

Xerox Holdings Financial Model
(unaudited)

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

	2020					2021					2022					
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	
Sales	565	460	651	773	2,449	602	670	657	653	2,582	592	667	690	851	2,800	
Services, maintenance and rentals	1,236	949	1,061	1,101	4,347	1,053	1,067	1,046	1,069	4,235	1,023	1,028	1,010	1,039	4,100	
Financing	59	56	55	56	226	55	56	55	55	221	53	52	51	51	207	
Total Revenues	1,860	1,465	1,767	1,930	7,022	1,710	1,793	1,758	1,777	7,038	1,668	1,747	1,751	1,941	7,107	
Cost of Revenue																
Cost of sales	387	338	476	541	1,742	420	468	498	476	1,862	435	487	508	572	2,002	
Cost of services, maintenance, and rentals	731	533	611	658	2,533	651	658	662	691	2,662	679	677	659	664	2,679	
Cost of financing	30	30	29	32	121	28	28	29	26	111	24	26	28	30	108	
Total Cost of Revenue	1,148	901	1,116	1,231	4,396	1,099	1,154	1,189	1,193	4,635	1,138	1,190	1,195	1,266	4,789	
Gross Profit																
Sales gross profit	178	122	175	232	707	182	202	159	177	720	157	180	182	279	798	
Services, maintenance and rentals gross profit	505	416	450	443	1,814	402	409	384	378	1,573	344	351	351	375	1,421	
Financing gross profit	29	26	26	24	105	27	28	26	29	110	29	26	23	21	99	
Gross Profit	712	564	651	699	2,626	611	639	569	584	2,403	530	557	556	675	2,318	
Research, development & engineering	84	76	76	75	311	74	79	82	75	310	78	84	73	69	304	
Bad Debt Expense	74	13	16	13	116	10	3	(4)	(2)	7	15	7	7	14	43	
Selling, administrative and general exp. (Excl Bad Debts)	467	413	428	427	1,735	438	431	417	425	1,711	440	452	411	414	1,717	
Total Selling, administrative and general exp.	541	426	444	440	1,851	448	434	413	423	1,718	455	459	418	428	1,760	
Non-financing interest expense	21	18	30	30	99	24	24	23	25	96	29	23	21	18	91	
Aggregate Exchange losses / (gains)	2	2	-	(1)	3	2	1	3	1	7	-	1	1	11	13	
All other, net	-	(13)	(45)	1	(57)	(22)	(24)	(59)	(22)	(127)	28	(16)	(21)	(32)	(41)	
Total Other, net	23	7	(15)	30	45	4	1	(33)	4	(24)	57	8	1	(3)	63	
Goodwill impairment	-	-	-	-	-	-	-	-	781	781	-	-	412	-	412	
Restructuring and related costs	41	3	20	29	93	17	12	10	(1)	38	18	1	22	24	65	
Amortization of intangible assets	11	10	13	22	56	15	14	13	13	55	11	10	10	11	42	
Transaction and related costs	17	7	(6)	-	18	-	-	-	-	-	-	-	-	-	-	
Total Costs and Expenses	1,865	1,430	1,648	1,827	6,770	1,657	1,694	1,674	2,488	7,513	1,757	1,752	2,131	1,795	7,435	
(Loss) Income before Income Taxes & Equity Income	(5)	35	119	103	252	53	99	84	(711)	(475)	(89)	(5)	(380)	146	(328)	
Income Taxes	(1)	8	29	28	64	14	9	(4)	(36)	(17)	(31)	1	3	24	(3)	
Equity in net income of unconsolidated affiliates	2	-	-	2	4	-	1	1	1	3	1	1	1	-	3	
Net (Loss) Income	(2)	27	90	77	192	39	91	89	(674)	(455)	(57)	(5)	(382)	122	(322)	
Less: (Loss) Income attributable to noncontrolling interests	-	-	-	-	-	-	-	(1)	1	-	(1)	(1)	1	1	-	
Net (Loss) Income Attributable to Xerox Holdings	(2)	27	90	77	192	39	91	90	(675)	(455)	(56)	(4)	(383)	121	(322)	
Preferred Dividends/	- Basic	4	3	4	3	14	4	3	4	3	14	4	3	4	3	14
Other	- Diluted **	4	3	4	3	14	4	3	4	3	14	4	3	4	-	14
Weighted Average Shares	- Basic	213	213	211	200	209	196	187	179	171	183	156	155	156	156	156
	- Diluted **	213	213	213	202	211	198	187	179	173	185	156	155	156	156	156
Earnings Per Share																
	Total Basic Earnings (Loss) per Share	(0.03)	0.11	0.41	0.37	0.85	0.18	0.47	0.48	(3.97)	(2.56)	(0.38)	(0.05)	(2.48)	0.76	(2.15)
	Total Diluted Earnings (Loss) per Share	(0.03)	0.11	0.41	0.36	0.84	0.18	0.46	0.48	(3.97)	(2.56)	(0.38)	(0.05)	(2.48)	0.74	(2.15)

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	2020					2021					2022					
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	
Key Ratios - GAAP:																
Gross Margins																
- Sales	31.5%	26.5%	26.9%	30.0%	28.9%	30.2%	30.1%	24.2%	27.1%	27.9%	26.5%	27.0%	26.4%	32.8%	28.5%	
- Services/Maintenance/Rentals	40.9%	43.8%	42.4%	40.2%	41.7%	38.2%	38.3%	36.7%	35.4%	37.1%	33.6%	34.1%	34.8%	36.1%	34.7%	
- Financing	49.2%	46.4%	47.3%	42.9%	46.5%	49.1%	50.0%	47.3%	52.7%	49.8%	54.7%	50.0%	45.1%	41.2%	47.8%	
- Total	38.3%	38.5%	36.8%	36.2%	37.4%	35.7%	35.6%	32.4%	32.9%	34.1%	31.8%	31.9%	31.8%	34.8%	32.6%	
SAG as a % of Revenue	29.1%	29.1%	25.1%	22.8%	26.4%	26.2%	24.2%	23.5%	23.8%	24.4%	27.3%	26.3%	23.9%	22.1%	24.8%	
Tax Rate	20.0%	22.9%	24.4%	27.2%	25.4%	26.4%	9.1%	-4.8%	5.1%	3.6%	34.8%	-20.0%	-0.8%	16.4%	0.9%	
Ending Xerox Employment***	26,300	26,100	25,500	25,100	25,100	24,600	24,000	23,600	23,300	23,300	23,400	22,700	21,200	20,500	20,500	

*Amounts have been revised to reflect discontinued operations reporting for FX and XIP.

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

*** Revised headcount at December 31, 2020 of 25,150 from 24,700 (as previously reported) due to redefinition of full-time equivalent employee.

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

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

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

	2020					2021					2022				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Revenues															
Sales	565	460	651	773	2,449	602	670	657	653	2,582	592	667	690	851	2,800
Services, maintenance and rentals	1,236	949	1,061	1,101	4,347	1,053	1,067	1,046	1,069	4,235	1,023	1,028	1,010	1,039	4,100
Financing	59	56	55	56	226	55	56	55	55	221	53	52	51	51	207
Total Revenues	1,860	1,465	1,767	1,930	7,022	1,710	1,793	1,758	1,777	7,038	1,668	1,747	1,751	1,941	7,107
Cost of Revenue															
Cost of sales	387	338	476	541	1,742	420	468	498	476	1,862	435	487	508	572	2,002
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Gross Profit															
Sales gross profit	178	122	175	232	707	182	202	159	177	720	157	180	182	279	798
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Gross Profit	712	564	651	699	2,626	611	639	569	584	2,403	530	557	556	675	2,318
Research, development & engineering	84	76	76	75	311	74	79	82	75	310	78	84	73	69	304
Bad Debt Expense	74	13	16	13	116	10	3	(4)	(2)	7	15	7	7	14	43
Selling, administrative and general exp. (Excl Bad Debts)	467	413	428	427	1,735	438	431	417	425	1,711	440	452	411	414	1,717
Total Selling, administrative and general exp.	541	426	444	440	1,851	448	434	413	423	1,718	455	459	418	428	1,760
Non-financing interest expense	21	18	30	30	99	24	24	23	25	96	29	23	21	18	91
Aggregate Exchange losses / (gains)	2	2	-	(1)	3	2	1	3	1	7	-	1	1	11	13
All other, net	(4)	(5)	(32)	(16)	(57)	(2)	(2)	(37)	3	(38)	2	(37)	(14)	(39)	(88)
Total Other, net	19	15	(2)	13	45	24	23	(11)	29	65	31	(13)	8	(10)	16
Total Costs and Expenses	1,792	1,418	1,634	1,759	6,603	1,645	1,690	1,673	1,720	6,728	1,702	1,720	1,694	1,753	6,869
Income before Income Taxes & Equity Income	68	47	133	171	419	65	103	85	57	310	(34)	27	57	188	238
Income Taxes	20	11	28	51	110	18	10	(3)	(5)	20	(18)	5	24	41	52
Equity in Net Income of Unconsol. Affil.	2	-	-	2	4	-	1	1	1	3	1	1	1	-	3
Income from Continuing Operations	50	36	105	122	313	47	94	89	63	293	(15)	23	34	147	189
Less: Net (Loss) Income attributable to Noncontrolling Interests	-	-	-	-	-	-	-	(1)	1	-	(1)	(1)	1	1	-
Net Income Attributable to Xerox Holdings	50	36	105	122	313	47	94	90	62	293	(14)	24	33	146	189

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

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

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

	2020					2021					2022				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Earnings Per Share															
Continuing Operations:	0.21	0.15	0.48	0.58	1.41	0.22	0.47	0.48	0.34	1.51	(0.12)	0.13	0.19	0.89	1.12
Preferred Dividends - Adjusted EPS **	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjusted Earnings per Share	0.21	0.15	0.48	0.58	1.41	0.22	0.47	0.48	0.34	1.51	(0.12)	0.13	0.19	0.89	1.12
Adjusted Weighted Average Shares **	216	216	213	209	211	198	189	182	173	185	156	155	156	165	157
Key Ratios - Adjusted:															
Gross Margins															
- Sales	31.5%	26.5%	26.9%	30.0%	28.9%	30.2%	30.1%	24.2%	27.1%	27.9%	26.5%	27.0%	26.4%	32.8%	28.5%
- Services/Maintenance/Rentals	40.9%	43.8%	42.4%	40.2%	41.7%	38.2%	38.3%	36.7%	35.4%	37.1%	33.6%	34.1%	34.8%	36.1%	34.7%
- Financing	49.2%	46.4%	47.3%	42.9%	46.5%	49.1%	50.0%	47.3%	52.7%	49.8%	54.7%	50.0%	45.1%	41.2%	47.8%
- Total	38.3%	38.5%	36.8%	36.2%	37.4%	35.7%	35.6%	32.4%	32.9%	34.1%	31.8%	31.9%	31.8%	34.8%	32.6%
Adjusted Operating Margin	4.7%	4.2%	7.4%	9.5%	6.6%	5.2%	7.0%	4.2%	4.8%	5.3%	-0.2%	2.0%	3.7%	9.2%	3.9%
SAG as a % of Revenue	29.1%	29.1%	25.1%	22.8%	26.4%	26.2%	24.2%	23.5%	23.8%	24.4%	27.3%	26.3%	23.9%	22.1%	24.8%
Adjusted Effective Tax Rate	29.4%	23.4%	21.1%	29.8%	26.3%	27.7%	9.7%	-3.5%	-8.8%	6.5%	52.9%	18.5%	42.1%	21.8%	21.8%
Non-GAAP Adjustments:															
Goodwill Impairment	-	-	-	-	-	-	-	-	781	781	-	-	412	-	412
Restructuring and related costs	41	3	20	29	93	17	12	10	(1)	38	18	1	22	24	65
Amortization of intangible assets	11	10	13	22	56	15	14	13	13	55	11	10	10	11	42
Non-service retirement-related costs	1	(8)	(13)	(9)	(29)	(20)	(22)	(22)	(25)	(89)	(7)	(4)	(7)	6	(12)
Contract termination costs - IT service provider	3	-	-	-	3	-	-	-	-	-	-	-	-	-	-
Transaction and related costs	17	7	(6)	-	18	-	-	-	-	-	-	-	-	-	-
Loss on extinguishment of debt	-	-	-	26	26	-	-	-	-	-	-	4	-	1	5
Contract termination cost - product supply	-	-	-	-	-	-	-	-	-	-	33	-	-	-	33
CEO Accelerated Share Vesting	-	-	-	-	-	-	-	-	-	-	-	21	-	-	21
Tax on adjusted items	(21)	(3)	1	(23)	(46)	(4)	(1)	(1)	(31)	(37)	(13)	(4)	(21)	(17)	(55)
US Tax Act	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-GAAP Adjustments	52	9	15	45	121	8	3	-	737	748	42	28	416	25	511

*Amounts have been revised to reflect discontinued operations reporting for FX and XIP.

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

**Xerox Holdings Financial Model
(unaudited)**

(in \$ millions)	2020*					2021					2022					2022 YOY CC % Change	2022 YOY CC % Change
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q4	FY
Revenue																	
Entry	48	44	66	70	228	68	69	69	76	282	61	66	74	79	280	8.6%	3.6%
Mid-range	206	195	276	309	986	238	276	244	214	972	194	221	246	369	1,030	77.5%	9.7%
High-end	67	67	72	119	325	70	80	68	86	304	54	76	65	100	295	19.9%	0.8%
Other	4	4	5	12	25	5	4	6	8	23	5	3	5	6	19	(25.0)%	(17.4)%
Total Equipment Revenue	325	310	419	510	1,564	381	429	387	384	1,581	314	366	390	554	1,624	49.0%	6.6%
Americas	1,239	990	1,152	1,208	4,589	1,076	1,133	1,127	1,096	4,432	1,071	1,150	1,140	1,277	4,638	17.4%	5.1%
EMEA	575	428	568	675	2,246	587	617	594	636	2,434	554	551	567	619	2,291	8.6%	4.1%
Other	46	47	47	47	187	47	43	37	45	172	43	46	(5,122)	45	178	0.0%	3.5%
Total Revenue	1,860	1,465	1,767	1,930	7,022	1,710	1,793	1,758	1,777	7,038	1,668	1,747	(3,415)	1,941	7,107	13.9%	4.8%
Installs (1)																	
Entry A4 MFPs																	
Color	(19)%	(33)%	(9)%	(22)%	(21)%	9%	19%	17%	(10)%	7%	-	66%	28%	59%	37%		
B&W	3%	(8)%	54%	28%	20%	97%	63%	(7)%	24%	36%	(39)%	(34)%	(28)%	(35)%	(34)%		
Mid-range																	
Color	(26)%	(42)%	(19)%	(20)%	(26)%	11%	62%	1%	(22)%	8%	(9)%	(17)%	10%	56%	9%		
B&W	(16)%	(35)%	(20)%	(16)%	(22)%	13%	36%	20%	(28)%	7%	(61)%	(22)%	(21)%	68%	(13)%		
High-end																	
Color	(50)%	(55)%	(39)%	(26)%	(42)%	46%	27%	(7)%	-	12%	(29)%	13%	1%	1%	(3)%		
B&W	(30)%	(2)%	(13)%	(6)%	(13)%	18%	47%	34%	(5)%	19%	(15)%	(29)%	(10)%	(8)%	(15)%		

Notes:

(1) Entry installations exclude OEM sales; Mid-range and High-end color installations exclude Fuji Xerox digital front-end sales.

* Restated

CC = Constant Currency