



1st Quarter FY 2023 Earnings Presentation

August 3, 2022

ES DELIVERING EXCELLENCE FOR OUR
G EXCELLENCE FOR OUR CUSTOMERS
UR CUSTOMERS AND COLLEAGUES D

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

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 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 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.

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.” 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. 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. 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 ongoing 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. Important factors that could cause actual results to differ materially from those described in forward-looking statements include, but are not limited to: the uncertainty of the magnitude, duration, geographic reach of the COVID-19 crisis, its impact on the global economy and the impact of current and potential travel restrictions, stay-at-home orders, vaccine mandates and economic restrictions implemented to address the crisis; 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 Russia’s recent invasion of Ukraine and our exit from the Russian market; failure to maintain our credit rating and ability to manage working capital, refinance and raise additional capital for future needs; 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 natural disasters; our inability to retain and hire key personnel and maintain relationships with key partners; the risks associated with prolonged periods of inflation; the risks associated with our international operations, such as risks related to currency exchange rates and Brexit; our inability to comply with governmental regulations or the adoption of new laws or regulations, including social and environmental responsibility regulations, policies and provisions; 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 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; 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 laws and any adverse impact on our effective tax rate; risks following the merger of Computer Sciences Corporation and Enterprise Services business of Hewlett Packard Enterprise Company’s businesses, including anticipated tax treatment, unforeseen liabilities and future capital expenditures; and risks following the spin-off of our former U.S. Public Sector business and its related mergers with Vencore Holding Corp. and KeyPoint Government Solutions in June 2018 to form Perspecta Inc., which was acquired by Peraton in May 2021. 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, 2022, 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, 2022.

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 Q1 FY23 Results
- 2 Progress on Our Transformation Journey
- 3 Q1 FY23 Financial Results and Guidance
- 4 Closing Remarks

Q1 FY23 Financial Performance

Q1 FY23 – Key Metrics and Drivers

| | | |
|------------------------------|----------------|--|
| Revenue | \$3.71B | Organic revenue growth* of (2.6%) |
| Adjusted EBIT Margin* | 7.0% | 100 bps margin decline YoY |
| Book-to-Bill | 0.87x | Book-to-bill of 1.06x on a trailing 12-month basis; \$3.22 billion in bookings in Q1 |
| Non-GAAP Diluted EPS* | \$0.75 | 10.7% decline YoY |

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

Transformation Journey



**Inspire and
Take Care of
Our Colleagues**

Proof points:

- It is very clear that people want to join DXC, which used to be an issue in the market
- Pleased with the manner in which we have taken care of our people impacted by the Russian/Ukraine conflict and by COVID-19

Transformation Journey



Focus on Customers

Proof points:

- Most recent NPS score was 30 – at the high end of the industry benchmark range
- Customers are now trusting us with their higher-value business needs
- Helping our customers grow and lowering costs
- Analytics & Engineering has consistently grown double digits
- 5th quarter of consecutive growth for GBS

Transformation Journey



Optimize Costs

Proof points:

- High confidence that our cost optimization will improve our margins, make it easier for our colleagues to work here, easier for our customers to work with us, and position us well for the future
- Expect to eliminate roughly \$500 million of cost. Areas:
 - Staff optimization including increasing productivity and offshoring
 - Contractor conversion
 - Office and Data Center space
 - Network and Telecommunications
 - 3rd party spend in the areas of hardware and software
- Continue to hire for the businesses that are growing, like GBS, and scale the offshore presence of our Global Delivery Network

Transformation Journey



**Seize the
Market**

Proof points:

- Q1 book-to-bill of 0.87x was a direct result of more disciplined deal making - Trailing 12-month book-to-bill is still a healthy 1.06x
- New work for Q1 was 57% and renewals were 43%
- We pushed out a number of deals in ITO and Modern Workplace because we believe we can get better economics
- Our reputation has changed in the industry - we are “the safe pair of hands”
- Expect Book-to-Bill of >1 in Q2

Transformation Journey



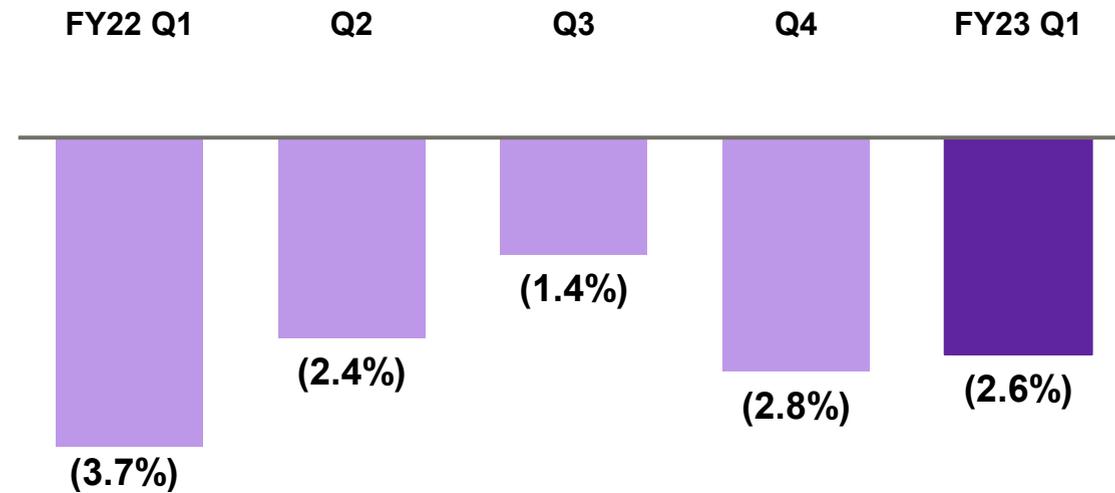
Financial Foundation

Proof points:

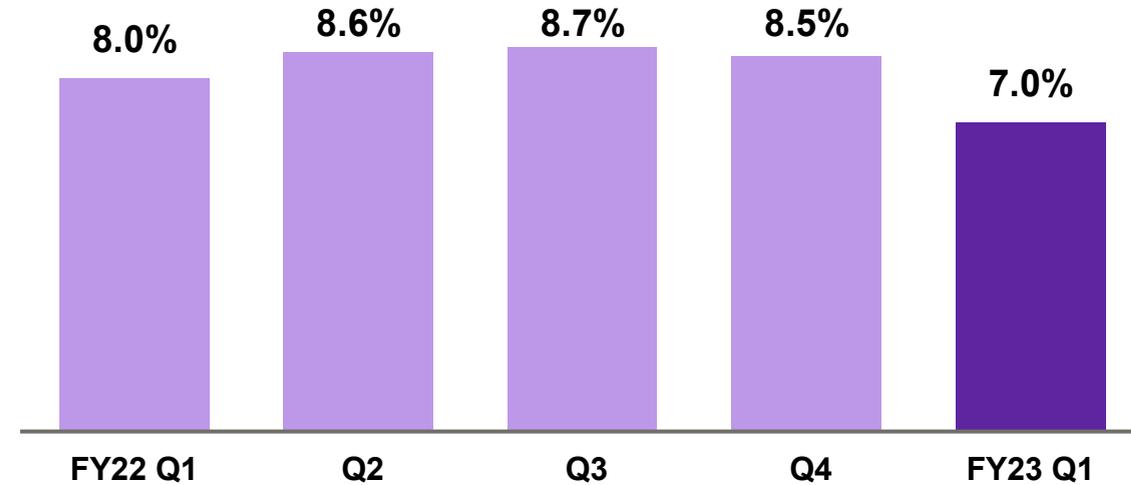
- Pleased with what we have achieved with our financial foundation and how far we have improved the quality of DXC over the last couple years
- Producing results – free cash flow is significantly improved and managed our debt to below \$5 billion
- Delivered \$900 million back to shareholders through our disciplined capital allocation program
- Significantly improved our corporate governance

Transformation Journey Continues Forward

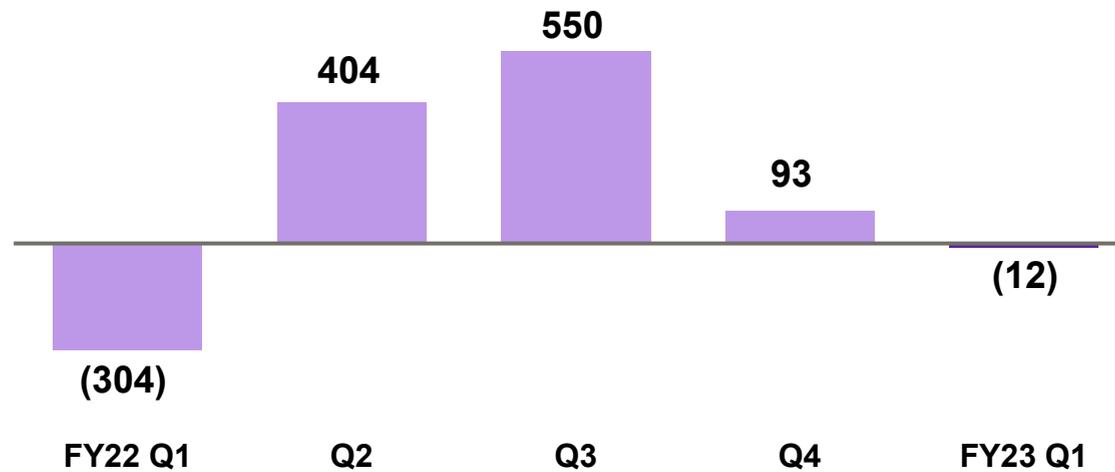
Organic Revenue Growth Trends* (YoY)



Adjusted EBIT Margin*



Free Cash Flow* (\$M)



Non-GAAP Diluted EPS*



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

Q1 Key Financial Metrics

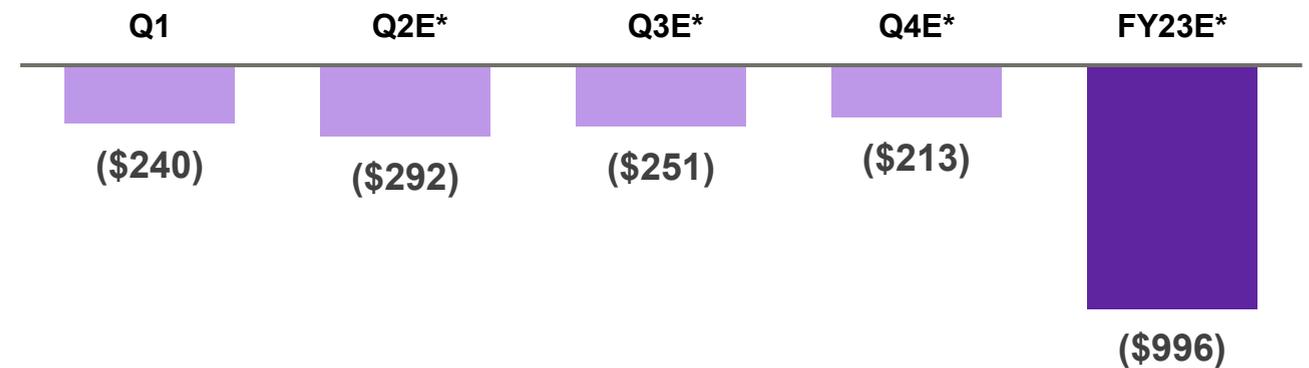
| (in \$M, except EPS and shares) | Q1 FY23 | Q1 FY22 | % change |
|--|----------------|----------------|------------------|
| Revenue | 3,707 | 4,141 | (10.5%) |
| Non-GAAP Gross Profit | 777 | 886 | (12.3%) |
| <i>As % of sales</i> | <i>21.0%</i> | <i>21.4%</i> | <i>(40) bps</i> |
| Non-GAAP SG&A Expenses | (337) | (374) | (9.9%) |
| <i>As % of sales</i> | <i>(9.1%)</i> | <i>(9.0%)</i> | <i>(10) bps</i> |
| Non-GAAP Depreciation & Amortization | (285) | (313) | (9.0%) |
| <i>As % of sales</i> | <i>(7.7%)</i> | <i>(7.6%)</i> | <i>(10) bps</i> |
| Non-GAAP Other Income | 104 | 133 | (21.8%) |
| <i>As a % of sales</i> | <i>2.8%</i> | <i>3.2%</i> | <i>(40) bps</i> |
| Adjusted EBIT | 259 | 332 | (22.0%) |
| <i>As a % of sales</i> | <i>7.0%</i> | <i>8.0%</i> | <i>(100) bps</i> |
| Net Interest Expense | (17) | (42) | (59.5%) |
| Non-GAAP Tax Rate | 25.6% | 23.4% | 220 bps |
| Non-GAAP Net Income | 179 | 218 | (17.9%) |
| Non-GAAP Diluted EPS | \$ 0.75 | \$ 0.84 | (10.7%) |
| Weighted Average Diluted Shares (M) | 237.4 | 260.3 | (8.8%) |

Currency Impact

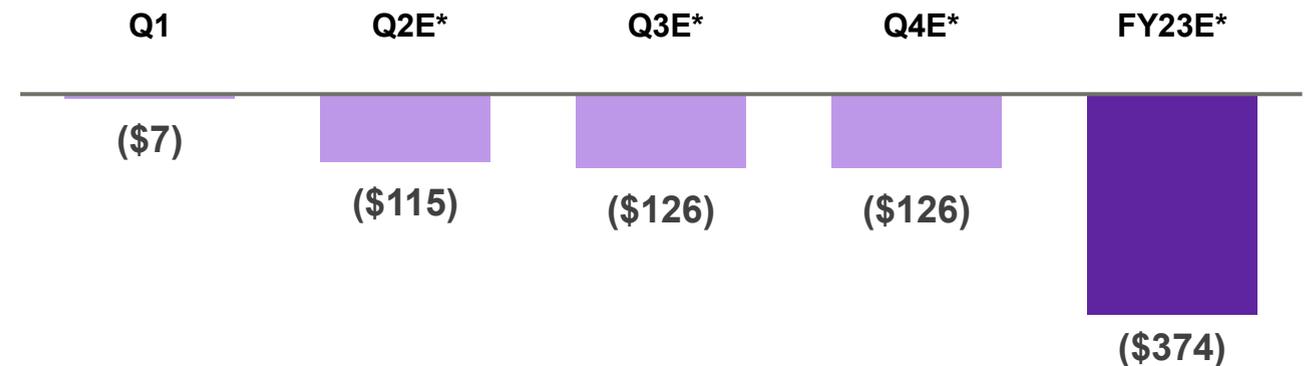
Fx Rate Fluctuations

| | Prior Year | Prior Guide | Jul '22 Spot | Change (YoY) | Change (Guide) |
|------------|------------|-------------|--------------|--------------|----------------|
| EUR | \$1.21 | \$1.05 | \$1.01 | (17%) | (4%) |
| GBP | \$1.40 | \$1.25 | \$1.19 | (15%) | (5%) |
| AUD | \$0.77 | \$0.70 | \$0.68 | (9%) | (3%) |

Revenue Impact (YoY, M)



Revenue Impact vs. Prior Guidance (M)

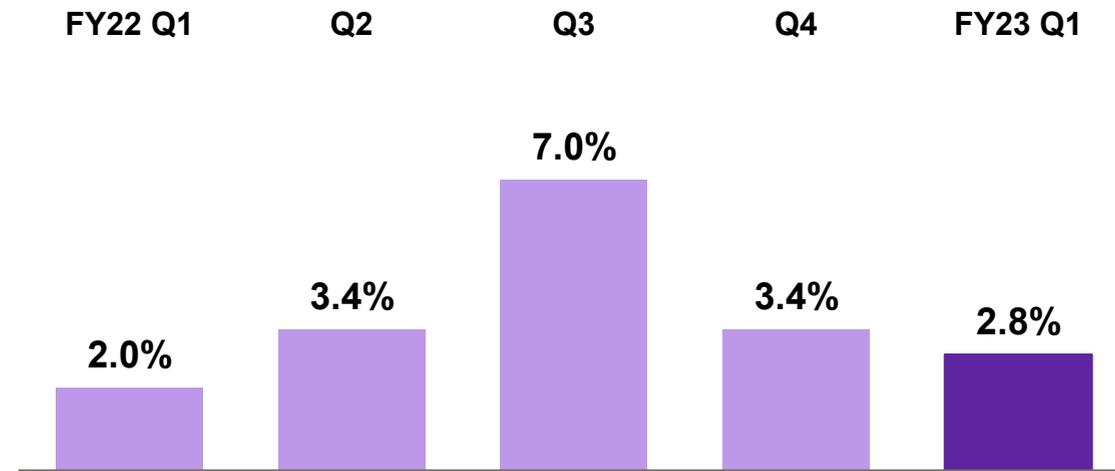


Guidance now anticipates YoY revenue headwind of (\$996M) due to strength of U.S. dollar

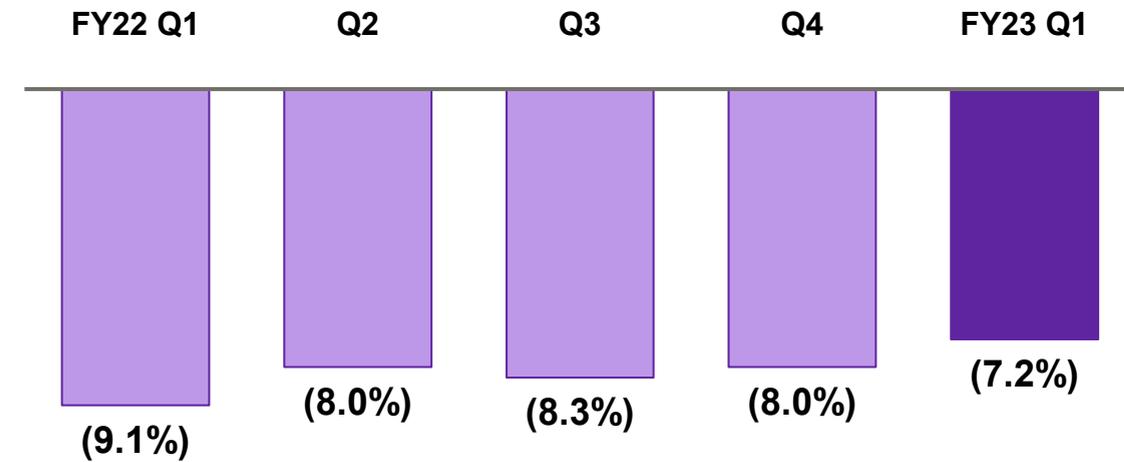
* Estimates based on the respective spot rates for the Euro, GBP, and AUD as of July 18, 2022

GBS/GIS Results

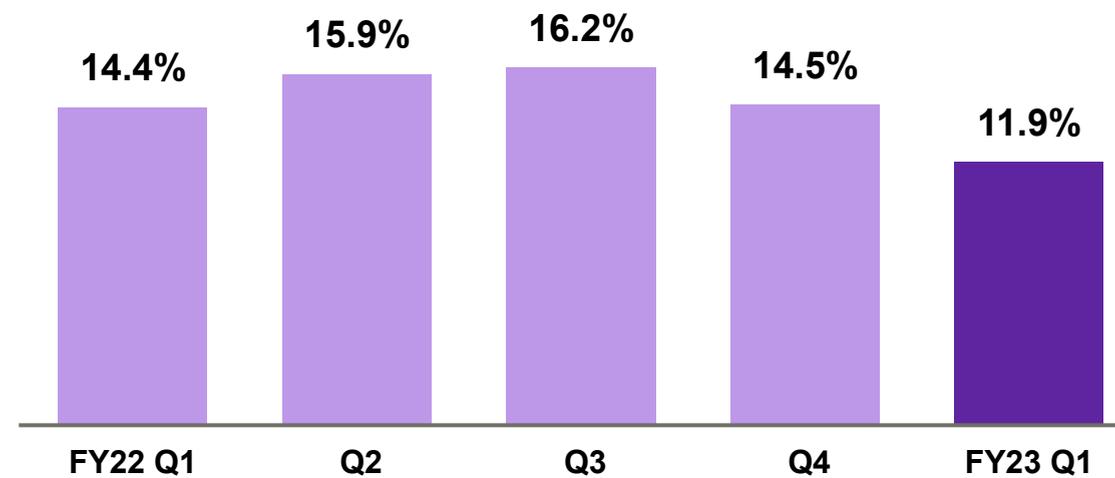
GBS Organic Revenue Growth* (YoY)



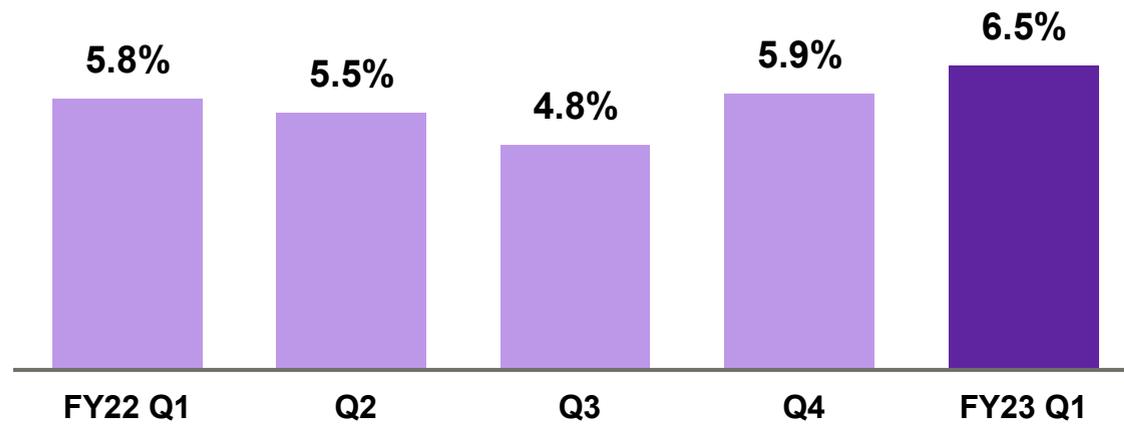
GIS Organic Revenue Growth* (YoY)



GBS Segment Profit Margin



GIS Segment Profit Margin



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

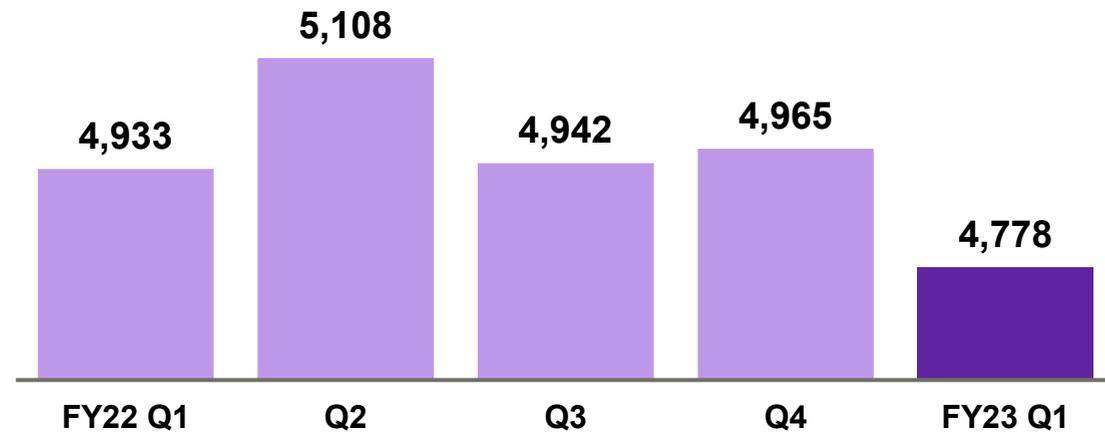
GBS/GIS Offerings

| | | Q1 FY23 | | | |
|-----|---|---------------|---------------------|--------------|------------------|
| | | Revenue (\$M) | YoY Organic Growth* | Book-to-Bill | TTM Book-to-Bill |
| GBS | Analytics & Engineering | 503 | 15.7% | 1.17x | 1.27x |
| | Applications | 882 | (2.0%) | 0.86x | 1.10x |
| | Insurance Software & BPS | 368 | 0.3% | 1.01x | 1.23x |
| | <i>Mergers, Acquisitions & Divestitures</i> | 5 | | | |
| | GBS Total | 1,758 | 2.8% | 0.98x | 1.17x |
| GIS | Security | 105 | (0.3%) | 0.92x | 1.21x |
| | Cloud Infrastructure & ITO | 1,395 | (4.4%) | 0.67x | 0.87x |
| | Modern Workplace | 448 | (16.1%) | 1.02x | 1.14x |
| | <i>Mergers, Acquisitions & Divestitures</i> | 1 | | | |
| | GIS Total | 1,949 | (7.2%) | 0.77x | 0.96x |
| | DXC TOTAL | 3,707 | (2.6%) | 0.87x | 1.06x |

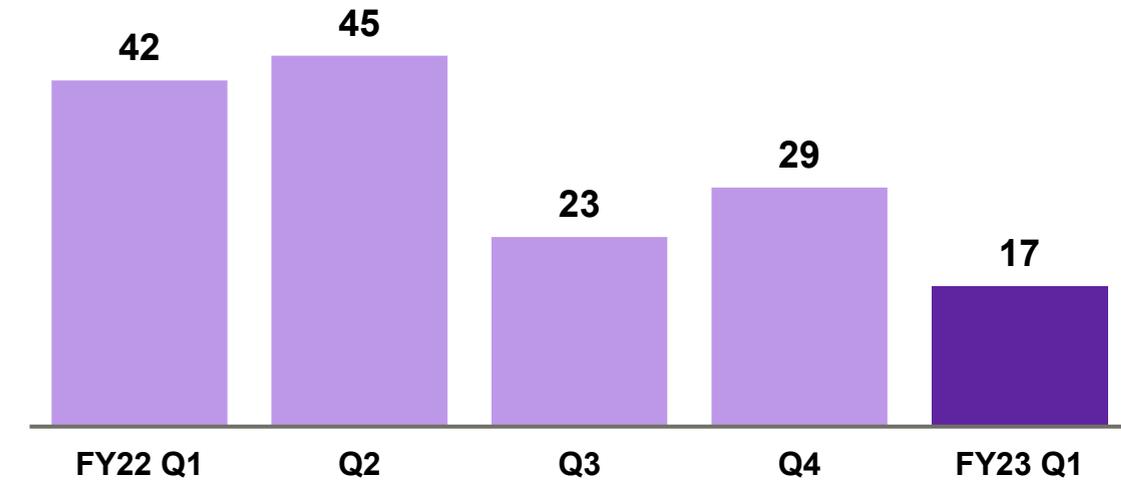
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Continuing Progress on Our Financial Foundation

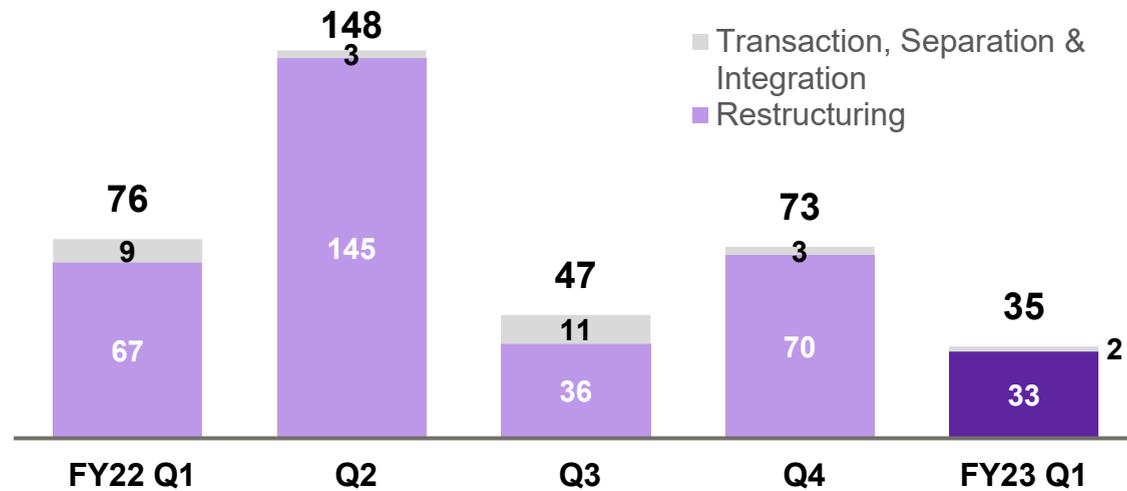
Total Debt (\$M)



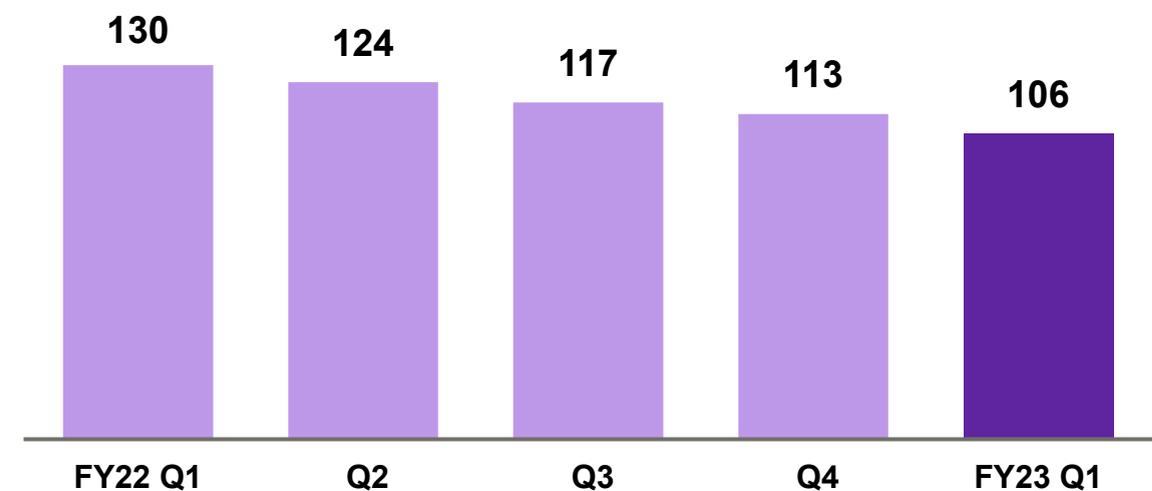
Net Interest Expense (\$M)



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

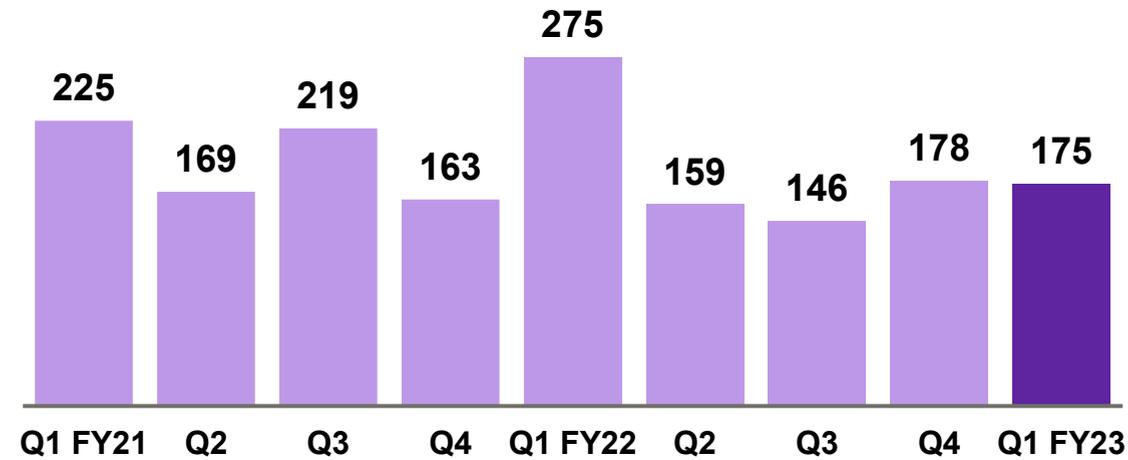


Cash Payments for Operating Leases (\$M)

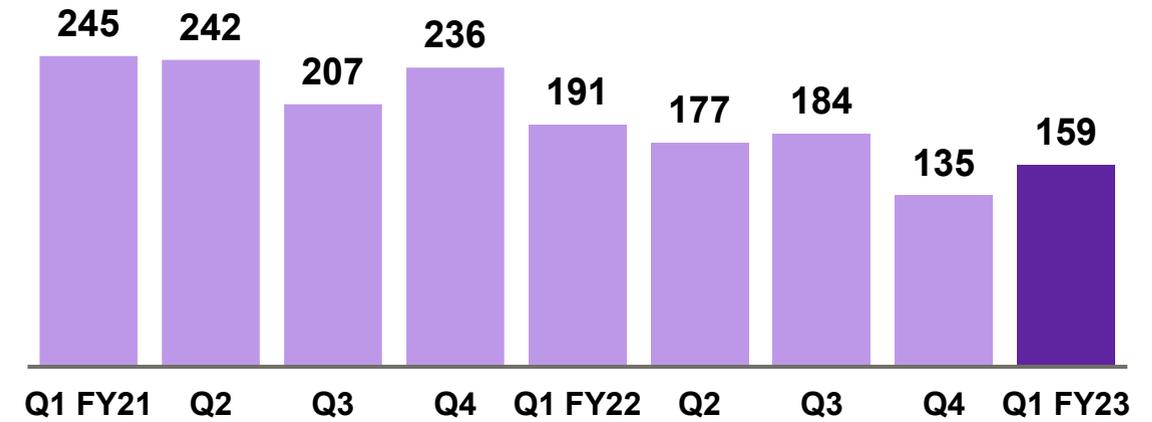


Continuing Progress on Our Financial Foundation

Capital Expenditures (\$M)

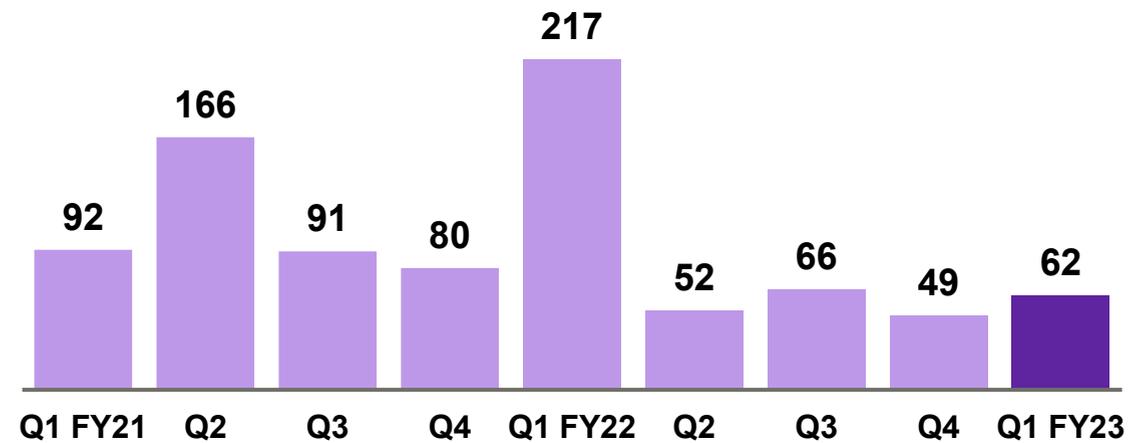


Finance Lease & Asset Financing Payments (\$M)

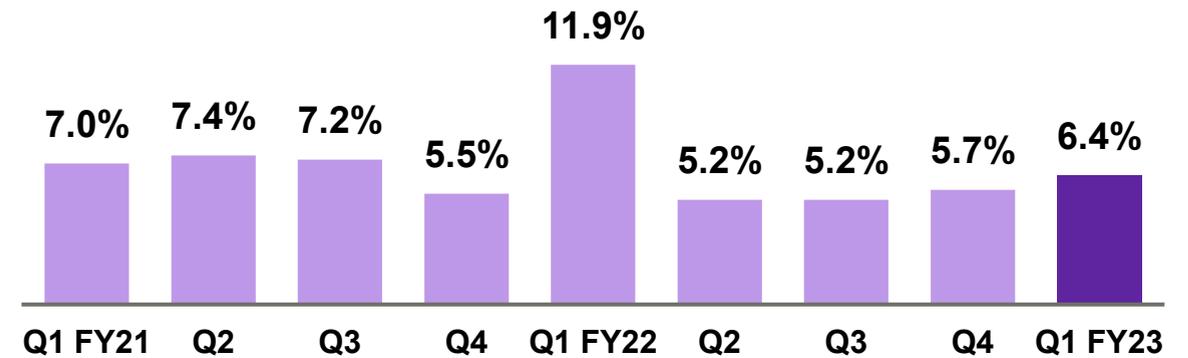


Q1 FY22 excludes \$303 million of non-scheduled accelerated paydown

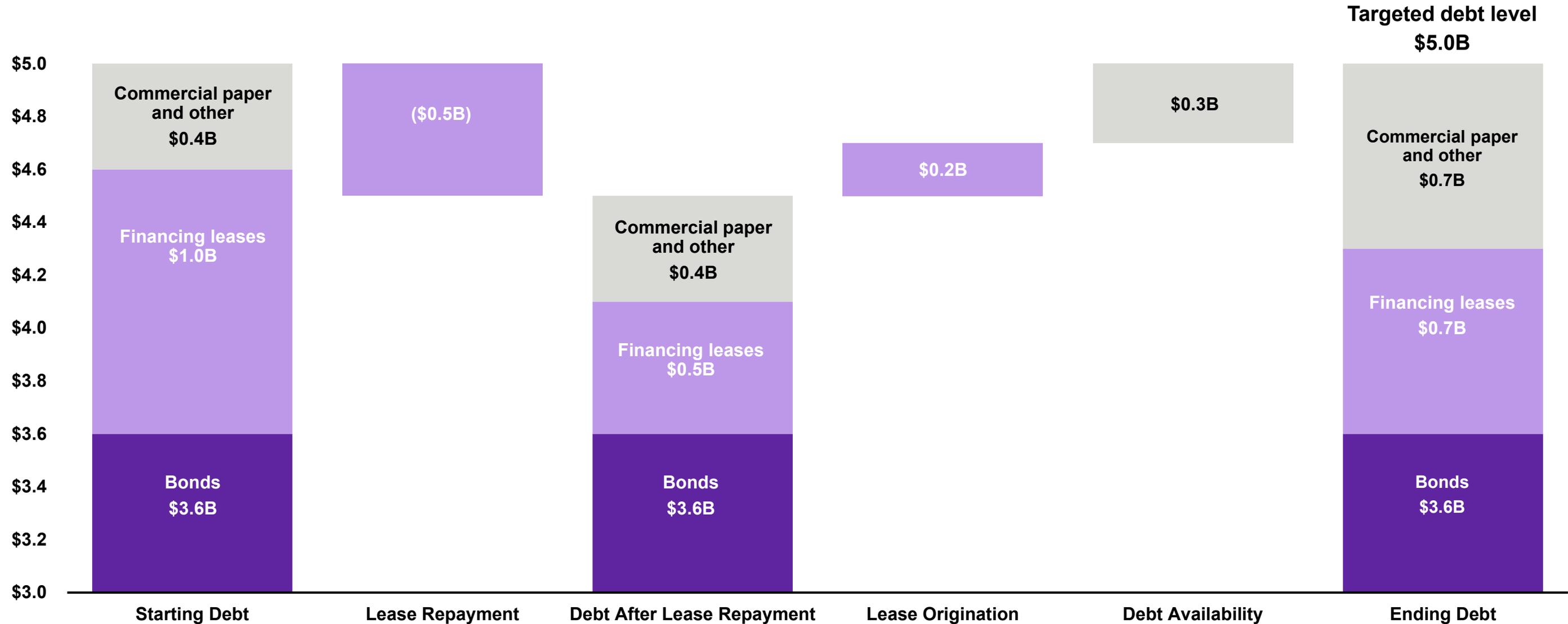
Finance Lease & Asset Financing Originations (\$M)



Capital Expenditures & Finance Lease Originations as a % of Revenue



Capital Allocation – FY23 Financing Lease Impact

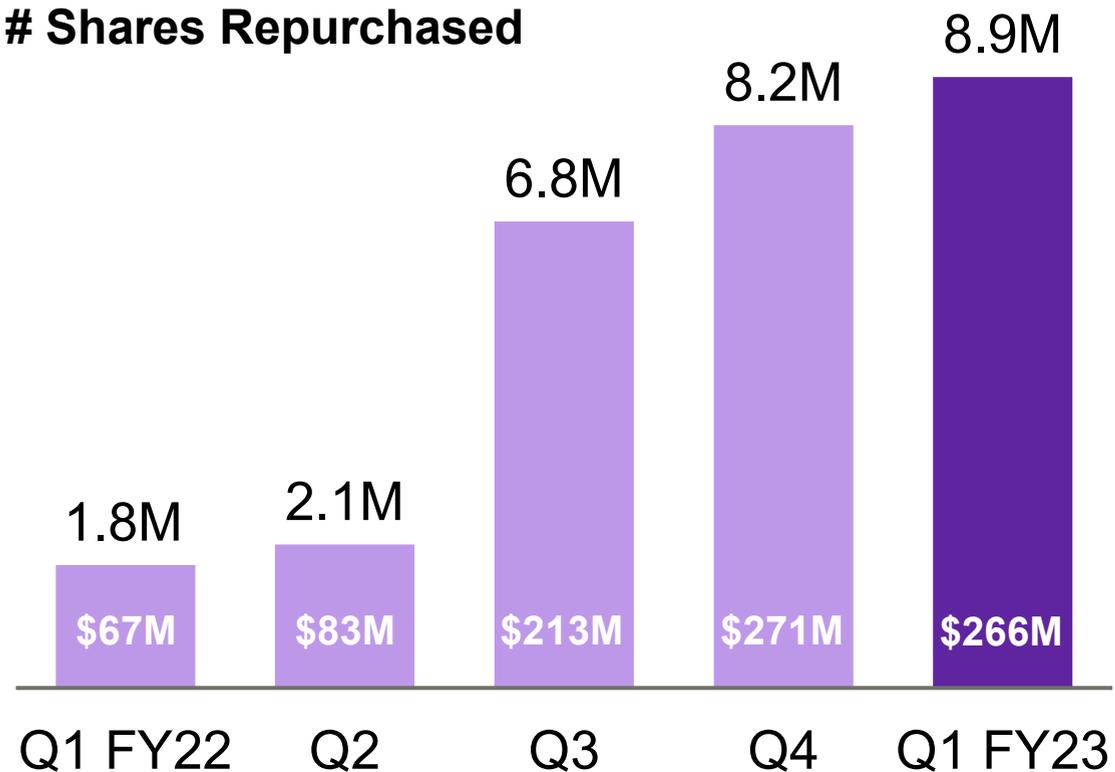


| (in \$M) | FY23 |
|--|------------|
| Free cash flow guidance | 700 |
| Less: lease repayment | (500) |
| Plus: debt availability (to reach \$5B target) | 300 |
| Free cash flow available for capital allocation | 500 |

Executing Our Disciplined Capital Allocation Plan

Capital Deployment Highlights

Shares Repurchased



- \$900 million of capital returned to shareholders through buybacks in the past five quarters
- 27.8 million shares repurchased since Q1 FY22, or over 10% of shares o/s
- \$1 billion self-funded repurchase program announced Q3 FY22
 - \$500 million remaining
 - Expect to have completed repurchase of \$1B by fiscal year-end
- Targeting \$5.0 billion debt and \$2.5 billion cash level
 - Target cash level of \$1.8 billion after sale of German Financial Services business
- \$500 million portfolio-shaping initiatives on track

Q2 FY23 Outlook

**YoY Organic
Revenue Growth**

(1.5%) – (2.5%)

**Adjusted
EBIT Margin**

7.0% – 7.5%

**Non-GAAP
Diluted EPS**

\$0.70 – \$0.75

FY23 Outlook

| YoY Organic Revenue Growth | Adjusted EBIT Margin | Non-GAAP Diluted EPS | Free Cash Flow |
|----------------------------|----------------------|------------------------|----------------|
| (1.0%) – (2.0%) | 8.0% – 8.5% | \$3.45 – \$3.75 | \$700M |

FY24 Long-Term Outlook

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

FY24 Financial Targets Reaffirmed

1 Transformation Journey is creating value

Taking the right steps for DXC in the short term that will set us up for success longer term

2

Quality DXC

Stable debt, sound capital allocation, free cash flow, investment grade profile, improved governance, and consistent growth in GBS

3

Deliver for our customers – changing our reputation

DXC is now the “safe pair of hands”

4

Laser focused on accelerating cost optimization

Improving our margins

5

ITO & Modern Workplace – breaking our way

Win this new work at economics that benefit DXC longer term

Supplemental Information

Q1 FY23 Quarterly Result Details

Non-GAAP Reconciliations

Definitions

Organic Revenue Growth

| GBS (in \$M) | Q1 FY22 | Q2 FY22 | Q3 FY22 | Q4 FY22 | Total FY22 | Q1 FY23 |
|---------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| GBS revenue | 1,887 | 1,873 | 1,946 | 1,892 | 7,598 | 1,758 |
| YoY GBS revenue growth | (13.2%) | (16.5%) | 1.3% | (5.4%) | (8.9%) | (6.8%) |
| Foreign currency | (4.7%) | (0.9%) | 1.3% | 3.2% | (0.4%) | 5.9% |
| Acquisitions and divestitures | 19.9% | 20.8% | 4.4% | 5.6% | 13.2% | 3.7% |
| YoY GBS organic revenue growth | 2.0% | 3.4% | 7.0% | 3.4% | 3.9% | 2.8% |
| GBS bookings (\$B) | 2.4 | 1.7 | 2.5 | 2.8 | 9.4 | 1.7 |
| GBS book-to-bill | 1.29x | 0.92x | 1.28x | 1.46x | 1.24x | 0.98x |
| GIS (in \$M) | Q1 FY22 | Q2 FY22 | Q3 FY22 | Q4 FY22 | Total FY22 | Q1 FY23 |
| GIS revenue | 2,254 | 2,154 | 2,143 | 2,116 | 8,667 | 1,949 |
| YoY GIS revenue growth | (3.2%) | (6.8%) | (9.5%) | (11.3%) | (7.7%) | (13.5%) |
| Foreign currency | (6.6%) | (1.9%) | 0.9% | 2.9% | (1.2%) | 5.8% |
| Acquisitions and divestitures | 0.7% | 0.7% | 0.3% | 0.4% | 0.5% | 0.5% |
| YoY GIS organic revenue growth | (9.1%) | (8.0%) | (8.3%) | (8.0%) | (8.4%) | (7.2%) |
| GIS bookings (\$B) | 2.2 | 2.0 | 2.5 | 2.0 | 8.7 | 1.5 |
| GIS book-to-bill | 0.97x | 0.91x | 1.18x | 0.96x | 1.01x | 0.77x |
| Total (in \$M) | Q1 FY22 | Q2 FY22 | Q3 FY22 | Q4 FY22 | Total FY22 | Q1 FY23 |
| GAAP revenue | 4,141 | 4,027 | 4,089 | 4,008 | 16,265 | 3,707 |
| Total revenue growth | (8.0%) | (11.6%) | (4.6%) | (8.6%) | (8.3%) | (10.5%) |
| Foreign currency | (5.7%) | (1.4%) | 1.0% | 3.0% | (0.8%) | 5.8% |
| Acquisitions and divestitures | 10.0% | 10.6% | 2.2% | 2.8% | 6.5% | 2.1% |
| YoY organic revenue growth | (3.7%) | (2.4%) | (1.4%) | (2.8%) | (2.6%) | (2.6%) |
| Bookings (\$B) | 4.6 | 3.7 | 5.0 | 4.8 | 18.1 | 3.2 |
| Book-to-bill | 1.12x | 0.91x | 1.23x | 1.20x | 1.11x | 0.87x |
| ASC 606 backlog (\$B) | 23.6 | 22.2 | 21.8 | 21.7 | 21.7 | 20.3 |

Reconciliation of Segment Profit to Pretax Income

| GBS (in \$M) | Q1 FY21 | Q2 FY21 | Q3 FY21 | Q4 FY21 | FY21 | Q1 FY22 | Q2 FY22 | Q3 FY22 | Q4 FY22 | FY22 | Q1 FY23 |
|-----------------------|-------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Segment revenue | 2,174 | 2,242 | 1,921 | 1,999 | 8,336 | 1,887 | 1,873 | 1,946 | 1,892 | 7,598 | 1,758 |
| Segment profit | 215 | 317 | 273 | 315 | 1,120 | 272 | 298 | 315 | 275 | 1,160 | 210 |
| <i>GBS profit %</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> | <i>16.2%</i> | <i>14.5%</i> | <i>15.3%</i> | <i>11.9%</i> |

| GIS (in \$M) | Q1 FY21 | Q2 FY21 | Q3 FY21 | Q4 FY21 | FY21 | Q1 FY22 | Q2 FY22 | Q3 FY22 | Q4 FY22 | FY22 | Q1 FY23 |
|-----------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Segment revenue | 2,328 | 2,312 | 2,367 | 2,386 | 9,393 | 2,254 | 2,154 | 2,143 | 2,116 | 8,667 | 1,949 |
| Segment profit | 23 | 36 | 88 | 98 | 245 | 131 | 118 | 102 | 124 | 475 | 127 |
| <i>GIS profit %</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> | <i>4.8%</i> | <i>5.9%</i> | <i>5.5%</i> | <i>6.5%</i> |

| Total (in \$M) | Q1 FY21 | Q2 FY21 | Q3 FY21 | Q4 FY21 | FY21 | Q1 FY22 | Q2 FY22 | Q3 FY22 | Q4 FY22 | FY22 | Q1 FY23 |
|---|-------------|-------------|-------------|-------------|--------------|-------------|--------------|--------------|--------------|--------------|-------------|
| Total revenue for reportable segments | 4,502 | 4,554 | 4,288 | 4,385 | 17,729 | 4,141 | 4,027 | 4,089 | 4,008 | 16,265 | 3,707 |
| Total profit for reportable segments | 238 | 353 | 361 | 413 | 1,365 | 403 | 416 | 417 | 399 | 1,635 | 337 |
| <i>Total segment profit margin</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> | <i>10.2%</i> | <i>10.0%</i> | <i>10.1%</i> | <i>9.1%</i> |

| | | | | | | | | | | | |
|--|--------------|--------------|--------------|--------------|------------|------------|--------------|------------|------------|--------------|------------|
| All other | (48) | (70) | (61) | (84) | (263) | (71) | (70) | (62) | (57) | (260) | (78) |
| Restructuring costs | (72) | (265) | (104) | (110) | (551) | (67) | (145) | (36) | (70) | (318) | (33) |
| TSI | (110) | (101) | (96) | (51) | (358) | (9) | (3) | (11) | (3) | (26) | (2) |
| Amortization of intangible assets | (148) | (152) | (114) | (116) | (530) | (109) | (110) | (106) | (109) | (434) | (104) |
| Merger related indemnification | - | - | - | - | - | - | - | - | - | - | (10) |
| Gains and losses on dispositions | - | - | 2,046 | (42) | 2,004 | 347 | - | (4) | (2) | 341 | 29 |
| Pension, actuarial & settlement losses | (2) | - | - | (517) | (519) | - | - | (7) | 691 | 684 | - |
| Impairment losses | - | - | - | (190) | (190) | - | (10) | - | (21) | (31) | - |
| Debt extinguishment costs | - | - | - | (41) | (41) | (28) | (281) | (2) | - | (311) | - |
| EBIT ⁽¹⁾ | (142) | (235) | 2,032 | (738) | 917 | 466 | (203) | 189 | 828 | 1,280 | 139 |
| Net interest | (83) | (71) | (54) | (55) | (263) | (42) | (45) | (23) | (29) | (139) | (17) |
| Income before taxes | (225) | (306) | 1,978 | (793) | 654 | 424 | (248) | 166 | 799 | 1,141 | 122 |

⁽¹⁾ Defined at end of presentation

Adjusted EBIT and Adjusted EBITDA Reconciliation

| EBIT to Adjusted EBIT (in \$M) | Q1 FY21 | Q2 FY21 | Q3 FY21 | Q4 FY21 | FY21 | Q1 FY22 | Q2 FY22 | Q3 FY22 | Q4 FY22 | FY22 | Q1 FY23 |
|---|---------------|---------------|--------------|----------------|--------------|--------------|---------------|-------------|--------------|--------------|-------------|
| Net income (loss) | (199) | (246) | 1,103 | (804) | (146) | 282 | (187) | 102 | 539 | 736 | 103 |
| Income tax expense (benefit) | (26) | (60) | 875 | 11 | 800 | 142 | (61) | 64 | 260 | 405 | 19 |
| Interest income | (23) | (25) | (28) | (22) | (98) | (20) | (16) | (15) | (14) | (65) | (20) |
| Interest expense | 106 | 96 | 82 | 77 | 361 | 62 | 61 | 38 | 43 | 204 | 37 |
| EBIT ⁽¹⁾ | (142) | (235) | 2,032 | (738) | 917 | 466 | (203) | 189 | 828 | 1,280 | 139 |
| Restructuring costs | 72 | 265 | 104 | 110 | 551 | 67 | 145 | 36 | 70 | 318 | 33 |
| Transaction, separation & integration-related costs | 110 | 101 | 96 | 51 | 358 | 9 | 3 | 11 | 3 | 26 | 2 |
| Amortization of acquired intangible assets | 148 | 152 | 114 | 116 | 530 | 109 | 110 | 106 | 109 | 434 | 104 |
| Merger related indemnification | - | - | - | - | - | - | - | - | - | - | 10 |
| Impairment losses | - | - | - | 190 | 190 | - | 10 | - | 21 | 31 | - |
| Gains and losses on disposition of businesses | - | - | (2,046) | 42 | (2,004) | (347) | - | 4 | 2 | (341) | (29) |
| Pension & OPEB actuarial & settlement losses | 2 | - | - | 517 | 519 | - | - | 7 | (691) | (684) | - |
| Debt extinguishment costs | - | - | - | 41 | 41 | 28 | 281 | 2 | - | 311 | - |
| Adjusted EBIT ⁽¹⁾ | 190 | 283 | 300 | 329 | 1,102 | 332 | 346 | 355 | 342 | 1,375 | 259 |
| Depreciation and amortization | 492 | 525 | 475 | 478 | 1,970 | 422 | 448 | 424 | 423 | 1,717 | 389 |
| Less: Amortization of acquired intangible assets | (148) | (152) | (114) | (116) | (530) | (109) | (110) | (106) | (109) | (434) | (104) |
| Adjusted EBITDA ⁽¹⁾ | 534 | 656 | 661 | 691 | 2,542 | 645 | 684 | 673 | 656 | 2,658 | 544 |
| EBIT margin ⁽¹⁾ | (3.2%) | (5.2%) | 47.4% | (16.8%) | 5.2% | 11.3% | (5.0%) | 4.6% | 20.7% | 7.9% | 3.7% |
| Adjusted EBIT margin ⁽¹⁾ | 4.2% | 6.2% | 7.0% | 7.5% | 6.2% | 8.0% | 8.6% | 8.7% | 8.5% | 8.5% | 7.0% |

⁽¹⁾ Defined at end of presentation

Non-GAAP Reconciliation – Income Statement Measures

| COS, SG&A, D&A (in \$M) | Q1 FY21 | Q2 FY21 | Q3 FY21 | Q4 FY21 | FY21 | Q1 FY22 | Q2 FY22 | Q3 FY22 | Q4 FY22 | FY22 | Q1 FY23 |
|---|--------------|--------------|--------------|--------------|---------------|--------------|--------------|--------------|--------------|----------------|--------------|
| Cost of services | 3,629 | 3,563 | 3,333 | 3,561 | 14,086 | 3,255 | 3,088 | 3,179 | 3,161 | 12,683 | 2,930 |
| Less: Impairment losses | - | - | - | (190) | (190) | - | - | - | - | - | - |
| Less: TSI | - | - | - | (2) | (2) | - | - | - | - | - | - |
| Non-GAAP COS | 3,629 | 3,563 | 3,333 | 3,369 | 13,894 | 3,255 | 3,088 | 3,179 | 3,161 | 12,683 | 2,930 |
| <i>As a % of revenue</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> | <i>77.7%</i> | <i>78.9%</i> | <i>78.0%</i> | <i>79.0%</i> |
| Non-GAAP Gross Profit | 873 | 991 | 955 | 1,016 | 3,835 | 886 | 939 | 910 | 847 | 3,582 | 777 |
| SG&A expense | 539 | 539 | 517 | 471 | 2,066 | 383 | 370 | 340 | 315 | 1,408 | 349 |
| Less: Impairment losses | - | - | - | - | - | - | (10) | - | - | (10) | - |
| Less: Merger related indemnification | - | - | - | - | - | - | - | - | - | - | (10) |
| Less: TSI | (110) | (108) | (96) | (49) | (363) | (9) | (3) | (11) | (3) | (26) | (2) |
| Non-GAAP SG&A expense | 429 | 431 | 421 | 422 | 1,703 | 374 | 357 | 329 | 312 | 1,372 | 337 |
| <i>As a % of revenue</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> | <i>8.0%</i> | <i>7.8%</i> | <i>8.4%</i> | <i>9.1%</i> |
| Depreciation | 178 | 200 | 185 | 192 | 754 | 158 | 165 | 156 | 146 | 625 | 138 |
| Amortization | 314 | 325 | 290 | 287 | 1,216 | 264 | 283 | 268 | 277 | 1,092 | 251 |
| Total depreciation & amortization | 492 | 525 | 475 | 478 | 1,970 | 422 | 448 | 424 | 423 | 1,717 | 389 |
| Less: Amortization of acquired intangible assets | (148) | (152) | (114) | (116) | (530) | (109) | (110) | (106) | (109) | (434) | (104) |
| Non-GAAP depreciation & amortization | 344 | 373 | 361 | 362 | 1,440 | 313 | 338 | 318 | 314 | 1,283 | 285 |
| Other income, net | (88) | (103) | (127) | 420 | 102 | (103) | (102) | (85) | (791) | (1,081) | (104) |
| Less: Gains and losses on disposition of businesses | - | - | - | - | - | (30) | - | (4) | - | (34) | - |
| Less: Impairment losses | - | - | - | - | - | - | - | - | (21) | (21) | - |
| Less: TSI | - | 7 | - | - | 7 | - | - | - | - | - | - |
| Less: Pension & OPEB actuarial & settlement losses | (2) | - | - | (517) | (519) | - | - | (7) | 691 | 684 | - |
| Non-GAAP other income | (90) | (96) | (127) | (97) | (410) | (133) | (102) | (96) | (121) | (452) | (104) |

Non-GAAP Reconciliation – Income Statement Measures

| EBIT to EPS (in \$M, except EPS) | Q1 FY21 | Q2 FY21 | Q3 FY21 | Q4 FY21 | FY21 | Q1 FY22 | Q2 FY22 | Q3 FY22 | Q4 FY22 | FY22 | Q1 FY23 |
|--|------------------|------------------|----------------|------------------|------------------|----------------|------------------|----------------|----------------|----------------|----------------|
| Adjusted EBIT ⁽¹⁾ | 190 | 283 | 300 | 329 | 1,102 | 332 | 346 | 355 | 342 | 1,375 | 259 |
| Interest expense | 106 | 96 | 82 | 77 | 361 | 62 | 61 | 38 | 43 | 204 | 37 |
| Interest income | (23) | (25) | (28) | (22) | (98) | (20) | (16) | (15) | (14) | (65) | (20) |
| Net interest | 83 | 71 | 54 | 55 | 263 | 42 | 45 | 23 | 29 | 139 | 17 |
| Non-GAAP income before income taxes | 107 | 212 | 246 | 274 | 839 | 290 | 301 | 332 | 313 | 1,236 | 242 |
| Income tax expense | (26) | (60) | 875 | 11 | 800 | 142 | (61) | 64 | 260 | 405 | 19 |
| <i>As % of income before income taxes</i> | <i>11.6%</i> | <i>19.6%</i> | <i>44.2%</i> | <i>-1.4%</i> | <i>122.3%</i> | <i>33.5%</i> | <i>24.6%</i> | <i>38.6%</i> | <i>32.5%</i> | <i>35.5%</i> | <i>15.6%</i> |
| Tax impact of restructuring | 12 | 52 | 11 | 17 | 92 | 10 | 34 | 4 | 17 | 65 | 8 |
| Tax impact of TSI | 28 | 26 | 16 | 17 | 87 | 4 | 1 | 1 | 1 | 7 | - |
| Tax impact of amortization | 34 | 35 | 26 | 26 | 121 | 24 | 26 | 13 | 27 | 90 | 24 |
| Tax impact of merger related indemnification | - | - | - | - | - | - | - | - | - | - | 2 |
| Tax impact of gain on dispositions | - | - | (903) | (17) | (920) | (91) | - | - | (13) | (104) | 9 |
| Tax impact of impairment losses | - | - | - | 49 | 49 | - | 2 | - | 5 | 7 | - |
| Tax impact of other | - | (2) | - | (15) | (17) | (21) | 66 | 11 | (197) | (141) | - |
| Non-GAAP income tax expense | 48 | 51 | 25 | 88 | 212 | 68 | 68 | 93 | 100 | 329 | 62 |
| <i>As % of Non-GAAP income before income taxes</i> | <i>44.9%</i> | <i>24.1%</i> | <i>10.2%</i> | <i>32.1%</i> | <i>25.3%</i> | <i>23.4%</i> | <i>22.6%</i> | <i>28.0%</i> | <i>31.9%</i> | <i>26.6%</i> | <i>25.6%</i> |
| Net income (loss) | (199) | (246) | 1,103 | (804) | (146) | 282 | (187) | 102 | 539 | 736 | 103 |
| Less: Net income attributed to NCI | 6 | (2) | 5 | (6) | 3 | 4 | 1 | 4 | 9 | 18 | 1 |
| Net income (loss) attributable to DXC | (205) | (244) | 1,098 | (798) | (149) | 278 | (188) | 98 | 530 | 718 | 102 |
| GAAP EPS (basic) | \$ (0.81) | \$ (0.96) | \$ 4.32 | \$ (3.14) | \$ (0.59) | \$ 1.09 | \$ (0.74) | \$ 0.39 | \$ 2.18 | \$ 2.87 | \$ 0.44 |
| GAAP EPS (diluted) | \$ (0.81) | \$ (0.96) | \$ 4.29 | \$ (3.14) | \$ (0.59) | \$ 1.07 | \$ (0.74) | \$ 0.38 | \$ 2.14 | \$ 2.81 | \$ 0.43 |
| Shares outstanding (basic) [M] | 253.6 | 254.1 | 254.3 | 254.5 | 254.1 | 254.7 | 252.4 | 250.3 | 242.7 | 250.0 | 232.5 |
| Shares outstanding (diluted) [M] | 254.4 | 254.1 | 255.8 | 258.4 | 256.9 | 260.3 | 252.4 | 254.8 | 247.7 | 255.2 | 237.4 |

⁽¹⁾ Defined at end of presentation

Non-GAAP Reconciliation – EPS

| Non-GAAP EPS (in \$M, except EPS) | Q1 FY21 | Q2 FY21 | Q3 FY21 | Q4 FY21 | FY21 | Q1 FY22 | Q2 FY22 | Q3 FY22 | Q4 FY22 | FY22 | Q1 FY23 |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Net income (loss) attributable to DXC | (205) | (244) | 1,098 | (798) | (149) | 278 | (188) | 98 | 530 | 718 | 102 |
| Restructuring costs | 60 | 213 | 93 | 93 | 459 | 57 | 111 | 32 | 53 | 253 | 25 |
| TSI | 82 | 75 | 80 | 34 | 271 | 5 | 2 | 10 | 2 | 19 | 2 |
| Amortization of acquired intangible assets | 114 | 117 | 88 | 90 | 409 | 85 | 84 | 93 | 82 | 344 | 80 |
| Impairment losses | - | - | - | 141 | 141 | - | 8 | - | 16 | 24 | - |
| Merger related indemnification | - | - | - | - | - | - | - | - | - | - | 8 |
| Gains and losses on disposition of businesses | - | - | (1,143) | 59 | (1,084) | (256) | - | 4 | 15 | (237) | (38) |
| Debt extinguishment costs | - | - | - | 31 | 31 | 21 | 215 | 2 | - | 238 | - |
| Pension & OPEB actuarial & settlement gains and losses | 2 | - | - | 402 | 404 | - | - | 6 | (514) | (508) | - |
| Tax adjustment | - | 2 | - | 140 | 142 | 28 | - | (10) | 25 | 43 | - |
| Non-GAAP net income attributable to DXC | 53 | 163 | 216 | 192 | 624 | 218 | 232 | 235 | 209 | 894 | 179 |
| Non-GAAP EPS (basic) | \$ 0.21 | \$ 0.64 | \$ 0.85 | \$ 0.75 | \$ 2.46 | \$ 0.86 | \$ 0.92 | \$ 0.94 | \$ 0.86 | \$ 3.58 | \$ 0.77 |
| Non-GAAP EPS (diluted) ⁽¹⁾ | \$ 0.21 | \$ 0.64 | \$ 0.84 | \$ 0.74 | \$ 2.43 | \$ 0.84 | \$ 0.90 | \$ 0.92 | \$ 0.84 | \$ 3.50 | \$ 0.75 |
| Shares outstanding (basic) [M] | 253.6 | 254.1 | 254.3 | 254.5 | 254.1 | 254.7 | 252.4 | 250.3 | 242.7 | 250.0 | 232.5 |
| Shares outstanding (diluted) [M] | 254.4 | 255.2 | 255.8 | 258.4 | 256.9 | 260.3 | 257.2 | 254.8 | 247.7 | 255.2 | 237.4 |

⁽¹⁾ 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 FY21 | Q2 FY21 | Q3 FY21 | Q4 FY21 | FY21 | Q1 FY22 | Q2 FY22 | Q3 FY22 | Q4 FY22 | FY22 | Q1 FY23 |
|--|------------------|------------------|----------------|------------------|------------------|----------------|------------------|----------------|----------------|----------------|----------------|
| GAAP EPS (diluted) | \$ (0.81) | \$ (0.96) | \$ 4.29 | \$ (3.14) | \$ (0.59) | \$ 1.07 | \$ (0.74) | \$ 0.38 | \$ 2.14 | \$ 2.81 | \$ 0.43 |
| Restructuring costs | 0.24 | 0.83 | 0.36 | 0.36 | 1.79 | 0.22 | 0.43 | 0.13 | 0.21 | 0.99 | 0.11 |
| TSI | 0.32 | 0.29 | 0.31 | 0.13 | 1.06 | 0.02 | 0.01 | 0.04 | 0.01 | 0.07 | 0.01 |
| Amortization of acquired intangible assets | 0.45 | 0.46 | 0.34 | 0.35 | 1.59 | 0.33 | 0.33 | 0.36 | 0.33 | 1.35 | 0.34 |
| Impairment losses | - | - | - | 0.55 | 0.55 | - | 0.03 | - | 0.06 | 0.09 | - |
| Merger related indemnification | - | - | - | - | - | - | - | - | - | - | 0.03 |
| Gains and losses on disposition of businesses | - | - | (4.47) | 0.23 | (4.22) | (0.98) | - | 0.02 | 0.06 | (0.93) | (0.16) |
| Debt extinguishment costs | - | - | - | 0.12 | 0.12 | 0.08 | 0.84 | 0.01 | - | 0.93 | - |
| Pension & OPEB actuarial & settlement gains and losses | 0.01 | - | - | 1.56 | 1.57 | - | - | 0.02 | (2.08) | (1.99) | - |
| Tax adjustment | - | 0.01 | - | 0.54 | 0.55 | 0.11 | - | (0.04) | 0.10 | 0.17 | - |
| Non-GAAP EPS (diluted) ⁽¹⁾ | \$ 0.21 | \$ 0.64 | \$ 0.84 | \$ 0.74 | \$ 2.43 | \$ 0.84 | \$ 0.90 | \$ 0.92 | \$ 0.84 | \$ 3.50 | \$ 0.75 |
| Shares outstanding (diluted) [M] | 254.4 | 255.2 | 255.8 | 258.4 | 256.9 | 260.3 | 257.2 | 254.8 | 247.7 | 255.2 | 237.4 |

⁽¹⁾ 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 FY21 | Q2 FY21 | Q3 FY21 | Q4 FY21 | FY21 | Q1 FY22 | Q2 FY22 | Q3 FY22 | Q4 FY22 | FY22 | Q1 FY23 |
|------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Cash and cash equivalents | 5,509 | 3,079 | 3,919 | 2,968 | 2,968 | 2,460 | 2,699 | 2,919 | 2,672 | 2,672 | 2,209 |
| Receivables, net | 4,271 | 4,194 | 4,130 | 4,156 | 4,156 | 4,081 | 3,821 | 3,664 | 3,854 | 3,854 | 3,693 |
| Prepaid expenses | 667 | 604 | 586 | 567 | 567 | 659 | 534 | 600 | 617 | 617 | 666 |
| Other current assets | 261 | 335 | 470 | 357 | 357 | 341 | 330 | 314 | 268 | 268 | 270 |
| Assets held for sale | - | 125 | - | 160 | 160 | - | - | - | 35 | 35 | 10 |
| Total current assets | 10,708 | 8,337 | 9,105 | 8,208 | 8,208 | 7,541 | 7,384 | 7,497 | 7,446 | 7,446 | 6,848 |
| Intangible assets, net | 5,540 | 4,146 | 4,019 | 4,043 | 4,043 | 3,888 | 3,691 | 3,575 | 3,378 | 3,378 | 3,117 |
| Operating right-of-use assets, net | 1,602 | 1,555 | 1,459 | 1,366 | 1,366 | 1,299 | 1,174 | 1,104 | 1,133 | 1,133 | 1,025 |
| Goodwill | 2,057 | 725 | 736 | 641 | 641 | 639 | 631 | 629 | 617 | 617 | 582 |
| Deferred income taxes, net | 285 | 292 | 315 | 289 | 289 | 238 | 255 | 260 | 221 | 221 | 210 |
| Property and equipment, net | 3,503 | 3,417 | 3,321 | 2,946 | 2,946 | 2,841 | 2,691 | 2,555 | 2,412 | 2,412 | 2,212 |
| Other assets | 4,199 | 4,360 | 4,679 | 4,192 | 4,192 | 4,421 | 4,289 | 4,310 | 4,850 | 4,850 | 4,602 |
| Assets held for sale – non-current | - | 2,838 | - | 353 | 353 | - | - | - | 82 | 82 | 51 |
| Total assets | 27,894 | 25,670 | 23,634 | 22,038 | 22,038 | 20,867 | 20,115 | 19,930 | 20,139 | 20,139 | 18,647 |

DXC Historical Balance Sheet

| Liabilities & Equity (in \$M) | Q1 FY21 | Q2 FY21 | Q3 FY21 | Q4 FY21 | FY21 | Q1 FY22 | Q2 FY22 | Q3 FY22 | Q4 FY22 | FY22 | Q1 FY23 |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Short term debt & current LT debt | 1,682 | 1,622 | 795 | 1,167 | 1,167 | 817 | 745 | 706 | 900 | 900 | 904 |
| Accounts payable | 1,522 | 1,345 | 852 | 914 | 914 | 857 | 724 | 759 | 840 | 840 | 795 |
| Accrued payroll and related costs | 766 | 756 | 741 | 698 | 698 | 746 | 645 | 563 | 570 | 570 | 610 |
| Current operating lease liabilities | 488 | 461 | 450 | 418 | 418 | 413 | 392 | 386 | 388 | 388 | 346 |
| Accrued expenses & other CL | 2,756 | 3,203 | 3,285 | 3,358 | 3,358 | 3,060 | 3,120 | 3,112 | 2,882 | 2,882 | 2,479 |
| Def. rev. & advance contract payments | 1,030 | 974 | 1,102 | 1,079 | 1,079 | 1,032 | 933 | 1,001 | 1,053 | 1,053 | 938 |
| Income taxes payable | 81 | 111 | 1,045 | 398 | 398 | 481 | 260 | 187 | 197 | 197 | 181 |
| Liabilities related to assets HFS | - | 184 | - | 118 | 118 | - | - | - | 23 | 23 | 4 |
| Total current liabilities | 8,325 | 8,656 | 8,270 | 8,150 | 8,150 | 7,406 | 6,819 | 6,714 | 6,853 | 6,853 | 6,257 |
| LT debt, net of current maturities | 10,334 | 8,046 | 5,444 | 4,345 | 4,345 | 4,116 | 4,363 | 4,236 | 4,065 | 4,065 | 3,874 |
| Non-current deferred revenue | 733 | 697 | 666 | 622 | 622 | 598 | 775 | 882 | 862 | 862 | 806 |
| Non-current operating lease liabilities | 1,208 | 1,192 | 1,113 | 1,038 | 1,038 | 971 | 862 | 787 | 815 | 815 | 742 |
| Non-current pension obligations | - | - | - | 793 | 793 | - | - | - | 590 | 590 | - |
| LT tax liabilities & deferred tax liabilities | 1,075 | 917 | 792 | 854 | 854 | 771 | 711 | 789 | 994 | 994 | 919 |
| Other LT liabilities | 1,277 | 1,325 | 1,354 | 908 | 908 | 1,619 | 1,502 | 1,435 | 546 | 546 | 1,000 |
| LT liabilities related to assets HFS | - | 86 | - | 20 | 20 | - | - | - | 39 | 39 | - |
| Total liabilities | 22,952 | 20,919 | 17,639 | 16,730 | 16,730 | 15,481 | 15,032 | 14,843 | 14,764 | 14,764 | 13,598 |
| Total equity | 4,942 | 4,751 | 5,995 | 5,308 | 5,308 | 5,386 | 5,083 | 5,087 | 5,375 | 5,375 | 5,049 |
| Total liabilities and equity | 27,894 | 25,670 | 23,634 | 22,038 | 22,038 | 20,867 | 20,115 | 19,930 | 20,139 | 20,139 | 18,647 |

DXC Working Capital Key Metrics

| (in \$M, except days) | Q1 FY21 | Q2 FY21 | Q3 FY21 | Q4 FY21 | FY21 | Q1 FY22 | Q2 FY22 | Q3 FY22 | Q4 FY22 | FY22 | Q1 FY23 |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Billed & unbilled accounts receivable | 3,428 | 3,363 | 3,203 | 3,222 | 3,222 | 3,205 | 3,053 | 2,905 | 3,065 | 3,065 | 2,852 |
| Revenue | 4,502 | 4,554 | 4,288 | 4,385 | 17,729 | 4,141 | 4,027 | 4,089 | 4,008 | 16,265 | 3,707 |
| One day of sales | 49 | 50 | 47 | 48 | 49 | 46 | 44 | 45 | 44 | 45 | 41 |
| Days sales outstanding (DSO) | 69 | 67 | 68 | 67 | 66 | 70 | 69 | 65 | 70 | 69 | 70 |
| Total cost of sales & SG&A expense | 4,168 | 4,102 | 3,850 | 4,032 | 16,152 | 3,638 | 3,458 | 3,519 | 3,476 | 14,091 | 3,279 |
| Less: Payroll & related expense ⁽¹⁾ | (2,027) | (1,979) | (1,862) | (1,887) | (7,755) | (1,841) | (1,747) | (1,759) | (1,761) | (7,108) | (1,747) |
| Less: Other employee related expense ⁽¹⁾ | (36) | (26) | (20) | (29) | (111) | (20) | (22) | (23) | (34) | (99) | (33) |
| Cost of sales & SG&A for DPO | 2,105 | 2,097 | 1,968 | 2,116 | 8,286 | 1,777 | 1,689 | 1,737 | 1,681 | 6,884 | 1,499 |
| Accounts payable | 1,522 | 1,345 | 852 | 914 | 914 | 857 | 724 | 759 | 840 | 840 | 795 |
| One day of COS & SG&A | 23 | 23 | 22 | 23 | 23 | 20 | 19 | 19 | 18 | 19 | 16 |
| Days purchases outstanding (DPO) | 66 | 58 | 39 | 39 | 40 | 44 | 39 | 40 | 45 | 45 | 48 |

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.

⁽¹⁾ 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 FY21 | Q2 FY21 | Q3 FY21 | Q4 FY21 | FY21 | Q1 FY22 | Q2 FY22 | Q3 FY22 | Q4 FY22 | FY22 | Q1 FY23 |
|---|--------------|--------------|--------------|--------------|--------------|-------------|--------------|------------|------------|--------------|------------|
| Net income | (199) | (246) | 1,103 | (804) | (146) | 282 | (187) | 102 | 539 | 736 | 103 |
| Depreciation & amortization | 496 | 529 | 481 | 482 | 1,988 | 427 | 452 | 430 | 433 | 1,742 | 398 |
| Operating right of use expense | 156 | 151 | 156 | 153 | 616 | 130 | 124 | 117 | 113 | 484 | 106 |
| Pension & other post-employment benefits | 2 | - | - | 517 | 519 | - | - | 7 | (691) | (684) | - |
| Share-based compensation | 16 | 20 | 6 | 14 | 56 | 25 | 26 | 26 | 24 | 101 | 28 |
| Deferred taxes | - | - | (319) | (84) | (403) | (25) | (16) | 58 | 238 | 255 | (38) |
| (Gain)/loss on dispositions | 4 | 10 | (2,037) | 40 | (1,983) | (414) | (1) | 13 | (19) | (421) | (62) |
| Provision for loss on A/R | 35 | 10 | 7 | 1 | 53 | (3) | 1 | 3 | 4 | 5 | 2 |
| Unrealized Fx. (gain)/loss | (11) | (32) | (17) | 24 | (36) | (8) | (11) | (1) | 8 | (12) | 46 |
| Impairment losses & contract write-offs | - | 42 | 26 | 207 | 275 | - | 17 | 4 | 30 | 51 | - |
| Debt extinguishment costs | - | - | - | 41 | 41 | 28 | 281 | 2 | - | 311 | - |
| Amortization of debt issuance costs | - | - | - | 3 | 3 | - | - | - | - | - | - |
| Cash surrender value | - | - | - | (3) | (3) | - | - | - | (24) | (24) | - |
| Other non-cash charges, net | 7 | (12) | 3 | 3 | 1 | 3 | - | (2) | 14 | 15 | 3 |
| Changes in assets and liabilities | | | | | | | | | | | |
| Receivables | 8 | 222 | 143 | (116) | 257 | 99 | 214 | 88 | (173) | 228 | 7 |
| Prepaid expenses & other current assets | (108) | (65) | (112) | (14) | (299) | (73) | 108 | (50) | (33) | (48) | (76) |
| Accounts payable & accruals | (82) | 207 | (640) | (12) | (527) | (336) | (192) | (86) | (100) | (714) | (122) |
| Income taxes payable & tax liability | (31) | (114) | 1,143 | (564) | 434 | 48 | (243) | (67) | (53) | (315) | (35) |
| Operating lease liability | (156) | (151) | (156) | (153) | (616) | (130) | (124) | (117) | (113) | (484) | (106) |
| Advance contract payment & def. revenue | (23) | (91) | 34 | 14 | (66) | (80) | 106 | 176 | 68 | 270 | (80) |
| Other operating activities, net | 5 | (8) | (8) | (29) | (40) | (2) | 8 | (7) | 6 | 5 | (11) |
| Cash flows from operating activities | 119 | 472 | (187) | (280) | 124 | (29) | 563 | 696 | 271 | 1,501 | 163 |

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 FY21 | Q2 FY21 | Q3 FY21 | Q4 FY21 | FY21 | Q1 FY22 | Q2 FY22 | Q3 FY22 | Q4 FY22 | FY22 | Q1 FY23 |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Payments on finance leases & borrowings for asset financing | (245) | (242) | (207) | (236) | (930) | (494) | (177) | (184) | (135) | (990) | (159) |
| Less: Originations | | | | | | | | | | | |
| Capital expenditures through finance lease obligations | 88 | 117 | 72 | 71 | 348 | 71 | 43 | 66 | 53 | 233 | 26 |
| Assets acquired under long-term financing | 2 | 8 | 16 | 9 | 35 | 35 | 9 | - | - | 44 | 2 |
| Prepaid assets acquired under long-term financing | 2 | 41 | 3 | - | 46 | 111 | - | - | (4) | 107 | 34 |
| Total origination | 92 | 166 | 91 | 80 | 429 | 217 | 52 | 66 | 49 | 384 | 62 |
| Capital lease & asset financing debt accumulation/(paydown) | (153) | (76) | (116) | (156) | (501) | (277) | (125) | (118) | (86) | (606) | (97) |
| Purchases of property & equipment | (95) | (61) | (59) | (46) | (261) | (98) | (67) | (52) | (37) | (254) | (68) |
| Payments for transition & transformation contract cost | (82) | (54) | (53) | (72) | (261) | (55) | (52) | (45) | (57) | (209) | (57) |
| Software purchased & developed | (48) | (54) | (107) | (45) | (254) | (122) | (40) | (49) | (84) | (295) | (50) |
| Total capital expenditures | (225) | (169) | (219) | (163) | (776) | (275) | (159) | (146) | (178) | (758) | (175) |
| Capital lease originations & capex as a % of revenue | 7.0% | 7.4% | 7.2% | 5.5% | 6.8% | 11.9% | 5.2% | 5.2% | 5.7% | 7.0% | 6.4% |
| Payments on operating lease liabilities | (156) | (151) | (156) | (153) | (616) | (130) | (124) | (117) | (113) | (484) | (106) |
| Less: ROU assets obtained for operating leases, net | 275 | 135 | 39 | 81 | 530 | 52 | 17 | 61 | 149 | 279 | 55 |
| Operating lease accumulation/(paydown) | 119 | (21) | (117) | (72) | (86) | (78) | (107) | (56) | 36 | (205) | (51) |

DXC Key Cash Flow Drivers

| (in \$M) | Q1 FY21 | Q2 FY21 | Q3 FY21 | Q4 FY21 | FY21 | Q1 FY22 | Q2 FY22 | Q3 FY22 | Q4 FY22 | FY22 | Q1 FY23 |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-------------|-------------|--------------|-------------|
| Cash paid for restructuring | (61) | (99) | (149) | (133) | (442) | (115) | (86) | (78) | (75) | (354) | (48) |
| Cash paid for TSI ⁽¹⁾ | (88) | (81) | (135) | (56) | (360) | (9) | (3) | (11) | (3) | (26) | (2) |
| Total cash paid for restructuring & TSI | (149) | (180) | (284) | (189) | (802) | (124) | (89) | (89) | (78) | (380) | (50) |
| Interest expense | (106) | (96) | (82) | (77) | (361) | (62) | (61) | (38) | (43) | (204) | (37) |
| Interest income | 23 | 25 | 28 | 22 | 98 | 20 | 16 | 15 | 14 | 65 | 20 |
| Net interest expense | (83) | (71) | (54) | (55) | (263) | (42) | (45) | (23) | (29) | (139) | (17) |
| Cash paid for taxes on income, net of refunds | (31) | (53) | (75) | (639) | (798) | (52) | (222) | (52) | (68) | (394) | (53) |

⁽¹⁾ Cash paid for Transaction, Separation and Integration-Related Costs is 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 FY21 | Q2 FY21 | Q3 FY21 | Q4 FY21 | FY21 | Q1 FY22 | Q2 FY22 | Q3 FY22 | Q4 FY22 | FY22 | Q1 FY23 |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Cash flows from operating activities | 119 | 472 | (187) | (280) | 124 | (29) | 563 | 696 | 271 | 1,501 | 163 |
| Less capex | | | | | | | | | | | |
| Purchase of property & equipment | (95) | (61) | (59) | (46) | (261) | (98) | (67) | (52) | (37) | (254) | (68) |
| Payments for transition & transformation contract costs | (82) | (54) | (53) | (72) | (261) | (55) | (52) | (45) | (57) | (209) | (57) |
| Software purchased & developed | (48) | (54) | (107) | (45) | (254) | (122) | (40) | (49) | (84) | (295) | (50) |
| Total capex | (225) | (169) | (219) | (163) | (776) | (275) | (159) | (146) | (178) | (758) | (175) |
| Free cash flow | (106) | 303 | (406) | (443) | (652) | (304) | 404 | 550 | 93 | 743 | (12) |
| Additional cash information | | | | | | | | | | | |
| Payments on finance leases & borrowings for asset financing | (245) | (242) | (207) | (236) | (930) | (494) | (177) | (184) | (135) | (990) | (159) |
| Cash paid for restructuring expense | (61) | (99) | (149) | (133) | (442) | (115) | (86) | (78) | (75) | (354) | (48) |
| Cash paid for interest expense | (103) | (65) | (94) | (72) | (334) | (65) | (90) | (22) | (50) | (227) | (22) |
| Cash paid for taxes on income, net of refunds | (31) | (53) | (75) | (639) | (798) | (52) | (222) | (52) | (68) | (394) | (53) |

Q1 FY23 Non-GAAP Reconciliation: Organic Revenue – Offerings

| (in \$M) | Analytics and Engineering | Applications | Insurance and Business Process Services (BPS) | Security | Cloud Infrastructure and IT Outsourcing | Modern Workplace | Acquisitions and Divestitures | Total |
|---|---------------------------|----------------|---|---------------|---|------------------|-------------------------------|-----------------|
| Revenue | \$ 503 | \$ 882 | \$ 368 | \$ 105 | \$ 1,395 | \$ 448 | \$ 6 | \$ 3,707 |
| Prior-year revenue | 458 | 967 | 385 | 113 | 1,554 | 571 | 93 | 4,141 |
| YoY change \$ | \$ 45 | \$ (85) | \$ (17) | \$ (8) | \$ (159) | \$ (123) | \$ (87) | \$ (434) |
| YoY change % | | | | | | | | |
| Revenue | 9.8% | (8.8%) | (4.4%) | (7.1%) | (10.2%) | (21.5%) | - | (10.5%) |
| Foreign currency | 5.9% | 6.8% | 4.7% | 6.8% | 5.8% | 5.4% | - | 5.8% |
| Acquisitions and divestitures | - | - | - | - | - | - | - | 2.1% |
| Organic revenue growth/(decline) % | 15.7% | (2.0%) | 0.3% | (0.3%) | (4.4%) | (16.1%) | - | (2.6%) |

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 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

Non-GAAP Gross Profit: Revenue less Non-GAAP cost of sales

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, planning, financing and advisory fees and other similar charges associated with mergers, acquisitions, strategic investments, joint ventures, and dispositions and other similar transactions.
- **Amortization of acquired intangible assets:** Includes amortization of intangible assets acquired through business combinations.
- **Merger related indemnification:** represents the Company’s current estimate of potential liability to HPE for indemnification following the outcome of the Oracle v. HPE litigation in June 2022; obligation pursuant to CSC-HPES merger. See *Note 19 – Contingencies* within our 10-Q for further details.
- **Gains and losses on dispositions:** Gains and losses related to dispositions of businesses, strategic assets and interests in less than wholly owned entities.
- **Pension and OPEB actuarial and settlement gains and losses:** Pension and OPEB actuarial mark to market adjustments and settlement gains and losses.
- **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.
- **Impairment losses:** Impairment losses on assets classified as long-term on the balance sheet.
- **Tax adjustments:** Reflects discrete tax adjustments to impair or recognize certain deferred tax assets and adjustments for changes in tax legislation. Income tax expense 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.

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