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” and similar expressions, as they relate to us, 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: our ability to address our business challenges in order to reverse revenue declines, reduce costs and increase productivity so that we can invest in and grow our business; 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; changes in foreign currency exchange rates; our ability to successfully develop new products, technologies and service offerings and to protect our intellectual property rights; 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; the risk that partners, subcontractors and software vendors will not perform in a timely, quality manner; actions of competitors and our ability to promptly and effectively react to changing technologies and customer expectations; our ability to obtain adequate pricing for our products and services and to maintain and improve cost efficiency of operations, including savings from restructuring actions; the risk that individually identifiable information of customers, clients and employees could be inadvertently disclosed or disclosed as a result of a breach of our security systems; reliance on third parties, including subcontractors, for manufacturing of products and provision of services; our ability to manage changes in the printing environment and expand equipment placements; interest rates, cost of borrowing and access to credit markets; funding requirements associated with our employee pension and retiree health benefit plans; 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; any potential termination or restructuring of our relationship with FUJIFILM Holdings Corporation (“FujiFilm”); and other factors that are set forth in the “Risk Factors” section, the “Legal Proceedings” section, the “Management’s Discussion and Analysis of Financial Condition and Results of Operations” section and other sections of our 2017 Annual Report on Form 10-K, as well as our Quarterly Reports on Form 10-Q and Current Reports on Form 8-K filed with the SEC. Xerox assumes no obligation to update any forward looking statements as a result of new information or future events or developments, except as required by law.
What You Will Hear Today

1. Strategic overview and transformation roadmap
2. How we are improving operational efficiency to grow our bottom line while reinvesting in our business
3. How we plan to stabilize and grow revenue in new and existing markets
4. How we expect our transformation to impact our financial results over the next three years
Executive Team with a Balanced Mix of New and Tenured Leaders

**John Visentin**
Vice Chairman and Chief Executive Officer

**Steve Bandrowczak**
President, Chief Operating Officer
Business Transformation

**Joanne Collins Smee**
Chief Commercial Officer
Services and Software Growth

**Mike Feldman**
President, Americas Operations
Large Enterprise & Channel Sales

**Courtney Harwood**
Chief Marketing Officer
Marketing & E-Commerce

**Xavier Heiss**
Xerox Controller & CFO, Americas Operations
Financial Planning

**Steve Hoover**
Chief Technology Officer
Technology Development & Commercialization

**Tracey Koziol**
Senior Vice President, Global Offerings
Product Line Management

**Tolga Kurtoglu**
President Xerox
Innovation, PARC
R&D Management and Product Strategy

**Mary McHugh**
Chief Delivery Officer
Innovative Delivery Models

**Suzan Morno-Wade**
Chief Human Resources Officer
HR Transformation, Talent Management & Leadership Development

**Bill Osbourn, Jr.**
Chief Financial Officer
Financial Planning, Reporting and Controls

**Louie Pastor**
General Counsel
Corporate Governance, Litigation and M&A

**Naresh Shanker**
Chief Digital Officer
Global Digital Transformation

**Fred Beljaars**
Chief Supply Chain Officer
Supply Chain & Logistics

**Hervé Tessler**
President, EMEA Operations
International Sales

**Nicole Torraco**
Vice President, Strategy and M&A
Strategy, M&A and Transformation
Strategic Initiatives to Position Xerox for Success

- Optimize Operations
  - Flatten organization for better accountability and ownership

- Drive Revenue
  - Leverage our growing customer base to deliver end-to-end solutions
  - Invest in emerging technologies with attractive addressable markets
  - Expand earnings and cash flow generation

- Re-energize Innovation

Focus on Cash Flow

SHAREHOLDER VALUE
Opportunities to Expand Our Market by $54B*

**Core Market Size**
- A3 Multifunction Printers, ▼ 6%: $19B
- Managed Services, ▲ 3%: $27B
- A4 Multifunction Printers, ▲ 2%: $14B
- High-end / Production, Flat. (Color ▲ 2%, Mono ▼ 12%): $7B

**Adjacent Market Size**
- Digital Services, ▲ 7%: $25B
- Software, ▲ 6%: $6B

**New Market Size**
- Digital Packaging, ▲ 11%: $5B
- 3D, ▲ 25%: $8B
- IoT Sensors & Services, ▲ 9%: $8B
- AI Workflow Assistants, ▲ 45%: $2B
- 3D, ▲ 25%: $8B
-

Note: 2018 Market sizes (Core & Digital Services are Xerox Corp territory, all others are Worldwide), CAGRS are 2018-2020 and are based on Xerox analysis of market data sources.

*See "Forward-Looking Statements" at the front of this document.
Diverse Customer Base to Grow Core Business and Expand into Adjacent and New Solutions

- 10/10 Top Global Banks
- 8/10 Top Telecom Companies
- 10/10 Top Payers and Providers
- 7/10 Top Largest Auto & Truck Manufacturers
- 50 State Governments
- 10/10 Largest Universities

Channel Mix

- Direct / Enterprise 41%
- XBS 22%
- Indirect Channels 37%
### Projected 3-Year Roadmap to Grow Top-line and Bottom-line*

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue (CC¹)</th>
<th>Adj¹ Operating Margin</th>
<th>Adj¹ EPS</th>
<th>FCF¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018 Simplify</td>
<td>(4.9)% CC</td>
<td>11.6%</td>
<td>$3.46</td>
<td>$1.05B</td>
</tr>
<tr>
<td>2019 Transform Portfolio &amp; Accelerate Sales*</td>
<td>Down ~5%</td>
<td>12.6% to 13.1%</td>
<td>$3.70 to $3.80</td>
<td>$1.0 to $1.1B</td>
</tr>
<tr>
<td>2020 Stabilize*</td>
<td>Down ~3%</td>
<td>Up &gt; 50 bps</td>
<td>$4.00+</td>
<td>$1.1B+</td>
</tr>
<tr>
<td>2021 Road to Growth*</td>
<td>Target at least flat revenue by 2021</td>
<td>Up &gt; 50 bps</td>
<td>Target 7%+ annual growth</td>
<td>$1.1B+</td>
</tr>
</tbody>
</table>

¹Adj measures: see Non-GAAP Financial Measures

**Note:** Revenue decline at actual currency: 2018 (4.2)%, and 2019 guidance (6)%; GAAP EPS: 2018 $1.38, and 2019 guidance $2.60 to $2.70; Operating Cash Flow from Continuing Operations: 2018 $1.14B, and 2019 guidance $1.15B to $1.25B. It is not possible to provide GAAP measures and reconciliations for years 2020 and 2021 without unreasonable effort.

*See “Forward-Looking Statements” at the front of this document.
Why Invest in Xerox

• Strong, sustainable cash generation, returning over 50% to shareholders

• Simplifying business for sustainable operational improvements with Project Own It

• Strong innovation capabilities to deploy into adjacent and new markets

• Laying the foundation to improve revenue trajectory by leveraging new and existing markets

• Earned the right with customer base to scale

>$3B of Free Cash Flow\(^1\) projected over next 3 years*

>200 bps Adjusted\(^1\) Operating Margin expansion projected over next 3 years, expected to drive at least $4.00 Adjusted\(^1\) EPS by 2020*

R&D investments focused on innovation to increase 20% in 2019*

Revenue trajectory set to improve annually. Flat to growing revenue by 2021*.

#1 market share in A3, Production and Managed Print Services\(^2\)

\(^1\)Adj measures: see Non-GAAP Financial Measures

\(^2\)Share data (CY2017, Worldwide) from IDC’s Worldwide and U.S. Managed Print and Document Services and Basic Print Services Market Shares, 2017: Moving Downmarket, June 2018, IDC #US42612918; A3 and Production market shares (3QLTM 2018 equipment sales revenue, Xerox Corp territory) are from Xerox analysis based on market sources

*See “Forward-Looking Statements” at the front of this document
Culture of Continuous Improvement
Steve Bandrowczak
What’s Different?

Accountability
• One Senior Owner

Experience
• Brought in **key players with experience driving major transformations**
  • Identified, promoted and broadened roles of **existing talent**

Execution
• **Designing** for end-to-end **operational efficiency**
  • Increased **rigor and discipline**
  • Executing with **greater speed**
  • **Accelerated decision-making** on complex decisions

Investments
• IT Solutions/Cloud
• Robotics
• Analytics
• **Delivery Solutions**
• **E-commerce**/Channel Enablement
Customer Benefits
How a more frictionless and high velocity business impacts customers

Ease of Doing Business
We aim to:
• Streamline the **contracting process**
• Reduce **SKUs**
• Track & trace **supply orders**
• Use new **tools** to help **customers fix their issues faster themselves**
• Leverage **Automatic Meter Reads and Supplies Replenishment**

Speed & Agility
We aim to:
• Increase **speed of decision making**
• Reduce **Order to Install** times
• Leverage a **single global delivery model** with common processes

Better Information
We aim to:
• Improve **inventory & supply visibility**
• Have more accurate **billing and flexibility**
• Enable **faster & more accurate customer data** retrieval through automation
• Have our **machines send predictive fault and consumables data** to support organization
Investing in Automation & Predictive Analytics

**From**
- Limited, siloed robotic proof of concept programs
  - Minimal bots in production
  - Runs on desktops
  - Lift & Shift (automating existing inefficient processes)
  - Task oriented/Localized usage
- Analytics focused on data management and reporting

**To**
- Add 50 bots in production per month
  - Bots as “digital” employees (experts, can learn, specific skillsets)
  - Best-in-class partners engaged globally, cross-functionally and at scale
  - Runs in the cloud and deployed via self-service
- Advanced analytics
  - Digital Customer Engagement and Digital enablement of products
- Omni-Channel Customer Care Solutions
  - Chat • Video • IM

*Targeting*
Re-engineering to create a more frictionless and high velocity business.

Organization
- Intensity, speed and scale of transformation
- Decision making closer to customers - flatter, more agile, faster to respond to customer needs
- Lean and Accountable

Demand/Supply Shaping Process
- Supplies and finished products supply chain
- Fuji Xerox relationship stable
- Right number of offerings at the right cost

Service Delivery
- Customer service excellence
- Order to install times
- Billing accuracy and flexibility
- End to end processes improve customer experience and reduce cost

Productivity
- Simplify, Eliminate, Standardize

IT Systems and Tools
- Technology refresh
- Self-funding
- Automation & Analytics

Top Line
- Focus on driving the revenue engine
Project Own It Expected to Drive Gross Savings of at Least $640M in 2019*

- Shared Services Centers
  - Target: $85-105M*
  - Partnering with Top Tier Provider
  - Optimizing Workforce
  - Process Simplification using Robotics & Automation

- Procurement
  - Target: $140-160M*
  - Supplier Rationalization / Rate Reduction
  - Initiating Global Spend Control Board

- IT
  - Target: $90-110M*
  - Reduce Application Portfolio ~50%
  - IT Investment Strategy
  - Organization Optimization
  - Drive Automation & Simplification
  - Terminate / Consolidate Vendors

- Delivery
  - Target: $140-$150M*
  - Deal Governance
  - Enhanced Remote Solve & Self Help
  - Establish Preferred Suppliers
  - Integrated Acct Management, Specialized Hubs

- Supply Chain
  - Target: $15-25M*
  - Supply Chain Logistics
  - SKU Simplification
  - Improve Inventory Controls
  - Align Facilities Planning with Operational Strategy

- Real Estate
  - Target: $20-30M*
  - Performing Comprehensive Global Portfolio Review
  - Reduce Global Footprint ~50%
  - Harmonize Benefits and Reduce Cost

- Org Design & Benefit Costs
  - Target: $150-175M*
  - Reduce Layers / Increase Spans / Address Low Performers
  - Design Organization & Operating Model to New Strategy
  - Enable Self-Service & Data Standardization

*See “Forward-Looking Statements” at the front of this document.
# 7 Key Drivers - Simplifying our Business

<table>
<thead>
<tr>
<th>FROM</th>
<th>TARGETING TO*</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Procurement</strong></td>
<td>8,000+ suppliers</td>
</tr>
<tr>
<td>Cost: 4% of revenue</td>
<td>~1700 applications</td>
</tr>
<tr>
<td><strong>IT</strong></td>
<td>100’s of Sku increasing inventory cost</td>
</tr>
<tr>
<td><strong>Supply Chain</strong></td>
<td>8,4M square feet</td>
</tr>
<tr>
<td><strong>Real Estate</strong></td>
<td>555 Locations</td>
</tr>
<tr>
<td>Avg. 1:6 spans &amp; layers of control</td>
<td>Avg. 1:8 span of control, reduced 2 layers</td>
</tr>
<tr>
<td><strong>Organization Design &amp; Benefit Costs</strong></td>
<td>Avg. 1:8 span of control, reduced 2 layers</td>
</tr>
<tr>
<td><strong>Shared Services Centers</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Delivery</strong></td>
<td></td>
</tr>
</tbody>
</table>

*See “Forward-Looking Statements” at the front of this document.
Shared Services Center - Transformation Highlights

FROM

~2600 resources in SSC
7 organizations utilizing SSC

Staff augmentation in offshore locations performing work where it has originated or been shifted

Patches of low level transformation and automation in disparate process areas

Siloed groups of offshore staff with onshore management and inconsistent operational metrics

TARGETING TO*

~6000 resources in SSC
10 organizations utilizing SSC
Single Global Shared Service aligned to global processes, connected to the business and customers

Process aligned Centers of Excellence doing work in the most efficient location aligned to the Operating Model (both cost and capability)

Scale level automation and process transformation applied across all applicable processes to significantly reduce manual work

Organization based on true Shared Service design with benchmark spans and layers and the application of Lean Management using data analytics and RPA to continuously improve performance

*See "Forward-Looking Statements" at the front of this document.
Delivery - Transformation Highlights

<table>
<thead>
<tr>
<th>FROM</th>
<th>TARGETING TO*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delivery</td>
<td>Standards based Solution Design Center of Excellence – robust, competitive solutions offering</td>
</tr>
<tr>
<td>Regional Delivery organizations - 300+ role definitions, 13 layers - limited leverage of shared services - NA Technical Service and XBS delivery isolated - country level quality metric definitions</td>
<td>Simplified Global Delivery model - 30 role definitions, 8 layers - 5x roles in shared service centers - one Xerox delivery across NA - few, common quality and cost metrics</td>
</tr>
<tr>
<td>Limited supplier quality / cost leverage, often deal based engagement</td>
<td>Pan-regional suppliers for core capabilities (e.g. US vended print from 159 suppliers to a target of 2)</td>
</tr>
<tr>
<td>Diverse product maintenance incident management quality performance and costs - 30% remote solve</td>
<td>Common incident process with enhanced Self Help and Remote Solve technology - 43 - 50% self-serve and remote solve</td>
</tr>
<tr>
<td>Fragmented client ownership across offerings, fragmented delivery models</td>
<td>Integrated Account Management for all Service delivery, specialized global delivery hubs by offering</td>
</tr>
</tbody>
</table>

*See “Forward-Looking Statements” at the front of this document.
Project Own It: Enterprise-wide gross savings of at least $640M expected in 2019*

*See “Forward-Looking Statements” at the front of this document.
Transforming and simplifying **OUR OPERATIONS**

Creating a more frictionless and high velocity business for **OUR CLIENTS**

Enabling investments while growing **OUR PROFITS**
Roadmap to Stabilize and Grow Revenue
Joanne Collins Smee
Steve Hoover
Our Revenue Roadmap is Focused on Five Major Strategies

<table>
<thead>
<tr>
<th>Strategy</th>
<th>Expected Impact Over Next 3 Years*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improve our Core Technology Business</td>
<td>![Progress Icon] ![Progress Icon] ![Progress Icon]</td>
</tr>
<tr>
<td>Expand Services &amp; Software</td>
<td>![Progress Icon] ![Progress Icon] ![Progress Icon]</td>
</tr>
<tr>
<td>Capitalize on the opportunity in SMB</td>
<td>![Progress Icon] ![Progress Icon] ![Progress Icon]</td>
</tr>
<tr>
<td>Transform client Digital Experience</td>
<td>![Progress Icon] ![Progress Icon] ![Progress Icon]</td>
</tr>
<tr>
<td>Drive Innovation &amp; New Growth Businesses</td>
<td>![Progress Icon] ![Progress Icon] ![Progress Icon]</td>
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*See “Forward-Looking Statements” at the front of this document.
The Foundation of our Three-year Roadmap Builds from Leadership Positions in our Core Technology and Services Markets


* Note: All other market shares (3QLTM 2018 equipment sales revenue, Xerox Corp territory) and market data (CY2018, CAGR ‘18–’20, Xerox Corp territory) are from Xerox analysis based on market sources
Our revenue roadmap is focused on five major strategies

**Improve Our Core Technology Business**

**Disrupting the multifunction device market***

- **Creating a new category of workplace assistant:** Leverage new technologies in cloud, security, automation, AI and personalization

- **Redefining the multi-function user experience:** Using ConnectKey platform that is digitally enabled to grow with our customers - cloud and mobile ready, expand capability through apps, personalized experience while delivering the most secure ecosystem

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**Workplace Assistant & Apps**

**Kiosk Solution**

**Specialty toners**

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*We are not simply trying harder in this marketplace, we are looking to fundamentally re-define it*

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*See “Forward-Looking Statements” at the front of this document.*
Our revenue roadmap is focused on five major strategies.

Impact Over Next 3 Years

2019

Drive Innovation & New Growth Businesses

Impact Over Next 3 Years

2020

Capitalize on the opportunity in SMB

Expand Software & Services

Improve our Core Technology Business

Transform client Digital Experience

2021

Improve Our Core Technology Business

Revolutionizing traditional color by going beyond CMYK and paper*

- Expanding beyond commodity print: With metallic, fluorescent and clear inks, to bring higher value solutions to our customers
- Lowering the cost of entry into inkjet printing: Leverage our press platforms and proprietary inkjet technology
- Disrupting digital packaging: New technology to significantly grow the addressable market

We are not simply trying harder in this marketplace, we are looking to fundamentally redefine it

*See “Forward-Looking Statements” at the front of this document.
Our revenue roadmap is focused on five major strategies:

**From MPS to Xerox Intelligent Workplace Services**

<table>
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<tr>
<th>Strategy</th>
<th>Impact Over Next 3 Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Drive Innovation &amp; New Growth Businesses</td>
<td>Reinforcing benchmark data, document, and device security</td>
</tr>
<tr>
<td>Capitalize on the opportunity in SMB</td>
<td>Providing scalable cloud services that are user and IT friendly</td>
</tr>
<tr>
<td>Expand Software &amp; Services</td>
<td>Bridging physical and digital worlds so office workers can be more productive</td>
</tr>
<tr>
<td>Transform client Digital Experience</td>
<td>Guiding the customer experience using analytics to find opportunities for automation and improvement</td>
</tr>
</tbody>
</table>

Moving beyond print gives us latitude to deliver additional value.
Our revenue roadmap is focused on five major strategies.

Expanding **Services & Software***

**Accelerating services revenue from a position of strength**

- Leading with vertical service bundles supported by robust horizontal capabilities
  - Digital Patient
  - Digital Insurer
  - Digital Retailer
  - Digital Citizen
- Focusing on Services growth in the SMB
- Extending our leadership in Enterprise services

We aim to root everything we do in a robust technology and security foundation serving digital age client requirements.

*See “Forward-Looking Statements” at the front of this document.*
Digital Patient
Transforming the doctor/patient healthcare experience

Improve doctor / patient experience
Reduce high missed appointment rate
Handle large volume physical records
Expand patient contact options

Xerox Solution
- Digitization of physical patient records
- Omni-channel communications
- Digital Workflow Automation
- Personalization
- Cloud
- Automation & AI
- Security

Results
- Easy access to medical info for faster and more accurate patient care
- Patient records securely managed & stored
- 30% of patient communications now electronic
- Reduce missed appointments rate
Digital Retailer
Improving retailer & omnichannel customer communication

- Execute campaigns / promotions efficiently
- Reduce overprinting
- Manage print for stores centrally
- Limit excess assets

Xerox Solution
- Cloud
- Security
- Automation & AI
- Personalization
- Xerox Communications Services Platform
- XMPie
- Digital Asset Management System

Results
- Simplified ordering and cost estimating
- Dashboard for financials
- Data intelligence
- Automation of job parameters
- Delivering savings and efficiencies
Our revenue roadmap is focused on five major strategies.

### Expanding Services & Software

Leveraging our personalization software and content management solutions to drive revenue*

- Xerox+ software ecosystem strategy designed for integrated use of platforms
  - ConnectKey®
  - FreeFlow®
  - DocuShare®
  - XMPl®
- Expecting to ramp up over 2,000 worldwide direct selling resources and thousands of channel partners with compensation tied to 2019 software targets
- All software & services are architected for security, cloud, AI and digital enablement

New digital software & services will increase revenue and turn on new sources of value

*See “Forward-Looking Statements” at the front of this document.
Our revenue roadmap is focused on five major strategies:

### Capitalize on the Opportunity in SMB

**Increased investment in channel and Xerox Business Solutions (XBS) focused on SMB markets**

**SMB Plan**

- XBS expanding
  - organic & inorganic coverage
  - IT services business
- Further expansion in the channel (monobranded & multibranded)
- Value Added Resellers (VARs) channel acceleration
- eCommerce

**Enterprise**
- Fortune 500
- Government
- Top GC Accounts
- • Direct Sales & Service

**Medium**
- Commercial
- Health Care
- Education
- Local Gov’t
- • XBS
- • Channel partners (multibranded and monobranded)

**Small**
- Accounts (all Industries)
- • Value Added IT resellers
- • Xerox eCommerce
- • Xerox Inside Sales

Our coverage strategy is aligned to support our portfolio with emphasis and investment in SMB channels.
Our revenue roadmap is focused on five major strategies:

**Transform Client Digital Experience**

Delight customers with a world-class digital experience that drives growth

- **Expand Enterprise:** Provide a comprehensive, personalized offering to all clients globally
- **Grow SMB:** Introduce e-commerce in untapped markets: International and Core U.S. Business Units (Xerox Business Solutions)
- **Invest:** Reallocate resources to improve infrastructure and the customer journey, to drive growth

Target: Double revenue from digital sources to $600M by 2021*

*See “Forward-Looking Statements” at the front of this document.
Our revenue roadmap is focused on five major strategies

**We expect our innovation programs to yield revenue in 2020 and beyond***

<table>
<thead>
<tr>
<th>TAM: $5B 11% CAGR</th>
<th>Digital Packaging and Print</th>
</tr>
</thead>
<tbody>
<tr>
<td>TAM: $2B 45% CAGR</td>
<td>AI Workflow Assistants for Knowledge Workers</td>
</tr>
<tr>
<td>TAM: $8B 25% CAGR</td>
<td>3D Printing / Digital Manufacturing</td>
</tr>
<tr>
<td>TAM: $8B 9% CAGR</td>
<td>Sensors &amp; Services for the Internet of Things</td>
</tr>
</tbody>
</table>

Note: Market data (CY2018, CAGR '18-'20, Worldwide) are from Xerox analysis based on market sources

*See “Forward-Looking Statements” at the front of this document
Our revenue roadmap is focused on five major strategies:

**Digital Packaging and Print**

Digital packaging customers require lower cost inks that can print on a wide variety of packaging materials. Our PARC-developed, new-to-the-world printing technology is designed to deliver that disruptive technology to the market.

**TAM: $5B**
**11% CAGR**

<table>
<thead>
<tr>
<th>Expected impact over next 3 years*</th>
<th>Key elements</th>
<th>Total Packaging Market $45B</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2019</strong></td>
<td>• 50+ patents</td>
<td>% Current Digital Penetration</td>
</tr>
<tr>
<td><strong>2020</strong></td>
<td>• Powered by Xerox® and Xerox GTM business models</td>
<td>Labels – 25%</td>
</tr>
<tr>
<td><strong>2021</strong></td>
<td>• Strong customer feedback</td>
<td>Flexibles – 1%</td>
</tr>
</tbody>
</table>

**Innovation stage**

Stage 3: Product Commercialization

2019
Pass technology capability phase gate and expand development effort to more target markets

*See “Forward-Looking Statements” at the front of this document*
Our revenue roadmap is focused on five major strategies:

- Drive Innovation & New Growth Businesses
- Capitalize on the opportunity in SMB
- Expand Software & Services
- Improve our Core Technology Business
- Transform client Digital Experience

**TAM: $2B, 45% CAGR**

**AI Workflow Assistants for Knowledge Workers**

AI is not yet helping most knowledge workers with complex document creation, such as RFP responses, contracts, customer briefing books, etc. Our PARC-developed AI technology analyzes the background knowledge for each desired document and proposes document content and structure that will both improve document relevance and lower expensive human effort to create high-value documents.

**Expected impact over next 3 years**

<table>
<thead>
<tr>
<th>Year</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>TAM: $2B, 45% CAGR</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Key elements**

- RFP responses is first target market. Others to follow.
- Strong positive customer feedback
- Open source AI combined with unique PARC AI capabilities
- Full SaaS offering
- Leverage XBS channel for SMB market

**Innovation stage**

Stage 3: Product Commercialization

**2019**

Commercial use validated by both internal Xerox & external customers. Launch in late 2019.

*See "Forward-Looking Statements" at the front of this document*
Our revenue roadmap is focused on five major strategies

Manufacturing customers want to use 3D printing, but the current offerings only serve the prototyping market well, not broad manufacturing. Xerox-developed, acquired and partnered printing, software and material technologies are expected to deliver the productivity, materials range and cost and design tools to enable part manufacturing.

**3D Printing / Digital Manufacturing**

**TAM: $8B**  
25% CAGR

**Key elements**
- Lead with Powered by Xerox® GTM model
- PARC AI based manufacturing software
- 10x faster plastics printing and low-cost plastic powders
- Low-cost metal printing with more metals thru Vader acquisition
- Utilize M&A and co-development
- Strong customer feedback from major manufacturers

**Innovation stage**

Stage 2: Technology demonstration

**Expected impact over next 3 years**

<table>
<thead>
<tr>
<th>Year</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>🟠</td>
<td>🟠</td>
<td>🟠</td>
</tr>
</tbody>
</table>

---

*See “Forward-Looking Statements” at the front of this document*
Our revenue roadmap is focused on five major strategies:

**Sensors & Services for the Internet of Things**

IoT requires low-cost, low-power sensors for broad usage. PARC-developed sensors and analytics technologies can deliver this in targeted applications based upon hybrids of printed electronics, standard electronics and imaging technologies. Applications are expected to improve outcomes in health, safety and security for consumers, manufacturers and brands.

**Target market**
Healthcare, packaging, logistics & supply chain software companies

**Expected impact over next 3 years**

<table>
<thead>
<tr>
<th>Year</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>TAM: $8B 9% CAGR</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Key elements**
- Democratize IOT sensing by leveraging PARC IP & capabilities
- Multiple new miniaturized sensors demonstrated

**2019**
Find key early application that will drive adoption and move into technology demonstration/product commercialization

*See “Forward-Looking Statements” at the front of this document*
Our revenue roadmap is focused on five major strategies:

1. Disciplined down selection process validating product-market fit
2. New venture studio capability with entrepreneurial and market expertise
3. Tranche-based funding model with disciplined investment review board

Implementing a disciplined “startup-like” model aligning investments to growth areas for monetization:

- **Decision Gates**
  - Ready for incubation
  - Ready for scale

- **Tranche**
  - Ideate
  - Incubate
  - Deliver

Impact Over Next 3 Years

- 2019
- 2020
- 2021

- Drive Innovation & New Growth Businesses
- Capitalize on the opportunity in SMB
- Expand Software & Services
- Improve our Core Technology Business
- Transform client Digital Experience

- Disciplined down selection process validating product-market fit
- New venture studio capability with entrepreneurial and market expertise
- Tranche-based funding model with disciplined investment review board

- Digital Packaging and Print
- 3D Technology
- AI Workflow Assistants
- Sensors & Services for IoT
### Heritage
- 100+ year of inventing and re-inventing the industry
- Pioneered Managed Document Services
- Established brand recognition for high-quality and innovative technology

### Knowledge
- Document process management and analytics
- Digital capture & intelligent recognition
- Personalized omnichannel communications across print & digital media
- Proactive security across all offerings

### Industry Credibility
- 2018 recognition from the industry
  - A Leader - Contractual Print & Services, **IDC MarketScape**¹
  - A Leader - U.S. Smart Multifunction Peripherals, **IDC MarketScape**²
  - 13 print devices awarded “Winter 2018 Picks,” most complete software portfolio, **Buyers Lab (BLI)**
  - Leader in Managed Print Service and Channel Managed Print Services, **Quocirca**

---

<table>
<thead>
<tr>
<th>Year</th>
<th>SIMPLIFY</th>
<th>TRANSFORM PORTFOLIO &amp; ACCELERATE SALES</th>
<th>STABILIZE</th>
<th>ROAD TO GROWTH</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>• Deep analysis of market and revenue trends</td>
<td>• Expand our technology solutions</td>
<td>• Continue building strengths in SMB</td>
<td>• Continue to lead/advance our position in core markets</td>
</tr>
<tr>
<td></td>
<td>• Identification of the “hidden technical gems”</td>
<td>• Broaden services &amp; software portfolio</td>
<td>• Accelerate expansion in services and software</td>
<td>• Yield revenue from Innovations (3D print technologies; Sensor technology; AI / IoT)</td>
</tr>
<tr>
<td></td>
<td>• Reinforcement of selected growth strategies and expansion into new areas</td>
<td>• Drive SMB and Xerox Business Solutions (XBS) organic coverage and dealer acquisition</td>
<td>• Scale eCommerce platform</td>
<td>• Increase post-sale revenue as a result of 2019-20 placements</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• New sales coverage &amp; compensation</td>
<td>• Commercialize select R&amp;D IP</td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2021</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*See “Forward-Looking Statements” at the front of this document*
Why Invest in Xerox

• Strong, sustainable cash generation, returning over 50% to shareholders

• Simplifying business for sustainable operational improvements with Project Own It

• Strong innovation capabilities to deploy into adjacent and new markets

• Laying the foundation to improve revenue trajectory by leveraging new and existing markets

• Earned the right with customer base to scale

>$3B of Free Cash Flow¹ projected over next 3 years*

>200 bps Adjusted¹ Operating Margin expansion projected over next 3 years, expected to drive at least $4.00 Adjusted¹ EPS by 2020*

R&D investments focused on innovation to increase 20% in 2019*

Revenue trajectory set to improve annually. Flat to growing revenue by 2021*.

#1 market share in A3, Production and Managed Print Services²

¹Adj measures: see Non-GAAP Financial Measures
*See “Forward-Looking Statements” at the front of this document
²Share data (CY2017, Worldwide) from IDC’s Worldwide and U.S. Managed Print and Document Services and Basic Print Services Market Shares, 2017: Moving Downmarket, June 2018, IDC #US42612918; A3 and Production market shares (3QLT 2018 equipment sales revenue, Xerox Corp territory) are from Xerox analysis based on market sources
What’s Different that Will Drive Improved Financial Results?

Project Own It is changing and simplifying the business, driving sustainably lower costs.

Revenue initiatives are supported by higher investments, including funding of longer-term oriented innovation.

Earnings expansion and cash flow targets do not rely on improving revenue in the near term.
Aligning Compensation to Key Performance Metrics

### 2019 Performance-Based Incentive Program Details

#### Annual Incentive Program (% weightings\(^1\))

<table>
<thead>
<tr>
<th>Measure</th>
<th>Weighting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Absolute Revenue $</td>
<td>25%</td>
</tr>
<tr>
<td>Free Cash Flow(^2)</td>
<td>25%</td>
</tr>
<tr>
<td>Adjusted(^2) Operating Margin</td>
<td>25%</td>
</tr>
<tr>
<td>Unit / Individual Measures</td>
<td>25%</td>
</tr>
</tbody>
</table>

#### Long-Term (3-Year) Incentive Program (% weightings\(^1\))

<table>
<thead>
<tr>
<th>Measure</th>
<th>Weighting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Absolute Revenue $</td>
<td>25%</td>
</tr>
<tr>
<td>Free Cash Flow(^2)</td>
<td>25%</td>
</tr>
<tr>
<td>Absolute Share Price(^3)</td>
<td>50%</td>
</tr>
</tbody>
</table>

---

\(^1\)Percentages represent the weightings of each measure within the Annual (2019) and Long-term (2019-2021) incentive compensation plans

\(^2\)Adjusted measures: see non-GAAP Financial Measures

\(^3\)Share price at end of 2021 (average of last 20 trading days) plus accumulated dividends over the three-year period
### Sustainable Cash Generative Business Model

#### Long Term Contracts

- Majority of Revenues in Profitable Post Sale
  
  \[ \text{Profitable Post Sale} + \text{Longer Term Contracts} = \text{Strong and Stable Cash Flow} \]

#### Profitable Post Sale

- Drives >75% of revenues
  - Higher margin profile reflects inelasticity of demand
  - About one third of revenues tied to profitable supplies stream
  - Low CAPEX required to support business model

#### ~85% of revenues from multi-year contractual arrangements

- Contracts are 3+ years on average
- Customer base is diverse across industries
- Opportunity to sell more services and software to existing customers
Targeting Improvement Across all Financial Measures*

Revenue at CC

Adj¹ Operating Margin

Adj¹ EPS ($)

Free Cash Flow¹ ($B)

1Adj measures: see Non-GAAP Financial Measures

Note: Revenue decline at actual currency was 2016: (6.1)%, 2017: (4.7)%, 2018: (4.2)%, 2019 guidance ~(6)%. GAAP EPS was 2016: $2.33, 2017: $0.70, 2018: $1.38, 2019 guidance of $2.60 to $2.70.

Operating Cash Flow from Continuing Operations was 2016: $1.02B, 2017: $(179)M, 2018: $1.14B, 2019 guidance of $1.15B to $1.25B.

It is not possible to provide GAAP measures and reconciliations for years 2020 and 2021 without unreasonable effort.

*See "Forward-Looking Statements" at the front of this document.
Targeting Continued Strong, Sustainable Cash Flow*

**Free Cash Flow**¹ ($B)

<table>
<thead>
<tr>
<th>Year</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019 *</th>
<th>2020 *</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0.88</td>
<td>0.87</td>
<td>1.05</td>
<td>1.0 to 1.1</td>
<td>1.1+</td>
</tr>
</tbody>
</table>

**Expected 2019 Cash Flow Drivers**

- **Pre-tax Profit:** expected to expand, driven by Project Own It
- **Working Capital:** targeting improvement, driven by inventory and accounts receivable
- **Restructuring Payments:** expect ~$200M
- **Pension Contributions:** expect ~$140M
- **Finance Receivables:** a projected continued source of $125M+

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¹Adjusted measures: see non-GAAP Financial Measures

*See “Forward-Looking Statements” at the front of this document
Capital Structure

Seeking to maintain a strong balance sheet in support of business model and strategy

Balanced debt maturity ladder primarily supports customer financing activities

- Majority of debt is backed by financial assets
- Capital sources include capital markets, bank loans, securitization
- Net core debt of $700M
- Core debt level managed to be less than 2x expected free cash flow

Ample liquidity provides flexibility

- Cash on hand ($1.1B) and undrawn committed credit facility ($1.8B)
- Sufficient liquidity to manage refinancing of 2019 debt maturities
- Strong cash generation, low CAPEX and stable required pension contributions (pension plans ~88% funded as of 12/31/18, an improvement of $200M from 12/31/17)

Our near-term objective is to stabilize current rating and over time return to investment grade with the execution of our strategy.
Balanced Capital Allocation

Expected to drive near and long-term shareholder returns

**Cash Flow Guidance**

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019 Guidance*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Cash Flow</td>
<td>$1.14B</td>
<td>$1.15 to $1.25B</td>
</tr>
<tr>
<td>CapEx</td>
<td>$90M</td>
<td>~$150M</td>
</tr>
<tr>
<td>Free Cash Flow¹</td>
<td>$1.05B</td>
<td>$1.0 to $1.1B</td>
</tr>
</tbody>
</table>

**Capital Allocation Framework***

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Dividends²</td>
<td>~$250M</td>
</tr>
<tr>
<td>Share Repurchase</td>
<td>At least $300M</td>
</tr>
<tr>
<td>Unallocated</td>
<td>$450 to $550M</td>
</tr>
</tbody>
</table>

- Managing balance sheet to maintain a strong and stable capital structure
- Modest CapEx reflecting asset light model; largest portion is IT related
- Target >50% of annual Free Cash Flow¹ returned through dividends and share repurchases
  - Maintaining quarterly common dividend of $0.25 per share
  - Targeting share repurchase of at least $300M
- Unallocated to be deployed opportunistically based on evaluation of relative returns

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¹Free Cash Flow: see non-GAAP Financial Measures
²Dividends include common and preferred
*See “Forward-Looking Statements” at the front of this document
Expanding Adjusted\(^1\) EPS at least 7% in 2019*

**Project Own It expected to drive at least 52 cents of net benefit, more than offsetting:**

- Revenue decline of ~5%
- Investments to support revenue and innovation initiatives

**Targeted Project Own It Sources of Savings**

- Shared Services: 23%
- Procurement: 13%
- IT: 22%
- Delivery: 4%
- Supply Chain: 21%
- Real Estate: 14%
- Org Design / Benefit Costs: 3%

\(^1\)Adjusted Measures: see Non-GAAP Financial Measures

*See “Forward-Looking Statements” at the front of this document
## Financial Expectations Improve over Time

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019*</th>
<th>2020*</th>
<th>2021*</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue (CC¹)</strong></td>
<td>-(4.9)%</td>
<td>Down ~5%</td>
<td>Down ~3%</td>
<td>Target at least flat revenue by 2021; shift TAM over time to higher growth</td>
</tr>
<tr>
<td><strong>Adj¹ Operating Margin</strong></td>
<td>11.6%</td>
<td>12.6% to 13.1%</td>
<td>Up &gt; 50 bps</td>
<td>Target up &gt;50 bps</td>
</tr>
<tr>
<td><strong>Adj¹ EPS</strong></td>
<td>$3.46</td>
<td>$3.70 to $3.80</td>
<td>$4.00+</td>
<td>Target 7%+ annual growth</td>
</tr>
<tr>
<td><strong>Free Cash Flow¹</strong></td>
<td>$1.05B</td>
<td>$1.0 to $1.1B</td>
<td>$1.1B+</td>
<td>Target $1.1B+, expansion driven by working capital improvements and net income growth</td>
</tr>
</tbody>
</table>

¹Adjusted measures: see Non-GAAP Financial Measures

**Note:** Revenue decline at actual currency: 2018 (4.2)%; and 2019 guidance -(6)%; GAAP EPS: 2018 $1.38, and 2019 guidance $2.60 to $2.70; Operating Cash Flow from Continuing Operations: 2018 $1.14B, and 2019 guidance $1.15B to $1.25B. It is not possible to provide GAAP measures and reconciliations for years 2020 and 2021 without unreasonable effort.

*See "Forward-Looking Statements" at the front of this document.

TAM= Total Addressable Market
Financial Summary

- We have a strong, sustainable cash generative business model
- Targeting improvement across all financial measures in 2019
- Employing a balanced capital allocation policy to drive near and long-term shareholder returns
made to think. 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. 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.

A reconciliation of these non-GAAP financial measures to the most directly comparable financial measures calculated and presented in accordance with GAAP are set forth below as well as on our website www.xerox.com/investor.

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.

**Adjusted EPS** – Reported GAAP Net income and Earnings per share (EPS) were adjusted for the following items:

*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.

*Restructuring and related costs:*
Restructuring and related costs 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.
Non-GAAP Financial Measures (cont’d)

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.

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 as a result of our adoption of ASU 2017-07 - Reporting of Retirement Related Benefit Costs in 2018. 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 expenses incurred in connection with Xerox's planned combination transaction with Fuji Xerox, which was terminated in May 2018, as well as costs and expenses related to the previously disclosed settlement agreement reached with certain shareholders and litigation related to the terminated transaction and other shareholder actions. 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 combination transaction and the related shareholder settlement agreement and litigation. Accordingly, we are excluding these expenses from our Adjusted Earnings Measures in order to evaluate our performance on a comparable basis.
Restructuring and other charges - Fuji Xerox:
We adjust our 25% share of Fuji Xerox’s net income for similar items noted above such as Restructuring and related costs and Transaction and related costs, net based on the same rationale discussed above.

Other discrete, unusual or infrequent items: We excluded the following items given their discrete, unusual or infrequent nature and their impact on our results for the period.
2018 - Contract termination costs associated with a minimum purchase commitment for IT services.
2017 - Losses on early extinguishment of debt.
2017 - A benefit from the remeasurement of a tax matter that related to a previously adjusted item.
2017 and 2018 - impacts associated the Tax Cuts and Jobs Act (the “Tax Act”) enacted in December 2017. See the “Income Taxes” section for further explanation.

We believe the exclusion of these items allows investors to better understand and analyze the results for the period as compared to prior periods and expected future trends in our business.

Adjusted Operating Income/Margin
We calculate and utilize adjusted operating income and margin measures by adjusting our reported GAAP pre-tax income 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. In 2019 we modified the definition of Adjusted operating margin to exclude Equity in net income (loss) of unconsolidated affiliates - accordingly the full-year 2019 guidance for adjusted operating margin is compared to a revised full-year 2018 adjusted operating margin on the same basis.
Non-GAAP Financial Measures (cont’d)

**Constant Currency**
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 the local country currency. The constant currency impact for signings growth is calculated on the basis of plan currency rates. 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 from continuing operations 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. In 2017 we also adjusted operating cash flows for the impacts associated with the incremental voluntary contributions to our U.S. defined benefit pension plans and the termination of our accounts receivable sales programs in the fourth quarter 2017. In addition, we adjusted both 2017 and 2016 operating cash flows for the impacts of certain reporting changes related to collections on beneficial interests received in sales of receivables and restricted cash. We adjusted for these impacts due to the one-time nature of the actions as well as to enable investors to better understand and analyze our operating cash flows as compared to prior periods and expected future trends.
Summary:

Management believes that all of these non-GAAP financial measures provide an additional means of analyzing the current period’s results against the corresponding prior period’s results. 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 consolidated financial statements prepared in accordance with GAAP. Our 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.

A reconciliation of these non-GAAP financial measures and the most directly comparable measures calculated and presented in accordance with GAAP are set forth on the following tables:
Net Income and EPS reconciliation

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Net Income</td>
<td>Diluted EPS</td>
<td>Net Income</td>
</tr>
<tr>
<td><strong>Reported</strong> (1)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restructuring and related costs</td>
<td>158</td>
<td>216</td>
<td>192</td>
</tr>
<tr>
<td>Amortization of intangible assets</td>
<td>48</td>
<td>93</td>
<td>53</td>
</tr>
<tr>
<td>Transaction and related costs, net</td>
<td>68</td>
<td>9</td>
<td>-</td>
</tr>
<tr>
<td>Non-service retirement-related costs</td>
<td>150</td>
<td>188</td>
<td>121</td>
</tr>
<tr>
<td>Loss on early extinguishment of debt</td>
<td>-</td>
<td>20</td>
<td>-</td>
</tr>
<tr>
<td>Contract termination costs - IT services</td>
<td>43</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Income tax on adjustments</td>
<td>(119)</td>
<td>(166)</td>
<td>(145)</td>
</tr>
<tr>
<td>Restructuring and other charges - Fuji Xerox (2)</td>
<td>95</td>
<td>10</td>
<td>3</td>
</tr>
<tr>
<td>Tax Act</td>
<td>89</td>
<td>400</td>
<td>-</td>
</tr>
<tr>
<td>Remeasurement of unrecognized tax positions</td>
<td>-</td>
<td>(16)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Adjusted</strong></td>
<td>$ 893</td>
<td>$ 3.46</td>
<td>$ 906</td>
</tr>
<tr>
<td>Dividends on preferred stock used in adjusted EPS calculation (3)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Weighted average shares for adjusted EPS (3)</td>
<td>258</td>
<td>263</td>
<td>256</td>
</tr>
<tr>
<td>Fully diluted shares at December 31, 2018 (4)</td>
<td>240</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

(1) Net Income (loss) and EPS from continuing operations attributable to Xerox.
(2) Other charges in 2018 represent costs associated with the terminated combination transaction.
(3) 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 B convertible preferred stock, as applicable.
(4) Represents common shares outstanding at December 31, 2018 as well as shares associated with our Series B convertible preferred stock plus potential dilutive common shares as used for the calculation of diluted earnings per share for the year ended December 31, 2018.
## Operating Income/Margin reconciliation

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Profit</td>
<td>Revenue</td>
<td>Margin</td>
</tr>
<tr>
<td>Reported (1)</td>
<td>$ 598</td>
<td>$ 9,830</td>
<td>6.1%</td>
</tr>
<tr>
<td>Adjustments:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restructuring and related costs</td>
<td>158</td>
<td>216</td>
<td>259</td>
</tr>
<tr>
<td>Amortization of intangible assets</td>
<td>48</td>
<td>53</td>
<td>58</td>
</tr>
<tr>
<td>Transaction and related costs, net</td>
<td>68</td>
<td>9</td>
<td>-</td>
</tr>
<tr>
<td>Equity in net income of unconsolidated affiliates</td>
<td>33</td>
<td>115</td>
<td>127</td>
</tr>
<tr>
<td>Restructuring and other charges - Fuji Xerox (2)</td>
<td>95</td>
<td>10</td>
<td>3</td>
</tr>
<tr>
<td>Other expenses, net (3),(4)</td>
<td>268</td>
<td>329</td>
<td>321</td>
</tr>
<tr>
<td>Adjusted</td>
<td>$ 1,268</td>
<td>$ 9,830</td>
<td>12.9%</td>
</tr>
<tr>
<td>Equity in net income of unconsolidated affiliates</td>
<td>(33)</td>
<td>(115)</td>
<td>(127)</td>
</tr>
<tr>
<td>Restructuring and other charges - Fuji Xerox (2)</td>
<td>(95)</td>
<td>(10)</td>
<td>(3)</td>
</tr>
<tr>
<td>Adjusted (Effective for 2019)</td>
<td>$ 1,140</td>
<td>$ 9,830</td>
<td>11.6%</td>
</tr>
</tbody>
</table>

(1) Pre-Tax Income and revenue from continuing operations.

(2) Other charges in 2018 represent costs associated with the terminated combination transactions.

(3) Includes non-service retirement-related costs of $150 million, $188 million and $121 million for the years ended December 31, 2018, 2017 and 2016, respectively.

(4) Includes a $43 million penalty associated with the termination of an IT services arrangement for the year ended December 31, 2018.
Free Cash Flow reconciliation

<table>
<thead>
<tr>
<th>(in millions)</th>
<th>Year Ended December 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2018</td>
</tr>
<tr>
<td>Reported(^{(1)})</td>
<td>$1,140</td>
</tr>
<tr>
<td>Incremental Voluntary contributions to U.S. defined benefit pension plans</td>
<td>—</td>
</tr>
<tr>
<td>Collections on beneficial interests received in sales of receivables</td>
<td>—</td>
</tr>
<tr>
<td>Elimination of certain accounts receivables sales programs</td>
<td>—</td>
</tr>
<tr>
<td>Restricted cash - classification change(^{(2)})</td>
<td>—</td>
</tr>
<tr>
<td><strong>Operating Cash Flows from Continuing Operations - Adjusted</strong></td>
<td>$1,140</td>
</tr>
<tr>
<td>Capital expenditures</td>
<td>(90)</td>
</tr>
<tr>
<td><strong>Free Cash Flow from Continuing Operations</strong></td>
<td>$1,050</td>
</tr>
</tbody>
</table>

\(^{(1)}\) Net cash provided by (used in) operating activities from continuing operations.

\(^{(2)}\) Per ASU 2016-18, Statement of Cash Flows - Restricted Cash, restricted cash and restricted cash equivalents should be included with Cash and cash equivalents when reconciling beginning and end-of-period amounts per the Statement of Cash Flows.
## Net Income and EPS FY 2019 Guidance reconciliation

<table>
<thead>
<tr>
<th></th>
<th>FY 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Net Income</td>
</tr>
<tr>
<td>Estimated(^{(1)})</td>
<td>$ 635</td>
</tr>
<tr>
<td>Adjustments:</td>
<td></td>
</tr>
<tr>
<td>Restructuring and related costs(^{(2)})</td>
<td>225</td>
</tr>
<tr>
<td>Amortization of intangible assets</td>
<td>40</td>
</tr>
<tr>
<td>Non-service retirement-related costs</td>
<td>90</td>
</tr>
<tr>
<td>Income tax on adjustments</td>
<td>(90)</td>
</tr>
<tr>
<td>Adjusted</td>
<td>$ 900</td>
</tr>
</tbody>
</table>

Weighted average shares for adjusted EPS \(^{(3)}\) ~ 240

\(^{(1)}\) Net Income and EPS from continuing operations attributable to Xerox.

\(^{(2)}\) Excludes any potential Fuji Xerox restructuring.

\(^{(3)}\) Fully diluted shares at the end of 2018.
# Operating Income/Margin FY 2019 Guidance reconciliation

## FY 2019

<table>
<thead>
<tr>
<th>(in millions)</th>
<th>Profit</th>
<th>Revenue</th>
<th>Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>Estimated (1)</td>
<td>$705</td>
<td>$9,340</td>
<td>~7.2% - 7.7%</td>
</tr>
<tr>
<td>Adjustments:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restructuring and related costs</td>
<td>225</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amortization of intangible assets</td>
<td>40</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-service retirement-related costs</td>
<td>90</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Expenses, net</td>
<td>140</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjusted</td>
<td>$1,200</td>
<td>$9,340</td>
<td>~12.6% - 13.1%</td>
</tr>
</tbody>
</table>

(1) Pre-Tax Income and revenue from continuing operations

Note: The above reconciliation does not reflect any translation currency impact.
Free Cash Flow FY 2019 Guidance reconciliation

<table>
<thead>
<tr>
<th>(in millions)</th>
<th>Free Cash Flow FY 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Cash Flow</td>
<td>$1,150 - $1,250</td>
</tr>
<tr>
<td>Less: capital</td>
<td>(150)</td>
</tr>
<tr>
<td>expenditures</td>
<td></td>
</tr>
<tr>
<td>Free Cash Flow</td>
<td>$1,000 - $1,100</td>
</tr>
</tbody>
</table>

(1) Net cash provided by operating activities from continuing operations.