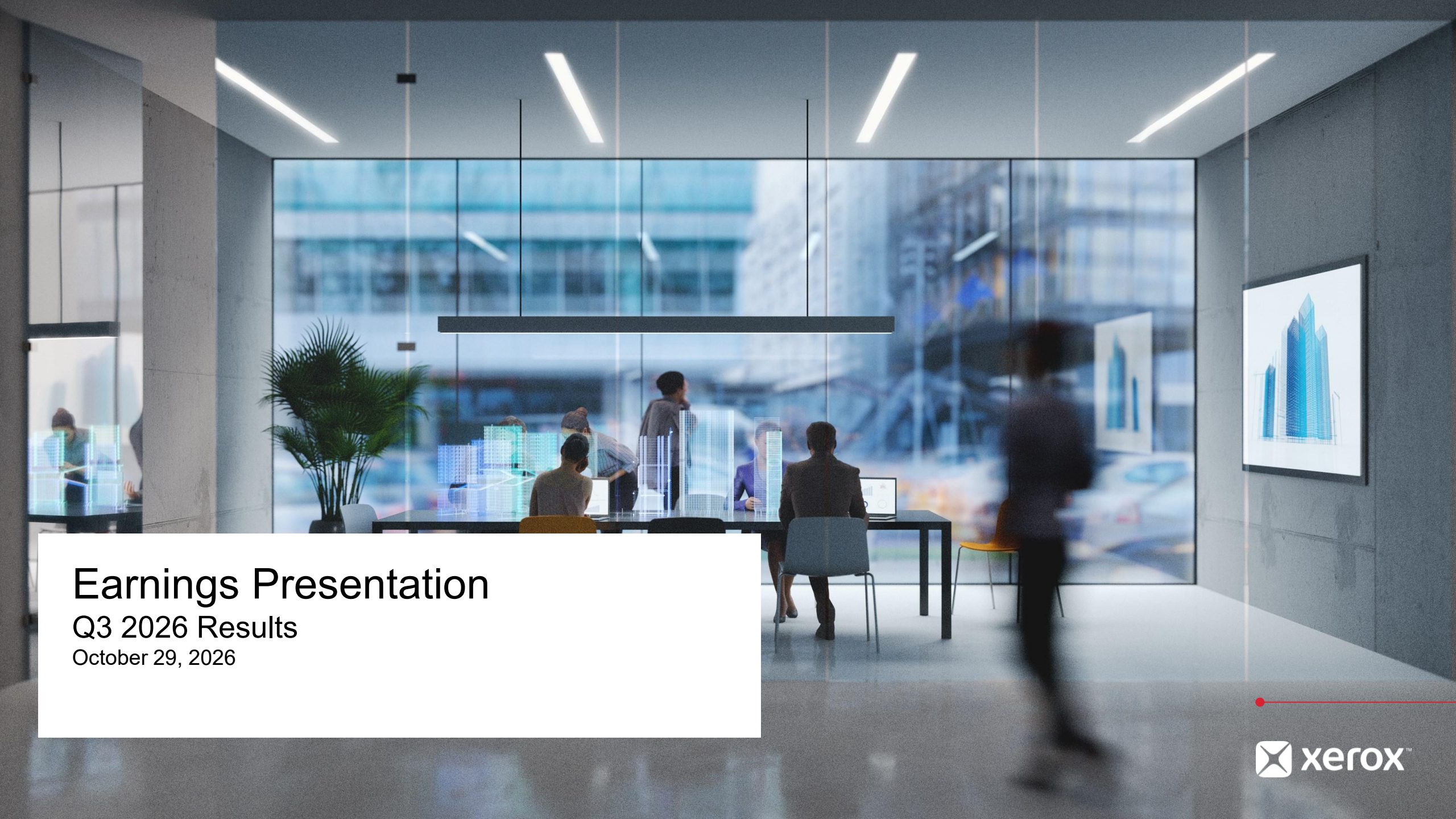


A modern office interior with large windows overlooking a city. Several people are working at a long table, some using laptops. A large potted plant is on the left. A framed picture of a skyscraper is on the right wall. The scene is brightly lit with natural light from the windows and artificial light from the ceiling.

Earnings Presentation

Q3 2026 Results

October 29, 2026

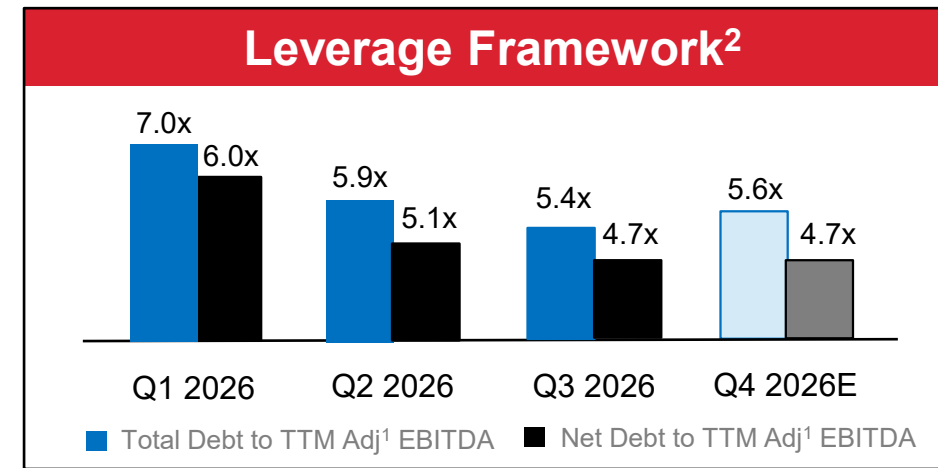
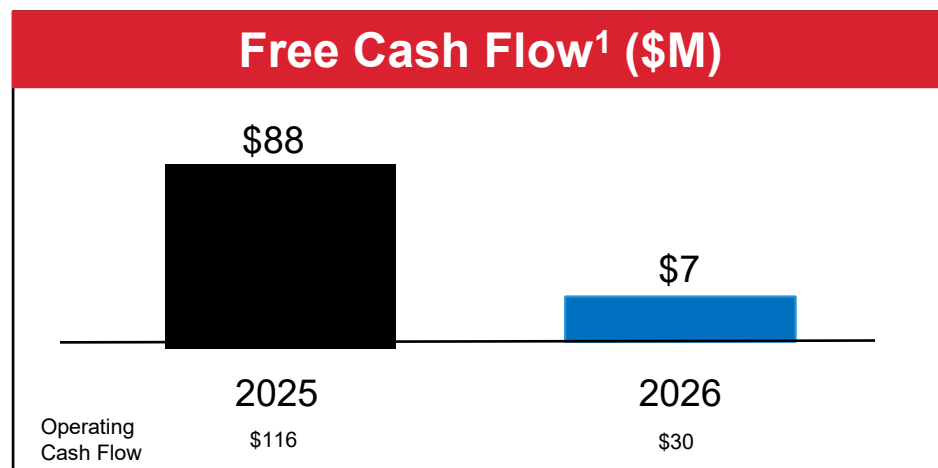
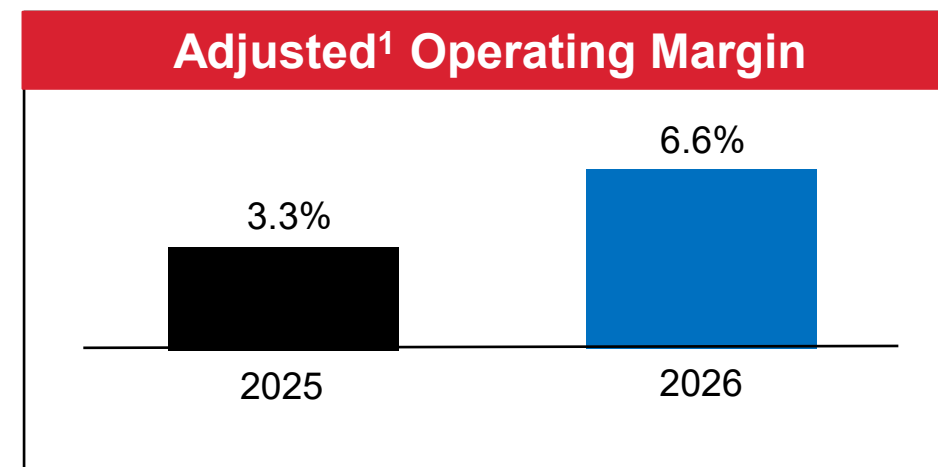
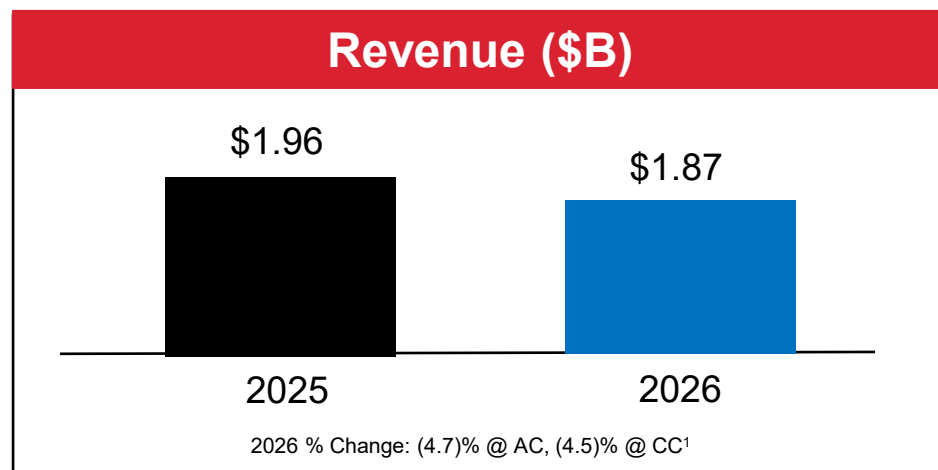
Forward-Looking Statements

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 and involve certain risks and uncertainties. The words “anticipate”, “believe”, “estimate”, “expect”, “intend”, “will”, “would”, “could”, “can”, “should”, “targeting”, “projecting”, “driving”, “future”, “plan”, “predict”, “may” and similar expressions are intended to identify forward-looking statements. The Company’s actual results may differ significantly from the results discussed in the forward-looking statements. These statements reflect management’s current beliefs and assumptions and are subject to a number of other factors that may cause actual results to differ materially.

Such factors include but are not limited to: applicable market conditions; 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; 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 Transformation; 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, 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 capital, 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 we may be subject to new or heightened regulatory or operation risks as a result of our, or third parties,’ use or anticipated use of artificial intelligence technologies; 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; our ability to successfully integrate the Lexmark business and realize the anticipated benefits thereof, including expected synergies; and other factors that are set forth from time to time in the Company’s Securities and Exchange Commission filings, including the combined Annual Report on Form 10-K of Xerox Holdings and Xerox Corporation.

These forward-looking statements speak only as of the date hereof or of the date to which they refer, and the Company assumes no obligation to update or revise any forward-looking statements as a result of new information or future events or developments, except as required by law.

Q3 2026 Key Financial Measures



¹ Adjusted measures, Free Cash Flow and Constant Currency (CC): see Non-GAAP Financial Measures. ² Q4 2026E assumes: adjusted EBITDA of \$739 million (midpoint of updated 2026 adjusted operating income guidance, inclusive of \$105 million benefit for IEEPA tariff receivables, + D&A / Stock-based compensation of \$276 million); total debt of \$4,149 million (Q3 debt balance – remaining 2026 debt obligations of \$20 million – \$53 million in debt reduction from announced 2028 note exchange – \$4 million from warrant distribution + unamortized debt issuance costs and discount premiums of \$6 million); and cash, cash equivalents and restricted cash of \$708 million (Q3 cash, cash equivalents and restricted cash + \$222 million implied free cash flow guidance for Q4 2026 net of \$16 million expected to be repaid in Q4 from sale of IEEPA tariff receivables – less Q4 2026 debt obligations and dividends). The calculations assume no additional debt repurchases or benefits from the warrant distribution.

Strategic Priorities for 2026



Stabilize Revenue

- Grow market share through a more vertically integrated entry-level portfolio, cost-efficient and serviceable mid-range, and Production launches in new & adjacent segments
- Leverage improved account coverage and integrated sales engine to accelerate IT Solutions & Digital Services adoption across Xerox's existing client base



Increase Profitability

- Deliver \$275-325 million of in-year gross cost reductions through integration synergies and Transformation initiatives
- Drive structural efficiency through optimization of captive shared service centers, consolidation of IT systems, and operational simplification



Reduce Leverage

- Optimize free cash flow¹ through working capital discipline and utilization of finance receivables funding programs
- Reduce debt through cash flow generation, opportunistic repurchases, and warrant distribution benefits

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

Financial Results Summary

(\$ in millions, except per share data)

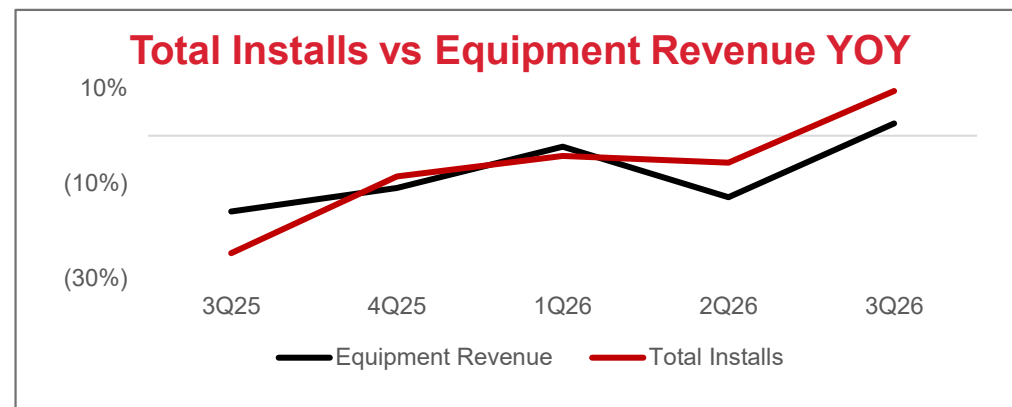
P&L Measure	Q3 2026	Q3 2025	% Chg YOY
Revenue	\$1,868	\$1,961	(4.7)% AC / (4.5)% CC²
Print & Other	1,688	1,739	
IT Solutions	187	226	
Intersegment elimination ¹	(7)	(4)	
Adj. Op. Income²	124	65	91%
Print & Other	136	64	
IT Solutions	8	18	
Corporate Other ³	(20)	(17)	
Non-financing interest expense	93	80	16%
Net (Loss) ⁴	(1,015)	(760)	NM
Adj. Net Income²	7	27	(74)%
GAAP (Loss) per Share ⁴	(7.73)	(6.01)	NM
Adj. Income per Share²	0.02	0.20	(90)%

P&L Ratios	Q3 2026	Q3 2025	B/(W)
Adj. Gross Margin²	29.5%	28.9%	60 bps
RD&E %	3.0%	3.8%	
SAG %	20.0%	24.3%	
Adj. Operating Margin²	6.6%	3.3%	330 bps
Adj. Tax Rate ²	69.6%	235.0%	

¹ Primarily reflects IT hardware, software solutions & services sold by the IT Solutions segment to Print and Other. ² Adj Measures and Constant Currency (CC): see Non-GAAP Financial Measures. Q3 2025 adjusted tax rate reflects a deferred tax asset valuation allowance of \$467 million. ³ Reflects certain G&A expenses primarily related to corporate functions that are not allocated to reportable segments. ⁴ Q3 2026 GAAP (Loss) per share includes a goodwill impairment charge. Q3 2025 GAAP (Loss) per share includes an inventory-related purchase accounting adjustment related to the Lexmark acquisition and a tax expense charge related to the establishment of a valuation allowance against certain deferred tax assets to reflect their realizability. For more details, please see the non-GAAP section of this quarter's earnings press release.

Print & Other Segment Results

(in millions)			% Chg YOY	
	Q3 2026	Q3 2025	AC	CC ¹
Total Revenue	\$1,688	\$1,739	(2.9)%	(2.8)%
Equipment	393	383	2.6%	2.9%
Post Sale	1,295	1,356	(4.5)%	(4.4)%
Adj. Gross Profit^{1,2}	516	522	(1.1)%	
Margin ²	30.6%	30.0%		
Segment Profit²	136	64	112.5%	
Margin ²	8.1%	3.7%		



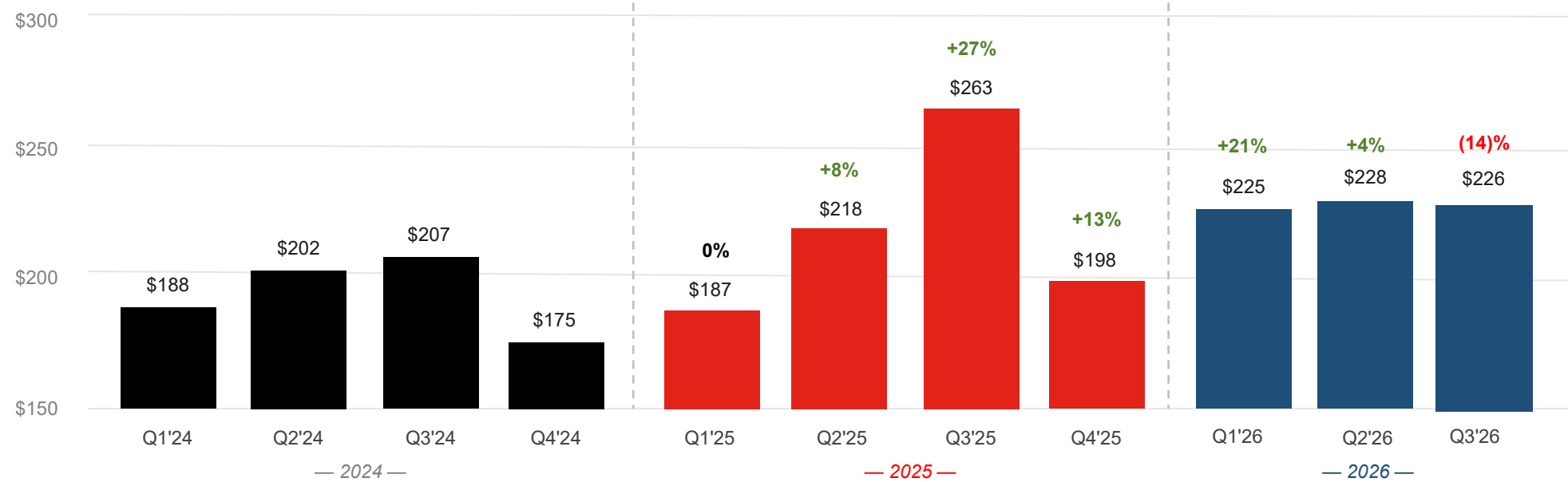
Q3 Installs³ & Equipment Revenue B/(W) YOY

	Color	B&W	Total Installs	Equipment Revenue
Entry	23%	13%	16%	21%
Mid-Range	(20)%	(21)%	(20)%	(15)%
High-End	11%	19%	13%	14%
Total	6%	12%	9%	3%

¹ Adjusted Measures and Constant Currency (CC): see Non-GAAP Financial Measures. ² Profitability metrics adjustments consist of a fixed asset-related purchase accounting adjustment related to the Lexmark acquisition of \$6 million in Q3 2026, and an inventory-related purchase accounting adjustment related to the Lexmark acquisition of \$102 million, a fixed asset purchase accounting adjustment of \$16 million, and inventory-related impacts associated with the exit of certain Production Print manufacturing operations of \$3 million in Q3 2025. ³ 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.

Pro Forma¹ Non-GAAP IT Solutions Gross Billings

Pro Forma¹ Non-GAAP Gross Billings (\$M)



	Q1'24	Q2'24	Q3'24	Q4'24	FY 2024	Q1'25	Q2'25	Q3'25	Q4'25	FY 2025	Q1'26	Q2'26	Q3'26
Pro Forma ¹ Non-GAAP Gross Billings	\$188	\$202	\$207	\$175	\$773	\$187	\$218	\$263	\$198	\$867	\$225	\$228	\$226
Less: Agent Arrangements and Other ²	—	—	—	—	—	\$23	\$7	\$37	\$40	\$106	\$69	\$34	\$39
Revenue	—	—	—	—	—	\$164	\$213	\$226	\$158	\$761	\$156	\$194	\$187
Segment Profit ³	—	—	—	—	—	\$5	\$10	\$18	\$9	\$42	\$6	\$7	\$8

Quarters might not sum to annuals due to rounding. ¹ 2024 reflects the ITSavvy acquisition as if it had been completed on January 1, 2024. 2025 and 2026 reflect actual results. ² Agent arrangements reflect sales of third-party supplier service contracts, SaaS arrangements and certain fulfillment contracts, per ASC 606 principal-vs-agent guidance and other deferrals and accruals. Pro forma gross billings is shown to provide a consistent view of underlying business activity across periods. Mix is expected to stabilize over the 3-5-year contract renewal cycle. ³ Segment profit does not reflect the impact of Corporate Other SAG and G&A expenses that are not allocated to either of our reportable segments.



IT Solutions Segment Results

(in millions)			% Chg YOY	
	Q3 2026	Q3 2025	AC	CC ¹
Total Revenue	\$187	\$226	(17.3)%	(16.8)%
Products	127	165	(23.0)%	(22.4)%
Services	53	57	(7.0)%	(7.0)%
Intersegment revenue ²	7	4	NM	NM
Gross Profit³	35	44	(20.5)%	
Margin ³	19.4%	19.8%		
Segment Profit³	8	18	(55.6)%	
Margin ³	4.4%	8.1%		

Key Performance Indicators⁴ – YTD 2026

1%

Gross Billings YOY

5%

Gross Bookings YOY

Gross Billings

- Double-digit YOY growth in Cloud & Hosting driven by Microsoft CSP
- YOY growth in PC sales driven by shift in device mix

Gross Bookings

- ~\$188M opportunities sourced from legacy Xerox Print clients

¹ Constant Currency (CC): see Non-GAAP Financial Measures. ² Reflects revenue, primarily IT hardware, software solutions and services, sold by the IT Solutions segment to the Print and Other segment. ³ Gross and segment margin are net of Intersegment revenue. ⁴ KPIs are presented on a year-to-date basis.

Cash Flow

(in millions)	Q3 2026	Q3 2025
Pre-tax (Loss)	(1,006)	(300)
Non-Cash Add-Backs ¹	147	270
Goodwill Impairment Charge	959	-
Restructuring Payments	(20)	(8)
Pension Contributions	(46)	(56)
Working Capital, net ²	27	19
Change in Finance Assets ³	(30)	90
Other ⁴	(1)	101
Cash provided by Operations	30	116
Cash used in Investing	(24)	(682)
Cash (used in) provided by Financing	(27)	118
Ending Cash, Cash Equivalents and Restricted Cash ⁵	530	535
Free Cash Flow⁶	7	88

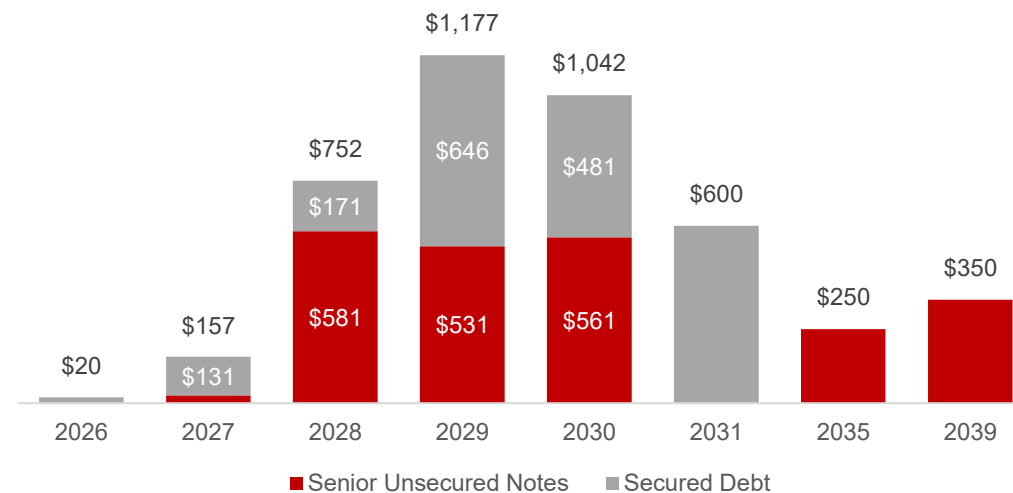
¹ Non-cash add-backs include depreciation & amortization (including equipment on operating lease), provisions, stock-based compensation, non-service retirement-related costs, restructuring and asset impairment charges and gain on sales of businesses and assets (as applicable). ² Working Capital, net includes accounts receivable, accounts payable and inventory. ³ Includes equipment on operating leases (excluding its related depreciation) and finance receivables. ⁴ Includes other current and long-term assets and liabilities, accrued compensation, derivative assets and liabilities, other operating, net, distributions from net income of unconsolidated affiliates and changes in income tax assets and liabilities. ⁵ Includes restricted cash of \$118 million in Q3 2026 and \$56 million in Q3 2025. ⁶ Free Cash Flow: see Non-GAAP Financial Measures.

Capital Structure

Debt and Cash¹

(in billions)	Q3 2026	Q2 2026
Total Debt	\$(4.2)	\$(4.2)
Less: Cash ¹	\$0.5	\$0.6
Net Debt	\$(3.7)	\$(3.6)
Less: Financing Allocated Debt	\$1.3	\$1.3
Net Core Debt	\$(2.4)	\$(2.3)
Total Debt to TTM Adj. ² EBITDA	5.4x	5.9x
Net Debt to TTM Adj. ² EBITDA	4.7x	5.1x
Net Core Debt to TTM Adj. ² EBITDA	3.1x	3.3x

Q3 Principal Debt Maturity Ladder (\$M)³



- No major debt maturities until Aug. 2028 — remaining \$20 million due in 2026 was paid in October; less than \$160 million due in 2027

¹ Cash, cash equivalents and restricted cash. ² Adjusted Measures: see Non-GAAP Financial Measures. ³ Under our debt agreements, approximately \$40 million of proceeds from finance receivable back-book sales is required to pay down secured debt by June 2027. This is not reflected in the 2027 amortization schedule above.

Debt Details

Instrument	Principal (\$M)	Maturity	Rate	Amortization
JV Senior Secured Term Loan	\$405	Feb-31	S + 812.5	~\$18.2M quarterly starting in Q4 2026
JV Preferred Equity	\$45	Feb-31	S + 1187.5	~\$2.0M quarterly starting in Q4 2026
Total JV Secured Debt	\$450			
ABL Revolver	-	May-28	S + 150	
Term Loan B	\$705	Nov-29	S + 400	Partial quarterly payment of \$4.6M in Q2 2027; \$22.5M quarterly starting in Q3 2027
1L Notes	\$400	Oct-30	10.25%	
2L Notes	\$494	Apr-31	13.50%	
Total Xerox Corp Secured Debt (ex-JV Debt) ⁽¹⁾	\$1,599			
2028 Senior Notes	\$556	Aug-28	5.50%	
2029 Senior Notes	\$500	Nov-29	8.88%	
2030 Convertible Senior Notes	\$392	Mar-30	3.75%	
2030 Step-Up Senior Notes	\$250	Jun-30	13.50%	\$6.25M quarterly from Q1 2027 - Q3 2029; \$12.5M quarterly thereafter
2035 Senior Notes	\$250	Mar-35	4.80%	
2039 Senior Notes	\$350	Dec-39	6.75%	
Other Debt	\$2			
Total Unsecured Debt	\$2,299			
Principal Debt Balance	\$4,348			
Total Debt Issuance Costs, Unamortized Interest	(\$128)			
Total Debt ²	\$4,220			

¹ Certain notes contain a covenant limiting secured borrowing to a maximum of \$2 billion. ² Under our debt agreements, approximately \$40 million of proceeds from finance receivable back-book sales is required to pay down Secured debt by June 2027.

2026 Updated Full-Year Guidance¹

REVENUE	PROFITABILITY	LEVERAGE
Approximately \$7.6B Revenue	\$450-475M Adj.¹ Operating Income	\$50-100M Free Cash Flow¹
KEY CHANGES VS PRIOR EXPECTATIONS Unchanged	Down from \$555-605 million ↑ Licensing Income ↓ Higher memory and oil prices ↓ Equipment Mix ↓ Mid-range market weakness ↓ IT Solutions Profit	Down from ~\$250 million: ↓ Adjusted operating income ↓ Lower IEEPA tariff receivable proceeds ↓ Timing of finance receivables
KEY ASSUMPTIONS Expected year-over-year growth in revenue reflects the full year of Lexmark, improvements in Entry and High-end segments, and growth in Digital Services, partially offset by ongoing Mid-range Print headwinds, lower IT Solutions revenue and lower XFS revenue reflecting a smaller finance receivables portfolio.	Expected year-over-year growth in adjusted¹ operating income is driven primarily by integration synergies (~\$175-225 million), Transformation initiatives (~\$100 million), and incremental licensing income, partially offset by lower XFS and IT Solutions profit, higher input costs, and equipment mix.	Expected year-over-year decline in free cash flow¹ is driven by higher interest expense and a reduction in finance receivable benefits, partially offset by higher adjusted¹ operating income.

¹ Adjusted Measures: see Non-GAAP Financial Measures.

Lexmark Synergies and Implementation Timeline

Expected Phasing of Synergy Realization

<i>\$ in millions</i>	Cumulative Run-Rate Gross Cost Synergies	YOY Benefit from Cost Synergies	In-Year One-time Cash Cost to Achieve	Key Milestones
2025A	\$146	\$35	\$69	- Initial elimination of duplicative overhead - Rationalization of third party spend
2026E	\$300	\$175-225	\$75	- Supply Chain and R&D optimization - Go-to-market realignment - Cost absorption through enhanced scale
2027E	≥ \$350	~ \$100	<\$25	- Real Estate consolidation - IT infrastructure simplification - Optimized MPS delivery structure

Frequently Asked Questions

Production Print

How is the demand environment trending? What is the outlook for Production equipment sales?

Production demand is healthy. In Q3, Production installs and equipment revenue grew 13% and 14% year-over-year, respectively. We delivered that growth without any contribution from the three new platforms announced last month at PRINTING United: the Proficio JET Cut Sheet 1100, Proficio JET Continuous Feed 1200 and Proficio PX700 FLX. These platforms begin shipping next year, and together with our partnership with Xeikon to enter Packaging and Labels, they position us for growth in 2027 and beyond. The roughly \$9 billion Production market in our territories is growing, led by Packaging and Labels, Continuous Feed Color Inkjet and B3 Production Inkjet. These are the fastest-growing segments of the market, and segments we are now entering.

Drivers of Updated 2026 Outlook

What are the reasons behind the updated 2026 financial guidance?

We maintained 2026 revenue guidance but lowered our adjusted¹ operating income and free cash flow¹ outlook for four reasons. First, memory and oil costs are expected to be an incremental \$60 million headwind versus our initial guidance, mostly in Q4, as higher-cost inventory flows through cost of goods sold. Second, Mid-Range is declining faster than expected as demand shifts toward Entry devices, which are unprofitable at the hardware level and weigh on near-term profit. Third, the overall market has weakened, with significantly less seasonal uplift expected in the second half of 2026. Finally, IT Solutions expectations have come down, as detailed below. We are responding with pricing actions, an incremental cost reduction program and longer-term structural initiatives.

IT Solutions

Why did IT Solutions decline in Q3? Does that impact long-term confidence in the business?

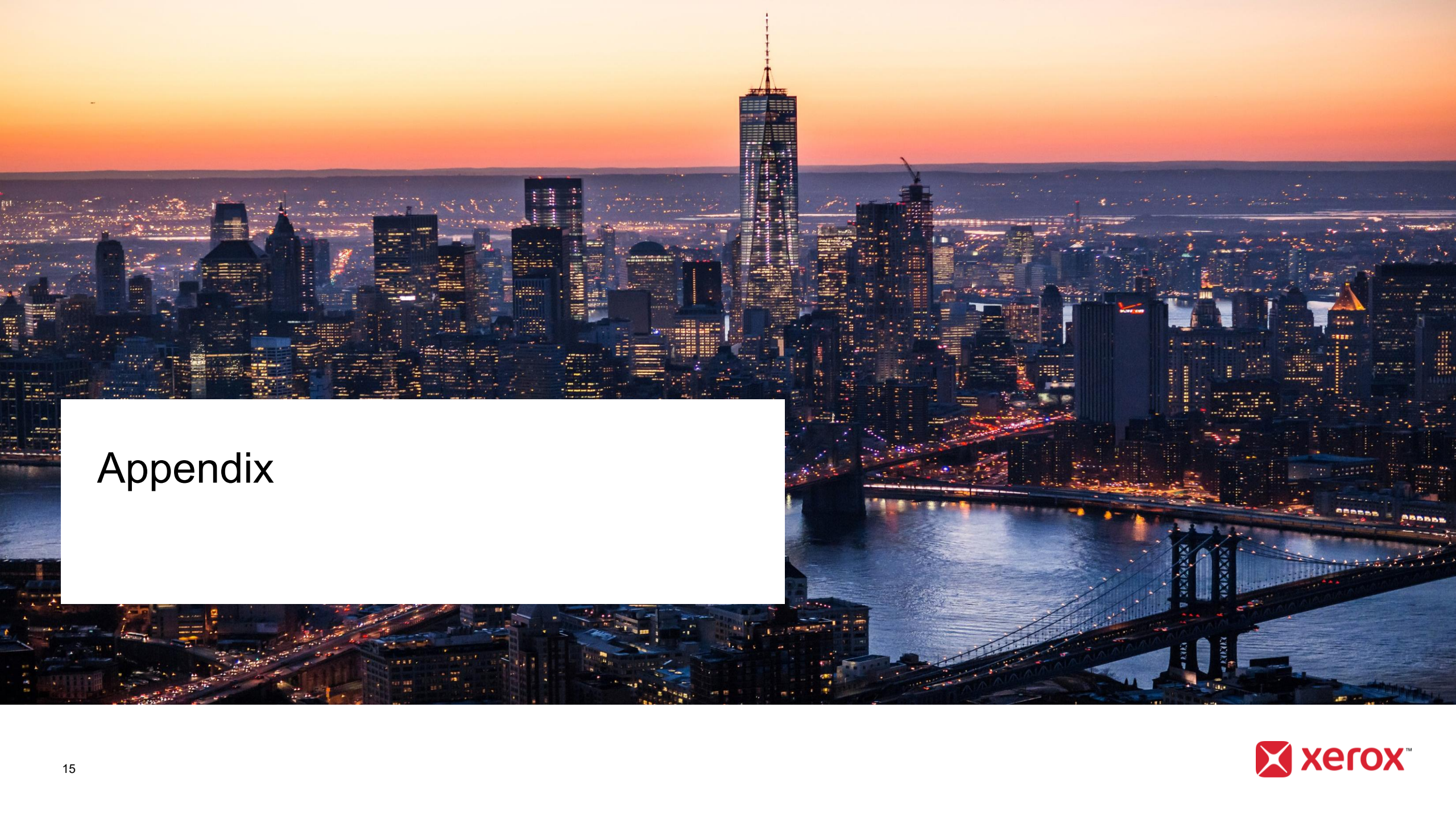
IT Solutions declined in Q3 as the rebuild of our sales force took longer than expected and pipeline conversion did not improve as quickly as anticipated. Tighter supplier and distributor terms also created friction. We expect a better year-over-year comparison in Q4, supported by a 24% increase in backlog and a larger Q4 pipeline. We are aligning the cost base with the current run rate, including through our ITaaS and INOC autonomous delivery platforms and expanding agentic solutions across the business, and are taking steps to improve our competitiveness on larger deals. What hasn't changed is the quality of the platform: a full-lifecycle offering from procurement through managed services, a deep bench of engineers, strong partnerships with Microsoft and leading OEMs, and a scalable, highly automated delivery model.

Capital Structure Update

What is your plan to further reduce leverage? Please explain the bond exchange transaction you announced today.

Reducing leverage remains a top priority. Year-to-date, we have retired \$200 million of debt through open market purchases, mainly 2028 notes, and our warrant program retired \$8 million of 2030 convertible notes on a non-cash basis during Q3. Today we agreed to exchange \$174 million of 2028 notes for 2030 first lien notes and common stock at 75 cents on the dollar, which reduces total debt by \$53 million and our 2028 senior notes outstanding to \$382 million (vs. \$750 million at the start of the year). We are also suspending our common and preferred dividends, saving approximately \$28 million annually, which we anticipate will be redirected to debt reduction. Updated guidance implies gross and net leverage of 5.6x and 4.7x at year-end.





Appendix

Operating Trends

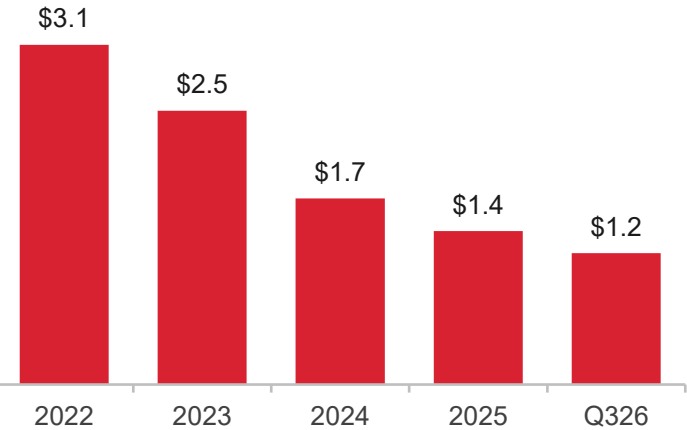
	2024	2025					2026		
(in millions, except EPS)	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3
Total Revenue	\$6,221	\$1,457	\$1,576	\$1,961	\$2,028	\$7,022	\$1,846	\$1,922	\$1,868
<i>% Change</i>	(9.7)%	(3.0)%	(0.1)%	28.3%	25.7%	12.9%	26.7%	22.0%	(4.7)%
<i>CC¹ % Change</i>	(9.5)%	(1.1)%	(1.1)%	27.0%	23.6%	12.2%	23.6%	21.2%	(4.5)%
Adj¹ Operating Income	\$302	\$22	\$59	\$65	\$102	\$248	\$72	\$203	\$124
Adj¹ Operating Margin	4.9%	1.5%	3.7%	3.3%	5.0%	3.5%	3.9%	10.6%	6.6%
GAAP (Loss) EPS²	(\$10.75)	(\$0.75)	(\$0.87)	(\$6.01)	(\$0.60)	(\$8.25)	(\$0.84)	\$0.07	(\$7.73)
Adj¹ EPS (Loss)	\$0.97	(\$0.06)	(\$0.64)	\$0.20	(\$0.10)	(\$0.60)	(\$0.43)	\$0.38	\$0.02
Operating Cash Flow	\$511	(\$89)	(\$11)	\$116	\$208	\$224	(\$144)	\$37	\$30
Free Cash Flow¹	\$467	(\$109)	(\$30)	\$88	\$184	\$133	(\$165)	\$11	\$7

¹ Adjusted measures, Free Cash Flow and Constant Currency (CC): see Non-GAAP Financial Measures. Profitability metrics for Q2 2026 include a \$105 million pre-tax benefit from the recognition of the IEEPA tariff receivable. The recognition of the receivable did not contribute to second quarter 2026 operating cash flow or free cash flow as the related cash benefit is expected in future quarters \$(14 million recognized in Q3 2026). ² Q3 2026 GAAP Loss per share includes a goodwill impairment charge. Q2 2026 GAAP Loss per share includes a gain on the early extinguishment of debt. Q1 2026 GAAP Loss per share includes a gain on the early extinguishment of debt. Full year 2025 GAAP Loss per share: Q1 includes a tax expense charge and financing-related charges; Q2 2026 includes interest and financing-related charges and a tax expense; Q3 2025 includes an inventory-related purchase accounting adjustment and a tax expense charge. Full year 2024 GAAP Loss per share includes a Transformation-related charge, a non-cash goodwill impairment charge, a tax expense charge, the write-off of intangibles, and Transformation & transaction-related costs. For details, please see the non-GAAP section of the latest earnings press release.

Xerox Financial Services (XFS)

A capital-light, partner-funded model: Xerox keeps origination and the customer relationship while partners fund the book. Receivable sales accelerate cash realization and reduce the capital needed to support customer financing.

Finance receivables, net¹ (\$B)



- **Portfolio down ~60% since 2022**, generating \$2.2B² in cash, while still funding new originations
- **Forward Funding Agreement** with PEAC Solutions (HPS Investment Partners)
- **Diversified back-book buyers:** multiple partners across regions reduce reliance on any single counterparty

Key metrics

	FY24	FY25	YTD26
Portfolio			
Finance receivables ¹ , net (\$B)	\$1.7	\$1.4	\$1.2
Credit			
Allowance (% of receivables)	3.2%	3.1%	3.4%
Net charge-offs ³ (% of average)	2.4%	2.0%	1.3%
Financing revenue and debt			
Total XFS revenue ⁴ (\$M)	\$357	\$269	\$171
Finance income (\$M)	151	126	76
Interest cost allocation (\$M)	106	86	54
Finance receivables debt (\$B)	1.5	1.2	1.1

Why owning origination adds value

Underwriting

Proprietary equipment and customer data sharpen credit decisions

Integrated solution

Financing supports equipment sales and post-sale revenue

Servicing

Ongoing customer contact supports renewals and equipment service revenue

¹ Finance receivables include legacy Lexmark receivables (~\$0.1B at Q3 2026) and exclude operating leases. ² From 2022 to Q3 2026, finance receivable balance was reduced by ~\$1.9B, reflecting sales and new originations, while cash proceeds from receivable sales was \$2.2 billion. ³ Net charge-off rate = TTM net charge-offs ÷ TTM average net finance receivables. ⁴ Total XFS revenue includes Interest income, Fee income, Rental revenue, FFA commission, and others.

Non-GAAP Financial Measures

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

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

A reconciliation of the estimated post-acquisition impact on Adjusted Net Income (Loss) and EPS, Adjusted Operating Income and Margin, and Free Cash Flow to the closest GAAP financial measures, Net (Loss), EPS, Pre-tax Margin, and Operating Cash Flow, are not provided. GAAP measures for those periods are not available without unreasonable effort, in part as the timing of synergies and costs to achieve synergies related to the acquisitions are not available at this time.

- Adjusted Net Income (Loss) and EPS (Restructuring and related costs, net, Amortization of intangible assets, and other discrete, unusual or infrequent items);
- Adjusted Operating Income and Margin (Costs and expenses noted above as adjustments for our Adjusted Net (Loss) and EPS measure, as well as amounts included in Other (income) expenses, net, and certain other non-operating costs and expenses, and other discrete, unusual or infrequent items);
- Free Cash Flow (Capital expenditures).

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

Adjusted Earnings (Loss) Measures

- Adjusted Net Income (Loss) and Earnings per share (Adjusted EPS)
- Adjusted Effective Tax Rate
- Normalized Adjusted Net (Loss) and (Loss) Per Share

The above measures were adjusted for the following items:

- Restructuring and related costs, net: Restructuring and related costs, net include restructuring and asset impairment charges as well as costs associated with our Transformation programs beyond those normally included in restructuring and asset impairment charges. Restructuring consists of costs primarily related to severance and benefits paid to employees pursuant to formal restructuring and workforce reduction plans. Asset impairment includes costs incurred for those assets sold, abandoned or made obsolete as a result of our restructuring actions, exiting from a business or other strategic business changes. Additional costs for our Transformation programs are primarily related to the implementation of strategic actions and initiatives and include third-party professional service costs as well as one-time incremental costs. All of these costs can vary significantly in terms of amount and frequency based on the nature of the actions as well as the changing needs of the business. Accordingly, due to that significant variability, we will exclude these charges since we do not believe they provide meaningful insight into our current or past operating performance nor do we believe they are reflective of our expected future operating expenses as such charges are expected to yield future benefits and savings with respect to our operational performance.
- Amortization of intangible assets: The amortization of intangible assets is driven by our acquisition activity which can vary in size, nature and timing as compared to other companies within our industry and from period to period. The use of intangible assets contributed to our revenues earned during the periods presented and will contribute to our future period revenues as well. Amortization of intangible assets will recur in future periods
- Non-service retirement-related costs: Our defined benefit pension and retiree health costs include several elements impacted by changes in plan assets and obligations that are primarily driven by changes in the debt and equity markets as well as those that are predominantly legacy in nature and related to employees who are no longer providing current service to the Company (e.g. retirees and ex-employees). These elements include (i) interest cost, (ii) expected return on plan assets, (iii) amortization of prior plan amendments, (iv) amortized actuarial gains/losses and (v) the impacts of any plan settlements/curtailments. Accordingly, we consider these elements of our periodic retirement plan costs to be outside the operational performance of the business or legacy costs and not necessarily indicative of current or future cash flow requirements. This approach is consistent with the classification of these costs as non-operating in Other (income) expenses, net. Adjusted earnings will continue to include the service cost elements of our retirement costs, which is related to current employee service as well as the cost of our defined contribution plans.
- Transaction and related costs, net: Transaction and related costs, net are costs and expenses primarily associated with certain major or significant strategic M&A projects. These costs are primarily for third-party legal, accounting,

Non-GAAP Financial Measures

- consulting and other similar type professional services as well as potential legal settlements that may arise in connection with those M&A transactions. These costs are considered incremental to our normal operating charges and were incurred or are expected to be incurred solely as a result of the planned transactions. Accordingly, we are excluding these expenses from our Adjusted Earnings Measures in order to evaluate our performance on a comparable basis.
- Discrete, unusual or infrequent items: We exclude these item(s), when applicable, given their discrete, unusual or infrequent nature and their impact on the comparability of our results for the period to prior periods and future expected trends.
 - Stock-based compensation
 - Goodwill impairment charge
 - Inventory-related impact - exit of certain Production Print manufacturing operations
 - Transformation-related costs
 - Lexmark – settlement of pre-existing employment agreements
 - Lexmark – inventory-related purchase accounting adjustment
 - Lexmark – fixed asset-related purchase accounting adjustment
 - Lexmark acquisition financing – escrow interest, net
 - Deferred tax valuation allowance
 - Divestitures
 - Loss (gain) on early extinguishment of debt
 - Income tax on PARC donation
 - Income tax on goodwill impairment
 - Commitment fee expense

Adjusted Operating Income and Margin

We calculate and utilize adjusted operating income and margin measures by adjusting our reported pre-tax (loss) and margin amounts. In addition to the costs and expenses noted as adjustments for our adjusted earnings measures, adjusted operating income and margin also exclude the remaining amounts included in Other (income) expenses, net, which include certain other non-operating costs and expenses. We exclude these amounts in order to evaluate our current and past operating performance and to better understand the expected future trends in our business.

Adjusted Gross Profit and Margin

We calculate non-GAAP gross Profit and Margin by excluding the inventory impact related to the exit of certain Production Print manufacturing operations, included in Cost of services, maintenance and rentals. We also exclude certain accounting adjustments associated with the Lexmark transaction.

Adjusted EBITDA

Earnings before interest, taxes, depreciation and amortization adjusted for additional items, when applicable, given their discrete, unusual or infrequent nature and their impact on comparability of our results for the period to prior periods and future expected trends.

Constant Currency (CC)

To better understand trends in our business, we believe that it is helpful to adjust revenue to exclude the impact of changes in the translation of foreign currencies into U.S. dollars. We refer to this adjusted revenue as “constant currency.” This impact is calculated by translating current period activity in local currency using the comparable prior year period's currency translation rate. This impact is calculated for all countries where the functional currency is not the U.S. dollar. Management believes the constant currency measure provides investors an additional perspective on revenue trends. Currency impact can be determined as the difference between actual growth rates and constant currency growth rates.

Free Cash Flow

To better understand trends in our business, we believe that it is helpful to adjust operating cash flows by subtracting amounts related to capital expenditures. Management believes this measure gives investors an additional perspective on cash flow from operating activities in excess of amounts required for reinvestment. It provides a measure of our ability to fund acquisitions, repay debt and pay dividends.

Adjusted Net Income (Loss) and EPS Reconciliation

	FY-24		Q1-25		Q2-25		Q3-25		Q4-25		FY-25		Q1-26		Q2-26		Q3-26	
(in millions, except per share amounts)	Net (Loss) Income	EPS	Net (Loss) Income	EPS	Net (Loss) Income	EPS	Net (Loss) Income	EPS	Net (Loss) Income	EPS	Net (Loss) Income	EPS	Net (Loss) Income	EPS	Net (Loss) Income	EPS	Net (Loss) Income	EPS
Reported ⁽¹⁾	\$ (1,321)	\$ (10.75)	\$ (90)	\$ (0.75)	\$ (106)	\$ (0.87)	\$ (760)	\$ (6.01)	\$ (73)	\$ (0.60)	\$ (1,029)	\$ (8.25)	\$ (105)	\$ (0.84)	\$ 13	\$ 0.07	\$ (1,015)	\$ (7.73)
Goodwill impairment	1,058		-		-		-		-		-		-		-		959	
Inventory-related impact - exit of certain Production Print manufacturing operations ⁽²⁾	51		7		10		3		4		24		-		-		-	
Restructuring and related costs, net	112		(1)		10		59		(2)		66		45		23		14	
Amortization of intangible assets	73		10		10		30		33		83		30		30		31	
Divestitures	47		(4)		-		-		-		(4)		-		-		-	
Non-service retirement-related costs	80		18		19		20		21		78		21		21		21	
Transaction and related costs, net	(31)		3		6		23		-		32		4		-		-	
Net (gain) loss on early extinguishment of debt	(2)		-		4		-		1		5		(56)		(39)		(5)	
Transformation-related costs ⁽³⁾	12		6		3		3		5		17		2		2		3	
Commitment fee expense ⁽⁴⁾	-		18		4		-		-		22		-		-		-	
Income tax on goodwill impairment ⁽⁵⁾	(43)		-		-		-		-		-		-		-		-	
Income tax on PARC donation ⁽⁵⁾	-		9		-		11		-		20		-		-		-	
Lexmark - settlement of pre-existing employment agreements	-		-		-		24		3		27		-		-		-	
Lexmark - inventory-related purchase accounting adjustment ⁽⁶⁾	-		-		-		102		-		102		-		-		-	
Lexmark - fixed asset-related purchase accounting adjustment	-		-		-		16		13		29		11		12		6	
Lexmark acquisition financing - escrow interest, net ⁽⁷⁾	-		-		12		-		-		12		-		-		-	
Deferred tax asset valuation allowance	169		50		-		467		-		517		8		1		-	
Income tax on adjustments ⁽⁵⁾	(70)		(30)		(49)		29		(13)		(63)		(11)		(8)		(7)	
Adjusted	\$ 135	\$ 0.97	\$ (4)	\$ (0.06)	\$ (77)	\$ (0.64)	\$ 27	\$ 0.20	\$ (8)	\$ (0.10)	\$ (62)	\$ (0.60)	\$ (51)	\$ (0.43)	\$ 55	\$ 0.38	\$ 7	\$ 0.02
Tax effects associated with U.S. and U.K. losses ⁽⁸⁾			(3)		93		(46)						41		(3)		6	
Normalized Adjusted			\$ (7)	\$ (0.09)	\$ 16	\$ 0.10	\$ (19)	\$ (0.18)					\$ (10)	\$ (0.11)	\$ 52	\$ 0.36	\$ 13	\$ 0.06
Dividends on preferred stock used in adjusted EPS calculation ⁽⁹⁾	\$ 14		\$ 4		\$ 3		\$ 4		\$ 3		\$ 14		\$ 4		\$ 3		\$ 4	
Weighted average shares for adjusted EPS ⁽⁹⁾	126		125		127		129		128		127		129		135		139	
Fully diluted shares at end of period ⁽¹⁰⁾																	140	

⁽¹⁾ Q3 2026 Net (Loss) Income and Diluted Loss Income includes a goodwill impairment charge. Q2 2026 Net (Loss) Income and Diluted (Loss) Income per share includes a benefit for IEEPA tariff receivables and a gain on the extinguishment of debt. Q1 2026 Net (Loss) and Diluted (Loss) per share includes a gain on the extinguishment of debt. Full-year 2025 Net (Loss) and Diluted (Loss) per Share, include the following: Q3 2025 includes an inventory-related purchase accounting adjustment and a tax expense charge; Q2 2025 includes interest and financing-related charges, net, and tax expense related to interest expense that was not deductible; Q1 2025 includes a charge to tax expense and after-tax financing-related charges. Full-year 2024 Net (Loss) and Diluted (Loss) per Share, include the following: a Reinvention-related charge; insurance proceeds from a legal settlement; non-cash goodwill impairment charge; write-off of intangibles and Reinvention-related and acquisition charges. For details, please see the non-GAAP section of this quarter's earnings press release.

⁽²⁾ Reflects inventory-related charges and the cancellation of related purchase contracts as a result of the exit of certain production print manufacturing operations.

⁽³⁾ In the first quarter of 2026, Xerox Holdings Corporation renamed "Reinvention-related costs" to "Transformation-related costs." This change in terminology did not affect the nature of the costs.

⁽⁴⁾ Primarily reflects fees related to the private offering of \$400 million in aggregate principal amount of 10.25% Senior Secured First Lien Notes and \$400 million aggregate principal amount of 13.5% Senior Secured Second Lien Notes Due in 2031.

⁽⁵⁾ Refer to Adjusted Effective Tax Rate Reconciliation.

⁽⁶⁾ Reflects a purchase accounting adjustment related to the acquisition of Lexmark, for cost associated with a net inventory write up.

⁽⁷⁾ Reflects net interest expense on net proceeds received from debt issuances which were placed in escrow to fund the Lexmark Acquisition.

⁽⁸⁾ Normalized adjusted net (loss) includes tax benefits which are not included in adjusted earnings. This represents the tax effects associated with pre-tax losses generated in U.S. and UK entities subject to full valuation allowances.

⁽⁹⁾ 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.

⁽¹⁰⁾ Reflects common shares outstanding on September 30, 2026 and shares granted under stock-based compensation programs, plus potential dilutive common shares used for the calculation of adjusted diluted EPS for the third quarter 2026. Excludes potentially dilutive common shares associated with our Series A convertible preferred stock, warrants and convertible notes, all of which were anti-dilutive for the third quarter 2026.



Adjusted Effective Tax Rate Reconciliation

(in millions)	Q3-26			Q3-25		
	Pre-Tax (Loss) Income	Income Tax Expense	Effective Tax Rate	Pre-Tax (Loss) Income	Income Tax Expense (Benefit)	Effective Tax Rate
Reported ⁽¹⁾	\$ (1,006)	\$ 9	(0.9%)	\$ (300)	\$ 460	(153.3%)
Goodwill impairment	959	4		-	-	
Income tax on PARC donation	-	-		-	(11)	
Deferred tax asset valuation allowance	-	-		-	(467)	
Non-GAAP adjustments ⁽²⁾	70	3		280	(29)	
Adjusted	<u>\$ 23</u>	<u>\$ 16</u>	<u>69.6%</u>	<u>\$ (20)</u>	<u>\$ (47)</u>	<u>235.0%</u>

⁽¹⁾ Pre-Tax Income (Loss) and Income Tax Expense.

⁽²⁾ Refer to Adjusted Net Income (Loss) and EPS reconciliations for details.

Adjusted Gross Profit and Margin Reconciliation

(in millions)	FY-24		Q1-25		Q2-25		Q3-25		Q4-25		FY-25		Q1-26		Q2-26		Q3-26	
Revenue ⁽¹⁾	\$ 6,221		\$ 1,457		\$ 1,576		\$ 1,961		\$ 2,028		\$ 7,022		\$ 1,846		\$ 1,922		\$ 1,868	
Cost of revenue ⁽¹⁾	<u>4,261</u>		<u>1,031</u>		<u>1,125</u>		<u>1,516</u>		<u>1,449</u>		<u>5,121</u>		<u>1,297</u>		<u>1,234</u>		<u>1,323</u>	
Gross Profit and Margin ⁽²⁾	1,960	31.5%	426	29.2%	451	28.6%	445	22.7%	579	28.6%	1,901	27.1%	549	29.7%	688	35.8%	545	29.2%
Adjustment:																		
Inventory-related impact - exit of certain Production Print manufacturing operations	51		7		10		3		4		24		-		-		-	
Lexmark - inventory-related purchase accounting adjustment ⁽³⁾	-		-		-		102		-		102		-		-		-	
Lexmark - fixed asset-related purchase accounting adjustment	-		-		-		16		11		27		11		12		6	
Adjusted Gross Profit and Margin ⁽²⁾	<u>\$ 2,011</u>	32.3%	<u>\$ 433</u>	29.7%	<u>\$ 461</u>	29.3%	<u>\$ 566</u>	28.9%	<u>\$ 594</u>	29.3%	<u>\$ 2,054</u>	29.3%	<u>\$ 560</u>	30.3%	<u>\$ 700</u>	36.4%	<u>\$ 551</u>	29.5%

⁽¹⁾ Total consolidated revenue and cost of revenue

⁽²⁾ Q2 2026 includes a \$105 million pre-tax benefit for recognition of IEEPA tariff receivables

⁽³⁾ Reflects a purchasing accounting adjustment related to the acquisition of Lexmark, for cost associated with a net inventory write up

Adjusted Gross Profit and Margin Reconciliation – Print and Other

(in millions)	FY-24		Q1-25		Q2-25		Q3-25		Q4-25		FY-25		Q1-26		Q2-26		Q3-26	
Revenue ⁽¹⁾	\$ 5,864		\$ 1,294		\$ 1,366		\$ 1,739		\$ 1,873		\$ 6,272		\$ 1,692		\$ 1,733		\$ 1,688	
Cost of revenue ⁽¹⁾	<u>3,960</u>		<u>895</u>		<u>950</u>		<u>1,338</u>		<u>1,331</u>		<u>4,511</u>		<u>1,173</u>		<u>1,080</u>		<u>1,178</u>	
Gross Profit and Margin ⁽²⁾	1,904	32.5%	399	30.8%	416	30.5%	401	23.1%	542	28.9%	1,761	28.1%	519	30.7%	653	37.7%	510	30.2%
Adjustment:																		
Inventory-related impact - exit of certain Production Print manufacturing operations	51		7		10		3		4		24		-		-		-	
Lexmark - inventory-related purchase accounting adjustment ⁽³⁾	-		-		-		102		-		102		-		-		-	
Lexmark - fixed asset-related purchase accounting adjustment	-		-		-		16		11		25		11		12		6	
Adjusted Gross Profit and Margin ⁽²⁾	<u>\$ 1,955</u>	33.3%	<u>\$ 406</u>	31.4%	<u>\$ 426</u>	31.2%	<u>\$ 522</u>	30.0%	<u>\$ 557</u>	29.8%	<u>\$ 1,912</u>	30.5%	<u>\$ 530</u>	31.3%	<u>\$ 665</u>	38.4%	<u>\$ 516</u>	30.6%

⁽¹⁾ Total revenue and cost of revenue

⁽²⁾ Q2 2026 includes a \$105 million pre-tax benefit for recognition of IEEPA tariff receivables

⁽³⁾ Reflects a purchasing accounting adjustment related to the acquisition of Lexmark, for cost associated with a net inventory write up

Adjusted Operating Income and Margin Reconciliation

(in millions)	FY-24			Q1-25			Q2-25			Q3-25			Q4-25			FY-25		
	(Loss) Profit	Revenue	Margin	(Loss) Profit	Revenue	Margin	(Loss) Profit	Revenue	Margin	(Loss) Profit	Revenue	Margin	(Loss) Profit	Revenue	Margin	(Loss) Profit	Revenue	Margin
Reported ⁽¹⁾	\$ (1,321)	\$ 6,221		\$ (90)	\$ 1,457		\$ (106)	\$ 1,576		\$ (760)	\$ 1,961		\$ (73)	\$ 2,028		\$ (1,029)	\$ 7,022	
Income tax expense	105			23			46			460			12			541		
Pre-tax (loss) income	<u>\$ (1,216)</u>	<u>\$ 6,221</u>	(19.5%)	<u>\$ (67)</u>	<u>\$ 1,457</u>	(4.6%)	<u>\$ (60)</u>	<u>\$ 1,576</u>	(3.8%)	<u>\$ (300)</u>	<u>\$ 1,961</u>	(15.3%)	<u>\$ (61)</u>	<u>\$ 2,028</u>	(3.0%)	<u>\$ (488)</u>	<u>\$ 7,022</u>	(6.9%)
Adjustments:																		
Goodwill impairment	1,058			-			-			-			-			-		
Restructuring and related costs, net	112			(1)			10			59			(2)			66		
Amortization of intangible assets	73			10			10			30			33			83		
PARC donation	-			-			-			-			-			-		
Divestitures	47			(4)			-			-			-			(4)		
Transformation-related costs ⁽²⁾	12			6			3			3			5			17		
Transaction and related costs, net	7			3			6			23			2			34		
Inventory impact related to the exit of certain Production Print manufacturing operations ⁽³⁾	51			7			10			3			4			24		
Lexmark - inventory-related purchase accounting adjustment ⁽⁴⁾	-			-			-			102			-			102		
Lexmark - fixed asset-related purchase accounting adjustment	-			-			-			16			13			29		
Lexmark - settlement of pre-existing employment agreements	-			-			-			24			1			25		
Non-financing interest expense	119			33			55			80			80			248		
Other expenses, net ⁽⁵⁾	39			35			25			25			27			112		
Adjusted	<u>\$ 302</u>	<u>\$ 6,221</u>	4.9%	<u>\$ 22</u>	<u>\$ 1,457</u>	1.5%	<u>\$ 59</u>	<u>\$ 1,576</u>	3.7%	<u>\$ 65</u>	<u>\$ 1,961</u>	3.3%	<u>\$ 102</u>	<u>\$ 2,028</u>	5.0%	<u>\$ 248</u>	<u>\$ 7,022</u>	3.5%

⁽¹⁾ Net (Loss) Income.

⁽²⁾ In Q1 2026, Xerox Holdings Corporation renamed "Reinvention-related costs" to "Transformation-related costs." This change in terminology did not affect the nature of the costs.

⁽³⁾ Reflects inventory-related charges and the cancellation of related purchase contracts as a result of the exit of certain production print manufacturing operations.

⁽⁴⁾ Reflects a purchase accounting adjustment related to the recent acquisition of Lexmark, for cost associated with a net inventory write up.

⁽⁵⁾ Includes non-service retirement-related costs.

Adjusted Operating Income and Margin Reconciliation – continued

	Q1-26			Q2-26			Q3-26		
	(Loss) Profit	Revenue	Margin	(Loss) Profit	Revenue	Margin	(Loss) Profit	Revenue	Margin
Reported ^{(1), (2)}	\$ (105)	\$ 1,846		\$ 13	\$ 1,922		\$ (1,015)	\$ 1,868	
Income tax expense	32			18			9		
Pre-tax (loss) income	<u>\$ (73)</u>	<u>\$ 1,846</u>	(4.0%)	<u>\$ 31</u>	<u>\$ 1,922</u>	1.6%	<u>\$ (1,006)</u>	<u>\$ 1,868</u>	(53.9%)
Adjustments:									
Goodwill impairment	-			-			959		
Restructuring and related costs, net	45			23			14		
Amortization of intangible assets	30			30			31		
Transformation-related costs ⁽³⁾	2			2			3		
Transaction and related costs, net	4			-			-		
Lexmark - fixed asset-related purchase accounting adjustment	11			12			6		
Non-financing interest expense	84			100			93		
Other expenses, net ⁽⁴⁾	(31)			5			24		
Adjusted ⁽²⁾	<u>\$ 72</u>	<u>\$ 1,846</u>	3.9%	<u>\$ 203</u>	<u>\$ 1,922</u>	10.6%	<u>\$ 124</u>	<u>\$ 1,868</u>	6.6%

⁽¹⁾ Net (Loss) Income.

⁽²⁾ Q2 2026 includes a \$105 million pre-tax benefit for recognition of IEEPA tariff receivables.

⁽³⁾ In Q1 2026, Xerox Holdings Corporation renamed "Reinvention-related costs" to "Transformation-related costs." This change in terminology did not affect the nature of the costs.

⁽⁴⁾ Includes non-service retirement-related costs. Q2 2026 and Q1 2026 include a gain of \$39 million and \$56 million, respectively, related to the early repayment of a portion of our 5.5% Senior Unsecured Notes due August 2028 (the "2028 Senior Unsecured Notes").

Adjusted EBITDA and Margin Reconciliation

	FY-24			Q1-25			Q2-25			Q3-25			Q4-25			FY-25		
(in millions)	(Loss) Profit	Revenue	Margin	(Loss) Profit	Revenue	Margin	(Loss) Profit	Revenue	Margin	(Loss) Profit	Revenue	Margin	(Loss) Profit	Revenue	Margin	(Loss) Profit	Revenue	Margin
Reported ⁽¹⁾	\$ (1,321)	\$ 6,221		\$ (90)	\$ 1,457		\$ (106)	\$ 1,576		\$ (760)	\$ 1,961		\$ (73)	\$ 2,028		\$ (1,029)	\$ 7,022	
Adjustments:																		
Non-financing interest expense	119			33			55			80			80			248		
Other expenses (income), net ⁽²⁾	39			35			25			25			27			112		
Income tax expense	105			23			46			460			12			541		
Depreciation and amortization ⁽³⁾	274			60			57			107			107			331		
Goodwill impairment	1,058			-			-			-			-			-		
EBITDA ⁽⁴⁾	<u>\$ 274</u>	<u>\$ 6,221</u>	<u>4.4%</u>	<u>\$ 61</u>	<u>\$ 1,457</u>	<u>4.2%</u>	<u>\$ 77</u>	<u>\$ 1,576</u>	<u>4.9%</u>	<u>\$ (88)</u>	<u>\$ 1,961</u>	<u>(4.5%)</u>	<u>\$ 153</u>	<u>\$ 2,028</u>	<u>7.5%</u>	<u>\$ 203</u>	<u>\$ 7,022</u>	<u>2.9%</u>
Adjustments:																		
Stock-based compensation	52			12			14			7			12			45		
Restructuring and related costs, net ⁽⁵⁾	112			(1)			10			59			(2)			66		
Divestitures	47			(4)			-			-			-			(4)		
Transformation-related costs ⁽⁶⁾	12			6			3			3			5			17		
Transaction and related costs, net	7			3			6			23			2			34		
Inventory impact related to the exit of certain Production Print manufacturing operations ⁽⁷⁾	51			7			10			3			4			24		
Lexmark - inventory-related purchase accounting adjustment ⁽⁸⁾	-			-			-			102			-			102		
Lexmark - settlement of pre-existing employment agreements	-			-			-			24			1			25		
Adjusted EBITDA ⁽⁹⁾	<u>\$ 555</u>	<u>\$ 6,221</u>	<u>8.9%</u>	<u>\$ 84</u>	<u>\$ 1,457</u>	<u>5.8%</u>	<u>\$ 120</u>	<u>\$ 1,576</u>	<u>7.6%</u>	<u>\$ 133</u>	<u>\$ 1,961</u>	<u>6.8%</u>	<u>\$ 175</u>	<u>\$ 2,028</u>	<u>8.6%</u>	<u>\$ 512</u>	<u>\$ 7,022</u>	<u>7.3%</u>

⁽¹⁾ Net (Loss) Income.

⁽²⁾ Other expenses, net, includes certain other non-operating costs, expenses, gains and losses. Q1 2026 includes a gain of \$56 million related to the early repayment of a portion of our 5.5% Senior Unsecured Notes due August 2028 (the "2028 Senior Unsecured Notes"). Prior period amounts have been conformed to the current presentation.

⁽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 XFS.

⁽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⁾ In Q1 2026, Xerox Holdings Corporation renamed "Reinvention-related costs" to "Transformation-related costs." This change in terminology did not affect the nature of the costs.

⁽⁷⁾ Reflects inventory-related charges and the cancellation of related purchase contracts as a result of the exit of certain production print manufacturing operations.

⁽⁸⁾ Reflects a purchase accounting adjustment related to the recent acquisition of Lexmark, for cost associated with a net inventory write up.

⁽⁹⁾ EBITDA & Adj. EBITDA included above are internal measures used by Management to assess performance. The amounts and related calculation are different than consolidated EBITDA determined as part of our Credit Facility financial maintenance covenants.

Adjusted EBITDA and Margin Reconciliation - continued

(in millions)	Q1-26			Q2-26			Q3-26		
	(Loss) Profit	Revenue	Margin	(Loss) Profit	Revenue	Margin	(Loss) Profit	Revenue	Margin
Reported ^{(1), (2)}	\$ (105)	\$ 1,846		\$ 13	\$ 1,922		\$ (1,015)	\$ 1,868	
Adjustments:									
Non-financing interest expense	84			100			93		
Other expenses (income), net ⁽³⁾	(31)			5			24		
Income tax expense	32			18			9		
Depreciation and amortization ⁽⁴⁾	100			101			95		
Goodwill impairment	-			-			959		
EBITDA ⁽⁵⁾	<u>\$ 80</u>	<u>\$ 1,846</u>	4.3%	<u>\$ 237</u>	<u>\$ 1,922</u>	12.3%	<u>\$ 165</u>	<u>\$ 1,868</u>	8.8%
Adjustments:									
Stock-based compensation	9			9			11		
Restructuring and related costs, net ⁽⁶⁾	45			23			14		
Transformation-related costs ⁽⁷⁾	2			2			3		
Transaction and related costs, net	4			-			-		
Adjusted EBITDA ^{(2), (8)}	<u>\$ 140</u>	<u>\$ 1,846</u>	7.6%	<u>\$ 271</u>	<u>\$ 1,922</u>	14.1%	<u>\$ 193</u>	<u>\$ 1,868</u>	10.3%

⁽¹⁾ Net (Loss) Income.

⁽²⁾ Q2 2026 includes a \$105 million pre-tax benefit for recognition of IEEPA tariff receivables.

⁽³⁾ Other expenses, net, includes certain other non-operating costs, expenses, gains and losses. Q1 2026 includes a gain of \$56 million related to the early repayment of a portion of our 5.5% Senior Unsecured Notes due August 2028 (the "2028 Senior Unsecured Notes"). Prior period amounts have been conformed to the current presentation.

⁽⁴⁾ Excludes amortization of customer contract costs

⁽⁵⁾ EBITDA includes Financing Revenues and Cost of financing, for all periods presented as these amounts are associated with XFS.

⁽⁶⁾ 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.

⁽⁷⁾ In Q1 2026, Xerox Holdings Corporation renamed "Reinvention-related costs" to "Transformation-related costs." This change in terminology did not affect the nature of the costs.

⁽⁸⁾ EBITDA & Adj. EBITDA included above are internal measures used by Management to assess performance. The amounts and related calculation are different than consolidated EBITDA determined as part of our Credit Facility financial maintenance covenants.

Free Cash Flow Reconciliation

(in millions)	FY-24	Q1-25	Q2-25	Q3-25	Q4-25	FY-25	Q1-26	Q2-26	Q3-26
Net cash provided by (used in) operating activities	\$511	(\$89)	(\$11)	\$116	\$208	\$224	(\$144)	\$37	\$30
Less: capital expenditures	44	20	19	28	24	91	21	26	23
Free Cash Flow	\$467	(\$109)	(\$30)	\$88	\$184	\$133	(\$165)	\$11	\$7

Adjusted Operating Income – Guidance

(in millions)	FY 2026
Estimated Pre-tax (loss)	~\$(195)
Adjustments:	
Restructuring and related costs, net	90
Amortization of intangible assets	120
Non-financing interest expense	365
Other expenses, net ⁽¹⁾	80
Estimated Adjusted Operating Income ⁽²⁾	~\$450-475

⁽¹⁾ Other expenses, net includes approximately \$100 million of gain on the early extinguishment of debt and approximately \$85 million of non-service retirement-related costs.

⁽²⁾ Adjusted pre-tax income reflects the adjusted operating income midpoint of approximately \$460 million

Free Cash Flow – Guidance

(in millions)	FY 2026
Estimated Net cash provided by operating activites	~\$145-195
Less: capital expenditures	95
Estimated Free Cash Flow	~\$50-100



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