

**Xerox Holdings Financial Model**  
**(unaudited)**

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

	2024					2025		
	Q1	Q2	Q3	Q4	FY	Q1	Q2	YTD
Sales	523	611	588	656	2,378	557	665	1,222
Services, maintenance, rentals and other	979	967	940	957	3,843	900	911	1,811
<b>Total Revenues</b>	<b>1,502</b>	<b>1,578</b>	<b>1,528</b>	<b>1,613</b>	<b>6,221</b>	<b>1,457</b>	<b>1,576</b>	<b>3,033</b>
<b>Cost of Revenue</b>								
Cost of sales	340	387	390	445	1,562	382	480	862
Cost of services, maintenance, rentals and other	719	671	643	666	2,699	649	645	1,294
<b>Total Cost of Revenue</b>	<b>1,059</b>	<b>1,058</b>	<b>1,033</b>	<b>1,111</b>	<b>4,261</b>	<b>1,031</b>	<b>1,125</b>	<b>2,156</b>
<b>Gross Profit</b>								
Sales gross profit	183	224	198	211	816	175	185	360
Services, maintenance and rentals gross profit	260	296	297	291	1,144	251	266	517
<b>Gross Profit</b>	<b>443</b>	<b>520</b>	<b>495</b>	<b>502</b>	<b>1,960</b>	<b>426</b>	<b>451</b>	<b>877</b>
<b>Research, development &amp; engineering</b>	<b>49</b>	<b>50</b>	<b>45</b>	<b>47</b>	191	<b>42</b>	<b>43</b>	<b>85</b>
Bad Debt Expense	15	10	10	7	42	9	15	24
Selling, administrative and general exp. (Excl Bad Debts)	382	383	360	370	1,495	369	353	722
<b>Total Selling, administrative and general exp.</b>	<b>397</b>	<b>393</b>	<b>370</b>	<b>377</b>	<b>1,537</b>	<b>378</b>	<b>368</b>	<b>746</b>
Non-financing interest expense	26	31	31	31	119	33	55	88
Aggregate Exchange losses	11	2	2	-	15	-	1	1
All other, net	7	-	10	7	24	35	24	59
<b>Total Other, net</b>	<b>44</b>	<b>33</b>	<b>43</b>	<b>38</b>	<b>158</b>	<b>68</b>	<b>80</b>	<b>148</b>
Goodwill impairment	-	-	1,058	-	1,058	-	-	-
Restructuring and related costs	39	12	56	5	112	(1)	10	9
Amortization of intangible assets	10	10	10	43	73	10	10	20
Divestitures	54	(3)	-	(4)	47	(4)	-	(4)
<b>Total Costs and Expenses</b>	<b>1,652</b>	<b>1,553</b>	<b>2,615</b>	<b>1,617</b>	<b>7,437</b>	<b>1,524</b>	<b>1,636</b>	<b>3,160</b>
<b>(Loss) Income before Income Taxes</b>	<b>(150)</b>	<b>25</b>	<b>(1,087)</b>	<b>(4)</b>	<b>(1,216)</b>	<b>(67)</b>	<b>(60)</b>	<b>(127)</b>
Income Taxes	(37)	7	118	17	105	23	46	69

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		2024					2025		
		Q1	Q2	Q3	Q4	FY	Q1	Q2	YTD
<b>Net (Loss) Income</b>		<b>(113)</b>	<b>18</b>	<b>(1,205)</b>	<b>(21)</b>	<b>(1,321)</b>	<b>(90)</b>	<b>(106)</b>	<b>(196)</b>
Less: Preferred stock dividends, net		(4)	(3)	(4)	(3)	(14)	(4)	(3)	(7)
<b>Net (Loss) Income attributable to Common Shareholders</b>		<b>(117)</b>	<b>15</b>	<b>(1,209)</b>	<b>(24)</b>	<b>(1,335)</b>	<b>(94)</b>	<b>(109)</b>	<b>(203)</b>
<b>Preferred Dividends/</b>	- Basic	4	3	4	3	14	4	3	7
<b>Other</b>	- Diluted **	4	3	4	3	14	4	3	7
<b>Weighted Average Shares</b>	- Basic	124	124	124	124	124	125	126	125
	- Diluted **	124	124	124	124	124	125	126	125
<b>Earnings Per Share</b>									
Total Basic (Loss) Earnings per Share		(0.94)	0.12	(9.71)	(0.20)	(10.75)	(0.75)	(0.87)	(1.62)
Total Diluted (Loss) Earnings per Share		(0.94)	0.11	(9.71)	(0.20)	(10.75)	(0.75)	(0.87)	(1.62)
<b>Key Ratios - GAAP:</b>									
<b>Gross Margins</b>	- Sales	35.0%	36.7%	33.7%	32.2%	34.3%	31.4%	27.8%	29.5%
	- Services/Maintenance/Rentals/Other	26.6%	30.6%	31.6%	30.4%	29.8%	27.9%	29.2%	28.5%
	- Total	29.5%	33.0%	32.4%	31.1%	31.5%	29.2%	28.6%	28.9%
<b>SAG as a % of Revenue</b>		26.4%	24.9%	24.2%	23.4%	24.7%	25.9%	23.4%	24.6%
<b>Tax Rate</b>		24.7%	28.0%	-10.9%	-425.0%	-8.6%	-34.3%	-76.7%	-54.3%
<b>Ending Xerox Employment</b>		18,700	18,100	17,300	16,800	16,800	16,800	16,600	16,600

\*\*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 pi

**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, 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

	2024					2025		
	Q1	Q2	Q3	Q4	FY	Q1	Q2	YTD
<b>Revenues</b>								
Sales	523	611	588	656	2,378	557	665	1,222
Services, maintenance, rentals and other	979	967	940	957	3,843	900	911	1,811
<b>Total Revenues</b>	<b>1,502</b>	<b>1,578</b>	<b>1,528</b>	<b>1,613</b>	<b>6,221</b>	<b>1,457</b>	<b>1,576</b>	<b>3,033</b>
<b>Cost of Revenue</b>								
Cost of sales	340	386	390	438	1,554	377	474	851
Cost of services, maintenance, rentals and other	683	664	643	666	2,656	647	641	1,288
<b>Total Cost of Revenue</b>	<b>1,023</b>	<b>1,050</b>	<b>1,033</b>	<b>1,104</b>	<b>4,210</b>	<b>1,024</b>	<b>1,115</b>	<b>2,139</b>
<b>Gross Profit</b>								
Sales gross profit	183	225	198	218	824	180	191	371
Services, maintenance and rentals gross profit	296	303	297	291	1,187	253	270	523
<b>Gross Profit</b>	<b>479</b>	<b>528</b>	<b>495</b>	<b>509</b>	<b>2,011</b>	<b>433</b>	<b>461</b>	<b>894</b>
<b>Research, development &amp; engineering</b>	<b>49</b>	<b>50</b>	<b>45</b>	<b>47</b>	<b>191</b>	<b>42</b>	<b>43</b>	<b>85</b>
Bad Debt Expense	15	10	10	7	42	9	15	24
Selling, administrative and general exp. (Excl Bad Debts)	382	383	360	351	1,476	360	344	704
<b>Total Selling, administrative and general exp.</b>	<b>397</b>	<b>393</b>	<b>370</b>	<b>358</b>	<b>1,518</b>	<b>369</b>	<b>359</b>	<b>728</b>
Non-financing interest expense	26	31	31	31	119	33	55	88
Aggregate Exchange losses	11	2	2	-	15	-	1	1
All other, net	(13)	(3)	-	-	(16)	(1)	(15)	(16)
<b>Total Other, net</b>	<b>24</b>	<b>30</b>	<b>33</b>	<b>31</b>	<b>118</b>	<b>32</b>	<b>41</b>	<b>73</b>
<b>Total Costs and Expenses</b>	<b>1,493</b>	<b>1,523</b>	<b>1,481</b>	<b>1,540</b>	<b>6,037</b>	<b>1,467</b>	<b>1,558</b>	<b>3,025</b>
<b>Income before Income Taxes</b>	<b>9</b>	<b>55</b>	<b>47</b>	<b>73</b>	<b>184</b>	<b>(10)</b>	<b>18</b>	<b>8</b>
Income Taxes	(2)	14	13	24	49	(6)	95	89
<b>Net Income</b>	<b>11</b>	<b>41</b>	<b>34</b>	<b>49</b>	<b>135</b>	<b>(4)</b>	<b>(77)</b>	<b>(81)</b>
<b>Earnings Per Share</b>								
Operations:	0.06	0.29	0.25	0.36	0.97	(0.06)	(0.64)	(0.71)
Preferred Dividends - Adjusted EPS **	-	-	-	-	-	-	-	-
Adjusted Earnings per Share	0.06	0.29	0.25	0.36	0.97	(0.06)	(0.64)	(0.71)
Adjusted Weighted Average Shares **	125	126	126	127	126	126	126	125

**Key Ratios - Adjusted:**

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

Non-GAAP basis is adjusted to exclude restructuring and related costs, amortization of intangible assets, 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)

	2024					2025		
	Q1	Q2	Q3	Q4	FY	Q1	Q2	YTD
<b>Gross Margins</b>								
- Sales	35.0%	36.8%	33.7%	33.2%	34.7%	32.3%	28.7%	30.4%
- Services/Maintenance/Rentals/Other	30.2%	31.3%	31.6%	30.4%	30.9%	28.1%	29.6%	28.9%
- Total	31.9%	33.5%	32.4%	31.6%	32.3%	29.7%	29.3%	29.5%
<b>Adjusted Operating Margin</b>	-6.2%	5.4%	6.4%	6.4%	4.9%	1.5%	3.7%	2.7%
<b>SAG as a % of Revenue</b>	26.4%	24.9%	24.2%	22.2%	24.4%	25.3%	22.8%	24.0%
<b>Adjusted Effective Tax Rate</b>	-22.2%	25.5%	27.7%	32.9%	26.6%	60.0%	527.8%	1112.5%
<b>Non-GAAP Adjustments:</b>								
Goodwill Impairment	-	-	1,058	-	1,058	-	-	-
Restructuring and related costs	39	12	56	5	112	(1)	10	9
Amortization of intangible assets	10	10	10	43	73	10	10	20
Non-service retirement-related costs	23	26	25	6	80	18	19	37
Transaction and related costs	-	-	-	7	7	3	6	9
Reinvention costs	-	-	-	12	12	6	3	9
Loss (Gain) on extinguishment of debt	(3)	-	-	1	(2)	-	4	4
Divestitures	54	(3)	-	(4)	47	(4)	-	(4)
Commitment Fee expense	-	-	-	-	-	18	4	22
Insurance Settlement	-	(23)	(15)	-	(38)	-	-	-
Escrow interest	-	-	-	-	-	-	12	12
Inventory impact related to the exit of certain Production Print manufacturing operations	36	8	-	7	51	7	10	17
Tax on adjusted items	(35)	(7)	105	(7)	56	29	(49)	(20)
<b>Total Non-GAAP Adjustments</b>	<b>124</b>	<b>23</b>	<b>1,239</b>	<b>70</b>	<b>1,456</b>	<b>86</b>	<b>29</b>	<b>115</b>

*\*\*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)	2024					2025			2025 QOQ	2025 YOY
	Q1	Q2	Q3	Q4	FY	Q1	Q2	YTD	CC %	CC %
									Change	Change
<b>Revenue</b>										
Entry	45	56	53	60	214	43	51	94	(9.8)%	(7.3)%
Mid-range	193	235	224	260	912	198	235	433	(0.9)%	1.3%
High-end	47	60	57	68	232	40	44	84	(26.0)%	(21.1)%
Other	5	5	5	5	20	3	6	9	20.0%	(10.0)%
<b>Total Equipment Revenue</b>	<b>290</b>	<b>356</b>	<b>339</b>	<b>393</b>	<b>1,378</b>	<b>284</b>	<b>336</b>	<b>620</b>	<b>(6.7)%</b>	<b>(4.0)%</b>
<b>Installs</b>										
<b>Entry</b>										
Color	(37)%	(13)%	(4)%	20%	(11)%	18%	(4)%	7%		
B&W	(47)%	(9)%	34%	31%	(2)%	39%	(18)%	3%		
<b>Mid-range</b>										
Color	(18)%	(12)%	3%	5%	(5)%	11%	0%	5%		
B&W	(28)%	(29)%	(11)%	(5)%	(19)%	(11)%	(23)%	(17)%		
<b>High-end</b>										
Color	(42)%	(22)%	(22)%	(13)%	(25)%	(19)%	(16)%	(18)%		
B&W	(22)%	(24)%	29%	(42)%	(15)%	(67)%	(73)%	(70)%		

Notes:

CC = Constant Currency