Xerox Holdings Corp.

Strategic and Financial Overview

November 2023

Forward-Looking Statements

This presentation and other written or oral statements made from time to time by management contain “forward looking statements” as defined in the Private Securities Litigation Reform Act of 1995. The words “anticipate”, “believe”, “estimate”, “expect”, “intend”, “will”, “should”, “targeting”, “projecting”, “driving” and similar expressions, as they relate to us, our performance and/or our technology, are intended to identify forward-looking statements. These statements reflect management’s current beliefs, assumptions and expectations and are subject to a number of factors that may cause actual results to differ materially.

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

Why Invest in Xerox?

Reinvention expected to drive sustainable profit and revenue mix improvements

By 2026:	
• $300 million adj.[1] operating income improvement over 2023 levels • Return to double-digit adj.[1] operating income margin	Revenue mix shift from Print to growth businesses

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

+

Strong dividend yield supported by lease receivable run-off

~8% dividend yield[2]	~$1.5bn of FCF[1] through 2027 from one-time reduction in finance lease receivable balance

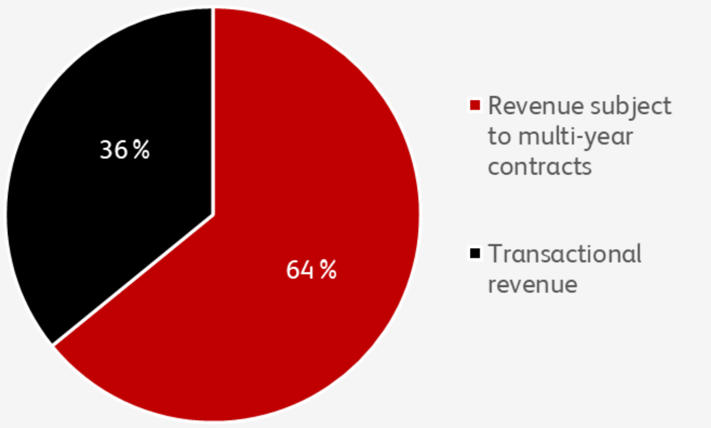
- With strong free cash flow[1] supporting our dividend, investors will be rewarded as the strategy progresses

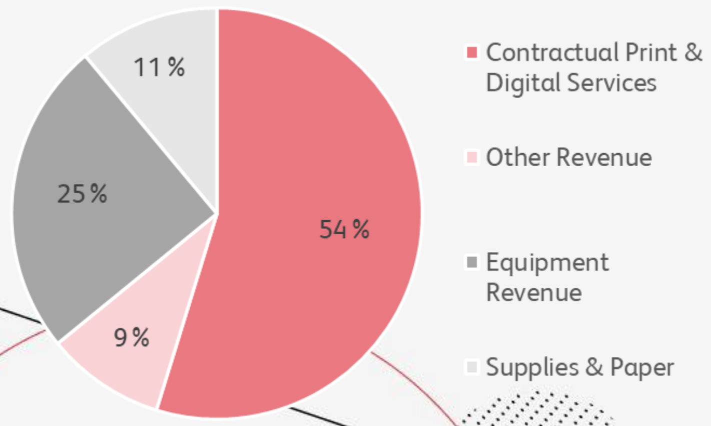
1) Adjusted operating income, margin and Free Cash Flow: see Non-GAAP Financial Measures.
2) As of 11/1/23.

Business Overview

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

Revenue Mix (LTM Q3-23)





Transactional Revenue	Equipment Sales	• Design, development and sale of document management systems • Includes equipment portion of sales-type leases
	Supplies & Paper	• Direct and indirect sales of supplies and paper not included as part of a bundled lease agreement
Revenue Subject to Multi-year Contracts	Contractual Print & Digital Services	• Maintenance revenue (including bundled supplies), document services revenue from Xerox Services offerings, and rentals. • Includes Digital Services, such as Capture & Content and Customer Engagement and Managed IT Services • Service contracts typically last 3-5 years
	Other Revenue	• IT Hardware endpoint placements • FITTLE lease financing income • Other agreements

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Xerox: Recent Strategic Actions

Recent actions to simplify the business and focus on delivering positive customer outcomes laid the groundwork for Reinvention

Feb 2022 – Investor Day

Feb 2022 – Acquired Powerland to grow presence in IT Services Market

Jun 2022 – Early redemption of $350M of 4.625 % Senior Notes due March 2023

Jul 2022 – Acquired Go Inspire to grow digital services presence

Jul 2022 – Exited Eloque (bridge-sensor business), and scaled back investments in 3D printing

Oct 2022 – Spun out Novity (industrial predictive maintenance company) and Mojave (energy efficient HVAC business), with Xerox continuing to hold minority stakes

Dec 2022 – FITTLE entered into a forward funding agreement to sell eligible pools of lease receivables

Dec 2022 – Early redemption of $350M of 4.625 % Senior Notes due March 2023

Mar 2023 – Redeemed remaining $300M of 4.625 % Senior Notes due March 2023

Mar 2023 – Sold Xerox Research Centre of Canada (XRCC) and Elem Additive Solutions (3D Printing) in July/August, respectively

Apr 2023 – Donated PARC to SRI International

Jul/Aug 2023 – Sold Elem (3D Print) to ADDiTEC

Sept 2023 – Expanded agreement with PEAC Solutions, effectively returning FITTLE to captive-only financing business

Sept 2023 – Completed repurchase of shares held by Carl Icahn and Affiliates

Macro challenges

- War in Ukraine
- Supply Chain
- Inflation / Rate hikes

Steve Bandrowczak appointed CEO

Shift to a more customer-centric organization, with a simplified and flexible operating model

Key Accomplishments

- Expand Digital and IT Services offerings
- Strengthen balance sheet
- Simplify business / implement flexible cost structure
- Improve free cash flow[1] generation

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

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Current Strategic Focus: Xerox Reinvention

Operational simplification and strategic repositioning of our business, enabling sustainable growth in profit and free cash flow[1] through an expansion of services that address clients' most challenging workplace productivity needs.

Simplification

Geographic Optimization

- Selective approach to operating directly in certain markets
- Shift to partner-led distribution model in other markets
- Greater focus on geographic profitability relative to absolute revenue

Offering and Pricing Optimization

- Streamline product offerings
- Enable consumer-like, touchless experience for clients
- Capture incremental market opportunities through enhanced pricing models

Operating Model Simplification

- End-to-end organizational and structural simplification to drive operating cost savings and free up capacity to reinvest in the business

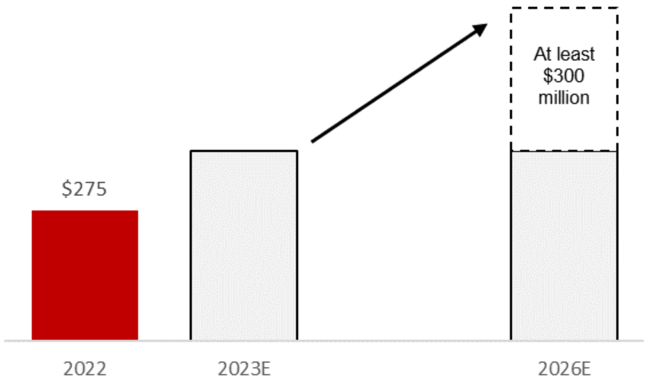
Reposition for Growth

Simplification enables the pursuit of value-accretive growth opportunities

- Expansion of market share in Print and Print Services
- Expansion of clients' wallet share with services in high-growth, adjacent markets where Xerox has a clear path to win
  - **Managed IT Services** for small and mid-sized clients
  - **Digital Services** enabling the transformation of digital document workflows

Financial Objectives

Adjusted[1] Operating Income
($ million)



By 2026:

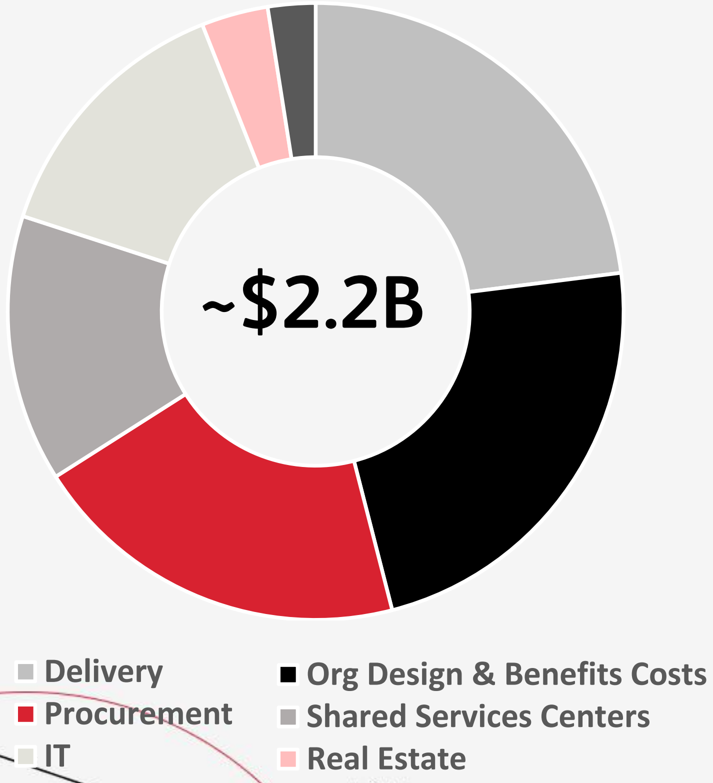
- Double-digit adjusted[1] operating margin
- Diversified revenue mix with greater exposure to high-growth markets

1) Adjusted operating income: see Non-GAAP Financial Measures.

Track Record & Culture of Continuous Improvement

Structural simplification efforts through Reinvention will draw on learnings from Project Own It

Project Own It: Gross Cost Savings
(2018 to 2022)



Key Learnings

Reinvention: Op Inc Improvement
(2023 to 2026)

$300 million net improvement in Adjusted Operating Income by 2026

- Significant reductions to Xerox's cost structure through structural simplification, a portion of which will be reinvested to reposition Xerox's business model
- Transition to a services-led, software enabled provider of advanced workplace solutions will require select investments in capabilities targeting high-growth, adjacent markets where we have a clear path to win

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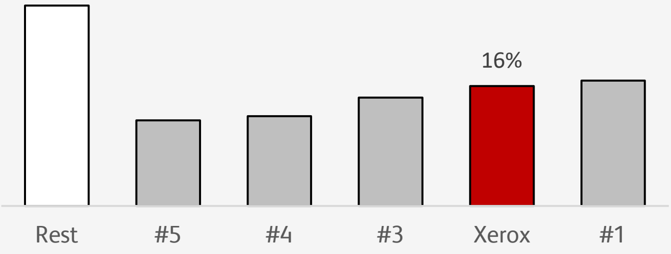
Xerox Growth Opportunities

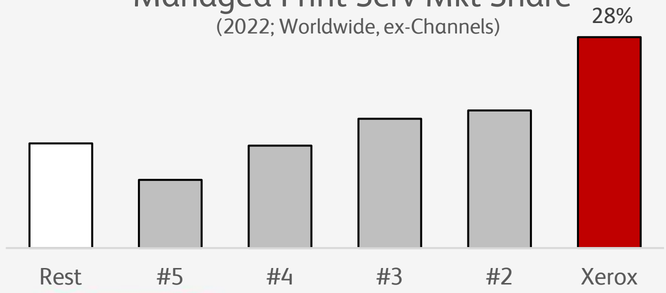
Simplification enables self-funded investments in organic and inorganic growth opportunities in Print and high-growth adjacencies

Build on Leading Position in Print Services

Print Equip Revenue Mkt Share[1]
(LTM as of Q2 2023; Entry, Mid, Production)



Managed Print Serv Mkt Share[2]
(2022; Worldwide, ex-Channels)



Adjacent Market Expansion Opportunities

IT Services	
• Full suite of enterprise-class IT Services offerings for the mid-market • Leverages industry-leading direct sales model focused on the mid-market	TAM: $682B MARKET CAGR: 6 %

Digital Services	
• Helps clients accelerate digital transformation of document workflows • Intelligent document processing and personalized communications	TAM: $68B MARKET CAGR: 5 %

Strong Foundation for Growth

IT and Digital Services comprise a growing and significant portion of Xerox's current revenue

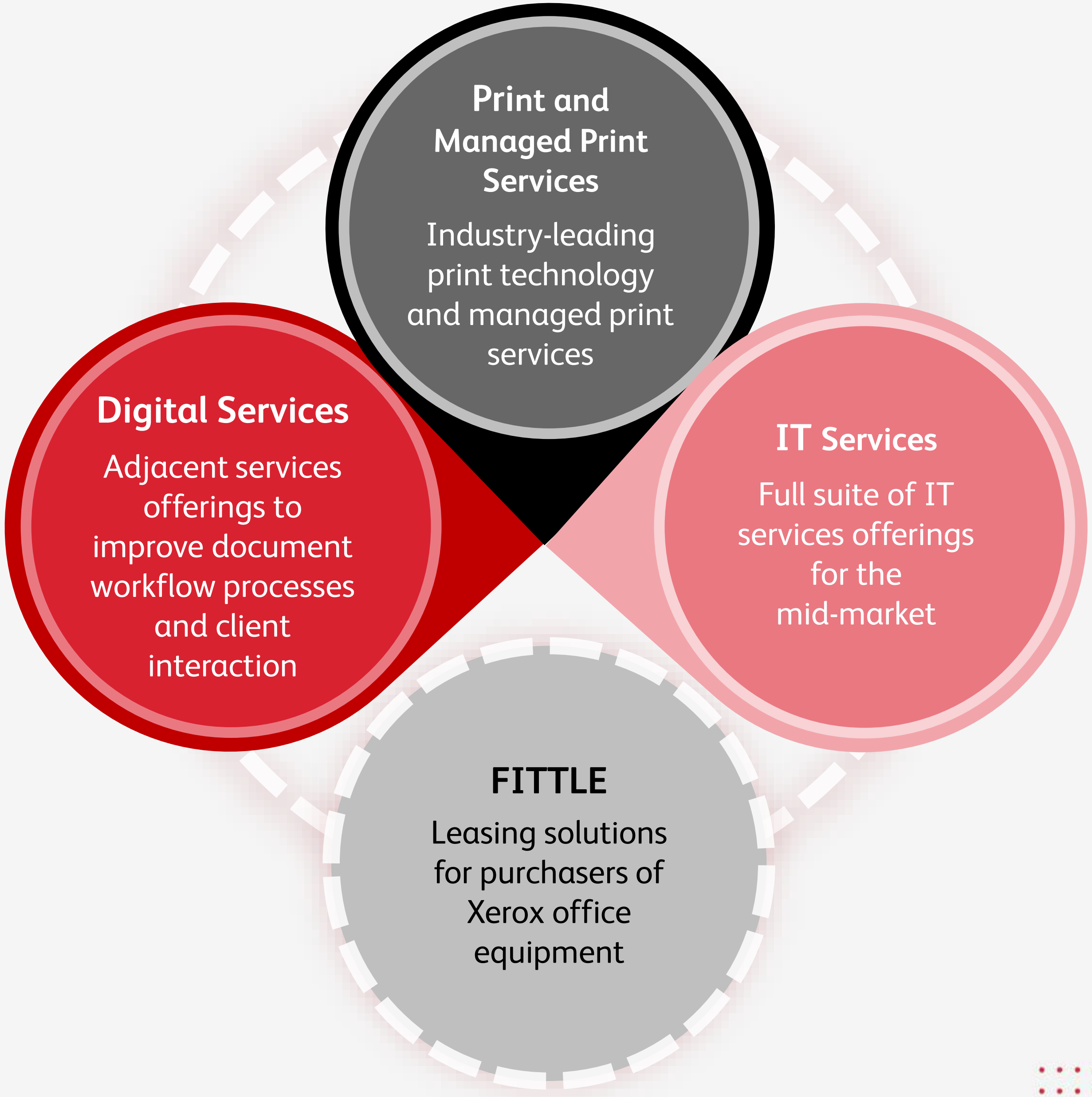
YTD 2023

- Double-digit Managed IT Services revenue growth
- Double-digit Digital Services revenue and signings growth
- >100 % revenue replacement rate for most service contracts renewed with existing clients

1. Source: Xerox analysis of IDC WW Quarterly Hardcopy Peripherals Tracker, Last twelve months (Q2 2023) using custom categories and segments.Total print ESR market share includes only geographies where Xerox competes (e.g., ex-Asia Pacific and Japan).
2. Source: IDC, Worldwide and U.S. Managed Print and Document Services and Basic Print Services Market Shares, 2022: SMB Growth Helps Sustain Overall Market, July 2023, IDC #US50129823.

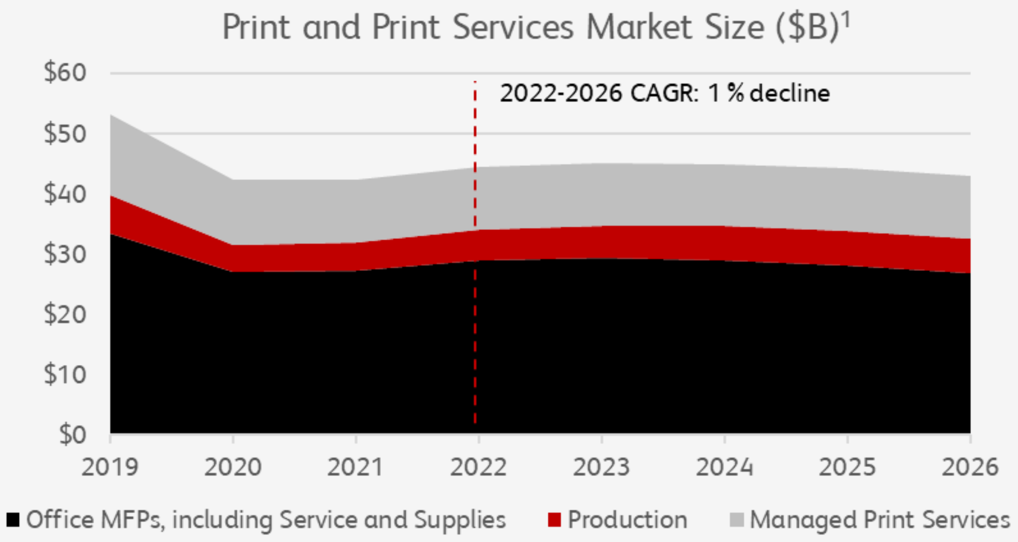
Xerox Business Offerings

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

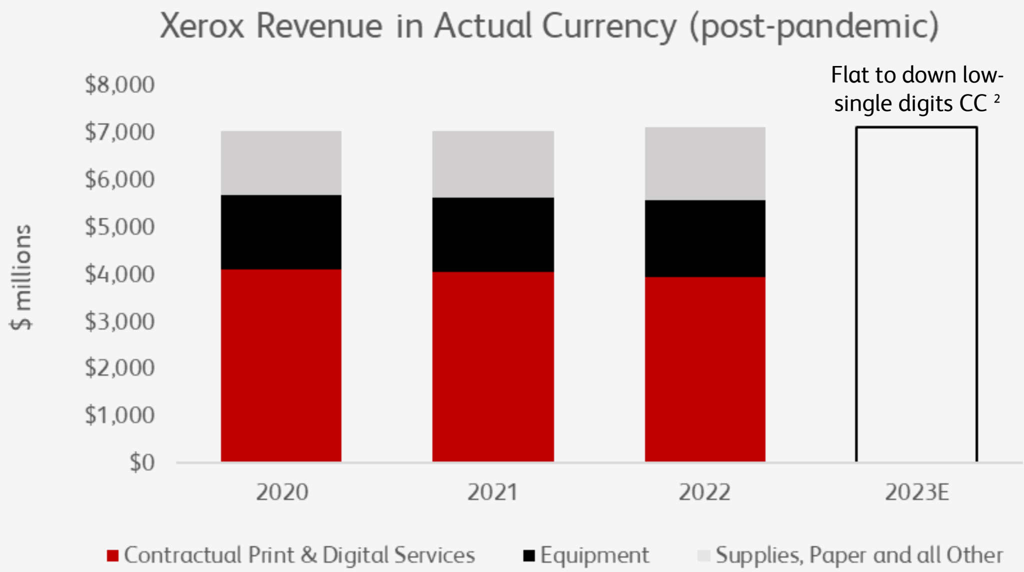


Print and Services Market / Xerox Revenue Trends

The Print market, and Xerox revenue, has been largely steady since the Pandemic despite ongoing secular headwinds



- The Print Services market in which we operate is expected to be stable, declining only slightly through 2026
- Xerox's breadth of offerings and value-based approach to selling differentiated customer solutions are expected to drive market share gains



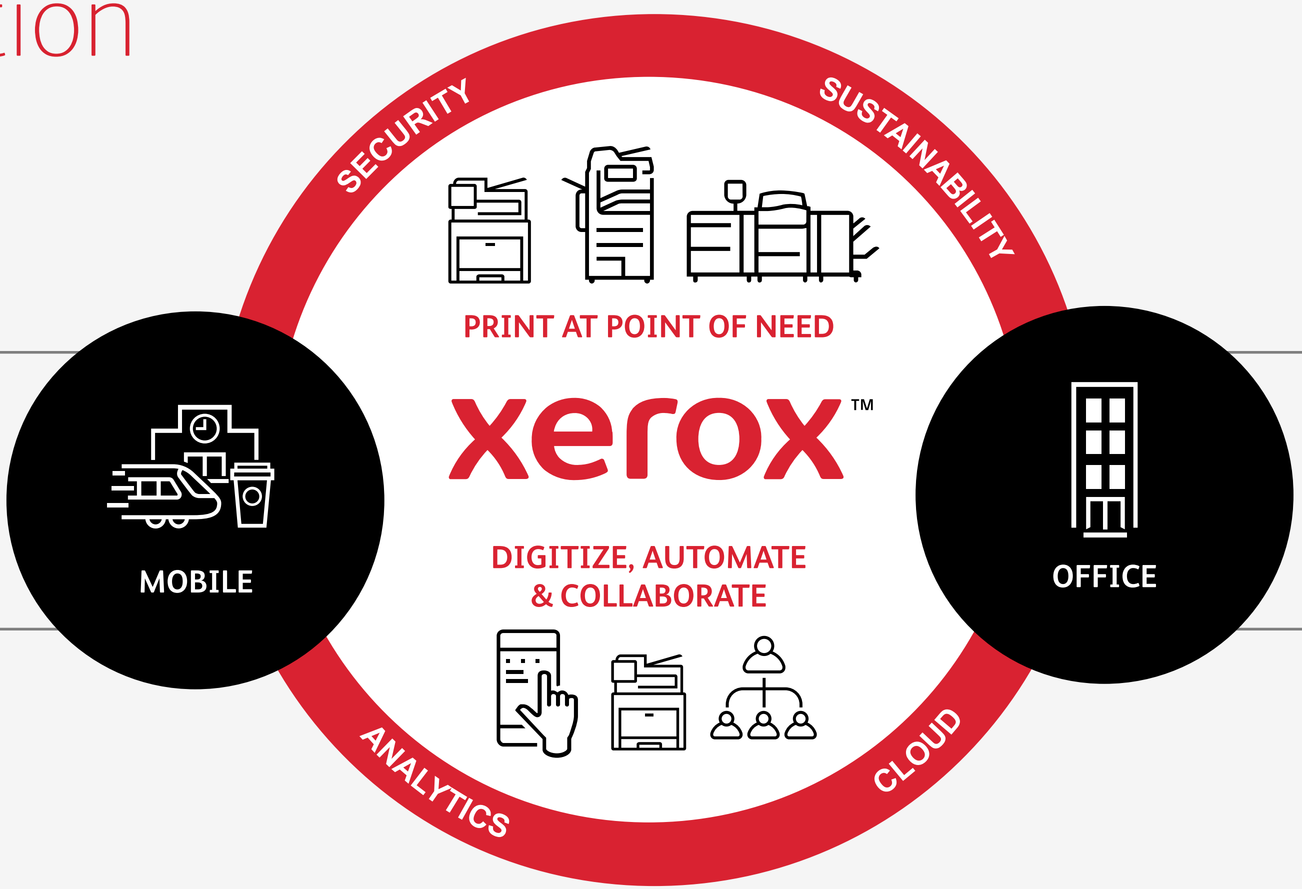
- Since the pandemic, Xerox revenue has been steady to slightly higher, aided by acquisitions. This is despite supply chain disruption, macroeconomic uncertainty and unfavorable currency effects
- Revenue is expected to be flat to down low-single digits in constant currency[2] in 2023

1) Xerox internal analysis leveraging third party sources, including IDC. 2) Constant Currency (CC): see non-GAAP financial measures.

Breadth and Quality of Offerings Underpin Leading Market Position

TECHNOLOGY

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



AS A SERVICE

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

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

1) Source: Xerox analysis of IDC WW Quarterly Hardcopy Peripherals Tracker, LTM as of Q2 2023. Total print ESR market share includes only geographies where Xerox competes (e.g., ex-Asia Pacific and Japan).
2) Source: IDC, Worldwide and U.S. Managed Print and Document Services and Basic Print Services Market Shares, 2022: SMB Growth Helps Sustain Overall Market, July 2023, IDC #US50129823.

Leader in Print across Large Enterprise and Mid-markets

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

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

Differentiated Print Services Technology Solutions

ConnectKey® Apps

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

Workflow Central

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

Note: Click on links above to access video demonstration

Workflow Cloud

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

Advanced Analytics

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

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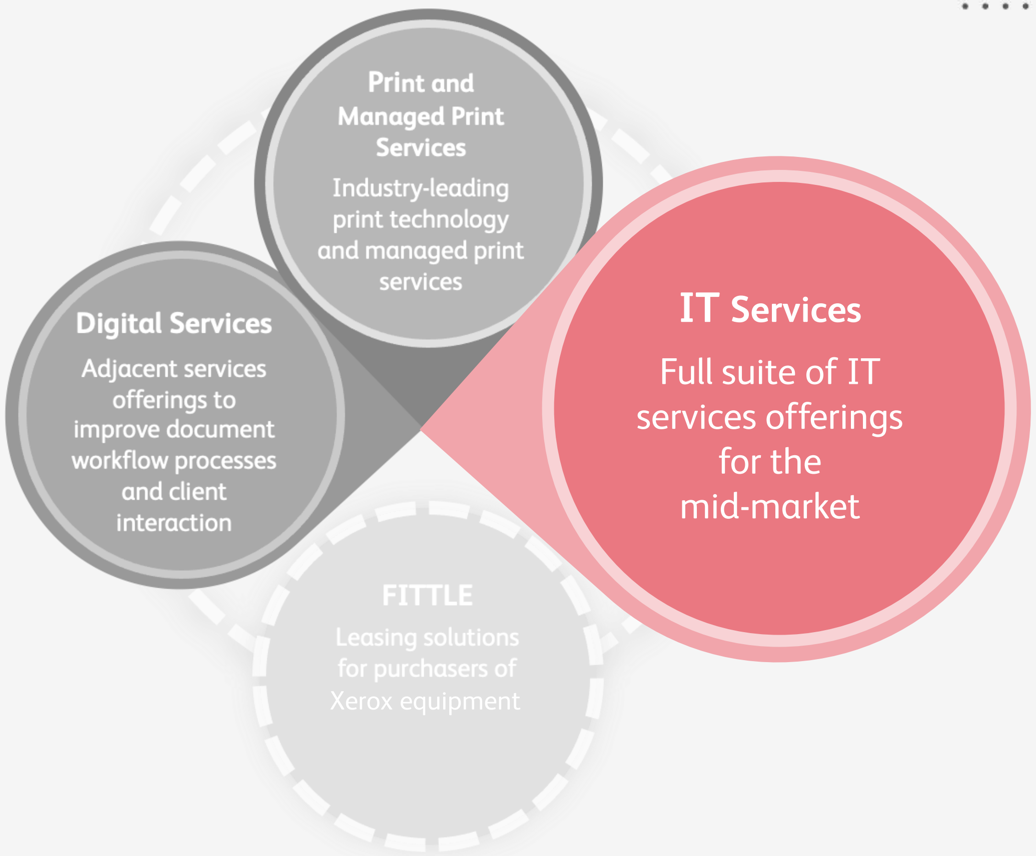
IT Services: Wallet Share Expansion Opportunities

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

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



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

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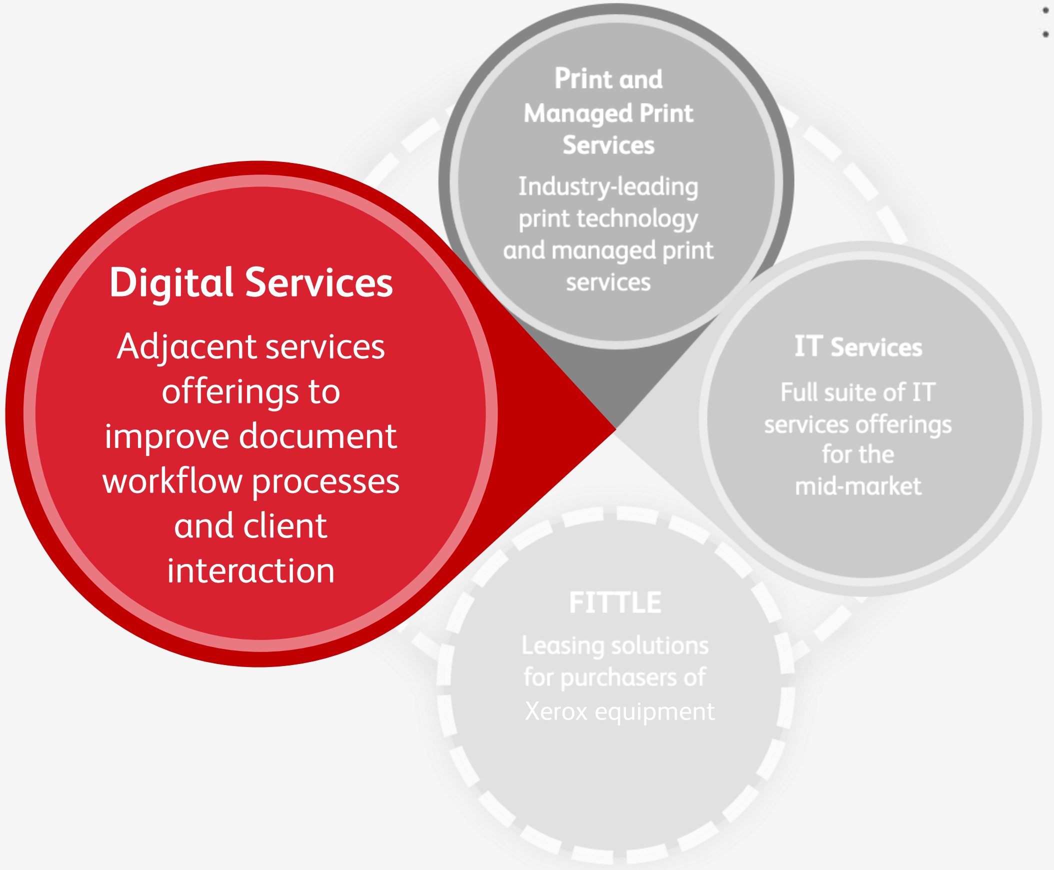
Digital Services: Digital Transformation Adjacencies

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

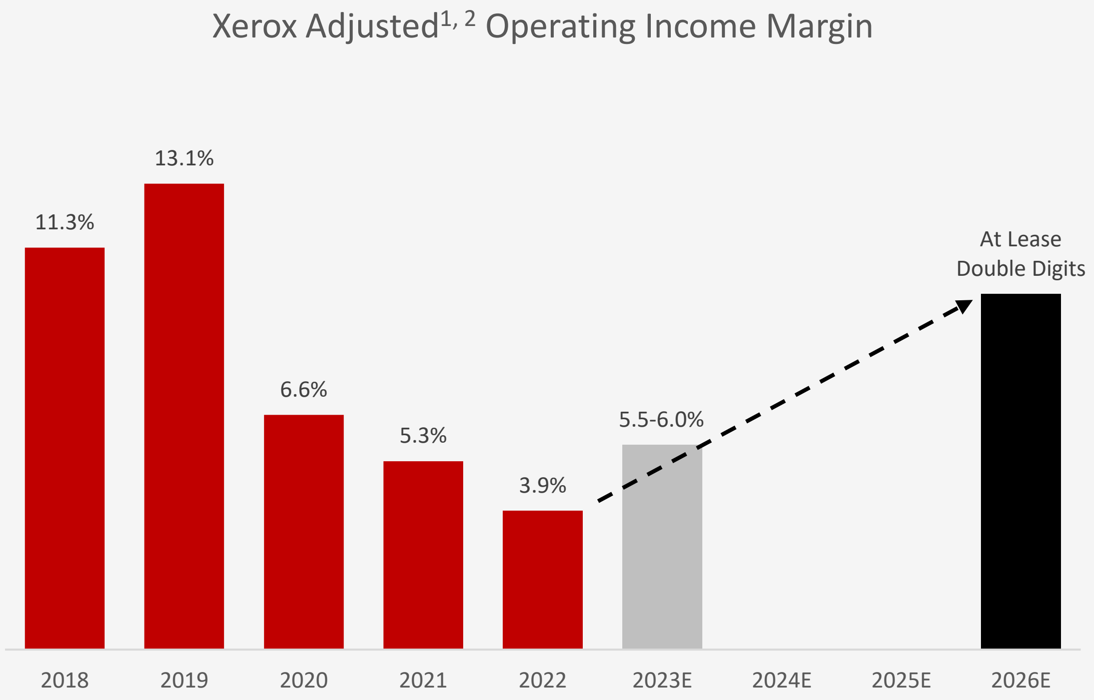
	Digital Services
Description	• Suite of services that enable digital transformation of clients' documentation workflows • Broadly categorized as Capture & Content (CCS) and Customer Engagement (CES)
TAM / Growth	$68B / 5 % CAGR[1]
Route to Market	**Current**: Primarily sold direct to Enterprise customers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



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

Drivers of Expected Margin[1] Recovery

Clear line of sight to factors that are expected to drive adjusted[1] operating margin expansion through 2026



Drivers of improvement in 2023

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

Enablers of improvement through 2026

- Operating discipline demonstrated in 2023
- Structural simplification of business through Reinvention, enabled by geographic, offering and pricing optimization
- Optimization unlocks substantial savings opportunities across business support functions, IT and the supply chain
- More profitable revenue mix

1) Adjusted Operating Income margin: see Non-GAAP Financial Measures.
2) We expect adjusted operating margin[1] between 5.5 % to 6.0 % in 2023. No specific margin guidance has been provided for 2024.

Leverage – Reported vs ex-Financing Allocated Debt

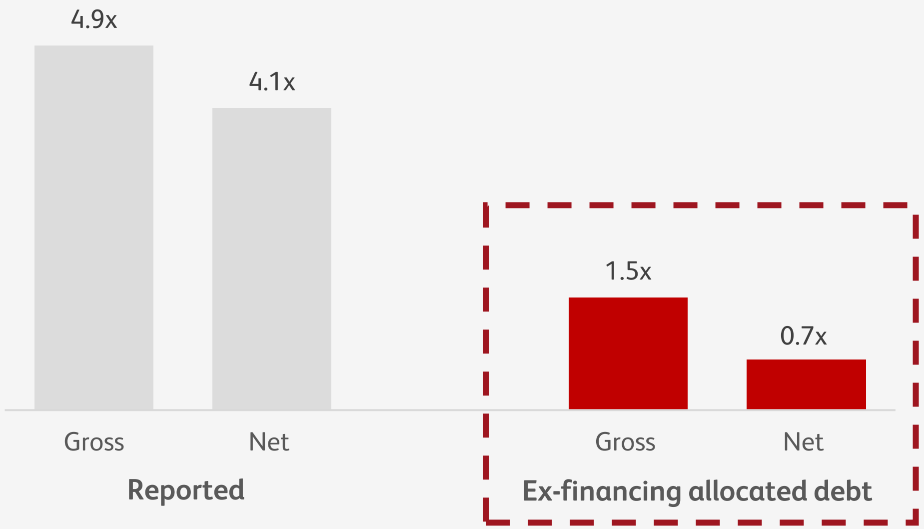
Xerox has a modest net core debt position excluding debt associated with financing

Capital structure

(in billions)	Q3 2023
Total Debt	($3.6)
Less: Financing Allocated Debt [1]	$2.5
Core Debt	($1.1)
Less: Cash [2]	$0.6
Net Core Debt	**($0.5)**

Near-term Maturities: $300 million due on unsecured Senior Notes in May 2024.

Trailing Twelve Month Debt to Adjusted[3] EBITDA



1) Allocated based on 7:1 debt coverage to finance assets – finance receivables and equipment on operating leases
2) Cash, cash equivalents and restricted cash at 9/30/23
3) Adjusted EBITDA as of 9/30/23: See Non-GAAP Financial Measures.

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FITTLE: Strategic Update

Evolution of FITTLE Strategy

2022 Investor Day (Feb 2022)

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

Change in market conditions

Forward Funding Agreement (Dec 2022)

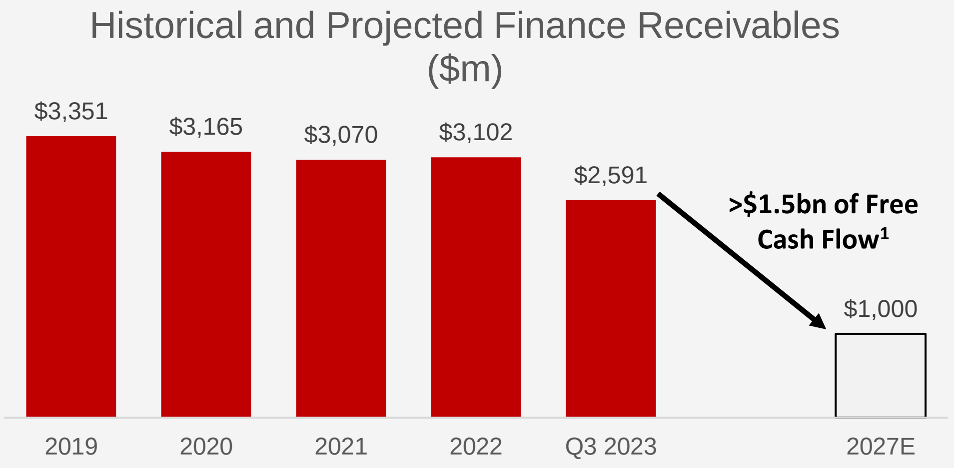
- Agreement with PEAC Solutions to sell pools of direct U.S. lease receivables
- Expected to reduce Xerox's origination obligations by approximately $600 million in first year

Expansion of PEAC Partnership (Sept 2023)

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

Free Cash Flow[1] Effects

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



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

Why Invest in Xerox?

- Reinvention expected to drive sustainable profit improvement and revenue growth
  - By 2026, targeting a $300 million improvement in adjusted[1] operating income and a return to double digit adjusted[1] operating income margin
  - Improved revenue mix, with greater exposure to higher-growth markets, including Digital and Managed IT Services
- With strong free cash flow supporting our dividend, investors will be rewarded as the strategy progresses
- 8% dividend yield[2], with an attractive free cash flow[1] profile, supported by expected improvements in profit and finance lease receivable run-off

1) Adjusted operating income and Free Cash Flow: see Non-GAAP Financial Measures.
2) As of 11/1/23.

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Appendix

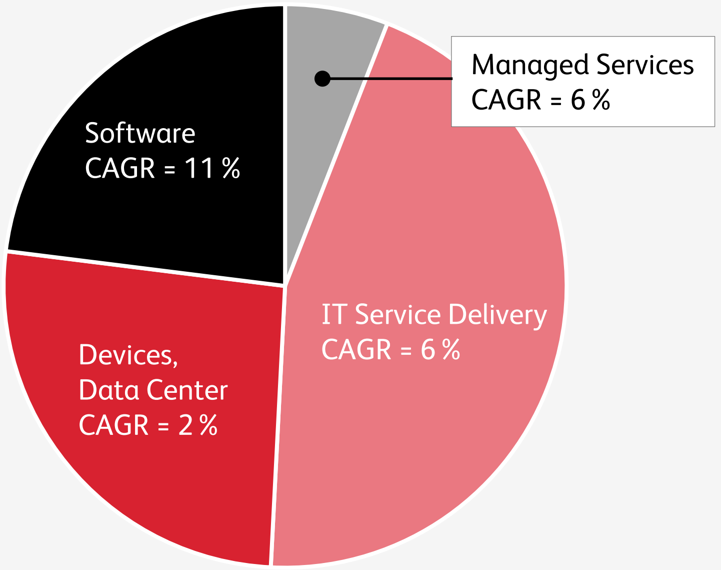
TAM Definitions and CAGR Timeframes

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

IT Services: Significant Opportunity in the Mid-market

With over 175,000 mid-market customers globally, we are well positioned to expand from our print and managed print technology offerings to become a full-service information technology service provider for our clients.

North America + W Europe: US$682B[1]
2022-2025 CAGR = 6%
(SMB Only)



Source: Techaisle, January 2022
Note: Market is SMBs with 1-2499 employees excl. home-based businesses

Recent Global Mid-market IT Trends

KEY TREND	WHAT THIS MEANS	XEROX IT SERVICES OFFERINGS
Higher demand for **managed security solutions** from managed services providers	Cybersecurity will be a top priority as mid-market companies face an increase in the number of vulnerabilities	✓
AI-powered **automation** and **data analysis** will boost spending on business applications	Availability of affordable AI-powered solutions with document understanding capabilities will accelerate automation of business operations	✓
Flexible workplaces are influencing IT purchasing decisions	Packages that combine hardware, software and services help clients operationalize IT spend through scalable, SaaS offerings	✓
Business continuity and disaster recovery will be a top priority to mitigate data security risks	Sophistication and frequency of cyber attacks make backup, recovery and business continuity a top priority	✓
Investment in **collaboration** tools to support the dispersed workforce	Collaboration tools will enable remote employees to remain connected and productive	✓

Source: Analysis Mason, December 2021

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

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Operating Trends

(in millions, except EPS)	2021 FY	2022 Q1	2022 Q2	2022 Q3	2022 Q4	2022 FY	2023 Q1	2023 Q2	2023 Q3
Total Revenue	**$7,038**	**$1,668**	**$1,747**	**$1,751**	**$1,941**	**$7,107**	**$1,715**	**$1,754**	**$1,652**
% Change	*0.2%*	*(2.5)%*	*(2.6)%*	*(0.4)%*	*9.2%*	*1.0%*	*2.8%*	*0.4%*	*(5.7)%*
CC[1] % Change	*(1.4)%*	*(0.7)%*	*1.1%*	*4.7%*	*13.9%*	*4.8%*	*5.5%*	*0.5%*	*(7.4)%*
Adj[1] Operating Margin	5.3%	(0.2)%	2.0%	3.7%	9.2%	3.9%	6.9%	6.1%	4.1%
GAAP (Loss) EPS[2]	($2.56)	($0.38)	($0.05)	($2.48)	$0.74	($2.15)	$0.43	($0.41)	$0.28
Adj[1] EPS (Loss)	$1.51	($0.12)	$0.13	$0.19	$0.89	$1.12	$0.49	$0.44	$0.46
Operating Cash Flow	$629	$66	($85)	($8)	$186	$159	$78	$95	$124
Free Cash Flow[1]	$561	$50	($98)	($18)	$168	$102	$70	$88	$112

[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.

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Non-GAAP Financial Measures

Non-GAAP Financial Measures

We have reported our financial results in accordance with generally accepted accounting principles (GAAP). In addition, we have discussed our financial results using the non-GAAP measures described below. We believe these non-GAAP measures allow investors to better understand the trends in our business and to better understand and compare our results. Management regularly uses our supplemental non-GAAP financial measures internally to understand, manage and evaluate our business and make operating decisions. These non-GAAP measures are among the primary factors management uses in planning for and forecasting future periods. Compensation of our executives is based in part on the performance of our business based on these non-GAAP measures. Accordingly, we believe it is necessary to adjust several reported amounts, determined in accordance with GAAP, to exclude the effects of certain items as well as their related income tax effects.

However, these non-GAAP financial measures should be viewed in addition to, and not as a substitute for, the Company's reported results prepared in accordance with GAAP. Our non-GAAP financial measures are not meant to be considered in isolation or as a substitute for comparable GAAP measures and should be read only in conjunction with our Condensed Consolidated Financial Statements prepared in accordance with GAAP.

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

Adjusted Net Income (Loss) and EPS

The above measure was adjusted for the following items:

Restructuring and related costs, net: Restructuring and related costs, net include restructuring and asset impairment charges as well as costs associated with our transformation programs beyond those normally included in restructuring and asset impairment charges. Restructuring consists of costs primarily related to severance and benefits paid to employees pursuant to formal restructuring and workforce reduction plans. Asset impairment includes costs incurred for those assets sold, abandoned or made obsolete as a result of our restructuring actions, exiting from a business or other strategic business changes. Additional costs for our transformation programs are primarily related to the implementation of strategic actions and initiatives and include third-party professional service costs as well as one-time incremental costs. All of these costs can vary significantly in terms of amount and frequency based on the nature of the actions as well as the changing needs of the business. Accordingly, due to that significant variability, we will exclude these charges since we do not believe they provide meaningful insight into our current or past operating performance, nor do we believe they are reflective of our expected future operating expenses as such charges are expected to yield future benefits and savings with respect to our operational performance.

Amortization of intangible assets: The amortization of intangible assets is driven by our acquisition activity which can vary in size, nature and timing as compared to other companies within our industry and from period to period. The use of intangible assets contributed to our revenues earned during the periods presented and will contribute to our future period revenues as well. Amortization of intangible assets will recur in future periods.

Non-service retirement-related costs: Our defined benefit pension and retiree health costs include several elements impacted by changes in plan assets and obligations that are primarily driven by changes in the debt and equity markets as well as those that are predominantly legacy in nature and related to employees who are no longer providing current service to the Company (e.g. retirees and ex-employees). These elements include (i) interest cost, (ii) expected return on plan assets, (iii) amortization of prior plan amendments, (iv) amortized actuarial gains/losses and (v) the impacts of any plan settlements/curtailments. Accordingly, we consider these elements of our periodic retirement plan costs to be outside the operational performance of the business or legacy costs and not necessarily indicative of current or future cash flow requirements. This approach is consistent with the classification of these costs as non-operating in Other expenses, net. Adjusted earnings will continue to include the service cost elements of our retirement costs, which is related to current employee service as well as the cost of our defined contribution plans.

Non-GAAP Financial Measures

Discrete, unusual or infrequent items: We exclude these item(s), when applicable, given their discrete, unusual or infrequent nature and their impact on the comparability of our results for the period to prior periods and future expected trends.

- Goodwill impairment charge
- PARC donation
- Contract termination costs – product supply
- Accelerated share vesting - 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
- Losses on early extinguishment of debt
- Tax indemnification – Conduent

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 above 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.

A reconciliation of the estimated adjusted operating income expected to be delivered by the Reinvention to the closest GAAP financial measure, pre-tax income, is not provided because pre-tax income for those periods is not available without unreasonable effort, in part because the amount of estimated restructuring and other incremental costs related to the Reinvention is not available at this time.

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.

Adjusted EBITDA

Earnings before non-financing interest expense, taxes, depreciation and amortization adjusted for the following: Restructuring and related costs, net, non-service retirement-related costs, equity income, share based compensation and the remaining amounts in Other expenses, net.

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.

Non-GAAP Financial Measures – continued

Adjusted Net Income (Loss) and EPS Reconciliation

(in millions, except per share amounts)	FY-21 Net (Loss) Income	FY-21 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	FY-22 Net (Loss) Income	FY-22 EPS	Q1-23 Net Income	Q1-23 EPS	Q2-23 Net (Loss) Income	Q2-23 EPS	Q3-23 Net Income	Q3-23 EPS
Reported [1]	$ (455)	$ (2.56)	$ (56)	$ (0.38)	$ (4)	$ (0.05)	$ (383)	$ (2.48)	$ 121	$ 0.74	$ (322)	$ (2.15)	$ 71	$ 0.43	$ (61)	$ (0.41)	$ 49	$ 0.28
PARC donation	-		-		-		-		-		-		-		132		-	
Goodwill Impairment [2]	781		-		-		412		-		412		-		-		-	
Restructuring and related costs, net	38		18		1		22		24		65		2		23		10	
Amortization of intangible assets	55		11		10		10		11		42		11		10		12	
Non-service retirement-related costs	(89)		(7)		(4)		(7)		6		(12)		(1)		11		4	
Accelerated Share Vesting	-		-		21		-		-		21		-		-		-	
Loss on early extinguishment of debt	-		-		4		-		1		5		-		3		-	
Contract termination costs - product supply [3]	-		33		-		-		-		33		-		-		-	
PARC donation income tax	-		-		-		-		-		-		-		(40)		-	
Tax Indemnification - Conduent	-		-		-		-		-		-		-		-		(7)	
Income tax on adjustments	(37)		(13)		(4)		(21)		(17)		(55)		(1)		(6)		9	
Adjusted	$ 293	$ 1.51	$ (14)	$ (0.12)	$ 24	$ 0.13	$ 33	$ 0.19	$ 146	$ 0.89	$ 189	$ 1.12	$ 82	$ 0.49	$ 72	$ 0.44	$ 77	$ 0.46
Dividends on preferred stock used in adjusted EPS calculation[4]		$ 14		$ 4		$ 3		$ 4		$ -		$ 14		$ 4		$ 3		$ 4
Weighted average shares for adjusted EPS [4]		185		156		156		157		165		157		158		158		159

[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 an after-tax non-cash goodwill impiarment 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 include the preferred stock dividend the average shares for the calculations of diluted EPS exclude 7 million shares associated with our Series A convertible preferred stock, as applicable.*

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Non-GAAP Financial Measures – continued

Adjusted Operating Income (Loss) and Margin Reconciliation

	FY-18			FY-19			FY-20			FY-21			Q1-22			Q2-22		
(in millions)	Profit	Revenue	Margin	Profit	Revenue	Margin	Profit	Revenue	Margin	(Loss) Profit	Revenue	Margin	Loss	Revenue	Margin	(Loss) Profit	Revenue	Margin
Reported [1]	$ 549	$ 9,662	5.7%	$ 822	$ 9,066	9.1%	$ 252	$ 7,022	3.6%	$ (475)	$ 7,038	(6.7%)	$ (89)	$ 1,668	(5.3%)	$ (5)	$ 1,747	(0.3%)
Adjustments:																		
Goodwill impairment	-			-			-			781			-			-		
Restructuring and related costs, net	157			229			93			38			18			1		
Amortization of intangible assets	48			45			56			55			11			10		
Transaction and related costs, net	68			12			18			-			-			-		
PARC donation	-			-			-			-			-			-		
Accelerated share vesting	-			-			-			-			-			21		
Other expenses, net [2]	271			84			45			(24)			57			8		
Adjusted	$ 1,093	$ 9,662	11.3%	$ 1,192	$ 9,066	13.1%	$ 464	$ 7,022	6.6%	$ 375	$ 7,038	5.3%	$ (3)	$ 1,668	(0.2%)	$ 35	$ 1,747	2.0%

[1] *Pre-Tax Income (Loss).* [2] *Includes non-service retirement-related costs of $150 million for the year ended December 31, 2018.*

	Q3-22			Q4-22			FY-22			Q1-23			Q2-23			Q3-23		
(in millions)	(Loss) Profit	Revenue	Margin	(Loss) Profit	Revenue	Margin	(Loss) Profit	Revenue	Margin	Profit	Revenue	Margin	(Loss) Profit	Revenue	Margin	(Loss) Profit	Revenue	Margin
Reported [1]	$ (380)	$ 1,751	(21.7%)	$ 146	$ 1,941	7.5%	$ (328)	$ 7,107	(4.6%)	$ 85	$ 1,715	5.0%	$ (89)	$ 1,754	(5.1%)	$ 63	$ 1,652	3.8%
Adjustments:																		
Goodwill impairment	412			-			412			-			-			-		
Restructuring and related costs, net	22			24			65			2			23			10		
Amortization of intangible assets	10			11			42			11			10			12		
Transaction and related costs, net	-			-			-			-			-			-		
PARC donation	-			-			-			-			132			-		
Accelerated share vesting	-			-			21			-			-			-		
Other expenses, net	1			(3)			63			20			31			(17)		
Adjusted	$ 65	$ 1,751	3.7%	$ 178	$ 1,941	9.2%	$ 275	$ 7,107	3.9%	$ 118	$ 1,715	6.9%	$ 107	$ 1,754	6.1%	$ 68	$ 1,652	4.1%

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

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Non-GAAP Financial Measures – continued

Adjusted EBITDA Reconciliation

(in millions)	FY-21	Q1-22	Q2-22	Q3-22	Q4-22	FY-22	Q1-23	Q2-23	Q3-23	TTM
Reported [1]	($455)	($56)	($4)	($383)	$121	($322)	$71	($61)	$49	$180
Adjustments:										
Other expenses, net [2]	(24)	57	8	1	(3)	63	20	31	(17)	31
Income tax (benefit) expense	(17)	(31)	1	3	24	(3)	14	(28)	15	25
Depreciation and amortization [3]	327	72	68	65	65	270	64	62	63	254
Equity in net income of unconsolidated affiliates	(3)	(1)	(1)	(1)	-	(3)	-	(1)	(1)	(2)
Goodwill impairment	781	-	-	412	-	412	-	-	-	0
EBITDA [4] [6]	**$609**	**$41**	**$72**	**$97**	**$207**	**$417**	**$169**	**$3**	**$109**	**$488**
Adjustments:										
Stock-based compensation	54	15	35	13	12	75	14	14	12	52
Restructuring and related costs, net [5]	38	18	1	22	24	65	2	23	10	59
PARC donation	-	-	-	-	-	-	-	132	-	132
Adjusted EBITDA [6]	**$701**	**$74**	**$108**	**$132**	**$243**	**$557**	**$185**	**$172**	**$131**	**$731**

(1) Net (Loss) Income Attributable to Xerox Holdings

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

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Non-GAAP Financial Measures – continued

Free Cash Flow Reconciliation

(in millions)	FY-21	Q1-22	Q2-22	Q3-22	Q4-22	FY-22	Q1-23	Q2-23	Q3-23
Reported[1]	$629	$66	($85)	($8)	$186	$159	$78	$95	$124
Less: capital expenditures	68	16	13	10	18	57	8	7	12
Free Cash Flow	$561	$50	($98)	($18)	$168	$102	$70	$88	$112
Add: one-time contract termination charge - product supply	-	-	41	-	-	41	-	-	-
Free Cash Flow - Adjusted	$561	$50	($57)	($18)	$168	$143	$70	$88	$112

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

Non-GAAP Financial Measures – continued

Guidance – adjusted operating income

	FY 2023		
(in millions)	Profit	Revenue (CC) (2, 3)	Margin
Estimated (1)	~$125	~$7,000	~1.8%
Adjustments:			
PARC donation	132		
Restructuring and related costs, net	65		
Amortization of intangible assets	40		
Other expenses, net	40		
Adjusted (4)	~$400	~$7,000	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 $7.0 billion reflects the midpoint of the guidance range.*

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

(4) *Adjusted pre-tax income reflects the mid-point of the adjusted operating margin guidance range.*

Guidance – free cash flow

(in millions)	FY-23
Operating Cash Flow (1)	At least $650
Less: capital expenditures	50
Free Cash Flow	At least $600

(1)Net cash provided by operating activities.

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