



# 1st Quarter FY 2024 Earnings Presentation

August 2, 2023

ES DELIVERING EXCELLENCE FOR OUR  
G EXCELLENCE FOR OUR CUSTOMERS  
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# Non-GAAP Financial Measures

We present Non-GAAP financial measures which are derived from the statements of operations, cash flow and balance sheets of DXC. These Non-GAAP financial measures include earnings before interest and taxes ("EBIT"), adjusted EBIT, adjusted EBIT excluding pension income, adjusted EBIT margin, adjusted EBIT margin excluding pension income, adjusted earnings before interest, taxes, depreciation and amortization ("adjusted EBITDA"), Non-GAAP income from continuing operations before income taxes, Non-GAAP net income attributable to DXC and Non-GAAP basic and diluted EPS, organic revenue growth, constant currency revenue, free cash flow, Non-GAAP cost of services, Non-GAAP SG&A expense, Non-GAAP depreciation and amortization, Non-GAAP gross profit, Non-GAAP tax rate, Non-GAAP income tax expense, Non-GAAP other income, and Net Debt/adjusted EBITDA.

We believe EBIT, adjusted EBIT, adjusted EBITDA, adjusted EBIT margin, adjusted EBITDA margin, Non-GAAP income before income taxes, Non-GAAP net income attributable to DXC, Non-GAAP basic and diluted EPS provide investors with useful supplemental information about our operating performance after excluding certain categories of expenses.

We believe organic revenue growth and constant currency revenue provide investors with useful supplemental information about our revenues after excluding the effect of currency exchange rate fluctuations for currencies other than U.S. dollars in the periods presented, and impact of acquisitions and divestitures. See below for a description of the methodology we use to present organic revenue growth and constant currency revenue.

One category of expenses excluded from adjusted EBIT and adjusted EBITDA, Non-GAAP income from continuing operations before tax, Non-GAAP net income attributable to DXC and Non-GAAP EPS, incremental amortization of intangible assets acquired through business combinations, may result in a significant difference in period over period amortization expense on a GAAP basis. We exclude amortization of certain acquired intangible assets as these non-cash amounts are inconsistent in amount and frequency and are significantly impacted by the timing and/or size of acquisitions. Although DXC management excludes amortization of acquired intangible assets, primarily customer-related intangible assets, from its Non-GAAP expenses, we believe that it is important for investors to understand that such intangible assets were recorded as part of purchase accounting and support revenue generation. Any future transactions may result in a change to the acquired intangible asset balances and associated amortization expense.

Another category of expenses excluded from adjusted EBIT and adjusted EBITDA, Non-GAAP income from continuing operations before tax, Non-GAAP net income attributable to DXC and Non-GAAP EPS, impairment losses, may result in a significant difference in period over period expense on a GAAP basis. We exclude impairment losses as these non-cash amounts, generally an acceleration of what would be multiple periods of expense, have not occurred frequently. Further assets such as goodwill may be significantly impacted by market conditions outside of management's control.

Free cash flow is defined as net cash provided by operating activities less capital expenditures. Free cash flow is utilized by our management, investors, and analysts to evaluate cash available to pay debt, repurchase shares and provide further investment in the business. Net debt is defined as the sum of short-term debt, current maturities of long-term debt and long-term debt less cash and cash equivalents. We believe this measure provides investors with greater transparency with respect to our net leverage.

There are limitations to the use of the Non-GAAP financial measures presented in this report. One of the limitations is that they do not reflect complete financial results. We compensate for this limitation by providing a reconciliation between our Non-GAAP financial measures and the respective most directly comparable financial measure calculated and presented in accordance with GAAP. Additionally, other companies, including companies in our industry, may calculate Non-GAAP financial measures differently than we do, limiting the usefulness of those measures for comparative purposes between companies.

Selected references are made to revenues on an "organic basis" so that certain financial results can be viewed without the impact of fluctuations in foreign currency rates and without the impacts of acquisitions and divestitures, thereby providing comparisons of operating performance from period to period of the business that we have owned during all periods presented. Organic revenue growth is calculated by dividing the year over year change in GAAP revenues attributed to organic growth by the GAAP revenues reported in the prior comparable period. Revenues on an "organic basis" in calculating organic revenue growth are Non-GAAP financial measures calculated by translating current period activity into U.S. dollars using the comparable prior period's currency conversion rates after excluding the impact of acquisitions and divestitures on revenue in both periods. Revenues on a "constant currency basis" are Non-GAAP financial measures calculated by translating current period activity into U.S. dollars using the comparable prior period's currency conversion rates.

DXC does not provide a reconciliation of Non-GAAP financial measures that it discusses as part of its guidance because certain significant information required for such reconciliation is not available without unreasonable efforts or at all, including, most notably, the impact of significant non-recurring items. Without this information, DXC does not believe that a reconciliation would be meaningful. Explanations of Non-GAAP financial measures used herein are provided later in this document.

# Forward-Looking Statements

All statements and assumptions contained in this earnings presentation that do not directly and exclusively relate to historical facts constitute “forward-looking statements.” Forward-looking statements often include words such as “anticipates,” “believes,” “estimates,” “expects,” “forecast,” “goal,” “intends,” “objective,” “plans,” “projects,” “strategy,” “target,” and “will” and words and terms of similar substance in discussions of future operating or financial performance. These statements represent current expectations and beliefs, and no assurance can be given that the results described in such statements will be achieved. Forward-looking statements include, among other things, statements with respect to our future financial condition, results of operations, cash flows, business strategies, operating efficiencies or synergies, divestitures, competitive position, growth opportunities, share repurchases, dividend payments, plans and objectives of management and other matters. Such statements are subject to numerous assumptions, risks, uncertainties and other factors that could cause actual results to differ materially from those described in such statements, many of which are outside of our control. Important factors that could cause actual results to differ materially from those described in forward-looking statements include, but are not limited to: our inability to succeed in our strategic objectives; the risk of liability or damage to our reputation resulting from security incidents, including breaches, and cyber-attacks to our systems and networks and those of our business partners, insider threats, disclosure of sensitive data or failure to comply with data protection laws and regulations in a rapidly evolving regulatory environment; in each case, whether deliberate or accidental; our inability to develop and expand our service offerings to address emerging business demands and technological trends, including our inability to sell differentiated services amongst our offerings; our inability to compete in certain markets and expand our capacity in certain offshore locations and risks associated with such offshore locations, such as the ongoing conflict between Russia and Ukraine; failure to maintain our credit rating and ability to manage working capital, refinance and raise additional capital for future needs; public health crises such as the COVID-19 pandemic; our indebtedness; the competitive pressures faced by our business; our inability to accurately estimate the cost of services, and the completion timeline of contracts; execution risks by us and our suppliers, customers, and partners; the risks associated with climate change and natural disasters; increased scrutiny of, and evolving expectations for, sustainability and environmental, social, and governance initiatives; our inability to retain and hire key personnel and maintain relationships with key partners; the risks associated with prolonged periods of inflation or current macroeconomic conditions, including the current decline in economic growth rates in the United States and in other countries, the possibility of reduced spending by customers in the areas we serve, the success of our cost-takeout efforts, continuing unfavorable foreign exchange rate movements, and our ability to close new deals in the event of an economic slowdown; the risks associated with our international operations, such as risks related to currency exchange rates; our inability to comply with existing and new laws and regulations, including social and environmental responsibility regulations, policies and provisions, as well as customer and investor demands; our inability to achieve the expected benefits of our restructuring plans; inadvertent infringement of third-party intellectual property rights or our inability to protect our own intellectual property assets; our inability to procure third-party licenses required for the operation of our products and service offerings; risks associated with disruption of our supply chain; our inability to maintain effective disclosure controls and internal control over financial reporting; potential losses due to asset impairment charges; our inability to pay dividends or repurchase shares of our common stock; pending investigations, claims and disputes and any adverse impact on our profitability and liquidity; disruptions in the credit markets, including disruptions that reduce our customers’ access to credit and increase the costs to our customers of obtaining credit; counterparty default risk in our hedging program; our failure to bid on projects effectively; financial difficulties of our customers and our inability to collect receivables; our inability to maintain and grow our customer relationships over time and to comply with customer contracts or government contracting regulations or requirements; our inability to succeed in our strategic transactions; changes in tax rates, tax laws, and the timing and outcome of tax examinations; risks following the merger of Computer Sciences Corporation (“CSC”) and Enterprise Services business of Hewlett Packard Enterprise Company’s (“HPES”) businesses, including anticipated tax treatment, unforeseen liabilities, and future capital expenditures; risks following the spin-off of our former U.S. Public Sector business (the “USPS”) and its related mergers with Vencore Holding Corp. and KeyPoint Government Solutions in June 2018 to form Perspecta Inc. (including its successors and permitted assigns, “Perspecta”), which was acquired by Peraton in May 2021. For a written description of these factors, see Part I, Item 1A “Risk Factors” of our Annual Report on Form 10-K for the fiscal year ended March 31, 2023, and any updating information in subsequent SEC filings, including DXC’s upcoming Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2023.

No assurance can be given that any goal or plan set forth in any forward-looking statement can or will be achieved, and readers are cautioned not to place undue reliance on such statements, which speak only as of the date they are made. Any forward-looking statement made by us in our earnings presentation speaks only as of the date on which our earnings presentation was first filed. We do not undertake any obligation to update or release any revisions to any forward-looking statement or to report any events or circumstances after the date of this report or to reflect the occurrence of unanticipated events, except as required by law.

# Agenda for Today

1 Update on Our Overall Business Performance

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2 Performance of Our GBS and GIS Businesses

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3 Q1 FY24 Financial Results and Guidance

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4 Closing Remarks and Questions

## Q1 FY24 Context



### Context

- We are taking the right steps to shape DXC into a company that consistently delivers revenue growth and expanded adjusted EBIT margin, Non-GAAP EPS, and free cash flow
- Focusing on our high-value growth business of GBS and fixing the historical challenges of our GIS business, along with changing the revenue mix so that GBS is the majority of our revenue
- As we began FY24, we saw resiliency in our business – in FY23 we delivered four consecutive quarters of constant currency revenue stability in a slowing IT market
- In Q1 FY24, the GBS business held up, while GIS did not show resiliency
- We have changed how DXC engages with the market by moving to an offering-led operating model

# Q1 FY24 Results



## Q1 Results

- Organic revenue growth was -3.6% – about \$75 million lower than the midpoint of our guidance range
- Adjusted EBIT margin was 6.5%
- Free cash flow better than expected – strong execution on working capital management
- Non-GAAP diluted EPS was \$0.63
- Delivered a BtB of 0.89x – TTM BtB 1.03x

# GBS – High-Margin/Quality Growing Business



## GBS Overview

- GBS grew 3.3% – the flywheel that provides sustainable growth at double-digit margins – 9th consecutive quarter of organic revenue growth
- GBS is now 49.4% of revenue – expect it will be the majority of DXC revenue very soon
- Consistent growth – Analytics & Engineering, Applications, and Insurance are all uniquely positioned in their respective markets
- Analytics & Engineering is well positioned due to our engineering talent
- Insurance is the world's largest provider of insurance software and BPS solutions, working with 18 of the top 20 global insurers
- Applications – Custom application skills that modernize custom-built platforms and unique capabilities with enterprise applications providers like ServiceNow

# GIS – Taking the Right Steps to Improve This Business



## GIS Overview

- GIS revenue declined 9.9% in Q1 FY24
- Security – Provide security strategies and resources to help customers protect themselves
- We did not make the progress we intended with the Cloud/ITO and Modern Workplace offerings
  - Cloud/ITO – Weaker resale revenue and project work in Q1 but taking market share at better economics, as evidenced by our newly announced deal with AT&T
  - Modern Workplace – Weaker project work and some outsourcing work being insourced as customers return to their offices
- Actions to improve the business:
  - Managing the disruption from terminated contracts
  - Bolstering our customer delivery and off-shore delivery capability
  - Improving market reputation



# AI Products and Teams in Both Our GBS and GIS Businesses

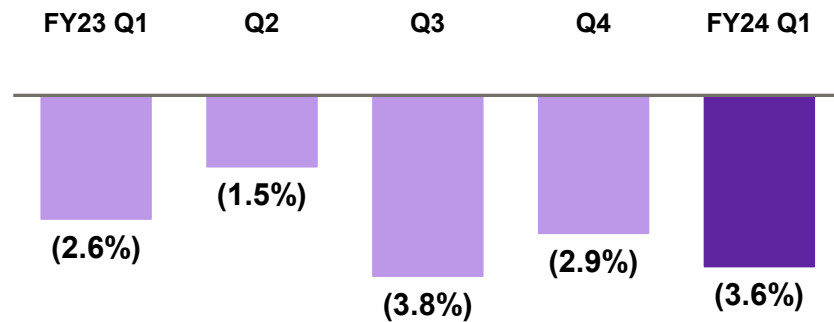


## AI Capabilities

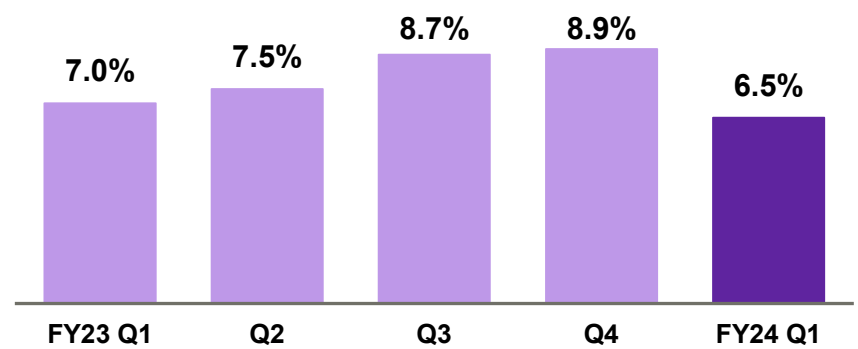
- AI has been a passion for me before I joined DXC:
  - Launched and was initial Executive Chairman of an AI startup
  - Author of AI articles for Chief Executive Magazine
- Brought this passion to DXC, and we have made focused investments in AI every year that I have been CEO, now having over 10,000 trained resources and AI capabilities in both GBS and GIS
- GBS AI capabilities:
  - DXC Assure for our Insurance offering
  - Robotic Drive for our Analytics & Engineering offering
- GIS AI capabilities:
  - DXC Platform X™ for our Cloud/ITO offering
  - Uptime product that powers our Modern Workplace offering

# Transformation Journey Continues

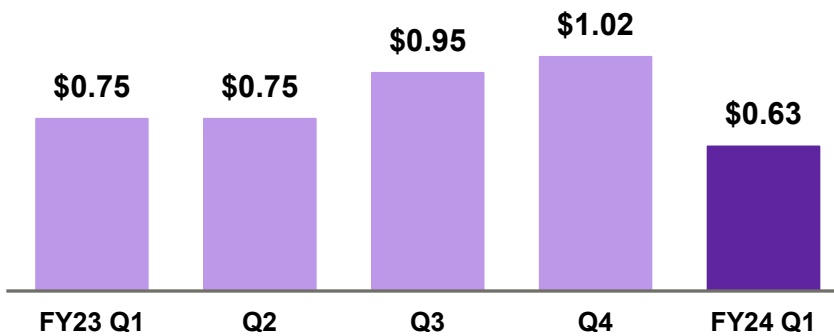
### Organic Revenue Growth Trends (YoY)



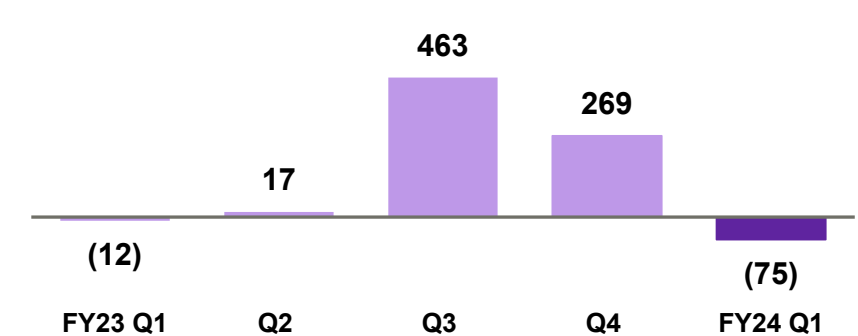
### Adjusted EBIT Margin



### Non-GAAP Diluted EPS



### Free Cash Flow (\$M)

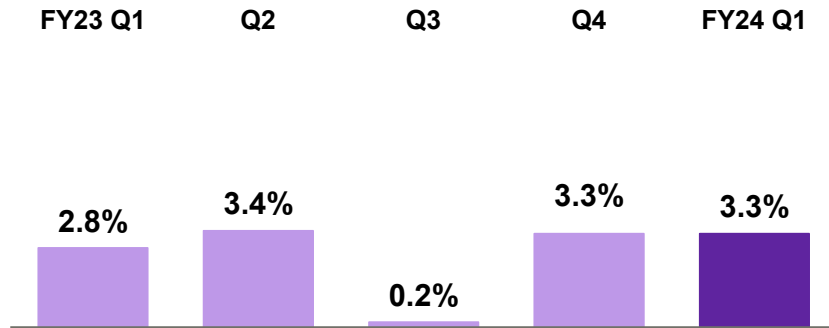


## Q1 Key Financial Metrics

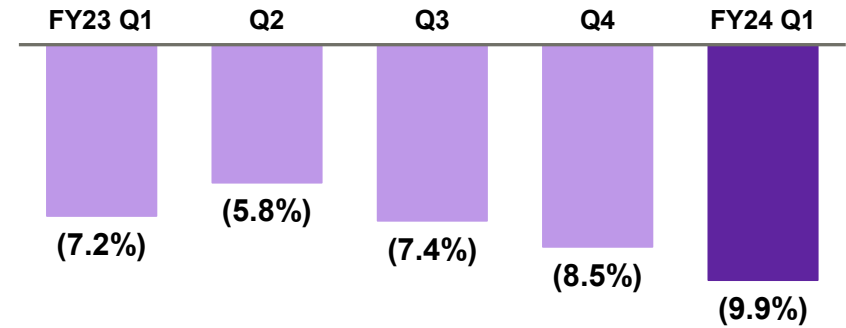
(in \$M, except EPS and shares)	Q1 FY24	Q1 FY23	Change
<b>Revenue</b>	<b>3,446</b>	<b>3,707</b>	<b>(7.0%)</b>
Non-GAAP Gross Profit	727	777	(6.4%)
<i>As % of sales</i>	21.1%	21.0%	10 bps
Non-GAAP SG&A Expenses	(315)	(337)	(6.5%)
<i>As % of sales</i>	(9.1%)	(9.1%)	0 bps
Non-GAAP Depreciation & Amortization	(255)	(285)	(10.5%)
<i>As % of sales</i>	(7.4%)	(7.7%)	30 bps
Non-GAAP Other Income	67	104	(35.6%)
<i>As % of sales</i>	1.9%	2.8%	(90) bps
Adjusted EBIT	224	259	(13.5%)
<i>As % of sales</i>	6.5%	7.0%	(50) bps
Net Interest Expense	(17)	(17)	0.0%
Non-GAAP Tax Rate	34.3%	25.6%	870 bps
<b>Non-GAAP Net Income</b>	<b>134</b>	<b>179</b>	<b>(25.1%)</b>
<b>Non-GAAP Diluted EPS</b>	<b>\$ 0.63</b>	<b>\$ 0.75</b>	<b>(16.0%)</b>
<b>Weighted Average Diluted Shares (M)</b>	<b>213.8</b>	<b>237.4</b>	<b>(9.9%)</b>

# GBS/GIS Results

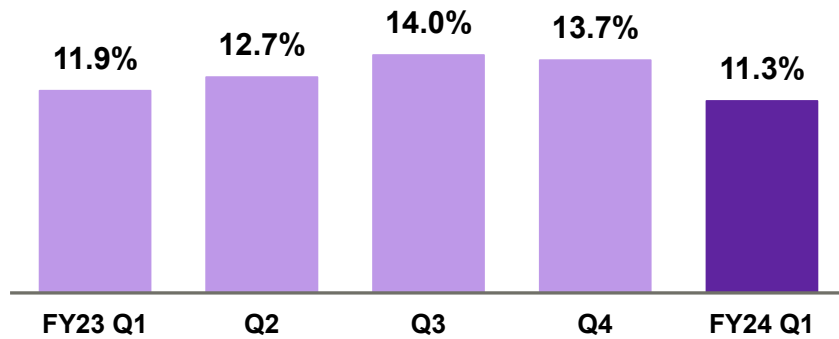
### GBS Organic Revenue Growth (YoY)



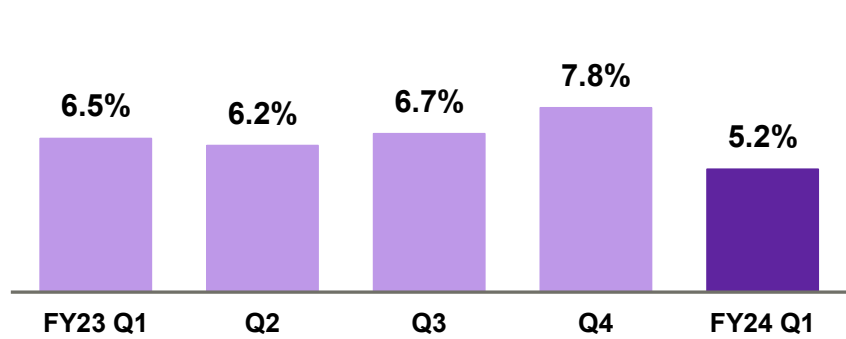
### GIS Organic Revenue Growth (YoY)



### GBS Segment Profit Margin



### GIS Segment Profit Margin



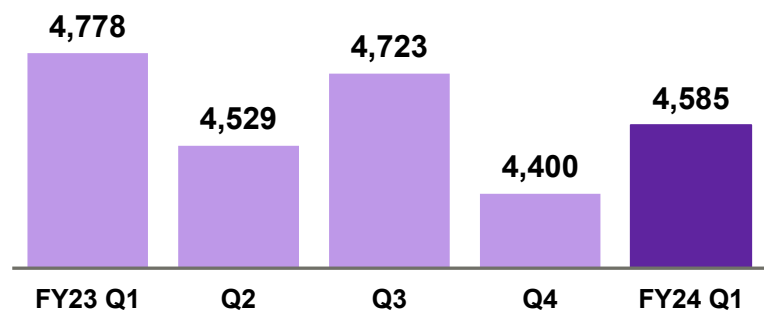
## GBS/GIS Offerings

		Q1 FY24		
		Revenue (\$M)	YoY Organic Growth*	Book-to-Bill
GBS	Analytics & Engineering	546	8.8%	1.03x
	Applications	770	(0.7%)	0.83x
	Insurance Software & BPS	382	5.1%	0.59x
	<i>Mergers, Acquisitions &amp; Divestitures</i>	5	-	-
	<b>GBS Total</b>	<b>1,703</b>	<b>3.3%</b>	<b>0.84x</b>
GIS	Security	111	6.8%	0.82x
	Cloud Infrastructure & ITO	1,209	(12.7%)	1.01x
	Modern Workplace	423	(5.0%)	0.77x
	<i>Mergers, Acquisitions &amp; Divestitures</i>	-	-	-
	<b>GIS Total</b>	<b>1,743</b>	<b>(9.9%)</b>	<b>0.94x</b>
<b>DXC TOTAL</b>		<b>3,446</b>	<b>(3.6%)</b>	<b>0.89x</b>

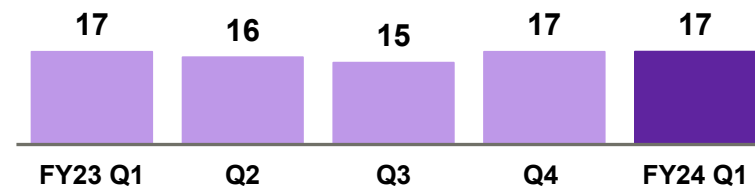
\* Please see definitions and reconciliations of Non-GAAP measures at end of presentation.

# Continuing Progress on Our Financial Foundation

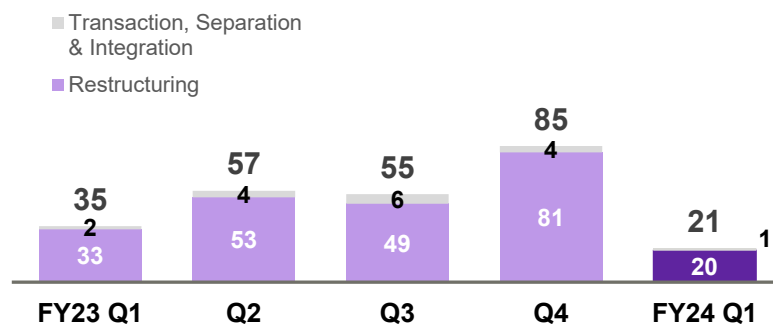
Total Debt (\$M)



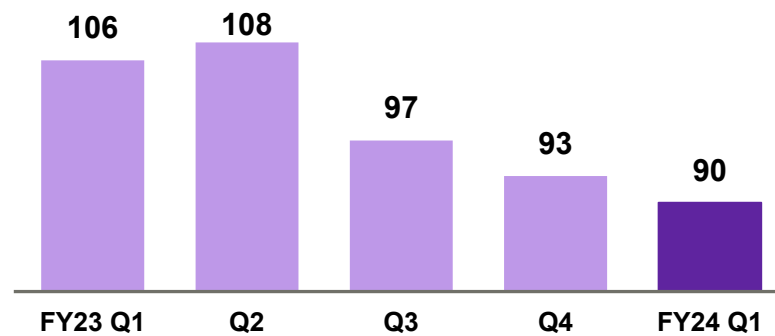
Net Interest Expense (\$M)



Restructuring/Transaction, Separation & Integration (\$M)

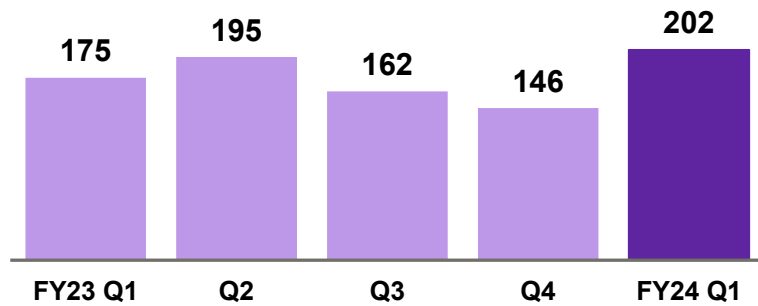


Cash Payments for Operating Leases (\$M)

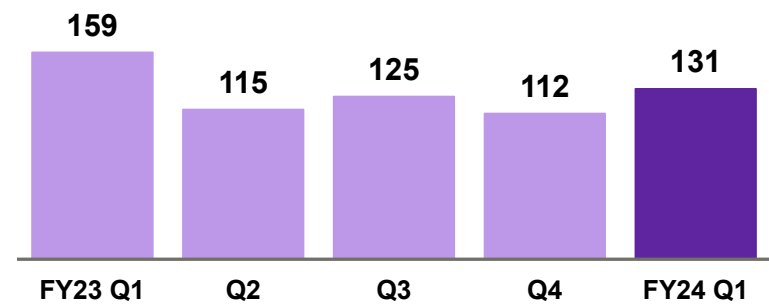


# Continuing Progress on Our Financial Foundation

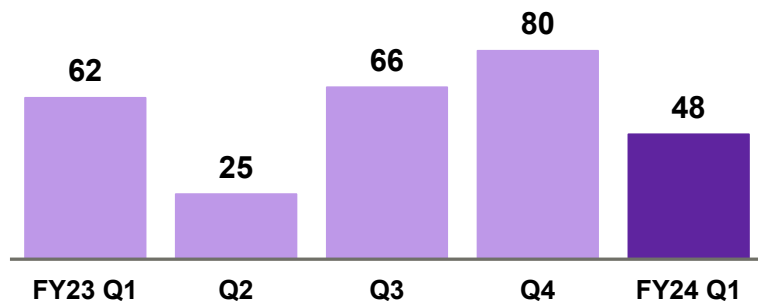
### Capital Expenditures (\$M)



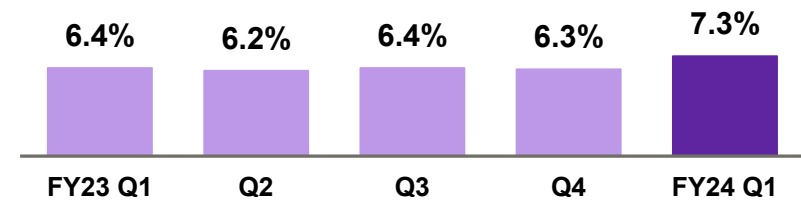
### Finance Lease & Asset Financing Payments (\$M)



### Finance Lease & Asset Financing Originations (\$M)

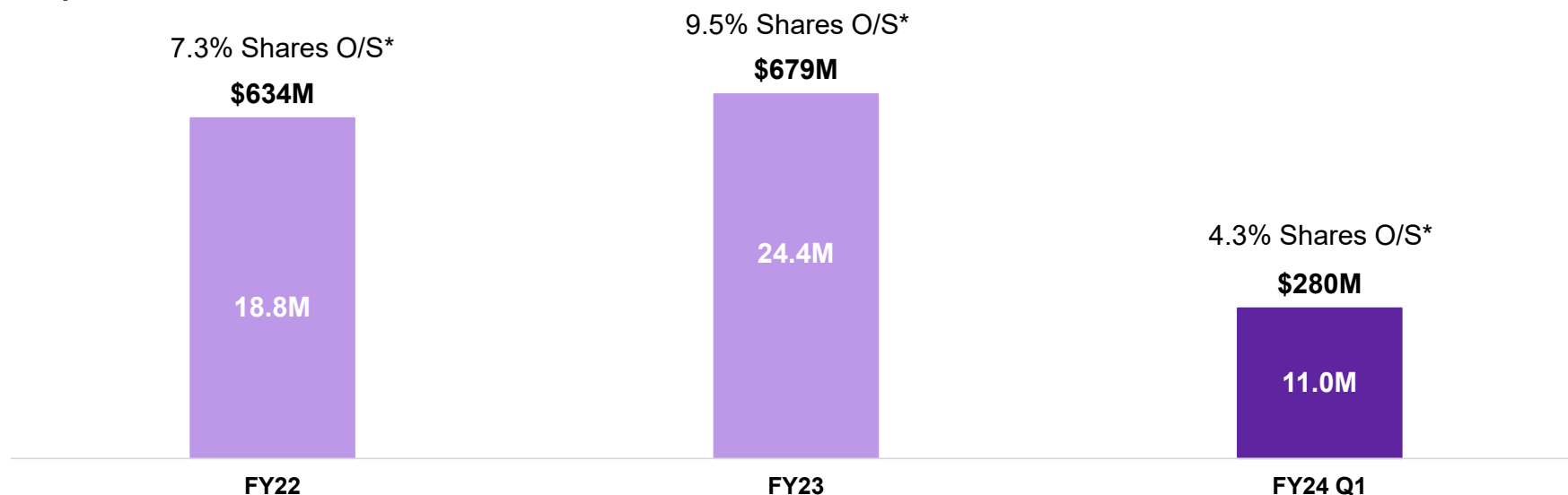


### Capital Expenditures & Finance Lease Originations as a % of Revenue



# Repurchased >20% of Shares Outstanding Since Start of FY22

## Share Repurchases



- Since the start of FY22, DXC has repurchased 54 million shares for a total of \$1.6 billion returned to shareholders
  - Retired 21% of the outstanding shares at the beginning of FY22
  - ~\$800M left to complete in the program announced on our Q4 FY23 earnings call, which will retire an additional 15% of current shares outstanding at the current share price

\* Shares outstanding are diluted shares outstanding at the end of FY21 (256.9M).



## Q2 FY24 Outlook

**YoY Organic  
Revenue Growth**

**(5.5%) – (4.5%)**

**Adjusted  
EBIT Margin**

**6.5% – 7.0%**

**Non-GAAP  
Diluted EPS**

**\$0.65 – \$0.70**

Note: Fx rates for guidance: Euro \$1.11, Sterling \$1.28, and AUD \$0.68.

## Updated FY24 Outlook

**YoY Organic  
Revenue Growth**

**(4.0%) – (3.0%)**

**Adjusted  
EBIT Margin**

**7.0% – 7.5%**

**Non-GAAP  
Diluted EPS**

**\$3.15 – \$3.40**

**Free Cash Flow**

**\$800M**

Note: Fx rates for guidance: Euro \$1.11, Sterling \$1.28, and AUD \$0.68.

**1** **GBS: A high-quality growth business and will change overall revenue mix**  
Higher-margin GBS will be the majority of DXC revenue by end of FY24

**2** **GIS: Still confident that we can stabilize**  
Security is solid; taking strategic actions in Cloud/ITO and Modern Workplace

**3** **Making improvements to be more competitive**  
New senior talent and offering-led operating model

**4** **Financial analytics to deliver predictable and repeatable results**  
Managing areas we can control well, like free cash flow and restructuring and TSI

**5** **Capital deployment due to value creation**  
Generating \$850M in FCF, \$1B Share Repo; committed to investment-grade credit profile



# Supplemental Information

Q1 FY24 Quarterly Result Details

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Non-GAAP Reconciliations

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Definitions

# Organic Revenue Growth and Backlog

GBS (\$M)	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	Total FY23	Q1 FY24
<b>GBS revenue</b>	<b>1,758</b>	<b>1,713</b>	<b>1,738</b>	<b>1,751</b>	<b>6,960</b>	<b>1,703</b>
YoY GBS revenue growth	(6.8%)	(8.5%)	(10.7%)	(7.5%)	(8.4%)	(3.1%)
Foreign currency	5.9%	7.4%	6.4%	3.8%	5.9%	0.8%
Acquisitions and divestitures	3.7%	4.5%	4.5%	7.0%	4.9%	5.6%
<b>YoY GBS organic revenue growth</b>	<b>2.8%</b>	<b>3.4%</b>	<b>0.2%</b>	<b>3.3%</b>	<b>2.4%</b>	<b>3.3%</b>
GBS bookings (\$B)	1.7	1.7	2.1	1.8	7.3	1.4
GBS book-to-bill	0.98x	0.96x	1.21x	1.04x	1.05x	0.84x
GIS (\$M)	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	Total FY23	Q1 FY24
<b>GIS revenue</b>	<b>1,949</b>	<b>1,853</b>	<b>1,828</b>	<b>1,840</b>	<b>7,470</b>	<b>1,743</b>
YoY GIS revenue growth	(13.5%)	(14.0%)	(14.7%)	(13.0%)	(13.8%)	(10.6%)
Foreign currency	5.8%	7.5%	6.7%	4.0%	6.0%	0.7%
Acquisitions and divestitures	0.5%	0.7%	0.6%	0.5%	0.6%	0.0%
<b>YoY GIS organic revenue growth</b>	<b>(7.2%)</b>	<b>(5.8%)</b>	<b>(7.4%)</b>	<b>(8.5%)</b>	<b>(7.2%)</b>	<b>(9.9%)</b>
GIS bookings (\$B)	1.5	1.3	2.7	1.9	7.4	1.7
GIS book-to-bill	0.77x	0.71x	1.46x	1.03x	0.99x	0.94x
Total (\$M)	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	Total FY23	Q1 FY24
<b>GAAP revenue</b>	<b>3,707</b>	<b>3,566</b>	<b>3,566</b>	<b>3,591</b>	<b>14,430</b>	<b>3,446</b>
Total revenue growth	(10.5%)	(11.4%)	(12.8%)	(10.4%)	(11.3%)	(7.0%)
Foreign currency	5.8%	7.4%	6.6%	3.9%	6.0%	0.7%
Acquisitions and divestitures	2.1%	2.5%	2.4%	3.6%	2.6%	2.7%
<b>YoY organic revenue growth</b>	<b>(2.6%)</b>	<b>(1.5%)</b>	<b>(3.8%)</b>	<b>(2.9%)</b>	<b>(2.7%)</b>	<b>(3.6%)</b>
Bookings (\$B)	3.2	3.0	4.8	3.7	14.7	3.1
Book-to-bill	0.87x	0.83x	1.34x	1.04x	1.02x	0.89x
Backlog (\$B)	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	Total FY23	Q1 FY24
<b>Beginning ASC 606 backlog</b>	<b>21.7</b>	<b>20.3</b>	<b>18.8</b>	<b>19.6</b>	<b>21.7</b>	<b>19.7</b>
Less: revenue	(3.7)	(3.6)	(3.6)	(3.6)	(14.5)	(3.4)
Plus: bookings	3.2	3.0	4.8	3.7	14.7	3.1
Plus/minus: Fx impact	(0.6)	(0.8)	0.6	—	(0.8)	0.2
Plus/minus: backlog adjustments & terminations	(0.3)	—	(0.6)	0.1	(0.8)	(0.2)
Plus/minus: Acquisitions & divestitures	—	(0.1)	(0.4)	(0.1)	(0.6)	0.0
<b>Ending ASC 606 backlog</b>	<b>20.3</b>	<b>18.8</b>	<b>19.6</b>	<b>19.7</b>	<b>19.7</b>	<b>19.4</b>
<b>Bookings less backlog adjustments &amp; terminations</b>	<b>2.9</b>	<b>3.0</b>	<b>4.2</b>	<b>3.8</b>	<b>13.9</b>	<b>2.9</b>

# Organic Revenue Growth and Book-to-Bill by Offering

Organic Revenue Growth (YoY)	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	Total FY23	Q1 FY24
<b>GBS</b>	<b>2.8%</b>	<b>3.4%</b>	<b>0.2%</b>	<b>3.3%</b>	<b>2.4%</b>	<b>3.3%</b>
Analytics & Engineering	15.7%	14.0%	11.7%	8.5%	12.3%	8.8%
Applications	(2.0%)	(1.1%)	(6.8%)	(0.5%)	(2.7%)	(0.7%)
Insurance Software & BPS	0.3%	1.1%	3.0%	5.9%	2.6%	5.1%
	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	Total FY23	Q1 FY24
<b>GIS</b>	<b>(7.2%)</b>	<b>(5.8%)</b>	<b>(7.4%)</b>	<b>(8.5%)</b>	<b>(7.2%)</b>	<b>(9.9%)</b>
Security	(0.3%)	(10.8%)	4.2%	(0.4%)	(2.1%)	6.8%
Cloud Infrastructure & ITO	(4.4%)	(0.9%)	(5.4%)	(10.5%)	(5.3%)	(12.7%)
Modern Workplace	(16.1%)	(16.9%)	(15.3%)	(5.3%)	(13.6%)	(5.0%)

Book-to-Bill	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	Total FY23	Q1 FY24
<b>GBS</b>	<b>0.98x</b>	<b>0.96x</b>	<b>1.21x</b>	<b>1.04x</b>	<b>1.05x</b>	<b>0.84x</b>
Analytics & Engineering	1.17x	1.18x	1.15x	1.22x	1.18x	1.03x
Applications	0.86x	0.95x	1.32x	1.03x	1.04x	0.83x
Insurance Software & BPS	1.01x	0.62x	1.06x	0.75x	0.86x	0.59x
	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	Total FY23	Q1 FY24
<b>GIS</b>	<b>0.77x</b>	<b>0.71x</b>	<b>1.46x</b>	<b>1.03x</b>	<b>0.99x</b>	<b>0.94x</b>
Security	0.92x	0.95x	1.09x	1.42x	1.10x	0.82x
Cloud Infrastructure & ITO	0.67x	0.73x	1.69x	1.10x	1.04x	1.01x
Modern Workplace	1.02x	0.59x	0.89x	0.74x	0.81x	0.77x

## DXC Insurance Key Metrics

(in \$M)	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	Total FY22	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	Total FY23	Q1 FY24
Insurance Software Revenue	120	119	121	124	484	118	116	121	140	495	129
Insurance Business Process as a Service Revenue	147	146	146	149	588	142	148	150	150	590	153
<b>Total Insurance SaaS Revenue</b>	<b>267</b>	<b>265</b>	<b>267</b>	<b>273</b>	<b>1,072</b>	<b>260</b>	<b>264</b>	<b>271</b>	<b>290</b>	<b>1,085</b>	<b>282</b>
Business Process Services Revenue	118	118	116	112	464	108	100	99	100	407	100
<b>Total Insurance &amp; BPS Revenue</b>	<b>385</b>	<b>383</b>	<b>383</b>	<b>385</b>	<b>1,536</b>	<b>368</b>	<b>364</b>	<b>370</b>	<b>390</b>	<b>1,492</b>	<b>382</b>
Insurance SaaS YoY Growth	5.1%	19.3%	0.6%	0.0%	5.3%	-2.6%	-0.4%	1.5%	6.2%	1.2%	8.5%
Total Insurance & BPS YoY Growth	-5.4%	-8.1%	-6.6%	-10.6%	-7.8%	-4.4%	-5.0%	-3.4%	1.3%	-2.9%	3.8%



# Services and Resale Revenue by Offering

Services Revenue (\$M)	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	Total FY23	Q1 FY24
Analytics & Engineering	496	515	523	547	2,081	537
Applications	754	725	724	750	2,953	739
Insurance Software & BPS	367	362	370	387	1,486	380
<b>GBS</b>	<b>1,617</b>	<b>1,602</b>	<b>1,617</b>	<b>1,684</b>	<b>6,520</b>	<b>1,656</b>
Security	99	97	98	99	393	97
Cloud Infrastructure & ITO	1,227	1,148	1,144	1,131	4,650	1,106
Modern Workplace	373	348	338	350	1,409	335
<b>GIS</b>	<b>1,699</b>	<b>1,593</b>	<b>1,580</b>	<b>1,580</b>	<b>6,452</b>	<b>1,538</b>
<b>Divestitures</b>	<b>98</b>	<b>66</b>	<b>65</b>	<b>18</b>	<b>247</b>	<b>4</b>
<b>Total services revenue</b>	<b>3,414</b>	<b>3,261</b>	<b>3,262</b>	<b>3,282</b>	<b>13,219</b>	<b>3,198</b>
<i>Services revenue as a % of total revenue</i>	<i>92.1%</i>	<i>91.4%</i>	<i>91.5%</i>	<i>91.4%</i>	<i>91.6%</i>	<i>92.8%</i>

Resale Revenue (\$M)	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	Total FY23	Q1 FY24
Analytics & Engineering	7	9	12	11	39	9
Applications	31	30	38	30	129	31
Insurance Software & BPS	-	1	1	3	5	2
<b>GBS</b>	<b>38</b>	<b>40</b>	<b>51</b>	<b>44</b>	<b>173</b>	<b>42</b>
Security	6	11	14	14	45	14
Cloud Infrastructure & ITO	169	161	139	139	608	103
Modern Workplace	75	88	95	107	365	88
<b>GIS</b>	<b>250</b>	<b>260</b>	<b>248</b>	<b>260</b>	<b>1,018</b>	<b>205</b>
<b>Divestitures</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>20</b>	<b>1</b>
<b>Total resale revenue</b>	<b>293</b>	<b>305</b>	<b>304</b>	<b>309</b>	<b>1,211</b>	<b>248</b>
<i>Resale revenue as a % of total revenue</i>	<i>7.9%</i>	<i>8.6%</i>	<i>8.5%</i>	<i>8.6%</i>	<i>8.4%</i>	<i>7.2%</i>

# Reconciliation of Segment Profit to Pretax Income

GBS (\$M)	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	Total FY22	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	Total FY23	Q1 FY24
Segment revenue	1,887	1,873	1,946	1,892	7,598	1,758	1,713	1,738	1,751	6,960	1,703
<b>Segment profit</b>	<b>272</b>	<b>298</b>	<b>315</b>	<b>275</b>	<b>1,160</b>	<b>210</b>	<b>218</b>	<b>244</b>	<b>240</b>	<b>912</b>	<b>192</b>
<i>GBS profit %</i>	14.4%	15.9%	16.2%	14.5%	15.3%	11.9%	12.7%	14.0%	13.7%	13.1%	11.3%

GIS (\$M)	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	Total FY22	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	Total FY23	Q1 FY24
Segment revenue	2,254	2,154	2,143	2,116	8,667	1,949	1,853	1,828	1,840	7,470	1,743
<b>Segment profit</b>	<b>131</b>	<b>118</b>	<b>102</b>	<b>124</b>	<b>475</b>	<b>127</b>	<b>114</b>	<b>123</b>	<b>143</b>	<b>507</b>	<b>91</b>
<i>GIS profit %</i>	5.8%	5.5%	4.8%	5.9%	5.5%	6.5%	6.2%	6.7%	7.8%	6.8%	5.2%

Total (\$M)	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	Total FY22	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	Total FY23	Q1 FY24
Total revenue for reportable segments	4,141	4,027	4,089	4,008	16,265	3,707	3,566	3,566	3,591	14,430	3,446
<b>Total profit for reportable segments</b>	<b>403</b>	<b>416</b>	<b>417</b>	<b>399</b>	<b>1,635</b>	<b>337</b>	<b>332</b>	<b>367</b>	<b>383</b>	<b>1,419</b>	<b>283</b>
<i>Total segment profit margin</i>	9.7%	10.3%	10.2%	10.0%	10.1%	9.1%	9.3%	10.3%	10.7%	9.8%	8.2%
All other	(71)	(70)	(62)	(57)	(260)	(78)	(63)	(58)	(63)	(262)	(59)
Restructuring costs	(67)	(145)	(36)	(70)	(318)	(33)	(53)	(49)	(81)	(216)	(20)
TSI	(9)	(3)	(11)	(3)	(26)	(2)	(4)	(6)	(4)	(16)	(1)
Amortization of intangible assets	(109)	(110)	(106)	(109)	(434)	(104)	(101)	(100)	(97)	(402)	(89)
Merger related indemnification	—	—	—	—	—	(10)	—	(11)	(25)	(46)	(11)
SEC matter	—	—	—	—	—	—	(8)	—	—	(8)	—
Gains and losses on dispositions	347	—	(4)	(2)	341	29	(32)	(9)	202	190	(5)
Pension, actuarial & settlement losses	—	—	(7)	691	684	—	(1)	—	(1,430)	(1,431)	—
Impairment losses	—	(10)	—	(21)	(31)	—	—	(8)	(11)	(19)	(3)
Arbitration	—	—	—	—	—	—	—	(9)	(20)	(29)	—
Debt extinguishment costs	(28)	(281)	(2)	—	(311)	—	—	—	—	—	—
<b>EBIT <sup>(1)</sup></b>	<b>466</b>	<b>(203)</b>	<b>189</b>	<b>828</b>	<b>1,280</b>	<b>139</b>	<b>70</b>	<b>117</b>	<b>(1,146)</b>	<b>(820)</b>	<b>95</b>
Net interest	(42)	(45)	(23)	(29)	(139)	(17)	(16)	(15)	(17)	(65)	(17)
<b>Income before taxes</b>	<b>424</b>	<b>(248)</b>	<b>166</b>	<b>799</b>	<b>1,141</b>	<b>122</b>	<b>54</b>	<b>102</b>	<b>(1,163)</b>	<b>(885)</b>	<b>78</b>

<sup>(1)</sup> Defined at end of presentation.

# Adjusted EBIT and Adjusted EBITDA Reconciliation

EBIT to Adjusted EBIT (\$M)	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	Total FY22	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	Total FY23	Q1 FY24
Net income (loss)	282	(187)	102	539	736	103	28	61	(758)	(566)	42
Income tax expense (benefit)	142	(61)	64	260	405	19	26	41	(405)	(319)	36
Interest income	(20)	(16)	(15)	(14)	(65)	(20)	(28)	(41)	(46)	(135)	(49)
Interest expense	62	61	38	43	204	37	44	56	63	200	66
<b>EBIT <sup>(1)</sup></b>	<b>466</b>	<b>(203)</b>	<b>189</b>	<b>828</b>	<b>1,280</b>	<b>139</b>	<b>70</b>	<b>117</b>	<b>(1,146)</b>	<b>(820)</b>	<b>95</b>
Restructuring costs	67	145	36	70	318	33	53	49	81	216	20
Transaction, separation & integration-related costs	9	3	11	3	26	2	4	6	4	16	1
Amortization of acquired intangible assets	109	110	106	109	434	104	101	100	97	402	89
Merger related indemnification	—	—	—	—	—	10	—	11	25	46	11
SEC matter	—	—	—	—	—	—	8	—	—	8	—
Impairment losses	—	10	—	21	31	—	—	8	11	19	3
Arbitration losses	—	—	—	—	—	—	—	9	20	29	5
Gains and losses on disposition of businesses	(347)	—	4	2	(341)	(29)	32	9	(202)	(190)	—
Pension & OPEB actuarial & settlement losses	—	—	7	(691)	(684)	—	1	—	1,430	1,431	—
Debt extinguishment costs	28	281	2	—	311	—	—	—	—	—	—
<b>Adjusted EBIT <sup>(1)</sup></b>	<b>332</b>	<b>346</b>	<b>355</b>	<b>342</b>	<b>1,375</b>	<b>259</b>	<b>269</b>	<b>309</b>	<b>320</b>	<b>1,157</b>	<b>224</b>
Depreciation and amortization	422	448	424	423	1,717	389	380	375	375	1,519	344
Less: Amortization of acquired intangible assets	(109)	(110)	(106)	(109)	(434)	(104)	(101)	(100)	(97)	(402)	(89)
<b>Adjusted EBITDA <sup>(1)</sup></b>	<b>645</b>	<b>684</b>	<b>673</b>	<b>656</b>	<b>2,658</b>	<b>544</b>	<b>548</b>	<b>584</b>	<b>598</b>	<b>2,274</b>	<b>479</b>
<b>EBIT margin <sup>(1)</sup></b>	<b>11.3%</b>	<b>(5.0%)</b>	<b>4.6%</b>	<b>20.7%</b>	<b>7.9%</b>	<b>3.7%</b>	<b>2.0%</b>	<b>3.3%</b>	<b>(31.9%)</b>	<b>(5.7%)</b>	<b>2.8%</b>
<b>Adjusted EBIT margin <sup>(1)</sup></b>	<b>8.0%</b>	<b>8.6%</b>	<b>8.7%</b>	<b>8.5%</b>	<b>8.5%</b>	<b>7.0%</b>	<b>7.5%</b>	<b>8.7%</b>	<b>8.9%</b>	<b>8.0%</b>	<b>6.5%</b>

<sup>(1)</sup> Defined at end of presentation.

# Non-GAAP Reconciliation – Income Statement Measures

COS, SG&A, D&A (\$M)	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	Total FY22	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	Total FY23	Q1 FY24
<b>Cost of services</b>	<b>3,255</b>	<b>3,088</b>	<b>3,179</b>	<b>3,161</b>	<b>12,683</b>	<b>2,930</b>	<b>2,775</b>	<b>2,799</b>	<b>2,742</b>	<b>11,246</b>	<b>2,719</b>
Less: Impairment losses	—	—	—	—	—	—	—	(8)	—	(8)	—
Less: TSI	—	—	—	—	—	—	—	—	—	—	—
<b>Non-GAAP COS</b>	<b>3,255</b>	<b>3,088</b>	<b>3,179</b>	<b>3,161</b>	<b>12,683</b>	<b>2,930</b>	<b>2,775</b>	<b>2,791</b>	<b>2,742</b>	<b>11,238</b>	<b>2,719</b>
As a % of revenue	78.6%	76.7%	77.7%	78.9%	78.0%	79.0%	77.8%	78.3%	76.4%	77.9%	78.9%
<b>Non-GAAP gross profit <sup>(1)</sup></b>	<b>886</b>	<b>939</b>	<b>910</b>	<b>847</b>	<b>3,582</b>	<b>777</b>	<b>791</b>	<b>775</b>	<b>849</b>	<b>3,192</b>	<b>727</b>
As a % of revenue	21.4%	23.3%	22.3%	21.1%	22.0%	21.0%	22.2%	21.7%	23.6%	22.1%	21.1%
<b>SG&amp;A expense</b>	<b>383</b>	<b>370</b>	<b>340</b>	<b>315</b>	<b>1,408</b>	<b>349</b>	<b>324</b>	<b>315</b>	<b>387</b>	<b>1,375</b>	<b>327</b>
Less: Impairment losses	—	(10)	—	—	(10)	—	—	—	—	—	—
Less: SEC matter	—	—	—	—	—	—	(8)	—	—	(8)	—
Less: Arbitration losses	—	—	—	—	—	—	—	(9)	(20)	(29)	—
Less: Merger related indemnification	—	—	—	—	—	(10)	—	(11)	(25)	(46)	(11)
Less: TSI	(9)	(3)	(11)	(3)	(26)	(2)	(4)	(6)	(4)	(16)	(1)
<b>Non-GAAP SG&amp;A expense</b>	<b>374</b>	<b>357</b>	<b>329</b>	<b>312</b>	<b>1,372</b>	<b>337</b>	<b>312</b>	<b>289</b>	<b>338</b>	<b>1,276</b>	<b>315</b>
As a % of revenue	9.0%	8.9%	8.0%	7.8%	8.4%	9.1%	8.8%	8.1%	9.4%	8.8%	9.1%
Depreciation	158	165	156	146	625	138	129	123	129	519	113
Amortization	264	283	268	277	1,092	251	251	252	246	1,000	231
<b>Total depreciation &amp; amortization</b>	<b>422</b>	<b>448</b>	<b>424</b>	<b>423</b>	<b>1,717</b>	<b>389</b>	<b>380</b>	<b>375</b>	<b>375</b>	<b>1,519</b>	<b>344</b>
Less: Amortization of acquired intangible assets	(109)	(110)	(106)	(109)	(434)	(104)	(101)	(100)	(97)	(402)	(89)
<b>Non-GAAP depreciation &amp; amortization</b>	<b>313</b>	<b>338</b>	<b>318</b>	<b>314</b>	<b>1,283</b>	<b>285</b>	<b>279</b>	<b>275</b>	<b>278</b>	<b>1,117</b>	<b>255</b>
As a % of revenue	7.6%	8.4%	7.8%	7.8%	7.9%	7.7%	7.8%	7.7%	7.7%	7.7%	7.4%
<b>Other income, net</b>	<b>(103)</b>	<b>(102)</b>	<b>(85)</b>	<b>(791)</b>	<b>(1,081)</b>	<b>(104)</b>	<b>(68)</b>	<b>(98)</b>	<b>1,354</b>	<b>1,084</b>	<b>(64)</b>
Less: Gains and losses on disposition of businesses	(30)	—	—	—	(30)	—	—	—	—	—	—
Less: Impairment losses	—	—	—	(21)	(21)	—	—	—	(11)	(11)	(3)
Less: Pension & OPEB actuarial & settlement losses	—	—	(7)	691	684	—	(1)	—	(1,430)	(1,431)	—
<b>Non-GAAP other income</b>	<b>(133)</b>	<b>(102)</b>	<b>(92)</b>	<b>(121)</b>	<b>(448)</b>	<b>(104)</b>	<b>(69)</b>	<b>(98)</b>	<b>(87)</b>	<b>(358)</b>	<b>(67)</b>
As a % of revenue	(3.2%)	(2.5%)	(2.2%)	(3.0%)	(2.8%)	(2.8%)	(1.9%)	(2.8%)	(2.4%)	(2.5%)	(1.9%)

<sup>(1)</sup> Defined at end of presentation.

# Non-GAAP Reconciliation – Income Statement Measures

EBIT to EPS (in \$M, except EPS)	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	Total FY22	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	Total FY23	Q1 FY24
Adjusted EBIT	332	346	355	342	1,375	259	269	309	320	1,157	224
Interest expense	62	61	38	43	204	37	44	56	63	200	66
Interest income	(20)	(16)	(15)	(14)	(65)	(20)	(28)	(41)	(46)	(135)	(49)
Net interest	42	45	23	29	139	17	16	15	17	65	17
Non-GAAP income before income taxes	290	301	332	313	1,236	242	253	294	303	1,092	207
Income tax expense	142	(61)	64	260	405	19	26	41	(405)	(319)	36
As % of pre-tax income	33.5%	24.6%	38.6%	32.5%	35.5%	15.6%	48.1%	40.2%	34.8%	36.0%	46.2%
Tax impact of restructuring	10	34	4	17	65	8	10	10	16	44	5
Tax impact of TSI	4	1	1	1	7	—	1	1	1	3	—
Tax impact of amortization	24	26	13	27	90	24	18	20	19	81	21
Tax impact of merger related indemnification	—	—	—	—	—	2	—	2	27	31	11
Tax impact of SEC matter	—	—	—	—	—	—	1	—	—	1	—
Tax impact of arbitration losses	—	—	—	—	—	—	—	2	(3)	(1)	—
Tax impact of gain/loss on dispositions	(91)	—	—	(13)	(104)	9	22	(7)	1	25	—
Tax impact of impairment losses	—	2	—	5	7	—	—	1	3	4	1
Tax impact of other	(21)	66	11	(197)	(141)	—	—	—	411	411	(3)
Non-GAAP income tax expense	68	68	93	100	329	62	78	70	70	280	71
As % of Non-GAAP pre-tax income	23.4%	22.6%	28.0%	31.9%	26.6%	25.6%	30.8%	23.8%	23.1%	25.6%	34.3%
<b>Net income (loss)</b>	<b>282</b>	<b>(187)</b>	<b>102</b>	<b>539</b>	<b>736</b>	<b>103</b>	<b>28</b>	<b>61</b>	<b>(758)</b>	<b>(566)</b>	<b>42</b>
Less: Net income attributed to NCI	4	1	4	9	18	1	1	2	(2)	2	6
<b>Net income (loss) attributable to DXC</b>	<b>278</b>	<b>(188)</b>	<b>98</b>	<b>530</b>	<b>718</b>	<b>102</b>	<b>27</b>	<b>59</b>	<b>(756)</b>	<b>(568)</b>	<b>36</b>
<b>GAAP EPS (basic)</b>	<b>\$ 1.09</b>	<b>\$ (0.74)</b>	<b>\$ 0.39</b>	<b>\$ 2.18</b>	<b>\$ 2.87</b>	<b>\$ 0.44</b>	<b>\$ 0.12</b>	<b>\$ 0.26</b>	<b>\$ (3.38)</b>	<b>\$ (2.48)</b>	<b>\$ 0.17</b>
<b>GAAP EPS (diluted)</b>	<b>\$ 1.07</b>	<b>\$ (0.74)</b>	<b>\$ 0.38</b>	<b>\$ 2.14</b>	<b>\$ 2.81</b>	<b>\$ 0.43</b>	<b>\$ 0.12</b>	<b>\$ 0.25</b>	<b>\$ (3.38)</b>	<b>\$ (2.48)</b>	<b>\$ 0.17</b>
Shares outstanding (basic)	254.7	252.4	250.3	242.7	250.0	232.5	230.0	229.5	223.9	229.0	210.1
Shares outstanding (diluted)	260.3	252.4	254.8	247.7	255.2	237.4	233.2	233.0	223.9	229.0	213.8

## Non-GAAP Reconciliation – EPS

Non-GAAP EPS (in \$M, except EPS)	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	Total FY22	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	Total FY23	Q1 FY24
<b>Net income (loss) attributable to DXC</b>	<b>278</b>	<b>(188)</b>	<b>98</b>	<b>530</b>	<b>718</b>	<b>102</b>	<b>27</b>	<b>59</b>	<b>(756)</b>	<b>(568)</b>	<b>36</b>
Restructuring costs	57	11	32	53	253	25	43	39	65	172	15
TSI	5	2	10	2	19	2	3	5	3	13	1
Amortization of acquired intangible assets	85	84	93	82	344	80	83	80	78	321	68
Merger related indemnification	—	—	—	—	—	8	—	9	(2)	15	—
SEC matter	—	—	—	—	—	—	7	—	—	7	—
Arbitration losses	—	—	—	—	—	—	—	7	23	30	—
Impairment losses	—	8	—	16	24	—	—	7	8	15	6
Gains and losses on disposition of businesses	(256)	—	4	15	(237)	(38)	10	16	(203)	(215)	5
Debt extinguishment costs	21	215	2	—	238	—	—	—	—	—	—
Pension & OPEB actuarial & settlement gains and losses	—	—	6	(514)	(508)	—	1	—	1,137	1,138	—
Tax adjustment	28	—	(10)	25	43	—	—	—	(120)	(120)	3
<b>Non-GAAP net income attributable to DXC</b>	<b>218</b>	<b>232</b>	<b>235</b>	<b>209</b>	<b>894</b>	<b>179</b>	<b>174</b>	<b>222</b>	<b>233</b>	<b>808</b>	<b>134</b>
<b>Non-GAAP EPS (basic)</b>	<b>\$ 0.86</b>	<b>\$ 0.92</b>	<b>\$ 0.94</b>	<b>\$ 0.86</b>	<b>\$ 3.58</b>	<b>\$ 0.77</b>	<b>\$ 0.76</b>	<b>\$ 0.97</b>	<b>\$ 1.04</b>	<b>\$ 3.53</b>	<b>\$ 0.64</b>
<b>Non-GAAP EPS (diluted) <sup>(1)</sup></b>	<b>\$ 0.84</b>	<b>\$ 0.90</b>	<b>\$ 0.92</b>	<b>\$ 0.84</b>	<b>\$ 3.50</b>	<b>\$ 0.75</b>	<b>\$ 0.75</b>	<b>\$ 0.95</b>	<b>\$ 1.02</b>	<b>\$ 3.47</b>	<b>\$ 0.63</b>
Shares outstanding (basic)	254.7	252.4	250.3	242.7	250.0	232.5	230.0	229.5	223.9	229.0	210.1
Shares outstanding (diluted)	260.3	257.2	254.8	247.7	255.2	237.4	233.2	233.0	227.6	232.6	213.8

<sup>(1)</sup> EPS and per-share values of certain items may not sum to Non-GAAP diluted EPS due to rounding.

# Non-GAAP Reconciliation – EPS

Non-GAAP EPS	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	Total FY22	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	Total FY23	Q1 FY24
<b>GAAP EPS (diluted)</b>	<b>\$ 1.07</b>	<b>\$ (0.74)</b>	<b>\$ 0.38</b>	<b>\$ 2.14</b>	<b>\$ 2.81</b>	<b>\$ 0.43</b>	<b>\$ 0.12</b>	<b>\$ 0.25</b>	<b>\$ (3.38)</b>	<b>\$ (2.48)</b>	<b>\$ 0.17</b>
Restructuring costs	0.22	0.43	0.13	0.21	0.99	0.11	0.18	0.17	0.29	0.74	0.07
TSI	0.02	0.01	0.04	0.01	0.07	0.01	0.01	0.02	0.01	0.06	—
Amortization of acquired intangible assets	0.33	0.33	0.36	0.33	1.35	0.34	0.36	0.34	0.34	1.38	0.32
Impairment losses	—	0.03	—	0.06	0.09	—	—	0.03	0.04	0.06	0.03
Arbitration losses	—	—	—	—	—	—	—	0.03	0.10	0.13	—
Merger related indemnification	—	—	—	—	—	0.03	—	0.04	(0.01)	0.06	—
SEC matter	—	—	—	—	—	—	0.03	—	—	0.03	—
Gains and losses on disposition of businesses	(0.98)	—	0.02	0.06	(0.93)	(0.16)	0.04	0.07	(0.89)	(0.92)	0.02
Debt extinguishment costs	0.08	0.84	0.01	—	0.93	—	—	—	—	—	—
Pension & OPEB actuarial & settlement gains and losses	—	—	0.02	(2.08)	(1.99)	—	—	—	5.00	4.89	—
Tax adjustment	0.11	—	(0.04)	0.10	0.17	—	—	—	(0.53)	(0.52)	0.01
Non-GAAP dilution adjustment	—	—	—	—	—	—	—	—	0.05	0.04	—
<b>Non-GAAP EPS (diluted) <sup>(1)</sup></b>	<b>\$ 0.84</b>	<b>\$ 0.90</b>	<b>\$ 0.92</b>	<b>\$ 0.84</b>	<b>\$ 3.50</b>	<b>\$ 0.75</b>	<b>\$ 0.75</b>	<b>\$ 0.95</b>	<b>\$ 1.02</b>	<b>\$ 3.47</b>	<b>\$ 0.63</b>
Shares outstanding (diluted)	260.3	257.2	254.8	247.7	255.2	237.4	233.2	233.0	227.6	232.6	213.8

<sup>(1)</sup> EPS and per-share values of certain items may not sum to Non-GAAP diluted EPS due to rounding.

## Income Statement Drivers – Headcount

DXC Employees	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	Total FY22	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	Total FY23	Q1 FY24
GBS	72,500	72,786	75,587	76,718	76,718	75,527	76,233	76,284	75,945	75,945	74,372
GIS	46,540	47,868	49,438	50,333	50,333	50,221	49,252	48,273	47,412	47,412	45,784
Other	11,314	10,655	10,512	10,078	10,078	10,293	10,263	9,478	9,448	9,448	11,760
<b>Total Employees</b>	<b>130,354</b>	<b>131,309</b>	<b>135,537</b>	<b>137,129</b>	<b>137,129</b>	<b>136,041</b>	<b>135,748</b>	<b>134,035</b>	<b>132,805</b>	<b>132,805</b>	<b>131,916</b>

Contractors	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	Total FY22	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	Total FY23	Q1 FY24
GBS	5,359	5,743	5,677	5,115	5,115	4,931	4,806	5,105	4,977	4,977	4,884
GIS	11,342	10,238	9,300	8,036	8,036	7,186	6,694	6,430	6,004	6,004	5,796
Other	6,204	5,525	6,003	6,035	6,035	5,774	5,047	5,097	4,526	4,526	3,785
<b>Total Contractors</b>	<b>22,905</b>	<b>21,506</b>	<b>20,980</b>	<b>19,186</b>	<b>19,186</b>	<b>17,891</b>	<b>16,547</b>	<b>16,632</b>	<b>15,507</b>	<b>15,507</b>	<b>14,465</b>

DXC Employee Locations	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	Total FY22	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	Total FY23	Q1 FY24
Onshore	45.8%	45.5%	44.4%	44.0%	44.0%	44.5%	43.7%	43.4%	43.1%	43.1%	43.3%
Offshore	54.2%	54.5%	55.6%	56.0%	56.0%	55.5%	56.3%	56.6%	56.9%	56.9%	56.7%



## Income Statement Drivers – Other Income and Pension Income

Other Income (\$M)	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	Total FY22	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	Total FY23	Q1 FY24
Non-service cost components of net periodic pension income	(97)	(96)	(87)	(786)	(1,066)	(67)	(60)	(60)	1,367	1,180	(37)
Foreign currency (gain)/loss	1	6	3	3	13	(2)	(1)	(8)	(4)	(15)	(8)
(Gain)/loss on sale of asset	(46)	(12)	(4)	(26)	(88)	(38)	(6)	(28)	(18)	(90)	(21)
Other (gain)/loss	39	—	3	18	60	3	(1)	(2)	9	9	2
<b>Other income, net</b>	<b>(103)</b>	<b>(102)</b>	<b>(85)</b>	<b>(791)</b>	<b>(1,081)</b>	<b>(104)</b>	<b>(68)</b>	<b>(98)</b>	<b>1,354</b>	<b>1,084</b>	<b>(64)</b>
<i>Non-service cost components of net periodic pension income adjustments</i>											
Pension & OPEB actuarial & settlement losses	—	—	(7)	691	684	—	(1)	—	(1,430)	(1,431)	—
<i>Other (gain)/loss adjustments</i>											
Gains and losses on disposition of businesses	(30)	—	—	—	(30)	—	—	—	—	—	—
Impairment losses	—	—	—	(21)	(21)	—	—	—	(11)	(11)	(3)
<b>Non-GAAP other income</b>	<b>(133)</b>	<b>(102)</b>	<b>(92)</b>	<b>(121)</b>	<b>(448)</b>	<b>(104)</b>	<b>(69)</b>	<b>(98)</b>	<b>(87)</b>	<b>(358)</b>	<b>(67)</b>
Pension Income (\$M)	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	Total FY22	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	Total FY23	Q1 FY24
Cost of sales/SG&A expense	23	22	22	21	88	19	18	18	18	73	15
Other (income)/expense	(97)	(96)	(87)	(786)	(1,066)	(67)	(60)	(60)	1,367	1,180	(37)
<b>Net periodic pension income</b>	<b>(74)</b>	<b>(74)</b>	<b>(65)</b>	<b>(765)</b>	<b>(978)</b>	<b>(48)</b>	<b>(42)</b>	<b>(42)</b>	<b>1,385</b>	<b>1,253</b>	<b>(22)</b>
Less: Pension & OPEB actuarial & settlement losses	—	—	(7)	691	684	—	(1)	—	(1,430)	(1,431)	—
<b>Non-GAAP pension income</b>	<b>(74)</b>	<b>(74)</b>	<b>(72)</b>	<b>(74)</b>	<b>(294)</b>	<b>(48)</b>	<b>(43)</b>	<b>(42)</b>	<b>(45)</b>	<b>(178)</b>	<b>(22)</b>

## Reconciliation – Adjusted EBIT Margin ex. Pension Income

(in \$M)	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	Total FY22	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	Total FY23	Q1 FY24
Revenue	4,141	4,027	4,089	4,008	16,265	3,707	3,566	3,566	3,591	14,430	3,446
Adjusted EBIT <sup>(1)</sup>	332	346	355	342	1,375	259	269	309	320	1,157	224
Less: Non-GAAP pension income	(74)	(74)	(72)	(74)	(294)	(48)	(43)	(42)	(45)	(178)	(22)
<b>Adjusted EBIT ex. pension income</b>	<b>258</b>	<b>272</b>	<b>283</b>	<b>268</b>	<b>1,081</b>	<b>211</b>	<b>226</b>	<b>267</b>	<b>275</b>	<b>979</b>	<b>202</b>
Adjusted EBIT margin <sup>(1)</sup>	8.0%	8.6%	8.7%	8.5%	8.5%	7.0%	7.5%	8.7%	8.9%	8.0%	6.5%
<b>Adjusted EBIT margin ex. pension income</b>	<b>6.2%</b>	<b>6.8%</b>	<b>6.9%</b>	<b>6.7%</b>	<b>6.6%</b>	<b>5.7%</b>	<b>6.3%</b>	<b>7.5%</b>	<b>7.7%</b>	<b>6.8%</b>	<b>5.9%</b>

<sup>(1)</sup> Defined at end of presentation.

# DXC Historical Balance Sheet

Assets (in \$M)	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	Total FY22	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	Total FY23	Q1 FY24
Cash and cash equivalents	2,460	2,699	2,919	2,672	2,672	2,209	2,260	2,091	1,858	1,858	1,576
Receivables, net	4,081	3,821	3,670	3,854	3,854	3,693	3,467	3,454	3,441	3,441	3,285
Prepaid expenses	659	534	600	617	617	666	662	653	565	565	652
Other current assets	341	330	314	268	268	270	289	218	255	255	231
Assets held for sale	—	—	—	35	35	10	—	577	5	5	—
<b>Total current assets</b>	<b>7,541</b>	<b>7,384</b>	<b>7,503</b>	<b>7,446</b>	<b>7,446</b>	<b>6,848</b>	<b>6,678</b>	<b>6,993</b>	<b>6,124</b>	<b>6,124</b>	<b>5,744</b>
Intangible assets, net	3,888	3,691	3,575	3,378	3,378	3,117	2,884	2,741	2,569	2,569	2,441
Operating right-of-use assets, net	1,299	1,174	1,122	1,133	1,133	1,025	927	954	909	909	849
Goodwill	639	631	629	617	617	582	562	535	539	539	539
Deferred income taxes, net	238	255	259	221	221	210	205	219	460	460	512
Property and equipment, net	2,841	2,691	2,555	2,412	2,412	2,212	2,039	2,044	1,979	1,979	1,922
Other assets	4,421	4,289	4,310	4,850	4,850	4,602	4,403	4,653	3,247	3,247	3,281
Assets held for sale – non-current	—	—	—	82	82	51	39	115	18	18	5
<b>Total assets</b>	<b>20,867</b>	<b>20,115</b>	<b>19,953</b>	<b>20,139</b>	<b>20,139</b>	<b>18,647</b>	<b>17,737</b>	<b>18,254</b>	<b>15,845</b>	<b>15,845</b>	<b>15,293</b>

# DXC Historical Balance Sheet

Liabilities & Equity (in \$M)	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	Total FY22	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	Total FY23	Q1 FY24
Short term debt & current LT debt	817	745	706	900	900	904	834	873	500	500	694
Accounts payable	857	724	759	840	840	795	857	852	782	782	701
Accrued payroll and related costs	746	645	563	570	570	610	537	520	569	569	613
Current operating lease liabilities	413	392	386	388	388	346	318	320	317	317	303
Accrued expenses & other CL	3,060	3,120	3,111	2,882	2,882	2,479	2,321	1,932	1,836	1,836	1,587
Def. rev. & advance contract payments	1,032	933	1,001	1,053	1,053	938	867	969	1,054	1,054	1,008
Income taxes payable	481	260	202	197	197	181	131	166	120	120	151
Liabilities related to assets HFS	—	—	—	23	23	4	—	538	9	9	—
<b>Total current liabilities</b>	<b>7,406</b>	<b>6,819</b>	<b>6,728</b>	<b>6,853</b>	<b>6,853</b>	<b>6,257</b>	<b>5,865</b>	<b>6,170</b>	<b>5,187</b>	<b>5,187</b>	<b>5,057</b>
LT debt, net of current maturities	4,116	4,363	4,236	4,065	4,065	3,874	3,695	3,850	3,900	3,900	3,891
Non-current deferred revenue	598	775	882	862	862	806	789	804	788	788	749
Non-current operating lease liabilities	971	862	805	815	815	742	667	691	648	648	598
Non-current pension obligations	—	—	—	590	590	—	—	—	463	463	—
LT tax liabilities & deferred tax liabilities	771	711	779	994	994	919	819	784	587	587	579
Other LT liabilities	1,619	1,502	1,436	546	546	1,000	966	992	449	449	816
LT liabilities related to assets HFS	—	—	—	39	39	—	—	11	3	3	—
<b>Total liabilities</b>	<b>15,481</b>	<b>15,032</b>	<b>14,866</b>	<b>14,764</b>	<b>14,764</b>	<b>13,598</b>	<b>12,801</b>	<b>13,302</b>	<b>12,025</b>	<b>12,025</b>	<b>11,690</b>
<b>Total equity</b>	<b>5,386</b>	<b>5,083</b>	<b>5,087</b>	<b>5,375</b>	<b>5,375</b>	<b>5,049</b>	<b>4,936</b>	<b>4,952</b>	<b>3,820</b>	<b>3,820</b>	<b>3,603</b>
<b>Total liabilities and equity</b>	<b>20,867</b>	<b>20,115</b>	<b>19,953</b>	<b>20,139</b>	<b>20,139</b>	<b>18,647</b>	<b>17,737</b>	<b>18,254</b>	<b>15,845</b>	<b>15,845</b>	<b>15,293</b>

# Net Debt and Leverage Ratios

(in \$M, except ratios)	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	Total FY22	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	Total FY23	Q1 FY24
Short term debt & current LT debt	817	745	706	900	900	904	834	873	500	500	694
LT debt, net of current maturities	4,116	4,363	4,236	4,065	4,065	3,874	3,695	3,850	3,900	3,900	3,891
<b>Total debt</b>	<b>4,933</b>	<b>5,108</b>	<b>4,942</b>	<b>4,965</b>	<b>4,965</b>	<b>4,778</b>	<b>4,529</b>	<b>4,723</b>	<b>4,400</b>	<b>4,400</b>	<b>4,585</b>
Less: Cash and cash equivalents	(2,460)	(2,699)	(2,919)	(2,672)	(2,672)	(2,209)	(2,260)	(2,091)	(1,858)	(1,858)	(1,576)
<b>Net debt</b>	<b>2,473</b>	<b>2,409</b>	<b>2,023</b>	<b>2,293</b>	<b>2,293</b>	<b>2,569</b>	<b>2,269</b>	<b>2,632</b>	<b>2,542</b>	<b>2,542</b>	<b>3,009</b>
<b>Net interest expense <sup>(1)</sup></b>	<b>222</b>	<b>196</b>	<b>165</b>	<b>139</b>	<b>139</b>	<b>114</b>	<b>85</b>	<b>77</b>	<b>65</b>	<b>65</b>	<b>65</b>
Adjusted EBITDA <sup>(1) (2)</sup>	2,653	2,681	2,693	2,658	2,658	2,557	2,421	2,332	2,274	2,274	2,209
Adjusted EBIT <sup>(1) (2)</sup>	1,244	1,307	1,362	1,375	1,375	1,302	1,225	1,179	1,157	1,157	1,122
Free cash flow <sup>(1) (2)</sup>	(850)	(749)	207	743	743	1,035	254	561	737	737	674
<b>Gross debt / Adjusted EBITDA <sup>(1)</sup></b>	<b>1.86x</b>	<b>1.91x</b>	<b>1.84x</b>	<b>1.87x</b>	<b>1.87x</b>	<b>1.87x</b>	<b>1.87x</b>	<b>2.03x</b>	<b>1.93x</b>	<b>1.93x</b>	<b>2.08x</b>
<b>Net debt / Adjusted EBITDA <sup>(1)</sup></b>	<b>0.93x</b>	<b>0.90x</b>	<b>0.75x</b>	<b>0.86x</b>	<b>0.86x</b>	<b>1.00x</b>	<b>0.94x</b>	<b>1.13x</b>	<b>1.12x</b>	<b>1.12x</b>	<b>1.36x</b>
<b>Net debt / Free cash flow <sup>(1)</sup></b>	<b>(2.91x)</b>	<b>(3.22x)</b>	<b>9.77x</b>	<b>3.09x</b>	<b>3.09x</b>	<b>2.48x</b>	<b>8.93x</b>	<b>4.69x</b>	<b>3.45x</b>	<b>3.45x</b>	<b>4.46x</b>
<b>Adjusted EBIT / Net interest expense <sup>(1)</sup></b>	<b>5.60x</b>	<b>6.67x</b>	<b>8.25x</b>	<b>9.89x</b>	<b>9.89x</b>	<b>11.42x</b>	<b>14.41x</b>	<b>15.31x</b>	<b>17.80x</b>	<b>17.80x</b>	<b>17.26x</b>
<b>Free cash flow / Net interest expense <sup>(1)</sup></b>	<b>(3.83x)</b>	<b>(3.82x)</b>	<b>1.25x</b>	<b>5.35x</b>	<b>5.35x</b>	<b>9.08x</b>	<b>2.99x</b>	<b>7.29x</b>	<b>11.34x</b>	<b>11.34x</b>	<b>10.37x</b>

<sup>(1)</sup> Measures expressed on a trailing 12-month basis for comparability purposes to balance sheet measures.

<sup>(2)</sup> Defined at end of presentation.

# DXC Working Capital Key Metrics

(in \$M, except days)	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	Total FY22	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	Total FY23	Q1 FY24
Billed & unbilled accounts receivable	3,205	3,053	2,905	3,065	3,065	2,852	2,724	2,689	2,635	2,635	2,573
Revenue	4,141	4,027	4,089	4,008	16,265	3,707	3,566	3,566	3,591	14,430	3,446
One day of sales	46	44	45	44	45	41	39	39	39	40	38
<b>Days sales outstanding (DSO)</b>	<b>70</b>	<b>69</b>	<b>65</b>	<b>70</b>	<b>69</b>	<b>70</b>	<b>70</b>	<b>69</b>	<b>67</b>	<b>67</b>	<b>68</b>
Total cost of sales & SG&A expense	3,638	3,458	3,519	3,476	14,091	3,279	3,099	3,114	3,129	12,621	3,046
Less: Payroll & related expense <sup>(1)</sup>	(1,841)	(1,747)	(1,759)	(1,761)	(7,108)	(1,747)	(1,661)	(1,641)	(1,698)	(6,747)	(1,696)
Less: Other employee related expense <sup>(1)</sup>	(20)	(22)	(23)	(34)	(99)	(33)	(26)	(26)	(25)	(110)	(26)
<b>Cost of sales &amp; SG&amp;A for DPO</b>	<b>1,777</b>	<b>1,689</b>	<b>1,737</b>	<b>1,681</b>	<b>6,884</b>	<b>1,499</b>	<b>1,412</b>	<b>1,447</b>	<b>1,406</b>	<b>5,764</b>	<b>1,324</b>
Accounts payable	857	724	759	840	840	795	857	852	782	782	701
One day of COS & SG&A	20	19	19	18	19	16	16	16	15	16	15
<b>Days purchases outstanding (DPO)</b>	<b>44</b>	<b>39</b>	<b>40</b>	<b>45</b>	<b>45</b>	<b>48</b>	<b>55</b>	<b>54</b>	<b>51</b>	<b>50</b>	<b>48</b>
<b>Cash conversion cycle</b>	<b>26</b>	<b>30</b>	<b>25</b>	<b>25</b>	<b>24</b>	<b>22</b>	<b>15</b>	<b>15</b>	<b>16</b>	<b>17</b>	<b>20</b>

Note: Quarterly columns may not foot precisely to the amounts reported under cash flows from operating activities in our quarterly reports on Form 10-Q and related earnings releases due to rounding; no retrospective changes were made to earlier periods.

Note: Days sales outstanding, days purchases outstanding, one day of sales calculation, and one day of COS and SG&A methodology utilizes 91-day quarters and 365-day years.

<sup>(1)</sup> Payroll and related expense plus other employee related expense are subtracted out of our cost of sales and SG&A for DPO purposes in order to reflect the company's expense amounts that flow through accounts payable.

# DXC Cash Flows from Operating Activities

Cash Flows from Operating Activities (In \$M)	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	Total FY22	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	Total FY23	Q1 FY24
<b>Net Income</b>	<b>282</b>	<b>(187)</b>	<b>102</b>	<b>539</b>	<b>736</b>	<b>103</b>	<b>28</b>	<b>61</b>	<b>(758)</b>	<b>(566)</b>	<b>42</b>
Depreciation & amortization	427	452	430	433	1,742	398	388	383	382	1,551	351
Operating right of use expense	130	124	117	113	484	106	108	97	93	404	90
Pension & other post-employment benefits	—	—	7	(691)	(684)	—	—	—	1,431	1,431	—
Share-based compensation	25	26	26	24	101	28	27	26	27	108	23
Deferred taxes	(25)	(16)	58	238	255	(38)	(65)	(67)	(439)	(609)	(50)
(Gain)/loss on dispositions	(414)	(1)	13	(19)	(421)	(62)	30	(11)	(217)	(260)	(9)
Provision for loss on A/R	(3)	1	3	4	5	2	(2)	—	(1)	(1)	2
Unrealized Fx (gain)/loss	(8)	(11)	(1)	8	(12)	46	23	11	(72)	8	23
Impairment losses & contract write-offs	—	17	4	30	51	—	21	10	16	47	7
Debt extinguishment costs	28	281	2	—	311	—	—	—	—	—	—
Amortization of debt issuance costs	—	—	—	—	—	—	—	—	4	4	—
Cash surrender value	—	—	—	(24)	(24)	—	—	—	(17)	(17)	—
Other non-cash charges, net	3	—	(2)	14	15	3	(5)	(1)	7	4	(2)
<b>Changes in assets and liabilities</b>											
Receivables	99	214	88	(173)	228	7	(42)	259	188	412	91
Prepaid expenses & other current assets	(73)	108	(50)	(33)	(48)	(76)	(74)	10	21	(119)	(28)
Accounts payable & accruals	(336)	(192)	(86)	(100)	(714)	(122)	(16)	(171)	(115)	(424)	(240)
Income taxes payable & tax liability	48	(243)	(67)	(53)	(315)	(35)	(91)	73	(108)	(161)	53
Operating lease liability	(130)	(124)	(117)	(113)	(484)	(106)	(108)	(97)	(93)	(404)	(90)
Advance contract payment & def. revenue	(80)	106	176	68	270	(80)	(8)	42	57	11	(99)
Other operating activities, net	(2)	8	(7)	6	5	(11)	(2)	—	9	(4)	(37)
<b>Cash flows from operating activities</b>	<b>(29)</b>	<b>563</b>	<b>696</b>	<b>271</b>	<b>1,501</b>	<b>163</b>	<b>212</b>	<b>625</b>	<b>415</b>	<b>1,415</b>	<b>127</b>

Note: Changes in assets and liabilities are aggregated and presented in our interim unaudited condensed consolidated statements of cash flows as three line items: "Decrease (increase) in assets," "Decrease in operating lease liability," and "Decrease in other liabilities." The above table disaggregates the three line items on a basis consistent with the presentation in our annual audited financial statements for discussion and analysis purposes only.

Note: Quarterly columns may not foot precisely to the amounts reported under cash flows from operating activities in our quarterly reports on Form 10-Q and related earnings releases due to rounding; no retrospective changes were made to earlier periods.

# DXC Key Cash Flow Drivers

(in \$M)	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	Total FY22	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	Total FY23	Q1 FY24
<b>Payments on finance leases &amp; borrowings for asset financing</b>	(494)	(177)	(184)	(135)	(990)	(159)	(115)	(125)	(112)	(511)	(131)
<b>Less: Originations</b>											
Capital expenditures through financing lease obligations	71	43	66	53	233	26	18	29	29	102	17
Investing assets acquired under long-term financing	35	9	—	—	44	2	4	—	19	25	27
Operating assets acquired under long-term financing	111	—	—	(4)	107	34	3	37	32	106	4
<b>Total origination</b>	<b>217</b>	<b>52</b>	<b>66</b>	<b>49</b>	<b>384</b>	<b>62</b>	<b>25</b>	<b>66</b>	<b>80</b>	<b>233</b>	<b>48</b>
<b>Capital lease &amp; asset financing debt accumulation/(paydown)</b>	<b>(277)</b>	<b>(125)</b>	<b>(118)</b>	<b>(86)</b>	<b>(606)</b>	<b>(97)</b>	<b>(90)</b>	<b>(59)</b>	<b>(32)</b>	<b>(278)</b>	<b>(83)</b>
Purchases of property & equipment	(98)	(67)	(52)	(37)	(254)	(68)	(78)	(66)	(55)	(267)	(55)
Payments for transition & transformation contract costs	(55)	(52)	(45)	(57)	(209)	(57)	(57)	(52)	(57)	(223)	(62)
Software purchased & developed	(122)	(40)	(49)	(84)	(295)	(50)	(60)	(44)	(34)	(188)	(85)
<b>Total capital expenditures</b>	<b>(275)</b>	<b>(159)</b>	<b>(146)</b>	<b>(178)</b>	<b>(758)</b>	<b>(175)</b>	<b>(195)</b>	<b>(162)</b>	<b>(146)</b>	<b>(678)</b>	<b>(202)</b>
<b>Capital lease originations &amp; capex as a % of revenue</b>	<b>11.9%</b>	<b>5.2%</b>	<b>5.2%</b>	<b>5.7%</b>	<b>7.0%</b>	<b>6.4%</b>	<b>6.2%</b>	<b>6.4%</b>	<b>6.3%</b>	<b>6.3%</b>	<b>7.3%</b>
<b>Payments on operating lease liabilities</b>	<b>(130)</b>	<b>(124)</b>	<b>(117)</b>	<b>(113)</b>	<b>(484)</b>	<b>(106)</b>	<b>(108)</b>	<b>(97)</b>	<b>(93)</b>	<b>(404)</b>	<b>(90)</b>
Less: ROU assets obtained for operating leases, net	52	17	61	149	279	55	62	76	34	227	23
<b>Operating lease accumulation/(paydown)</b>	<b>(78)</b>	<b>(107)</b>	<b>(56)</b>	<b>36</b>	<b>(205)</b>	<b>(51)</b>	<b>(46)</b>	<b>(21)</b>	<b>(59)</b>	<b>(177)</b>	<b>(67)</b>



# DXC Cash Flow Drivers

(in \$M)	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	Total FY22	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	Total FY23	Q1 FY24
Cash paid for restructuring	(115)	(86)	(78)	(75)	(354)	(48)	(63)	(43)	(52)	(206)	(43)
Cash paid for TSI <sup>(1)</sup>	(9)	(3)	(11)	(3)	(26)	(2)	(4)	(6)	(4)	(16)	(1)
<b>Total cash paid for restructuring &amp; TSI</b>	<b>(124)</b>	<b>(89)</b>	<b>(89)</b>	<b>(78)</b>	<b>(380)</b>	<b>(50)</b>	<b>(67)</b>	<b>(49)</b>	<b>(56)</b>	<b>(222)</b>	<b>(44)</b>
Interest expense	(62)	(61)	(38)	(43)	(204)	(37)	(44)	(56)	(63)	(200)	(66)
Interest income	20	16	15	14	65	20	28	41	46	135	49
<b>Net interest expense</b>	<b>(42)</b>	<b>(45)</b>	<b>(23)</b>	<b>(29)</b>	<b>(139)</b>	<b>(17)</b>	<b>(16)</b>	<b>(15)</b>	<b>(17)</b>	<b>(65)</b>	<b>(17)</b>
<b>Cash paid for taxes on income, net of refunds</b>	<b>(52)</b>	<b>(222)</b>	<b>(52)</b>	<b>(68)</b>	<b>(394)</b>	<b>(53)</b>	<b>(177)</b>	<b>(59)</b>	<b>(119)</b>	<b>(408)</b>	<b>(52)</b>

<sup>(1)</sup> Cash paid for Transaction, Separation and Integration-Related Costs was presented on a cash basis through Q4 FY21, as the company tracked the cash outflows for the purposes of reporting a Non-GAAP adjusted free cash flow metric, which was discontinued in FY21. Beginning in Q1 FY22, TSI quarterly expense is presented as equivalent to the cash paid for TSI as the differences between the two metrics are deemed immaterial.

# DXC Free Cash Flow

Free Cash Flow (in \$M)	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	Total FY22	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	Total FY23	Q1 FY24
<b>Cash flows from operating activities</b>	<b>(29)</b>	<b>563</b>	<b>696</b>	<b>271</b>	<b>1,501</b>	<b>163</b>	<b>212</b>	<b>625</b>	<b>415</b>	<b>1,415</b>	<b>127</b>
<b>Less capex</b>											
Purchase of property & equipment	(98)	(67)	(52)	(37)	(254)	(68)	(78)	(66)	(55)	(267)	(55)
Payments for transition & transformation contract costs	(55)	(52)	(45)	(57)	(209)	(57)	(57)	(52)	(57)	(223)	(62)
Software purchased & developed	(122)	(40)	(49)	(84)	(295)	(50)	(60)	(44)	(34)	(188)	(85)
<b>Total capex</b>	<b>(275)</b>	<b>(159)</b>	<b>(146)</b>	<b>(178)</b>	<b>(758)</b>	<b>(175)</b>	<b>(195)</b>	<b>(162)</b>	<b>(146)</b>	<b>(678)</b>	<b>(202)</b>
<b>Free Cash Flow</b>	<b>(304)</b>	<b>404</b>	<b>550</b>	<b>93</b>	<b>743</b>	<b>(12)</b>	<b>17</b>	<b>463</b>	<b>269</b>	<b>737</b>	<b>(75)</b>
<b>Additional cash information</b>											
Payments on finance leases & borrowings for asset financing	(494)	(177)	(184)	(135)	(990)	(159)	(115)	(125)	(112)	(511)	(131)
Cash paid for restructuring expense	(115)	(86)	(78)	(75)	(354)	(48)	(63)	(43)	(52)	(206)	(43)
Cash paid for interest expense	(65)	(90)	(22)	(50)	(227)	(22)	(52)	(41)	(73)	(188)	(51)
Cash paid for taxes on income, net of refunds	(52)	(222)	(52)	(68)	(394)	(53)	(177)	(59)	(119)	(408)	(52)
Business dispositions	513	—	6	14	533	(36)	87	1	(199)	(147)	(7)
Proceeds from sale of assets	67	20	8	5	100	14	95	56	6	171	11

## Q1 FY24 Non-GAAP Reconciliation: Organic Revenue – Offerings

(in \$M)	Analytics & Engineering	Applications	Insurance Software & Business Process Services (BPS)	Security	Cloud Infrastructure & IT Outsourcing	Modern Workplace	Acquisitions & Divestitures	Total
Revenue	546	770	382	111	1,209	423	5	\$ 3,446
Prior-year revenue	503	785	367	105	1,396	448	103	3,707
<b>YoY change \$</b>	<b>\$ 43</b>	<b>\$ (15)</b>	<b>\$ 15</b>	<b>\$ 6</b>	<b>\$ (187)</b>	<b>\$ (25)</b>	<b>\$ (98)</b>	<b>\$ (261)</b>
<b>YoY change %</b>								
Revenue	8.5%	(1.9%)	4.1%	5.7%	(13.4%)	(5.6%)	-	(7.0%)
Foreign currency	0.3%	1.2%	1.0%	1.1%	0.7%	0.6%	-	0.7%
Acquisitions & divestitures	-	-	-	-	-	-	-	2.7%
<b>Organic revenue growth/(decline) %</b>	<b>8.8%</b>	<b>(0.7%)</b>	<b>5.1%</b>	<b>6.8%</b>	<b>(12.7%)</b>	<b>(5.0%)</b>	<b>-</b>	<b>(3.6%)</b>

# Currency Impact

Quarterly averages (US\$ per currency)	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	Q1 FY24	YoY Change	Spot 7/20/23	Q2 FY24E	Q3 FY24E	Q4 FY24E	FY24E
Euro	1.07	1.01	1.02	1.07	1.09	2%	1.11	10%	9%	4%	7%
Pound sterling	1.26	1.18	1.17	1.22	1.25	0%	1.28	9%	9%	6%	6%
Australian dollar	0.72	0.68	0.66	0.68	0.67	(7%)	0.68	(1%)	3%	(1%)	(1%)
<b>Currency impact on revenue</b>	<b>(5.8%)</b>	<b>(7.4%)</b>	<b>(6.6%)</b>	<b>(3.9%)</b>	<b>(0.7%)</b>						
Revenue impact @ 7/20/23 spot								3.6%	4.1%	1.8%	2.1%
<i>Prior view @ 5/8/23 spot</i>								3.3%	3.7%	1.3%	2.0%

# Non-GAAP and Other Definitions

**Segment profit:** Segment revenue *less* costs of services, segment selling, general and administrative, depreciation and amortization, and other income, excluding the movement in foreign currency exchange rates on our foreign currency denominated assets and liabilities and the related economic hedges, restructuring costs, transaction, separation and integration-related costs, amortization of acquired intangible assets, pension and OPEB actuarial and settlement losses and gain on disposition of businesses

**Segment profit margin:** Segment profit as a percentage of segment revenue

**Earnings before interest and taxes (EBIT):** Net income (loss) less income from discontinued operations, net of taxes, interest expense, interest income, and income tax expense (benefit)

**Earnings before interest, taxes, depreciation and amortization (EBITDA):** Net income (loss) less income from discontinued operations, net of taxes, interest expense, interest income, income tax expense (benefit), depreciation, and amortization

**EBIT margin:** EBIT as a percentage of revenue

**Adjusted EBIT:** EBIT excluding restructuring costs, merger related indemnification expense, debt extinguishment costs, transaction, separation and integration-related costs, amortization expense related to acquired intangible assets, pension and OPEB actuarial and settlement losses, gain on disposition of businesses, and impairments

**Adjusted EBIT margin:** Adjusted EBIT as a percentage of revenue

**Adjusted EBITDA:** EBITDA excluding restructuring costs, merger related indemnification expense, debt extinguishment costs, transaction, separation and integration-related costs, pension and OPEB actuarial and settlement losses, gain on disposition of businesses, and impairments

**Adjusted EBITDA margin:** Adjusted EBITDA as a percentage of revenue

**Free cash flow:** Cash flows from operating activities excluding capital expenditures for property and equipment, transition and transformation contract costs, and software purchased and developed

**Capital expenditure:** Equal to the sum of purchases of property, equipment, and software, and payments on transition and transformation costs, less proceeds from sales of assets

**Organic revenue:** Excludes the impacts of acquisitions and divestitures from financial results on a constant currency basis

**Organic revenue growth:** Calculated by dividing the current period change in organic revenues by GAAP revenues reported in the prior comparable period

**Non-GAAP gross profit:** Revenue less Non-GAAP cost of sales

**Net debt:** Short-term debt plus long-term debt and current maturities of long-term debt, less cash and cash equivalents

# Non-GAAP Adjustments

## Our Non-GAAP adjustments include:

- **Restructuring costs:** Includes costs, net of reversals, related to workforce and real estate optimization and other similar charges.
- **Transaction, separation and integration-related (“TSI”) costs:** Includes costs related to integration, separation, planning, financing and advisory fees and other similar charges associated with mergers, acquisitions, strategic investments, joint ventures, and dispositions and other similar transactions incurred within one year of such transactions closing, except for costs associated with related disputes, which may arise more than one year after closing.
- **Amortization of acquired intangible assets:** Includes amortization of intangible assets acquired through business combinations.
- **Pension and OPEB actuarial and settlement gains and losses:** Pension and OPEB actuarial mark to market adjustments and settlement gains and losses.
- **Merger related indemnification:** Represents liability to HPE for indemnification on certain matters pursuant to the HPES merger.
- **SEC matter:** Represents the company’s current estimate of potential liability related to a previously disclosed investigation into its historical determination and disclosure of certain “transaction, separation, and integration-related costs” as part of the company’s Non-GAAP adjustments.
- **Gains and losses on dispositions:** Gains and losses related to dispositions of businesses, strategic assets and interests in less than wholly owned entities.
- **Arbitration loss:** Reflects losses arising from arbitration decisions in the third and fourth quarters of fiscal 2023.
- **Impairment losses:** Non-cash charges associated with the permanent reduction in the value of the Company’s assets (e.g. impairment of goodwill and other long-term assets including fixed assets and impairments to deferred tax assets for discrete changes in valuation allowances). Future discrete reversals of valuation allowances are likewise excluded.
- **Debt extinguishment costs:** Costs associated with early retirement, redemption, repayment or repurchase of debt and debt-like items including any breakage, make-whole premium, prepayment penalty or similar costs as well as solicitation and other legal and advisory expenses.
- **Tax adjustments:** Reflects discrete tax adjustments to impair or recognize certain deferred tax assets and adjustments for changes in tax legislation. Income tax expense/(benefit) of merger and divestitures is separately computed based on the underlying transaction. Income tax expense of all other (non-discrete) Non-GAAP adjustments is computed by applying the jurisdictional tax rate to the pre-tax adjustments on a jurisdictional basis.

