



# 2nd Quarter FY 2022 Earnings Presentation

November 3, 2021



# 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, 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, free cash flow, Non-GAAP cost of services, Non-GAAP SG&A expense, Non-GAAP depreciation and amortization, and Non-GAAP other income.

We believe EBIT, adjusted EBIT, adjusted EBIT margin, Non-GAAP income before income taxes, Non-GAAP net income, 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 provides 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.

One category of expenses excluded from adjusted EBIT, Non-GAAP income from continuing operations before tax, Non-GAAP net income 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, Non-GAAP income from continuing operations before tax, Non-GAAP net income 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.

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 from "organic basis" financial results, 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" 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.

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 in this presentation that do not directly and exclusively relate to historical facts constitute “forward-looking statements.” These statements represent current expectations and beliefs, and no assurance can be given that the results described in such statements will be achieved. 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. Furthermore, many of these risks and uncertainties are currently amplified by and may continue to be amplified by or may, in the future, be amplified by, the coronavirus disease 2019 (“COVID-19”) pandemic and the impact of varying private and governmental responses that affect our customers, employees, vendors and the economies and communities where they operate. For a written description of these factors, see the section titled “Risk Factors” in DXC’s Annual Report on Form 10-K for the fiscal year ended March 31, 2021, and any updating information in subsequent SEC filings, including DXC’s upcoming Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2021.

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. 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 presentation or to reflect the occurrence of unanticipated events except as required by law.

# Agenda for Today



- 1 Overview of Q2 FY22 Results
- 2 Progress on Our Transformation Journey
- 3 Q2 FY22 Financial Results and Guidance
- 4 Closing Remarks

# Continued Strong Performance in Q2 FY22

## Q2 FY22 – Key Metrics and Drivers

### Revenue

**\$4.03B**

Organic revenue (2.4%); \$59M negative Fx impact vs guidance

### Adjusted EBIT Margin\*

**8.6%**

240 bps margin expansion YoY

### Book-to-Bill

**0.91x**

Impacted by timing of new business

### Non-GAAP Diluted EPS\*

**\$0.90**

41% increase YoY

\* Please see reconciliation on slides 28 & 31

# Transformation Journey – Building the Foundation in FY22

	Inspire and Take Care of Our Colleagues	Focus on Customers	Optimize Costs	Seize the Market	Financial Foundation
Goals	<div><div></div><div></div><div></div><div></div></div> <div><div>1</div><div>Increase Employee Engagement: Continue to attract and retain talent</div></div>	<div><div></div><div></div><div></div><div></div></div> <div><div>2</div><div>Stabilize Year over Year Organic Revenue Growth</div></div>	<div><div></div><div></div><div></div><div></div></div> <div><div>3</div><div>Expand Adjusted EBIT Margin</div></div>	<div><div></div><div></div><div></div><div></div></div> <div><div>4</div><div>Book-to-Bill: BtB of over 1.0x with mix of renewals and new work</div></div>	<div><div></div><div></div><div></div><div></div></div> <div><div>5</div><div>Financial Foundation: Increase discipline, remediate the material weakness, and improve cash flow/earnings power</div></div>

# Transformation Journey



## Inspire and Take Care of Our Colleagues

### Proof points:

- Implementing a people first strategy
- September employee engagement survey showed higher participation along with improved and stable scores
- Hired & onboarded colleagues to offset attrition / service increased demand
- Key hiring advantage: implemented and are running a virtual first model
- Hiring is a major focus to capture more open demand and project work

# Transformation Journey



## Focus on Customers

### Proof points:

- Key Metric of Customer Satisfaction - Net Promoter Score
- 12-Month rolling average is now at the mid-point of the best practice range of 20 to 30. Up from 18 at our June Investor Day
- Customer strategy of delivering GIS services to build trusted relationships
- Trusted relationships create increased opportunities for GBS services



# Transformation Journey



## Optimize Costs

### Proof points:

- Operational work is driving the increased margin
  - Motivating our colleagues and hiring new talent
  - Moving to a virtual first model
  - Making service delivery more efficient and implementing better IT tools, and
  - Reducing real estate, emphasizes our commitment to a virtual first model and reduces carbon emissions
- Continued execution gives confidence to increase FY22 margin & EPS guidance

# Transformation Journey



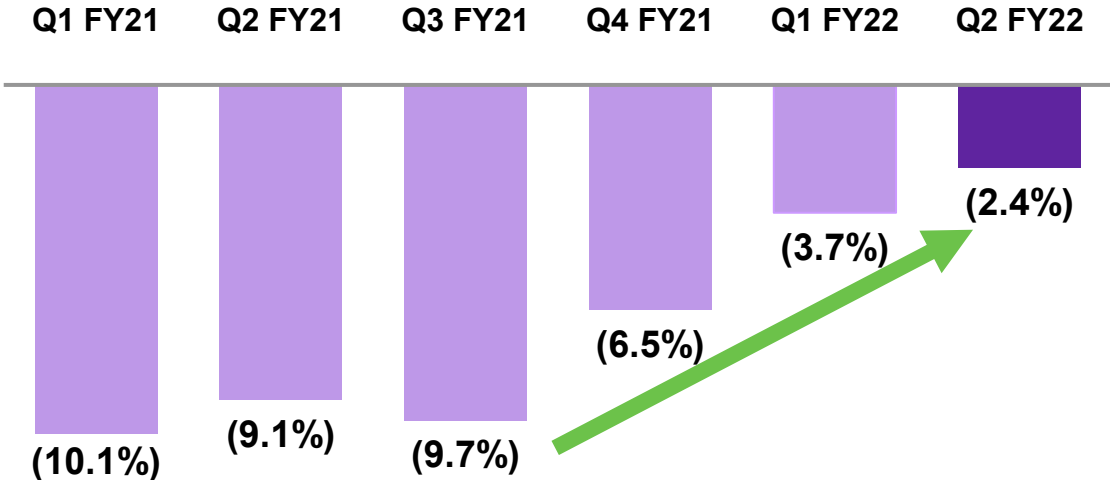
**Seize the  
Market**

## Proof points:

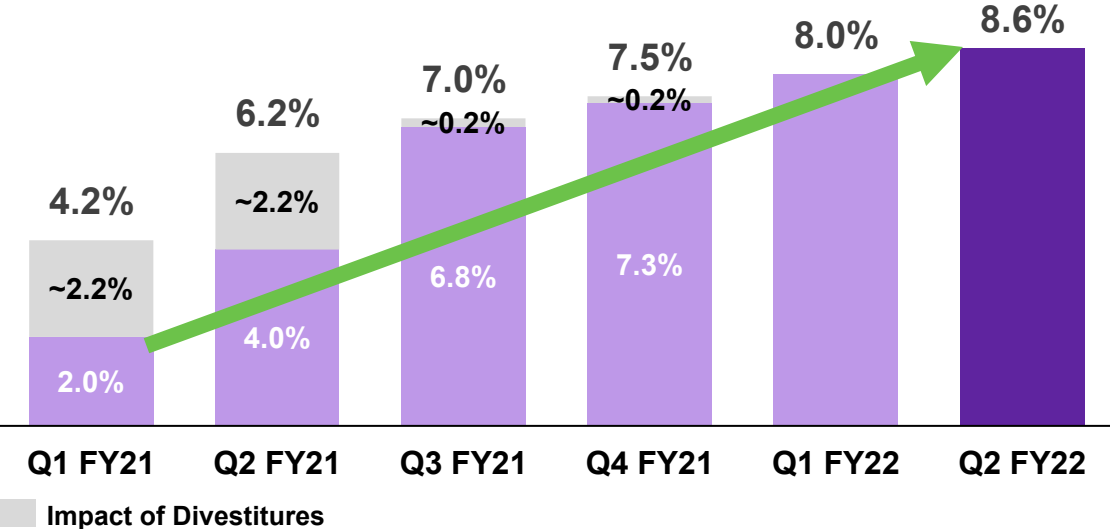
- Book-to-bill of 0.91x in Q2 and over 1.0 Year-To-Date
- 59% of Q2 FY22 bookings were new work and 41% renewals
- Expect Q3 book to bill to be over 1.0
- Platinum customer channel showing evidence of success - highlighted by Luxoft enabling growth of Analytics and Engineering
- Analytics and Engineering grew 17.3% in Q2, driving GBS business segment growth

# Transformation Journey Remains on Track

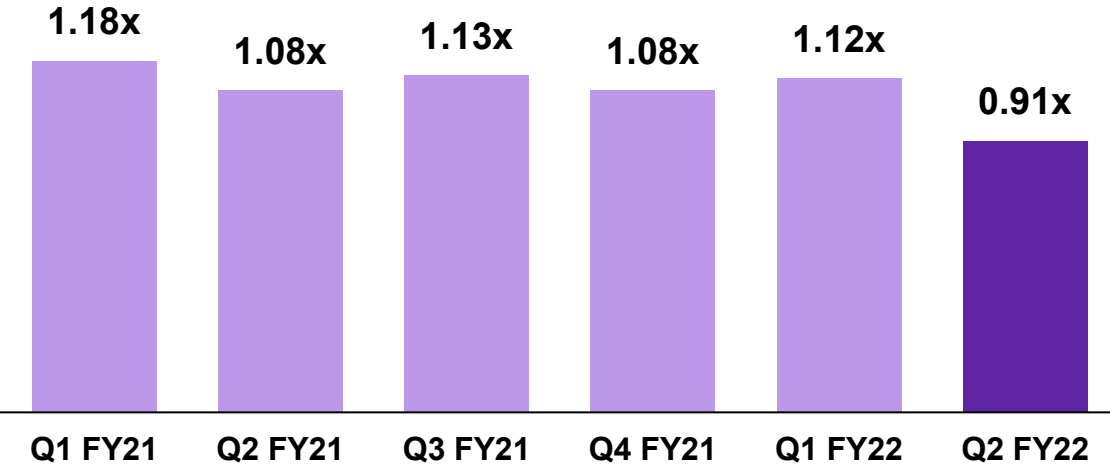
Organic Revenue Growth Trends (YoY)



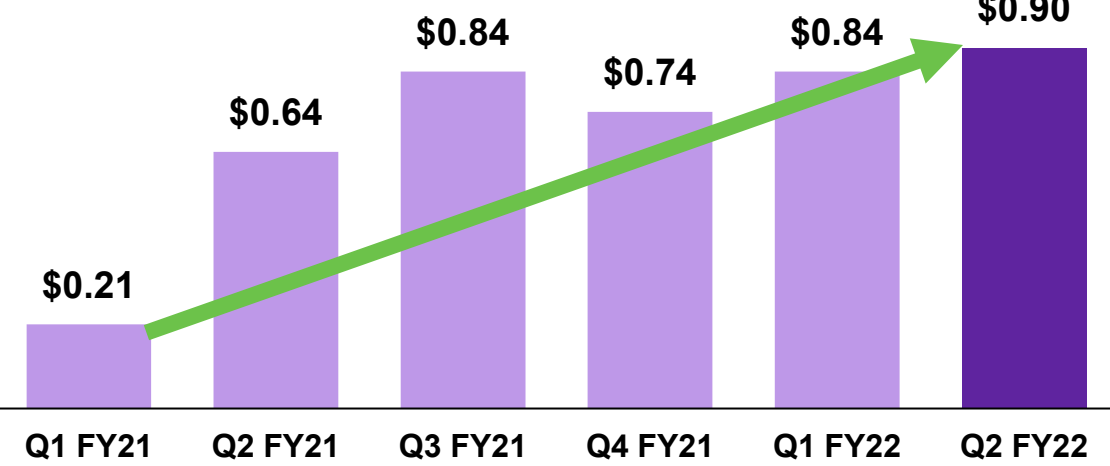
Adjusted EBIT Margin



Book-to-Bill

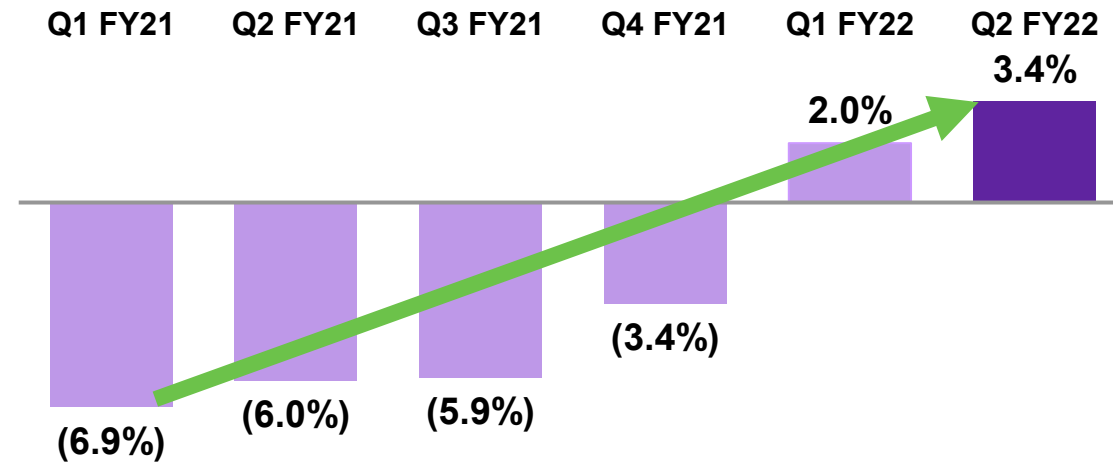


Non-GAAP Diluted EPS

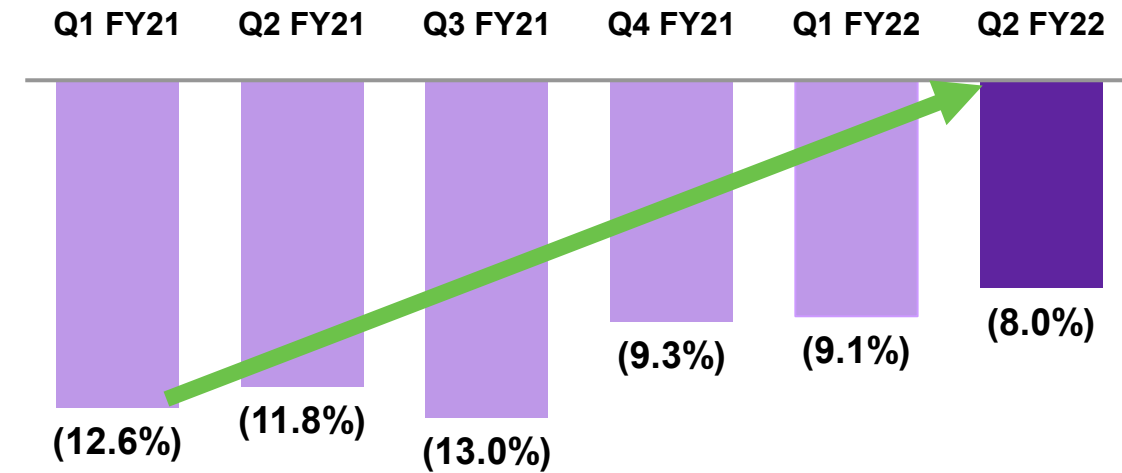


# Results by Segment

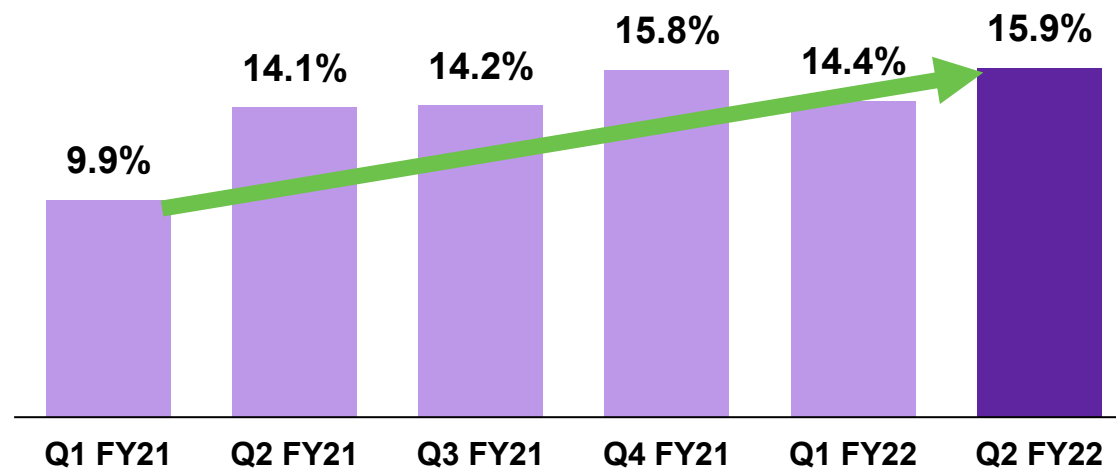
## GBS Organic Revenue Growth (YoY)



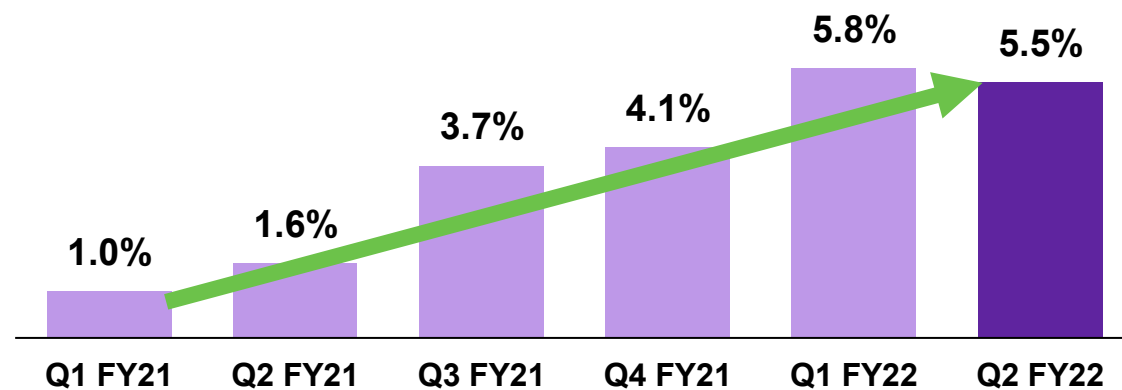
## GIS Organic Revenue Growth (YoY)



## GBS Segment Margin



## GIS Segment Margin





# Enterprise Technology Stack

		Q2 FY22			
		Revenue (\$M)	YoY Organic Growth	Book-to-Bill	FY22 YTD Book-to-Bill
GBS	Analytics and Engineering	520	17.3%	0.95x	1.13x
	Applications	1,216	1.5%	0.94x	1.13x
	Business Process Services (BPS)	118	(13.7%)	0.69x	0.91x
	<i>M&amp;A and Acquisitions</i>	19			
	<b>GBS Total</b>	<b>1,873</b>	<b>3.4%</b>	<b>0.92x</b>	<b>1.11x</b>
GIS	Cloud and Security	521	(1.5%)	0.80x	0.82x
	IT Outsourcing	1,052	(9.6%)	0.81x	0.92x
	Modern Workplace	581	(10.9%)	1.19x	1.10x
	<b>GIS Total</b>	<b>2,154</b>	<b>(8.0%)</b>	<b>0.91x</b>	<b>0.94x</b>
<b>DXC TOTAL</b>		<b>4,027</b>	<b>(2.4%)</b>	<b>0.91x</b>	<b>1.02x</b>

# Building the Financial Foundation

1

## Financial Discipline

- True earnings power
- Disciplined finance execution
- Remediate material weakness

2

## Strengthen Balance Sheet

- Maintain investment grade credit profile
- Achieved targeted debt level
- Refinance debt/reduce interest expense

3

## Cash Generation

- Improve cash flow generation
- Portfolio shaping
- Establish capital budgeting process

4

## Restructuring & TSI

- Reduce expense to ~\$550M in FY22 and ~\$100M in FY24
- Accelerate virtual facilities model

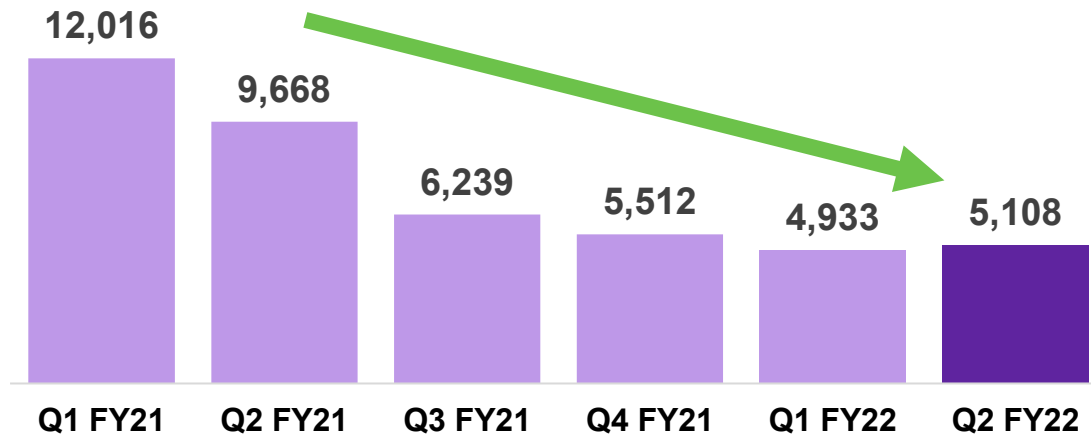
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## Capital Allocation

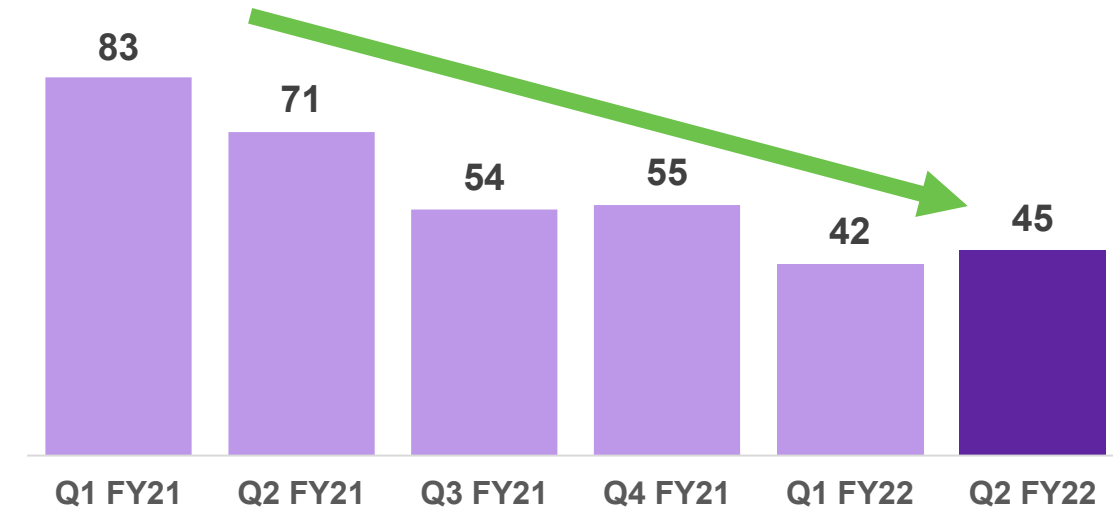
- Investing in our people and offerings
- Disciplined capital allocation program

# Evidence We Are Building Our Financial Foundation

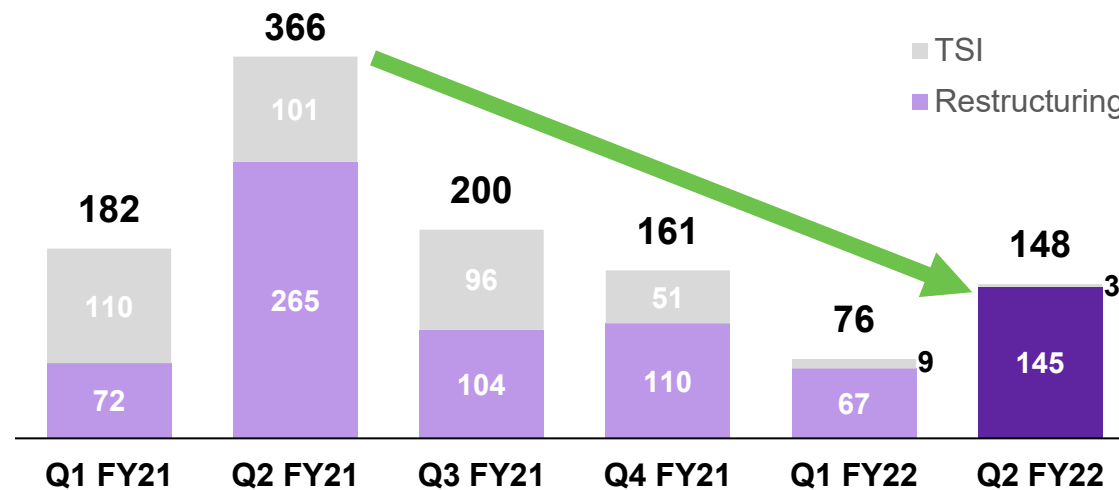
## Total Debt (\$M)



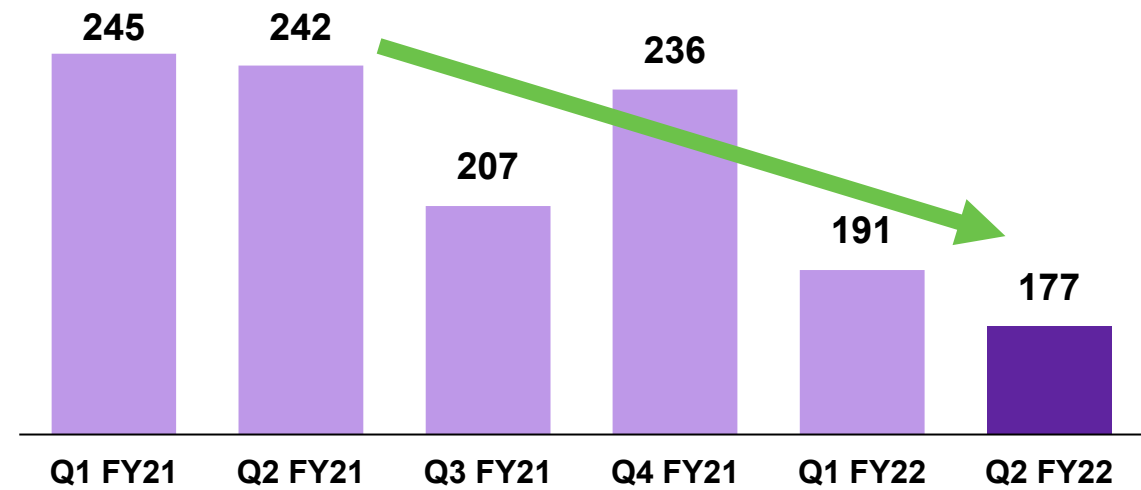
## Net Interest (\$M)



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



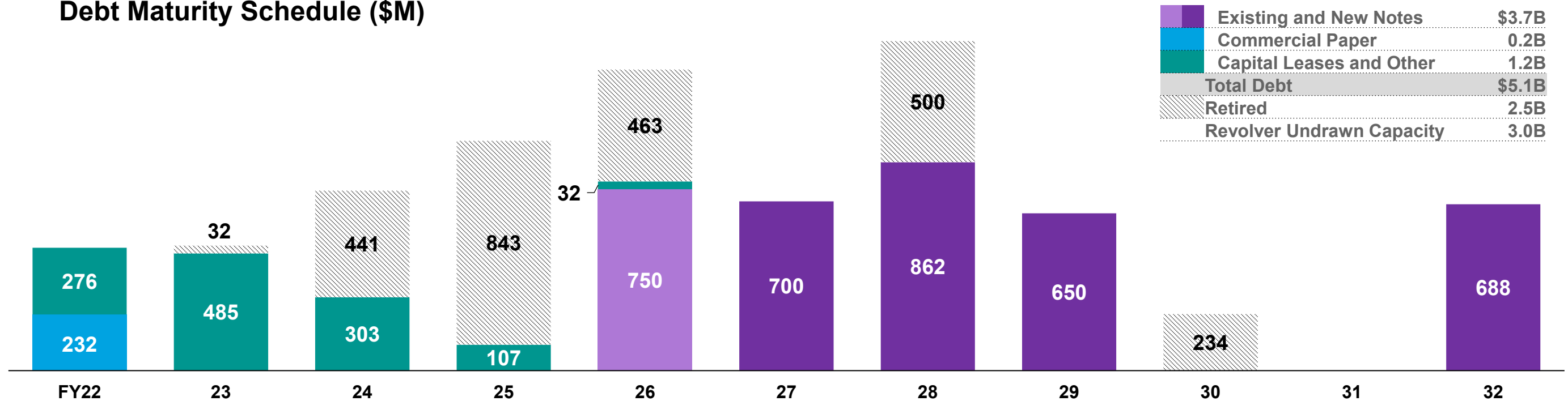
## Lease Cash Outflow (\$M)



Q1 FY22 Debt paydown of \$303M plus Lease Cash Outflow of \$191M totals \$494M

# Debt Maturities Post Refinancing

Debt Maturity Schedule (\$M)



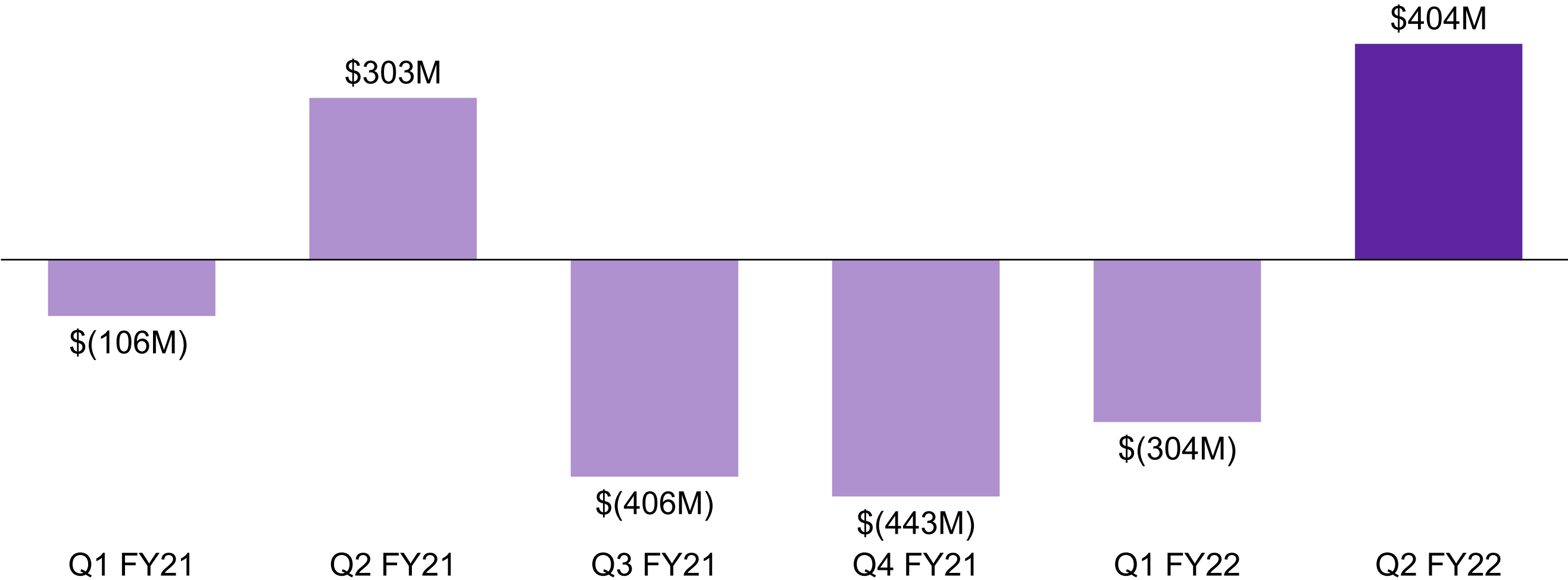
- New financing: \$2.9 billion at 1.3% rate, retired debt: \$2.5 billion at 3.8% rate w/ \$0.4 billion financing cost
- Refinancing benefits:
  - Weighted average life extended from 2.8 years to 4.7 years with no notes maturing until FY26
  - Largest maturity tower reduced from \$1.2 billion to \$0.9 billion
  - Reduced effective interest rate to 1.8%, lowering interest expense \$50 million annually
  - Improved Fx exposure alignment closer to business performance
- Revolver refinanced with right sized available capacity, based on strength of our balance sheet



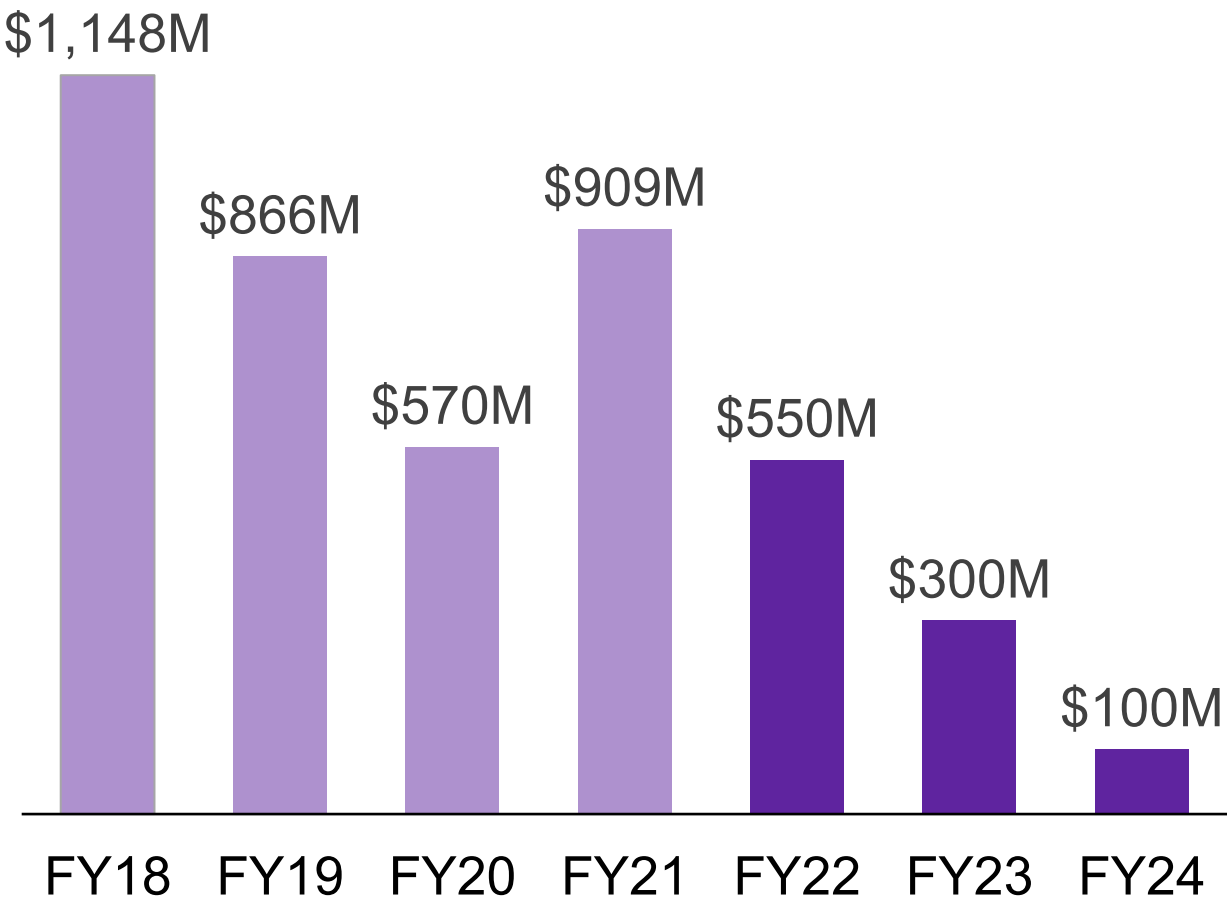
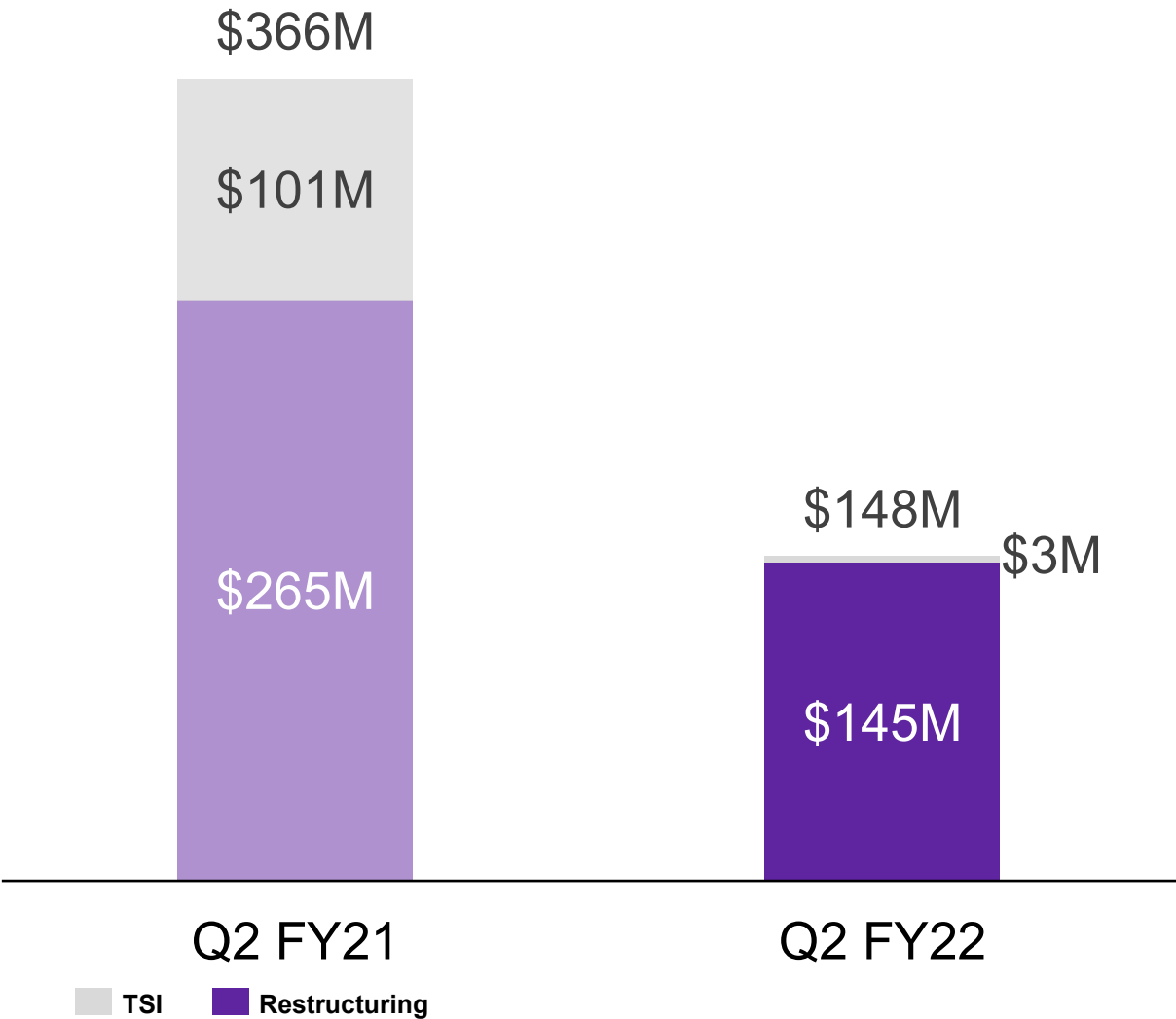
# Q2 Cash Generation

(in millions)	Q2 FY22	Q2 FY21
<b>Cash from operations</b>	<b>\$ 563</b>	<b>\$ 472</b>
Less capital expenditures		
Purchase of property and equipment	(67)	(61)
Payments for transition and transformation contract costs	(52)	(54)
Software purchased and developed	(40)	(54)
<b>Total capital expenditures</b>	<b>(159)</b>	<b>(169)</b>
<b>Free cash flow</b>	<b>404</b>	<b>303</b>
Payments on finance leases and borrowings for asset financing	(177)	(242)
Borrowings less repayments	400	0
Repurchase of stock	(102)	0
Debt extinguishment costs	(281)	0
Other	(5)	0
<b>Change in cash</b>	<b>\$ 239</b>	<b>\$ 61</b>

# Trended Free Cash Flow



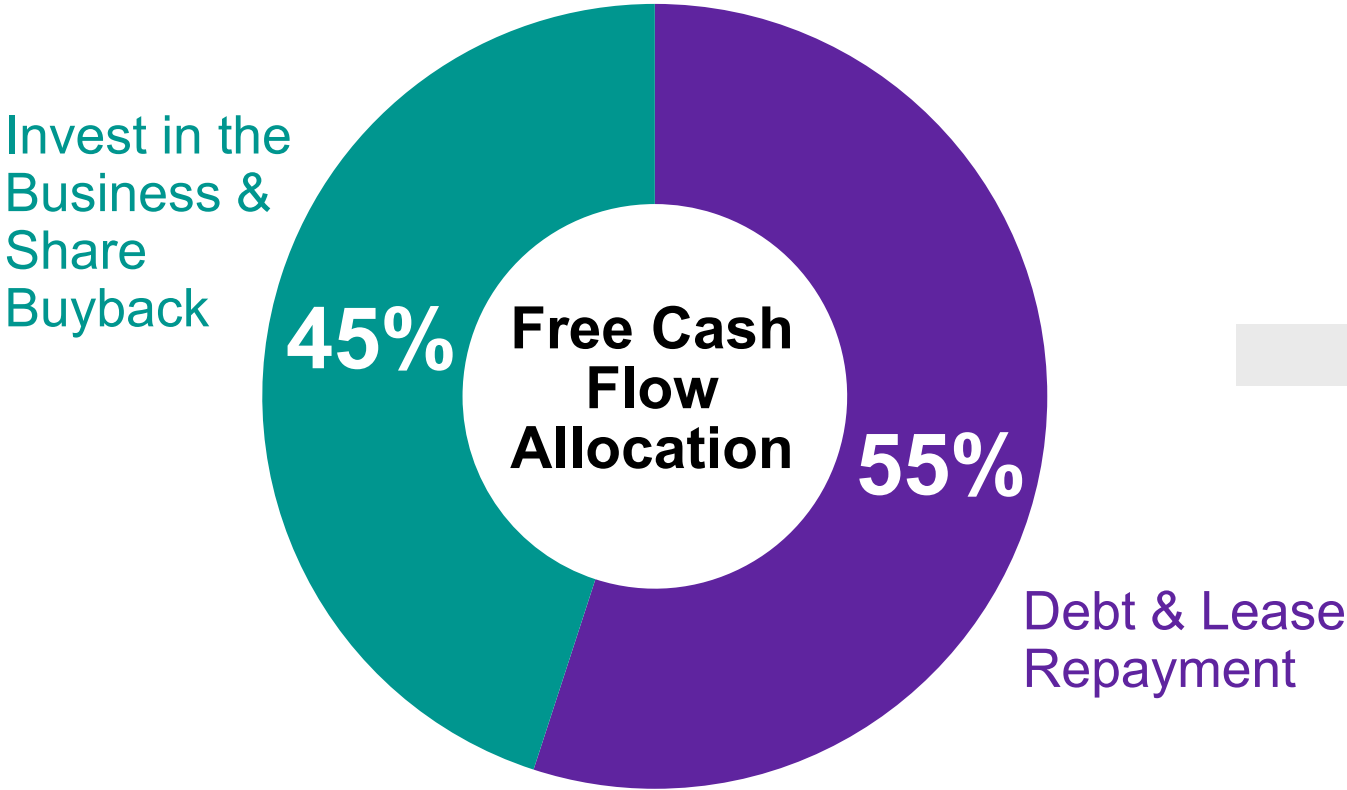
# Lowering Restructuring & TSI



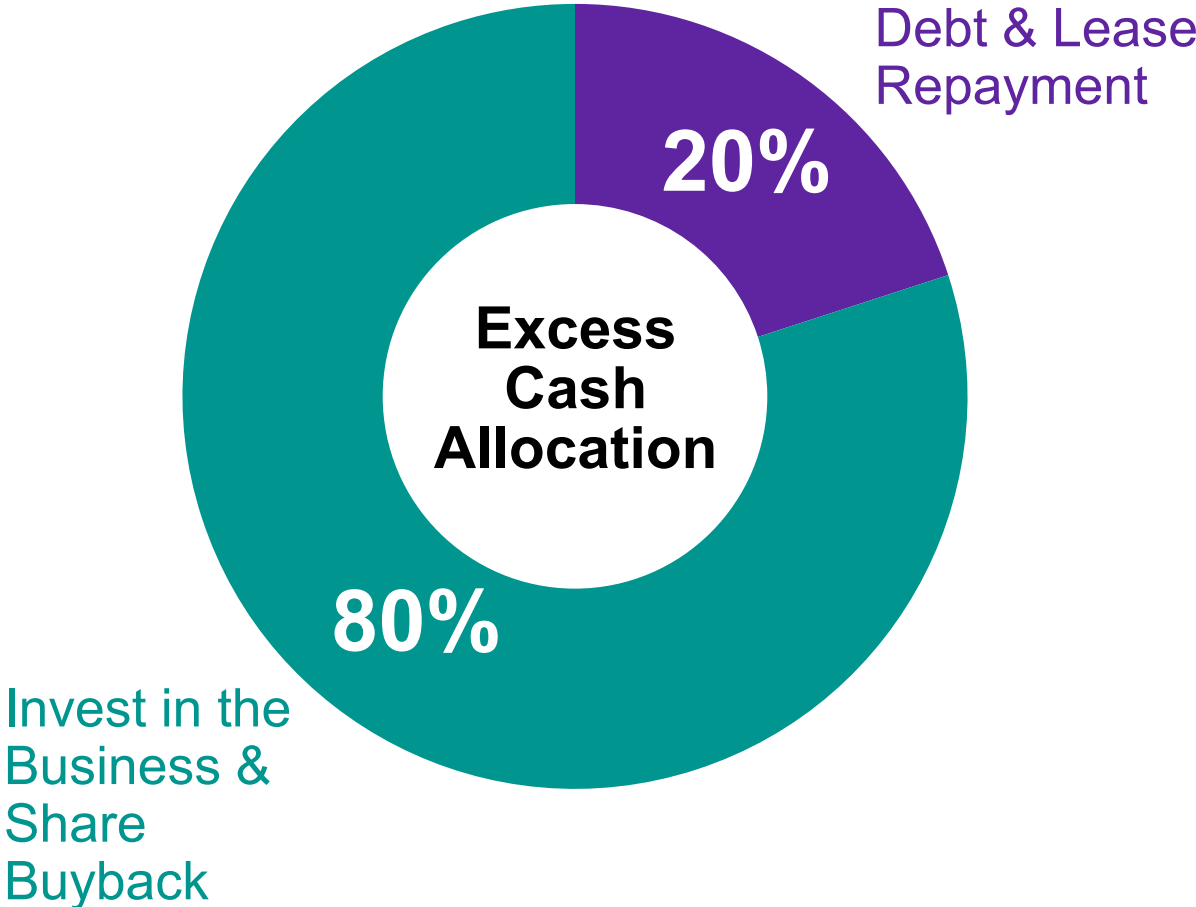
Lower Restructuring and TSI Expense To Improve FCF

# Positively Evolving Capital Allocation Priorities

Prior



Updated





# Q3 FY22 Outlook

Revenue	YoY Organic Revenue Growth	Adjusted EBIT Margin	Non-GAAP Diluted EPS
\$4.08B – \$4.13B	(1.0%) – (2.5%)	8.6% – 8.9%	\$0.88 – \$0.93

## Q3 FY22 Financial Targets

# FY22 Outlook

Revenue	YoY Organic Revenue Growth	Adjusted EBIT Margin	Non-GAAP Diluted EPS	FCF
\$16.4B – \$16.6B	(1%) – (2%)	8.5% – 8.9%	\$3.52 – \$3.72	\$500M

**Increasing Adj. EBIT Margin & Non-GAAP Diluted EPS Ranges; Lowering Revenue Due to Fx**

Note: Fx rates for prior revenue guidance of \$16.6B-\$16.8B: Euro \$1.20, Sterling \$1.40 and AUD \$0.76. Fx rates for updated revenue guidance: Euro \$1.16, Sterling \$1.36 and AUD \$0.74. Change in rates reduced FY22 revenue by ~\$200 million vs. prior guidance.

# FY24 – Long Term Outlook

YoY Organic Revenue Growth	Adjusted EBIT Margin	Non-GAAP Diluted EPS	FCF
1% – 3%	10% – 11%	\$5.00 – \$5.25	~\$1.5B

**FY24 Financial Targets Reaffirmed**

# Building the Strong Foundation in FY22

1

## DELIVERING OPERATIONAL EFFICIENCY

Employees motivated, Virtual First Model, Efficient Service Delivery, Implementing New IT Tools

2

## FINANCIAL FOUNDATION

Reducing Debt, Lowering Restructuring and TSI, Increased Margins and EPS, Strong FCF

3

## EXPANDING MARGINS

Raising FY22 Margin and EPS, Confidence in FY24 Double Digit Margins

4

## IMPROVING ORGANIC REVENUE

Delivering GIS Builds Trusted Relationships & Creates Opportunities For GBS



# Supplemental Information



Q2 FY22 Quarterly Result Details

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Non-GAAP Reconciliations

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Definitions

# Organic Revenue Growth

GBS (\$M)	Q1 FY21	Q2 FY21	Q3 FY21	Q4 FY21	Total FY21	Q1 FY22	Q2 FY22
<b>GBS Revenue</b>	<b>2,174</b>	<b>2,242</b>	<b>1,921</b>	<b>1,999</b>	<b>8,336</b>	<b>1,887</b>	<b>1,873</b>
YoY GBS revenue growth	0.7%	(1.9%)	(18.6%)	(13.4%)	(8.5%)	(13.2%)	(16.5%)
Foreign currency	1.8%	(1.5%)	(2.2%)	(4.2%)	(1.6%)	(4.7%)	(0.9%)
Acquisitions and divestitures	(9.4%)	(2.6%)	14.9%	14.2%	4.5%	19.9%	20.8%
<b>YoY GBS Organic revenue growth</b>	<b>(6.9%)</b>	<b>(6.0%)</b>	<b>(5.9%)</b>	<b>(3.4%)</b>	<b>(5.6%)</b>	<b>2.0%</b>	<b>3.4%</b>
GBS Bookings (\$B)	3.5	2.4	2.7	2.4	11.0	2.4	1.7
GBS Book-to-Bill	1.62x	1.09x	1.35x	1.20x	1.32x	1.29x	0.92x
GIS (\$M)	Q1 FY21	Q2 FY21	Q3 FY21	Q4 FY21	Total FY21	Q1 FY22	Q2 FY22
<b>GIS Revenue</b>	<b>2,328</b>	<b>2,312</b>	<b>2,367</b>	<b>2,386</b>	<b>9,393</b>	<b>2,254</b>	<b>2,154</b>
YoY GIS revenue growth	(14.8%)	(9.9%)	(11.1%)	(4.8%)	(10.3%)	(3.2%)	(6.8%)
Foreign currency	2.4%	(1.7%)	(2.4%)	(5.0%)	(1.6%)	(6.6%)	(1.9%)
Acquisitions and divestitures	(0.2%)	(0.2%)	0.5%	0.5%	0.1%	0.7%	0.7%
<b>YoY GIS Organic revenue growth</b>	<b>(12.6%)</b>	<b>(11.8%)</b>	<b>(13.0%)</b>	<b>(9.3%)</b>	<b>(11.8%)</b>	<b>(9.1%)</b>	<b>(8.0%)</b>
GIS Bookings (\$B)	1.8	2.5	2.2	2.3	8.8	2.2	2.0
GIS Book-to-Bill	0.77x	1.07x	0.95x	0.98x	0.94x	0.97x	0.91x
Total (\$M)	Q1 FY21	Q2 FY21	Q3 FY21	Q4 FY21	Total FY21	Q1 FY22	Q2 FY22
<b>GAAP Revenue</b>	<b>4,502</b>	<b>4,554</b>	<b>4,288</b>	<b>4,385</b>	<b>17,729</b>	<b>4,141</b>	<b>4,027</b>
Total revenue growth	(7.9%)	(6.1%)	(14.6%)	(8.9%)	(9.4%)	(8.0%)	(11.6%)
Foreign currency	2.1%	(1.6%)	(2.3%)	(4.6%)	(1.6%)	(5.7%)	(1.4%)
Acquisitions and divestitures	(4.3%)	(1.4%)	7.2%	7.0%	2.2%	10.0%	10.6%
<b>YoY Organic revenue growth</b>	<b>(10.1%)</b>	<b>(9.1%)</b>	<b>(9.7%)</b>	<b>(6.5%)</b>	<b>(8.8%)</b>	<b>(3.7%)</b>	<b>(2.4%)</b>
Bookings (\$B)	5.3	4.9	4.9	4.7	19.8	4.6	3.7
Book-to-Bill	1.18x	1.08x	1.13x	1.08x	1.12x	1.12x	0.91x

# Reconciliation of Segment Profit to Pretax Income

GBS (\$M)	Q1 FY20	Q2 FY20	Q3 FY20	Q4 FY20	Total FY20	Q1 FY21	Q2 FY21	Q3 FY21	Q4 FY21	Total FY21	Q1 FY22	Q2 FY22
Segment revenue	2,159	2,285	2,359	2,308	9,111	2,174	2,242	1,921	1,999	8,336	1,887	1,873
<b>Segment profit</b>	<b>366</b>	<b>359</b>	<b>353</b>	<b>223</b>	<b>1,301</b>	<b>215</b>	<b>317</b>	<b>273</b>	<b>315</b>	<b>1,120</b>	<b>272</b>	<b>298</b>
<i>GBS profit %</i>	<i>17.0%</i>	<i>15.7%</i>	<i>15.0%</i>	<i>9.7%</i>	<i>14.3%</i>	<i>9.9%</i>	<i>14.1%</i>	<i>14.2%</i>	<i>15.8%</i>	<i>13.4%</i>	<i>14.4%</i>	<i>15.9%</i>

GIS (\$M)	Q1 FY20	Q2 FY20	Q3 FY20	Q4 FY20	Total FY20	Q1 FY21	Q2 FY21	Q3 FY21	Q4 FY21	Total FY21	Q1 FY22	Q2 FY22
Segment revenue	2,731	2,566	2,662	2,507	10,466	2,328	2,312	2,367	2,386	9,393	2,254	2,154
<b>Segment profit</b>	<b>340</b>	<b>243</b>	<b>232</b>	<b>192</b>	<b>1,007</b>	<b>23</b>	<b>36</b>	<b>88</b>	<b>98</b>	<b>245</b>	<b>131</b>	<b>118</b>
<i>GIS profit %</i>	<i>12.4%</i>	<i>9.5%</i>	<i>8.7%</i>	<i>7.7%</i>	<i>9.6%</i>	<i>1.0%</i>	<i>1.6%</i>	<i>3.7%</i>	<i>4.1%</i>	<i>2.6%</i>	<i>5.8%</i>	<i>5.5%</i>

Total (\$M)	Q1 FY20	Q2 FY20	Q3 FY20	Q4 FY20	Total FY20	Q1 FY21	Q2 FY21	Q3 FY21	Q4 FY21	Total FY21	Q1 FY22	Q2 FY22
Total revenue for reportable segments	4,890	4,851	5,021	4,815	19,577	4,502	4,554	4,288	4,385	17,729	4,141	4,027
<b>Total profit for reportable segments</b>	<b>706</b>	<b>602</b>	<b>585</b>	<b>415</b>	<b>2,308</b>	<b>238</b>	<b>353</b>	<b>361</b>	<b>413</b>	<b>1,365</b>	<b>403</b>	<b>416</b>
<i>Total segment profit margin</i>	<i>14.4%</i>	<i>12.4%</i>	<i>11.7%</i>	<i>8.6%</i>	<i>11.8%</i>	<i>5.3%</i>	<i>7.8%</i>	<i>8.4%</i>	<i>9.4%</i>	<i>7.7%</i>	<i>9.7%</i>	<i>10.3%</i>

All other	(54)	(73)	(57)	(63)	(247)	(48)	(70)	(61)	(84)	(263)	(71)	(70)
Restructuring costs	(142)	(32)	(74)	(4)	(252)	(72)	(265)	(104)	(110)	(551)	(67)	(145)
TSI	(105)	(53)	(68)	(92)	(318)	(110)	(101)	(96)	(51)	(358)	(9)	(3)
Amortization of intangible assets	(138)	(151)	(146)	(148)	(583)	(148)	(152)	(114)	(116)	(530)	(109)	(110)
Gains and losses on dispositions	-	-	-	-	-	-	-	2,046	(42)	2,004	347	-
Pension, actuarial & settlement losses	-	-	-	244	244	(2)	-	-	(517)	(519)	-	-
Impairment losses	-	(2,887)	(53)	(3,854)	(6,794)	-	-	-	(190)	(190)	-	(10)
Gain on arbitration award	-	632	-	-	632	-	-	-	-	-	-	-
Debt extinguishment costs	-	-	-	-	-	-	-	-	(41)	(41)	(28)	(281)
<b>EBIT<sup>(1)</sup></b>	<b>267</b>	<b>(1,962)</b>	<b>187</b>	<b>(3,502)</b>	<b>(5,010)</b>	<b>(142)</b>	<b>(235)</b>	<b>2,032</b>	<b>(738)</b>	<b>917</b>	<b>466</b>	<b>(203)</b>
Net interest	(61)	(37)	(60)	(60)	(218)	(83)	(71)	(54)	(55)	(263)	(42)	(45)

<b>Income before taxes</b>	<b>206</b>	<b>(1,999)</b>	<b>127</b>	<b>(3,562)</b>	<b>(5,228)</b>	<b>(225)</b>	<b>(306)</b>	<b>1,978</b>	<b>(793)</b>	<b>654</b>	<b>424</b>	<b>(248)</b>
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<sup>(1)</sup> Defined at end of presentation

# Adjusted EBIT and Adjusted EBITDA Reconciliation

EBIT to Adjusted EBIT (\$M)	Q1 FY20	Q2 FY20	Q3 FY20	Q4 FY20	Total FY20	Q1 FY21	Q2 FY21	Q3 FY21	Q4 FY21	Total FY21	Q1 FY22	Q2 FY22	T4Q	PT4Q
Net income (loss)	168	(2,115)	90	(3,501)	(5,358)	(199)	(246)	1,103	(804)	(146)	282	(187)	394	(3,856)
Income tax expense (benefit)	38	116	37	(61)	130	(26)	(60)	875	11	800	142	(61)	967	(110)
Interest income	(30)	(67)	(33)	(35)	(165)	(23)	(25)	(28)	(22)	(98)	(20)	(16)	(86)	(116)
Interest expense	91	104	93	95	383	106	96	82	77	361	62	61	282	390
<b>EBIT <sup>(1)</sup></b>	<b>267</b>	<b>(1,962)</b>	<b>187</b>	<b>(3,502)</b>	<b>(5,010)</b>	<b>(142)</b>	<b>(235)</b>	<b>2,032</b>	<b>(738)</b>	<b>917</b>	<b>466</b>	<b>(203)</b>	<b>1,557</b>	<b>(3,692)</b>
Restructuring costs	142	32	74	4	252	72	265	104	110	551	67	145	426	415
Transaction, separation & integration-related costs	105	53	68	92	318	110	101	96	51	358	9	3	159	371
Amortization of acquired intangible assets	138	151	146	148	583	148	152	114	116	530	109	110	449	594
Impairment losses	-	2,887	53	3,854	6,794	-	-	-	190	190	-	10	200	3,907
Gain on arbitration award	-	(632)	-	-	(632)	-	-	-	-	-	-	-	-	-
Gains and losses on disposition of businesses	-	-	-	-	-	-	-	(2,046)	42	(2,004)	(347)	-	(2,351)	-
Pension & OPEB actuarial & settlement losses	-	-	-	(244)	(244)	2	-	-	517	519	-	-	517	(242)
Debt extinguishment costs	-	-	-	-	-	-	-	-	41	41	28	281	350	-
<b>Adjusted EBIT <sup>(1)</sup></b>	<b>652</b>	<b>529</b>	<b>528</b>	<b>352</b>	<b>2,061</b>	<b>190</b>	<b>283</b>	<b>300</b>	<b>329</b>	<b>1,102</b>	<b>332</b>	<b>346</b>	<b>1,306</b>	<b>1,353</b>
Depreciation and amortization	470	467	479	526	1,942	492	525	475	478	1,970	422	448	1,823	2,022
Less: Amortization of acquired intangible assets	(138)	(151)	(146)	(148)	(583)	(148)	(152)	(114)	(116)	(530)	(109)	(110)	(449)	(594)
<b>Adjusted EBITDA <sup>(1)</sup></b>	<b>984</b>	<b>845</b>	<b>861</b>	<b>730</b>	<b>3,420</b>	<b>534</b>	<b>656</b>	<b>661</b>	<b>691</b>	<b>2,542</b>	<b>645</b>	<b>684</b>	<b>2,681</b>	<b>2,781</b>
<b>EBIT margin <sup>(1)</sup></b>	<b>5.5%</b>	<b>(40.4%)</b>	<b>3.7%</b>	<b>(72.7%)</b>	<b>(25.6%)</b>	<b>(3.2%)</b>	<b>(5.2%)</b>	<b>47.4%</b>	<b>(16.8%)</b>	<b>5.2%</b>	<b>11.3%</b>	<b>(5.0%)</b>	<b>9.3%</b>	<b>(19.2%)</b>
<b>Adjusted EBIT margin <sup>(1)</sup></b>	<b>13.3%</b>	<b>10.9%</b>	<b>10.5%</b>	<b>7.3%</b>	<b>10.5%</b>	<b>4.2%</b>	<b>6.2%</b>	<b>7.0%</b>	<b>7.5%</b>	<b>6.2%</b>	<b>8.0%</b>	<b>8.6%</b>	<b>7.8%</b>	<b>7.1%</b>

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

# Non-GAAP Reconciliation – Income Statement Measures

COS, SG&A, D&A (\$M)	Q1 FY20	Q2 FY20	Q3 FY20	Q4 FY20	Total FY20	Q1 FY21	Q2 FY21	Q3 FY21	Q4 FY21	Total FY21	Q1 FY22	Q2 FY22
<b>Cost of services</b>	<b>3,622</b>	<b>3,679</b>	<b>3,827</b>	<b>3,773</b>	<b>14,901</b>	<b>3,629</b>	<b>3,563</b>	<b>3,333</b>	<b>3,561</b>	<b>14,086</b>	<b>3,255</b>	<b>3,088</b>
Less: Impairment losses	-	-	-	-	-	-	-	-	(190)	(190)	-	-
Less: TSI	-	-	-	-	-	-	-	-	(2)	(2)	-	-
<b>Non-GAAP COS</b>	<b>3,622</b>	<b>3,679</b>	<b>3,827</b>	<b>3,773</b>	<b>14,901</b>	<b>3,629</b>	<b>3,563</b>	<b>3,333</b>	<b>3,369</b>	<b>13,894</b>	<b>3,255</b>	<b>3,088</b>
<i>As a % of revenue</i>	<i>74.1%</i>	<i>75.8%</i>	<i>76.2%</i>	<i>78.4%</i>	<i>76.1%</i>	<i>80.6%</i>	<i>78.2%</i>	<i>77.7%</i>	<i>76.8%</i>	<i>78.4%</i>	<i>78.6%</i>	<i>76.7%</i>
<b>SG&amp;A expense</b>	<b>507</b>	<b>489</b>	<b>518</b>	<b>536</b>	<b>2,050</b>	<b>539</b>	<b>539</b>	<b>517</b>	<b>471</b>	<b>2,066</b>	<b>383</b>	<b>370</b>
Less: Impairment losses	-	-	-	-	-	-	-	-	-	-	-	(10)
Less: TSI	(105)	(53)	(68)	(92)	(318)	(110)	(108)	(96)	(49)	(363)	(9)	(3)
<b>Non-GAAP SG&amp;A expense</b>	<b>402</b>	<b>436</b>	<b>450</b>	<b>444</b>	<b>1,732</b>	<b>429</b>	<b>431</b>	<b>421</b>	<b>422</b>	<b>1,703</b>	<b>374</b>	<b>357</b>
<i>As a % of revenue</i>	<i>8.2%</i>	<i>9.0%</i>	<i>9.0%</i>	<i>9.2%</i>	<i>8.8%</i>	<i>9.5%</i>	<i>9.5%</i>	<i>9.8%</i>	<i>9.6%</i>	<i>9.6%</i>	<i>9.0%</i>	<i>8.9%</i>
Depreciation	167	169	136	171	643	178	200	185	192	754	158	165
Amortization	303	298	343	355	1,299	314	325	290	287	1,216	264	283
<b>Total Depreciation &amp; Amortization</b>	<b>470</b>	<b>467</b>	<b>479</b>	<b>526</b>	<b>1,942</b>	<b>492</b>	<b>525</b>	<b>475</b>	<b>478</b>	<b>1,970</b>	<b>422</b>	<b>448</b>
Less: Amortization of acquired intangible assets	(138)	(151)	(146)	(148)	(583)	(148)	(152)	(114)	(116)	(530)	(109)	(110)
<b>Non-GAAP Depreciation &amp; Amortization</b>	<b>332</b>	<b>316</b>	<b>333</b>	<b>378</b>	<b>1,359</b>	<b>344</b>	<b>373</b>	<b>361</b>	<b>362</b>	<b>1,440</b>	<b>313</b>	<b>338</b>
<b>Other Income, net</b>	<b>(118)</b>	<b>(109)</b>	<b>(117)</b>	<b>(376)</b>	<b>(720)</b>	<b>(88)</b>	<b>(103)</b>	<b>(127)</b>	<b>420</b>	<b>102</b>	<b>(103)</b>	<b>(102)</b>
Less: Gains and losses on disposition of businesses	-	-	-	-	-	-	-	-	-	-	(30)	-
Less: TSI	-	-	-	-	-	-	8	-	-	8	-	-
Less: Pension & OPEB actuary & settlement losses	-	-	-	244	244	(2)	-	-	(517)	(519)	-	-
<b>Non-GAAP Other Income</b>	<b>(118)</b>	<b>(109)</b>	<b>(117)</b>	<b>(132)</b>	<b>(476)</b>	<b>(90)</b>	<b>(95)</b>	<b>(127)</b>	<b>(97)</b>	<b>(409)</b>	<b>(133)</b>	<b>(102)</b>

# Non-GAAP Reconciliation – Income Statement Measures

EBIT to EPS (in \$M, except EPS)	Q1 FY20	Q2 FY20	Q3 FY20	Q4 FY20	Total FY20	Q1 FY21	Q2 FY21	Q3 FY21	Q4 FY21	Total FY21	Q1 FY22	Q2 FY22
Interest expense	91	104	93	95	383	106	96	82	77	361	62	61
Interest income	(30)	(67)	(33)	(35)	(165)	(23)	(25)	(28)	(22)	(98)	(20)	(16)
Net interest	61	37	60	60	218	83	71	54	55	263	42	45
Income tax expense	38	116	37	(61)	130	(26)	(60)	875	11	800	142	(61)
As % of pre-tax income	18.4%	-5.8%	29.1%	1.7%	-2.5%	11.6%	19.6%	44.2%	-1.4%	122.3%	33.5%	24.6%
Tax impact of restructuring	28	4	10	2	44	12	52	11	17	92	10	34
Tax impact of TSI	22	5	16	20	63	28	26	16	17	87	4	1
Tax impact of amortization	31	34	34	34	133	34	35	26	26	121	24	26
Tax impact of gain on dispositions	-	-	-	-	-	-	-	(903)	(17)	(920)	(91)	-
Tax impact of impairment losses	-	-	53	42	95	-	-	-	49	49	-	-
Tax impact of other	-	(29)	(10)	(45)	(84)	-	(2)	-	(15)	(17)	(21)	68
Non-GAAP income tax expense	119	130	140	(8)	381	48	51	25	88	212	68	68
As % of Non-GAAP pre-tax income	20.1%	26.4%	29.9%	-2.7%	20.7%	44.9%	24.1%	10.2%	32.1%	25.3%	23.4%	22.6%
<b>Net Income (Loss)</b>	<b>168</b>	<b>(2,115)</b>	<b>90</b>	<b>(3,501)</b>	<b>(5,358)</b>	<b>(199)</b>	<b>(246)</b>	<b>1,103</b>	<b>(804)</b>	<b>(146)</b>	<b>282</b>	<b>(187)</b>
Less: Net income attributed to NCI	5	4	8	(6)	11	6	(2)	5	(6)	3	4	1
<b>Net Income (Loss) attributable to DXC</b>	<b>163</b>	<b>(2,119)</b>	<b>82</b>	<b>(3,495)</b>	<b>(5,369)</b>	<b>(205)</b>	<b>(244)</b>	<b>1,098</b>	<b>(798)</b>	<b>(149)</b>	<b>278</b>	<b>(188)</b>
<b>GAAP EPS (basic)</b>	<b>\$ 0.61</b>	<b>\$ (8.19)</b>	<b>\$ 0.32</b>	<b>\$ (13.79)</b>	<b>\$ (20.76)</b>	<b>\$ (0.81)</b>	<b>\$ (0.96)</b>	<b>\$ 4.32</b>	<b>\$ (3.14)</b>	<b>\$ (0.59)</b>	<b>\$ 1.09</b>	<b>\$ (0.74)</b>
<b>GAAP EPS (diluted)</b>	<b>\$ 0.61</b>	<b>\$ (8.19)</b>	<b>\$ 0.32</b>	<b>\$ (13.79)</b>	<b>\$ (20.76)</b>	<b>\$ (0.81)</b>	<b>\$ (0.96)</b>	<b>\$ 4.29</b>	<b>\$ (3.14)</b>	<b>\$ (0.59)</b>	<b>\$ 1.07</b>	<b>\$ (0.74)</b>
Shares outstanding (basic)	267.0	258.7	255.1	253.5	258.6	253.6	254.1	254.3	254.5	254.1	254.7	252.4
Shares outstanding (diluted)	269.0	258.7	256.1	253.5	258.6	254.4	254.1	255.8	258.4	256.9	260.3	252.4

# Non-GAAP Reconciliation – EPS

Non-GAAP EPS (in \$M, except EPS)	Q1 FY20	Q2 FY20	Q3 FY20	Q4 FY20	Total FY20	Q1 FY21	Q2 FY21	Q3 FY21	Q4 FY21	Total FY21	Q1 FY22	Q2 FY22
<b>Net income (loss) attributable to DXC</b>	<b>163</b>	<b>(2,119)</b>	<b>82</b>	<b>(3,495)</b>	<b>(5,369)</b>	<b>(205)</b>	<b>(244)</b>	<b>1,098</b>	<b>(798)</b>	<b>(149)</b>	<b>278</b>	<b>(188)</b>
Restructuring costs	114	28	64	2	208	60	213	93	93	459	57	111
TSI	83	48	52	72	255	82	75	80	34	271	5	2
Amortization of acquired intangible assets	107	117	112	114	450	114	117	88	90	409	85	84
Impairment losses	-	2,887	-	3,812	6,699	-	-	-	141	141	-	8
Gains and losses on disposition of businesses	-	-	-	-	-	-	-	(1,143)	59	(1,084)	(256)	-
Gain on arbitration award	-	(632)	-	-	(632)	-	-	-	-	-	-	-
Debt extinguishment costs	-	-	-	-	-	-	-	-	31	31	21	215
Pension & OPEB actuarial & settlement gains and losses	-	-	-	(193)	(193)	2	-	-	402	404	-	-
Tax adjustment	-	29	10	(6)	33	-	2	-	140	142	28	-
<b>Non-GAAP Net Income attributable to DXC</b>	<b>467</b>	<b>358</b>	<b>320</b>	<b>306</b>	<b>1,451</b>	<b>53</b>	<b>163</b>	<b>216</b>	<b>192</b>	<b>624</b>	<b>218</b>	<b>232</b>
<b>Non-GAAP EPS (basic)</b>	<b>\$ 1.75</b>	<b>\$ 1.38</b>	<b>\$ 1.25</b>	<b>\$ 1.21</b>	<b>\$ 5.61</b>	<b>\$ 0.21</b>	<b>\$ 0.64</b>	<b>\$ 0.85</b>	<b>\$ 0.75</b>	<b>\$ 2.46</b>	<b>\$ 0.86</b>	<b>\$ 0.92</b>
<b>Non-GAAP EPS (diluted)</b>	<b>\$ 1.74</b>	<b>\$ 1.38</b>	<b>\$ 1.25</b>	<b>\$ 1.20</b>	<b>\$ 5.58</b>	<b>\$ 0.21</b>	<b>\$ 0.64</b>	<b>\$ 0.84</b>	<b>\$ 0.74</b>	<b>\$ 2.43</b>	<b>\$ 0.84</b>	<b>\$ 0.90</b>
Shares outstanding (basic)	267.0	258.7	255.1	253.5	258.6	253.6	254.1	254.3	254.5	254.1	254.7	252.4
Shares outstanding (diluted)	269.0	260.0	256.1	254.1	259.8	254.4	255.2	255.8	258.4	256.9	260.3	257.2

<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 FY20	Q2 FY20	Q3 FY20	Q4 FY20	Total FY20	Q1 FY21	Q2 FY21	Q3 FY21	Q4 FY21	Total FY21	Q1 FY22	Q2 FY22
<b>GAAP EPS (diluted)</b>	<b>\$ 0.61</b>	<b>\$ (8.19)</b>	<b>\$ 0.32</b>	<b>\$ (13.79)</b>	<b>\$ (20.76)</b>	<b>\$ (0.81)</b>	<b>\$ (0.96)</b>	<b>\$ 4.29</b>	<b>\$ (3.14)</b>	<b>\$ (0.59)</b>	<b>\$ 1.07</b>	<b>\$ (0.74)</b>
Restructuring costs	0.42	0.11	0.25	0.01	0.80	0.24	0.83	0.36	0.36	1.79	0.22	0.43
TSI	0.31	0.18	0.20	0.28	0.98	0.32	0.29	0.31	0.13	1.06	0.02	0.01
Amortization of acquired intangible assets	0.40	0.45	0.44	0.45	1.73	0.45	0.46	0.34	0.35	1.59	0.33	0.33
Impairment losses	-	11.10	-	15.00	25.78	-	-	-	0.55	0.55	-	0.03
Gains and losses on disposition of businesses	-	-	-	-	-	-	-	(4.47)	0.23	(4.22)	(0.98)	-
Gain on arbitration award	-	(2.43)	-	-	(2.43)	-	-	-	-	-	-	-
Debt extinguishment costs	-	-	-	-	-	-	-	-	0.12	0.12	0.08	0.84
Pension & OPEB actuarial & settlement gains and losses	-	-	-	(0.76)	(0.74)	0.01	-	-	1.56	1.57	-	-
Tax adjustment	-	0.11	0.04	(0.02)	0.13	-	0.01	-	0.54	0.55	0.11	-
<b>Non-GAAP EPS (diluted) <sup>(1)</sup></b>	<b>\$ 1.74</b>	<b>\$ 1.38</b>	<b>\$ 1.25</b>	<b>\$ 1.20</b>	<b>\$ 5.58</b>	<b>\$ 0.21</b>	<b>\$ 0.64</b>	<b>\$ 0.84</b>	<b>\$ 0.74</b>	<b>\$ 2.43</b>	<b>\$ 0.84</b>	<b>\$0.90</b>
Shares outstanding (diluted)	269.0	260.0	256.1	254.1	259.8	254.4	255.2	255.8	258.4	256.9	260.3	257.2

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

# DXC Historical Balance Sheet

Assets (in \$M)	Q1 FY20	Q2 FY20	Q3 FY20	Q4 FY20	Total FY20	Q1 FY21	Q2 FY21	Q3 FY21	Q4 FY21	Total FY21	Q1 FY22	Q2 FY22
Cash and cash equivalents	1,868	2,880	2,560	3,679	3,679	5,509	3,079	3,919	2,968	2,968	2,460	2,699
Receivables, net	5,234	4,611	4,619	4,392	4,392	4,271	4,194	4,130	4,156	4,156	4,081	3,821
Prepaid expenses	728	671	660	646	646	667	604	586	567	567	659	534
Other current assets	360	328	344	270	270	261	335	470	357	357	341	330
Assets held for sale	-	-	-	-	-	-	125	-	160	160	-	-
<b>Total current assets</b>	<b>8,190</b>	<b>8,490</b>	<b>8,183</b>	<b>8,987</b>	<b>8,987</b>	<b>10,708</b>	<b>8,337</b>	<b>9,105</b>	<b>8,208</b>	<b>8,208</b>	<b>7,541</b>	<b>7,384</b>
Intangible assets, net	6,468	6,293	6,140	5,731	5,731	5,540	4,146	4,019	4,043	4,043	3,888	3,691
Operating right-of-use assets, net	1,591	1,482	1,484	1,428	1,428	1,602	1,555	1,459	1,366	1,366	1,299	1,174
Goodwill	8,806	5,784	6,003	2,017	2,017	2,057	725	736	641	641	639	631
Deferred income taxes, net	356	330	372	265	265	285	292	315	289	289	238	255
Property and equipment, net	3,628	3,555	3,631	3,547	3,547	3,503	3,417	3,321	2,946	2,946	2,841	2,691
Other assets	3,538	3,582	3,786	4,031	4,031	4,199	4,360	4,679	4,192	4,192	4,421	4,289
Assets held for sale - non-current	-	-	-	-	-	-	2,838	-	353	353	-	-
<b>Total assets</b>	<b>32,577</b>	<b>29,516</b>	<b>29,599</b>	<b>26,006</b>	<b>26,006</b>	<b>27,894</b>	<b>25,670</b>	<b>23,634</b>	<b>22,038</b>	<b>22,038</b>	<b>20,867</b>	<b>20,115</b>

# DXC Historical Balance Sheet

Liabilities & Equity (in \$M)	Q1 FY20	Q2 FY20	Q3 FY20	Q4 FY20	Total FY20	Q1 FY21	Q2 FY21	Q3 FY21	Q4 FY21	Total FY21	Q1 FY22	Q2 FY22
Short term debt & current LT debt	1,511	1,471	1,581	1,276	1,276	1,682	1,622	795	1,167	1,167	817	745
Accounts payable	1,517	1,603	1,576	1,598	1,598	1,522	1,345	852	914	914	857	724
Accrued payroll and related costs	746	684	678	630	630	766	756	741	698	698	746	645
Current operating lease liabilities	586	489	498	482	482	488	461	450	418	418	413	392
Accrued expenses & other CL	3,183	2,943	3,139	2,801	2,801	2,756	3,203	3,285	3,358	3,358	3,060	3,120
Def. rev. & advance contract payments	1,609	1,571	1,069	1,021	1,021	1,030	974	1,102	1,079	1,079	1,032	933
Income taxes payable	186	213	243	87	87	81	111	1,045	398	398	481	260
Liabilities related to assets HFS	-	-	-	-	-	-	184	-	118	118	-	-
<b>Total current liabilities</b>	<b>9,338</b>	<b>8,974</b>	<b>8,784</b>	<b>7,895</b>	<b>7,895</b>	<b>8,325</b>	<b>8,656</b>	<b>8,270</b>	<b>8,150</b>	<b>8,150</b>	<b>7,406</b>	<b>6,819</b>
LT debt, net of current maturities	7,893	7,698	7,315	8,672	8,672	10,334	8,046	5,444	4,345	4,345	4,116	4,363
Non-current deferred revenue	309	234	747	735	735	733	697	666	622	622	598	775
Non-current operating lease liabilities	1,129	1,139	1,097	1,063	1,063	1,208	1,192	1,113	1,038	1,038	971	862
Non-current pension obligations	-	-	-	761	-	-	-	-	793	793	-	-
LT tax liabilities & deferred tax liabilities	1,281	1,269	1,189	1,157	1,157	1,075	917	792	854	854	771	711
Other LT liabilities	1,410	1,332	1,366	594	594	1,277	1,325	1,354	908	908	1,619	1,502
LT liabilities related to assets HFS	-	-	-	-	-	-	86	-	20	20	-	-
<b>Total liabilities</b>	<b>21,360</b>	<b>20,646</b>	<b>20,498</b>	<b>20,877</b>	<b>20,877</b>	<b>22,952</b>	<b>20,919</b>	<b>17,639</b>	<b>16,730</b>	<b>16,730</b>	<b>15,481</b>	<b>15,032</b>
<b>Total equity</b>	<b>11,217</b>	<b>8,870</b>	<b>9,101</b>	<b>5,129</b>	<b>5,129</b>	<b>4,942</b>	<b>4,751</b>	<b>5,995</b>	<b>5,308</b>	<b>5,308</b>	<b>5,386</b>	<b>5,083</b>
<b>Total liabilities and equity</b>	<b>32,577</b>	<b>29,516</b>	<b>29,599</b>	<b>26,006</b>	<b>26,006</b>	<b>27,894</b>	<b>25,670</b>	<b>23,634</b>	<b>22,038</b>	<b>22,038</b>	<b>20,867</b>	<b>20,115</b>

# DXC Free Cash Flow

Free Cash Flow (in \$M)	Q1 FY20	Q2 FY20	Q3 FY20	Q4 FY20	Total FY20	Q1 FY21	Q2 FY21	Q3 FY21	Q4 FY21	Total FY21	Q1 FY22	Q2 FY22
Cash Flow from Operations	(66)	1,651	477	288	2,350	119	472	(187)	(280)	124	(29)	563
Less capex												
Purchase of PPE	(105)	(87)	(48)	(110)	(350)	(95)	(61)	(59)	(46)	(261)	(98)	(67)
Transformation contract costs	(72)	(86)	(62)	(61)	(281)	(82)	(54)	(53)	(72)	(261)	(55)	(52)
Software purchased & developed	(63)	(63)	(52)	(57)	(235)	(48)	(54)	(107)	(45)	(254)	(122)	(40)
Total capex	(240)	(236)	(162)	(228)	(866)	(225)	(169)	(219)	(163)	(776)	(275)	(159)
FCF	(306)	1,415	315	60	1,484	(106)	303	(406)	(443)	(652)	(304)	404
Additional cash information												
Finance leases & asset financing	(210)	(211)	(225)	(219)	(865)	(245)	(242)	(207)	(236)	(930)	(494)	(177)
Cash outflow for restructuring	(92)	(105)	(76)	(61)	(334)	(61)	(99)	(149)	(133)	(442)	(115)	(86)
Cash paid for interest	(91)	(87)	(99)	(94)	(371)	(103)	(65)	(94)	(72)	(334)	(65)	(90)
Cash paid for taxes	(43)	(87)	(72)	(45)	(247)	(31)	(53)	(75)	(639)	(798)	(52)	(222)

# Non-GAAP Reconciliation: Organic Revenue – Enterprise Technology Stack

(in millions)	Analytics and Engineering	Applications	Business Process Services (BPS)	Cloud and Security	IT Outsourcing	Modern Workplace	Acquisitions and Divestitures	Total
Revenue	\$ 520	\$ 1,216	\$ 118	\$ 521	\$ 1,052	\$ 581	\$ 19	<b>4,027</b>
Prior year revenue	440	1,182	135	517	1,141	637	501	<b>4,554</b>
<b>YoY Change \$</b>	<b>\$ 80</b>	<b>\$ 34</b>	<b>\$ (17)</b>	<b>\$ 4</b>	<b>\$ (89)</b>	<b>\$ (56)</b>	<b>\$ (482)</b>	<b>(527)</b>
<b>YoY Change %</b>								
Revenue	18.0%	2.9%	(12.6%)	0.7%	(7.9%)	(8.8%)	-	<b>(11.6%)</b>
Foreign currency	(0.7%)	(1.4%)	(1.1%)	(2.2%)	(1.7%)	(2.1%)	-	<b>(1.4%)</b>
Acquisitions and divestitures	-	-	-	-	-	-	-	<b>10.6%</b>
<b>Organic revenue growth/(decline) %</b>	<b>17.3%</b>	<b>1.5%</b>	<b>(13.7%)</b>	<b>(1.5%)</b>	<b>(9.6%)</b>	<b>(10.9%)</b>	<b>-</b>	<b>(2.4%)</b>

# Q2 FY22 Non-GAAP Results

(in millions except EPS)	As Reported	Restructuring Costs	Transaction, Separation and Integration-Related Costs <sup>(2)</sup>	Amortization of Acquired Intangible Assets	Impairment Losses	Debt Extinguishment Costs	Non-GAAP Results
Cost of services (excludes depreciation and amortization and restructuring costs)	\$ 3,088	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 3,088
Selling, general and administrative (excludes depreciation and amortization and restructuring costs)	370	—	(3)	—	(10)	—	357
Other income, net	(102)	—	—	—	—	—	(102)
(Loss) income before income taxes	(248)	145	3	110	10	281	301
Income tax (benefit) expense	(61)	34	1	26	2	66	68
Net (loss) income	(187)	111	2	84	8	215	233
Less: net income attributable to non-controlling interest, net of tax	1	—	—	—	—	—	1
Net (loss) income attributable to DXC common stockholders	\$ (188)	\$ 111	\$ 2	\$ 84	\$ 8	\$ 215	\$ 232
Effective tax rate	24.6%						22.6%
Basic EPS <sup>(1)</sup>	\$ (0.74)	\$ 0.44	\$ 0.01	\$ 0.33	\$ 0.03	\$ 0.85	\$ 0.92
Diluted EPS <sup>(1)</sup>	\$ (0.74)	\$ 0.43	\$ 0.01	\$ 0.33	\$ 0.03	\$ 0.84	\$ 0.90
Weighted average common shares outstanding for:							
Basic EPS	252.40	252.40	252.40	252.40	252.40	252.40	252.40
Diluted EPS	252.40	257.20	257.20	257.20	257.20	257.20	257.20

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

<sup>(2)</sup> Transaction, Separation and Integration-Related Costs for all periods presented include fees and other internal and external expenses associated with legal, accounting, consulting, due diligence, investment banking advisory, and other services, as well as financing fees, retention incentives, and resolution of transaction related claims in connection with, or resulting from, exploring or executing potential acquisitions, dispositions and strategic alternatives, whether or not announced or consummated. The TSI-Related costs for the second quarter of fiscal 2022 include \$2 million of costs to execute the strategic alternatives; (\$2 million) credit to legal costs for Peraton (previously Perspecta) Arbitration; and \$3 million of costs incurred in connection with activities related to other acquisitions and divestitures.

# YTD FY22 Non-GAAP Results

(in millions except EPS)	As Reported	Restructuring Costs	Transaction, Separation and Integration-Related Costs <sup>(2)</sup>	Amortization of Acquired Intangible Assets	Gain on Disposition of Businesses	Impairment Losses	Debt Extinguishment Costs	Tax Adjustment	Non-GAAP Results
Cost of services (excludes depreciation and amortization and restructuring costs)	\$ 6,343	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 6,343
Selling, general and administrative (excludes depreciation and amortization and restructuring costs)	753	—	(12)	—	—	(10)	—	—	731
Other income, net	(205)	—	—	—	(30)	—	—	—	(235)
Income (loss) before income taxes	176	212	12	219	(347)	10	309	—	591
Income tax expense	81	44	5	50	(91)	2	73	(28)	136
Net income	95	168	7	169	(256)	8	236	28	455
Less: net income attributable to non-controlling interest, net of tax	5	—	—	—	—	—	—	—	5
Net income attributable to DXC common stockholders	\$ 90	\$ 168	\$ 7	\$ 169	\$ (256)	\$ 8	\$ 236	\$ 28	\$ 450
Effective tax rate	46.0%								23.0%
Basic EPS <sup>(1)</sup>	\$ 0.35	\$ 0.66	\$ 0.03	\$ 0.67	\$ (1.01)	\$ 0.03	\$ 0.93	\$ 0.11	\$ 1.77
Diluted EPS <sup>(1)</sup>	\$ 0.35	\$ 0.65	\$ 0.03	\$ 0.65	\$ (0.99)	\$ 0.03	\$ 0.91	\$ 0.11	\$ 1.74
Weighted average common shares outstanding for:									
Basic EPS	253.53	253.53	253.53	253.53	253.53	253.53	253.53	253.53	253.53
Diluted EPS	258.90	258.90	258.90	258.90	258.90	258.90	258.90	258.90	258.90

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

<sup>(2)</sup> Transaction, Separation and Integration-Related Costs for all periods presented include fees and other internal and external expenses associated with legal, accounting, consulting, due diligence, investment banking advisory, and other services, as well as financing fees, retention incentives, and resolution of transaction related claims in connection with, or resulting from, exploring or executing potential acquisitions, dispositions and strategic alternatives, whether or not announced or consummated.

The TSI-Related costs for the first six months of fiscal 2022 include \$13 million of costs to execute the strategic alternatives; \$4 million legal costs and (\$14 million) credit towards Peraton Arbitration settlement, \$4 million in expenses related to integration projects resulting from the HPES merger (including costs associated with continuing efforts to separate certain IT systems) and \$5 million of costs incurred in connection with activities related to other acquisitions and divestitures.



# Q2 FY21 Non-GAAP Results

(in millions except EPS)	GAAP	Restructuring Costs	Transaction, Separation and Integration-Related Costs <sup>(2)</sup>	Amortization of Acquired Intangible Assets	Tax Adjustment	Non-GAAP Results
Cost of services (excludes depreciation and amortization and restructuring costs)	\$ 3,563	\$ —	\$ —	\$ —	\$ —	\$ 3,563
Selling, general and administrative (excludes depreciation and amortization and restructuring costs)	539	—	(108)	—	—	431
Other income, net	(103)	—	—	—	—	(103)
(Loss) income before income taxes	(306)	265	101	152	—	212
Income tax (benefit) expense	(60)	52	26	35	(2)	51
Net (loss) income	(246)	213	75	117	2	161
Less: net loss attributable to non-controlling interest, net of tax	(2)	—	—	—	—	(2)
Net (loss) income attributable to DXC common stockholders	\$ (244)	\$ 213	\$ 75	\$ 117	\$ 2	\$ 163
Effective tax rate	19.6%					24.1%
Basic EPS <sup>(1)</sup>	\$ (0.96)	\$ 0.84	\$ 0.30	\$ 0.46	\$ 0.01	\$ 0.64
Diluted EPS <sup>(1)</sup>	\$ (0.96)	\$ 0.83	\$ 0.29	\$ 0.46	\$ 0.01	\$ 0.64
Weighted average common shares outstanding for:						
Basic EPS	254.13	254.13	254.13	254.13	254.13	254.13
Diluted EPS	254.13	255.18	255.18	255.18	255.18	255.18

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

<sup>(2)</sup> Transaction, Separation and Integration-Related Costs for all periods presented include fees and other internal and external expenses associated with legal, accounting, consulting, due diligence, investment banking advisory, and other services, as well as financing fees, retention incentives, and resolution of transaction related claims in connection with, or resulting from, exploring or executing potential acquisitions, dispositions and strategic alternatives, whether or not announced or consummated.

# YTD FY21 Non-GAAP Results

(in millions except EPS)	GAAP	Restructuring Costs	Transaction, Separation and Integration-Related Costs <sup>(2)</sup>	Amortization of Acquired Intangible Assets	Pension and OPEB Actuarial and Settlement Losses	Tax Adjustment	Non-GAAP Results
Cost of services (excludes depreciation and amortization and restructuring costs)	\$ 7,192	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 7,192
Selling, general and administrative (excludes depreciation and amortization and restructuring costs)	1,078	—	(218)	—	—	—	860
Other income, net	(191)	—	—	—	—	—	(191)
(Loss) income before income taxes	(531)	337	211	300	2	—	319
Income tax (benefit) expense	(86)	64	54	69	—	(2)	99
Net (loss) income	(445)	273	157	231	2	2	220
Less: net income attributable to non-controlling interest, net of tax	4	—	—	—	—	—	4
Net (loss) income attributable to DXC common stockholders	\$ (449)	\$ 273	\$ 157	\$ 231	\$ 2	\$ 2	\$ 216
Effective tax rate	16.2%						31.0%
Basic EPS <sup>(1)</sup>	\$ (1.77)	\$ 1.08	\$ 0.62	\$ 0.91	\$ 0.01	\$ 0.01	\$ 0.85
Diluted EPS <sup>(1)</sup>	\$ (1.77)	\$ 1.07	\$ 0.62	\$ 0.91	\$ 0.01	\$ 0.01	\$ 0.85
Weighted average common shares outstanding for:							
Basic EPS	253.88	253.88	253.88	253.88	253.88	253.88	253.88
Diluted EPS	253.88	254.76	254.76	254.76	254.76	254.76	254.76

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

<sup>(2)</sup> Transaction, Separation and Integration-Related Costs for all periods presented include fees and other internal and external expenses associated with legal, accounting, consulting, due diligence, investment banking advisory, and other services, as well as financing fees, retention incentives, and resolution of transaction related claims in connection with, or resulting from, exploring or executing potential acquisitions, dispositions and strategic alternatives, whether or not announced or consummated.

# 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, transaction, separation and integration-related costs, amortization expense related to acquired intangible assets, pension and OPEB actuarial and settlement losses and gain on disposition of businesses, and impairments

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

**Adjusted EBITDA:** EBITDA excluding amortization of intangible assets

**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 capital leases, 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