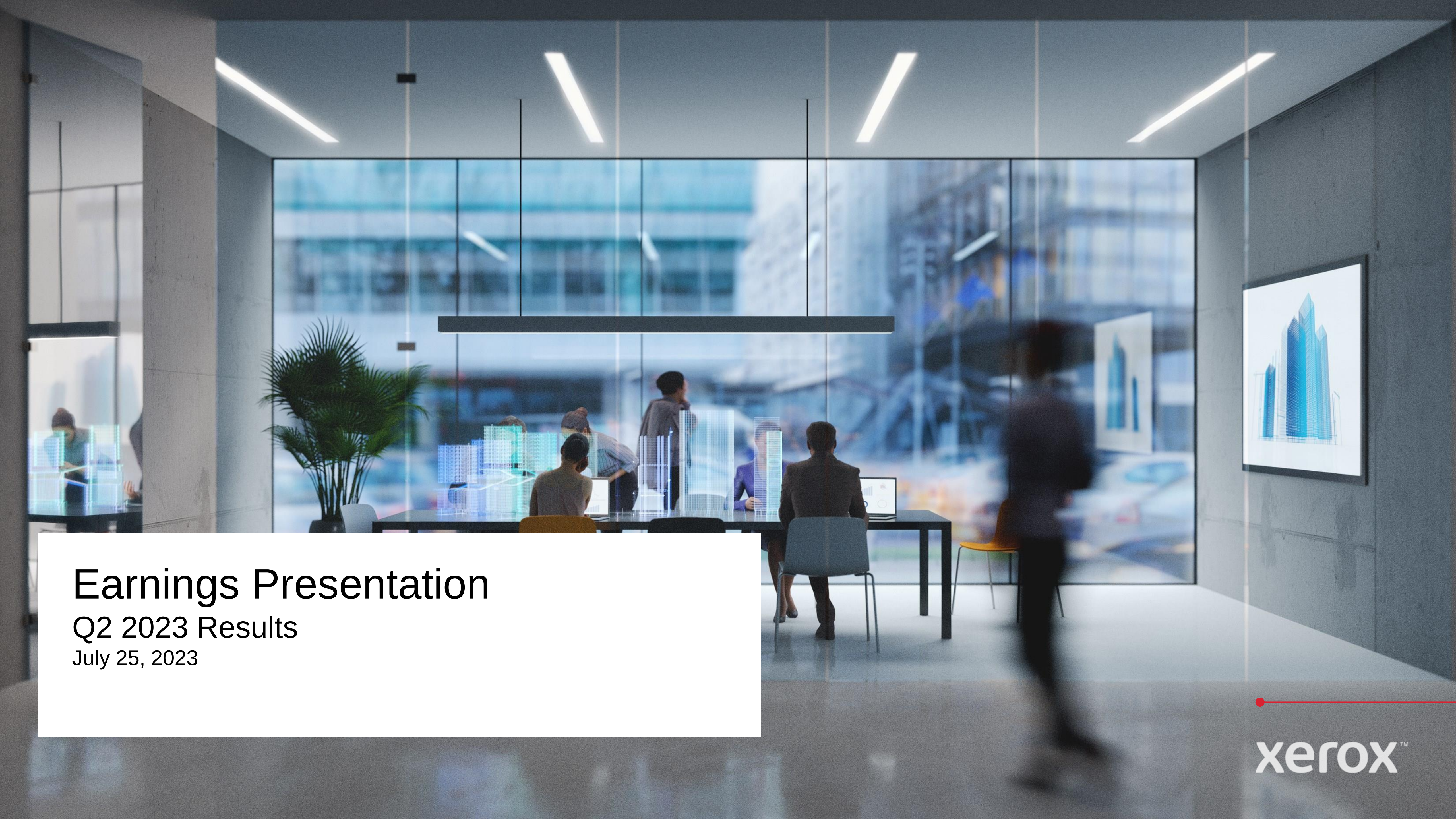


Earnings Presentation

Q2 2023 Results

July 25, 2023

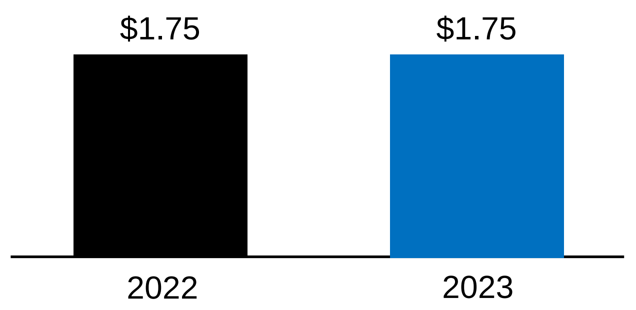
xerox™

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; 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, 2022. 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.

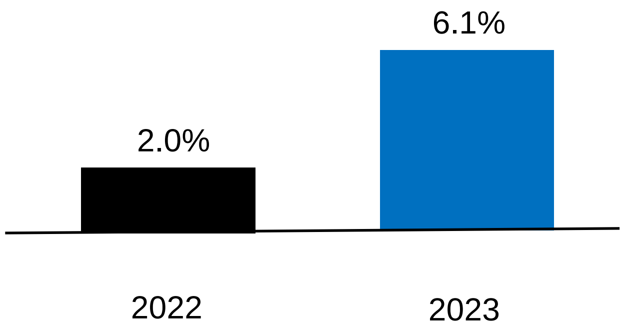
Q2 2023 Key Financial Measures

Revenue ($B)

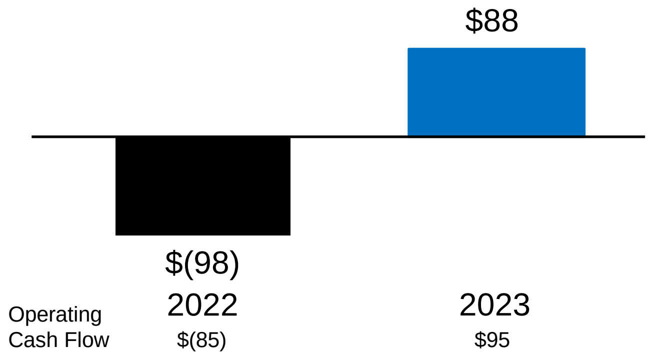


2023 % Change: 0.4% @ AC, 0.5% @ CC[1]

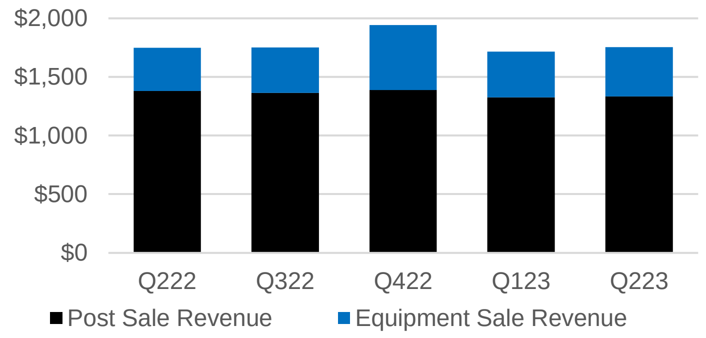
Adj[1] Operating Margin



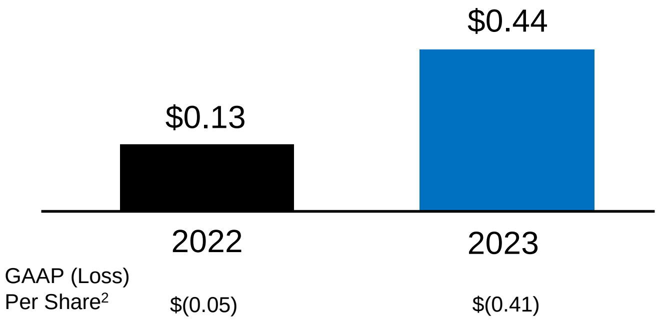
Free Cash Flow[1] ($M)



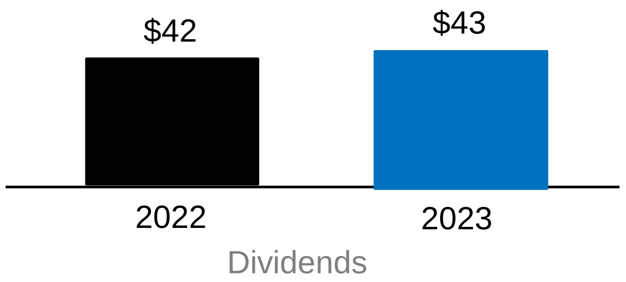
Revenue Trend ($M)



Adj[1] Earnings Per Share



Shareholder Returns ($M)



[1] Adjusted measures, Free Cash Flow and Constant Currency (CC): see Non-GAAP Financial Measures. [2] GAAP (Loss) per share includes the after-tax PARC donation charge of $92 million ($132 million pre-tax), or $0.58 per share.

Xerox Priorities for 2023

Client Success	Employ a holistic, client-centric approach to deliver essential products and services that address the productivity challenges of a hybrid workplace and distributed workforce
Focus on Profitability	Implement a more flexible cost base and operating model to expand margins and direct investments towards margin-accretive growth opportunities with nearer-term returns
Shareholder Returns	Manage the business to optimize free cash flow[1] generation, and return at least 50% of free cash flow[1] to shareholders

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

Strategic Initiatives Provide Foundation for Growth

Stability and Focus

Operating Discipline

- Institutionalized the productivity platform instilled by Project Own It
- COO aligned strategy, implemented operating model advancements
- Divested non-core operations, providing more focus on core Print operations and adjacent growth opportunities
- Investments in employees

Financial Discipline

- Greater focus on product and service profitability
- Through PARC transaction, implemented flexible approach to R&D spend
- Entered receivable funding solution, improving liquidity and financial flexibility
- Reduced debt by more than $600 million YTD

Growth

Print, Digital and IT Services

- Leverage trust, institutional knowledge of clients' businesses
- Empower partners and clients with essential products and services to enable today's hybrid workplace
- Services-led, software-enabled approach to product development and sales
- Align brand strategy with a repositioned Xerox

xerox™

Frequently Asked Questions

Macro / Demand Outlook	**How has the demand outlook for Xerox print equipment and services evolved in the past three months?** Demand for our products and services remains resilient amid a dynamic macroeconomic backdrop. Consistent with recent quarters, we see isolated pockets of softer installation activity, particularly among our larger clients; however, delays in project implementations are beginning to ease. Throughout the year, these pockets of softness have been offset by strength in sales of value-added Print and Digital services and a resilient mid-market. The macroenvironment outlook appears to be improving but remains challenged by persistently high inflation and the likelihood of further interest rate increases. Therefore, we maintain a balanced revenue outlook of flat, to down low single digits in constant currency, but we now expect revenue to come in closer to the upper end of that range.
Supply Chain / Backlog	**Why are you no longer including backlog information as part of quarterly results?** Improvements in supply chain conditions and our efforts to mitigate supply chain disruptions have driven backlog down to normalized levels. We will no longer provide detailed backlog information as part of our quarterly results. Backlog is being managed in the normal course of business, and we do not expect changes in backlog to materially affect results going forward.
Margin Improvement	**What accounts for the recent improvement in operating margins? How will margins progress in coming quarters?** Operating profit has improved significantly for three consecutive quarters, due to easing supply chain-related cost pressures, recently enacted pricing actions, our ongoing efforts to systematically reduce operating costs and enable a more flexible cost base, and a greater emphasis on profitable revenue growth. We are increasing our full-year adjusted[1] operating margin guidance to a range of 5.5% to 6.0%, due in large part to a stronger-than-expected realization of operating efficiencies and revenue mix. In the first half of 2023, operating profit margin benefitted from favorable equipment mix, a one-off credit to bad debt expense, the timing of price increases relative to incremental product costs, and lower labor costs associated with open positions. These benefits may not recur in the second half of the year. Further, a certain degree of macroeconomic uncertainty is reflected through the range of guided outcomes. We remain on track to deliver a low to mid-single digit level of gross operating cost efficiencies for the year and continue to work diligently to identify incremental cost efficiencies. We expect the benefits of a more flexible cost structure to drive incremental margin expansion beyond 2023.
Free Cash Flow[1]	**What factors drove an increase in cash flow guidance for the year? How will free cash flow[1] be deployed?** We are increasing free cash flow[1] guidance for 2023 from “at least $500 million” to “at least $600 million”. The increase reflects an improvement in expected operating income and incremental sales of finance receivables. We expect to return at least 50% of free cash flow to shareholders and will provide more direction on deployment as cash flow is received throughout the year.

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

Financial Results Summary

(in millions, except per share data)

P&L Measures	Q2 2023	B/(W) YOY	% Change YOY
Revenue	$ 1,754	$ 7	0.4% AC 0.5% CC[1]
Operating Income – Adjusted[1]	$ 107	$ 72	206%
Other Expenses, net – Adjusted[1]	$ 17	$ (9)	(113)%
Net Income	$ (61)	$ (57)	NM
Net Income – Adjusted[1]	$ 72	$ 48	200%
GAAP (Loss) Per Share[2]	$ (0.41)	$ (0.36)	NM
Earnings per Share – Adjusted[1]	$ 0.44	$ 0.31	238%

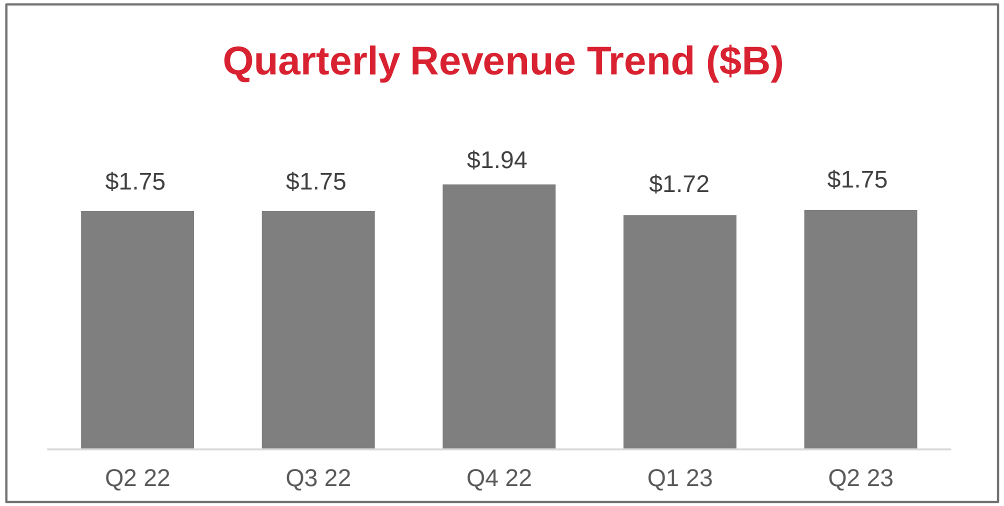
P&L Ratios	Q2 2023	B/(W) YOY
Gross Margin	34.0%	210 bps
RD&E %	3.2%	160 bps
SAG %	24.7%	160 bps
Operating Margin – Adjusted[1]	6.1%	410 bps
Tax Rate – Adjusted[1]	20.0%	(150) bps

[1] Adjusted Measures and Constant Currency (CC): see Non-GAAP Financial Measures. [2] GAAP (Loss) per share includes the after-tax PARC donation charge of $92 million ($132 million pre-tax), or $0.58 per share.

xerox™

Revenue

(in millions)	Q2 2023	% Total	% Change YOY AC	% Change YOY CC[1]
Equipment	$420	24%	14.8%	14.3%
Post Sale	$1,334	76%	(3.4)%	(3.2)%
Total Revenue	$1,754	100%	0.4%	0.5%
Americas	1,154	66%	0.3%	0.7%
EMEA	570	32%	3.4%	3.1%
Other[2]	30	2%	(34.8)%	(34.8)%



Installs[3] B/(W) YOY

	Color	B&W	Total
Entry	(43)%	(5)%	(19)%
Mid-Range	21%	16%	19%
High-End	8%	(8)%	7%

[1] Constant Currency (CC): see Non-GAAP Financial Measures. [2] Other revenue includes royalties and licensing revenue. [3] Reflects install activity for total Entry product group.

Cash Flow

(in millions)	Q2 2023	Q2 2022
Pre-tax (Loss)	($89)	($5)
Non-Cash Add-Backs[1]	119	116
Restructuring Payments	(8)	(14)
Pension Contributions	(15)	(34)
Working Capital, net[2]	(248)	(65)
Change in Finance Assets[3]	210	(35)
PARC donation	132	-
One-time contract termination payment	-	(41)
Other[4]	(6)	(7)
Cash provided by (used in) Operations	95	(85)
Cash (used in) provided by Investing	(5)	13
Cash used in Financing	(220)	(438)
Ending Cash, Cash Equivalents and Restricted Cash[5]	569	1,227
Free Cash Flow[6]	88	(98)

[1] Non-cash add-backs include depreciation & amortization (including equipment on operating lease), provisions, stock-based compensation, non-service retirement-related costs, restructuring and asset impairment charges and gain on sales of businesses and assets (as applicable). [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 $92 million in Q2 2023 and $76 million in Q2 2022.
[6] Free Cash Flow: see Non-GAAP Financial Measures.

Segment Results

Revenue and Profit

	Q2 2023			
(in millions)	Print & Other	FITTLE	Intersegment Eliminations[1]	Total Xerox
Total Revenue	$ 1,674	$ 101	$ (21)	$ 1,754
Segment Profit	**$ 107**	**$ -**	**$ -**	**$ 107**
Segment Margin[2]	6.5%	0.0%		6.1%

	B/(W) YoY		
	Print & Other	FITTLE	Total Xerox
Total Revenue	0.1%	5.2%	0.4%
Segment Profit	**269%**	**NM**	**206%**
Segment Margin (bps)[2]	470	(630)	410

Financing Assets and Debt

(in billions)	Q2 2023	Q1 2023
Equipment on Operating Leases	$ 0.26	$ 0.25
FITTLE Finance Receivables	$ 2.71	$ 2.98
Total Finance Assets	**$ 2.97**	**$ 3.23**
Financing Allocated Debt	**$ 2.60**	**$ 2.83**

FITTLE: Key Performance Indicators

- FITTLE finance receivables: $2.7 billion, 9% lower Q/Q due primarily to the run-off of existing finance receivables, partially offset by higher originations, net of the HPS receivable funding program
- Originations in Q2: 36% growth in originations, led by captive and non-captive channels
- ~40% of originations in Q2 sold to HPS
- LTM Net Loan Loss Rate: 0.8%

Note: During Q2 2023, FITTLE's segment revenue and profit measures were revised to reflect the recent strategic shift in the Company's approach to funding FITTLE's growth through finance receivable funding arrangements that involve the sale of lease receivables. Refer to Appendix for FITTLE's revised Segment revenues and profits for FY 2022 and Q1 2023. [1] Reflects revenue, primarily commissions and other payments, made by the FITTLE segment to the Print and Other segment, for the lease of Xerox equipment placements. [2] Segment margin based on external revenue only.

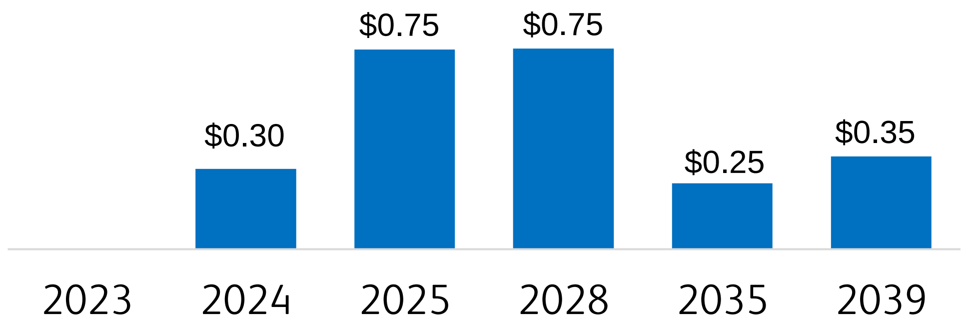
xerox™

Capital Structure

Debt and Cash

(in billions)	Q2 2023	Q1 2023
Total Debt	($3.12)	($3.28)
Less: Financing Allocated Debt	$2.60	$2.83
Core Debt	($0.52)	($0.45)
Less: Cash[1]	$0.57	$0.70
Net Core Cash	$0.05	$0.25

Senior Unsecured Debt Maturity Ladder ($B)



- Core debt of $0.5B with ending cash[1] of ~$0.6B.
- Neutral net core cash position excluding Financing allocated debt.
- A balanced debt maturity ladder is maintained.

[1] Cash, cash equivalents and restricted cash.

2023 Full-Year Guidance and Capital Allocation

Guidance

- **Revenue growth:** Flat to down low-single-digits in constant currency
- **Adjusted[1] Operating Margin:** 5.5% to 6.0%
- **Free Cash Flow[1]:** At least $600 million

Capital Allocation Policy

- **Shareholder Returns:** At least 50% of annual Free Cash Flow[1]

Guidance assumes stable revenues amid a dynamic macroeconomic environment. Benefits of lower logistics costs, recently enacted price increases and a more flexible cost base are expected to drive year over year improvements in adjusted[1] operating income margin, along with net proceeds from the sale of finance receivables, and improvements in free cash flow[1].

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

Appendix

Operating Trends

(in millions, except EPS)	2021 FY	2022 Q1	2022 Q2	2022 Q3	2022 Q4	2022 FY	2023 Q1	2023 Q2
Total Revenue	**$7,038**	**$1,668**	**$1,747**	**$1,751**	**$1,941**	**$7,107**	**$1,715**	**$1,754**
% Change	*0.2%*	*(2.5)%*	*(2.6)%*	*(0.4)%*	*9.2%*	*1.0%*	*2.8%*	*0.4%*
CC[1] % Change	*(1.4)%*	*(0.7)%*	*1.1%*	*4.7%*	*13.9%*	*4.8%*	*5.5%*	*0.5%*
Adj[1] Operating Margin	5.3%	(0.2)%	2.0%	3.7%	9.2%	3.9%	6.9%	6.1%
GAAP (Loss) EPS[2]	($2.56)	($0.38)	($0.05)	($2.48)	$0.74	($2.15)	$0.43	($0.41)
Adj[1] EPS (Loss)	$1.51	($0.12)	$0.13	$0.19	$0.89	$1.12	$0.49	$0.44
Operating Cash Flow	$629	$66	($85)	($8)	$186	$159	$78	$95
Free Cash Flow[1]	$561	$50	($98)	($18)	$168	$102	$70	$88

[1] Adjusted measures, Free Cash Flow, and Constant Currency (CC): see Non-GAAP Financial Measures. [2] FY 2021 GAAP EPS includes an after-tax non-cash goodwill impairment charge of $750 million, or $4.08 per share. Both Q3 2022 and FY22 GAAP EPS include an after-tax non-cash goodwill impairment charge of $395 million, or $2.54 per share, respectively. Q2 2023 GAAP (Loss) per share includes the after-tax PARC donation charge of $92 million ($132 million pre-tax), or $0.58 per share.

2023 Segment Reporting Change

	2022					2023
	Q1	Q2	Q3	Q4	Full Year	Q1
Segment Revenues						
As Reported						
Print and Other	$ 1,550	$ 1,633	$ 1,641	$ 1,843	$ 6,667	$ 1,613
FITTLE	158	151	150	151	610	154
Intersegment revenue [1]	(40)	(37)	(40)	(53)	(170)	(52)
Total External Revenue	$ 1,668	$ 1,747	$ 1,751	$ 1,941	$ 7,107	$ 1,715
Change						
Print and Other	$ 43	$ 40	$ 35	$ 19	$ 137	$ 23
FITTLE	(60)	(55)	(52)	(50)	(217)	(52)
Intersegment revenue [1]	17	15	17	31	80	29
Total External Revenue	$ -	$ -	$ -	$ -	$ -	$ -
As Revised						
Print and Other	$ 1,593	$ 1,673	$ 1,676	$ 1,862	$ 6,804	$ 1,636
FITTLE	98	96	98	101	393	102
Intersegment revenue [1]	(23)	(22)	(23)	(22)	(90)	(23)
Total External Revenue	$ 1,668	$ 1,747	$ 1,751	$ 1,941	$ 7,107	$ 1,715

Note: the management and oversight of the Equipment on Operating Leases portion of our financing business was transferred from the FITTLE segment to the marketing and sales groups in the Print and Other segment since the finance receivables funding agreements currently exclude the sale of operating lease arrangements.

[1] *Reflects revenue, primarily commissions and other payments, made by the FITTLE segment to the Print and Other segment for the lease of Xerox equipment placements.*

2023 Segment Reporting Change (continued)

	2022					2023
	Q1	Q2	Q3	Q4	Full Year	Q1
Segment Profit/(Loss)						
As Reported						
Print and Other	$ (20)	$ 18	$ 57	$ 183	$ 238	$ 106
FITTLE	17	17	8	(5)	37	12
Total	$ (3)	$ 35	$ 65	$ 178	$ 275	$ 118
Change						
Print and Other	$ 9	$ 11	$ 6	$ (6)	$ 20	$ (6)
FITTLE	(9)	(11)	(6)	6	(20)	6
Total	$ -	$ -	$ -	$ -	$ -	$ -
As Revised						
Print and Other	$ (11)	$ 29	$ 63	$ 177	$ 258	$ 100
FITTLE	8	6	2	1	17	18
Total	$ (3)	$ 35	$ 65	$ 178	$ 275	$ 118

Note: the allocation of shared expenses as well as commissions and other payments made by the FITTLE segmen to the Print and Other segment were revised to better reflect the operations of FITTLE in line with the change in strategic direction.

xerox™

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 Income (Loss) and Earnings 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 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.

- 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.
    - PARC donation
    - Non-Cash Goodwill impairment charge
    - Contract termination costs – product supply
    - Accelerated share vesting - stock compensation expense associated with the accelerated vesting of all outstanding equity awards, according to the terms of the award agreement, in connection with the passing of Xerox Holding's former CEO.
    - Loss on early extinguishment of debt

Non-GAAP Financial Measures

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.

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.

xerox™

Adjusted Net Income and EPS Reconciliation

(in millions, except per share amounts)	Three Months Ended June 30, 2023				Three Months Ended June 30, 2022			
	Net (Loss) Income		Diluted EPS		Net (Loss) Income		Diluted EPS	
Reported [1]	$	(61)	**$**	**(0.41)**	$	(4)	**$**	**(0.05)**
Adjustments:								
PARC donation		132				-		
Restructuring and related costs, net		23				1		
Amortization of intangible assets		10				10		
Non-service retirement-related costs		11				(4)		
Contract termination cost - product supply		-				-		
Accelerated share vesting		-				21		
Loss on early extinguishment of debt		3				4		
PARC donation income tax [2]		(40)				-		
Income tax on adjustments (excuding PARC donation) [2]		(6)				(4)		
Adjusted	$	72	**$**	**0.44**	$	24	**$**	**0.13**
Dividends on preferred stock used in adjusted EPS calculation [3]			$	3			$	3
Weighted average shares for adjusted EPS [3]				158				156
Fully diluted shares at end of period [4]				158				

(1) Net (Loss) and EPS attributable to Xerox Holdings. Second quarter 2023 Net (Loss) and EPS includes the after-tax PARC donation charge of $92 million ($132 million pre-tax), or $0.58 per share

(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 the 7 million shares associated with our Series A Convertible preferred stock.

(4) Reflects common shares outstanding at June 30, 2023 plus potential dilutive common shares used for the calculation of adjusted diluted EPS for the second quarter. Excludes shares associated with our Series A convertible preferred stock, all of which were anti-dilutive.

xerox™

Adjusted Effective Tax Rate Reconciliation

(in millions)	Three Months Ended June 30, 2023			Three Months Ended June 30, 2022		
	Pre-Tax (Loss) Income	Income Tax (Benefit) Expense	Effective Tax Rate	Pre-Tax (Loss) Income	Income Tax Expense	Effective Tax Rate
Reported[(1)]	**$ (89)**	**$ (28)**	**31.5%**	**$ (5)**	**$ 1**	**(20.0%)**
PARC donation[(2)]	132	40		-	-	
Non-GAAP Adjustments[(2)]	47	6		32	4	
Adjusted [(3)]	**$ 90**	**$ 18**	**20.0%**	**$ 27**	**$ 5**	**18.5%**

(1) Pre-Tax (Loss) and Income Tax (benefit) expense.

(2) Refer to Adjusted Net Income and EPS reconciliations for details.

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

Adjusted Operating Income and Margin Reconciliation

	Three Months Ended June 30, 2023			Three Months Ended June 30, 2022		
(in millions)	(Loss) Profit	Revenue	Margin	(Loss) Profit	Revenue	Margin
Reported [(1)]	$ (89)	$ 1,754	(5.1)%	$ (5)	$ 1,747	(0.3)%
Adjustments:						
Restructuring and related costs, net	23			1		
Amortization of intangible assets	10			10		
PARC donation	132			-		
Accelerated share vesting	-			21		
Other expenses, net	31			8		
Adjusted	$ 107	$ 1,754	6.1%	$ 35	$ 1,747	2.0%

____

(1) Pre-tax (loss)

Free Cash Flow Reconciliation

	Three Months Ended June 30,	
(in millions)	2023	2022
Reported [(1)]	$ 95	$ (85)
Less: capital expenditures	7	13
Free Cash Flow	$ 88	$ (98)

(1) Net cash provided by operating activities.

Other Expenses, net Reconciliation

(in millions)	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022
Reported	$ 31	$ 8
Less: non-service retirement-related costs	11	(4)
Less: Loss on early extinguishment of debt	3	4
Adjusted	**$ 17**	**$ 8**

Net Income (Loss) and EPS Reconciliation - Historical

(in millions, except per share amounts)	Year Ended December 31, 2021 Net (Loss) Income	Year Ended December 31, 2021 EPS	Q1-22 Net Loss	Q1-22 EPS	Q2-22 Net (Loss) Income	Q2-22 EPS	Q3-22 Net (Loss) Income	Q3-22 EPS	Q4-22 Net Income	Q4-22 EPS	Year Ended December 31, 2022 Net (Loss) Income	Year Ended December 31, 2022 EPS	Q1-23 Net Income	Q1-23 EPS
Reported [1]	$ (455)	$ (2.56)	$ (56)	$ (0.38)	$ (4)	$ (0.05)	$ (383)	$ (2.48)	$ 121	$ 0.74	$ (322)	$ (2.15)	$ 71	$ 0.43
Goodwill Impairment [2]	781		-		-		412		-		412		-	
Restructuring and related costs, net	38		18		1		22		24		65		2	
Amortization of intangible assets	55		11		10		10		11		42		11	
Non-service retirement-related costs	(89)		(7)		(4)		(7)		6		(12)		(1)	
CEO Accelerated Share Vesting	-		-		21		-		-		21		-	
Loss on early extinguishment of debt	-		-		4		-		1		5		-	
Contract termination costs [3]	-		33		-		-		-		33		-	
Income tax on adjustments	(37)		(13)		(4)		(21)		(17)		(55)		(1)	
Adjusted	$ 293	$ 1.51	$ (14)	$ (0.12)	$ 24	$ 0.13	$ 33	$ 0.19	$ 146	$ 0.89	$ 189	$ 1.12	$ 82	$ 0.49
Dividends on preferred stock used in adjusted EPS calculation[4]		$ 14		$ 4		$ 3		$ 4		$ -		$ 14		$ 4
Weighted average shares for adjusted EPS [4]		185		156		156		157		165		157		158

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

[2] Full-year 2021 Net (loss) and EPS include an after-tax non-cash goodwill impairment charge of $750 million ($781 million pre-tax) or 4.08 per share. Third quarter and full-year 2022 Net (loss) and EPS include a after-tax non-cash goodwill impairment charge of $395 million ($412 million pre-tax), or $2.54 per share, respectively.

[3] Reflects contract termination costs - termination of a product supply agreement in the first quarter of 2022.

[4] 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.

Adjusted Operating Income (Loss) and Margin Reconciliation - Historical

(in millions)	Year Ended December 31, 2021 (Loss) Profit	Year Ended December 31, 2021 Revenue	Year Ended December 31, 2021 Margin	Q1-22 Loss	Q1-22 Revenue	Q1-22 Margin	Q2-22 (Loss) Profit	Q2-22 Revenue	Q2-22 Margin
Reported [(1)]	$ (475)	$ 7,038	(6.7%)	$ (89)	$ 1,668	(5.3%)	$ (5)	$ 1,747	(0.3%)
Adjustments:									
Goodwill impairment	781			-			-		
Restructuring and related costs, net	38			18			1		
Amortization of intangible assets	55			11			10		
CEO Accelerated Share Vesting	-			-			21		
Other expenses, net	(24)			57			8		
Adjusted	$ 375	$ 7,038	5.3%	$ (3)	$ 1,668	(0.2%)	$ 35	$ 1,747	2.0%

(in millions)	Q3-22 (Loss) Profit	Q3-22 Revenue	Q3-22 Margin	Q4-22 (Loss) Profit	Q4-22 Revenue	Q4-22 Margin	Year Ended December 31, 2022 (Loss) Profit	Year Ended December 31, 2022 Revenue	Year Ended December 31, 2022 Margin	Q1-23 Profit	Q1-23 Revenue	Q1-23 Margin
Reported [(1)]	$ (380)	$ 1,751	(21.7%)	$ 146	$ 1,941	7.5%	$ (328)	$ 7,107	(4.6%)	$ 85	$ 1,715	5.0%
Adjustments:												
Goodwill impairment	412			-			412			-		
Restructuring and related costs, net	22			24			65			2		
Amortization of intangible assets	10			11			42			11		
CEO Accelerated Share Vesting	-			-			21			-		
Other expenses, net	1			(3)			63			20		
Adjusted	$ 65	$ 1,751	3.7%	$ 178	$ 1,941	9.2%	$ 275	$ 7,107	3.9%	$ 118	$ 1,715	6.9%

[(1)] *Pre-Tax (Loss) Income.*

xerox™

Free Cash Flow Reconciliation – Historical

(in millions)	Year Ended December 31, 2021	Q1-22	Q2-22	Q3-22	Q4-22	Year Ended December 31, 2022	Q1-23
Reported[(1)]	$629	$66	($85)	($8)	$186	$159	$78
Less: capital expenditures	68	16	13	10	18	57	8
Free Cash Flow	$561	$50	($98)	($18)	$168	$102	$70
Add: one-time contract termination charge - product supply	-	-	41	-	-	41	-
Free Cash Flow - Adjusted	$561	$50	($57)	($18)	$168	$143	$70

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

Adjusted Operating Income and Margin – Guidance

	FY 2023		
(in millions)	**Profit**	**Revenue (CC)** (2, 3)	**Margin**
Estimated (1)	~$125	~$7,100	~1.8%
Adjustments:			
PARC donation	132		
Restructuring and related costs, net	75		
Amortization of intangible assets	40		
Other expenses, net	40		
Adjusted (4)	~$410	~$7,100	5.5-6.0%

___

(1) *Pre-tax income and revenue.*

(2) *Full-year revenue is estimated to be flat to down low-single-digits, in constant currency. Revenue of $7.1 billion reflects the high end 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 mid-point of the adjusted operating margin guidance range.*

Free Cash Flow – Guidance

(in millions)	FY 2023
Operating Cash Flow[(1)]	At least $650
Less: capital expenditures	50
Free Cash Flow	At least $600

(1)Net cash provided by operating activities.

xerox™