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# Earnings Announcement

August 29, 2023 | Q3 FY23



# Forward-looking Statements

This presentation contains forward-looking statements based on current expectations and assumptions that involve risks and uncertainties. If the risks or uncertainties ever materialize or the assumptions prove incorrect, they could affect the business and results of operations of HP Inc. and its consolidated subsidiaries (“HP”) which may differ materially from those expressed or implied by such forward-looking statements and assumptions.

All statements other than statements of historical fact are statements that could be deemed forward-looking statements, including, but not limited to, any statements regarding the impact of the COVID-19 pandemic; projections of net revenue, margins, expenses, effective tax rates, net earnings, net earnings per share, cash flows, benefit plan funding, deferred taxes, share repurchases, foreign currency exchange rates or other financial items; any projections of the amount, timing or impact of cost savings or restructuring and other charges, planned structural cost reductions and productivity initiatives; any statements of the plans, strategies and objectives of management for future operations, including, but not limited to, our business model and transformation, our sustainability goals, our go-to-market strategy, the execution of restructuring plans and any resulting cost savings (including the fiscal 2023 plan), net revenue or profitability improvements or other financial impacts; any statements concerning the expected development, demand, performance, market share or competitive performance relating to products or services; any statements concerning potential supply constraints, component shortages, manufacturing disruptions or logistics challenges; any statements regarding current or future macroeconomic trends or events and the impact of those trends and events on HP and its financial performance; any statements regarding pending investigations, claims, disputes or other litigation matters; any statements of expectation or belief as to the timing and expected benefits of acquisitions and other business combination and investment transactions (including the recent acquisition of Plantronics, Inc. (“Poly”)); and any statements of assumptions underlying any of the foregoing. Forward-looking statements can also generally be identified by words such as “future,” “anticipates,” “believes,” “estimates,” “expects,” “intends,” “plans,” “predicts,” “projects,” “will,” “would,” “could,” “can,” “may,” and similar terms.

Risks, uncertainties and assumptions that could affect our business and results of operations include factors relating to the impact of macroeconomic and geopolitical trends, changes and events, including the Russian invasion of Ukraine and tension across the Taiwan Strait and the regional and global ramifications of these events; recent volatility in global capital markets, increases in benchmark interest rates, the effects of inflation and instability of financial institutions; risks associated with HP’s international operations; the effects of the COVID-19 pandemic; the execution and performance of contracts by HP and its suppliers, customers, clients and partners, including logistical challenges with respect to such execution and performance; changes in estimates and assumptions HP makes in connection with the preparation of its financial statements; the need to manage (and reliance on) third-party suppliers, including with respect to component shortages, and the need to manage HP’s global, multi-tier distribution network, limit potential misuse of pricing programs by HP’s channel partners, adapt to new or changing marketplaces and effectively deliver HP’s services; HP’s ability to execute on its strategic plans, including the previously announced initiatives, business model changes and transformation; execution of planned structural cost reductions and productivity initiatives; HP’s ability to complete any contemplated share repurchases, other capital return programs or other strategic transactions; the competitive pressures faced by HP’s businesses; risks associated with executing HP’s strategy and business model changes and transformation; successfully innovating, developing and executing HP’s go-to-market strategy, including online, omnichannel and contractual sales, in an evolving distribution, reseller and customer landscape; the development and transition of new products and services and the enhancement of existing products and services to meet evolving customer needs and respond to emerging technological trends; successfully competing and maintaining the value proposition of HP’s products, including supplies; challenges to HP’s ability to accurately forecast inventories, demand and pricing, which may be due to HP’s multi-tiered channel, sales of HP’s products to unauthorized resellers or unauthorized resale of HP’s products or our uneven sales cycle; integration and other risks associated with business combination and investment transactions; the results of our restructuring plans (including the fiscal 2023 plan), including estimates and assumptions related to the cost (including any possible disruption of HP’s business) and the anticipated benefits of our restructuring plans; the protection of HP’s intellectual property assets, including intellectual property licensed from third parties; the hiring and retention of key employees; disruptions in operations from system security risks, data protection breaches, cyberattacks, extreme weather conditions or other effects of climate change, medical epidemics or pandemics such as the COVID-19 pandemic, and other natural or manmade disasters or catastrophic events; the impact of changes to federal, state, local and foreign laws and regulations, including environmental regulations and tax laws; our aspirations related to environmental, social and governance matters; potential impacts, liabilities and costs from pending or potential investigations, claims and disputes; the effectiveness of our internal control over financial reporting; and other risks that are described in HP’s Annual Report on Form 10-K for the fiscal year ended October 31, 2022, and HP’s other filings with the Securities and Exchange Commission (“SEC”).

As in prior periods, the financial information set forth in this presentation, including any tax-related items, reflects estimates based on information available at this time. While HP believes these estimates to be reasonable, these amounts could differ materially from reported amounts in HP’s Annual Report on Form 10-K for the fiscal year ended October 31, 2023, HP’s Quarterly Reports on Form 10-Q for the fiscal quarter ending July 31, 2023, and HP’s other filings with the SEC. The forward-looking statements in this presentation are made as of the date of this presentation and HP assumes no obligation and does not intend to update these forward-looking statements. Forward-looking and other statements in this presentation may also address our corporate responsibility progress, plans, and goals (including environmental matters), and the inclusion of such statements is not an indication that these contents are necessarily material to investors or required to be disclosed in HP’s filings with the SEC. In addition, historical, current, and forward-looking sustainability-related statements may be based on standards for measuring progress that are still developing, internal controls and processes that continue to evolve, and assumptions that are subject to change in the future.

HP’s Investor Relations website at [investor.hp.com](https://investor.hp.com) contains a significant amount of information about HP, including financial and other information for investors. HP encourages investors to visit its website from time to time, as information is updated and new information is posted. The content of HP’s website is not incorporated by reference into this presentation or in any other report or document HP files with the SEC, and any references to HP’s website are intended to be inactive textual references only.

# Use of Non-GAAP Financial Information

HP has included non-GAAP financial measures in this presentation to supplement HP's consolidated financial statements presented on a generally accepted accounting principles ("GAAP") basis. Definitions of these non-GAAP financial measures and reconciliations of these non-GAAP financial measures to the most directly comparable GAAP financial measures are included elsewhere in this presentation. HP's management uses net revenue on a constant currency basis, non-GAAP total operating expenses, non-GAAP operating profit, non-GAAP operating margin, non-GAAP tax rate, non-GAAP net earnings, non-GAAP diluted net earnings per share, and other non-GAAP financial measures to evaluate and forecast HP's performance before gains, losses or other charges that are considered by HP's management to be outside of HP's core business segment operating results. Gross cash, net cash (debt), and free cash flow are liquidity measures that provide useful information to management about the amount of cash available for investment in HP's businesses, funding acquisitions, repurchasing stock and other purposes. Net cash (debt) provides useful information to management about the state of HP's consolidated balance sheet.

These and the other non-GAAP financial measures that HP uses may have limitations as analytical tools, and these measures should not be considered in isolation or as a substitute for analysis of HP's results as reported under GAAP. For example, items such as amortization of intangible assets, though not directly affecting HP's cash position, represent the loss in value of intangible assets over time. The expense associated with this change in value is not included in non-GAAP operating profit, non-GAAP tax rate, non-GAAP net earnings, and non-GAAP diluted net earnings per share and therefore does not reflect the full economic effect of the change in value of those intangible assets. In addition, items such as restructuring and other charges, acquisition and divestiture (credits)/charges, Russia exit charges, non-operating retirement-related (credits)/charges, defined benefit plan settlement charges, debt extinguishment (benefits)/costs, Oracle litigation proceeds, tax adjustments, and the related tax impact on these items that are excluded from non-GAAP total operating expense, non-GAAP operating profit, non-GAAP tax rate, non-GAAP net earnings and non-GAAP diluted net earnings per share can have a material impact on the equivalent GAAP earnings financial measures and cash flow. HP may not be able to immediately liquidate the short-term and long-term investments included in gross cash, which may limit the usefulness of gross cash as a liquidity measure. In addition, free cash flow, which includes cash provided by (used in) operating activities adjusted for net investment in leases and net capital expenditure, does not represent the total increase or decrease in cash for the period. The non-GAAP financial information that we provide also may differ from the non-GAAP information provided by other companies. We account for the limitations on our use of these non-GAAP financial measures by relying primarily on our GAAP financial statements and using non-GAAP financial measures only supplementally. We also provide reconciliations of each non-GAAP financial measure to the most directly comparable GAAP measure, and we encourage investors to review those reconciliations carefully.

We believe that providing these non-GAAP financial measures in addition to the related GAAP measures provides investors with greater insight to the information used by HP's management in its financial and operational decision-making and allows investors to see HP's results "through the eyes" of management. We further believe that providing this information better enables investors to understand HP's operating performance and financial condition and to evaluate the efficacy of the methodology and information used by HP's management to evaluate and measure such performance and financial condition.

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# Q3 FY23 Highlights

- Net revenue of **\$13.2 billion**, down 9.9% from the prior-year period and down 7.4% in constant currency<sup>1</sup>
- Non-GAAP diluted net earnings per share<sup>2</sup> of **\$0.86** , within the previously provided outlook of **\$0.81 to \$0.91** per share
- GAAP diluted net earnings per share of **\$0.76**, above the previously provided outlook of **\$0.61 to \$0.71** per share
- Free cash flow of **\$0.9 billion**<sup>2,3</sup>
- Returned **\$0.3 billion** to shareholders in the form of dividends
- Retired long-term debt of **\$1.1 billion**

1. Adjusted to exclude the effect of foreign currency exchange fluctuations calculated by translating current period revenues using monthly exchange rates from the comparative period and excluding any hedging impact recognized in the current period

2. A reconciliation of specific adjustments to GAAP results for the current and prior periods is included on slide 17 and in the GAAP to non-GAAP slides that appear as part of the supplemental slides of this presentation. A description of HP's use of non-GAAP information is provided on slide 3 under "Use of non-GAAP financial information"

3. Free cash flow includes net cash provided by operating activities of \$976 million adjusted for net investment in leases of \$31 million and net investment in property, plant and equipment of \$137 million. See slide 23 for a reconciliation of Free Cash Flow

4. HP revised its prior period financial statements for an accounting correction related to a revenue contract in the Personal Systems segment. The impact of these revisions was not material to HP's previously filed financial statements. See "Notes to the Consolidated Condensed Financial Statements," "Note 1. Basis of Presentation" and "Note 14. Revision of Prior Period Financial Statements" included in the Quarterly Report on Form 10-Q for the quarter ended July 31, 2023, to be filed with the SEC. As a result of this, the Company is currently assessing the nature of any deficiency in its internal control over financial reporting. In connection with these revisions, the Company has also corrected the timing of other unrelated immaterial adjustments which were previously made in the periods the Company identified them.

# Q3 FY23 Results Overview

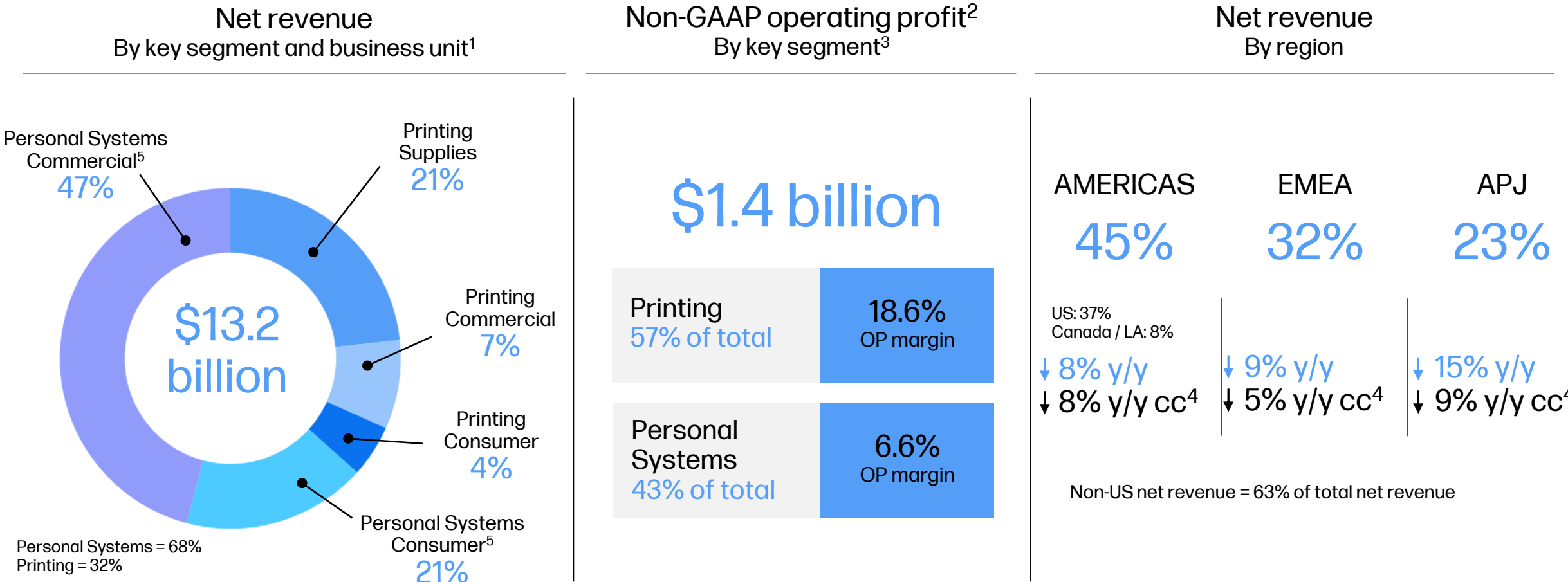
\$ in millions	Net revenue	Growth y/y %	Growth CC <sup>1</sup> y/y %	Non-GAAP OP \$ <sup>3</sup>	Non-GAAP OP % of rev <sup>3</sup>	Non-GAAP OP \$ y/y <sup>3</sup>	Non-GAAP OP % of rev y/y <sup>3</sup>
Printing	\$4,263	(6.8)%	(5.4)%	\$794	18.6%	\$(110)	(1.2) pts
Personal Systems	\$8,932	(11.3)%	(8.3)%	\$592	6.6%	\$(82)	(0.1) pts
Corporate Investments / Other	\$1	nm <sup>2</sup>	nm <sup>2</sup>	\$(220)	nm <sup>2</sup>	\$(16)	nm <sup>2</sup>
Total HP	\$13,196	(9.9)%	(7.4)%	\$1,166	8.8%	\$(208)	(0.6) pts

1. CC = constant currency; adjusted to exclude the effect of foreign currency exchange fluctuations calculated by translating current period revenues using monthly average exchange rates from the comparative period and excluding any hedging impact recognized in the current period

2. Not meaningful

3. A reconciliation of specific adjustments to GAAP results for the current period is included on slide 17 and in the GAAP to non-GAAP slides that appear as part of the supplemental slides of this presentation. A description of HP's use of non-GAAP information is provided on slide 3 under "Use of non-GAAP financial information"

# Q3 FY23 Mix by Segment and Region



1. Revenue mix calculated based on total key segment revenue, which does not include corporate investments and other

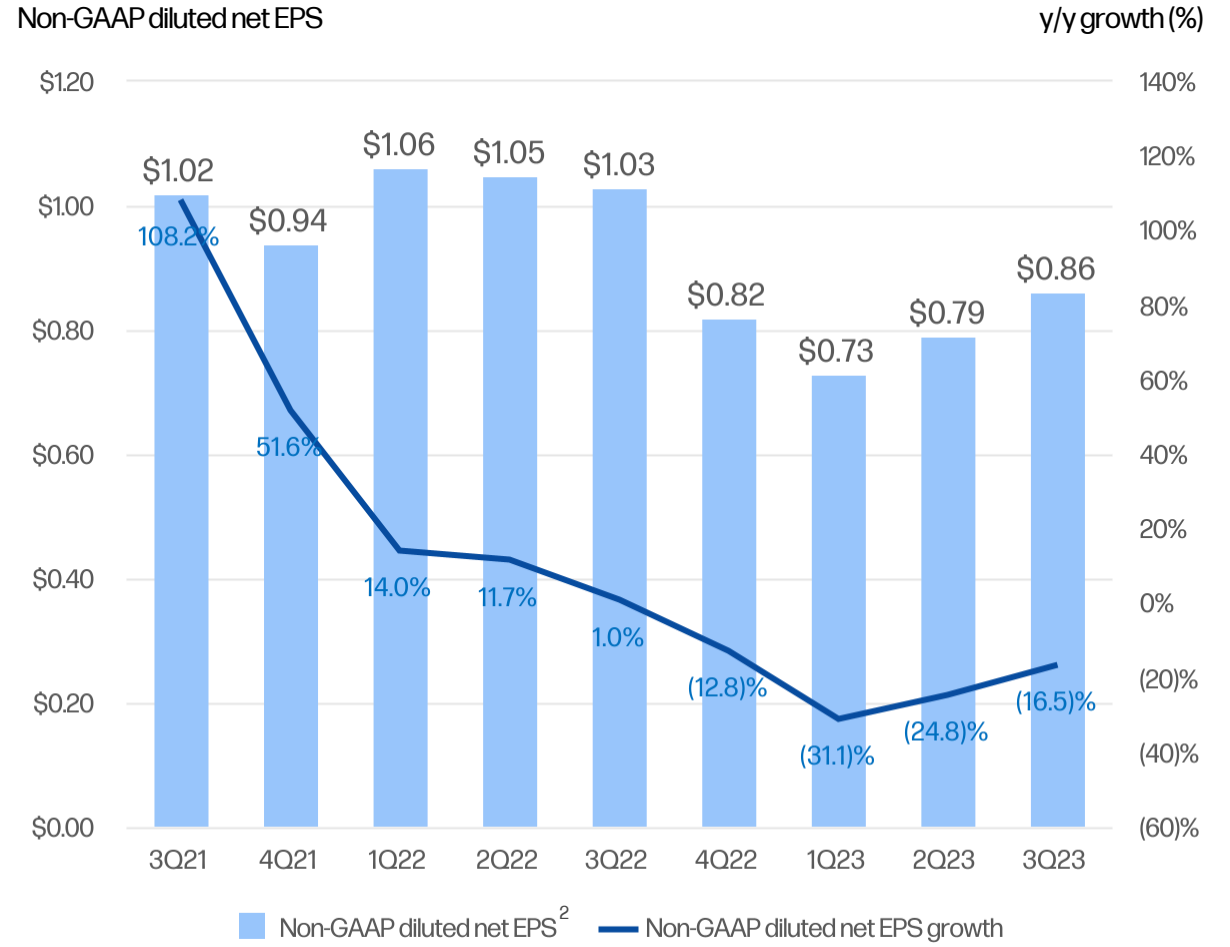
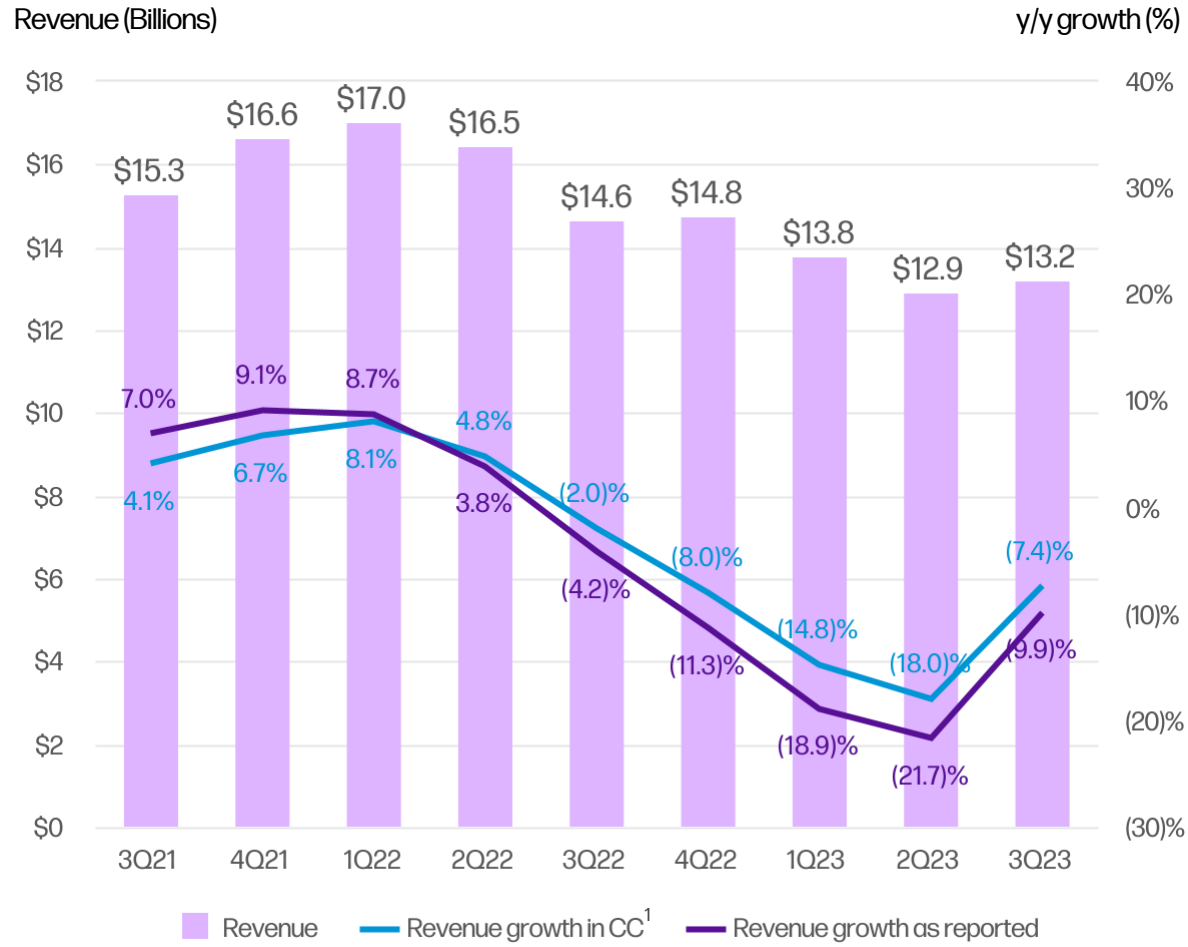
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3. Operating profit mix calculated based on total key segment operating profit, which does not include corporate investments and other

4. CC = constant currency; adjusted to exclude the effect of foreign currency exchange fluctuations calculated by translating current period revenues using monthly exchange rates from the comparative period and excluding any hedging impact recognized in the current period

5. Effective first quarter of fiscal 2023, HP realigned the sub-segment financial reporting structure within the Personal Systems business segment into Commercial PS and Consumer PS to align with its business market segmentation. For detailed information refer to the Press Release relating to the results of operations for HP's first quarter of fiscal 2023 and HP's Quarterly Report on Form 10-Q for the fiscal quarter ending January 31, 2023.

# Revenue & Non-GAAP Diluted Net EPS Performance

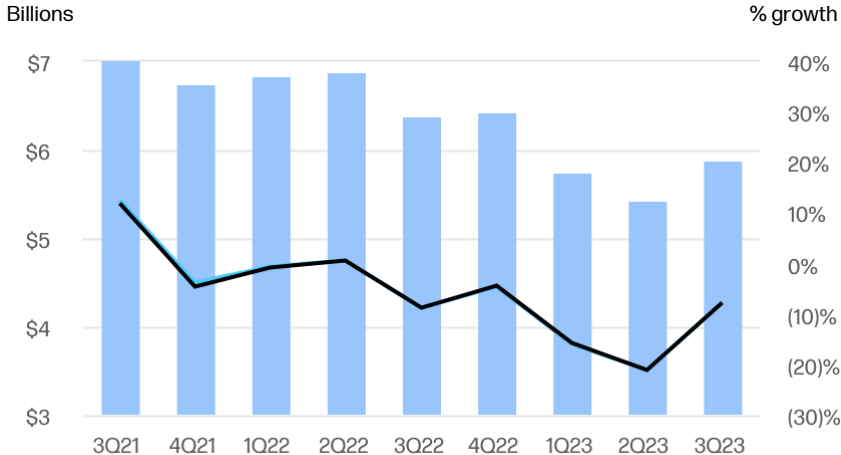


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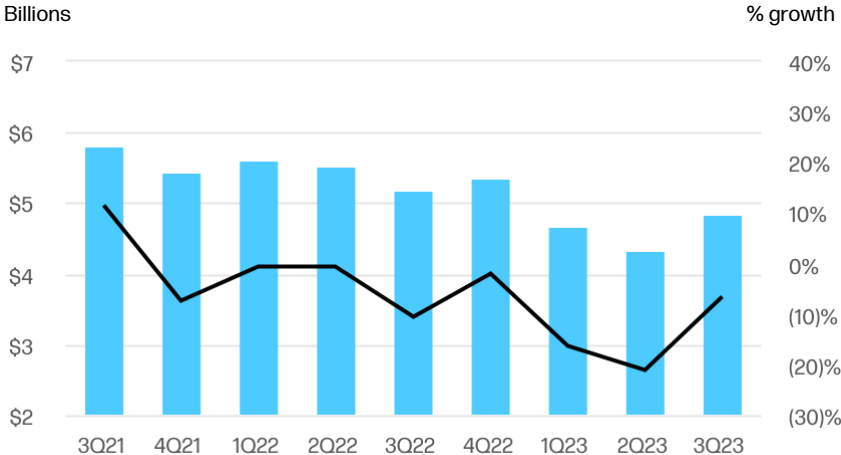
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# Regional Revenue Trends

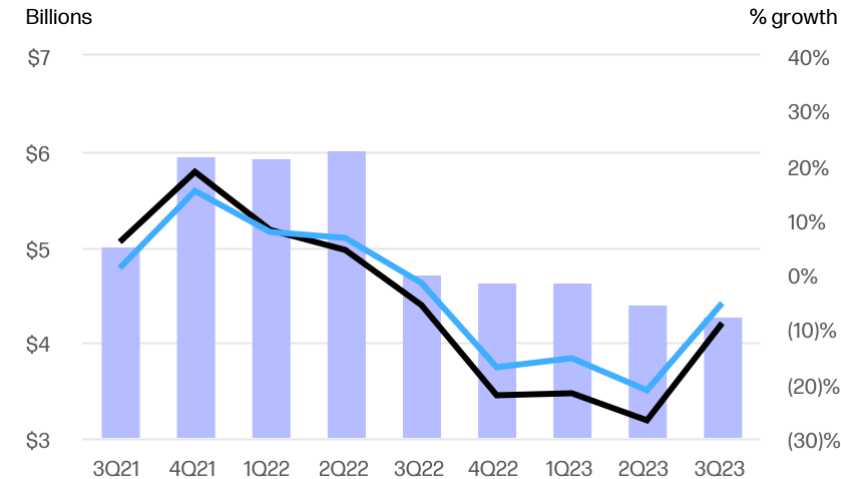
## Americas (including U.S.)



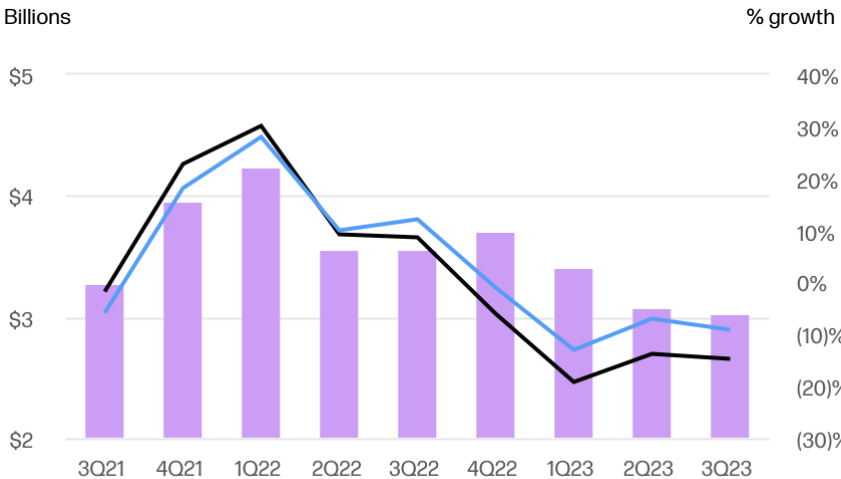
## United States



## EMEA



## Asia Pacific



— y/y revenue growth % — y/y revenue growth in constant currency %<sup>1</sup>

1. Adjusted to exclude the effect of foreign currency exchange fluctuations calculated by translating current period revenues using monthly exchange rates from the comparative period and excluding any hedging impact recognized in the current period



# Personal Systems Q3 FY23

Revenue

\$8.9

billion

↓ 11% y/y

↓ 8% CC<sup>1</sup>

Operating profit

\$592

million

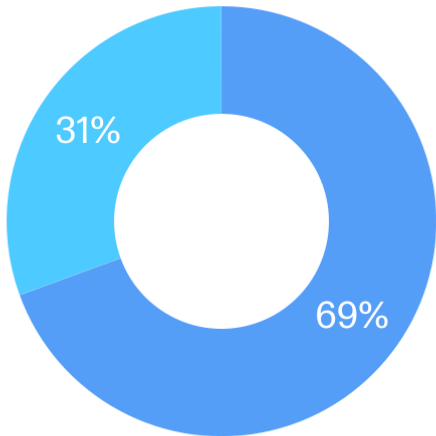
6.6%  
of revenue

Revenue down y/y due to promotional pricing and currency, offset in part by volume resulting in share gains. Revenue up 9% q/q due to seasonality resulting in share gains.

Sequential OP dollar improvement driven by higher volumes, disciplined cost management and structural cost reductions.

Innovation: Introduced the HP Z4 Rack G5 Desktop Workstation, the world's most powerful 1U rack workstation. Designed for development and content creation in the age of generative AI.

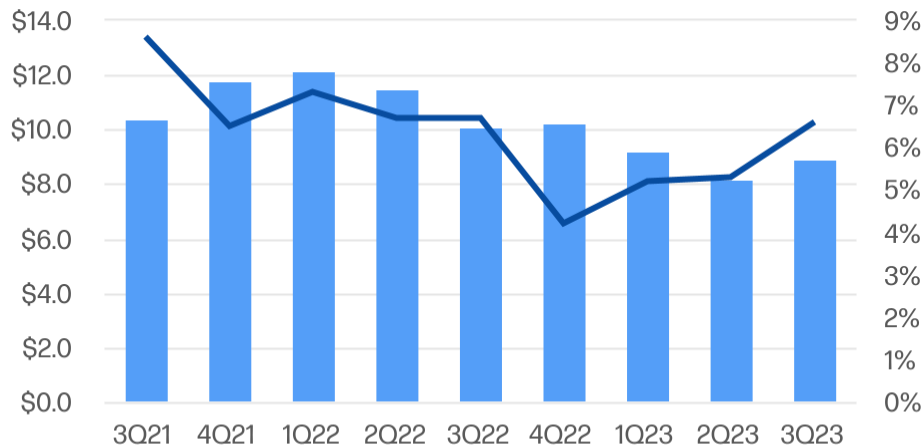
Revenue breakdown<sup>2</sup>



Commercial PS Consumer PS

Revenue and OP % trend

In Billions



Revenue OP % of Revenue

## KEY METRICS

Total units up 3% y/y

Consumer PS units up 8% y/y

Commercial PS units flat y/y

Consumer PS revenue down 12% y/y

Commercial PS revenue down 11% y/y

1. CC = constant currency; adjusted to exclude the effect of foreign currency exchange fluctuations calculated by translating current period revenue using monthly exchange rates from the comparative period and excluding any hedging impact recognized in the current period

2. Effective first quarter of fiscal 2023, HP realigned the sub-segment financial reporting structure within the Personal Systems business segment into Commercial PS and Consumer PS to align with its business market segmentation. For detailed information refer to the Press Release relating to the results of operations for HP's first quarter of fiscal 2023 and HP's Quarterly Report on Form 10-Q for the fiscal quarter ending January 31, 2023

# Printing Q3 FY23

Revenue

\$4.3

billion

↓ 7% y/y

↓ 5% CC<sup>1</sup>

Operating profit

\$794

million

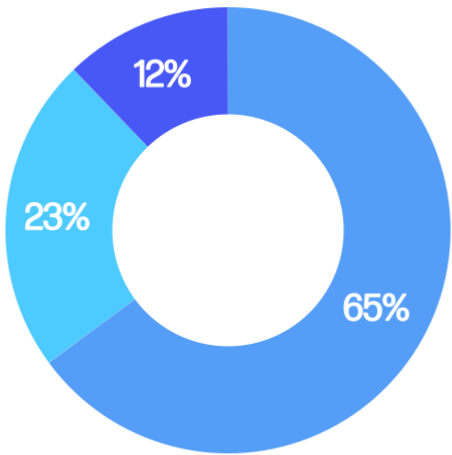
18.6%  
of revenue

Revenue decline y/y driven by lower hardware volumes, competitive pricing, and currency.

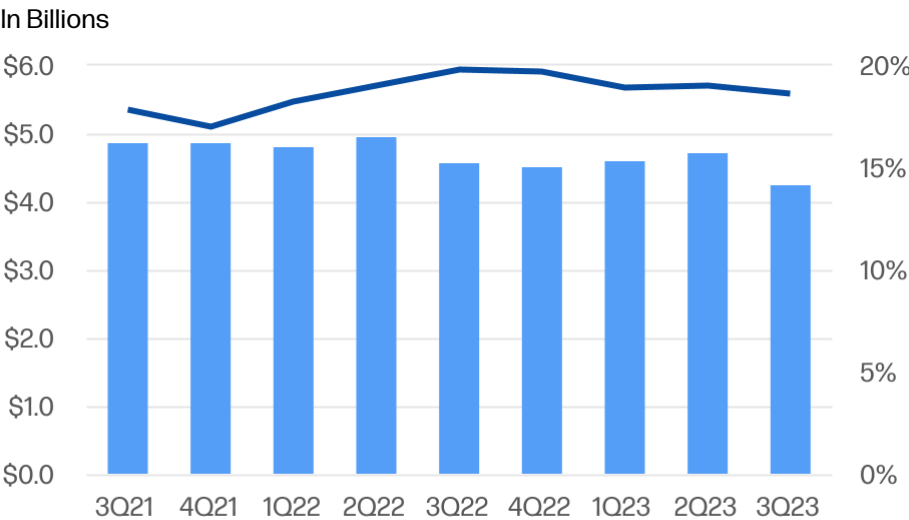
OP rate down y/y due to competitive pricing and currency, partially offset by structural cost reductions and mix.

Innovation: Launched HP Site Print, an innovative robotic solution that automates the site layout process, achieving pinpoint accuracy with ten times the productivity.

Revenue breakdown



Revenue and OP % trend



■ Supplies ■ Commercial Printing ■ Consumer Printing

■ Revenue — OP % of revenue

## KEY METRICS

Supplies revenue down 2%, (flat in CC<sup>1</sup>) y/y

Total Hardware units down 19% y/y

Consumer Printing revenue down 28% y/y

Commercial Printing revenue down 6% y/y

1. CC = constant currency; adjusted to exclude the effect of foreign currency exchange fluctuations calculated by translating current period revenue using monthly exchange rates from the comparative period and excluding any hedging impact recognized in the current period

# Key Growth Areas

Collectively grew revenue in Q3 FY23, despite continued macro headwinds

## HYBRID SYSTEMS

Y/Y revenue growth driven by Poly. Introduced the Poly Studio X52 all-in-one video bar for mid-sized meeting spaces, that features AI smart camera technology, Poly NoiseBlockAI and Acoustic Fence technologies.

## GAMING

Revenue grew double-digit sequentially. Introduced the Hyper X Cloud III gaming headset, featuring immersive and accurate 3D audio specialization and signature Hyper X memory foam for extended gaming sessions.

## WORKFORCE SERVICES & SOLUTIONS

Y/Y revenue growth driven by Print hardware, helped by improved availability. PS services TCV grew double digit y/y and q/q. Introduced the HP Authentication Suite, an authentication solution and companion mobile app, providing a consistent and secure authentication experience for print devices.

## CONSUMER SUBSCRIPTIONS

Both revenue and enrollees grew y/y and q/q. Instant Paper add-on service continues to scale, expanding outside of the U.S. to the UK, Germany and France.

## INDUSTRIAL GRAPHICS

Results continue to be impacted by macro headwinds and delayed ordering, but seeing sequential momentum in labels and packaging usage. Continuing to ramp hardware placement of the game-changing V12 and A2200 platforms.

## 3D & PERSONALIZATION

Y/Y Services revenue growth offset by Hardware and Supplies declines, due to macro driven demand softness and continued tightening of capital budgets. Announced partnership with Omni-Pac group to digitize and transform the way molded fiber packaging is produced utilizing HP's Molded Fiber Tooling Solution.





# Sustainable Impact



## Climate Action

On track to plant nearly 6 million trees by the end of 2023, since starting our program with the Arbor Day Foundation, WWF, and Conservation International in 2020.



## Human Rights

Launched Million Makers, in partnership with Bluenumber, activating innovative technology across our supply chain that enables secure, direct feedback from workers to facilitate data-driven human rights due diligence.



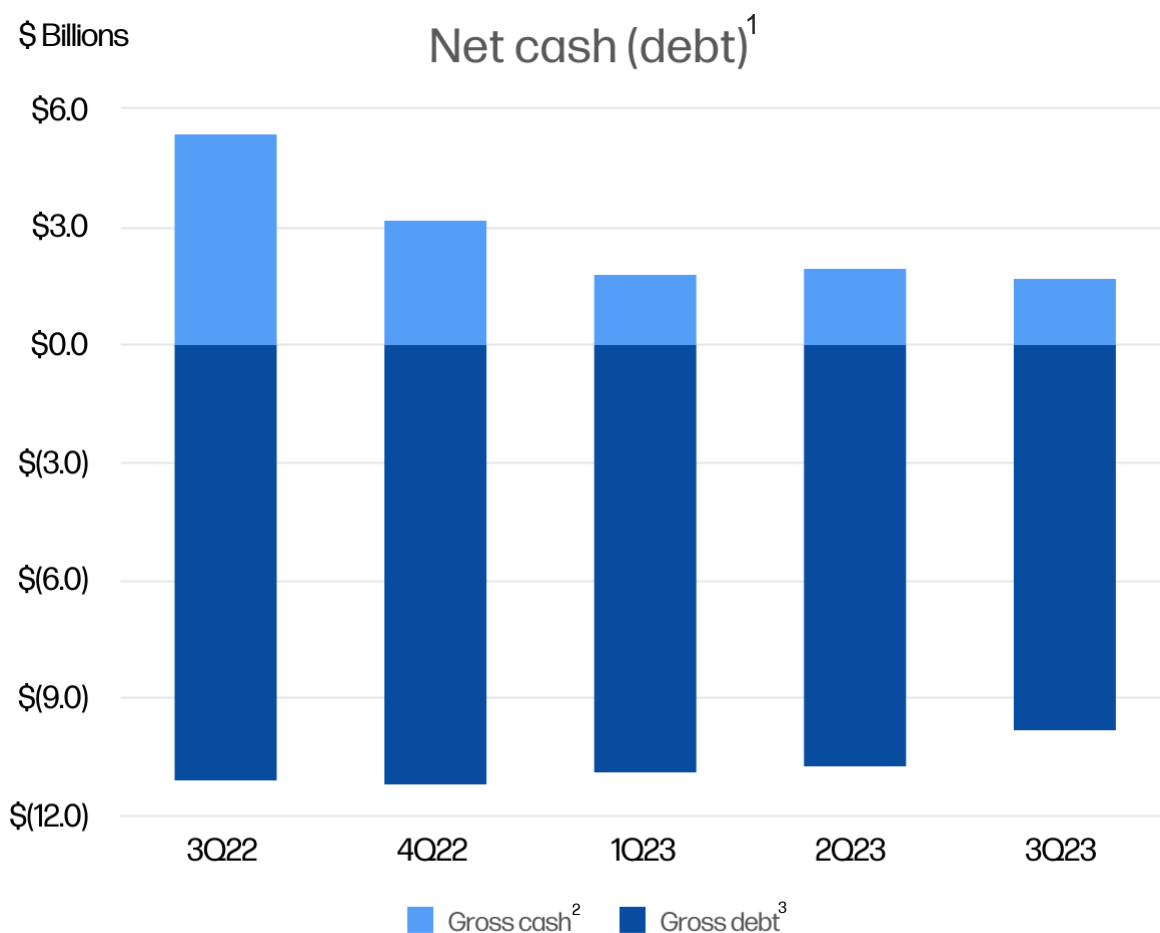
## Digital Equity

Starting in 2015, HP committed to enable better learning outcomes for 100M people by 2025. This goal has been exceeded 3 years early by reaching over 103M people by the end of 2022.



*HP's Sustainable Impact agenda is closely linked with our business priorities, and our work in this area plays a part in the health of our company and planet. For more information, our Sustainable Report webcast with Enrique Lores, CEO and President, and James McCall, Chief Sustainability Officer, can be found at <https://investor.hp.com>*

# Select Cash & Debt Balances



\$ Billions	3Q22	4Q22	1Q23	2Q23	3Q23
Gross cash <sup>2</sup>	5.4	3.2	1.8	1.9	1.7
Gross debt <sup>3</sup>	11.1	11.2	10.9	10.7	9.8
Net cash (debt) <sup>1,4</sup>	(5.8)	(8.0)	(9.1)	(8.8)	(8.1)

1. Net cash (debt) is defined as gross cash less gross debt.

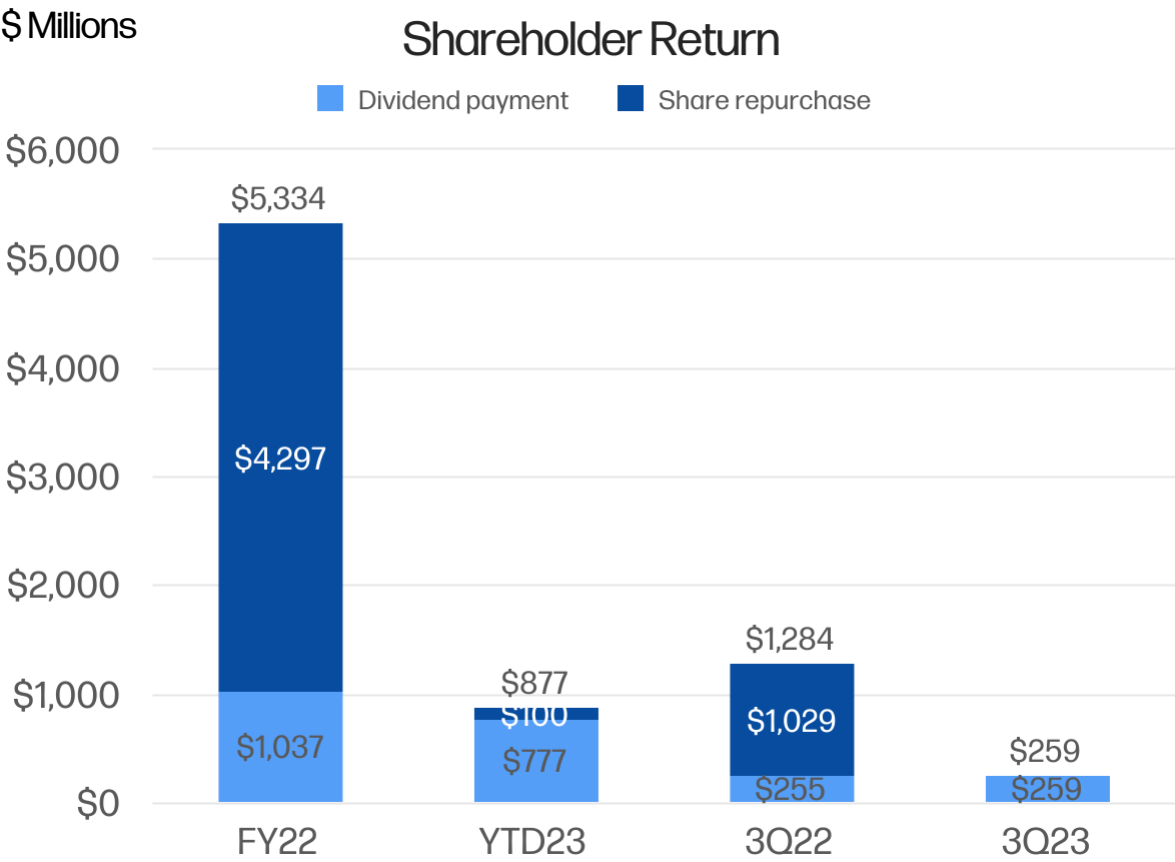
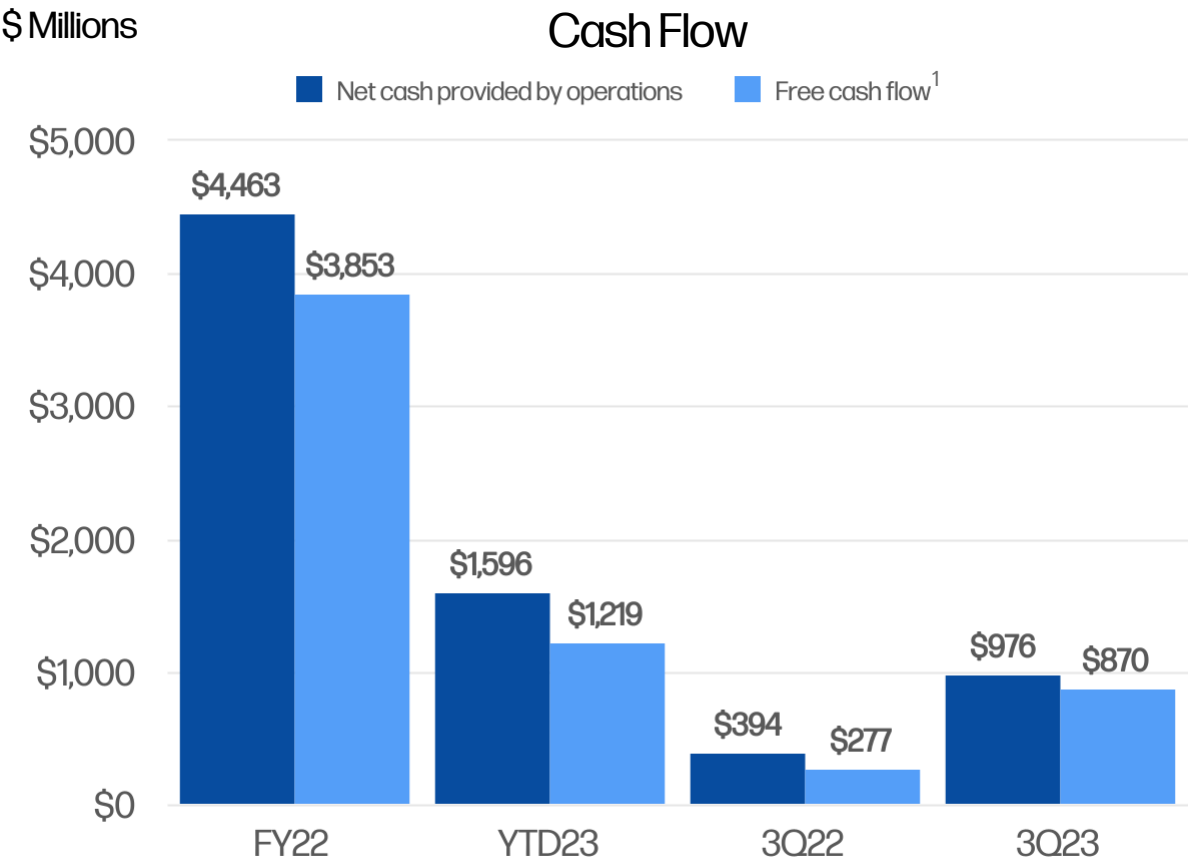
2. Gross cash includes cash, cash equivalents and restricted cash, short-term investments, and certain liquid long-term investments. As of 3Q23, gross cash of \$1.7B includes cash, cash equivalents and restricted cash of \$1.7B, which includes \$45 million of restricted cash related to amounts collected and held on behalf of a third party for trade receivables previously sold, and short-term investments of \$3 million.

3. Gross debt is defined as notes payable and short-term borrowings plus long-term debt after excluding the effect of unamortized premium/discount on debt issuance, debt issuance costs and gains/losses on interest rate swaps. As of 3Q23, gross debt included notes payable and short-term borrowings of \$0.4 billion, long-term debt of \$9.2 billion, and a positive adjustment for the aforementioned non-cash items of \$0.1 billion.

4. Numbers may not foot due to rounding.



# Cash Flow & Shareholder Return



Shares repurchased	125.9 million	3.6 million	29.3 million	0.0 million
Dividend per share	\$1.0000	\$0.7875	\$0.2500	\$0.2625

1. Free cash flow = Net cash provided by operating activities adjusted for net investment in leases and net investment in property, plant and equipment. See slide 23 for a reconciliation of Free Cash Flow.

# Outlook

## Q4 FY23 net EPS guidance

GAAP diluted net EPS	\$0.65 – \$0.77
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Non-GAAP diluted net EPS <sup>1</sup>	\$0.85 – \$0.97
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## FY23 net EPS guidance

GAAP diluted net EPS	\$2.95 – \$3.07
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Non-GAAP diluted net EPS <sup>2</sup>	\$3.23 – \$3.35
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## FY23 Free Cash Flow guidance

Free Cash Flow <sup>3</sup>	Approximately \$3.0 billion
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1. Fourth quarter of fiscal 2023 non-GAAP diluted net EPS estimates exclude restructuring and other charges, acquisition and divestiture charges, amortization of intangible assets, non-operating retirement-related credits, tax adjustments, and the related tax impact on these items

2. Fiscal year 2023 non-GAAP diluted net EPS estimates exclude restructuring and other charges, acquisition and divestiture charges, amortization of intangible assets, debt extinguishment benefit, non-operating retirement-related credits, tax adjustments, and the related tax impact on these items

3. Free cash flow = Net cash provided by operating activities adjusted for net investment in leases and net investment in property, plant and equipment

# Non-GAAP<sup>1</sup> Financial Information

\$ in millions, except  
per share amounts

	Q3 FY23		Q2 FY23		Q3 FY22	
	% of Revenue		% of Revenue		% of Revenue	
Revenue	\$13,196		\$12,907		\$14,648	
Cost of revenue	10,374	78.6%	9,993	77.4%	11,764	80.3%
Total OpEx	1,656	12.6%	1,807	14.0%	1,510	10.3%
Operating profit	\$1,166	8.8%	\$1,107	8.6%	\$1,374	9.4%
Interest and other, net	(143)		(173)		(105)	
Pre-tax earnings	1,023	7.8%	934	7.2%	1,269	8.7%
Income tax	(164)		(149)		(203)	
Net earnings	859	6.5%	785	6.1%	1,066	7.3%
Diluted net earnings per share	\$0.86		\$0.79		\$1.03	

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# Q3 FY23 GAAP to Non-GAAP Bridge

\$ in millions, except tax rate and per share amounts	GAAP	Amortization of intangible assets	Restructuring and other charges	Acquisition and divestiture charges	Debt extinguishment benefit	Tax adjustments	Non-operating retirement related (credits) / charges	Non-GAAP
Revenue	\$13,196							\$13,196
Cost of revenue	10,374							10,374
Total OpEx	1,870	(91)	(75)	(48)				1,656
Operating profit	952	91	75	48				1,166
Interest and other, net	(16)				(115)		(12)	(143)
Pre-tax earnings	936	91	75	48	(115)		(12)	1,023
Income tax	(170)	(18)	(16)	(10)	27	20	3	(164)
Tax rate	18.2%							16.0%
Net earnings	\$766	73	59	38	(88)	20	(9)	\$859
Diluted net earnings per share	\$0.76	\$0.07	\$0.06	\$0.05	\$(0.09)	\$0.02	\$(0.01)	\$0.86





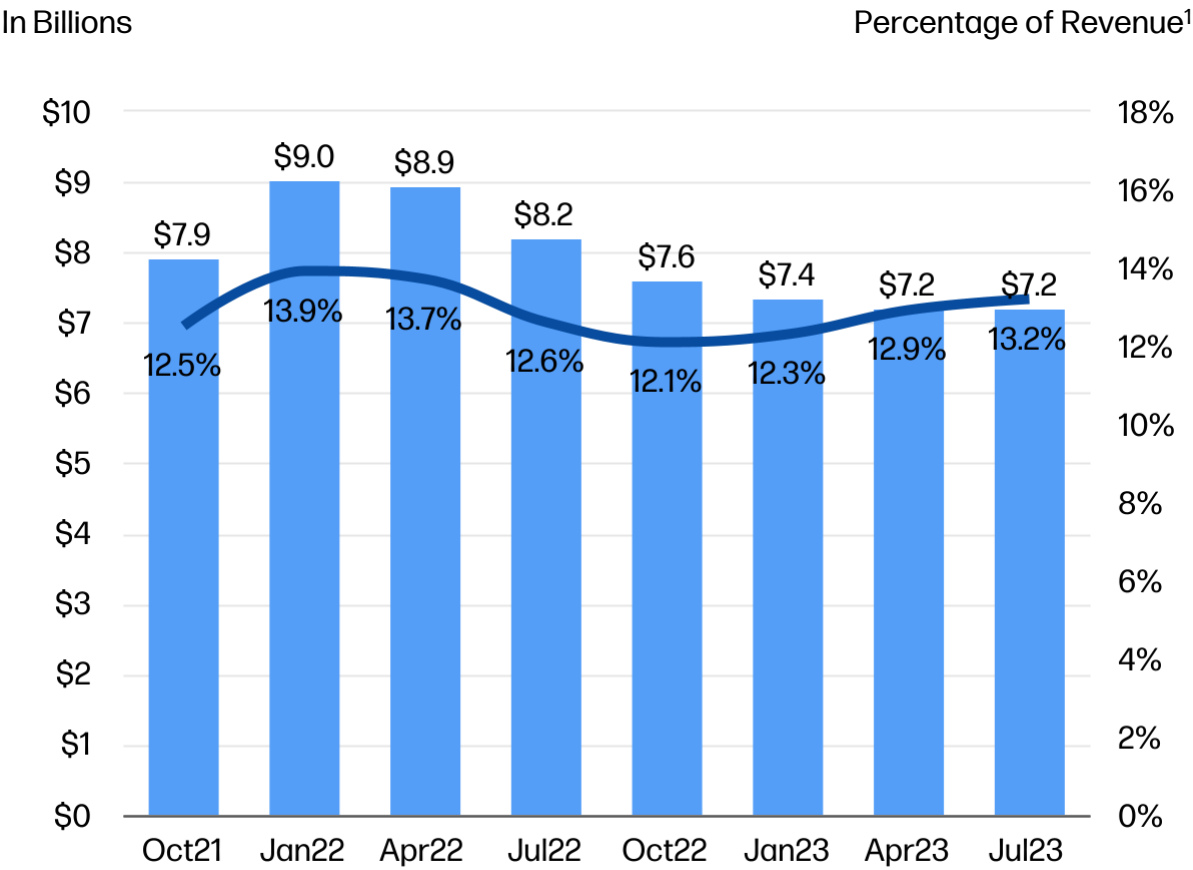
# Supplemental Slides

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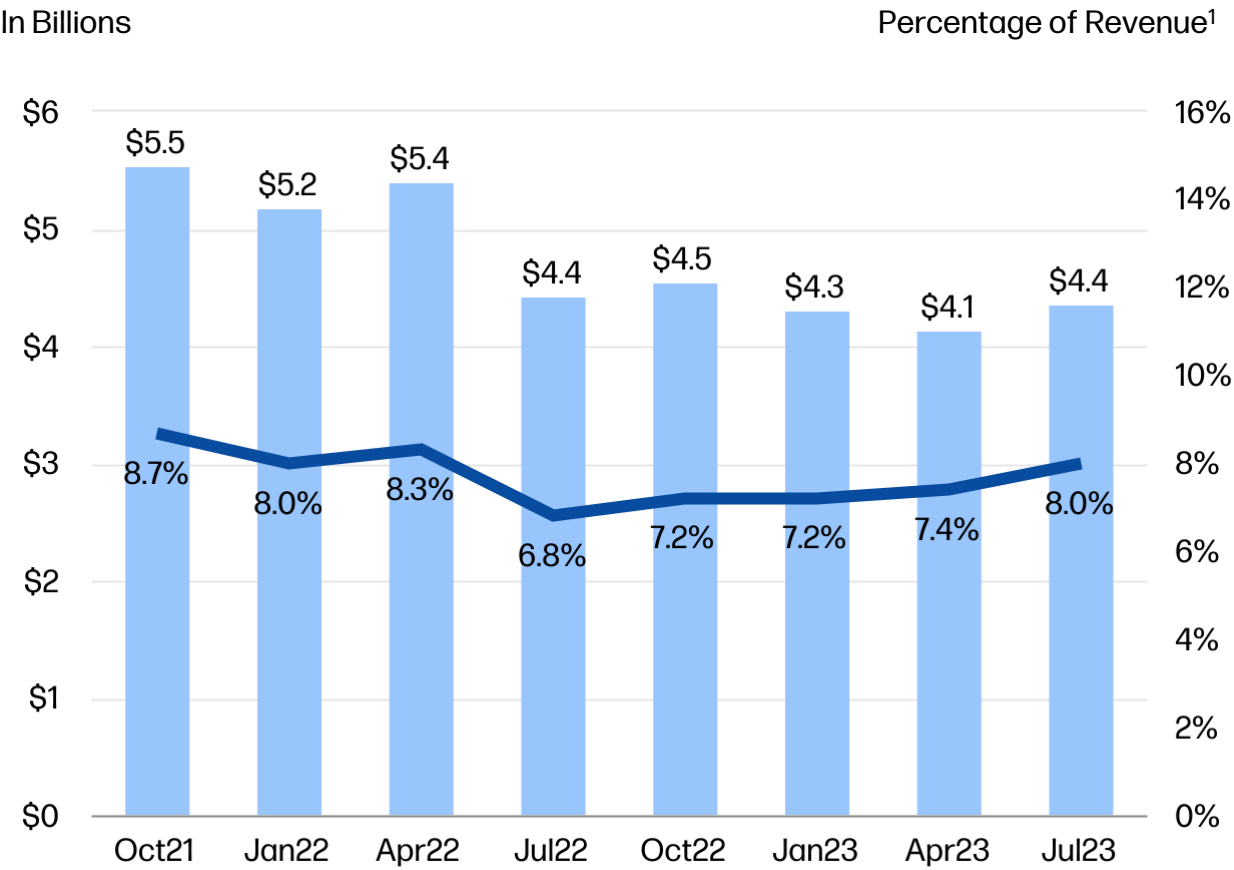


# Inventory & Accounts Receivable

## INVENTORY



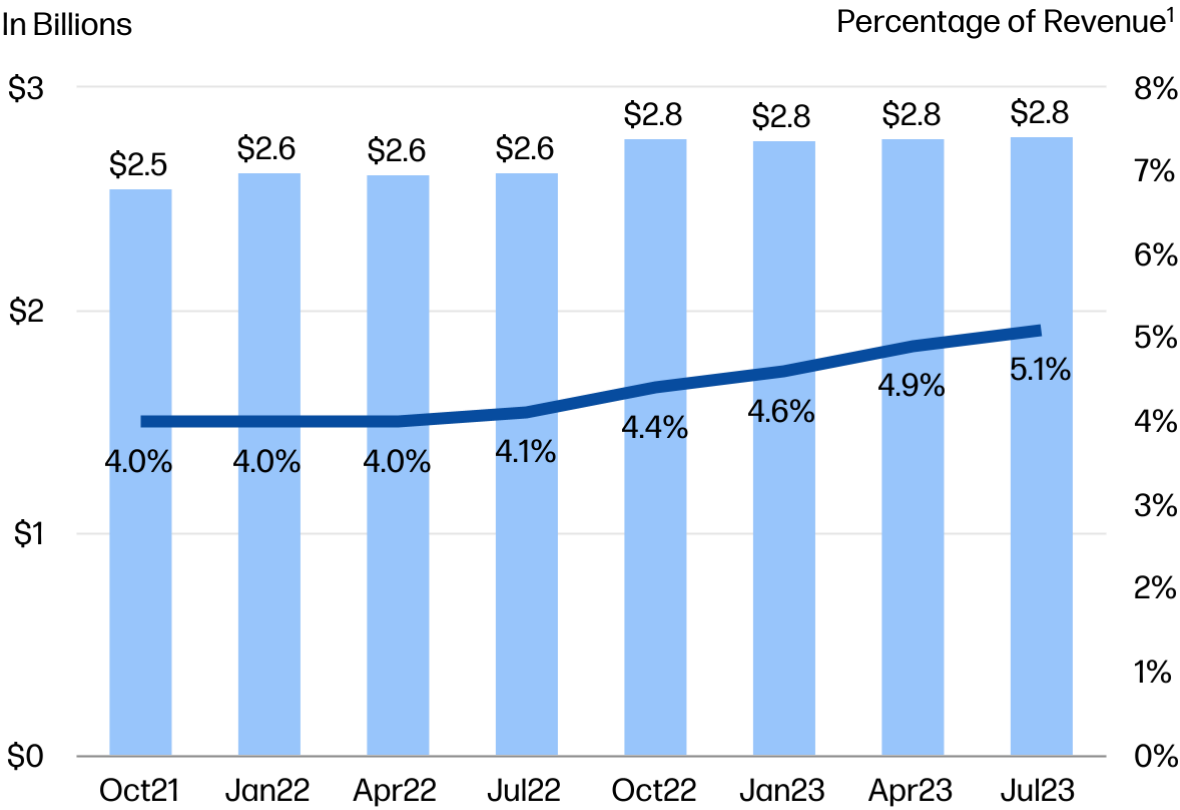
## ACCOUNTS RECEIVABLE



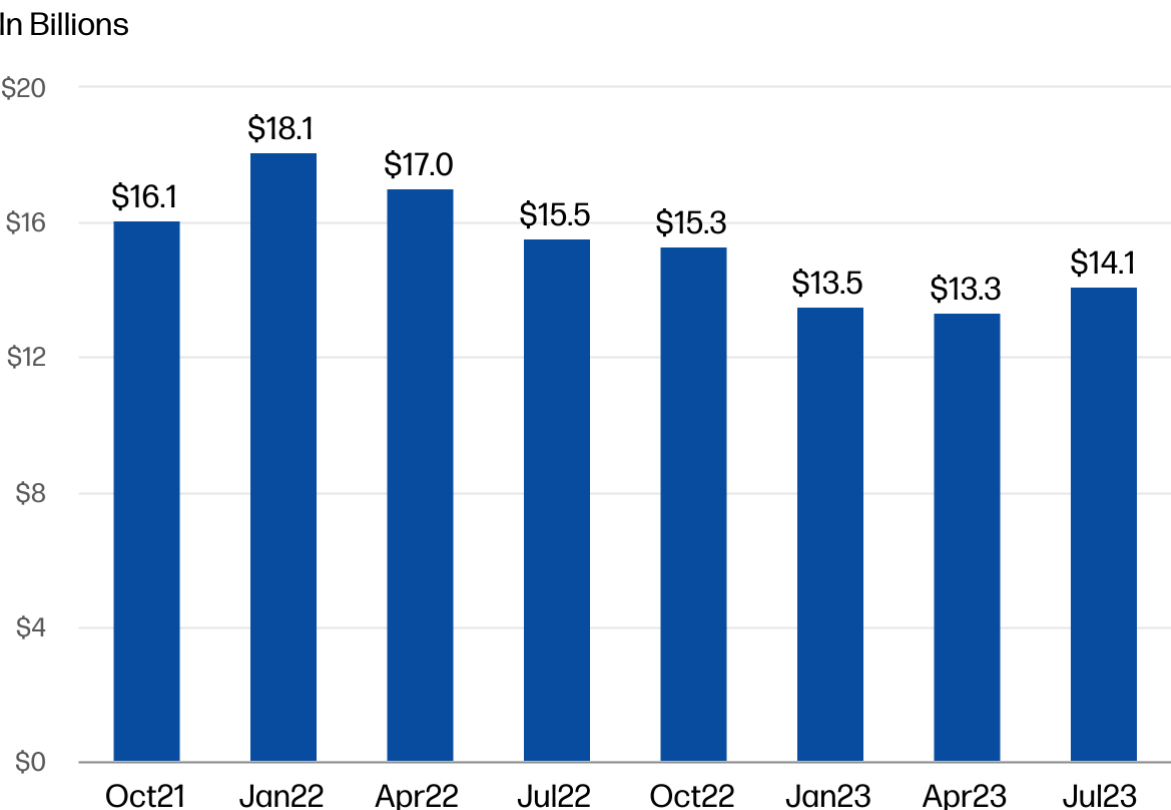
1. % of revenue calculations based on trailing 4-quarter net revenue

# PP&E & Accounts Payable

## PP&E

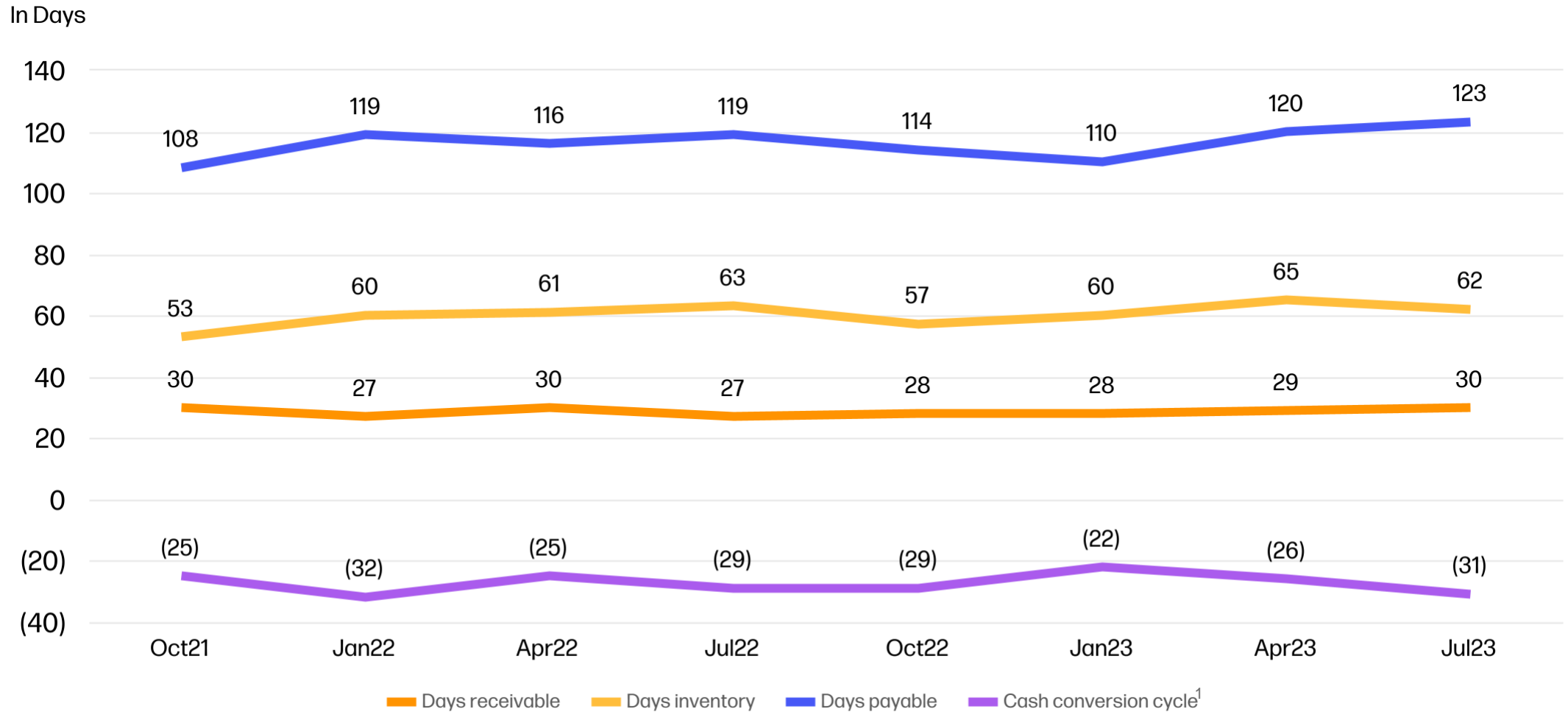


## ACCOUNTS PAYABLE



1. % of revenue calculations based on trailing 4-quarter net revenue

# Working Capital Metrics



1. Cash conversion cycle = Days receivables + Days inventory - Days payable

# Free Cash Flow Reconciliation

\$ in millions	1Q22	2Q22	3Q22	4Q22	FY22	1Q23	2Q23	3Q23	YTD23
Net cash provided by (used in) operating activities	\$1,657	\$508	\$394	\$1,904	\$4,463	\$(16)	\$636	\$976	\$1,596
Net investment in property, plant and equipment	(273)	(178)	(170)	(144)	(765)	(192)	(130)	(137)	(459)
Net investment in leases	20	21	53	61	155	16	35	31	82
Free Cash Flow <sup>1</sup>	\$1,404	\$351	\$277	\$1,821	\$3,853	\$(192)	\$541	\$870	\$1,219

1. Free cash flow = Net cash provided by (used in) operating activities adjusted for net investment in leases and net investment in property, plant and equipment.



# Q2 FY23 GAAP to Non-GAAP Bridge

\$ in millions, except tax rate and per share amounts	GAAP	Amortization of intangible assets	Restructuring and other charges	Acquisition and divestiture charges	Tax adjustments	Non-operating retirement related (credits) / charges	Non-GAAP
Revenue	\$12,907						\$12,907
Cost of revenue	9,993						9,993
Total OpEx	2,167	(86)	(200)	(74)			1,807
Operating profit	747	86	200	74			1,107
Interest and other, net	(160)					(13)	(173)
Pre-tax earnings	587	86	200	74		(13)	934
Income tax	467	(16)	(36)	(13)	(554)	3	(149)
Tax rate	(79.6)%						16.0%
Net earnings	\$1,054	70	164	61	(554)	(10)	\$785
Diluted net earnings per share	\$1.06	\$0.07	\$0.17	\$0.06	\$(0.56)	\$(0.01)	\$0.79

# Q1 FY23 GAAP to Non-GAAP Bridge

\$ in millions, except tax rate and per share amounts	GAAP	Amortization of intangible assets	Restructuring and other charges	Acquisition and divestiture charges	Debt extinguishment costs	Tax adjustments	Non-operating retirement related (credits) / charges	Non-GAAP
Revenue	\$13,798							\$13,798
Cost of revenue	11,011							11,011
Total OpEx	2,044	(85)	(141)	(84)				1,734
Operating profit	743	85	141	84				1,053
Interest and other, net	(181)				8		(10)	(183)
Pre-tax earnings	562	85	141	84	8		(10)	870
Income tax	(93)	(16)	(30)	(13)	(2)	12	3	(139)
Tax rate	16.5%							16.0%
Net earnings	\$469	69	111	71	6	12	(7)	\$731
Diluted net earnings per share	\$0.47	\$0.07	\$0.11	\$0.07	\$0.01	\$0.01	\$(0.01)	\$0.73

# FY22 GAAP to Non-GAAP Bridge

\$ in millions, except tax rate and per share amounts	GAAP	Amortization of intangible assets	Restructuring and other charges	Acquisition and divestiture charges	Russia exit charges	Tax adjustments	Non-operating retirement related (credits) / charges	Non-GAAP
Revenue	\$62,910							\$62,910
Cost of revenue	50,647							50,647
Total OpEx	7,704	(228)	(218)	(317)	(23)			6,918
Operating profit	4,559	228	218	317	23			5,345
Interest and other, net	(235)					1	(138)	(372)
Pre-tax earnings	4,324	228	218	317	23	1	(138)	4,973
Income tax	(1,192)	(45)	(44)	(43)	(3)	504	27	(796)
Tax rate	27.6%							16.0%
Net earnings	\$3,132	183	174	274	20	505	(111)	\$4,177
Diluted net earnings per share	\$2.98	\$0.17	\$0.18	\$0.26	\$0.02	\$0.48	\$(0.11)	\$3.98

# Q4 FY22 GAAP to Non-GAAP Bridge

\$ in millions, except tax rate and per share amounts	GAAP	Amortization of intangible assets	Restructuring and other charges	Acquisition and divestiture charges	Tax adjustments	Non-operating retirement related (credits) / charges	Non-GAAP
Revenue	\$14,774						\$14,774
Cost of revenue	12,083						12,083
Total OpEx	1,950	(74)	(70)	(233)			1,573
Operating profit	741	74	70	233			1,118
Interest and other, net	(94)					(33)	(127)
Pre-tax earnings	647	74	70	233		(33)	991
Income tax	(670)	(15)	(14)	(35)	568	7	(159)
Tax rate	103.6%						16.0%
Net (loss) earnings	\$(23)	59	56	198	568	(26)	\$832
Diluted net earnings per share	\$(0.02)	\$0.06	\$0.05	\$0.20	\$0.56	\$(0.03)	\$0.82

# Q3 FY22 GAAP to Non-GAAP Bridge

\$ in millions, except tax rate and per share amounts	GAAP	Amortization of intangible assets	Restructuring and other charges	Acquisition-related charges	Russia exit charges	Tax adjustments	Non-operating retirement related (credits) / charges	Non-GAAP
Revenue	\$14,648							\$14,648
Cost of revenue	11,764							11,764
Total OpEx	1,628	(50)	(13)	(32)	(23)			1,510
Operating profit	1,256	50	13	32	23			1,374
Interest and other, net	(70)					(1)	(34)	(105)
Pre-tax earnings	1,186	50	13	32	23	(1)	(34)	1,269
Income tax	(64)	(10)	(2)	(3)	(3)	(127)	6	(203)
Tax rate	5.4%							16.0%
Net earnings	\$1,122	40	11	29	20	(128)	(28)	1,066
Diluted net earnings per share	\$1.08	\$0.04	\$0.01	\$0.03	\$0.02	\$(0.12)	\$(0.03)	\$1.03



# Q2 FY22 GAAP to Non-GAAP Bridge

\$ in millions, except tax rate and per share amounts	GAAP	Amortization of intangible assets	Restructuring and other charges	Acquisition-related charges	Tax adjustments	Non-operating retirement related (credits) / charges	Non-GAAP
Revenue	\$16,475						\$16,475
Cost of revenue	13,178						13,178
Total OpEx	2,040	(52)	(67)	(32)			1,889
Operating profit	1,257	52	67	32			1,408
Interest and other, net	(41)					(35)	(76)
Pre-tax earnings	1,216	52	67	32		(35)	1,332
Income tax	(235)	(10)	(16)	(1)	42	7	(213)
Tax rate	19.3%						16.0%
Net earnings	\$981	42	51	31	42	(28)	\$1,119
Diluted net earnings per share	\$0.92	\$0.04	\$0.05	\$0.03	\$0.04	\$(0.03)	\$1.05

# Q1 FY22 GAAP to Non-GAAP Bridge

\$ in millions, except tax rate and per share amounts	GAAP	Amortization of intangible assets	Restructuring and other charges	Acquisition-related charges	Tax adjustments	Non-operating retirement related (credits) / charges	Non-GAAP
Revenue	\$17,013						\$17,013
Cost of revenue	13,622						13,622
Total OpEx	2,086	(52)	(68)	(20)			1,946
Operating profit	1,305	52	68	20			1,445
Interest and other, net	(30)					(34)	(64)
Pre-tax earnings	1,275	52	68	20		(34)	1,381
Income tax	(223)	(10)	(12)	(3)	21	6	(221)
Tax rate	17.5%						16.0%
Net earnings	\$1,052	42	56	17	21	(28)	\$1,160
Diluted net earnings per share	\$0.96	\$0.04	\$0.05	\$0.02	\$0.02	\$(0.03)	\$1.06

# FY21 GAAP to Non-GAAP Bridge

\$ in millions, except tax rate and per share amounts	GAAP	Amortization of intangible assets	Restructuring and other charges	Acquisition-related charges	Debt Extinguishment costs	Defined benefit plan settlement (gains) / charges	Tax adjustments	Oracle litigation proceeds	Non-operating retirement related (credits) / charges	Non-GAAP
Revenue	\$63,460									\$63,460
Cost of revenue	50,054									50,054
Total OpEx	8,048	(154)	(251)	(68)						7,575
Operating profit	5,358	154	251	68						5,831
Interest and other, net	2,210				16	(37)		(2,304)	(154)	(269)
Pre-tax earnings	7,568	154	251	68	16	(37)		(2,304)	(154)	5,562
Income tax	(1,027)	(29)	(51)	(10)	(3)	6	(317)	533	8	(890)
Tax rate	13.6%									16.0%
Net earnings	\$6,541	125	200	58	13	(31)	(317)	(1,771)	(146)	\$4,672
Diluted net earnings per share	\$5.36	\$0.10	\$0.17	\$0.05	\$0.01	\$(0.03)	\$(0.26)	\$(1.45)	\$(0.12)	\$3.83

# Q4 FY21 GAAP to Non-GAAP Bridge

\$ in millions, except tax rate and per share amounts	GAAP	Amortization of intangible assets	Restructuring and other charges	Acquisition-related charges	Defined Benefit plan settlement (gains) / charges	Tax adjustments	Oracle litigation proceeds	Non-operating retirement related (credits) / charges	Non-GAAP
Revenue	\$16,648								\$16,648
Cost of revenue	13,390								13,390
Total OpEx	2,023	(51)	(31)	(29)					1,912
Operating profit	1,235	51	31	29					1,346
Interest and other, net	2,317				(37)		(2,304)	(41)	(65)
Pre-tax earnings	3,552	51	31	29	(37)		(2,304)	(41)	1,281
Income tax	(461)	(9)	(6)	(5)	6	(270)	533	7	(205)
Tax rate	13.0%								16.0%
Net earnings	\$3,091	42	25	24	(31)	(270)	(1,771)	(34)	\$1,076
Diluted net earnings per share	\$2.71	\$0.04	\$0.01	\$0.02	\$(0.03)	\$(0.23)	\$(1.55)	\$(0.03)	\$0.94

# Q3 FY21 GAAP to Non-GAAP Bridge

\$ in millions, except tax rate and per share amounts	GAAP	Amortization of intangible assets	Restructuring and other charges	Acquisition-related charges	Debt extinguishment costs	Tax adjustments	Non-operating retirement related (credits) / charges	Non-GAAP
Revenue	\$15,289							\$15,289
Cost of revenue	11,905							11,905
Total OpEx	1,970	(42)	(56)	(23)				1,849
Operating profit	1,414	42	56	23				1,535
Interest and other, net	(56)				16		(38)	(78)
Pre-tax earnings	1,358	42	56	23	16		(38)	1,457
Income tax	(227)	(8)	(8)	(3)	(3)	15	1	(233)
Tax rate	16.7%							16.0%
Net earnings	\$1,131	34	48	20	13	15	(37)	\$1,224
Diluted net earnings per share	\$0.94	\$0.03	\$0.04	\$0.02	\$0.01	\$0.01	\$(0.03)	\$1.02