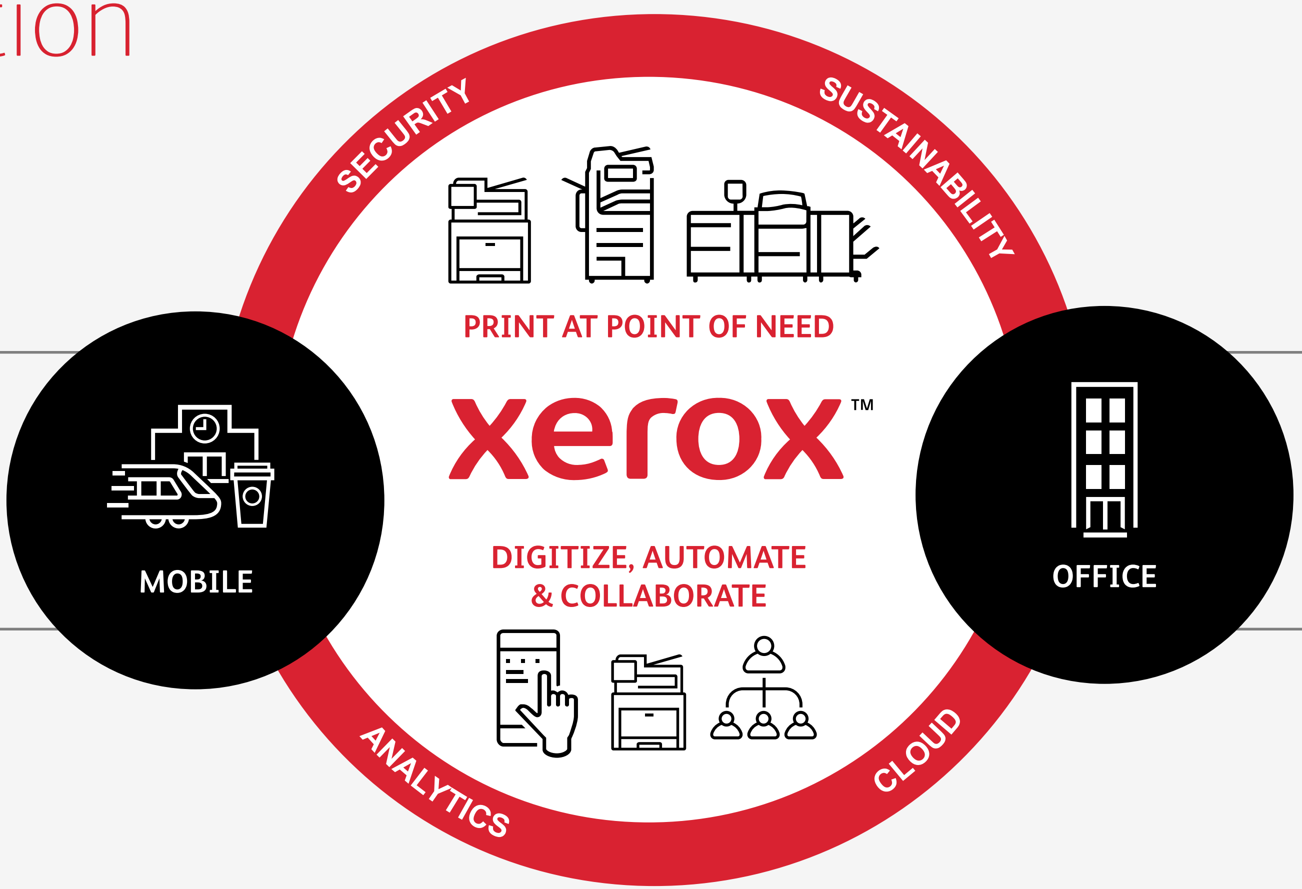
- Xerox's breadth of offerings and value-based approach to selling differentiated customer solutions are expected to drive market share gains

1) Xerox internal analysis leveraging third party sources, including IDC. 2) Based on IDC data. Market share includes only geographies where Xerox competes (e.g., ex-Asia Pacific and Japan).

Breadth and Quality of Offerings Underpin Leading Market Position

TECHNOLOGY

- #3 share[1] in Office & Production Print
- Integrated Workflow Automation software
- Top-rated security
- Hybrid-capable document processing solutions



AS A SERVICE

- #1 share[2] in Managed Print Services
- Leader in Cloud-enabled Print solutions
- Advanced, real-time fleet management analytics

MID-MARKET ← HORIZONTAL AND SECTOR SPECIFIC SOLUTIONS → **ENTERPRISE**

1) Source: Xerox analysis of IDC WW Quarterly Hardcopy Peripherals Tracker, LTM as of Q1 2024. Total print ESR market share includes only geographies where Xerox competes (e.g., ex-Asia Pacific and Japan).
2) Source: IDC, Worldwide and U.S. Managed Print and Document Services and Basic Print Services Market Shares, 2022: SMB Growth Helps Sustain Overall Market, July 2023, IDC #US50129823.

Leader in Print across Large Enterprise and Mid-markets

Xerox's position as a trusted provider of workplace technology solutions provides a platform for additional services growth across Enterprise and Mid-market clients

	Enterprise			Mid-market Businesses	
Customer Profile	>30,000 contracts	90 % of Fortune 500	More than 250 clients with Annual Rev >$1M	~175,000 contracts	Primarily serving the US, with growth opportunities across EMEA

Differentiated Print Services Technology Solutions

ConnectKey® Apps

- Xerox's app ecosystem, extends MFP capabilities beyond printing and scanning
- Apps seamlessly integrate to business productivity solutions like Salesforce and Concur

Workflow Central

- Platform provides secure, intelligent document processing solutions wherever employees work
- e.g., text to audio, PDF to MS format, translation, redaction

Note: Click on links above to access video demonstration

Workflow Cloud

- Award-winning Cloud Print platform
- Employees can print from any device to any printer, anywhere in the world
- Employers can set security controls and monitor security risk and usage in real time

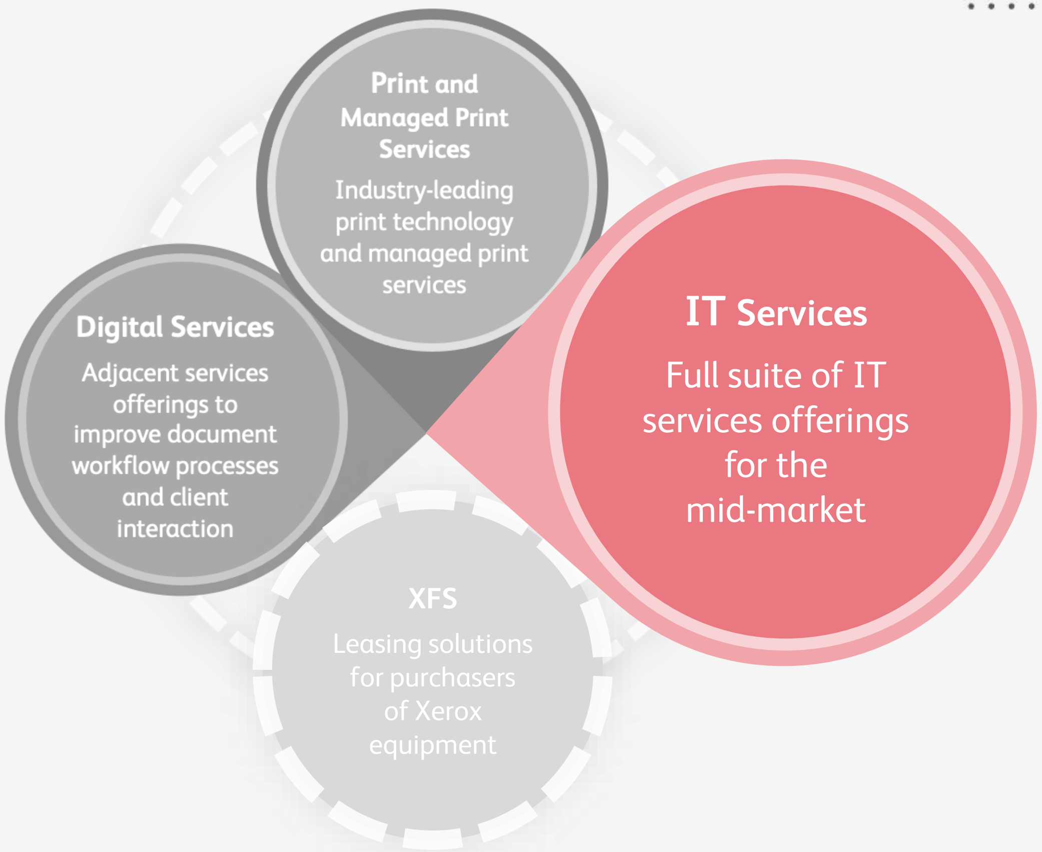
Advanced Analytics

- Dashboard view of managed print fleet allows employers to monitor and optimize print utilization in real-time
- With usage data, Xerox can customize service offerings based on client needs

IT Services: Wallet Share Expansion Opportunities

IT Services leverage existing Print Service relationships in the mid-market, providing ample opportunity to expand client wallet share

	IT Services
Description	• Full-service IT solutions and services provider to the rapidly growing mid-market • Capitalizes on strong mid-market sales teams, partner relationships and the Xerox brand
TAM / Growth	$682B / 6 % CAGR[1]
Route to Market	**Current**: Regionally-focused direct sales teams **Opportunity**: Further penetrate the global mid-market Print Service base
Select Technology Solutions	**Xerox Automation** • RPA is a differentiated service offering for IT Services clients • High-growth business with strong repeat rates; helps clients automate routine processes **Master Data Management** • MDM assists clients with the aggregation and assimilation of data across systems to derive key operational insights • Capabilities acquired from acquisition of C2

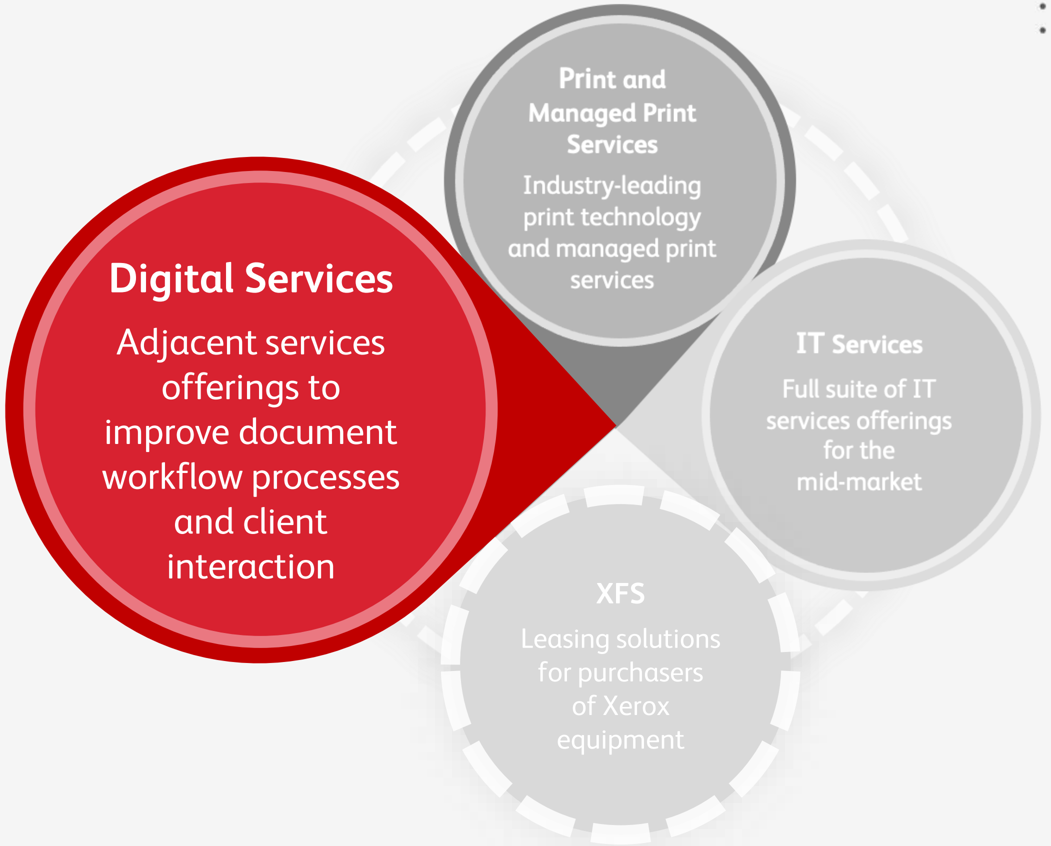


1) Refer to slide 20 for TAM, CAGR, and source of data.

Digital Services: Digital Transformation Adjacencies

Digital Services are natural adjacencies to Print Services, delivering improved client outcomes and incremental sales opportunities

	Digital Services
Description	• Suite of services that enable digital transformation of clients' documentation workflows • Broadly categorized as Capture & Content (CCS) and Customer Engagement (CES)
TAM / Growth	$68B / 5 % CAGR[1]
Route to Market	**Current**: Primarily sold direct to Enterprise customers **Opportunity**: Expansion to mid-market; new service offerings
Select Technology Solutions	**Go Inspire** • Provides data-driven, results-focused marketing campaign management solutions to engage customers across print and digital media **Intelligent Data Processing Platform** • Leverages AI, ML, object content recognition and natural language tools to automate document and data processing

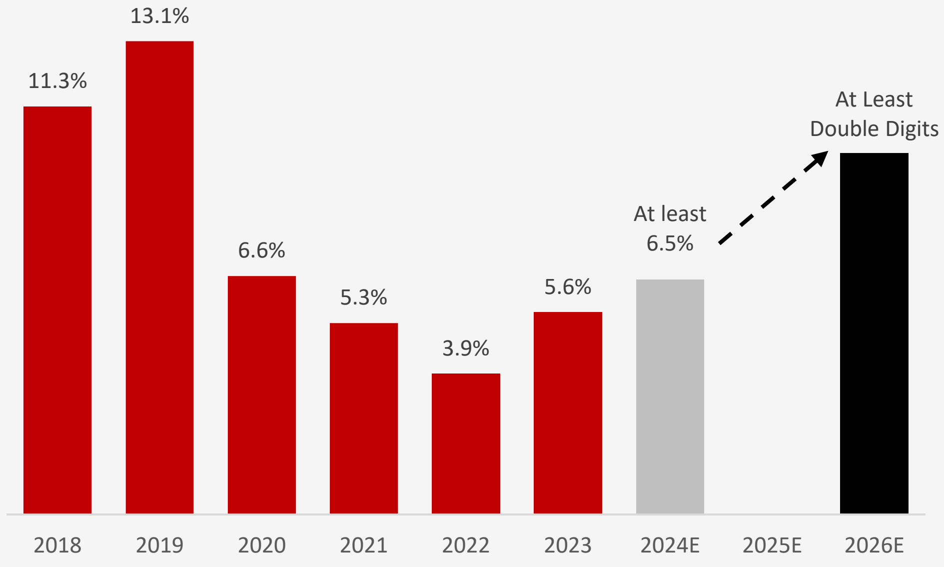


1) Refer to slide 20 for TAM, CAGR, and source of data.

Planned Drivers of Expected Margin[1] Recovery

Line of sight to adjusted[1] operating margin expansion through 2026

Xerox Adjusted[1] Operating Income Margin[2]



Drivers of improvement in 2023

- Price increases and cost actions to offset product cost increases
- Easing of supply chain conditions, resulting in favorable equipment mix and lower logistics costs
- Rebalanced R&D priorities and reduced spend on innovation projects with longer payback periods
- Implementation of a more flexible cost base and operating model; leverage culture of continuous improvement to drive long-term efficiencies

Drivers of improvement through 2026

- Improvement enabled by recent restructuring
- Continuous operating model simplification, led by GBS
- Optimize global routes-to-market, leveraging partners over direct distribution where profitability can be improved
- Narrow offerings to focus on products and services with greatest levels of profitability
- More profitable mix of revenue through growth in IT & Digital Services

1) Adjusted Operating Income margin: see Non-GAAP Financial Measures.
2) We expect adjusted operating margin[1] of at least 6.5 % in 2024. No specific margin guidance has been provided for 2025.

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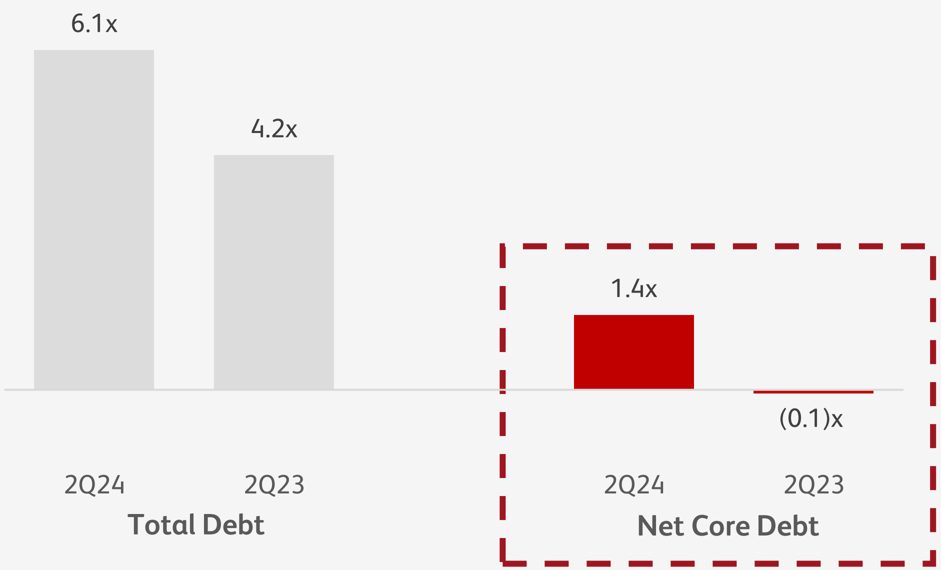
Leverage – Reported vs ex-Financing Allocated Debt

Xerox has a modest net core debt position, excluding debt associated with financing

Capital structure

(in billions)	Q2 2024	Q2 2023
Total Debt	($3.30)	($3.12)
Less: Financing Allocated Debt	$2.02	$2.60
Core Debt	($1.28)	($0.52)
Less: Cash[1]	$0.55	$0.57
Net Core Debt	($0.73)	$0.05
Total Debt to TTM Adj.[2] EBITDA	6.1x	4.2x
Net Core Debt to TTM Adj.[2] EBITDA	1.4x	(0.1x)

Debt to TTM Adjusted[2] EBITDA



1) Cash, cash equivalents and restricted cash.
2) Adjusted EBITDA: See Non-GAAP Financial Measures.

XFS: Strategic Update

Evolution of XFS Strategy

2022 Investor Day (Feb 2022)

- Revealed XFS' growth strategy, which involved an expansion of non-Xerox financial lease originations
- Strategy required significant cash investment

Change in market conditions

Forward Funding Agreement (Dec 2022)

- Agreement with PEAC Solutions to sell pools of direct U.S. lease receivables
- Expected to reduce Xerox's origination obligations by approximately $600 million in first year

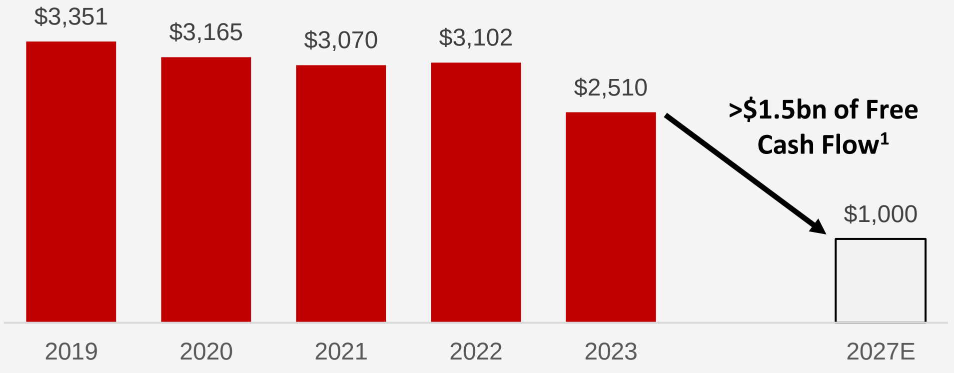
Expansion of PEAC Partnership (Sept 2023)

- PEAC to provide leasing and financing programs for Xerox and non-Xerox equipment to XFS' network of independent resellers
- Effective return of XFS to a captive financing business

Free Cash Flow[1] Effects

- XFS' return to a captive financing business, in combination with expanded forward funding agreements, is expected to result in a systematic reduction of Xerox's finance receivable portfolio
- Reduction of finance receivable balance provides annual benefits to FCF[1], expected to total more than $1.5 billion through 2027
- Free cash flow[1] expected to contribute to funding of Reinvention growth initiatives

Historical and Projected Finance Receivables ($m)



1) Free Cash Flow: see Non-GAAP Financial Measures

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Why Invest in Xerox?

- Reinvention expected to drive sustainably higher profits and improved revenue mix
  - Targeting a $300 million improvement in adjusted[1] operating income from 2023-2026 and a return to double digit adjusted[1] operating income margin in 2026
  - Increased revenue mix to higher growth markets, including Digital and Managed IT Services
- ~10% dividend yield[2], with an attractive free cash flow[1] profile, supported by expected improvements in profit and finance lease receivable run-off
- Expecting strong growth in key financial metrics (by end of 2026):
  - $3/share of adjusted EPS
  - >$900 million of adjusted EBITDA
  - >$1.5 billion of cumulative free cash flow generation from 2024 to 2026

1) Adjusted measures and Free Cash Flow: see Non-GAAP Financial Measures.
2) As of 8/14/24.

Appendix

TAM Definitions and CAGR Timeframes

Target Market	TAM ($B)	CAGR	CAGR Timeframe	Selected Sources Used in Xerox Analysis
Print Technology (incl. Maintenance and Supplies)	$35	Flat	2021-2024	• Xerox internal analysis leveraging third party sources.
Managed Print Services	$11	1 %	2021-2024	• Xerox internal analysis leveraging third party sources.
Digital Services	$68	5 %	2020-2024	• "Customer Communications Delivery Forecast." *Keypoint Intelligence*. January 2021. • "Worldwide and U.S. Outsourced Document Services Forecast, 2020–2024." *IDC*. June 2020.
IT Services	$682	6 %	2022-2025	• "SMB IT Spend Forecast (North America + W. Europe)." *Techaisle*. January 2022.
Global Office Equipment & IT Leasing	$270	9 %	2020-2025	• Calculations & extrapolations performed by Xerox based on: "Monitor 100 Vol. 48, No. 4." *Monitor 100*. 2021; "Leasing Global Market Report 2021: COVID-19 Impact and Recovery." *The Business Research Company*. December 2021.

Operating Trends

(in millions, except EPS)	2022 FY	2023 Q1	2023 Q2	2023 Q3	2023 Q4	2023 FY	2024 Q1	2024 Q2
Total Revenue	**$7,107**	**$1,715**	**$1,754**	**$1,652**	**$1,765**	**$6,886**	**$1,502**	**$1,578**
% Change	*1.0%*	*2.8%*	*0.4%*	*(5.7)%*	*(9.1)%*	*(3.1)%*	*(12.4)%*	*(10.0)%*
CC[1] % Change	*4.8%*	*5.5%*	*0.5%*	*(7.4)%*	*(10.6)%*	*(3.3)%*	*(13.2)%*	*(9.6)%*
Adj[1] Operating Margin	3.9%	6.9%	6.1%	4.1%	5.4%	5.6%	2.2%	5.4%
GAAP (Loss) EPS[2]	($2.15)	$0.43	($0.41)	$0.28	($0.50)	($0.09)	($0.94)	$0.11
Adj[1] EPS	$1.12	$0.49	$0.44	$0.46	$0.43	$1.82	$0.06	$0.29
Operating Cash Flow	$159	$78	$95	$124	$389	$686	($79)	$123
Free Cash Flow[1]	$102	$70	$88	$112	$379	$649	($89)	$115

[1] Adjusted measures, Free Cash Flow, and Constant Currency (CC): see Non-GAAP Financial Measures.
[2] FY2022 GAAP (Loss) per share include an after-tax non-cash goodwill impairment charge of $395 million, or $2.54 per share. Both Q2 2023 and FY 2023 GAAP (Loss) per share include the after-tax PARC donation charge of $92 million, or $0.58 per share. Both Q4 2023 and FY 2023 GAAP (Loss) per share include an after-tax Restructuring and related costs, net charge of $78 million, or $0.62 per share, related to the previously announced workforce reduction. Q1 2024 GAAP (Loss) per share includes after-tax, Project Reinvention related charges of approximately $100 million, or $0.80 per share.

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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. 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 Net Income (Loss) and EPS

The above measure was 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 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.

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.

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Non-GAAP Financial Measures

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

Discrete, unusual or infrequent items: We exclude these 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.

- Goodwill impairment charge
- PARC donation
- Contract termination costs – product supply
- Accelerated share vesting – in connection with the passing of Xerox Holding's former CEO
- Loss (gain) on early extinguishment of debt
- Tax indemnification – Conduent
- Inventory-related impact - exit of certain Production Print manufacturing operations
- Divestitures

Adjusted Operating Income (Loss) and Margin

We calculate and utilize adjusted operating income (loss) and margin measures by adjusting our reported pre-tax income (loss) and margin amounts. In addition to the costs and expenses noted as adjustments for our adjusted earnings measures, adjusted operating income (loss) 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.

Adjusted EBITDA

Earnings before interest, taxes, depreciation and amortization adjusted for additional items, when applicable, given their discrete, unusual or infrequent nature and their impact on comparability of our results for the period to prior periods and future expected trends.

Constant Currency (CC)

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.

A reconciliation of the estimated three-year target of Adjusted Net Income and EPS, Adjusted Operating Income and Margin, Adjusted EBITDA, and Free Cash Flow to the closest GAAP financial measures, Net Income (loss), EPS, Pre-tax Margin, and Operating Cash Flow, is not provided. GAAP measures for those periods are not available without unreasonable effort, in part because certain incremental costs related to the Reinvention, as well as costs and expenses noted below, are not available at this time.

Non-GAAP Financial Measures

- Adjusted Net Income and EPS (Restructuring and related costs, net, Amortization of intangible assets, and other discrete, unusual or infrequent items);
- Adjusted Operating Income and Margin (Costs and expenses noted above as adjustments for our Adjusted Net Income and EPS measure, as well as amounts included in Other expenses, net, which are primarily non-financing interest expense and certain other non-operating costs and expenses, and other discrete, unusual or infrequent items);
- Adjusted EBITDA (Restructuring and related costs, net, Stock-based compensation, and other discrete, unusual or infrequent items);
- Free Cash Flow (Capital expenditures).

Non-GAAP Financial Measures – continued

Adjusted Net (Loss) Income and EPS Reconciliation

(in millions, except per share amounts)	FY-22 Net (Loss) Income	FY-22 EPS	Q1-23 Net Income	Q1-23 EPS	Q2-23 Net (Loss) Income	Q2-23 EPS	Q3-23 Net Income	Q3-23 EPS	Q4-23 Net (Loss) Income	Q4-23 EPS	FY-23 Net Income	FY-23 EPS	Q1-24 Net (Loss) Income	Q1-24 EPS	Q2-24 Net Income	Q2-24 EPS
Reported [1]	$ (322)	$ (2.15)	$ 71	$ 0.43	$ (61)	$ (0.41)	$ 49	$ 0.28	$ (58)	$ (0.50)	$ 1	$ (0.09)	$ (113)	$ (0.94)	$ 18	$ 0.11
Goodwill Impairment	412		-		-		-		-		-		-		-	
PARC Donation	-		-		132		-		-		132		-		-	
Inventory-related impact - exit of certain Production Print manufacturing operations	-		-		-		-		-		-		36		8	
Restructuring and related costs, net	65		2		23		10		132		167		39		12	
Amortization of intangible assets	42		11		10		12		10		43		10		10	
Divestitures	-		-		-		-		-		-		54		(3)	
Non-service retirement-related costs	(12)		(1)		11		4		5		19		23		26	
Transaction and related costs, net	-		-		-		-		-		-		-		(23)	
Tax indemnification - Conduent	-		-		-		(7)		-		(7)		-		-	
Accelerated Share Vesting	21		-		-		-		-		-		-		-	
Loss (gain) on early extinguishment of debt	5		-		3		-		7		10		(3)		-	
Contract termination costs - product supply	33		-		-		-		-		-		-		-	
PARC donation income tax [2]	-		-		(40)		-		-		(40)		-		-	
Income tax on adjustments [2]	(55)		(1)		(6)		9		(40)		(38)		(35)		(7)	
Adjusted	$ 189	$ 1.12	$ 82	$ 0.49	$ 72	$ 0.44	$ 77	$ 0.46	$ 56	$ 0.43	$ 287	$ 1.82	$ 11	$ 0.06	$ 41	$ 0.29
Dividends on preferred stock used in adjusted EPS calculation [3]		$ 14		$ 4		$ 3		$ 4		$ 3		$ 14		$ 4		$ 3
Weighted average shares for adjusted EPS [3]		157		158		158		159		125		151		125		126

[1] *Net (Loss) Income and EPS.*

[2] *Refer to Adjusted Effective Tax Rate Reconciliation.*

[3] *For those periods that include the preferred stock dividend the average shares for the calculations of diluted EPS exclude 7 million shares associated with our Series A convertible preferred stock, as applicable.*

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Non-GAAP Financial Measures – continued

Adjusted Operating Income and Margin Reconciliation

	FY-18			FY-19			FY-20			FY-21			FY-22			Q1-23		
(in millions)	Profit	Revenue	Margin	Profit	Revenue	Margin	Profit	Revenue	Margin	(Loss) Profit	Revenue	Margin	(Loss) Profit	Revenue	Margin	Profit	Revenue	Margin
Reported [1]	$ 302	$9,662		$ 643	$9,066		$ 188	$7,022		$ (458)	$7,038		$ (322)	$7,107		$ 71	$1,715	
Income tax (benefit) expense	247			179			64			(17)			(3)			14		
Pre-tax (loss) income	$ 549	$9,662	5.7%	$ 822	$9,066	9.1%	$ 252	$7,022	3.6%	$ (475)	$7,038	(6.7%)	$ (325)	$7,107	(4.6%)	$ 85	$1,715	5.0%
Adjustments:																		
Goodwill impairment	-			-			-			781			412			-		
Restructuring and related costs, net	157			229			93			38			65			2		
Amortization of intangible assets	48			45			56			55			42			11		
Translation and related costs	68			12			18			-			-			-		
Accelerated Share Vesting	-			-			-			-			21.00			-		
Other expenses, net	271			84			45			(24)			60			20		
Adjusted	$1,093	$9,662	11.3%	$1,192	$9,066	13.1%	$ 464	$7,022	6.6%	$ 375	$7,038	5.3%	$ 275	$7,107	3.9%	$ 118	$1,715	6.9%

[1] *Net (Loss) Income.*

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Non-GAAP Financial Measures – continued

Adjusted Operating Income and Margin Reconciliation - continued

(in millions)	Q2-23 (Loss) Profit	Q2-23 Revenue	Q2-23 Margin	Q3-23 Profit	Q3-23 Revenue	Q3-23 Margin	Q4-23 (Loss) Profit	Q4-23 Revenue	Q4-23 Margin
Reported [1]	$ (61)	$1,754		$ 49	$1,652		$ (58)	$1,765	
Income tax (benefit) expense	(28)			15			(30)		
Pre-tax (loss) income	$ (89)	$1,754	(5.1%)	$ 64	$1,652	3.9%	$ (88)	$1,765	(5.0%)
Adjustments:									
PARC donation	132			-			-		
Inventory-related impact - exit of certain Production Print manufacturing operations	-			-			-		
Restructuring and related costs, net	23			10			132		
Amortization of intangible assets	10			12			10		
Divestitures	-			-			-		
Other expenses, net	31			(18)			42		
Adjusted	$ 107	$1,754	6.1%	$ 68	$1,652	4.1%	$ 96	$1,765	5.4%

(in millions)	FY-23 Profit	FY-23 Revenue	FY-23 Margin	Q1-24 (Loss) Profit	Q1-24 Revenue	Q1-24 Margin	Q2-24 Profit	Q2-24 Revenue	Q2-24 Margin
Reported [1]	$ 1	$6,886		$ (113)	$1,502		$ 18	$1,578	
Income tax (benefit) expense	(29)			(37)			7		
Pre-tax (loss) income	$ (28)	$6,886	(0.4%)	$ (150)	$1,502	(10.0%)	$ 25	$1,578	1.6%
Adjustments:									
PARC donation	132			-			-		
Inventory-related impact - exit of certain Production Print manufacturing operations	-			36			8		
Restructuring and related costs, net	167			39			12		
Amortization of intangible assets	43			10			10		
Divestitures	-			54			(3)		
Other expenses, net	75			44			33		
Adjusted	$ 389	$6,886	5.6%	$ 33	$1,502	2.2%	$ 85	$1,578	5.4%

[1] *Net (Loss) Income.*

Non-GAAP Financial Measures – continued

Adjusted EBITDA and Margin Reconciliation

	Q1-22			Q2-22			Q3-22			Q4-23			FY-22			Q1-23		
(in millions)	(Loss) Profit	Revenue	Margin	(Loss) Profit	Revenue	Margin	(Loss) Profit	Revenue	Margin	Profit	Revenue	Margin	(Loss) Profit	Revenue	Margin	Profit	Revenue	Margin
Reported [1]	$ (56)	$ 1,668		$ (4)	$ 1,747		$ (383)	$ 1,751		$ 121	$ 1,941		$ (322)	$ 7,107		$ 71	$ 1,715	
Adjustments:																		
Other expenses, net [2]	55			6			1			(2)			60			20		
Income tax (benefit) expense	(31)			1			3			24			(3)			14		
Depreciation and amortization [3]	72			68			65			65			270			64		
Goodwill impairment	-			-			412			-			412			-		
EBITDA [4] [6]	$ 40	$ 1,668	2.4%	$ 71	$ 1,747	4.1%	$ 98	$ 1,751	5.6%	$ 208	$ 1,941	10.7%	$ 417	$ 7,107	5.9%	$ 169	$ 1,715	9.9%
Adjustments:																		
Stock-based compensation	15			35			13			12			75			14		
Restructuring and related costs, net [5]	18			1			22			24			65			2		
Divestitures	-			-						-			-			-		
Adjusted EBITDA [6]	$ 73	$ 1,668	4.4%	$ 107	$ 1,747	6.1%	$ 133	$ 1,751	7.6%	$ 244	$ 1,941	12.6%	$ 557	$ 7,107	7.8%	$ 185	$ 1,715	10.8%

(1) *Net (Loss) Income*

(2) *Other expenses, net, primarily includes non-financing interest expense and certain other non-operating costs, expenses, gains and losses.*

(3) *Excludes amortization of customer contract costs*

(4) *EBITDA includes Financing Revenues and Cost of financing, for all periods presented as these amounts are associated with our XFS segment.*

(5) *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.*

(6) *EBITDA & Adj. EBITDA included above are internal measures used by Management to assess performance. The amounts and related calculation are different than consolidated EBITDA determined as part of our Credit Facility financial maintenance covenants.*

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Non-GAAP Financial Measures – continued

Adjusted EBITDA and Margin Reconciliation - continued

	Q2-23			Q3-23			Q4-23			FY-23			Q1-24			Q2-24		
(in millions)	(Loss) Profit	Revenue	Margin	Profit	Revenue	Margin	(Loss) Profit	Revenue	Margin	Profit	Revenue	Margin	(Loss) Profit	Revenue	Margin	Profit	Revenue	Margin
Reported [1]	$ (61)	$ 1,754		$ 49	$ 1,652		$ (58)	$ 1,765		$ 1	$ 6,886		$ (113)	$ 1,502		$ 18	$ 1,578	
Adjustments:																		
Other expenses, net [2]	31			(18)			42			75			44			33		
Income tax (benefit) expense	(28)			15			(30)			(29)			(37)			7		
Depreciation and amortization [3]	62			63			62			251			59			59		
EBITDA [4] [6]	$ 4	$ 1,754	0.2%	$ 109	$ 1,652	6.6%	$ 16	$ 1,765	0.9%	$ 298	$ 6,886	4.3%	$ (47)	$ 1,502	(3.1)%	$ 117	$ 1,578	7.4%
Adjustments:																		
Stock-based compensation	14			12			14			54			12			17		
Restructuring and related costs, net [5]	23			10			132			167			39			12		
PARC donation	132			-			-			132								
Inventory-related impact - exit of certain Production Print manufacturing operations	-			-			-			-			36			8		
Divestitures	-			-			-			-			54			(3)		
Adjusted EBITDA [6]	$ 173	$ 1,754	9.9%	$ 131	$ 1,652	7.9%	$ 162	$ 1,765	9.2%	$ 651	$ 6,886	9.5%	$ 94	$ 1,502	6.3%	$ 151	$ 1,578	9.6%

[1] *Net (Loss) Income*

[2] *Other expenses, net, primarily includes non-financing interest expense and certain other non-operating costs, expenses, gains and losses.*

[3] *Excludes amortization of customer contract costs*

[4] *EBITDA includes Financing Revenues and Cost of financing, for all periods presented as these amounts are associated with our XFS segment.*

[5] *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.*

[6] *EBITDA & Adj. EBITDA included above are internal measures used by Management to assess performance. The amounts and related calculation are different than consolidated EBITDA determined as part of our Credit Facility financial maintenance covenants.*

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Non-GAAP Financial Measures – continued

Free Cash Flow Reconciliation

(in millions)	FY-22	Q1-23	Q2-23	Q3-23	Q4-23	FY-23	Q1-24	Q2-24
Reported[(1)]	$159	$78	$95	$124	$389	$686	($79)	$123
Less: capital expenditures	57	8	7	12	10	37	10	8
Free Cash Flow	$102	$70	$88	$112	$379	$649	($89)	$115
Add: one-time contract termination charge - product supply	41	-	-	-	-	-	-	-
Free Cash Flow - Adjusted	$143	$70	$88	$112	$379	$649	($89)	$115

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

Non-GAAP Financial Measures – continued

Guidance – adjusted operating income

(in millions)	FY 2024 Profit	FY 2024 Revenue (CC) [2, 3]	FY 2024 Margin
Estimated [1]	~($10)	~$6,500	~(0.2)%
Adjustments:			
Restructuring and related costs, net	80		
Amortization of intangible assets	40		
Other expenses, net	315		
Adjusted [4]	~$425	~$6,500	At least 6.5%

(1) Pre-tax income and revenue.

(2) Full-year revenue is estimated to decline 5% to 6% in constant currency. Revenue of $6.5 billion reflects the midpoint of the guidance range.

(3) See "Constant Currency" in the Non-GAAP Financial Measures section for a description of constant currency.

(4) Adjusted pre-tax income reflects the adjusted operating margin guidance of at least 6.5%.

Guidance – free cash flow

(in millions)	FY 2024
Operating Cash Flow[1]	At least $600
Less: capital expenditures	50
Free Cash Flow	At least $550

(1)Net cash provided by operating activities.

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