Earnings Presentation

Q2 2020 RESULTS I JULY 28, 2020

UPDATED JULY 29, 2020

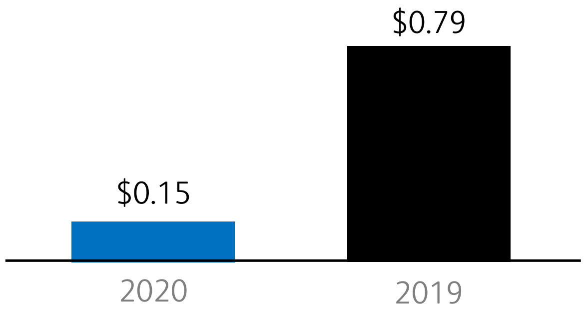
Forward-Looking Statements

This presentation, and other written or oral statements made from time to time by management contain “forward-looking statements” as defined in the Private Securities Litigation Reform Act of 1995. The words “anticipate”, “believe”, “estimate”, “expect”, “intend”, “will”, “should”, "targeting", "projecting", "driving" and similar expressions, as they relate to us, our performance and/or our technology, are intended to identify forward-looking statements. These statements reflect management’s current beliefs, assumptions and expectations and are subject to a number of factors that may cause actual results to differ materially. Such factors include but are not limited to: the effects of the COVID-19 pandemic on our and our customers' businesses and the duration and extent to which this will impact our future results of operations and overall financial performance; 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; our ability to attract and retain key personnel; changes in economic and political conditions, trade protection measures, licensing requirements and tax laws in the United States and in the foreign countries in which we do business; the imposition of new or incremental trade protection measures such as tariffs and import or export restrictions; 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 confidential and/or individually identifiable information of ours, our customers, clients and employees could be inadvertently disclosed or disclosed as a result of a breach of our security systems due to cyber attacks or other intentional acts; reliance on third parties, including subcontractors, for manufacturing of products and provision of services; the exit of the United Kingdom from the European Union; 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 impacts resulting from the restructuring of our relationship with Fujifilm Holdings Corporation; and the shared services arrangements entered into by us as part of Project Own It. Additional risks that may affect Xerox’s operations 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 Xerox Holdings Corporation’s and Xerox Corporation's 2019 Annual Report on Form 10-K, as well as in Xerox Holdings Corporation's and Xerox Corporation's Quarterly Reports on Form 10-Q and Current Reports on Form 8-K filed with the SEC.

These forward-looking statements speak only as of the date of this presentation or as of the date to which they refer, and 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.

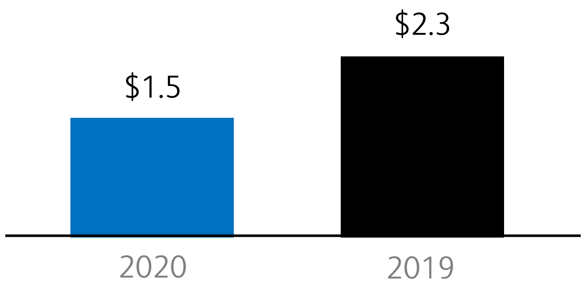
Q2 2020 Key Financial Measures

Adj[1] Earnings Per Share



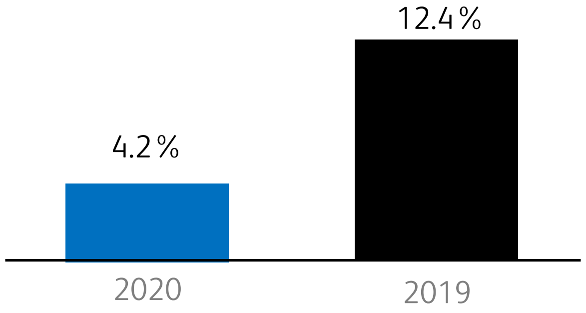
GAAP EPS $0.11 $0.60

Revenue ($B)

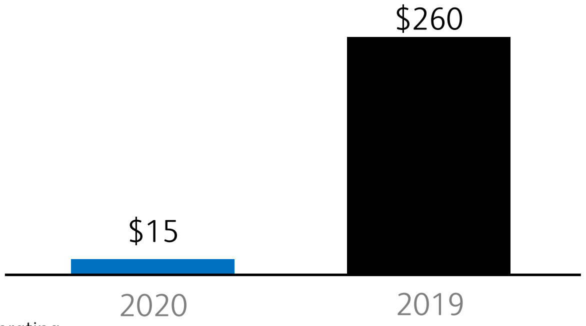


2020 % Change: (35.3)% @ AC, (34.6)% @ CC[1]

Adj[1] Operating Margin

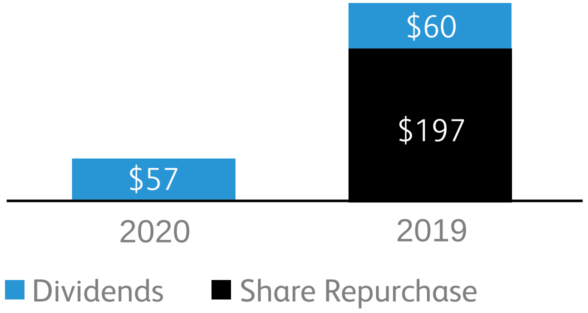


Free Cash Flow[1] ($M)



Operating Cash Flow $34 $276

Shareholder Returns ($M)



NOTE: The financial results presented in these slides are from continuing operations, and exclude the results of Fuji Xerox equity income and XIP, which are presented as discontinued operations.

[1] Adjusted Measures, Free Cash Flow and Constant Currency (CC): see Non-GAAP Financial Measures.

Strategic Initiatives to Transform Xerox

Optimize operations for simplicity	• Continuously improve operating model for greater efficiency • Further optimize the supply chain and supplier competitiveness • Leverage digital technologies to make it easier to work with Xerox
Drive revenue	• Enhance the customer experience • Expand integrated solutions comprised of hardware, software and services • Focus on driving growth within the SMB
Re-energize the innovation engine	• Invest in growing market segments such as AI and IoT • Leverage software capabilities to launch new services • Monetize new innovations
Focus on cash flow and increasing capital returns	• Maximize cash flow generation • Return at least 50% of free cash flow to shareholders • Focus on ROI and internal rate of return to make capital allocation decisions

Frequently Asked Questions

Do you expect long-term impacts to your business as a result of the COVID-19 pandemic?

No one can accurately predict what happens next with the pandemic. However, we have evaluated our business under numerous recovery scenarios to ensure we can respond quickly.

The pandemic has accelerated the digital transformation needs of companies large and small. As a part of our strategic initiatives to transform Xerox, we have been investing in areas such as digital services and solutions to help our clients transition from largely paper-based processes to digital ones.

While many parts of the world quickly moved to remote working in response to the pandemic, we believe the workplace will remain a key part of how businesses operate for years to come.

What actions have you taken to mitigate the impact of revenue declines as a result of the COVID-19 pandemic?

Our actions over the last two years to optimize operations for simplicity and focus on managing cash effectively are providing a strong foundation through this crisis. Disciplined cost management and a flexible cost structure allow us to scale up or down quickly to ensure the strength of our business in any scenario. This is evidenced by our rapid response to the pandemic, which enabled us to deliver positive earnings and free cash flow in the second quarter.

Our Project Own It transformation program is ongoing and on track to deliver at least $450 million of gross cost savings in 2020. In response to COVID-19, we implemented cost reduction actions targeting discretionary spend that are also ongoing. In addition, we have identified levers that will allow us to manage through an extended recovery period if necessary.

What areas are you investing in that could improve your longer-term revenue trajectory?

Two of our four strategic initiatives to transform Xerox are to drive revenue and re-energize our innovation engine. Specifically we are continuing to invest in software and services that enhance mobility, analytics and security as these are key drivers of growth in the very competitive print industry.

We are focused on cloud-based software that supports an array of offerings including Digital Mail, Capture & Content as well as Digital Hub & Cloud Print. We also expanded our IT Services in the U.S., Canada and the U.K. since the beginning of the year.

We continue to progress on our five innovation pillars: 3D, sensors and IoT, clean tech, digital packaging, and AI. The impact of COVID-19 has accelerated needs in many of these areas. For example, COVID-19 has highlighted the risks globally dispersed supply chains pose for many businesses. Xerox's liquid metal 3D printing solution can help strengthen supply chains with locally manufactured parts, and we remain on track to deliver our first product by year end.

Have your capital allocation priorities changed for 2020? Will you buy shares in the second half?

Our balance sheet and liquidity are strong, with approximately $2.3B of cash, cash equivalents and restricted cash and a $1.8B undrawn revolver as of June 30th.

Our capital allocation priorities remain unchanged. In light of the pandemic and the anticipated impact of business closures around the globe, we managed our capital conservatively in Q2. We closed a $340M private U.S. securitization in July, which effectively refinanced a May 2020 bond maturity, and we have approximately $740M of debt maturing in Q3, which we plan to refinance.

We remain committed to our shareholder return policy (including our current dividend rate) of returning at least 50% of annual free cash flow to shareholders. We have $700M of share repurchase authority outstanding and currently plan to complete at least $300M of share repurchases during the balance of 2020. We also continue to assess our M&A pipeline, including both potential tuck-in acquisitions to further penetrate the SMB space and larger scale opportunities.

Financial Results Summary

(in millions, except per share data)

P&L Measures	Q2 2020	B/(W) YOY	% Change YOY
Revenue	$1,465	$(798)	(35.3) % AC (34.6) % CC[1]
Operating Income – Adjusted[1]	$62	$(218)	(77.9) %
Other Expenses, net	$7	$31	81.6 %
Net Income[2]	$27	$(114)	(80.9) %
Net Income – Adjusted[1]	$36	$(150)	(80.6) %
GAAP Earnings Per Share[2]	$0.11	$(0.49)	(81.7) %
EPS – Adjusted[1]	$0.15	$(0.64)	(81.0) %

P&L Ratios	Q2 2020	B/(W) YOY
Gross Margin	38.5 %	(60) bps
RD&E %	5.2 %	(130) bps
SAG %	29.1 %	(630) bps
Operating Margin – Adjusted[1]	4.2 %	(820) bps
Tax Rate – Adjusted[1]	23.4 %	3.2 %

[1] Adjusted Measures and Constant Currency (CC): see Non-GAAP Financial Measures. [2] Net Income and GAAP Earnings Per Share from continuing operations attributable to Xerox Holdings.

Cash Flow

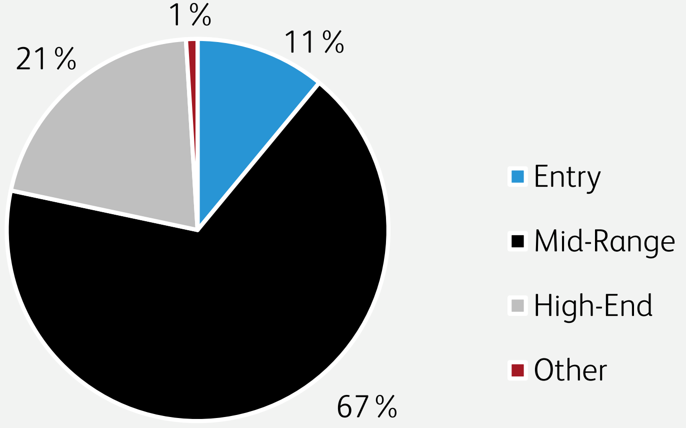
(in millions)	Q2 2020	Q2 2019
Pre-tax Income	$ 35	$ 190
Non-cash add-backs[1]	133	195
Restructuring Payments	(17)	(21)
Pension Contributions	(31)	(36)
Working Capital, net[2]	(47)	21
Change in Finance Assets[3]	74	(4)
Other[4]	(113)	(69)
Cash from Operations	$ 34	$ 276
Cash used in Investing	$(18)	$(54)
Cash used in Financing	$ (372)	$ (277)
Ending Cash, Cash Equivalents and Restricted Cash[5]	$ 2,314	$ 776
Free Cash Flow[6]	$ 15	$260

[1] Non-cash add-backs include depreciation & amortization (including equipment on operating lease), provisions, stock-based compensation, defined benefit pension expense, restructuring and asset impairment charges and gain on sales of businesses and assets. [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 taxes. [5] Includes $42 and $64 of restricted cash, respectively. [6] Free Cash Flow: see Non-GAAP Financial Measures.

Revenue

(in millions)	Q2 2020	% Mix	B/(W) YOY AC	B/(W) YOY CC[1]
Equipment	$ 310	21 %	(38.5) %	(38.0) %
Post Sale	$1,155	79 %	(34.3) %	(33.6) %
Total Revenue	$1,465	100 %	(35.3) %	(34.6) %
Americas	990	68 %	(34.2) %	(33.6) %
EMEA	428	29 %	(39.6) %	(38.5) %
Other[2]	47	3 %	(6.0) %	(6.0) %
Xerox Services[4]	$ 604	41 %	(29.2) %	(28.2) %

Equipment Revenue



Installs[3] (B/(W) YOY)

	Q2 2020 Color	Q2 2020 B&W
Entry A4 MFPs	(35) %	(9) %
Mid-Range	(46) %	(42) %
High-End	(58) %	2 %

[1] Constant Currency: see Non-GAAP Financial Measures. [2] Other total revenue includes sales to Fuji Xerox and licensing. [3] Mid-Range and High-End color installations exclude Fuji Xerox digital front-end sales and reflect a mix to higher end products within each of these categories. [4] Xerox Services includes solutions and services that span from managing print to automating processes to managing content. Our primary offerings are Intelligent Workplace Services (IWS), as well as Digital and Cloud Print Services (including centralized print services) and Communication and Marketing Solutions.

Profitability and Earnings

Adjusted[1] Operating Margin

	3Q18	4Q18	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20
Adjusted[1] Operating Margin	10.5%	14.1%	11.0%	12.4%	12.0%	16.8%	4.7%	4.2%
Transaction Currency Impact	40 bps	10 bps	(30) bps	(30) bps	(20) bps	(30) bps	(50) bps	(10) bps

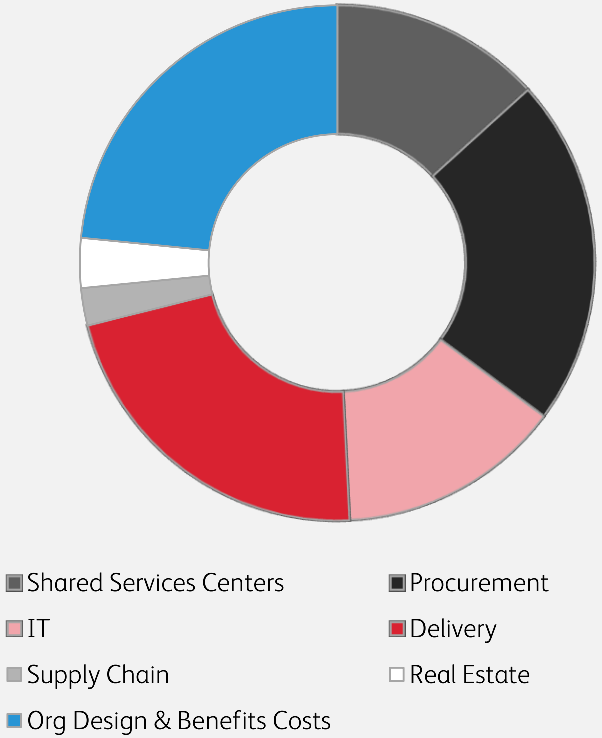
Adjusted[1] EPS

	3Q18	4Q18	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20
Adjusted[1] EPS	$0.64	$0.94	$0.66	$0.79	$0.80	$1.33	$0.21	$0.15
GAAP EPS	$0.14	$0.37	$0.34	$0.60	$0.68	$1.17	$(0.03)	$0.11

Project Own It Contribution:

Target at least $450M of Gross Savings in 2020

Achieved ~$640M of Gross Savings in 2019



- Project Own It is a multi-year program to simplify our operations and instill a culture of continuous improvement.
- Additional cost reduction actions are being managed in response to COVID-19

[1] Adjusted Measures: see Non-GAAP Financial Measures.

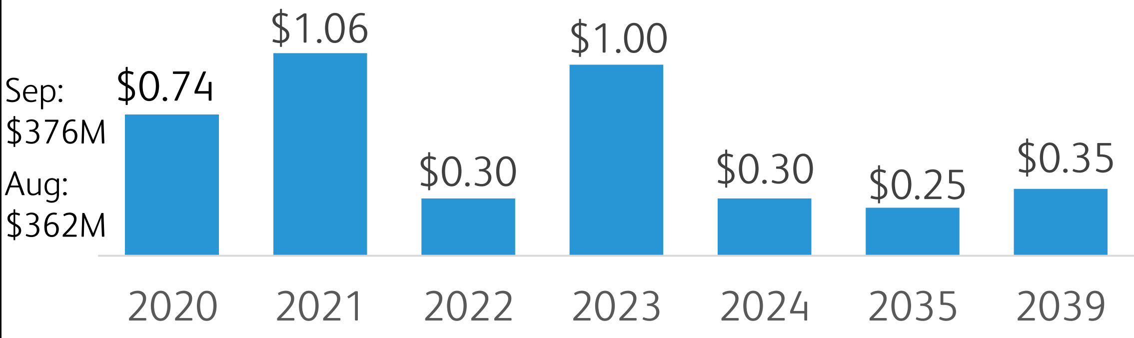
Capital Structure

Debt and Cash ($B)	6/30/2020	12/31/2019
Total Debt	$4.0	$4.3
Less: Finance Debt	$(3.0)	$(3.3)
Core Debt	$1.0	$1.0
Less: Cash[1]	$(2.3)	$(2.8)
Net Core Debt/(Cash)	$(1.3)	$(1.8)

Leverage

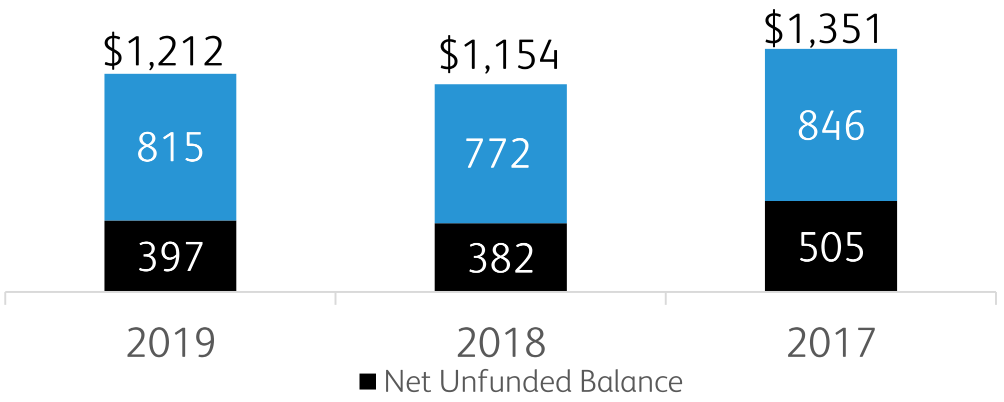
- Maintain 7:1 debt to equity leverage ratio on $3.4B of finance assets as of 6/30/2020
- Paid down $313M bond in May with cash on hand and effectively refinanced the bond in July through securitization
- Approximately $740M of debt coming due in Q3 expected to be refinanced

Senior Unsecured Debt Maturity Ladder ($B)



NOTE: Bond of $313M matured May 2020

Pension: Net Unfunded Status ($M)



Overall net global funded status at 12/31/19: ~88%

[1] Cash, cash equivalents and restricted cash.

Q2 2020 Summary and Wrap Up

Q2 2020 Results	
Revenue: $1.47B, down 34.6 % at CC[1]	**Free Cash Flow:**[1] $15M, down 94 % ($245M) year-over-year
Adjusted[1] Operating Margin: 4.2 %, a decrease of 820 basis points year-over-year	**Capital Allocation:** Returned $57M to shareholders in dividends
Adjusted[1] EPS: $0.15, down 81 % ($0.64) year-over-year	

The impact of business closures caused by COVID-19 during March continued through Q2 and is reflected in our results. As there remains a high-level of economic uncertainty caused by this crisis, we are not currently providing financial guidance for 2020.

We have identified levers to manage through an extended recovery period. Our balance sheet is strong and operations are resilient, which have been critical in managing through the crisis. We remain focused on winning in the market place with our strong portfolio, and we continue to invest in our business and progress on our four strategic initiatives, which underpin our long-term transformation.

[1] Adjusted Measures, Free Cash Flow and Constant Currency (CC): see Non-GAAP Financial Measure.

Appendix

Operating Trends – Continuing Operations

(in millions, except EPS)	2018 FY	2019 Q1	2019 Q2	2019 Q3	2019 Q4	2019 FY	2020 Q1	2020 Q2
Total Revenue	**$9,662**	**$2,180**	**$2,263**	**$2,179**	**$2,444**	**$9,066**	**$1,860**	**$1,465**
% Change	*(3.3)%*	*(8.4)%*	*(8.3)%*	*(5.8)%*	*(2.2)%*	*(6.2)%*	*(14.7)%*	*(35.3)%*
CC[1] % Change	*(4.0)%*	*(6.0)%*	*(6.7)%*	*(4.7)%*	*(1.6)%*	*(4.7)%*	*(13.9)%*	*(34.6)%*
Adj[1] Operating Margin	11.3%	11.0%	12.4%	12.0%	16.8%	13.1%	4.7%	4.2%
GAAP EPS (Loss)	$1.16	$0.34	$0.60	$0.68	$1.17	$2.78	$(0.03)	$0.11
Adj[1] EPS	$2.88	$0.66	$0.79	$0.80	$1.33	$3.55	$0.21	$0.15
Operating Cash Flow	$1,082	$222	$276	$348	$398	$1,244	$173	$34
Free Cash Flow[1]	$992	$207	$260	$331	$381	$1,179	$150	$15

[1] Adjusted measures, Free Cash Flow, and Constant Currency (CC): see Non-GAAP Financial Measures.

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 in the second quarter 2020 presentation slides available at 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 Earnings Measures

- Net Income and Earnings per share (EPS)
- Effective Tax Rate

The above measures were adjusted for the following items:

- *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. 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-GAAP Financial Measures (cont'd)

- *Transaction and related costs, net:* Transaction and related costs, net are costs and expenses primarily associated with certain strategic M&A projects including our announced proposal to acquire HP Inc., which was terminated in March 2020, and our planned transaction with Fujifilm/Fuji Xerox, which was terminated in May 2018. These costs are primarily for third-party legal, accounting, consulting and other similar type professional services as well as potential legal settlements. 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.

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

- *Other discrete, unusual or infrequent items:* We exclude other items given their discrete, unusual or infrequent nature and their impact on our results for the period. There were no adjustments for the second quarter 2020 and second quarter 2019.

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.

Non-GAAP Financial Measures (cont'd)

Adjusted Operating Income/Margin
We calculate and utilize adjusted operating income and margin measures by adjusting our reported 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.

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 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, dividends and share repurchase.

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

(in millions, except per share amounts)	Three Months Ended June 30, 2020 Net Income	Three Months Ended June 30, 2020 EPS	Three Months Ended June 30, 2019 Net Income	Three Months Ended June 30, 2019 EPS
Reported[1]	$ 27	$ 0.11	$ 141	$ 0.60
Adjustments:				
Restructuring and related costs	3		37	
Amortization of intangible assets	10		11	
Transaction and related costs, net	7		4	
Non-service retirement-related costs	(8)		10	
Income tax on adjustments[2]	(3)		(17)	
Adjusted	$ 36	$ 0.15	$ 186	$ 0.79
Dividends on preferred stock used in adjusted EPS calculation[3]		$ 3		$ -
Weighted average shares for adjusted EPS[3]		216		235
Fully diluted shares at June 30, 2020[4]		216		

[1] Net income and EPS from continuing operations attributable to Xerox Holdings.

[2] Refer to Effective Tax Rate reconciliation.

[3] Average shares for the calculation of adjusted diluted EPS for 2020 exclude 7 million shares associated with our Series A convertible preferred stock and therefore earnings include the preferred stock dividend. Average shares for the calculation of adjusted diluted EPS for 2019 exclude the preferred stock dividend and include 7 million shares associated with our Series A convertible preferred stock.

[4] Represents common shares outstanding at June 30, 2020 plus potential dilutive common shares as used for the calculation of adjusted diluted EPS for the second quarter 2020. The amount excludes shares associated with our Series A convertible preferred stock as they are expected to be anti-dilutive for the year.

Effective Tax Rate reconciliation

(in millions)	Three Months Ended June 30, 2020			Three Months Ended June 30, 2019		
	Pre-Tax Income	Income Tax Expense	Effective Tax Rate	Pre-Tax Income	Income Tax Expense	Effective Tax Rate
Reported[1]	$ 35	$ 8	22.9 %	$ 190	$ 50	26.3 %
Non-GAAP Adjustments[2]	12	3		62	17	
Adjusted[3]	$ 47	$ 11	23.4 %	$ 252	$ 67	26.6 %

(1) Pre-tax income and income tax expense from continuing operations.

(2) Refer to Net Income and EPS reconciliation for details.

(3) The tax impact on Adjusted Pre-Tax Income from continuing operations is calculated under the same accounting principles applied to the Reported Pre-Tax Income under ASC 740, which employs an annual effective tax rate method to the results.

Operating Income / Margin reconciliation

(in millions)	Three Months Ended June 30, 2020			Three Months Ended June 30, 2019		
	Profit	Revenue	Margin	Profit	Revenue	Margin
Reported [1]	$ 35	$ 1,465	2.4%	$ 190	$ 2,263	8.4%
Adjustments:						
Restructuring and related costs	3			37		
Amortization of intangible assets	10			11		
Transaction and related costs, net	7			4		
Other expenses, net	7			38		
Adjusted	$ 62	$ 1,465	4.2%	$ 280	$ 2,263	12.4%

[1] Pre-tax Income and revenue from continuing operations.

Free Cash Flow reconciliation

(in millions)	Three Months Ended June 30, 2020	2019	Change
Reported [1]	$ 34	$ 276	$ (242)
Capital expenditures	(19)	(16)	(3)
Free Cash Flow	$ 15	$ 260	$ (245)

[1] Net cash provided by operating activities of continuing operations.

Other Expenses, Net reconciliation

(in millions)	Three Months Ended June 30, 2020		Three Months Ended June 30, 2019	
Reported	$	7	$	38
Less: Non-service retirement-related costs		(8)		10
Adjusted	$	15	$	28

Net Income (Loss) and EPS reconciliation – historical

(in millions, except per share amounts)	Q3-18 Net Income	Q3-18 EPS	Q4-18 Net Income	Q4-18 EPS	Year Ended December 31, 2018 Net Income	Year Ended December 31, 2018 EPS	Q1-19 Net Income	Q1-19 EPS	Q2-19 Net Income	Q2-19 EPS	Q3-19 Net Income	Q3-19 EPS	Q4-19 Net Income	Q4-19 EPS	Year Ended December 31, 2019 Net Income	Year Ended December 31, 2019 EPS	Q1-20 Net (Loss) Income	Q1-20 EPS
Reported [1]	$ 39	$ 0.14	$ 91	$ 0.37	$ 306	$ 1.16	$ 84	$ 0.34	$ 141	$ 0.60	$ 157	$ 0.68	$ 266	$ 1.17	$ 648	$ 2.78	$ (2)	$ (0.03)
Restructuring and related costs	29		67		157		112		37		27		53		229		41	
Amortization of intangible assets	12		12		48		15		11		9		10		45		11	
Transaction and related costs, net	(33)		5		68		-		4		4		4		12		17	
Non-service retirement-related costs	33		67		150		13		10		(2)		(3)		18		1	
Loss on early extinguishment of debt	-		-		-		-		-		-		-		-		-	
Contract termination costs - IT services	-		43		43		-		-		(8)		(4)		(12)		3	
Income tax on adjustments	(10)		(48)		(116)		(31)		(17)		(7)		(22)		(77)		(21)	
US Tax Act	95		(6)		89		(35)		-		4		(4)		(35)		-	
Remeasurement of unrecognized tax positions	-		-		-		-		-		-		-		-		-	
Adjusted	$ 165	$ 0.64	$ 231	$ 0.94	$ 745	$ 2.88	$ 158	$ 0.66	$ 186	$ 0.79	$ 184	$ 0.80	$ 300	$ 1.33	$ 828	$ 3.55	$ 50	$ 0.21
Dividends on preferred stock used in adjusted EPS calculation [2]		$ -		$ -		$ -		$ -		$ -		$ -		$ -		$ -		$ (4)
Weighted average shares for adjusted EPS [2]		261		246		258		240		235		231		227		233		216

[1] *Net Income (Loss) and EPS from continuing operations attributable to Xerox Holdings.*

[2] *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 convertible preferred stock, as applicable.*

Operating Income / Margin reconciliation – historical

(in millions)	Q3-18 Profit	Q3-18 Revenue	Q3-18 Margin	Q4-18 Profit	Q4-18 Revenue	Q4-18 Margin	Year Ended December 31, 2018 Profit	Year Ended December 31, 2018 Revenue	Year Ended December 31, 2018 Margin
Reported [1]	$ 177	$ 2,314	7.6%	$ 124	$ 2,498	5.0%	$ 549	$ 9,662	5.7%
Adjustments:									
Restructuring and related costs	29			67			157		
Amortization of intangible assets	12			12			48		
Transaction and related costs, net	(33)			5			68		
Other expenses, net	57			144			271		
Adjusted	$ 242	$ 2,314	10.5%	$ 352	$ 2,498	14.1%	$ 1,093	$ 9,662	11.3%

(in millions)	Q1-19 Profit	Q1-19 Revenue	Q1-19 Margin	Q2-19 Profit	Q2-19 Revenue	Q2-19 Margin	Q3-19 Profit	Q3-19 Revenue	Q3-19 Margin
Reported [1]	$ 73	$ 2,180	3.3%	$ 190	$ 2,263	8.4%	$ 223	$ 2,179	10.2%
Adjustments:									
Restructuring and related costs	112			37			27		
Amortization of intangible assets	15			11			9		
Transaction and related costs, net	-			4			4		
Other expenses, net	39			38			(1)		
Adjusted	$ 239	$ 2,180	11.0%	$ 280	$ 2,263	12.4%	$ 262	$ 2,179	12.0%

(in millions)	Q4-19 Profit	Q4-19 Revenue	Q4-19 Margin	Year Ended December 31, 2019 Profit	Year Ended December 31, 2019 Revenue	Year Ended December 31, 2019 Margin	Q1-20 (Loss) Profit	Q1-20 Revenue	Q1-20 Margin
Reported [1]	$ 336	$ 2,444	13.7%	$ 822	$ 9,066	9.1%	$ (5)	$ 1,860	(0.3%)
Adjustments:									
Restructuring and related costs	53			229			41		
Amortization of intangible assets	10			45			11		
Transaction and related costs, net	4			12			17		
Other expenses, net	8			84			23		
Adjusted	$ 411	$ 2,444	16.8%	$ 1,192	$ 9,066	13.1%	$ 87	$ 1,860	4.7%

[1] *Pre-Tax Income (Loss) and revenue from continuing operations.*

Free Cash Flow reconciliation – historical

(in millions, except per share amounts)	Year Ended December 31, 2018	Q1-19	Q2-19	Q3-19	Q4-19	Year Ended December 31, 2019	Q1-20
Reported [1]	$ 1,082	$ 222	$ 276	$ 348	$ 398	$ 1,244	$ 173
Incremental Voluntary contributions to U.S. defined benefit pension plans	-	-	-	-	-	-	-
Collections on beneficial interests received in sales of receivables	-	-	-	-	-	-	-
Elimination of certain accounts receivables sales programs	-	-	-	-	-	-	-
Restricted cash - classification change [2]	-	-	-	-	-	-	-
Operating Cash Flows from Continuing Operations - Adjusted	$ 1,082	$ 222	$ 276	$ 348	$ 398	$ 1,244	$ 173
Capital expenditures	(90)	(15)	(16)	(17)	(17)	(65)	(23)
Free Cash Flow from Continuing Operations	$ 992	$ 207	$ 260	$ 331	$ 381	$ 1,179	$ 150

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[1] *Net cash (used in) provided by 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.*