

A modern office interior with large windows, people working at a table, and a digital display on the wall. The scene is dimly lit, with light coming from the windows and recessed ceiling lights. In the center, a group of people is gathered around a long table, looking at a large digital display showing architectural models. To the right, a framed digital display on the wall shows a blue architectural rendering of a building. The overall atmosphere is professional and high-tech.

Earnings Presentation

Q4 2024 Results

January 28, 2025

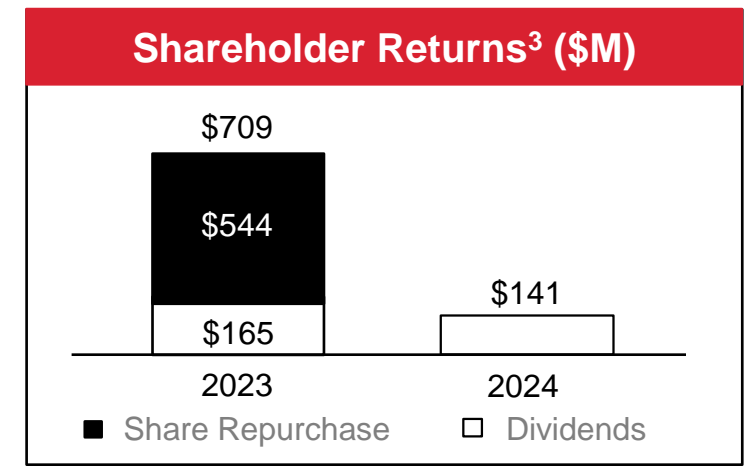
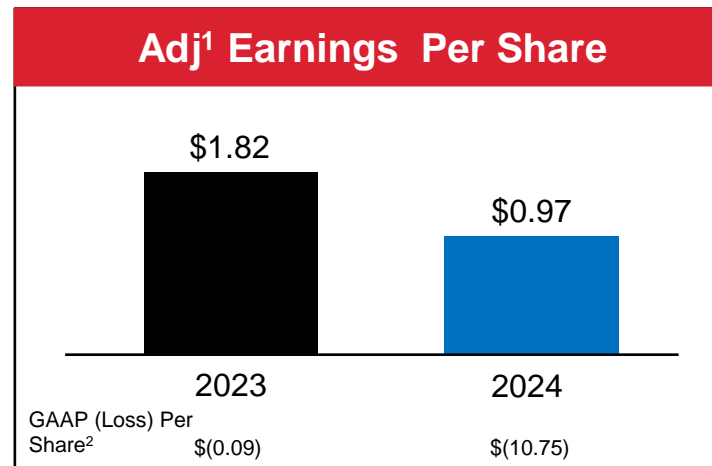
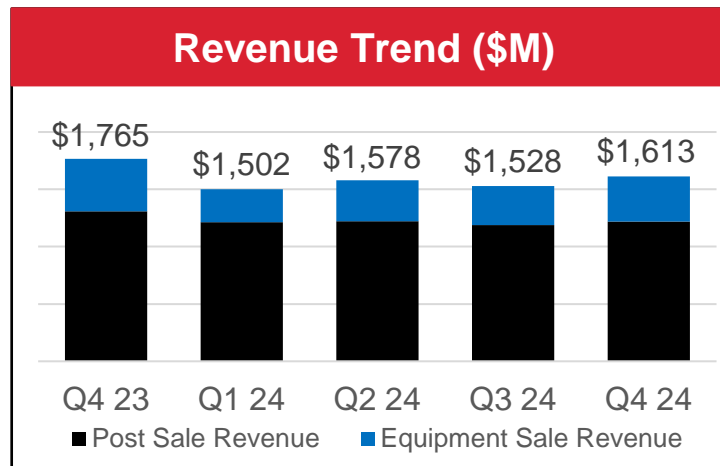
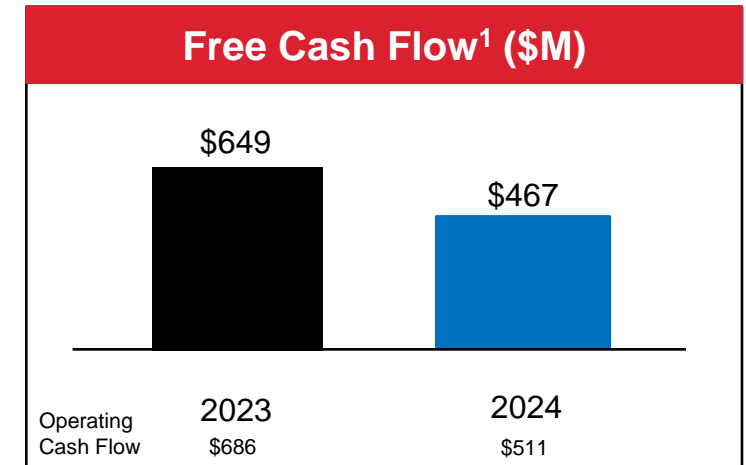
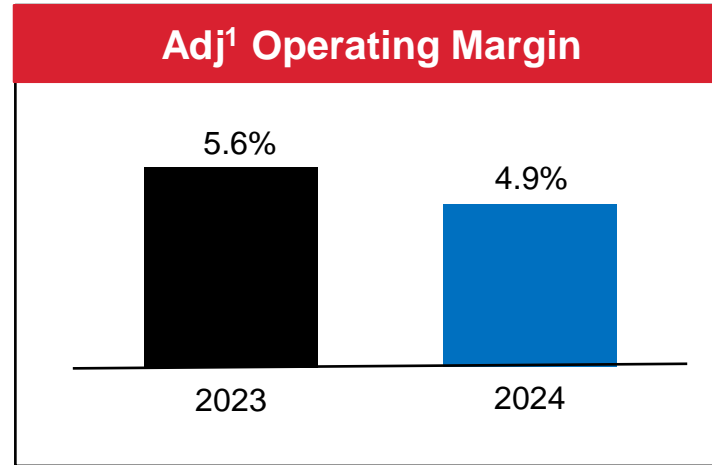
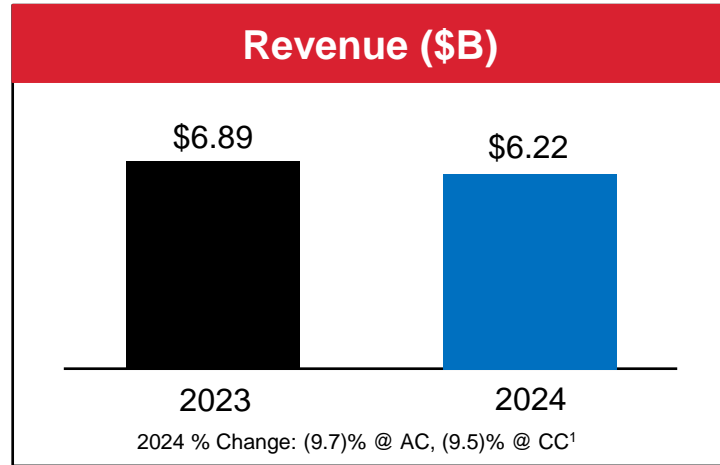
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Forward-Looking Statements

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”, “would”, “could”, “can”, “should”, “targeting”, “projecting”, “driving”, “future”, “plan”, “predict”, “may” and similar expressions, as they relate to us, our performance and/or our technology, are intended to identify forward-looking statements and are not guarantees of future performance. The company’s actual results may differ significantly from the results discussed in the forward-looking statements. These statements reflect management’s current beliefs, assumptions and expectations and are subject to a number of factors that may cause actual results to differ materially.

Such factors include but are not limited to: The ability of the conditions to the closing of the Lexmark transaction being timely satisfied and the consummation of the transaction, the ability of the combined company to achieve potential market share expansion, the ability of the combined company to achieve the identified synergies described in this presentation, the immediately accretive nature of the transaction to Xerox’s EPS and Free Cash Flow and reduction of pro forma leverage, the ability to integrate the Lexmark business into Xerox and realize the anticipated strategic benefits of the transaction, 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.

Full-Year 2024 Key Financial Measures



¹ Adjusted measures, Free Cash Flow and Constant Currency (CC): see Non-GAAP Financial Measures. ² Full year 2024 GAAP Loss per share includes a Q1 after-tax Reinvention-related charge of \$100 million, or \$0.81 per share, primarily related to the exit of certain Production Print manufacturing operations and geographic simplification; Q3 after-tax non-cash goodwill impairment charge of approximately \$1.0 billion, or \$8.17 per share; Q4 after-tax write-off of intangibles of \$28 million, or \$0.22 per share and a \$15 million after-tax Reinvention and transaction-related costs, or \$0.12 per share. Full year 2024 EPS also includes a Q3 tax expense charge of \$161 million, or \$1.30 per share, related to the establishment of a valuation allowance against certain deferred tax assets to reflect their realizability. Full year 2023 includes a Q2 net after-tax PARC donation charge of \$92 million, or \$0.58 per share, and a Q4 after-tax Restructuring and related costs, net charge of \$78 million, or \$0.52 per share. ³ 2023 includes a share repurchase of \$544 million from Carl Icahn and Affiliates.

Achievement of 2024 Priorities

Priorities

Key Accomplishments



Strengthen Core Businesses

- Re-align products, services and distribution with the needs of economic buyers of today's hybrid workplace
- Improve sales efficiency and effectiveness by optimizing go-to-market coverage and streamlining functional sales support
- Drive incremental Print, Digital and IT Services penetration with existing and prospective clients
- Pursue strategic market share gains by increasing Print client TAM, indirect channel reach and improving cost to serve

Organizational redesign streamlined operations while creating stronger alignment between sales, marketing and offering development teams and the economic buyers of Xerox's products and services.

- ✓ Sales force productivity improved throughout the year, +20% q/q in Q4
- ✓ FY growth in new business signings, Digital & legacy Mngd ITS revenue
- ✓ ITsavvy improves Xerox's IT Services TAM, expected to drive incremental penetration of IT Solutions across Xerox's client base
- ✓ Announced acquisition of Lexmark expected to strengthen core Print business with a more balanced, growth-oriented portfolio, diversified supply chain and expanded market reach



Structural Cost Improvements

- Leverage newly-formed Global Business Services (GBS) organization to drive enterprise-wide efficiencies and technology-enabled productivity gains
- Optimize global routes-to-market, leveraging partners over direct distribution where reach and regional profitability can be improved
- Narrow offerings to focus on products and services with greatest levels of competitive differentiation

Established Global Business Services organization and Xerox Reinvention Office to execute Reinvention workstreams and drive continuous operating efficiencies.

- ✓ Achieved targeted \$200 million of gross cost savings in 2024; total opex fell close to 12% year-over-year, ex-ITSavvy, one-time costs
- ✓ Transitioned 11 countries to indirect distribution models
- ✓ Optimized High-end Production Print portfolio, streamlined Office and Light Production offerings



Balanced Capital Allocation

- Optimize free cash flow¹ generation
- Maintain \$1/share dividend and pay down existing debt obligations as they come due
- Invest in projects or acquisitions with high rates of return on invested capital

Generated \$467 million of free cash flow¹ while executing a balanced approach to capital allocation.

- ✓ Extended debt maturity profile, paid \$141 million in dividends
- ✓ Expanded forward flow program in Canada
- ✓ ITsavvy and pending Lexmark acquisitions expected to be immediately accretive to adjusted¹ EPS and de-levering, in combination

⁴ ¹ Adjusted Measures and Free Cash Flow: see Non-GAAP Financial Measures

Strategic Priorities for 2025



Execute Reinvention

- **Commercial Optimization.** Strengthen core business through continued route-to-market and offering optimization, expanded Partner relationships and greater penetration of IT Solutions & Digital Services across Xerox's Print client base
- **Operational Simplification.** Global Business Services to drive structural cost improvements and higher service quality through continued technology-enabled productivity enhancements, outsourcing optimization, and process standardization



Realize Benefits of Acquisitions

- Increase share of clients' technology spend with improved IT Solutions offering
- Realize cost synergies by optimizing the integrated IT Solutions business
- Close acquisition of Lexmark; begin realizing cost synergies through the execution of a comprehensive integration plan



Balance Sheet Strength

- Optimize free cash flow¹ generation through working capital efficiencies and the expansion of the forward flow finance receivables funding program
- Prioritize reduction of debt while continuing to return cash to shareholders via \$0.50 per-share annual dividend

⁵ ¹ Free Cash Flow: see Non-GAAP Financial Measures

Operational Roadmap

	2023	2024	2025 / 2026 Plan
Reinvention Stages	Foundation	Operationalization	Execution & Acceleration
Geographic Simplification	<ul style="list-style-type: none"> Scoping, transition planning Early transitions to indirect distribution models 	<ul style="list-style-type: none"> Transitioned direct operations to partner-led models in Latin America and parts of Europe 	
Operational Simplification	<ul style="list-style-type: none"> Donated PARC to SRI, sold Xerox Research Centre of Canada to Myant Sold ElemX to Additec 	<ul style="list-style-type: none"> Implemented shift to business-unit led organizational structure Established GBS Restructured outsourcing partner agreements 	<ul style="list-style-type: none"> Implement multi-year consolidation and simplification of enterprise technology platforms Optimize business processes to rationalize outsourced labor Leverage GBS to drive continuous operational efficiencies and technology-driven productivity gains
Commercial Optimization & Growth	<ul style="list-style-type: none"> Established forward funding agreement, transitioned XFS to captive only financing model 	<ul style="list-style-type: none"> Stopped manufacturing High-end Production equipment Deployed A.I.-enabled pricing tools Revamped sales territory coverage 	<ul style="list-style-type: none"> Launch A.I.-enabled pricing tools across remaining targeted regions Carry out cost-to-serve optimization initiatives across offering portfolio Deploy additional sales productivity enhancements Leverage acquisitions, Global Partner Group to drive revenue diversification
Realize Benefits of Acquisitions		<ul style="list-style-type: none"> Closed ITsavvy acquisition Announced Lexmark acquisition 	<ul style="list-style-type: none"> Integrate ITsavvy, optimize combined platform and drive synergies Close Lexmark acquisition and begin integration / synergy realization Leverage capabilities of acquired businesses to accelerate Reinvention
Gross Savings¹	~\$120 million	~\$200 million	> \$400 million (est.)

Recently Announced Acquisitions

ITsavvy and Lexmark accelerate Xerox's Reinvention by diversifying revenue sources and strengthening the core Print business



Purchase Price	\$400 million	\$1.5 billion
Description	<p>Top 100¹ provider of integrated IT products and associated services, delivering business outcomes through a frictionless client experience.</p>	<p>A leading provider of innovative imaging solutions and technologies that help customers securely manage their print infrastructure with ease, efficiency and value.</p>
Strategic Benefits	<ul style="list-style-type: none"> • ITsavvy's experienced management team will lead Xerox IT Solutions, deploying a proven platform that has delivered 15% annualized growth in revenue over the past 5 years, inclusive of acquisitions • Enhanced IT Services offering expands market reach, ability to penetrate existing Xerox client base 	<ul style="list-style-type: none"> • Compelling industrial logic, combining two global Print leaders with complementary operations and market reach • Addition of Lexmark expected to provide Xerox a more balanced and growth-focused Print portfolio with improved exposure to attractive Print segments
Financial Benefits	<ul style="list-style-type: none"> • 2024 Revenue: \$458 million • Immediately accretive to adjusted² EPS and free cash flow² • Expect more than \$15 million of run-rate cost synergies, additional revenue synergy opportunities 	<ul style="list-style-type: none"> • LTM Revenue: \$2.2 billion³ • Expected to be immediately accretive to adjusted² EPS and free cash flow² • Transaction expected to drive lower pro forma leverage • Expect >\$1/share adjusted² EPS accretion upon realizing >\$200 million of run-rate cost synergies within two years

⁷ ¹ Per CRN, 2024 Solution Provider 500. ² Adjusted measures and Free Cash Flow: see Non-GAAP Financial Measures. ³ LTM as of 9/30/24



Frequently Asked Questions

Revenue Trajectory

What drove revenue declines in 2024? Why do you expect revenue to return to growth in 2025?

Total revenue declined 9.5% in constant currency¹ in 2024. Excluding the benefit of around 5 weeks of ITsavvy results, revenue declined 10.2% in constant currency¹, in line with our revised guidance. About 625 basis points of the decline is attributable to fluctuations in backlog and intentional reductions in non-strategic revenue. The remaining 400 basis points of organic decline represents a reduction in core Print revenue, reflecting equipment market share losses and lower page volumes, partially offset by growth in Digital and legacy Managed IT Services. Throughout the year, underlying Print market conditions were stable, and demand for our equipment remained strong. We believe our market position in 2024 was affected by the pace and scale of organizational changes implemented at the beginning of that year. In 2025, we expect revenue to grow low single-digits in constant currency¹, driven by the inclusion of a full year of ITsavvy revenue, organic growth in IT Solutions and Digital Services and an improved Print revenue trajectory, partially offset by ~400 bps of Reinvention-related and other non-strategic reductions in revenue. We expect an improved Print revenue trajectory to be supported by a stable Print market and equipment market share gains. Revenue guidance excludes any impact from the proposed Lexmark acquisition.

Lexmark Acquisition

What was the strategic rationale behind the Lexmark acquisition? How will the deal be accretive immediately?

We expect the proposed Lexmark acquisition to accelerate our Reinvention goals by strengthening Xerox's Print operations, increasing the mix of revenue from growing segments within Print, and improving adj¹ operating margin. In terms of strategic benefits, Lexmark would provide Xerox manufacturing capacity, supply chain optionality, a presence in the APAC region and opportunities to further diversify distribution. Financially, the transaction is expected to be immediately accretive to adj¹ EPS, adj¹ operating income margin and FCF¹ and result in a lower total debt leverage ratio at transaction close. Immediate accretion is driven by >\$200 million of trailing twelve-month acquired adj¹ operating income, which will more than offset transaction-related interest expense. We expect the addition of more than \$200 million of planned cost synergies over a two-year period to drive more than \$1/share of adj¹ EPS accretion as synergies are realized.

Reinvention

What is the focus of Reinvention actions in 2025? Are you expecting any additional disruption from future actions?

Reinvention's focus will shift from operationalizing the new business model to executing a series of initiatives designed to further optimize our commercial operations and simplify the business. Examples include initiatives to optimize delivery costs across our Services portfolio and drive stronger go-to-markets performance with improved sales coverage models and additional productivity tools. We expect cost reduction actions taken in 2025 to be less disruptive to revenue than we experienced in 2024. Additional planned headcount reductions would leverage methodical organizational design planning processes and take place in conjunction with ongoing business process optimization efforts.

Adj.¹ Operating Income / FCF¹ Guidance

Why do you expect only modest adj.¹ operating margin expansion in 2025? Why is FCF¹ expected to decline year-over-year?

We expect the inclusion of ITsavvy and increases in product costs to reduce gross margin in 2025. These headwinds would be partially offset by A.I.-enabled pricing tools and offering productivity initiatives. Reductions in gross margin are expected to be offset by more than \$100 million of incremental Reinvention gross cost savings. The expected y/y decline in free cash flow¹ primarily reflects a reduction in benefits from our finance receivable forward flow program, as expected, partially offset by improved adjusted¹ operating income and working capital.

Financial Results Summary

(in millions, except per share data)

P&L Measures	Q4 2024	B/(W) YOY	% Change YOY	P&L Ratios	Q4 2024	B/(W) YOY
Revenue	\$ 1,613	\$ (152)	(8.6)% AC (8.0)% CC ¹	Gross Margin – Adjusted ¹	31.6%	(190) bps
Operating Income – Adjusted ¹	104	8	8%	RD&E %	2.9%	30 bps
Other Expenses, net – Adjusted ¹	31	(1)	(3)%	SAG % – Adjusted ¹	22.2%	270 bps
Net (Loss) ²	(21)	37	NM	Operating Margin – Adjusted ¹	6.4%	100 bps
Net Income – Adjusted ¹	49	(7)	(13)%	Tax Rate – Adjusted ¹	32.9%	NM
GAAP (Loss) per Share ²	(0.20)	0.30	NM			
Earnings per Share – Adjusted ¹	0.36	(0.07)	(16)%			

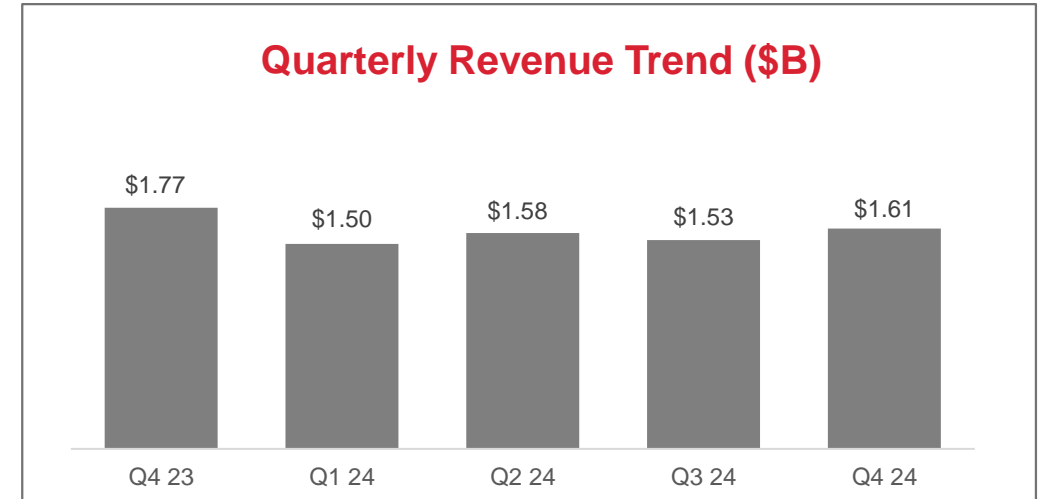
¹ Adjusted Measures and Constant Currency (CC): see Non-GAAP Financial Measures. ² Q4 2024 Net (Loss) and GAAP (Loss) per share include an after-tax intangibles write-off of \$28 million, or \$0.22 per share, and after-tax Reinvention and transaction-related costs of \$15 million, or \$0.12 per share.

Revenue

(in millions)	Q4 2024	% Change YOY		FY 2024	% Change YOY	
		AC	CC ¹		AC	CC ¹
Equipment	\$393	(14.2)%	(13.4)%	\$1,378	(16.7)%	(16.5)%
Post Sale	\$1,220	(6.7)%	(6.1)%	\$4,843	(7.4)%	(7.3)%
Total Revenue	\$1,613	(8.6)%	(8.0)%	\$6,221	(9.7)%	(9.5)%

Impacts to YOY changes in revenue:

	Q4 2024	FY 2024
Reductions in non-strategic revenue	~2.0%	~2.5%
Other Reinvention actions	<2.0%	<1.5%
Fluctuations in backlog	~2.0%	~2.5%



Installs & CC¹ Equipment Sales Revenue B/(W) YOY

	Q4 2024		2024	
	Total Installs	CC ¹ Revenue	Total Installs	CC ¹ Revenue
Entry	28%	8%	(4)%	(9)%
Mid-Range	2%	(14)%	(9)%	(16)%
High-End	(16)%	(27)%	(24)%	(26)%
Total	19%	(13)%	(6)%	(17)%

¹ Constant Currency (CC): see Non-GAAP Financial Measures.

Cash Flow

(in millions)	Q4 2024	Change YOY	FY 2024	Change YOY
Pre-tax (Loss)	(\$4)	\$84	(\$1,216)	(\$1,188)
Non-Cash Add-Backs ¹	126	30	555	216
Non-Cash Goodwill Impairment, Net of Tax	-	0	1,015	1,015
Restructuring Charges	7	(114)	87	(59)
Restructuring Payments	(20)	(16)	(78)	(51)
Pension Contributions	(31)	(4)	(145)	(43)
Working Capital, net ²	162	47	(99)	73
Change in Finance Assets ³	138	46	556	83
PARC donation	-	0	-	(132)
Other ⁴	(27)	(111)	(164)	(89)
Cash provided by Operations	351	(38)	511	(175)
Cash used in Investing	(172)	(164)	(198)	(193)
Cash used in Financing	(122)	261	(271)	931
Ending Cash, Cash Equivalents and Restricted Cash ⁵	631	14	631	14
Free Cash Flow⁶	334	(45)	467	(182)

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 \$55 million and \$98 million at December 31, 2024 and 2023, respectively. ⁶ Free Cash Flow: see Non-GAAP Financial Measures.

Segment Results

Revenue and Profit

(in millions)	Q4 2024			
	Print & Other	XFS	Intersegment Eliminations ¹	Total Xerox
Total Revenue	\$ 1,540	\$ 89	\$ (16)	\$ 1,613
Segment Profit	\$ 87	\$ 17	\$ -	\$ 104
Segment Margin ²	5.7%	19.1%		6.4%

	B/(W) YoY		
	Print & Other	XFS	Total Xerox
Total Revenue	(9)%	(11)%	(9)%
Segment Profit	(2)%	143%	8%
Segment Margin (bps) ²	40	1,210	100

Financing Assets and Debt

(in billions)	Q4 2024	Q3 2024
Equipment on Operating Leases	\$ 0.25	\$ 0.25
XFS Finance Receivables	\$ 1.75	\$ 1.99
Total Finance Assets	\$ 2.00	\$ 2.24
Financing Allocated Debt	\$ 1.75	\$ 1.96

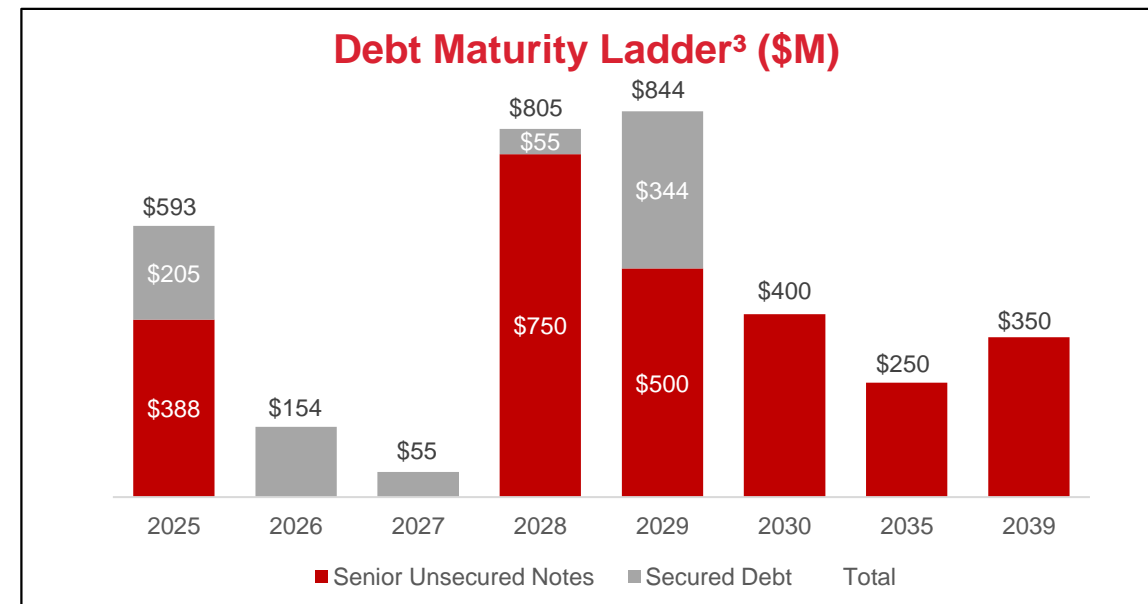
Xerox Financial Services (XFS): Key Performance Indicators

- XFS finance receivables: ~\$1.75 billion, ~12% lower Q/Q due primarily to the run-off of existing finance receivables and lower originations
- TTM originations sold to third-parties: 44%
- TTM Net Loan Loss Rate: 1.6%

Note: Sums may not total due to rounding. ¹ Reflects revenue, primarily commissions and other payments, made by the XFS segment to the Print and Other segment, for the lease of Xerox equipment placements. ² Segment margin based on external revenue only.

Capital Structure

Debt and Cash		
(in billions)	Q4 2024	Q3 2024
Total Debt	(\$3.4)	(\$3.3)
Less: Financing Allocated Debt	\$1.7	\$2.0
Core Debt	(\$1.7)	(\$1.3)
Less: Cash ¹	\$0.6	\$0.6
Net Core Debt	(\$1.1)	(\$0.7)
Total Debt to TTM Adj. ² EBITDA	6.1x	6.0x
Net Core Debt to TTM Adj. ² EBITDA	2.0x	1.3x

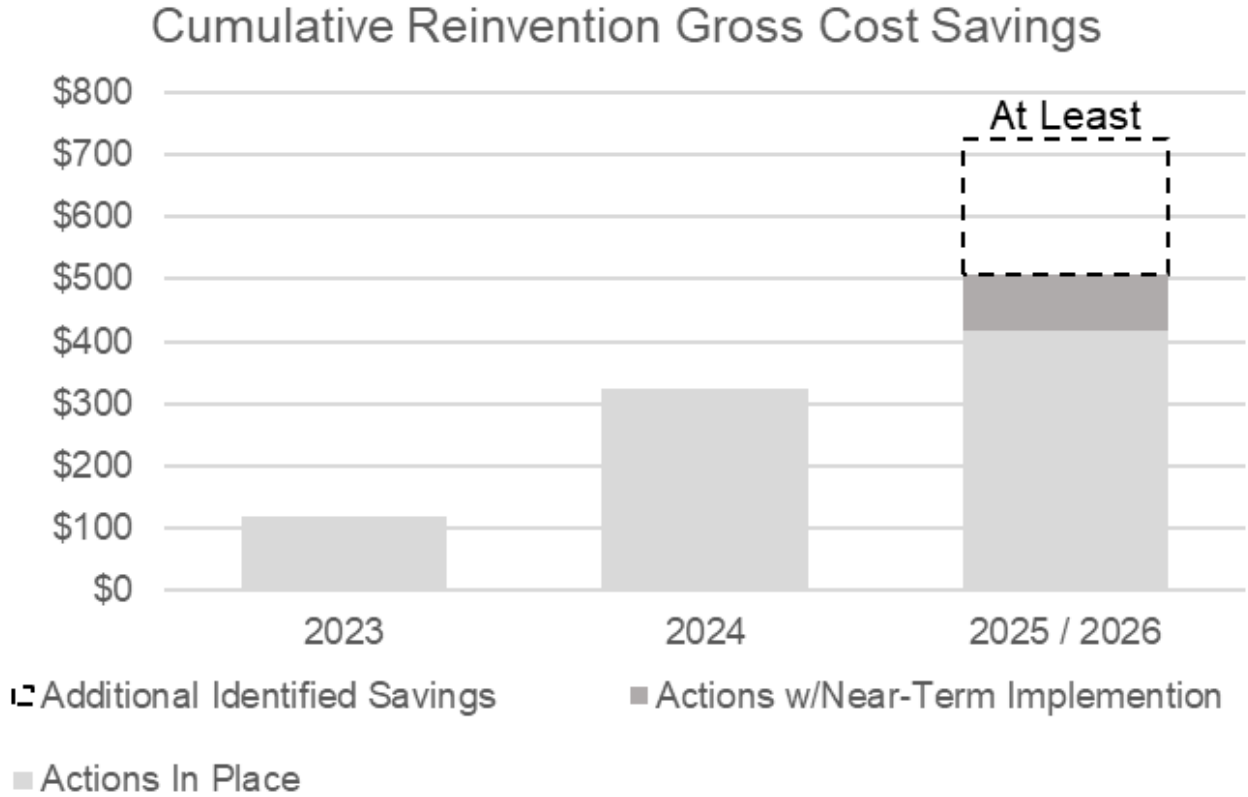


- Core debt of \$1.7B with ending cash¹ of \$0.6B. The sequential increase in core debt reflects the following:
 - Total debt increase due to the addition of the ITsavvy acquisition seller note, partially offset by secured debt repayments.
 - ~\$250 million sequential decline in total finance assets, resulting in a reduction to Financing Allocated Debt.
- Plan to refinance the 2025 Senior Notes prior to maturity.

¹ Cash, cash equivalents and restricted cash. ² Adjusted Measures: see Non-GAAP Financial Measures. ³ Total debt does not include the effect of deferred issuance costs, discounts and premiums which totaled \$52 million as of December 31, 2024.

Reinvention: Gross Cost Savings

Estimated Reinvention Gross Cost Savings



Gross Cost Savings by Year

2023

- More than \$100 million in gross cost savings realized

2024

- More than \$200 million in gross cost savings realized

2025-2026

- More than \$175 million of incremental gross cost Reinvention savings from actions taken or expected to be taken in the near-term
- Close to \$225 million of gross cost savings from actions identified and expected to be implemented in 2025 and 2026



2025 Full-Year Guidance

- **Revenue:** Low single-digit growth in Constant Currency¹
- **Adjusted¹ Operating Margin:** At least 5.0%
- **Free Cash Flow¹:** \$350 million to \$400 million

Guidance does not include any impacts associated with the pending acquisition of Lexmark, which is expected to close in 2H 2025.

Revenue: Expected revenue growth includes a full year of ITsavvy, growth in Digital Services and organic IT Solutions and an improved Print revenue trajectory, partially offset by ~400 bps from reductions in non-strategic revenue, which includes the flow through effects of geographic simplification, the elimination of certain Production equipment lines, the sale of the European paper business and ongoing reductions in XFS revenue associated with a declining finance receivable portfolio.

Adjusted¹ Operating Margin: Expected year-over-year improvement in adjusted¹ operating income margin is driven primarily by incremental Reinvention gross cost savings, partially offset by higher product costs.

Free Cash Flow¹: Implied year-over-year reduction due primarily to a reduction in finance receivable forward flow benefits, as expected, partially offset by improved adjusted¹ operating income and working capital.

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



Appendix

Operating Trends

(in millions, except EPS)	2023					2024				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Total Revenue	\$1,715	\$1,754	\$1,652	\$1,765	\$6,886	\$1,502	\$1,578	\$1,528	\$1,613	\$6,221
<i>% Change</i>	2.8%	0.4%	(5.7)%	(9.1)%	(3.1)%	(12.4)%	(10.0)%	(7.5)%	(8.6)%	(9.7)%
<i>CC¹ % Change</i>	5.5%	0.5%	(7.4)%	(10.6)%	(3.3)%	(13.2)%	(9.6)%	(7.3)%	(8.0)%	(9.5)%
Adj¹ Operating Margin	6.9%	6.1%	4.1%	5.4%	5.6%	2.2%	5.4%	5.2%	6.4%	4.9%
GAAP EPS (Loss)²	\$0.43	(\$0.41)	\$0.28	(\$0.50)	(\$0.09)	(\$0.94)	\$0.11	(\$9.71)	(\$0.20)	(\$10.75)
Adj¹ EPS	\$0.49	\$0.44	\$0.46	\$0.43	\$1.82	\$0.06	\$0.29	\$0.25	\$0.36	\$0.97
Operating Cash Flow	\$78	\$95	\$124	\$389	\$686	(\$79)	\$123	\$116	\$351	\$511
Free Cash Flow¹	\$70	\$88	\$112	\$379	\$649	(\$89)	\$115	\$107	\$334	\$467

¹ Adjusted measures, Free Cash Flow, and Constant Currency (CC): see Non-GAAP Financial Measures. Full year 2023 includes a Q2 net after-tax PARC donation charge of \$92 million, or \$0.58 per share, and a Q4 after-tax Restructuring and related costs, net charge of \$78 million, or \$0.52 per share. ³ 2023 includes a share repurchase of \$544 million from Carl Icahn and Affiliates. Full year 2024 GAAP Loss per share includes a Q1 after-tax Reinvention-related charge of \$100 million, or \$0.81 per share, primarily related to the exit of certain Production Print manufacturing operations and geographic simplification; Q3 after-tax non-cash goodwill impairment charge of approximately \$1.0 billion, or \$8.17 per share; Q4 after-tax write-off of intangibles of \$28 million, or \$0.22 per share and a \$15 million after-tax Reinvention and transaction-related costs, or \$0.12 per share. Full year 2024 EPS also includes a Q3 tax expense charge of \$161 million, or \$1.30 per share, related to the establishment of a valuation allowance against certain deferred tax assets to reflect their realizability.



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.

A reconciliation of the estimated post-acquisition impact on Adjusted Net Income and EPS, Adjusted Operating Income and Margin, 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 as the timing of synergies and costs to achieve synergies related to the acquisitions are not available at this time.

- 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);
- Free Cash Flow (Capital expenditures).

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

Adjusted Earnings Measures

- Adjusted Net Income and Earnings per share (Adjusted 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.
- 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. These costs are primarily for third-party legal, accounting,

Non-GAAP Financial Measures

- 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
 - PARC donation
 - Divestitures
 - Loss (gain) on early extinguishment of debt
 - Inventory-related impact - exit of certain Production Print manufacturing operations
 - Tax indemnification – Conduent
 - Deferred tax valuation allowance
 - Reinvention-related costs

Adjusted Operating Income and Margin

We calculate and utilize adjusted operating income 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 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 Gross Profit and Margin

We calculate non-GAAP gross Profit and Margin by excluding the inventory impact related to the exit of certain Production Print manufacturing operations, included in Cost of services, maintenance and rentals.

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.

Adjusted SAG

Selling, General & Administrative expenses adjusted for one-time professional fees for Reinvention and acquisitions.

Adjusted Other Expenses, net

Other expenses, net adjusted to exclude non-service retirement-related costs as well as 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.

Adjusted Net Income (Loss) and EPS Reconciliation

(in millions, except per share amounts)	Q1-23		Q2-23		Q3-23		Q4-23		FY-23		Q1-24		Q2-24		Q3-24		Q4-24		FY-24	
	Net Income	EPS	Net (Loss) Income	EPS	Net Income	EPS	Net (Loss) Income	EPS	Net Income	EPS	Net (Loss) Income	EPS	Net Income	EPS	Net (Loss) Income	EPS	Net (Loss) Income	EPS	Net (Loss) Income	EPS
Reported ⁽¹⁾	\$ 71	\$ 0.43	\$ (61)	\$ (0.41)	\$ 49	\$ 0.28	\$ (58)	\$ (0.50)	\$ 1	\$ (0.09)	\$ (113)	\$ (0.94)	\$ 18	\$ 0.11	\$ (1,205)	\$ (9.71)	\$ (21)	\$ (0.20)	\$ (1,321)	\$ (10.75)
Goodwill impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,058	-	-	-	1,058	-
PARC donation	-	-	132	-	-	-	-	-	132	-	-	-	-	-	-	-	-	-	-	-
Inventory-related impact - exit of certain Production Print manufacturing operations ⁽²⁾	-	-	-	-	-	-	-	-	-	-	36	8	-	-	-	-	7	-	51	-
Restructuring and related costs, net	2	-	23	-	10	-	132	-	167	-	39	-	12	-	56	-	5	-	112	-
Amortization of intangible assets	11	-	10	-	12	-	10	-	43	-	10	-	10	-	10	-	43	-	73	-
Divestitures	-	-	-	-	-	-	-	-	-	-	54	-	(3)	-	-	-	(4)	-	47	-
Non-service retirement-related costs	(1)	-	11	-	4	-	5	-	19	-	23	-	26	-	25	-	6	-	80	-
Transaction and related costs, net	-	-	-	-	-	-	-	-	-	-	-	-	(23)	-	(15)	-	7	-	(31)	-
Tax indemnification - Conduent	-	-	-	-	(7)	-	-	-	(7)	-	-	-	-	-	-	-	-	-	-	-
Loss (gain) on early extinguishment of debt	-	-	3	-	-	-	7	-	10	-	(3)	-	-	-	-	-	1	-	(2)	-
Reinvention-related costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	12	-	12	-
Income tax on goodwill impairment ⁽³⁾	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(43)	-	-	-	(43)	-
Income tax on PARC donation ⁽³⁾	-	-	(40)	-	-	-	-	-	(40)	-	-	-	-	-	-	-	-	-	-	-
Deferred tax asset valuation allowance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	161	-	8	-	169	-
Income tax on adjustments ⁽³⁾	(1)	-	(6)	-	9	-	(40)	-	(38)	-	(35)	-	(7)	-	(13)	-	(15)	-	(70)	-
Adjusted	\$ 82	\$ 0.49	\$ 72	\$ 0.44	\$ 77	\$ 0.46	\$ 56	\$ 0.43	\$ 287	\$ 1.82	\$ 11	\$ 0.06	\$ 41	\$ 0.29	\$ 34	\$ 0.25	\$ 49	\$ 0.36	\$ 135	\$ 0.97
Dividends on preferred stock used in adjusted EPS calculation ⁽⁴⁾	\$ 4	-	\$ 3	-	\$ 4	-	\$ 3	-	\$ 14	-	\$ 4	-	\$ 3	-	\$ 4	-	\$ 3	-	\$ 14	-
Weighted average shares for adjusted EPS ⁽⁴⁾	158	-	158	-	159	-	125	-	151	-	125	-	126	-	126	-	127	-	126	-

⁽¹⁾ Fourth quarter 2024 Net (Loss) and Diluted (Loss) per Share, include a \$37 million pre-tax (\$28 million after-tax) write-off of intangibles, or \$0.22 per share, and \$19 million of pre-tax (\$15 million after-tax) Reinvention-related and acquisition charges, or \$0.12 per share. Full-year 2024 Net (Loss) and Diluted (Loss) per Share, include the following: Q1-24 \$129 million pre-tax (\$100 million after-tax) Reinvention-related charge, or \$0.81 per share, primarily related to the exit of certain Production Print manufacturing operations and geographic simplification; Q3-24 pre-tax non-cash goodwill impairment charge of approximately \$1.1 billion (approximately \$1.0 billion after-tax), or \$8.17 per share; Q4-24 \$37 million pre-tax (\$28 million after-tax) write-off of intangibles, or \$0.22 per share, and \$19 million of pre-tax (\$15 million after-tax) Reinvention-related and acquisition charges, or \$0.12 per share. Full year 2024 also includes a Q3-24 tax expense charge of \$161 million, or \$1.30 per share, related to the establishment of a valuation allowance against certain deferred tax assets to reflect their realizability. This adjustment was excluded due to its unique nature and significant impact which is not considered part of our core operations. Full year 2023 Net Income and Diluted (Loss) per Share includes a Q2-23 net pre-tax PARC donation charge of \$132 million (\$92 million after-tax), or \$0.58 per share, and a Q4-23 \$104 million pre-tax Restructuring and related costs, net charge (\$78 million after-tax), or \$0.52 per share, related to the Reinvention-related workforce reduction.

⁽²⁾ Reflects the reduction of inventory of approximately \$7 million and \$45 million and the cancellation of related purchase contracts of approximately \$0 and \$6 million, as a result of the exit of certain production print manufacturing operations during the three months and year ended December 31, 2024, respectively.

⁽³⁾ Refer to Adjusted Effective Tax Rate Reconciliation.

⁽⁴⁾ 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.



Adjusted Effective Tax Rate Reconciliation

(in millions)	Q4-24			Q4-23			FY-24			FY-23		
	Pre-Tax (Loss) Income	Income Tax Expense	Effective Tax Rate	Pre-Tax (Loss) Income	Income Tax (Benefit) Expense	Effective Tax Rate	Pre-Tax (Loss) Income	Income Tax Expense	Effective Tax Rate	Pre-Tax (Loss) Income	Income Tax (Benefit) Expense	Effective Tax Rate
Reported ⁽¹⁾	\$ (4)	\$ 17	(425.0%)	\$ (88)	\$ (30)	34.1%	\$ (1,216)	\$ 105	(8.6%)	\$ (28)	\$ (29)	103.6%
Goodwill impairment	-	-		-	-		1,058	43		-	-	
Deferred tax asset valuation allowance ⁽²⁾	-	(8)		-	-			(169)		-	-	
PARC donation										132	40	
Other non-GAAP adjustments ⁽³⁾	77	15		154	40		342	70		232	38	
Adjusted ⁽⁴⁾	<u>\$ 73</u>	<u>\$ 24</u>	<u>32.9%</u>	<u>\$ 66</u>	<u>\$ 10</u>	<u>15.2%</u>	<u>\$ 184</u>	<u>\$ 49</u>	<u>26.6%</u>	<u>\$ 336</u>	<u>\$ 49</u>	<u>14.6%</u>

⁽¹⁾ Pre-Tax (Loss) and Income Tax Expense (Benefit). Full year 2024 Pre-Tax (Loss) includes a Q3 non-cash goodwill impairment charge of approximately \$1.1 billion (approximately \$1.0 billion after-tax).

⁽²⁾ Tax expense charge related to the establishment of a valuation allowance against certain deferred tax assets to reflect their realizability.

⁽³⁾ Refer to Adjusted Net Income and EPS reconciliations for details.

⁽⁴⁾ The tax impact on the Adjusted Pre-Tax Income is calculated under the same accounting principles applied to the As Reported Pre-Tax (Loss) under ASC 740, which employs an annual effective tax rate method to the results.

Adjusted Gross Profit and Margin Reconciliation

(in millions)	Q4-24		Q4-23		FY-24		FY-23	
Revenue ⁽¹⁾	\$ 1,613		\$ 1,765		\$ 6,221		\$ 6,886	
Cost of revenue ⁽¹⁾	<u>1,111</u>		<u>1,173</u>		<u>4,261</u>		<u>4,572</u>	
Gross Profit and Margin	502	31.1%	592	33.5%	1,960	31.5%	2,314	33.6%
Adjustment:								
Inventory-related impact - exit of certain Production Print manufacturing operations	7		-		51		-	
Adjusted Gross Profit and Margin	<u>\$ 509</u>	31.6%	<u>\$ 592</u>	33.5%	<u>\$ 2,011</u>	32.3%	<u>\$ 2,314</u>	33.6%

⁽¹⁾ Total revenues and cost of revenue

Adjusted Operating Income and Margin Reconciliation

(in millions)	Q1-23			Q2-23			Q3-23			Q4-23			FY-23		
	Profit	Revenue	Margin	(Loss) Profit	Revenue	Margin	Profit	Revenue	Margin	(Loss) Profit	Revenue	Margin	Profit	Revenue	Margin
Reported ⁽¹⁾	\$ 71	\$1,715		\$ (61)	\$1,754		\$ 49	\$1,652		\$ (58)	\$1,765		\$ 1	\$6,886	
Income tax expense (benefit)	14			(28)			15			(30)			(29)		
Pre-tax income (loss)	<u>\$ 85</u>	<u>\$1,715</u>	5.0%	<u>\$ (89)</u>	<u>\$1,754</u>	(5.1%)	<u>\$ 64</u>	<u>\$1,652</u>	3.9%	<u>\$ (88)</u>	<u>\$1,765</u>	(5.0%)	<u>\$ (28)</u>	<u>\$6,886</u>	(0.4%)
Adjustments:															
PARC donation	-			132			-			-			132		
Restructuring and related costs, net	2			23			10			132			167		
Amortization of intangible assets	11			10			12			10			43		
Other expenses, net	20			31			(18)			42			75		
Adjusted	<u>\$ 118</u>	<u>\$1,715</u>	6.9%	<u>\$ 107</u>	<u>\$1,754</u>	6.1%	<u>\$ 68</u>	<u>\$1,652</u>	4.1%	<u>\$ 96</u>	<u>\$1,765</u>	5.4%	<u>\$ 389</u>	<u>\$6,886</u>	5.6%

⁽¹⁾ Net Income (Loss).

Adjusted Operating Income and Margin Reconciliation (continued)

(in millions)	Q1-24			Q2-24			Q3-24			Q4-24			FY-24		
	(Loss) Profit	Revenue	Margin	Profit	Revenue	Margin	(Loss) Profit	Revenue	Margin	(Loss) Profit	Revenue	Margin	(Loss) Profit	Revenue	Margin
Reported ⁽¹⁾	\$ (113)	\$1,502		\$ 18	\$1,578		\$ (1,205)	\$1,528		\$ (21)	\$1,613		\$ (1,321)	\$6,221	
Income tax (benefit) expense	(37)			7			118			17			105		
Pre-tax (loss) income	<u>\$ (150)</u>	<u>\$1,502</u>	(10.0%)	<u>\$ 25</u>	<u>\$1,578</u>	1.6%	<u>\$ (1,087)</u>	<u>\$1,528</u>	(71.1%)	<u>\$ (4)</u>	<u>\$1,613</u>	(0.2%)	<u>\$ (1,216)</u>	<u>\$6,221</u>	(19.5%)
Adjustments:															
Goodwill impairment	-			-			1,058			-			1,058		
Restructuring and related costs, net	39			12			56			5			112		
Amortization of intangible assets	10			10			10			43			73		
Divestitures	54			(3)			-			(4)			47		
Reinvention-related costs	-			-			-			12			12		
Transaction and related costs, net	-			-			-			7			7		
Inventory-related impact - exit of certain Production Print manufacturing operations	36			8			-			7			51		
Other expenses, net ⁽²⁾	44			33			43			38			158		
Adjusted	<u>\$ 33</u>	<u>\$1,502</u>	2.2%	<u>\$ 85</u>	<u>\$1,578</u>	5.4%	<u>\$ 80</u>	<u>\$1,528</u>	5.2%	<u>\$ 104</u>	<u>\$1,613</u>	6.4%	<u>\$ 302</u>	<u>\$6,221</u>	4.9%

⁽¹⁾ Net (Loss) Income. Third quarter and full year 2024 Net (Loss) includes an after-tax non-cash goodwill impairment charge of approximately \$1.0 billion (approximately \$1.1 billion pre-tax). In addition, third quarter and full year 2024 includes a tax expense charge of \$161 million, related to the establishment of a valuation allowance against certain deferred tax assets to reflect their realizability. This adjustment was excluded due to its unique nature and significant impact which is not considered part of our core operations.

⁽²⁾ Includes non service retirement-related costs, as well as \$38 million of insurance proceeds for the full year 2024.

Adjusted EBITDA and Margin Reconciliation

(in millions)	Q1-23			Q2-23			Q3-23			Q4-23			FY-23		
	Profit	Revenue	Margin	(Loss) Profit	Revenue	Margin	Profit	Revenue	Margin	(Loss) Profit	Revenue	Margin	Profit	Revenue	Margin
Reported ⁽¹⁾	\$ 71	\$ 1,715		\$ (61)	\$ 1,754		\$ 49	\$ 1,652		\$ (58)	\$ 1,765		\$ 1	\$ 6,886	
Adjustments:															
Other expenses, net ⁽²⁾	20			31			(18)			42			75		
Income tax expense (benefit)	14			(28)			15			(30)			(29)		
Depreciation and amortization ⁽³⁾	64			62			63			62			251		
EBITDA ⁽⁴⁾⁽⁶⁾	<u>\$ 169</u>	<u>\$ 1,715</u>	9.9%	<u>\$ 4</u>	<u>\$ 1,754</u>	0.2%	<u>\$ 109</u>	<u>\$ 1,652</u>	6.6%	<u>\$ 16</u>	<u>\$ 1,765</u>	0.9%	<u>\$ 298</u>	<u>\$ 6,886</u>	4.3%
Adjustments:															
Stock-based compensation	14			14			12			14			54		
Restructuring and related costs, net ⁽⁵⁾	2			23			10			132			167		
PARC donation	-			132			-			-			132		
Adjusted EBITDA ⁽⁶⁾	<u>\$ 185</u>	<u>\$ 1,715</u>	10.8%	<u>\$ 173</u>	<u>\$ 1,754</u>	9.9%	<u>\$ 131</u>	<u>\$ 1,652</u>	7.9%	<u>\$ 162</u>	<u>\$ 1,765</u>	9.2%	<u>\$ 651</u>	<u>\$ 6,886</u>	9.5%

⁽¹⁾ Net Income (Loss)

⁽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.

Adjusted EBITDA and Margin Reconciliation (continued)

(in millions)	Q1-24			Q2-24			Q3-24			Q4-24			FY-24		
	(Loss) Profit	Revenue	Margin	Profit	Revenue	Margin	(Loss) Profit	Revenue	Margin	(Loss) Profit	Revenue	Margin	(Loss) Profit	Revenue	Margin
Reported ⁽¹⁾	\$ (113)	\$ 1,502		\$ 18	\$ 1,578		\$ (1,205)	\$ 1,578		\$ (21)	\$ 1,613		\$ (1,321)	\$ 6,221	
Adjustments:															
Other expenses, net ⁽²⁾	44			33			43			38			158		
Income tax (benefit) expense	(37)			7			118			17			105		
Depreciation and amortization ⁽³⁾	59			59			59			97			274		
Goodwill impairment	-			-			1,058			-			1,058		
EBITDA ⁽⁴⁾⁽⁶⁾	<u>\$ (47)</u>	<u>\$ 1,502</u>	(3.1)%	<u>\$ 117</u>	<u>\$ 1,578</u>	7.4%	<u>\$ 73</u>	<u>\$ 1,578</u>	4.6%	<u>\$ 131</u>	<u>\$ 1,613</u>	8.1%	<u>\$ 274</u>	<u>\$ 6,221</u>	4.4%
Adjustments:															
Stock-based compensation	12			17			9			14			52		
Restructuring and related costs, net ⁽⁵⁾	39			12			56			5			112		
Divestitures	54			(3)			-			(4)			47		
Reinvention costs	-			-			-			12			12		
Transaction and related costs, net	-			-			-			7			7		
Inventory-related impact - exit of certain Production Print manufacturing operations	36			8			-			7			51		
Adjusted EBITDA ⁽⁶⁾	<u>\$ 94</u>	<u>\$ 1,502</u>	6.3%	<u>\$ 151</u>	<u>\$ 1,578</u>	9.6%	<u>\$ 138</u>	<u>\$ 1,578</u>	8.7%	<u>\$ 172</u>	<u>\$ 1,613</u>	10.7%	<u>\$ 555</u>	<u>\$ 6,221</u>	8.9%

⁽¹⁾ Net (Loss) Income. Third quarter 2024 Net (Loss) includes an after-tax non-cash goodwill impairment charge of approximately \$1.0 billion (approximately \$1.1 billion pre-tax). In addition, third quarter and full year 2024 includes a tax expense charge of \$161 million, related to the establishment of a valuation allowance against certain deferred tax assets to reflect their realizability. This adjustment was excluded due to its unique nature and significant impact which is not considered part of our core operations.

⁽²⁾ Other expenses, net, primarily includes non-financing interest expense and certain other non-operating costs, expenses, gains and losses. Full year 2024 includes \$38 million of insurance proceeds.

⁽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.



Free Cash Flow Reconciliation

(in millions)	Q1-23	Q2-23	Q3-23	Q4-23	FY-23	Q1-24	Q2-24	Q3-24	Q4-24	FY-24
Reported⁽¹⁾	\$78	\$95	\$124	\$389	\$686	(\$79)	\$123	\$116	\$351	\$511
Less: capital expenditures	8	7	12	10	37	10	8	9	17	44
Free Cash Flow	<u>\$70</u>	<u>\$88</u>	<u>\$112</u>	<u>\$379</u>	<u>\$649</u>	<u>(\$89)</u>	<u>\$115</u>	<u>\$107</u>	<u>\$334</u>	<u>\$467</u>

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

Adjusted SAG and Margin Reconciliation

(in millions)	Q4-24			Q4-23			FY-24			FY-23		
	SAG	Revenue	Margin	SAG	Revenue	Margin	SAG	Revenue	Margin	SAG	Revenue	Margin
Reported ⁽¹⁾	\$ 377	\$ 1,613	23.4%	\$ 440	\$ 1,765	24.9%	\$ 1,537	\$ 6,221	24.7%	\$ 1,696	\$ 6,886	24.6%
Less: Re invention-related costs	12			-			12			-		
Less: Transaction and related costs, net	7			-			7			-		
Adjusted	<u>\$ 358</u>	<u>\$ 1,613</u>	22.2%	<u>\$ 440</u>	<u>\$ 1,765</u>	24.9%	<u>\$ 1,518</u>	<u>\$ 6,221</u>	24.4%	<u>\$ 1,696</u>	<u>\$ 6,886</u>	24.6%

⁽¹⁾ Selling, administrative & general expenses

Other Expenses, net Reconciliation

(in millions)	Q4-24	Q4-23	FY-24	FY-23
Reported ⁽¹⁾	\$ 38	\$ 42	\$ 158	\$ 75
Less: Non-service retirement-related costs	6	5	80	19
Less: Transaction and related costs, net	-	-	(38)	-
Less: Loss (Gain) on early extinguishment of debt	1	7	(2)	10
Adjusted	<u>\$ 31</u>	<u>\$ 30</u>	<u>\$ 118</u>	<u>\$ 46</u>

⁽¹⁾ Other expenses, net

Adjusted Operating Income and Margin – Guidance

(in millions)	FY 2025		
	Profit	Revenue (CC) ^(2, 3)	Margin
Estimated ⁽¹⁾	~\$16	~\$6,350	~0.25%
Adjustments:			
Restructuring and related costs, net	30		
Amortization of intangible assets	30		
Other expenses, net	244		
Adjusted ⁽⁴⁾	<u>~\$320</u>	<u>~\$6,350</u>	At least 5.0%

⁽¹⁾ Pre-tax income and revenue.

⁽²⁾ Full-year revenue reflects low single-digit growth in constant currency.

⁽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 5.0%.

Free Cash Flow – Guidance

(in millions)	FY 2025
Operating Cash Flow⁽¹⁾	~\$420-470
Less: capital expenditures	70
Free Cash Flow	~\$350-400

(1) Net cash provided by operating activities.

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