

Xerox Holdings Financial Model
(unaudited)

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

	2025					2026			
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	FY
Sales	557	665	993	1,068	3,283	920	996	954	2,870
Services, maintenance, rentals and other	900	911	968	960	3,739	926	926	914	2,766
Total Revenues	1,457	1,576	1,961	2,028	7,022	1,846	1,922	1,868	5,636
Cost of Revenue									
Cost of sales	382	480	788	717	2,367	600	579	652	1,831
Cost of services, maintenance, rentals and other	649	645	728	732	2,754	697	655	671	2,023
Total Cost of Revenue	1,031	1,125	1,516	1,449	5,121	1,297	1,234	1,323	3,854
Gross Profit									
Sales gross profit	175	185	205	351	916	320	417	302	1,039
Services, maintenance and rentals gross profit	251	266	240	228	985	229	271	243	743
Gross Profit	426	451	445	579	1,901	549	688	545	1,782
Research, development & engineering	42	43	74	71	230	64	67	56	187
Bad Debt Expense	9	15	9	6	39	5	12	1	18
Selling, administrative and general exp. (Excl Bad Debts)	369	353	468	425	1,615	425	420	373	1,218
Total Selling, administrative and general exp.	378	368	477	431	1,654	430	432	374	1,236
Non-financing interest expense	33	55	80	80	248	84	100	93	277
Aggregate Exchange losses	-	1	5	6	12	5	8	7	20
All other, net	35	24	20	21	100	(36)	(3)	17	(22)
Total Other, net	25	25	25	27	112	(31)	5	24	(2)
Goodwill impairment	-	-	-	-	-	-	-	959	959
Restructuring and related costs	(1)	10	59	(2)	66	45	23	14	82
Amortization of intangible assets	10	10	30	33	83	30	30	31	91
Divestitures	(4)	-	-	-	(4)	-	-	-	-
Total Costs and Expenses	1,524	1,636	2,261	2,089	7,510	1,919	1,891	2,874	6,684
(Loss) Income before Income Taxes	(67)	(60)	(300)	(61)	(488)	(73)	31	(1,006)	(1,048)
Income Taxes	23	46	460	12	541	32	18	9	59
Net (Loss) Income	(90)	(106)	(760)	(73)	(1,029)	(105)	13	(1,015)	(1,107)
Less: Preferred stock dividends, net	(4)	(3)	(4)	(3)	(14)	(4)	(3)	(4)	(11)
Net (Loss) Income attributable to Common Shareholders	(94)	(109)	(764)	(76)	(1,043)	(109)	10	(1,019)	(1,118)

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		Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	FY
Preferred Dividends/	- Basic	4	3	4	3	14	4	3	4	11
Other	- Diluted **	4	3	4	3	14	4	3	4	11
Weighted Average Shares	- Basic	125	126	127	128	126	129	131	132	130
	- Diluted **	125	126	127	128	126	129	131	132	130
Earnings Per Share										
	Total Basic (Loss) Earnings per Share	(0.75)	(0.87)	(6.01)	(0.60)	(8.25)	(0.84)	0.07	(7.73)	(8.57)
	Total Diluted (Loss) Earnings per Share	(0.75)	(0.87)	(6.01)	(0.60)	(8.25)	(0.84)	0.07	(7.73)	(8.57)
Key Ratios - GAAP:										
Gross Margins	- Sales	31.4%	27.8%	20.6%	32.9%	27.9%	34.8%	41.9%	31.7%	36.2%
	- Services/Maintenance/Rentals/Other	27.9%	29.2%	24.8%	23.8%	26.3%	24.7%	29.3%	26.6%	26.9%
	- Total	29.2%	28.6%	22.7%	28.6%	27.1%	29.7%	35.8%	29.2%	31.6%
SAG as a % of Revenue		25.9%	23.4%	24.3%	21.3%	23.6%	23.3%	22.5%	20.0%	21.9%
Tax Rate		-34.3%	-76.7%	-153.3%	-19.7%	-110.9%	-43.8%	58.1%	-0.9%	-5.6%
Ending Xerox Employment		16,800	16,600	26,300	24,600	24,600	22,900	23,000	23,100	23,100

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

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

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

Revenues
Sales
Services, maintenance, rentals and other
Total Revenues
Cost of Revenue
Cost of sales
Cost of services, maintenance, rentals and other
Total Cost of Revenue
Gross Profit
Sales gross profit
Services, maintenance and rentals gross profit
Gross Profit
Research, development & engineering
Bad Debt Expense
Selling, administrative and general exp. (Excl Bad Debts)
Total Selling, administrative and general exp.
Non-financing interest expense
Aggregate Exchange losses
All other, net
Total Other, net
Total Costs and Expenses
(Loss) Income before Income Taxes
Income Taxes
Net (Loss) Income
(Loss) Earnings Per Share
Operations:
Preferred Dividends - Adjusted EPS **
Adjusted(Loss) Earnings per Share
Adjusted Weighted Average Shares **

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

2025					2026			
Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	YTD
557	665	993	1,068	3,283	920	996	954	2,870
900	911	968	960	3,739	926	926	914	2,766
1,457	1,576	1,961	2,028	7,022	1,846	1,922	1,868	5,636
377	474	679	711	2,241	595	574	647	1,816
647	641	716	725	2,729	691	650	671	2,012
1,024	1,115	1,395	1,436	4,970	1,286	1,224	1,318	3,828
180	191	314	357	1,042	325	422	307	1,054
253	270	252	235	1,010	235	276	243	754
433	461	566	592	2,052	560	698	550	1,808
42	43	74	69	228	64	66	56	186
9	15	9	6	39	5	12	1	18
360	344	418	415	1,537	419	417	369	1,205
369	359	427	421	1,576	424	429	370	1,223
33	55	80	80	248	84	100	93	277
-	1	5	6	12	5	8	7	20
(1)	(15)	-	(1)	(17)	(1)	15	1	15
(1)	(14)	5	5	(5)	4	23	8	35
1,467	1,558	1,981	2,011	7,017	1,862	1,842	1,845	5,549
(10)	18	(20)	17	5	(16)	80	23	87
(6)	95	(47)	25	67	35	25	16	76
(4)	(77)	27	(8)	(62)	(51)	55	7	11
(0.06)	(0.64)	0.20	(0.10)	(0.60)	(0.43)	0.38	0.02	(0.01)
-	-	-	-	-	-	-	-	-
(0.06)	(0.64)	0.20	(0.10)	(0.60)	(0.43)	0.38	0.02	(0.01)
125	126	129	128	126	129	135	139	130

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

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

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

	2025					2026			
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	YTD
Key Ratios - Adjusted:									
Gross Margins									
- Sales	32.3%	28.7%	31.6%	33.4%	31.7%	35.3%	42.4%	32.2%	36.7%
- Services/Maintenance/Rentals/Other	28.1%	29.6%	26.0%	24.5%	27.0%	25.4%	29.8%	26.6%	27.3%
- Total	29.7%	29.3%	28.9%	29.2%	29.2%	30.3%	36.3%	29.4%	32.1%
Adjusted Operating Margin	1.5%	3.7%	3.3%	5.0%	3.5%	3.9%	10.6%	6.6%	7.1%
SAG as a % of Revenue	25.3%	22.8%	21.8%	20.8%	22.4%	23.0%	22.3%	19.8%	21.7%
Adjusted Effective Tax Rate	60.0%	527.8%	235.0%	147.1%	1340.0%	-218.8%	31.3%	69.6%	87.4%
Non-GAAP Adjustments:									
Goodwill Impairment	-	-	-	-	-	-	-	959	959
Restructuring and related costs	(1)	10	59	(2)	66	45	23	14	82
Amortization of intangible assets	10	10	30	33	83	30	30	31	91
Non-service retirement-related costs	18	19	20	21	78	21	21	21	63
Transaction and related costs	3	6	47	3	59	4	-	-	4
Transformation costs	6	3	3	5	17	2	2	3	7
Purchase accounting adjustments to fixed assets	-	-	16	13	29	11	12	6	29
Purchase accounting adjustments to inventory	-	-	102	-	102	-	-	-	-
Loss (Gain) on extinguishment of debt	-	4	-	1	5	(56)	(39)	(5)	(100)
Divestitures	(4)	-	-	-	(4)	-	-	-	-
Commitment Fee expense	18	4	-	-	22	-	-	-	-
Escrow interest	-	12	-	-	12	-	-	-	-
Inventory impact related to the exit of certain Production Print manufacturing operations	7	10	3	4	24	-	-	-	-
Tax on adjusted items	29	(49)	507	(13)	474	(3)	(7)	(7)	(17)
Total Non-GAAP Adjustments	86	29	787	65	967	54	42	1,022	1,118

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

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(in \$ millions)

	2025					2026		
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3
Revenue								
Entry	50	63	129	180	422	137	140	156
Mid-range	148	181	178	205	712	162	162	151
High-end	81	87	71	95	334	72	82	81
Other	5	5	5	5	20	7	3	5
Total Equipment Revenue	284	336	383	485	1,488	378	387	393
Installs*								
Entry								
Color	29%	(6)%	(33)%	(17)%	(9)%	(36)%	6%	23%
B&W	(7)%	(12)%	(27)%	(3)%	(13)%	16%	(8)%	13%
Mid-range								
Color	15%	11%	6%	(15)%	2%	(17)%	(14)%	(20)%
B&W	(10)%	(22)%	(14)%	(18)%	(16)%	(24)%	(9)%	(21)%
High-end								
Color	19%	21%	7%	(5)%	9%	(12)%	(14)%	11%
B&W	(11)%	(1)%	(35)%	(19)%	(17)%	21%	(35)%	19%

* Installs Y/Y change reported on a pro forma basis. Installs were restated in Q2 2026 and prior periods to align with the go-to-market strategy. Changes include shifting Light Production/EPC Low from Mid-Range to High-End and certain Entry products from Color to B&W or B&W to Color