2nd Quarter FY 2023 Earnings Presentation

November 3, 2022

DELIVERING EXCELLENCE FOR OUR CUSTOMERS AND COLLEAGUES

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 or current macroeconomic conditions, including the current decline in economic growth rates in the United States and other countries, including the possibility of reduced spending by customers in the areas we serve, the success of our cost-takeout efforts, continuing unfavorable foreign exchange rate movements, and our ability to close new deals in the event of an economic slowdown; the risks associated with our international operations, such as risks related to currency exchange rates 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 September 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 Q2 FY23 Results
2. Progress on Our Transformation Journey
3. Q2 FY23 Financial Results and Guidance
4. Closing Remarks

Q2 FY23 Financial Performance

Q2 FY23 – Key Metrics and Drivers		
Revenue	$3.57B	Organic revenue growth* of (1.5%): a top-end result over the last three years
Adjusted EBIT Margin*	7.5%	110 bps margin decline YoY & up 50 bps sequentially
TTM Book-to-Bill	1.04x	Book-to-bill of 0.83x in Q2; $2.96 billion in bookings
Non-GAAP Diluted EPS*	$0.75	16.7% decline YoY, due to Fx headwinds, lower pension income, and a higher tax rate

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

Transformation Journey



Inspire and Take Care of Our Colleagues

Proof points:

- Attrition is well under control
- GBS growth demonstrates our ability to recruit and retain top talent, whose skills are highly sought after
- DXC leadership team is changing the culture
  - Taking care of our people
  - Teaming effectively
  - Driving business impact for customers

Transformation Journey



Focus on Customers

Proof points:

- Most recent NPS score was 33 – above the industry benchmark range
- Customers value our services – driving sequential organic revenue growth and improved YoY organic revenue growth
- Our model is repeatable within GBS – now growing for six consecutive quarters
- Our model is working with GIS – producing the best organic revenue result over the last three years

Transformation Journey



Optimize Costs

Proof points:

- We are delivering on all five levers of our $500 million cost optimization initiative
- Our levers:
  - Staff optimization
  - Contractor conversions
  - Office and data center
  - Network and telecommunications
  - Third-party spend
- Adjusted EBIT margin expanded from 7.0% in Q1 to 7.5% in Q2
- Executing on our cost optimization to expand margins – our leadership team has executed before and is executing again

Transformation Journey



Seize the Market

Proof points:

- Implementing a new sales model to accelerate new work vs. renewals
- Two distinct sales forces:
  - "Relationship Selling" in GBS
  - "Disciplined Selling" in GIS
- GBS: Gaining momentum as to what DXC is known for because of our success in areas like engineering and software development for the automotive industry
- GIS: Deals are getting larger, and we are focused on our disciplined sales approach
- 63% of bookings were new work in Q2

Transformation Journey



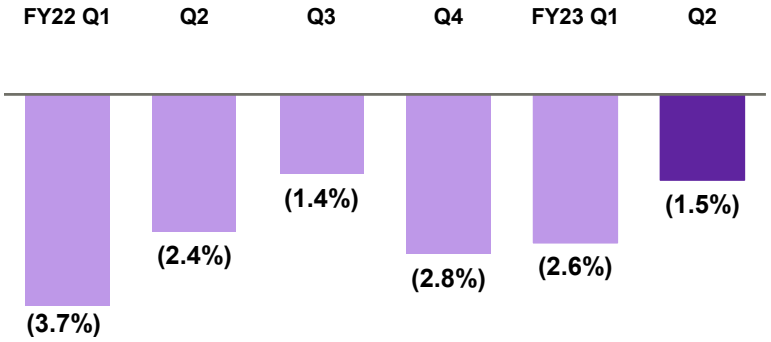
Financial Foundation

Proof points:

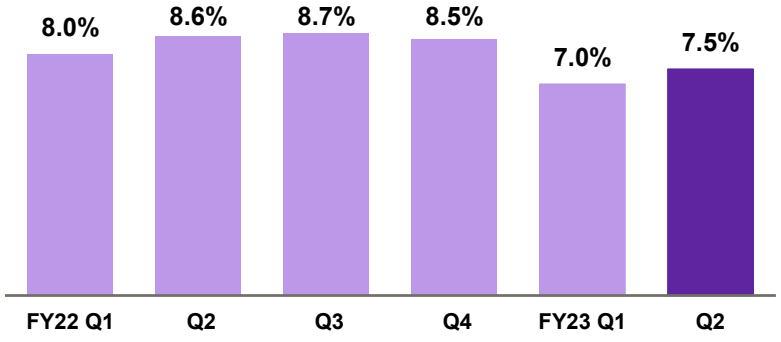
- Due to our financial foundation, DXC has created a quality company that is creating shareholder value
- Debt of $4.5B, below our targeted debt level of $5.0B
- $500M has been returned to shareholders since February 2022
- Q2 results show that our leadership team remains focused on the Transformation Journey and we continue to deliver for our customers and colleagues

Transformation Journey Continues Forward

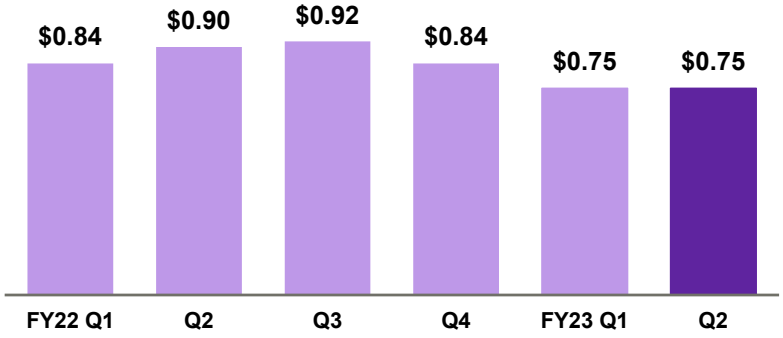
Organic Revenue Growth Trends* (YoY)



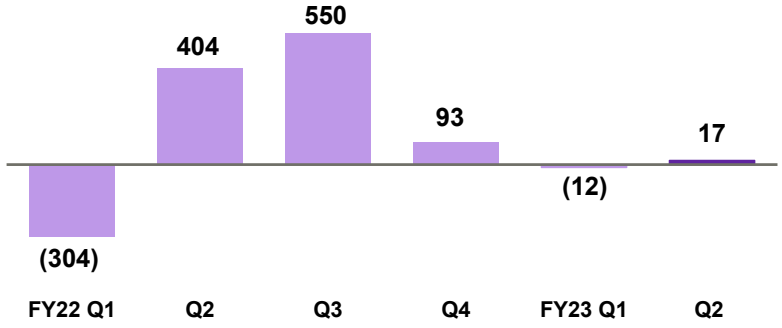
Adjusted EBIT Margin*



Non-GAAP Diluted EPS*



Free Cash Flow* ($M)



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

Q2 Key Financial Metrics

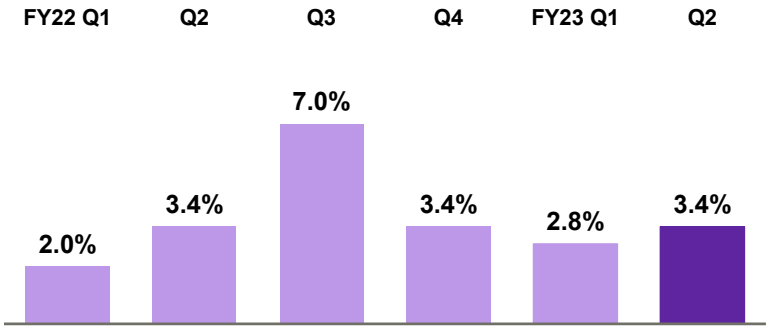
(in $M, except EPS and shares)	Q2 FY23	Q2 FY22	Change
Revenue	**3,566**	**4,027**	***(11.4%)***
Non-GAAP Gross Profit	791	939	(15.8%)
As % of sales	*22.2%*	*23.3%*	*(110) bps*
Non-GAAP SG&A Expenses	(312)	(357)	(12.6%)
As % of sales	*(8.8%)*	*(8.9%)*	*10 bps*
Non-GAAP Depreciation & Amortization	(279)	(338)	(17.5%)
As % of sales	*(7.8%)*	*(8.4%)*	*60 bps*
Non-GAAP Other Income	69	102	(32.4%)
As % of sales	*1.9%*	*2.5%*	*(60) bps*
Adjusted EBIT	269	346	(22.3%)
As % of sales	*7.5%*	*8.6%*	*(110) bps*
Net Interest Expense	(16)	(45)	(64.4%)
Non-GAAP Tax Rate	30.8%	22.6%	820 bps
Non-GAAP Net Income	**174**	**232**	**(25.0%)**
Non-GAAP Diluted EPS	**$ 0.75**	**$ 0.90**	**(16.7%)**
Weighted Average Diluted Shares (M)	**233.2**	**257.2**	**(9.3%)**

Currency Impact

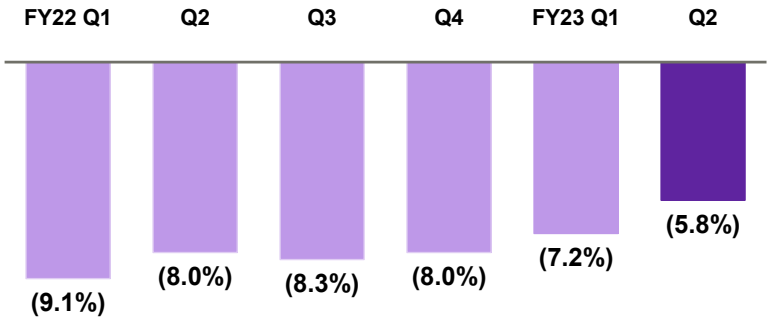
Quarterly averages (US$ per currency)	Q2 FY22	Q3 FY22	Q4 FY22	Q1 FY23	Q2 FY23	YoY Change	Spot 10/21/22	Q3 FY23E	Q4 FY23E	FY23E
Euro	1.18	1.14	1.12	1.07	1.01	(15%)	0.99	(14%)	(12%)	(13%)
Pound sterling	1.38	1.35	1.34	1.26	1.18	(15%)	1.13	(16%)	(16%)	(15%)
Australian dollar	0.74	0.73	0.72	0.72	0.68	(7%)	0.64	(13%)	(12%)	(9%)
Currency impact on revenue	***1.4%***	***(1.0%)***	***(3.0%)***	***(5.8%)***						
				Revenue impact @ 10/21/22 spot		(7.4%)		(8.2%)	~(8%)	(7.3%)
				Prior view @ 7/17/22 spot		*(7.2%)*		*~(5%)*	*~(5%)*	*(6.2%)*

GBS/GIS Results

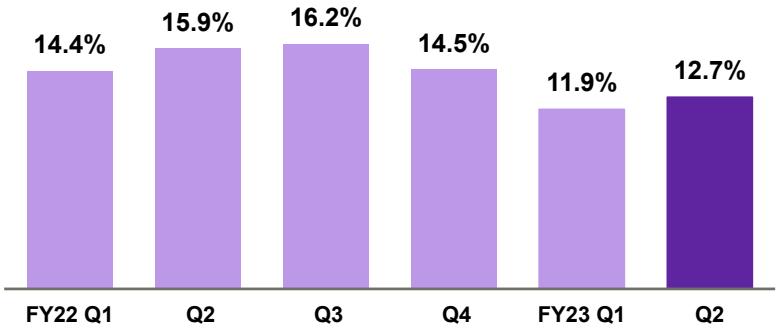
GBS Organic Revenue Growth* (YoY)



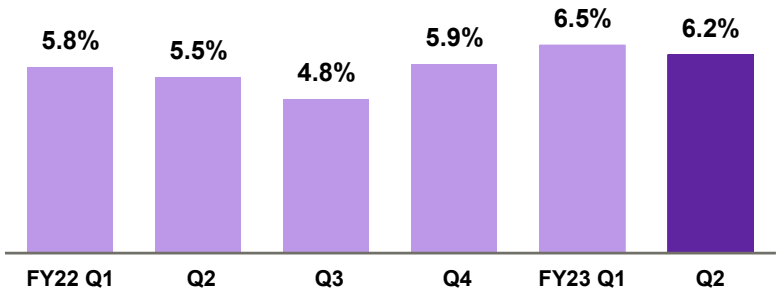
GIS Organic Revenue Growth* (YoY)



GBS Segment Profit Margin



GIS Segment Profit Margin



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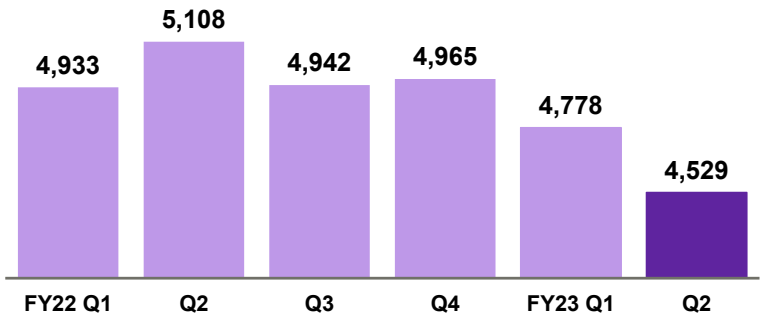
GBS/GIS Offerings

		Q2 FY23			
		Revenue ($M)	YoY Organic Growth*	Book-to-Bill	TTM Book-to-Bill
GBS	Analytics & Engineering	524	14.0%	1.18x	1.33x
	Applications	825	(1.1%)	0.95x	1.09x
	Insurance Software & BPS	363	1.1%	0.62x	1.22x
	Mergers, Acquisitions & Divestitures	*1*	-	-	-
	GBS Total	**1,713**	**3.4%**	**0.96x**	**1.18x**
GIS	Security	108	(10.8%)	0.95x	1.13x
	Cloud Infrastructure & ITO	1,309	(0.9%)	0.73x	0.87x
	Modern Workplace	436	(16.9%)	0.59x	1.00x
	Mergers, Acquisitions & Divestitures	-	-	-	-
	GIS Total	**1,853**	**(5.8%)**	**0.71x**	**0.91x**
	DXC TOTAL	**3,566**	**(1.5%)**	**0.83x**	**1.04x**

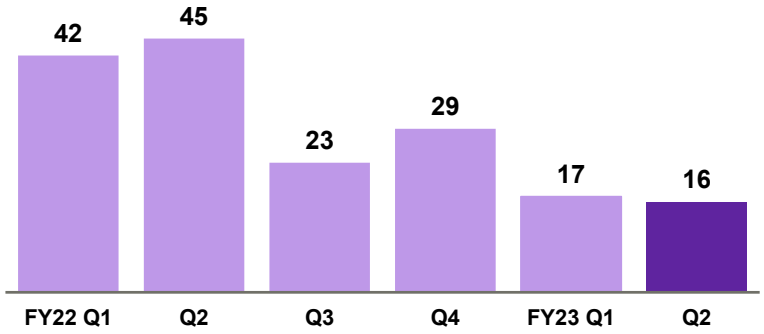
* Please see definitions and reconciliations of Non-GAAP measures at end of presentation

Continuing Progress on Our Financial Foundation

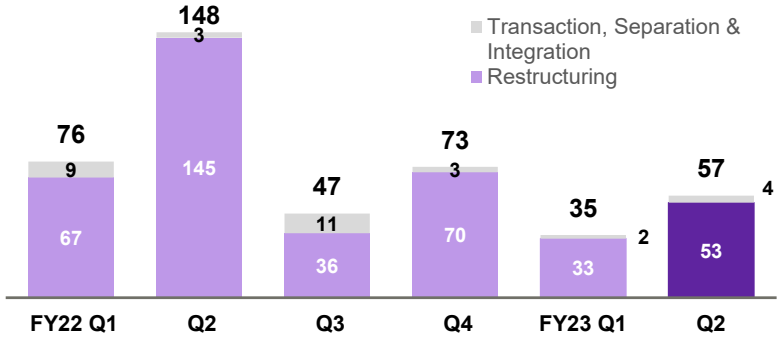
Total Debt ($M)



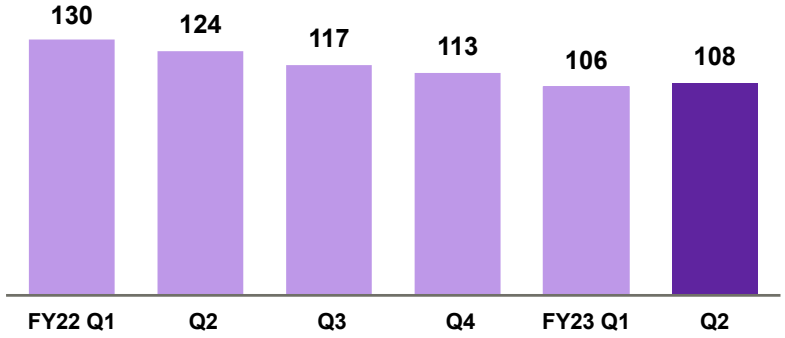
Net Interest Expense ($M)



Restructuring/Transaction, Separation & Integration ($M)

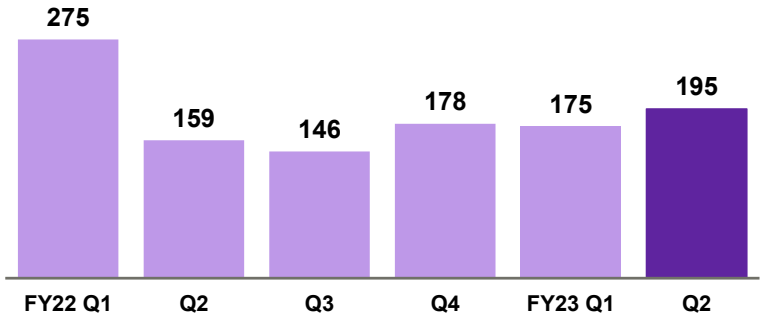


Cash Payments for Operating Leases ($M)

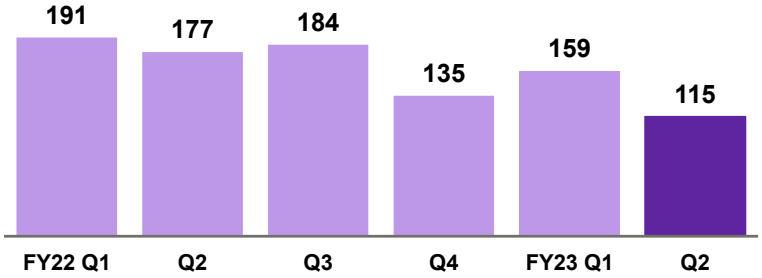


Continuing Progress on Our Financial Foundation

Capital Expenditures ($M)

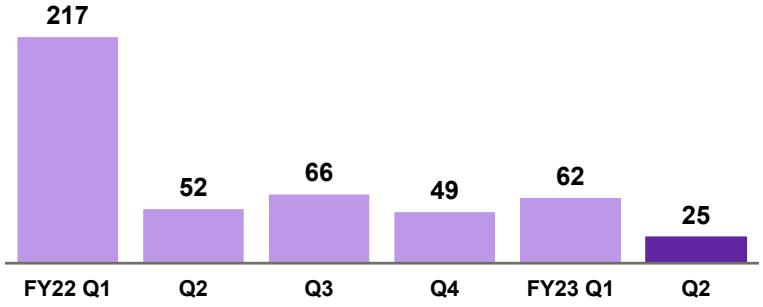


Finance Lease & Asset Financing Payments ($M)

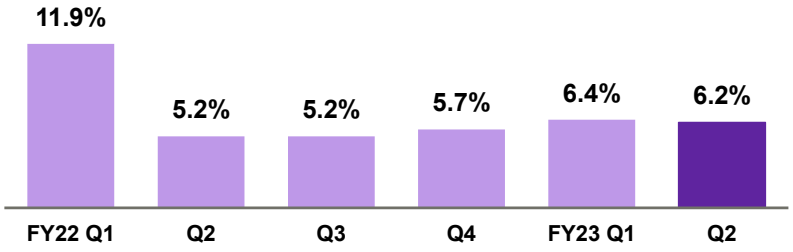


FY22 Q1 excludes $303 million of non-scheduled accelerated paydown

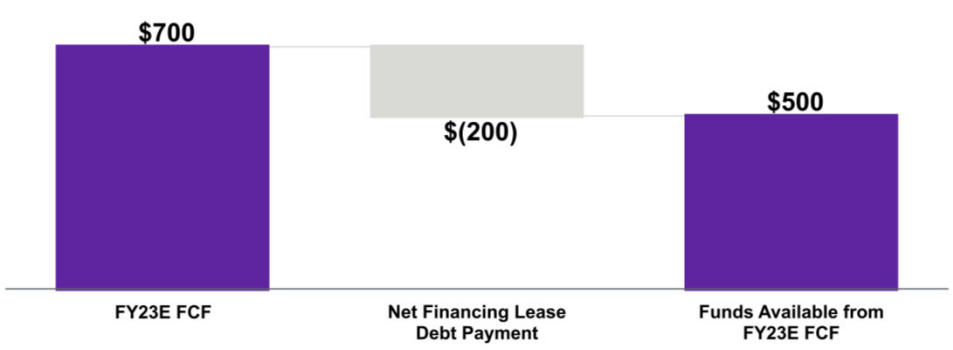
Finance Lease & Asset Financing Originations ($M)

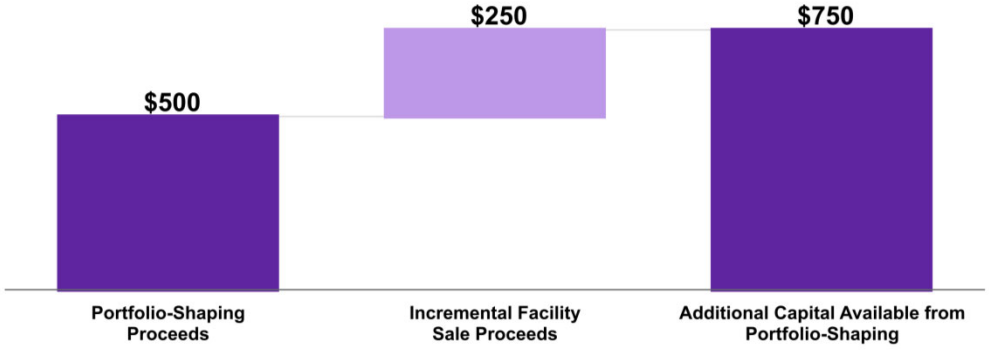


Capital Expenditures & Finance Lease Originations as a % of Revenue



Capital Allocation





- FY23E free cash flow generation of $700 million
- Continue to target debt level of $5 billion and $2.5 billion cash (net debt of $2.5 billion)
- Portfolio-shaping and asset sale proceeds of $500 million
- **Expect an additional $250 million of proceeds from real estate sales**
  - Will increase available cash for allocation
  - May reduce Non-GAAP EPS in short term, if there is a loss on sale

Q3 FY23 Outlook

YoY Organic Revenue Growth	Adjusted EBIT Margin	Non-GAAP Diluted EPS
(1.5%) – (2.5%)	8.0% – 8.5%	$0.80 – $0.85

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

Transformation Journey – Repeatable Drivers of the Business

1. **Hiring and retaining the best talent**
   Due to the culture change at DXC
2. **Delivery driving customer satisfaction**
   Allowing us to stabilize revenue and setting us up for growth
3. **Executing on our cost optimization to expand margins**
   Driven by our leadership team that has executed before and is executing again
4. **New sales model to accelerate new work vs. renewals**
   “Relationship Selling” in GBS and “Disciplined Selling” in GIS
5. **Quality company**
   Building on our firm financial foundation

Supplemental Information

Q2 FY23 Quarterly Result Details

Non-GAAP Reconciliations

Definitions

Organic Revenue Growth

GBS ($M)	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	Total FY22	Q1 FY23	Q2 FY23
GBS revenue	**1,887**	**1,873**	**1,946**	**1,892**	**7,598**	**1,758**	**1,713**
YoY GBS revenue growth	(13.2%)	(16.5%)	1.3%	(5.4%)	(8.9%)	(6.8%)	(8.5%)
Foreign currency	(4.7%)	(0.9%)	1.3%	3.2%	(0.4%)	5.9%	7.4%
Acquisitions and divestitures	19.9%	20.8%	4.4%	5.6%	13.2%	3.7%	4.5%
YoY GBS organic revenue growth	**2.0%**	**3.4%**	**7.0%**	**3.4%**	**3.9%**	**2.8%**	**3.4%**
GBS bookings ($B)	2.4	1.7	2.5	2.8	9.4	1.7	1.7
GBS book-to-bill	1.29x	0.92x	1.28x	1.46x	1.24x	0.98x	0.96x

GIS ($M)	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	Total FY22	Q1 FY23	Q2 FY23
GIS revenue	**2,254**	**2,154**	**2,143**	**2,116**	**8,667**	**1,949**	**1,853**
YoY GIS revenue growth	(3.2%)	(6.8%)	(9.5%)	(11.3%)	(7.7%)	(13.5%)	(14.0%)
Foreign currency	(6.6%)	(1.9%)	0.9%	2.9%	(1.2%)	5.8%	7.5%
Acquisitions and divestitures	0.7%	0.7%	0.3%	0.4%	0.5%	0.5%	0.7%
YoY GIS organic revenue growth	**(9.1%)**	**(8.0%)**	**(8.3%)**	**(8.0%)**	**(8.4%)**	**(7.2%)**	**(5.8%)**
GIS bookings ($B)	2.2	2.0	2.5	2.0	8.7	1.5	1.3
GIS book-to-bill	0.97x	0.91x	1.18x	0.96x	1.01x	0.77x	0.71x

Total ($M)	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	Total FY22	Q1 FY23	Q2 FY23
GAAP revenue	**4,141**	**4,027**	**4,089**	**4,008**	**16,265**	**3,707**	**3,566**
Total revenue growth	(8.0%)	(11.6%)	(4.6%)	(8.6%)	(8.3%)	(10.5%)	(11.4%)
Foreign currency	(5.7%)	(1.4)%	1.0%	3.0%	(0.8)%	5.8%	7.4%
Acquisitions and divestitures	10.0%	10.6%	2.2%	2.8%	6.5%	2.1%	2.5%
YoY organic revenue growth	**(3.7%)**	**(2.4%)**	**(1.4%)**	**(2.8%)**	**(2.6%)**	**(2.6%)**	**(1.5%)**
Bookings ($B)	4.6	3.7	5.0	4.8	18.1	3.2	3.0
Book-to-bill	1.12x	0.91x	1.23x	1.20x	1.11x	0.87x	0.83x
ASC 606 backlog ($B)	23.6	22.2	21.8	21.7	21.7	20.3	18.8

Organic Revenue Growth and Book-to-Bill by Offering

Organic Revenue Growth (YoY)	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	Total FY22	Q1 FY23	Q2 FY23
GBS	**2.0%**	**3.4%**	**7.0%**	**3.4%**	**3.9%**	**2.8%**	**3.4%**
Analytics & Engineering	12.9%	17.3%	18.7%	19.7%	17.3%	15.7%	14.0%
Applications	0.1%	(2.6%)	5.5%	(1.1%)	0.5%	(2.0%)	(1.1%)
Insurance Software & BPS	(1.7%)	5.4%	(1.5%)	(3.2%)	(0.4%)	0.3%	1.1%
	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	Total FY22	Q1 FY23	Q2 FY23
GIS	**(9.1%)**	**(8.0%)**	**(8.3%)**	**(8.0%)**	**(8.4%)**	**(7.2%)**	**(5.8%)**
Security	(4.5%)	6.8%	(10.2%)	1.4%	(1.7%)	(0.3%)	(10.8%)
Cloud Infrastructure & ITO	(5.1%)	(8.2%)	(4.8%)	(4.0%)	(5.5%)	(4.4%)	(0.9%)
Modern Workplace	(19.7%)	(10.9%)	(16.0%)	(19.6%)	(16.6%)	(16.1%)	(16.9%)

Book-to-Bill	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	Total FY22	Q1 FY23	Q2 FY23
GBS	**1.29x**	**0.92x**	**1.28x**	**1.46x**	**1.24x**	**0.98x**	**0.96x**
Analytics & Engineering	1.35x	0.96x	1.48x	1.47x	1.32x	1.17x	1.18x
Applications	1.46x	0.99x	1.33x	1.18x	1.24x	0.86x	0.95x
Insurance Software & BPS	0.80x	0.73x	0.96x	2.23x	1.18x	1.01x	0.62x
	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	Total FY22	Q1 FY23	Q2 FY23
GIS	**0.97x**	**0.91x**	**1.18x**	**0.96x**	**1.01x**	**0.77x**	**0.71x**
Security	1.46x	1.27x	1.44x	1.18x	1.33x	0.92x	0.95x
Cloud Infrastructure & ITO	0.93x	0.76x	1.08x	0.97x	0.94x	0.67x	0.73x
Modern Workplace	1.01x	1.19x	1.39x	0.89x	1.13x	1.02x	0.59x

Reconciliation of Segment Profit to Pretax Income

GBS ($M)	Q1 FY21	Q2 FY21	Q3 FY21	Q4 FY21	Total FY21	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	Total FY22	Q1 FY23	Q2 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	1,713
Segment profit	**215**	**317**	**273**	**315**	**1,120**	**272**	**298**	**315**	**275**	**1,160**	**210**	**218**
GBS profit %	*9.9%*	*14.1%*	*14.2%*	*15.8%*	*13.4%*	*14.4%*	*15.9%*	*16.2%*	*14.5%*	*15.3%*	*11.9%*	*12.7%*

GIS ($M)	Q1 FY21	Q2 FY21	Q3 FY21	Q4 FY21	Total FY21	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	Total FY22	Q1 FY23	Q2 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	1,853
Segment profit	**23**	**36**	**88**	**98**	**245**	**131**	**118**	**102**	**124**	**475**	**127**	**114**
GIS profit %	*1.0%*	*1.6%*	*3.7%*	*4.1%*	*2.6%*	*5.8%*	*5.5%*	*4.8%*	*5.9%*	*5.5%*	*6.5%*	*6.2%*

Total ($M)	Q1 FY21	Q2 FY21	Q3 FY21	Q4 FY21	Total FY21	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	Total FY22	Q1 FY23	Q2 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	3,566
Total profit for reportable segments	**238**	**353**	**361**	**413**	**1,365**	**403**	**416**	**417**	**399**	**1,635**	**337**	**332**
Total segment profit margin	*5.3%*	*7.8%*	*8.4%*	*9.4%*	*7.7%*	*9.7%*	*10.3%*	*10.2%*	*10.0%*	*10.1%*	*9.1%*	*9.3%*
All other	(48)	(70)	(61)	(84)	(263)	(71)	(70)	(62)	(57)	(260)	(78)	(63)
Restructuring costs	(72)	(265)	(104)	(110)	(551)	(67)	(145)	(36)	(70)	(318)	(33)	(53)
TSI	(110)	(101)	(96)	(51)	(358)	(9)	(3)	(11)	(3)	(26)	(2)	(4)
Amortization of intangible assets	(148)	(152)	(114)	(116)	(530)	(109)	(110)	(106)	(109)	(434)	(104)	(101)
Merger related indemnification	—	—	—	—	—	—	—	—	—	—	(10)	—
SEC matter	—	—	—	—	—	—	—	—	—	—	—	(8)
Gains and losses on dispositions	—	—	2,046	(42)	2,004	347	—	(4)	(2)	341	29	(32)
Pension, actuarial & settlement losses	(2)	—	—	(517)	(519)	—	—	(7)	691	684	—	(1)
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**	**70**
Net interest	(83)	(71)	(54)	(55)	(263)	(42)	(45)	(23)	(29)	(139)	(17)	(16)
Income before taxes	**(225)**	**(306)**	**1,978**	**(793)**	**654**	**424**	**(248)**	**166**	**799**	**1,141**	**122**	**54**

[1] Defined at end of presentation

Adjusted EBIT and Adjusted EBITDA Reconciliation

EBIT to Adjusted EBIT ($M)	Q1 FY21	Q2 FY21	Q3 FY21	Q4 FY21	Total FY21	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	Total FY22	Q1 FY23	Q2 FY23
Net income (loss)	(199)	(246)	1,103	(804)	(146)	282	(187)	102	539	736	103	28
Income tax expense (benefit)	(26)	(60)	875	11	800	142	(61)	64	260	405	19	26
Interest income	(23)	(25)	(28)	(22)	(98)	(20)	(16)	(15)	(14)	(65)	(20)	(28)
Interest expense	106	96	82	77	361	62	61	38	43	204	37	44
EBIT [1]	**(142)**	**(235)**	**2,032**	**(738)**	**917**	**466**	**(203)**	**189**	**828**	**1,280**	**139**	**70**
Restructuring costs	72	265	104	110	551	67	145	36	70	318	33	53
Transaction, separation & integration-related costs	110	101	96	51	358	9	3	11	3	26	2	4
Amortization of acquired intangible assets	148	152	114	116	530	109	110	106	109	434	104	101
Merger related indemnification	—	—	—	—	—	—	—	—	—	—	10	—
SEC matter	—	—	—	—	—	—	—	—	—	—	—	8
Impairment losses	—	—	—	190	190	—	10	—	21	31	—	—
Gains and losses on disposition of businesses	—	—	(2,046)	42	(2,004)	(347)	—	4	2	(341)	(29)	32
Pension & OPEB actuarial & settlement losses	2	—	—	517	519	—	—	7	(691)	(684)	—	1
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**	**269**
Depreciation and amortization	492	525	475	478	1,970	422	448	424	423	1,717	389	380
Less: Amortization of acquired intangible assets	(148)	(152)	(114)	(116)	(530)	(109)	(110)	(106)	(109)	(434)	(104)	(101)
Adjusted EBITDA [1]	**534**	**656**	**661**	**691**	**2,542**	**645**	**684**	**673**	**656**	**2,658**	**544**	**548**
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%**	**2.0%**
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%**	**7.5%**

[1] Defined at end of presentation

Non-GAAP Reconciliation – Income Statement Measures

COS, SG&A, D&A ($M)	Q1 FY21	Q2 FY21	Q3 FY21	Q4 FY21	Total FY21	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	Total FY22	Q1 FY23	Q2 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**	**2,775**
Less: Impairment losses	—	—	—	(190)	(190)	—	—	—	—	—	—	—
Less: TSI	—	—	—	(2)	(2)	—	—	—	—	—	—	—
Non-GAAP COS [1]	**3,629**	**3,563**	**3,333**	**3,369**	**13,894**	**3,255**	**3,088**	**3,179**	**3,161**	**12,683**	**2,930**	**2,775**
As a % of revenue	*80.6%*	*78.2%*	*77.7%*	*76.8%*	*78.4%*	*78.6%*	*76.7%*	*77.7%*	*78.9%*	*78.0%*	*79.0%*	*77.8%*
Non-GAAP Gross Profit [1]	**873**	**991**	**955**	**1,016**	**3,835**	**886**	**939**	**910**	**847**	**3,582**	**777**	**791**
SG&A expense	**539**	**539**	**517**	**471**	**2,066**	**383**	**370**	**340**	**315**	**1,408**	**349**	**324**
Less: Impairment losses	—	—	—	—	—	—	(10)	—	—	(10)	—	—
Less: SEC matter	—	—	—	—	—	—	—	—	—	—	—	(8)
Less: Merger related indemnification	—	—	—	—	—	—	—	—	—	—	(10)	—
Less: TSI	(110)	(108)	(96)	(49)	(363)	(9)	(3)	(11)	(3)	(26)	(2)	(4)
Non-GAAP SG&A expense	**429**	**431**	**421**	**422**	**1,703**	**374**	**357**	**329**	**312**	**1,372**	**337**	**312**
As a % of revenue	*9.5%*	*9.5%*	*9.8%*	*9.6%*	*9.6%*	*9.0%*	*8.9%*	*8.0%*	*7.8%*	*8.4%*	*9.1%*	*8.8%*
Depreciation	178	200	185	191	754	158	165	156	146	625	138	129
Amortization	314	325	290	287	1,216	264	283	268	277	1,092	251	251
Total Depreciation & Amortization	**492**	**525**	**475**	**478**	**1,970**	**422**	**448**	**424**	**423**	**1,717**	**389**	**380**
Less: Amortization of acquired intangible assets	(148)	(152)	(114)	(116)	(530)	(109)	(110)	(106)	(109)	(434)	(104)	(101)
Non-GAAP Depreciation & Amortization	**344**	**373**	**361**	**362**	**1,440**	**313**	**338**	**318**	**314**	**1,283**	**285**	**279**
Other Income, net	**(88)**	**(103)**	**(127)**	**420**	**102**	**(103)**	**(102)**	**(85)**	**(791)**	**(1,081)**	**(104)**	**(68)**
Less: Gains and losses on disposition of businesses	—	—	—	—	—	(30)	—	—	—	(30)	—	—
Less: Impairment losses	—	—	—	—	—	—	—	—	(21)	(21)	—	—
Less: TSI	—	7	—	—	7	—	—	—	—	—	—	—
Less: Pension & OPEB actuarial & settlement losses	(2)	—	—	(517)	(519)	—	—	(7)	691	684	—	(1)
Non-GAAP Other Income	**(90)**	**(96)**	**(127)**	**(97)**	**(410)**	**(133)**	**(102)**	**(92)**	**(121)**	**(448)**	**(104)**	**(69)**

[1] Defined at end of presentation

Non-GAAP Reconciliation – Income Statement Measures

EBIT to EPS (in $M, except EPS)	Q1 FY21	Q2 FY21	Q3 FY21	Q4 FY21	Total FY21	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	Total FY22	Q1 FY23	Q2 FY23
Adjusted EBIT	190	283	300	329	1,102	332	346	355	342	1,375	259	269
Interest expense	106	96	82	77	361	62	61	38	43	204	37	44
Interest income	(23)	(25)	(28)	(22)	(98)	(20)	(16)	(15)	(14)	(65)	(20)	(28)
Net interest	83	71	54	55	263	42	45	23	29	139	17	16
Non-GAAP income before income taxes	107	212	246	274	839	290	301	332	313	1,236	242	253
Income tax expense	(26)	(60)	875	11	800	142	(61)	64	260	405	19	26
As % of pre-tax income	*11.6%*	*19.6%*	*44.2%*	*(1.4)%*	*122.3%*	*33.5%*	*24.6%*	*38.6%*	*32.5%*	*35.5%*	*15.6%*	*48.1%*
Tax impact of restructuring	12	52	11	17	92	10	34	4	17	65	8	10
Tax impact of TSI	28	26	16	17	87	4	1	1	1	7	—	1
Tax impact of amortization	34	35	26	26	121	24	26	13	27	90	24	18
Tax impact of merger related indemnification	—	—	—	—	—	—	—	—	—	—	2	—
Tax impact of SEC matter	—	—	—	—	—	—	—	—	—	—	—	1
Tax impact of gain/loss on dispositions	—	—	(903)	(17)	(920)	(91)	—	—	(13)	(104)	9	22
Tax impact of impairment losses	—	—	—	49	49	—	2	—	5	7	—	—
Tax impact of other	—	(2)	—	(15)	(17)	(21)	66	11	(197)	(141)	—	—
Non-GAAP income tax expense	48	51	25	88	212	68	68	93	100	329	62	78
As % of Non-GAAP pre-tax income	*44.9%*	*24.1%*	*10.2%*	*32.1%*	*25.3%*	*23.4%*	*22.6%*	*28.0%*	*31.9%*	*26.6%*	*25.6%*	*30.8%*
Net Income (Loss)	**(199)**	**(246)**	**1,103**	**(804)**	**(146)**	**282**	**(187)**	**102**	**539**	**736**	**103**	**28**
Less: Net income attributed to NCI	6	(2)	5	(6)	3	4	1	4	9	18	1	1
Net Income (Loss) attributable to DXC	**(205)**	**(244)**	**1,098**	**(798)**	**(149)**	**278**	**(188)**	**98**	**530**	**718**	**102**	**27**
GAAP EPS (basic)	**$ (0.81)**	**$ (0.96)**	**$ 4.32**	**$ (3.14)**	**$ (0.59)**	**$ 1.09**	**$ (0.74)**	**$ 0.39**	**$ 2.18**	**$ 2.87**	**$ 0.44**	**$ 0.12**
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**	**$ 0.12**
Shares outstanding (basic)	253.6	254.1	254.3	254.5	254.1	254.7	252.4	250.3	242.7	250.0	232.5	230.0
Shares outstanding (diluted)	253.6	254.1	255.8	254.5	254.1	260.3	252.4	254.8	247.7	255.2	237.4	233.2

Non-GAAP Reconciliation – EPS

Non-GAAP EPS (in $M, except EPS)	Q1 FY21	Q2 FY21	Q3 FY21	Q4 FY21	Total FY21	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	Total FY22	Q1 FY23	Q2 FY23
Net income (loss) attributable to DXC	**(205)**	**(244)**	**1,098**	**(798)**	**(149)**	**278**	**(188)**	**98**	**530**	**718**	**102**	**27**
Restructuring costs	60	213	93	93	459	57	111	32	53	253	25	43
TSI	82	75	80	34	271	5	2	10	2	19	2	3
Amortization of acquired intangible assets	114	117	88	90	409	85	84	93	82	344	80	83
Merger related indemnification	—	—	—	—	—	—	—	—	—	—	8	—
SEC matter	—	—	—	—	—	—	—	—	—	—	—	7
Impairment losses	—	—	—	141	141	—	8	—	16	24	—	—
Gains and losses on disposition of businesses	—	—	(1,143)	59	(1,084)	(256)	—	4	15	(237)	(38)	10
Debt extinguishment costs	—	—	—	31	31	21	215	2	—	238	—	—
Pension & OPEB actuarial & settlement gains and losses	2	—	—	402	404	—	—	6	(514)	(508)	—	1
Tax adjustment	—	2	—	140	142	28	—	(10)	25	43	—	—
Non-GAAP net income attributable to DXC	**53**	**163**	**216**	**192**	**624**	**218**	**232**	**235**	**209**	**894**	**179**	**174**
Non-GAAP EPS (basic)	**$ 0.21**	**$ 0.64**	**$ 0.85**	**$ 0.75**	**$ 2.46**	**$ 0.86**	**$ 0.92**	**$ 0.94**	**$ 0.86**	**$ 3.58**	**$ 0.77**	**$ 0.76**
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**	**$ 0.75**
Shares outstanding (basic)	253.6	254.1	254.3	254.5	254.1	254.7	252.4	250.3	242.7	250.0	232.5	230.0
Shares outstanding (diluted)	254.4	255.2	255.8	258.4	256.9	260.3	257.2	254.8	247.7	255.2	237.4	233.2

[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	Total FY21	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	Total FY22	Q1 FY23	Q2 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**	**$ 0.12**
Restructuring costs	0.24	0.83	0.36	0.36	1.79	0.22	0.43	0.13	0.21	0.99	0.11	0.18
TSI	0.32	0.29	0.31	0.13	1.06	0.02	0.01	0.04	0.01	0.07	0.01	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	0.36
Impairment losses	—	—	—	0.55	0.55	—	0.03	—	0.06	0.09	—	—
Merger related indemnification	—	—	—	—	—	—	—	—	—	—	0.03	—
SEC matter	—	—	—	—	—	—	—	—	—	—	—	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)	0.04
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)	—	0.00
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**	**$ 0.75**
Shares outstanding (diluted)	254.4	255.2	255.8	258.4	256.9	260.3	257.2	254.8	247.7	255.2	237.4	233.2

[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	Total FY21	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	Total FY22	Q1 FY23	Q2 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	2,260
Receivables, net	4,271	4,194	4,130	4,156	4,156	4,081	3,821	3,670	3,854	3,854	3,693	3,467
Prepaid expenses	667	604	586	567	567	659	534	600	617	617	666	662
Other current assets	261	335	470	357	357	341	330	314	268	268	270	289
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**	**7,503**	**7,446**	**7,446**	**6,848**	**6,678**
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	2,884
Operating right-of-use assets, net	1,602	1,555	1,459	1,366	1,366	1,299	1,174	1,122	1,133	1,133	1,025	927
Goodwill	2,057	725	736	641	641	639	631	629	617	617	582	562
Deferred income taxes, net	285	292	315	289	289	238	255	259	221	221	210	205
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	2,039
Other assets	4,199	4,360	4,679	4,192	4,192	4,421	4,289	4,310	4,850	4,850	4,602	4,403
Assets held for sale – non-current	—	2,838	—	353	353	—	—	—	82	82	51	39
Total assets	**27,894**	**25,670**	**23,634**	**22,038**	**22,038**	**20,867**	**20,115**	**19,953**	**20,139**	**20,139**	**18,647**	**17,737**

DXC Historical Balance Sheet

Liabilities & Equity (in $M)	Q1 FY21	Q2 FY21	Q3 FY21	Q4 FY21	Total FY21	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	Total FY22	Q1 FY23	Q2 FY23
Short term debt & current LT debt	1,682	1,622	795	1,167	1,167	817	745	706	900	900	904	834
Accounts payable	1,522	1,345	852	914	914	857	724	759	840	840	795	857
Accrued payroll and related costs	766	756	741	698	698	746	645	563	570	570	610	537
Current operating lease liabilities	488	461	450	418	418	413	392	386	388	388	346	318
Accrued expenses & other CL	2,756	3,203	3,285	3,358	3,358	3,060	3,120	3,111	2,882	2,882	2,479	2,321
Def. rev. & advance contract payments	1,030	974	1,102	1,079	1,079	1,032	933	1,001	1,053	1,053	938	867
Income taxes payable	81	111	1,045	398	398	481	260	202	197	197	181	131
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**	**6,728**	**6,853**	**6,853**	**6,257**	**5,865**
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	3,695
Non-current deferred revenue	733	697	666	622	622	598	775	882	862	862	806	789
Non-current operating lease liabilities	1,208	1,192	1,113	1,038	1,038	971	862	805	815	815	742	667
Non-current pension obligations	—	—	—	793	793	—	—	—	590	590	—	—
LT tax liabilities & deferred tax liabilities	1,075	917	792	854	854	771	711	779	994	994	919	819
Other LT liabilities	1,277	1,325	1,354	908	908	1,619	1,502	1,436	546	546	1,000	966
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**	**14,866**	**14,764**	**14,764**	**13,598**	**12,801**
Total equity	**4,942**	**4,751**	**5,995**	**5,308**	**5,308**	**5,386**	**5,083**	**5,087**	**5,375**	**5,375**	**5,049**	**4,936**
Total liabilities and equity	**27,894**	**25,670**	**23,634**	**22,038**	**22,038**	**20,867**	**20,115**	**19,953**	**20,139**	**20,139**	**18,647**	**17,737**

DXC Working Capital Key Metrics

Cash Flows from Operating Activities (in $M)	Q1 FY21	Q2 FY21	Q3 FY21	Q4 FY21	Total FY21	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	Total FY22	Q1 FY23	Q2 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	2,724
Revenue	4,502	4,554	4,288	4,385	17,729	4,141	4,027	4,089	4,008	16,265	3,707	3,566
One day of sales	49	50	47	48	49	46	44	45	44	45	41	39
Days sales outstanding (DSO)	**69**	**67**	**68**	**67**	**66**	**70**	**69**	**65**	**70**	**69**	**70**	**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	3,099
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)	(1,661)
Less: Other employee related expense [1]	(36)	(26)	(20)	(29)	(111)	(20)	(22)	(23)	(34)	(99)	(33)	(26)
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**	**1,412**
Accounts payable	1,522	1,345	852	914	914	857	724	759	840	840	795	857
One day of COS & SG&A	23	23	22	23	23	20	19	19	18	19	16	16
Days purchases outstanding (DPO)	**66**	**58**	**39**	**39**	**40**	**44**	**39**	**40**	**45**	**45**	**48**	**55**

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	Total FY21	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	Total FY22	Q1 FY23	Q2 FY23
Net Income	**(199)**	**(246)**	**1,103**	**(804)**	**(146)**	**282**	**(187)**	**102**	**539**	**736**	**103**	**28**
Depreciation & amortization	496	529	481	482	1,988	427	452	430	433	1,742	398	388
Operating right of use expense	156	151	156	153	616	130	124	117	113	484	106	108
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	27
Deferred taxes	—	—	(319)	(84)	(403)	(25)	(16)	58	238	255	(38)	(65)
(Gain)/loss on dispositions	4	10	(2,037)	40	(1,983)	(414)	(1)	13	(19)	(421)	(62)	30
Provision for loss on A/R	35	10	7	1	53	(3)	1	3	4	5	2	(2)
Unrealized Fx (gain)/loss	(11)	(32)	(17)	24	(36)	(8)	(11)	(1)	8	(12)	46	23
Impairment losses & contract write-offs	—	42	26	207	275	—	17	4	30	51	—	21
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	(5)
Changes in assets and liabilities												
Receivables	8	222	143	(116)	257	99	214	88	(173)	228	7	(42)
Prepaid expenses & other current assets	(108)	(65)	(112)	(14)	(299)	(73)	108	(50)	(33)	(48)	(76)	(74)
Accounts payable & accruals	(82)	207	(640)	(12)	(527)	(336)	(192)	(86)	(100)	(714)	(122)	(16)
Income taxes payable & tax liability	(31)	(114)	1,143	(564)	434	48	(243)	(67)	(53)	(315)	(35)	(91)
Operating lease liability	(156)	(151)	(156)	(153)	(616)	(130)	(124)	(117)	(113)	(484)	(106)	(108)
Advance contract payment & def. revenue	(23)	(91)	34	14	(66)	(80)	106	176	68	270	(80)	(8)
Other operating activities, net	5	(8)	(8)	(29)	(40)	(2)	8	(7)	6	5	(11)	(2)
Cash flows from operating activities	**119**	**472**	**(187)**	**(280)**	**124**	**(29)**	**563**	**696**	**271**	**1,501**	**163**	**212**

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	Total FY21	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	Total FY22	Q1 FY23	Q2 FY23
Payments on finance leases & borrowings for asset financing	**(245)**	**(242)**	**(207)**	**(236)**	**(930)**	**(494)**	**(177)**	**(184)**	**(135)**	**(990)**	**(159)**	**(115)**
Less: Originations												
Capital expenditures through financing lease obligations	88	117	72	71	348	71	43	66	53	233	26	18
Investing assets acquired under long-term financing	2	8	16	9	35	35	9	—	—	44	2	4
Operating assets acquired under long-term financing	2	41	3	—	46	111	—	—	(4)	107	34	3
Total origination	**92**	**166**	**91**	**80**	**429**	**217**	**52**	**66**	**49**	**384**	**62**	**25**
Capital lease & asset financing debt accumulation/(paydown)	**(153)**	**(76)**	**(116)**	**(156)**	**(501)**	**(277)**	**(125)**	**(118)**	**(86)**	**(606)**	**(97)**	**(90)**
Purchases of property & equipment	(95)	(61)	(59)	(46)	(261)	(98)	(67)	(52)	(37)	(254)	(68)	(78)
Payments for transition & transformation contract costs	(82)	(54)	(53)	(72)	(261)	(55)	(52)	(45)	(57)	(209)	(57)	(57)
Software purchased & developed	(48)	(54)	(107)	(45)	(254)	(122)	(40)	(49)	(84)	(295)	(50)	(60)
Total capital expenditures	**(225)**	**(169)**	**(219)**	**(163)**	**(776)**	**(275)**	**(159)**	**(146)**	**(178)**	**(758)**	**(175)**	**(195)**
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%**	**6.2%**
Payments on operating lease liabilities	**(156)**	**(151)**	**(156)**	**(153)**	**(616)**	**(130)**	**(124)**	**(117)**	**(113)**	**(484)**	**(106)**	**(108)**
Less: ROU assets obtained for operating leases, net	275	135	39	81	530	52	17	61	149	279	55	62
Operating lease accumulation/(paydown)	**119**	**(16)**	**(117)**	**(72)**	**(86)**	**(78)**	**(107)**	**(56)**	**36**	**(205)**	**(51)**	**(46)**

DXC Cash Flow Drivers

(in $M)	Q1 FY21	Q2 FY21	Q3 FY21	Q4 FY21	Total FY21	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	Total FY22	Q1 FY23	Q2 FY23
Cash paid for restructuring	(61)	(99)	(149)	(133)	(442)	(115)	(86)	(78)	(75)	(354)	(48)	(63)
Cash paid for TSI[1]	(88)	(81)	(135)	(56)	(360)	(9)	(3)	(11)	(3)	(26)	(2)	(4)
Total cash paid for restructuring & TSI	**(149)**	**(180)**	**(284)**	**(189)**	**(802)**	**(124)**	**(89)**	**(89)**	**(78)**	**(380)**	**(50)**	**(67)**
Interest expense	(106)	(96)	(82)	(77)	(361)	(62)	(61)	(38)	(43)	(204)	(37)	(44)
Interest income	23	25	28	22	98	20	16	15	14	65	20	28
Net interest expense	**(83)**	**(71)**	**(54)**	**(55)**	**(263)**	**(42)**	**(45)**	**(23)**	**(29)**	**(139)**	**(17)**	**(16)**
Cash paid for taxes on income, net of refunds	**(31)**	**(53)**	**(75)**	**(639)**	**(798)**	**(52)**	**(222)**	**(52)**	**(68)**	**(394)**	**(53)**	**(177)**

[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	Total FY21	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	Total FY22	Q1 FY23	Q2 FY23
Cash flows from operating activities	**119**	**472**	**(187)**	**(280)**	**124**	**(29)**	**563**	**696**	**271**	**1,501**	**163**	**212**
Less capex												
Purchase of property & equipment	(95)	(61)	(59)	(46)	(261)	(98)	(67)	(52)	(37)	(254)	(68)	(78)
Payments for transition & transformation contract costs	(82)	(54)	(53)	(72)	(261)	(55)	(52)	(45)	(57)	(209)	(57)	(57)
Software purchased & developed	(48)	(54)	(107)	(45)	(254)	(122)	(40)	(49)	(84)	(295)	(50)	(60)
Total capex	**(225)**	**(169)**	**(219)**	**(163)**	**(776)**	**(275)**	**(159)**	**(146)**	**(178)**	**(758)**	**(175)**	**(195)**
Free Cash Flow	**(106)**	**303**	**(406)**	**(443)**	**(652)**	**(304)**	**404**	**550**	**93**	**743**	**(12)**	**17**
Additional cash information												
Payments on finance leases & borrowings for asset financing	(245)	(242)	(207)	(236)	(930)	(494)	(177)	(184)	(135)	(990)	(159)	(115)
Cash paid for restructuring expense	(61)	(99)	(149)	(133)	(442)	(115)	(86)	(78)	(75)	(354)	(48)	(63)
Cash paid for interest expense	(103)	(65)	(94)	(72)	(334)	(65)	(90)	(22)	(50)	(227)	(22)	(52)
Cash paid for taxes on income, net of refunds	(31)	(53)	(75)	(639)	(798)	(52)	(222)	(52)	(68)	(394)	(53)	(177)

Q2 FY23 Non-GAAP Reconciliation: Organic Revenue – Offerings

(in $M)	Analytics & Engineering	Applications	Insurance Software & Business Process Services (BPS)	Security	Cloud Infrastructure & IT Outsourcing	Modern Workplace	Acquisitions & Divestitures	Total
Revenue	524	825	363	108	1,309	436	1	**$ 3,566**
Prior-year revenue	490	915	384	133	1,432	575	98	**$ 4,027**
YoY change $	**$ 34**	**$ (90)**	**$ (21)**	**$ (25)**	**$ (123)**	**$ (139)**	**$ (97)**	**$ (461)**
YoY change %								
Revenue	6.9%	(9.8%)	(5.5%)	(18.8%)	(8.6%)	(24.2%)	-	**(11.4%)**
Foreign currency	7.1%	8.7%	6.6%	8.0%	7.7%	7.3%	-	**7.4%**
Acquisitions & divestitures	-	-	-	-	-	-	-	**2.5%**
Organic revenue growth/(decline) %	**14.0%**	**(1.1%)**	**1.1%**	**(10.8%)**	**(0.9%)**	**(16.9%)**	**-**	**(1.5%)**

Non-GAAP and Other Definitions

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

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

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

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

EBIT margin: EBIT as a percentage of revenue

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

Adjusted EBIT margin: Adjusted EBIT as a percentage of revenue

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

Adjusted EBITDA margin: Adjusted EBITDA as a percentage of revenue

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

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

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

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

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

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 – Commitments and contingencies* within our 10-Q for further details.
- **SEC matter:** Represents the company's current estimate of potential liability related to a previously disclosed investigation into its historical determination and disclosure of certain "transaction, separation, and integration-related costs" as part of the company's non-GAAP adjustments.
- **Gains and losses on dispositions:** Gains and losses related to dispositions of businesses, strategic assets and interests in less than wholly owned entities.
- **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.


DXC
TECHNOLOGY