



3rd Quarter FY 2023 Earnings Presentation

February 1, 2023

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Non-GAAP Financial Measures

We present Non-GAAP financial measures which are derived from the statements of operations, cash flow and balance sheets of DXC. These Non-GAAP financial measures include earnings before interest and taxes ("EBIT"), adjusted EBIT, adjusted 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, sequential organic revenue growth, sequential constant currency 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, sequential organic revenue growth, and sequential constant currency revenue growth provide investors with useful supplemental information about our revenues after excluding the effect of currency exchange rate fluctuations for currencies other than U.S. dollars in the periods presented, and impact of acquisitions and divestitures. See below for a description of the methodology we use to present organic revenue growth, sequential organic revenue growth, and sequential constant currency 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. Sequential organic revenue growth is calculated by dividing the sequential quarterly change in GAAP revenues attributed to organic growth by the GAAP revenues reported in the prior quarterly period. Revenues on an "organic basis" in calculating organic revenue growth are Non-GAAP financial measures calculated by translating current period activity into U.S. dollars using the comparable prior period's currency conversion rates after excluding the impact of acquisitions and divestitures on revenue in both periods. Revenues on a "sequential organic basis" or "sequential constant currency basis" are Non-GAAP financial measures calculated by translating prior period activity into U.S. dollars using the comparable current period's currency conversion rates after excluding the impact of acquisitions and divestitures on revenue in all periods. References to sequential constant currency revenue growth mean sequential organic revenue growth.

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

Forward-Looking Statements

All statements and assumptions contained in this earnings presentation that do not directly and exclusively relate to historical facts constitute “forward-looking statements.” Forward-looking statements often include words such as “anticipates,” “believes,” “estimates,” “expects,” “forecast,” “goal,” “intends,” “objective,” “plans,” “projects,” “strategy,” “target,” and “will” and words and terms of similar substance in discussions of future operating or financial performance. These statements represent current expectations and beliefs, and no assurance can be given that the results described in such statements will be achieved. Forward-looking statements include, among other things, statements with respect to our future financial condition, results of operations, cash flows, business strategies, operating efficiencies or synergies, divestitures, competitive position, growth opportunities, share repurchases, dividend payments, plans and objectives of management and other matters. Such statements are subject to numerous assumptions, risks, uncertainties and other factors that could cause actual results to differ materially from those described in such statements, many of which are outside of our control. Furthermore, many of these risks and uncertainties are currently amplified by and may continue to be amplified by or may, in the future, be amplified by the coronavirus disease 2019 (“COVID-19”) crisis 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; 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 in 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 the withdrawal of U.K. from the European Union on January 31, 2020; 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 (“CSC”) and Enterprise Services business of Hewlett Packard Enterprise Company’s (“HPES”) businesses, including anticipated tax treatment, unforeseen liabilities, and future capital expenditures; risks following the spin-off of our former U.S. Public Sector business (the “USPS”) and its related mergers with Vencore Holding Corp. and KeyPoint Government Solutions in June 2018 to form Perspecta Inc. (including its successors and permitted assigns, “Perspecta”), which was acquired by Peraton in May 2021; and the other factors described in Part I, Item 1A “Risk Factors” of our Annual Report on Form 10-K for the fiscal year ended March 31, 2022 and subsequent SEC filings, including Part II Item 1A “Risk Factors” of our Quarterly Report on Form 10-Q.

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

Agenda for Today

- 1 Overview of Q3 FY23 Results
- 2 Progress on Our Transformation Journey
- 3 Q3 FY23 Financial Results and Guidance
- 4 Closing Remarks

Q3 FY23 Financial Performance

Q3 FY23 – Key Metrics and Drivers

Revenue	\$3.57B	Organic revenue growth* of (3.8%), second quarter of sequential organic revenue growth, same constant currency revenues in all three quarters of FY23
Adjusted EBIT Margin*	8.7%	Margin up 120 bps sequentially & flat YoY due to cost optimization efforts
Non-GAAP Diluted EPS*	\$0.95	3.3% growth YoY, driven by lower share count, lower tax rate, and lower interest expense
TTM Book-to-Bill	1.06x	Book-to-bill of 1.34x in Q3, a record result; \$4.78 billion in bookings; 5 out of 6 offerings over 1.0x

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

Transformation Journey



Inspire and Take Care of Our Colleagues

Proof points:

- Improved attrition due to the way we take care of our people and our efforts to change the culture
- Continue to support our ~4,000 colleagues in Ukraine as the war continues
- Awarded the prestigious President's Certificate of Commendation in Singapore – recognizes the exceptional efforts of our team that made a significant impact in Singapore's fight against COVID-19
- Pleased with the leadership team's continued execution, and will continue to adjust and add to the existing leadership team to deliver on our commitments

Transformation Journey



Focus on Customers

Proof points:

- Most recent NPS score was 27 – near the top end of industry benchmark range
- Solid customer delivery has driven the second consecutive quarter of sequential organic revenue growth; delivered roughly same level of revenue in constant currency, excluding dispositions, throughout FY23
- GBS: 7th quarter of consecutive organic revenue growth. Continue to grow the business and expand margins; business mix trending in the right direction
- GIS: Stabilizing revenue and improving margins due to increased discipline in ITO; demand in the market translated into strong bookings in Q3
- Executing on both parts of our growth strategy: accelerate growth in GBS and moderate declines in GIS

Transformation Journey



Optimize Costs

Proof points:

- Adjusted EBIT margin expanded from 7.5% in Q2 to 8.7% in Q3
- Continue to thoughtfully take out costs throughout the entire organization while delivering for our customers
- Efforts are ongoing through Q4 and into FY24
- Portfolio shaping, including the sale of the German banks in January, and data center sales are reducing fixed cost while generating cash proceeds

Transformation Journey



Seize the Market

Proof points:

- New sales model showing early signs of success – record bookings in the quarter raise YTD book-to-bill over 1.0x
- GBS: All three offerings delivered a book-to-bill over 1.0x; strong momentum in Applications
- GIS: More disciplined deal making paying off; \$800 million of deals delayed from the first half showed up in Q3
- Signing new logos in Modern Workplace:
 - SAP: Global site services deal to serve their 100K+ global employee base
 - Georg Fischer: Global deal for full suite of Modern Workplace services
- There is demand in the market for our offerings; we are taking work from our competitors at better economics

Transformation Journey



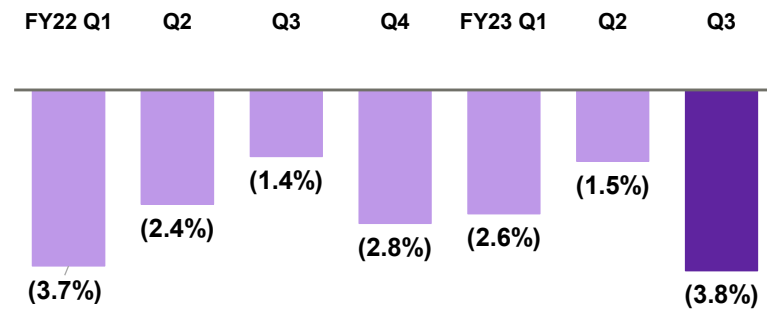
Financial Foundation

Proof points:

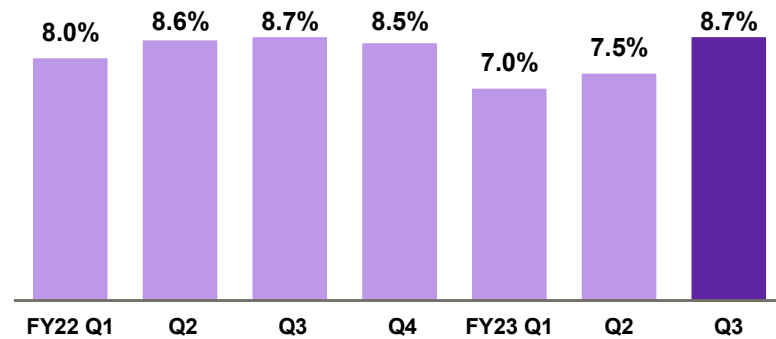
- Free cash flow generation outstanding: \$463 million in Q3
- Generated ~\$840 million in cash, including sale of German banks for ~\$320 million in early January
- Expect to reduce debt by ~\$400 million, improving our investment-grade profile
- We intend to complete the \$1 billion share repurchase program that we introduced last year, by buying ~\$400 million of DXC shares

Transformation Journey Continues Forward

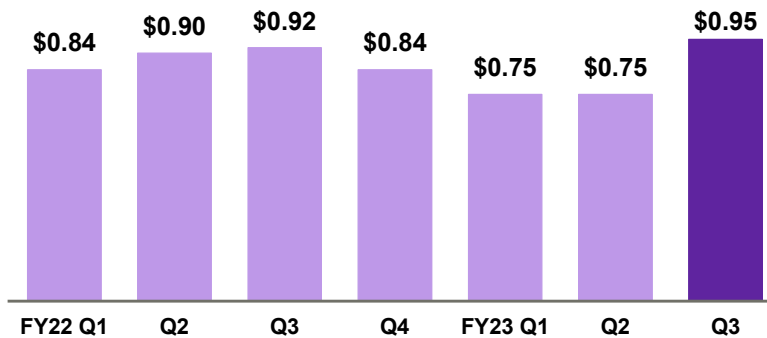
Organic Revenue Growth Trends* (YoY)



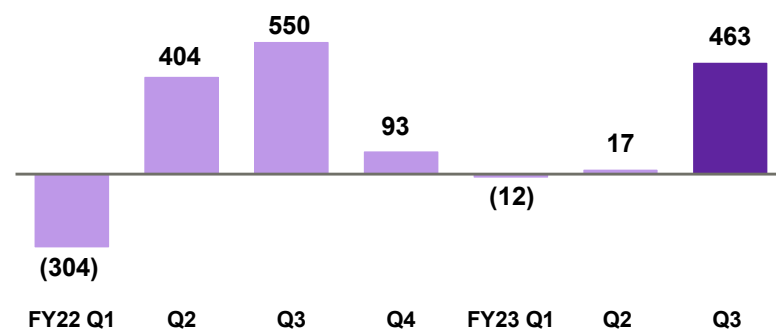
Adjusted EBIT Margin*



Non-GAAP Diluted EPS*



Free Cash Flow* (\$M)



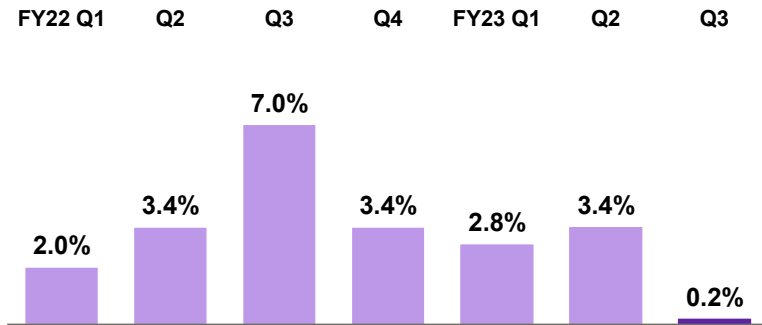
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Q3 Key Financial Metrics

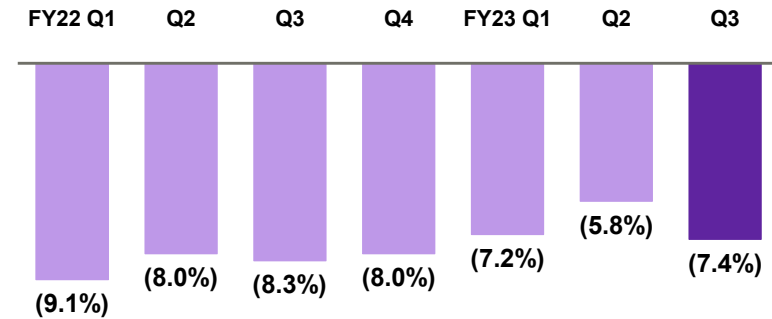
(in \$M, except EPS and shares)	Q3 FY23	Q3 FY22	Change
Revenue	3,566	4,089	(12.8%)
Non-GAAP Gross Profit	775	910	(14.8%)
<i>As % of sales</i>	<i>21.7%</i>	<i>22.3%</i>	<i>(60) bps</i>
Non-GAAP SG&A Expenses	(289)	(329)	(12.2%)
<i>As % of sales</i>	<i>(8.1%)</i>	<i>(8.0%)</i>	<i>(10) bps</i>
Non-GAAP Depreciation & Amortization	(275)	(318)	(13.5%)
<i>As % of sales</i>	<i>(7.7%)</i>	<i>(7.8%)</i>	<i>10 bps</i>
Non-GAAP Other Income	98	92	6.5%
<i>As % of sales</i>	<i>2.8%</i>	<i>2.2%</i>	<i>60 bps</i>
Adjusted EBIT	309	355	(13.0%)
<i>As % of sales</i>	<i>8.7%</i>	<i>8.7%</i>	<i>0 bps</i>
Net Interest Expense	(15)	(23)	(34.8%)
Non-GAAP Tax Rate	23.8%	28.0%	(420) bps
Non-GAAP Net Income	222	235	(5.5%)
Non-GAAP Diluted EPS	\$ 0.95	\$ 0.92	3.3%
Weighted Average Diluted Shares (M)	233.0	254.8	(8.6%)

GBS/GIS Results

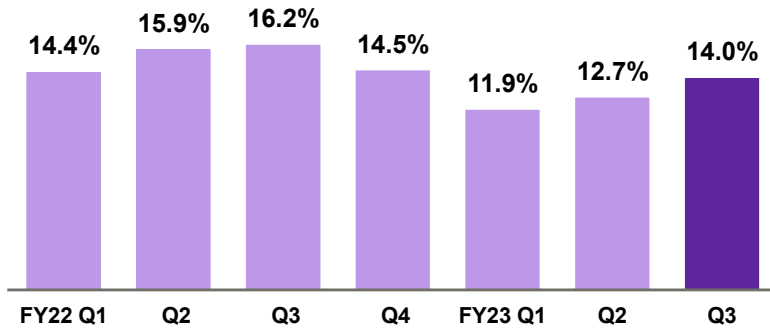
GBS Organic Revenue Growth* (YoY)



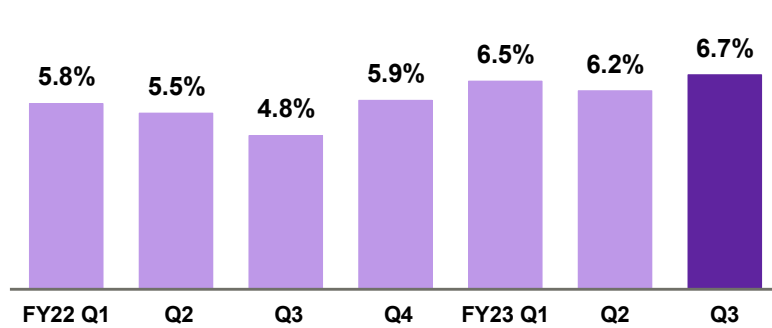
GIS Organic Revenue Growth* (YoY)



GBS Segment Profit Margin



GIS Segment Profit Margin



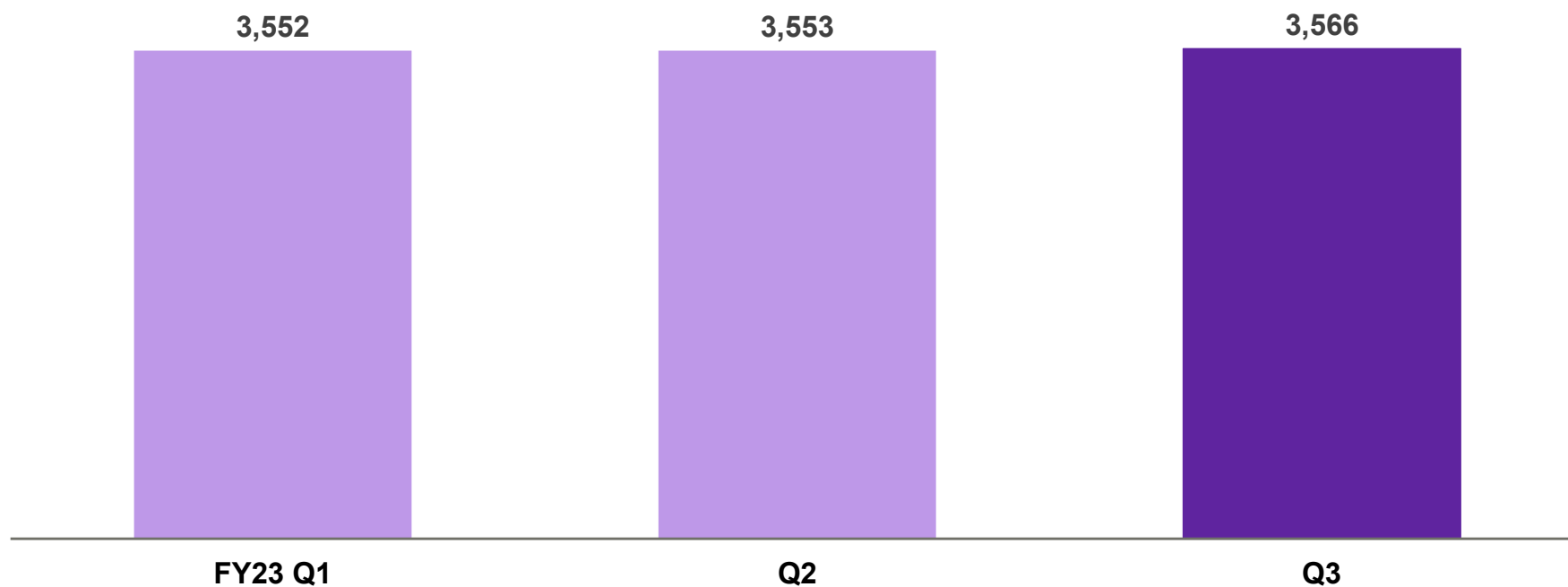
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GBS/GIS Offerings

		Q3 FY23			
		Revenue (\$M)	YoY Organic Growth*	Book-to-Bill	TTM Book-to-Bill
GBS	Analytics & Engineering	535	11.7%	1.15x	1.25x
	Applications	832	(6.8%)	1.32x	1.08x
	Insurance Software & BPS	371	3.0%	1.06x	1.24x
	<i>Mergers, Acquisitions & Divestitures</i>	-	-	-	-
	GBS Total	1,738	0.2%	1.21x	1.16x
GIS	Security	112	4.2%	1.09x	1.04x
	Cloud Infrastructure & ITO	1,283	(5.4%)	1.69x	1.01x
	Modern Workplace	433	(15.3%)	0.89x	0.85x
	<i>Mergers, Acquisitions & Divestitures</i>	-	-	-	-
	GIS Total	1,828	(7.4%)	1.46x	0.97x
DXC TOTAL		3,566	(3.8%)	1.34x	1.06x

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

Setting the Foundation For Sequential CC Revenue Growth*

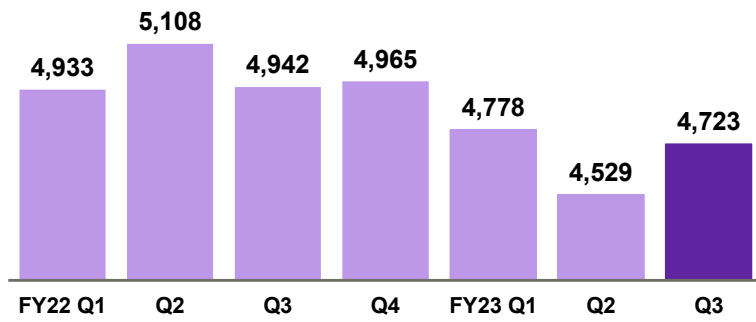


Reconciliation (\$M)	FY23		
	Q1 FY23	Q2 FY23	Q3 FY23
GAAP Revenue	3,707	3,566	3,566
Fx impact @ Q3 FY23 rates	(130)	(12)	-
Dispositions	(25)	(1)	-
CC revenue @ Q3 FY23 rates	3,552	3,553	3,566

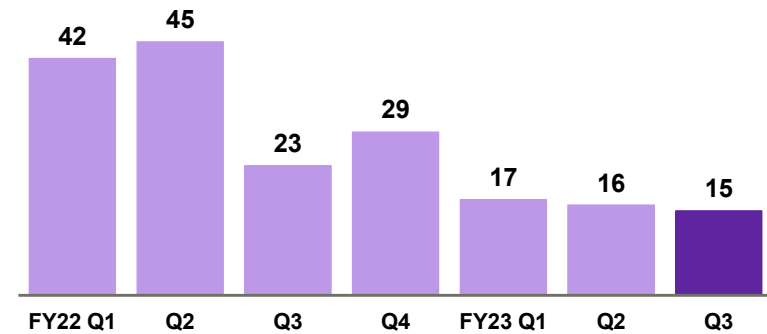
* Constant Currency Revenues, at Q3 FY23 exchange rates, excluding Dispositions (\$M)

Continuing Progress on Our Financial Foundation

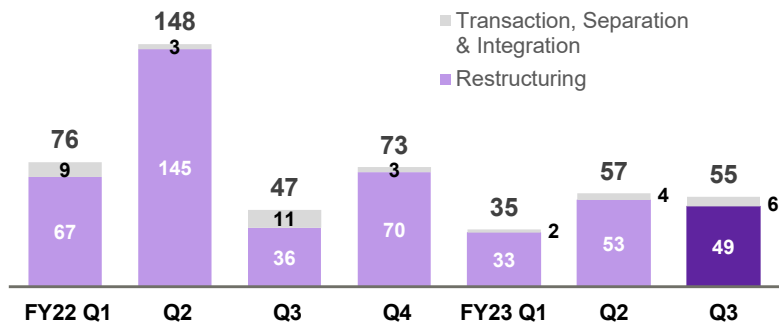
Total Debt (\$M)



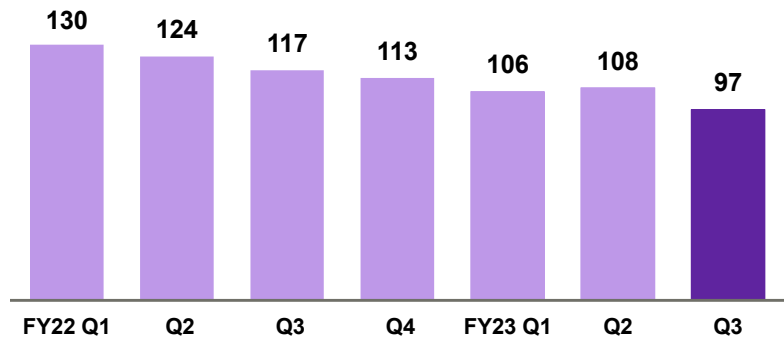
Net Interest Expense (\$M)



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

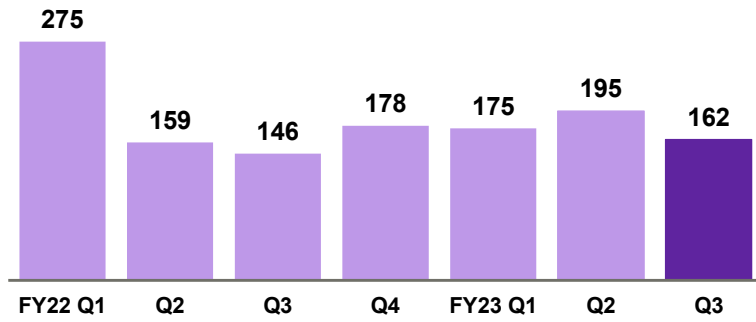


Cash Payments for Operating Leases (\$M)

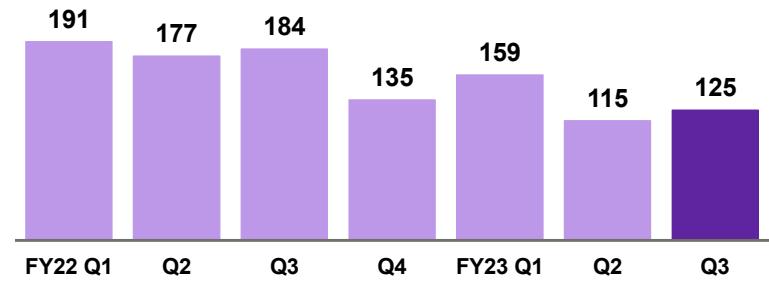


Continuing Progress on Our Financial Foundation

Capital Expenditures (\$M)

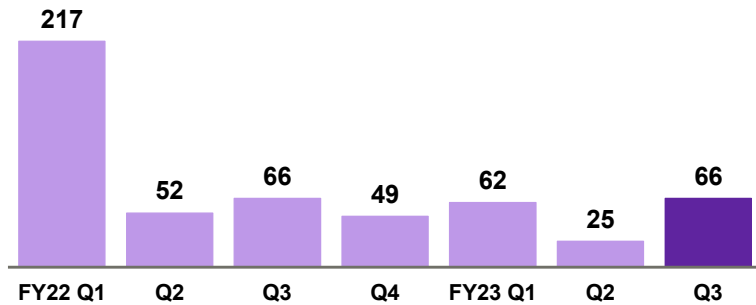


Finance Lease & Asset Financing Payments (\$M)

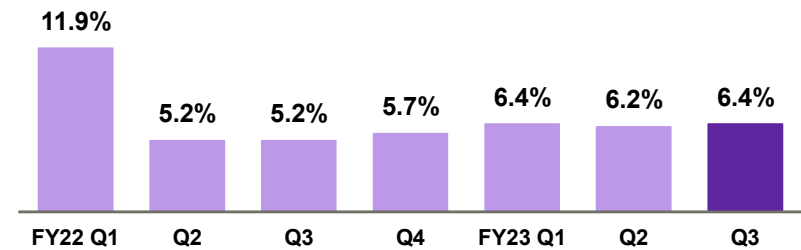


FY22 Q1 excludes \$303 million of non-scheduled accelerated paydown

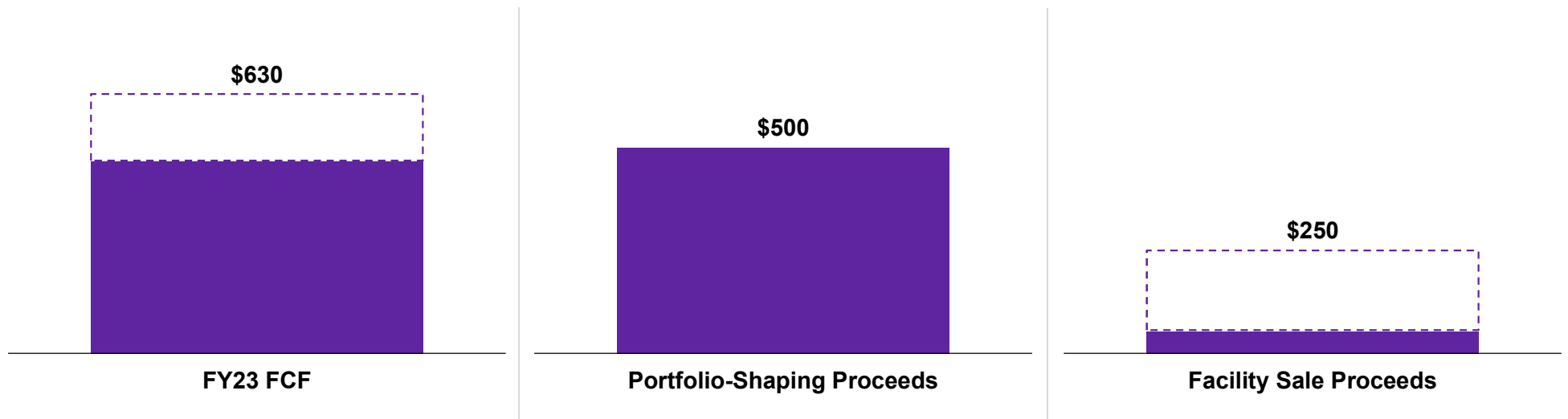
Finance Lease & Asset Financing Originations (\$M)



Capital Expenditures & Finance Lease Originations as a % of Revenue



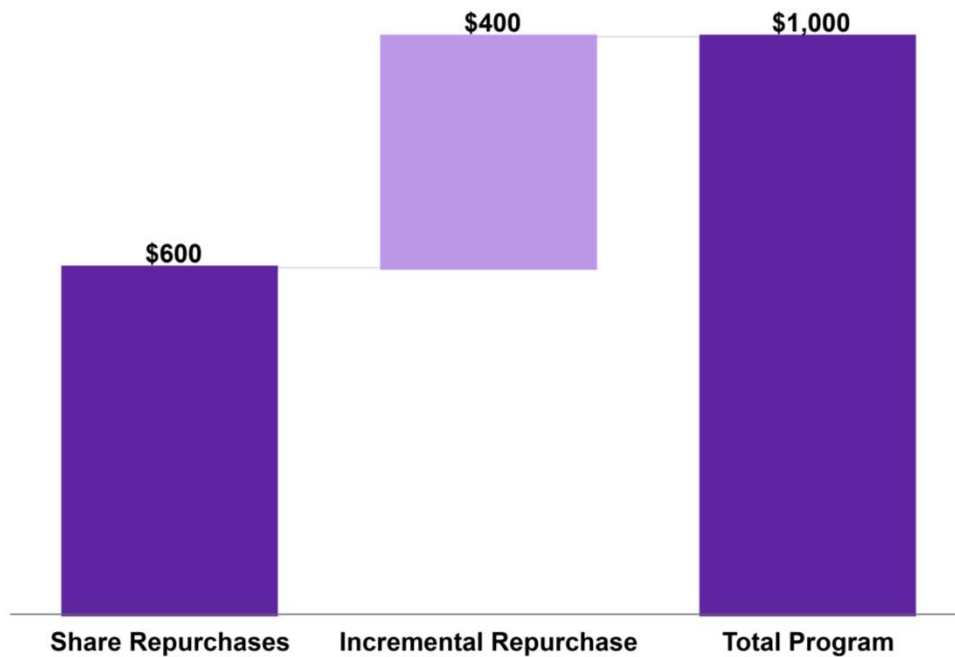
Capital Generation



- FY23E free cash flow generation of \$630 million, including (~\$70) million impact from lower German bank customer deposits
- Portfolio-shaping and asset sale proceeds of \$500 million – complete
- **Executed \$56 million in facility sales out of \$250 million goal announced last quarter**
 - Increasing available cash for allocation

Capital Allocation

Planned Capital Allocation



- Repurchased ~\$600 million of shares under current \$1 billion share repurchase program
 - Repurchased ~18 million shares or ~7% of outstanding shares
- **Intend to repurchase \$400 million of DXC shares**
Completing the \$1 billion share repurchase program

Q4 FY23 Outlook

**YoY Organic
Revenue Growth**

(2.6%) – (3.1%)

**Adjusted
EBIT Margin**

8.7% – 9.2%

**Non-GAAP
Diluted EPS**

\$1.00 – \$1.05

FY23 Outlook

YoY Organic Revenue Growth	Adjusted EBIT Margin	Non-GAAP Diluted EPS	Free Cash Flow
(2.6%) – (2.7%)	8.0% – 8.1%	\$3.45 – \$3.50	\$630M ⁽¹⁾

⁽¹⁾ Includes a \$70M adjustment for the reduction in German banks deposits, which directly reduced FY23 FCF and was not incorporated in previous FY23 guidance.

Note: Fx rates for prior revenue guidance of \$14.4B – \$14.54B: Euro \$1.01, Sterling \$1.17, and AUD \$0.67. Fx rates for updated guidance: Euro \$1.08, Sterling \$1.24, and AUD \$0.69. Change in rates improved revenue guidance by ~\$260M.

Preliminary FY24 Expectations

YoY Organic Revenue Growth

Expect to drive organic revenue improvement from FY23 - flat to 1%

Adjusted EBIT Margin⁽¹⁾

Expand margins above FY23 levels - do not expect margins to exceed 9.0%

Free Cash Flow

Increase FCF above FY23 levels - do not expect to exceed \$900M

⁽¹⁾ Assumes pension income in FY24 is consistent with FY23 (~\$180M).

Transformation Journey – Delivering a Quality Company

	Where we were...	Where we are now... Quality Company	Where we are poised to go in FY24...
Organic Revenue	declining double digits	stopped the revenue declines & shifted mix toward GBS	expect to drive organic rev. improvement flat to +1%
Adjusted EBIT	~6% (190 bps of pension)	~8% (125 bps of pension)	continue to expand margins
Free Cash Flow	(\$650M)	>\$630M	increase FCF above FY23 not expect to exceed \$900M
Debt	~\$12B	target debt of \$5.0B	target debt of \$4.5B
Capital Allocation	terminated dividend & no share repurchases	repurchased 11% of stock	continued strong capital allocation
Restructuring & TSI	~\$900M	~\$300M	~\$100M
Customer Satisfaction	(18) NPS	NPS: 27 industry benchmark of 20 – 30	continue strong delivery
Management Team	weaker performance	executing	executing and scaling talent

Supplemental Information

Q3 FY23 Quarterly Result Details

Non-GAAP Reconciliations

Definitions

Organic Revenue Growth and Backlog

GBS (\$M)	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	Total FY22	Q1 FY23	Q2 FY23	Q3 FY23
GBS revenue	1,887	1,873	1,946	1,892	7,598	1,758	1,713	1,738
YoY GBS revenue growth	(13.2%)	(16.5%)	1.3 %	(5.4%)	(8.9%)	(6.8%)	(8.5%)	(10.7%)
Foreign currency	(4.7%)	(0.9%)	1.3 %	3.2 %	(0.4%)	5.9 %	7.4 %	6.4%
Acquisitions and divestitures	19.9 %	20.8 %	4.4 %	5.6 %	13.2 %	3.7 %	4.5%	4.5%
YoY GBS organic revenue growth	2.0 %	3.4 %	7.0 %	3.4 %	3.9 %	2.8 %	3.4%	0.2%
GBS bookings (\$B)	2.4	1.7	2.5	2.8	9.4	1.7	1.7	2.1
GBS book-to-bill	1.29x	0.92x	1.28x	1.46x	1.24x	0.98x	0.96x	1.21x
GIS (\$M)	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	Total FY22	Q1 FY23	Q2 FY23	Q3 FY23
GIS revenue	2,254	2,154	2,143	2,116	8,667	1,949	1,853	1,828
YoY GIS revenue growth	(3.2%)	(6.8%)	(9.5%)	(11.3%)	(7.7%)	(13.5%)	(14.0%)	(14.7%)
Foreign currency	(6.6%)	(1.9%)	0.9 %	2.9 %	(1.2%)	5.8 %	7.5 %	6.7%
Acquisitions and divestitures	0.7 %	0.7 %	0.3 %	0.4 %	0.5 %	0.5 %	0.7%	0.6%
YoY GIS organic revenue growth	(9.1%)	(8.0%)	(8.3%)	(8.0%)	(8.4%)	(7.2%)	(5.8%)	(7.4%)
GIS bookings (\$B)	2.2	2.0	2.5	2.0	8.7	1.5	1.3	2.7
GIS book-to-bill	0.97x	0.91x	1.18x	0.96x	1.01x	0.77x	0.71x	1.46x
Total (\$M)	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	Total FY22	Q1 FY23	Q2 FY23	Q3 FY23
GAAP revenue	4,141	4,027	4,089	4,008	16,265	3,707	3,566	3,566
Total revenue growth	(8.0%)	(11.6%)	(4.6%)	(8.6%)	(8.3%)	(10.5%)	(11.4%)	(12.8%)
Foreign currency	(5.7%)	(1.4%)	1.0 %	3.0 %	(0.8) %	5.8 %	7.4 %	6.6%
Acquisitions and divestitures	10.0 %	10.6 %	2.2 %	2.8 %	6.5 %	2.1 %	2.5%	2.4%
YoY organic revenue growth	(3.7%)	(2.4%)	(1.4%)	(2.8%)	(2.6%)	(2.6%)	(1.5%)	(3.8%)
Bookings (\$B)	4.6	3.7	5.0	4.8	18.1	3.2	3.0	4.8
Book-to-bill	1.12x	0.91x	1.23x	1.20x	1.11x	0.87x	0.83x	1.34x
Backlog (\$B)	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	Total FY22	Q1 FY23	Q2 FY23	Q3 FY23
Beginning ASC 606 backlog	22.9	23.6	22.2	21.8	22.9	21.7	20.3	18.8
Less: revenue	(4.1)	(4.0)	(4.1)	(4.0)	(16.3)	(3.7)	(3.6)	(3.6)
Plus: bookings	4.6	3.7	5.0	4.8	18.1	3.2	3.0	4.8
Plus/minus: Fx impact	0.2	(0.5)	(0.6)	(0.1)	(1.0)	(0.6)	(0.8)	0.6
Plus/minus: backlog adjustments & terminations	0.1	(0.6)	(0.7)	(0.5)	(1.7)	(0.3)	—	(0.6)
Plus/minus: Acquisitions & divestitures	(0.1)	—	—	(0.3)	(0.3)	—	(0.1)	(0.4)
Ending ASC 606 backlog	23.6	22.2	21.8	21.7	21.7	20.3	18.8	19.6
Bookings less backlog adjustments & terminations	4.7	3.1	4.3	4.3	16.4	2.9	3.0	4.2

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	Q3 FY23
GBS	2.0%	3.4%	7.0%	3.4%	3.9%	2.8%	3.4%	0.2%
Analytics & Engineering	12.9%	17.3%	18.7%	19.7%	17.3%	15.7%	14.0%	11.7%
Applications	0.1%	(2.6%)	5.5%	(1.1%)	0.5%	(2.0%)	(1.1%)	(6.8%)
Insurance Software & BPS	(1.7%)	5.4%	(1.5%)	(3.2%)	(0.4%)	0.3%	1.1%	3.0%
	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	Total FY22	Q1 FY23	Q2 FY23	Q3 FY23
GIS	(9.1%)	(8.0%)	(8.3%)	(8.0%)	(8.4%)	(7.2%)	(5.8%)	(7.4%)
Security	(4.5%)	6.8%	(10.2%)	1.4%	(1.7%)	(0.3%)	(10.8%)	4.2%
Cloud Infrastructure & ITO	(5.1%)	(8.2%)	(4.8%)	(4.0%)	(5.5%)	(4.4%)	(0.9%)	(5.4%)
Modern Workplace	(19.7%)	(10.9%)	(16.0%)	(19.6%)	(16.6%)	(16.1%)	(16.9%)	(15.3%)

Book-to-Bill	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	Total FY22	Q1 FY23	Q2 FY23	Q3 FY23
GBS	1.29x	0.92x	1.28x	1.46x	1.24x	0.98x	0.96x	1.21x
Analytics & Engineering	1.35x	0.96x	1.48x	1.47x	1.32x	1.17x	1.18x	1.15x
Applications	1.46x	0.99x	1.33x	1.18x	1.24x	0.86x	0.95x	1.32x
Insurance Software & BPS	0.80x	0.73x	0.96x	2.23x	1.18x	1.01x	0.62x	1.06x
	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	Total FY22	Q1 FY23	Q2 FY23	Q3 FY23
GIS	0.97x	0.91x	1.18x	0.96x	1.01x	0.77x	0.71x	1.46x
Security	1.46x	1.27x	1.44x	1.18x	1.33x	0.92x	0.95x	1.09x
Cloud Infrastructure & ITO	0.93x	0.76x	1.08x	0.97x	0.94x	0.67x	0.73x	1.69x
Modern Workplace	1.01x	1.19x	1.39x	0.89x	1.13x	1.02x	0.59x	0.89x

Services and Resale Revenue by Offering

Services Revenue (\$M)	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	Total FY22	Q1 FY23	Q2 FY23	Q3 FY23
Analytics & Engineering	451	484	498	523	1,956	496	515	523
Applications	925	887	918	858	3,588	846	790	788
Insurance Software & BPS	385	384	383	384	1,536	367	362	370
GBS	1,761	1,755	1,799	1,765	7,080	1,709	1,667	1,681
Security	107	113	108	104	432	99	97	98
Cloud Infrastructure & ITO	1,355	1,335	1,269	1,256	5,215	1,226	1,148	1,144
Modern Workplace	457	456	417	405	1,735	373	348	338
GIS	1,919	1,904	1,794	1,765	7,382	1,698	1,593	1,580
Divestitures	92	97	100	84	373	6	1	-
Total services revenue	3,772	3,756	3,693	3,614	14,835	3,413	3,261	3,261
<i>Services revenue as a % of total revenue</i>	<i>91.1%</i>	<i>93.3%</i>	<i>90.3%</i>	<i>90.2%</i>	<i>91.2%</i>	<i>92.1%</i>	<i>91.4%</i>	<i>91.4%</i>

Resale Revenue (\$M)	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	Total FY22	Q1 FY23	Q2 FY23	Q3 FY23
Analytics & Engineering	7	6	8	6	27	7	9	12
Applications	42	28	51	46	167	36	35	44
Insurance Software & BPS	-	-	-	1	1	1	1	1
GBS	49	34	59	53	195	44	45	57
Security	6	20	8	16	50	6	11	14
Cloud Infrastructure & ITO	199	97	191	223	710	169	161	139
Modern Workplace	114	119	138	102	473	75	88	95
GIS	319	236	337	341	1,233	250	260	248
Divestitures	1	1	-	-	2	-	-	-
Total resale revenue	369	271	396	394	1,430	294	305	305
<i>Resale revenue as a % of total revenue</i>	<i>8.9%</i>	<i>6.7%</i>	<i>9.7%</i>	<i>9.8%</i>	<i>8.8%</i>	<i>7.9%</i>	<i>8.6%</i>	<i>8.6%</i>

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	Q3 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	1,738
Segment profit	215	317	273	315	1,120	272	298	315	275	1,160	210	218	244
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%	14.0%

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	Q3 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	1,828
Segment profit	23	36	88	98	245	131	118	102	124	475	127	114	123
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%	6.7%

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	Q3 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	3,566
Total profit for reportable segments	238	353	361	413	1,365	403	416	417	399	1,635	337	332	367
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%	10.3%
All other	(48)	(70)	(61)	(84)	(263)	(71)	(70)	(62)	(57)	(260)	(78)	(63)	(58)
Restructuring costs	(72)	(265)	(104)	(110)	(551)	(67)	(145)	(36)	(70)	(318)	(33)	(53)	(49)
TSI	(110)	(101)	(96)	(51)	(358)	(9)	(3)	(11)	(3)	(26)	(2)	(4)	(6)
Amortization of intangible assets	(148)	(152)	(114)	(116)	(530)	(109)	(110)	(106)	(109)	(434)	(104)	(101)	(100)
Merger related indemnification	—	—	—	—	—	—	—	—	—	—	(10)	—	(11)
SEC matter	—	—	—	—	—	—	—	—	—	—	—	(8)	—
Gains and losses on dispositions	—	—	2,046	(42)	2,004	347	—	(4)	(2)	341	29	(32)	(9)
Pension, actuarial & settlement losses	(2)	—	—	(517)	(519)	—	—	(7)	691	684	—	(1)	—
Impairment losses	—	—	—	(190)	(190)	—	(10)	—	(21)	(31)	—	—	(8)
Arbitration	—	—	—	—	—	—	—	—	—	—	—	—	(9)
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	117
Net interest	(83)	(71)	(54)	(55)	(263)	(42)	(45)	(23)	(29)	(139)	(17)	(16)	(15)
Income before taxes	(225)	(306)	1,978	(793)	654	424	(248)	166	799	1,141	122	54	102

⁽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	Q3 FY23
Net income (loss)	(199)	(246)	1,103	(804)	(146)	282	(187)	102	539	736	103	28	61
Income tax expense (benefit)	(26)	(60)	875	11	800	142	(61)	64	260	405	19	26	41
Interest income	(23)	(25)	(28)	(22)	(98)	(20)	(16)	(15)	(14)	(65)	(20)	(28)	(41)
Interest expense	106	96	82	77	361	62	61	38	43	204	37	44	56
EBIT ⁽¹⁾	(142)	(235)	2,032	(738)	917	466	(203)	189	828	1,280	139	70	117
Restructuring costs	72	265	104	110	551	67	145	36	70	318	33	53	49
Transaction, separation & integration-related costs	110	101	96	51	358	9	3	11	3	26	2	4	6
Amortization of acquired intangible assets	148	152	114	116	530	109	110	106	109	434	104	101	100
Merger related indemnification	—	—	—	—	—	—	—	—	—	—	10	—	11
SEC matter	—	—	—	—	—	—	—	—	—	—	—	8	—
Impairment losses	—	—	—	190	190	—	10	—	21	31	—	—	8
Arbitration losses	—	—	—	—	—	—	—	—	—	—	—	—	9
Gains and losses on disposition of businesses	—	—	(2,046)	42	(2,004)	(347)	—	4	2	(341)	(29)	32	9
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	309
Depreciation and amortization	492	525	475	478	1,970	422	448	424	423	1,717	389	380	375
Less: Amortization of acquired intangible assets	(148)	(152)	(114)	(116)	(530)	(109)	(110)	(106)	(109)	(434)	(104)	(101)	(100)
Adjusted EBITDA ⁽¹⁾	534	656	661	691	2,542	645	684	673	656	2,658	544	548	584
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%	3.3%
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%	8.7%

⁽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	Q3 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	2,799
Less: Impairment losses	—	—	—	(190)	(190)	—	—	—	—	—	—	—	(8)
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	2,775	2,791
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%	78.3%
Non-GAAP gross profit ⁽¹⁾	873	991	955	1,016	3,835	886	939	910	847	3,582	777	791	775
As a % of revenue	19.4%	21.8%	22.3%	23.2%	21.6%	21.4%	23.3%	22.3%	21.1%	22.0%	21.0%	22.2%	21.7%
SG&A expense	539	539	517	471	2,066	383	370	340	315	1,408	349	324	315
Less: Impairment losses	—	—	—	—	—	—	(10)	—	—	(10)	—	—	—
Less: SEC matter	—	—	—	—	—	—	—	—	—	—	—	(8)	—
Less: Arbitration losses	—	—	—	—	—	—	—	—	—	—	—	—	(9)
Less: Merger related indemnification	—	—	—	—	—	—	—	—	—	—	(10)	—	(11)
Less: TSI	(110)	(108)	(96)	(49)	(363)	(9)	(3)	(11)	(3)	(26)	(2)	(4)	(6)
Non-GAAP SG&A expense	429	431	421	422	1,703	374	357	329	312	1,372	337	312	289
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%	8.1%
Depreciation	178	200	185	191	754	158	165	156	146	625	138	129	123
Amortization	314	325	290	287	1,216	264	283	268	277	1,092	251	251	252
Total depreciation & amortization	492	525	475	478	1,970	422	448	424	423	1,717	389	380	375
Less: Amortization of acquired intangible assets	(148)	(152)	(114)	(116)	(530)	(109)	(110)	(106)	(109)	(434)	(104)	(101)	(100)
Non-GAAP depreciation & amortization	344	373	361	362	1,440	313	338	318	314	1,283	285	279	275
As a % of revenue	7.6%	8.2%	8.4%	8.3%	8.1%	7.6%	8.4%	7.8%	7.8%	7.9%	7.7%	7.8%	7.7%
Other income, net	(88)	(103)	(127)	420	102	(103)	(102)	(85)	(791)	(1,081)	(104)	(68)	(98)
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)	(98)
As a % of revenue	(2.0%)	(2.1%)	(3.0%)	(2.2%)	(2.3%)	(3.2%)	(2.5%)	(2.2%)	(3.0%)	(2.8%)	(2.8%)	(1.9%)	(2.8%)

⁽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	Q3 FY23
Adjusted EBIT	190	283	300	329	1,102	332	346	355	342	1,375	259	269	309
Interest expense	106	96	82	77	361	62	61	38	43	204	37	44	56
Interest income	(23)	(25)	(28)	(22)	(98)	(20)	(16)	(15)	(14)	(65)	(20)	(28)	(41)
Net interest	83	71	54	55	263	42	45	23	29	139	17	16	15
Non-GAAP income before income taxes	107	212	246	274	839	290	301	332	313	1,236	242	253	294
Income tax expense	(26)	(60)	875	11	800	142	(61)	64	260	405	19	26	41
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%	40.2%
Tax impact of restructuring	12	52	11	17	92	10	34	4	17	65	8	10	10
Tax impact of TSI	28	26	16	17	87	4	1	1	1	7	—	1	1
Tax impact of amortization	34	35	26	26	121	24	26	13	27	90	24	18	20
Tax impact of merger related indemnification	—	—	—	—	—	—	—	—	—	—	2	—	2
Tax impact of SEC matter	—	—	—	—	—	—	—	—	—	—	—	1	—
Tax impact of arbitration losses	—	—	—	—	—	—	—	—	—	—	—	1	2
Tax impact of gain/loss on dispositions	—	—	(903)	(17)	(920)	(91)	—	—	(13)	(104)	9	22	(7)
Tax impact of impairment losses	—	—	—	49	49	—	2	—	5	7	—	—	1
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	70
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%	23.8%
Net income (Loss)	(199)	(246)	1,103	(804)	(146)	282	(187)	102	539	736	103	28	61
Less: Net income attributed to NCI	6	(2)	5	(6)	3	4	1	4	9	18	1	1	2
Net income (Loss) attributable to DXC	(205)	(244)	1,098	(798)	(149)	278	(188)	98	530	718	102	27	59
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	\$ 0.26
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	\$ 0.25
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	229.5
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	233.0

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	Q3 FY23
Net income (loss) attributable to DXC	(205)	(244)	1,098	(798)	(149)	278	(188)	98	530	718	102	27	59
Restructuring costs	60	213	93	93	459	57	11	32	53	253	25	43	39
TSI	82	75	80	34	271	5	2	10	2	19	2	3	5
Amortization of acquired intangible assets	114	117	88	90	409	85	84	93	82	344	80	83	80
Merger related indemnification	—	—	—	—	—	—	—	—	—	—	8	—	9
SEC matter	—	—	—	—	—	—	—	—	—	—	—	7	—
Arbitration losses	—	—	—	—	—	—	—	—	—	—	—	—	7
Impairment losses	—	—	—	141	141	—	8	—	16	24	—	—	7
Gains and losses on disposition of businesses	—	—	(1,143)	59	(1,084)	(256)	—	4	15	(237)	(38)	10	16
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	222
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	\$ 0.97
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	\$ 0.95
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	229.5
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	233.0

⁽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	Q3 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	\$ 0.25
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	0.17
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	0.02
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	0.34
Impairment losses	—	—	—	0.55	0.55	—	0.03	—	0.06	0.09	—	—	0.03
Arbitration losses	—	—	—	—	—	—	—	—	—	—	—	—	0.03
Merger related indemnification	—	—	—	—	—	—	—	—	—	—	0.03	—	0.04
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	0.07
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	\$ 0.95
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	233.0

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

Income Statement Drivers – Headcount

DXC Employees	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	Total FY22	Q1 FY23	Q2 FY23	Q3 FY23
GBS	72,500	72,786	75,587	76,718	76,718	75,527	76,233	76,284
GIS	46,540	47,868	49,438	50,333	50,333	50,221	49,252	48,273
Other	11,314	10,655	10,512	10,078	10,078	10,293	10,263	9,478
Total Employees	130,354	131,309	135,537	137,129	137,129	136,041	135,748	134,035

Contractors	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	Total FY22	Q1 FY23	Q2 FY23	Q3 FY23
GBS	5,359	5,743	5,677	5,115	5,115	4,931	4,806	5,105
GIS	11,342	10,238	9,300	8,036	8,036	7,186	6,694	6,430
Other	6,204	5,525	6,003	6,035	6,035	5,774	5,047	5,097
Total Contractors	22,905	21,506	20,980	19,186	19,186	17,891	16,547	16,632

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

Income Statement Drivers – Other Income and Pension Income

Other Income (\$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	Q3 FY23
Non-service cost components of net periodic pension income	(95)	(99)	(103)	407	110	(97)	(96)	(87)	(786)	(1,066)	(67)	(60)	(60)
Foreign currency (gain)/loss	—	8	3	3	14	1	6	3	3	13	(2)	(1)	(8)
(Gain)/loss on sale of asset	2	—	(16)	8	(6)	(46)	(12)	(4)	(26)	(88)	(38)	(6)	(28)
Other (gain)/loss	5	(12)	(11)	2	(16)	39	—	3	18	60	3	(1)	(2)
Other income, net	(88)	(103)	(127)	420	102	(103)	(102)	(85)	(791)	(1,081)	(104)	(68)	(98)
<i>Non-service cost components of net periodic pension income adjustments</i>													
Pension & OPEB actuarial & settlement losses	(2)	—	—	(517)	(519)	—	—	(7)	691	684	—	(1)	—
<i>Other (gain)/loss adjustments</i>													
Gains and losses on disposition of businesses	—	—	—	—	—	(30)	—	—	—	(30)	—	—	—
Impairment losses	—	—	—	—	—	—	—	—	(21)	(21)	—	—	—
TSI	—	7	—	—	7	—	—	—	—	—	—	—	—
Non-GAAP other income	(90)	(96)	(127)	(97)	(410)	(133)	(102)	(92)	(121)	(448)	(104)	(69)	(98)
Pension Income (\$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	Q3 FY23
Cost of sales/SG&A expense	22	23	23	23	91	23	22	22	21	88	19	18	18
Other (income)/expense	(95)	(99)	(103)	407	110	(97)	(96)	(87)	(786)	(1,066)	(67)	(60)	(60)
Net periodic pension income	(73)	(76)	(80)	430	201	(74)	(74)	(65)	(765)	(978)	(48)	(42)	(42)
Less: Pension & OPEB actuarial & settlement losses	(2)	—	—	(517)	(519)	—	—	(7)	691	684	—	(1)	—
Non-GAAP pension income	(75)	(76)	(80)	(87)	(318)	(74)	(74)	(72)	(74)	(294)	(48)	(43)	(42)

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	Q3 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	2,091
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	3,454
Prepaid expenses	667	604	586	567	567	659	534	600	617	617	666	662	653
Other current assets	261	335	470	357	357	341	330	314	268	268	270	289	218
Assets held for sale	—	125	—	160	160	—	—	—	35	35	10	—	577
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	6,993
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	2,741
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	954
Goodwill	2,057	725	736	641	641	639	631	629	617	617	582	562	535
Deferred income taxes, net	285	292	315	289	289	238	255	259	221	221	210	205	219
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	2,044
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	4,653
Assets held for sale – non-current	—	2,838	—	353	353	—	—	—	82	82	51	39	115
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	18,254

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	Q3 FY23
Short term debt & current LT debt	1,682	1,622	795	1,167	1,167	817	745	706	900	900	904	834	873
Accounts payable	1,522	1,345	852	914	914	857	724	759	840	840	795	857	852
Accrued payroll and related costs	766	756	741	698	698	746	645	563	570	570	610	537	520
Current operating lease liabilities	488	461	450	418	418	413	392	386	388	388	346	318	320
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	1,932
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	969
Income taxes payable	81	111	1,045	398	398	481	260	202	197	197	181	131	166
Liabilities related to assets HFS	—	184	—	118	118	—	—	—	23	23	4	—	538
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	6,170
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	3,850
Non-current deferred revenue	733	697	666	622	622	598	775	882	862	862	806	789	804
Non-current operating lease liabilities	1,208	1,192	1,113	1,038	1,038	971	862	805	815	815	742	667	691
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	784
Other LT liabilities	1,277	1,325	1,354	908	908	1,619	1,502	1,436	546	546	1,000	966	992
LT liabilities related to assets HFS	—	86	—	20	20	—	—	—	39	39	—	—	11
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	13,302
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	4,952
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	18,254

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	Q3 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	2,689
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	3,566
One day of sales	49	50	47	48	49	46	44	45	44	45	41	39	39
Days sales outstanding (DSO)	69	67	68	67	66	70	69	65	70	69	70	70	69
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	3,114
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)	(1,641)
Less: Other employee related expense ⁽¹⁾	(36)	(26)	(20)	(29)	(111)	(20)	(22)	(23)	(34)	(99)	(33)	(26)	(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	1,447
Accounts payable	1,522	1,345	852	914	914	857	724	759	840	840	795	857	852
One day of COS & SG&A	23	23	22	23	23	20	19	19	18	19	16	16	16
Days purchases outstanding (DPO)	66	58	39	39	40	44	39	40	45	45	48	55	54

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	Q3 FY23
Net Income	(199)	(246)	1,103	(804)	(146)	282	(187)	102	539	736	103	28	61
Depreciation & amortization	496	529	481	482	1,988	427	452	430	433	1,742	398	388	383
Operating right of use expense	156	151	156	153	616	130	124	117	113	484	106	108	97
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	26
Deferred taxes	—	—	(319)	(84)	(403)	(25)	(16)	58	238	255	(38)	(65)	(67)
(Gain)/loss on dispositions	4	10	(2,037)	40	(1,983)	(414)	(1)	13	(19)	(421)	(62)	30	(11)
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	11
Impairment losses & contract write-offs	—	42	26	207	275	—	17	4	30	51	—	21	10
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)	(1)
Changes in assets and liabilities													
Receivables	8	222	143	(116)	257	99	214	88	(173)	228	7	(42)	259
Prepaid expenses & other current assets	(108)	(65)	(112)	(14)	(299)	(73)	108	(50)	(33)	(48)	(76)	(74)	10
Accounts payable & accruals	(82)	207	(640)	(12)	(527)	(336)	(192)	(86)	(100)	(714)	(122)	(16)	(171)
Income taxes payable & tax liability	(31)	(114)	1,143	(564)	434	48	(243)	(67)	(53)	(315)	(35)	(91)	73
Operating lease liability	(156)	(151)	(156)	(153)	(616)	(130)	(124)	(117)	(113)	(484)	(106)	(108)	(97)
Advance contract payment & def. revenue	(23)	(91)	34	14	(66)	(80)	106	176	68	270	(80)	(8)	42
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	625

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	Q3 FY23
Payments on finance leases & borrowings for asset financing	(245)	(242)	(207)	(236)	(930)	(494)	(177)	(184)	(135)	(990)	(159)	(115)	(125)
Less: Originations													
Capital expenditures through financing lease obligations	88	117	72	71	348	71	43	66	53	233	26	18	29
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	37
Total origination	92	166	91	80	429	217	52	66	49	384	62	25	66
Capital lease & asset financing debt accumulation/(paydown)	(153)	(76)	(116)	(156)	(501)	(277)	(125)	(118)	(86)	(606)	(97)	(90)	(59)
Purchases of property & equipment	(95)	(61)	(59)	(46)	(261)	(98)	(67)	(52)	(37)	(254)	(68)	(78)	(66)
Payments for transition & transformation contract costs	(82)	(54)	(53)	(72)	(261)	(55)	(52)	(45)	(57)	(209)	(57)	(57)	(52)
Software purchased & developed	(48)	(54)	(107)	(45)	(254)	(122)	(40)	(49)	(84)	(295)	(50)	(60)	(44)
Total capital expenditures	(225)	(169)	(219)	(163)	(776)	(275)	(159)	(146)	(178)	(758)	(175)	(195)	(162)
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%	6.4%
Payments on operating lease liabilities	(156)	(151)	(156)	(153)	(616)	(130)	(124)	(117)	(113)	(484)	(106)	(108)	(97)
Less: ROU assets obtained for operating leases, net	275	135	39	81	530	52	17	61	149	279	55	62	76
Operating lease accumulation/(paydown)	119	(16)	(117)	(72)	(86)	(78)	(107)	(56)	36	(205)	(51)	(46)	(21)

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	Q3 FY23
Cash paid for restructuring	(61)	(99)	(149)	(133)	(442)	(115)	(86)	(78)	(75)	(354)	(48)	(63)	(43)
Cash paid for TSI ⁽¹⁾	(88)	(81)	(135)	(56)	(360)	(9)	(3)	(11)	(3)	(26)	(2)	(4)	(6)
Total cash paid for restructuring & TSI	(149)	(180)	(284)	(189)	(802)	(124)	(89)	(89)	(78)	(380)	(50)	(67)	(49)
Interest expense	(106)	(96)	(82)	(77)	(361)	(62)	(61)	(38)	(43)	(204)	(37)	(44)	(56)
Interest income	23	25	28	22	98	20	16	15	14	65	20	28	41
Net interest expense	(83)	(71)	(54)	(55)	(263)	(42)	(45)	(23)	(29)	(139)	(17)	(16)	(15)
Cash paid for taxes on income, net of refunds	(31)	(53)	(75)	(639)	(798)	(52)	(222)	(52)	(68)	(394)	(53)	(177)	(58)

⁽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	Q3 FY23
Cash flows from operating activities	119	472	(187)	(280)	124	(29)	563	696	271	1,501	163	212	625
Less capex													
Purchase of property & equipment	(95)	(61)	(59)	(46)	(261)	(98)	(67)	(52)	(37)	(254)	(68)	(78)	(66)
Payments for transition & transformation contract costs	(82)	(54)	(53)	(72)	(261)	(55)	(52)	(45)	(57)	(209)	(57)	(57)	(52)
Software purchased & developed	(48)	(54)	(107)	(45)	(254)	(122)	(40)	(49)	(84)	(295)	(50)	(60)	(44)
Total capex	(225)	(169)	(219)	(163)	(776)	(275)	(159)	(146)	(178)	(758)	(175)	(195)	(162)
Free Cash Flow	(106)	303	(406)	(443)	(652)	(304)	404	550	93	743	(12)	17	463
Additional cash information													
Payments on finance leases & borrowings for asset financing	(245)	(242)	(207)	(236)	(930)	(494)	(177)	(184)	(135)	(990)	(159)	(115)	(125)
Cash paid for restructuring expense	(61)	(99)	(149)	(133)	(442)	(115)	(86)	(78)	(75)	(354)	(48)	(63)	(43)
Cash paid for interest expense	(103)	(65)	(94)	(72)	(334)	(65)	(90)	(22)	(50)	(227)	(22)	(52)	(41)
Cash paid for taxes on income, net of refunds	(31)	(53)	(75)	(639)	(798)	(52)	(222)	(52)	(68)	(394)	(53)	(177)	(58)

Q3 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	535	832	371	112	1,283	433	0	\$ 3,566
Prior-year revenue	506	969	383	116	1,460	555	101	4,089
YoY change \$	\$ 29	\$ (137)	\$ (12)	\$ (4)	\$ (177)	\$ (122)	\$ (101)	\$ (523)
YoY change %								
Revenue	5.7%	(14.1%)	(3.1%)	(3.5%)	(12.1%)	(22.0%)	-	(12.8%)
Foreign currency	6.0%	7.3%	6.1%	7.7%	6.7%	6.7%	-	6.6%
Acquisitions & divestitures	-	-	-	-	-	-	-	2.4%
Organic revenue growth/(decline) %	11.7%	(6.8%)	3.0%	4.2%	(5.4%)	(15.3%)	-	(3.8%)

Currency Impact

Quarterly averages (US\$ per currency)	Q2 FY22	Q3 FY22	Q4 FY22	Q1 FY23	Q2 FY23	Q3 FY23	YoY Change	Spot 1/19/23	Q4 FY23E	FY23E
Euro	1.18	1.14	1.12	1.07	1.01	1.02	(11%)	1.08	(4%)	(10%)
Pound sterling	1.38	1.35	1.34	1.26	1.18	1.17	(13%)	1.24	(8%)	(12%)
Australian dollar	0.74	0.73	0.72	0.72	0.68	0.66	(10%)	0.69	(5%)	(7%)
Currency impact on revenue	1.4%	(1.0%)	(3.0%)	(5.8%)	(7.4%)					
							Revenue impact @ 1/19/23 spot	(6.6%)		(3.1%) (5.8%)
							Prior view @ 10/21/22 spot	(8.2%)		~(8%) (7.3%)

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.
- **Pension and OPEB actuarial and settlement gains and losses:** Pension and OPEB actuarial mark to market adjustments and settlement gains and losses.
- **Merger related indemnification:** Represents the company’s current estimate of potential liability to HPE for indemnification on the Forsyth vs. HP Inc. and HPE litigation, and the company’s final liability to HPE on the Oracle v. HPE litigation; both obligations pursuant to 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.
- **Arbitration loss:** reflects a loss arising from an arbitration decision in the third quarter of fiscal 2023.
- **Impairment losses:** Impairment losses on assets classified as long-term on the balance sheet.
- **Debt extinguishment costs:** Costs associated with early retirement, redemption, repayment or repurchase of debt and debt-like items including any breakage, make-whole premium, prepayment penalty or similar costs as well as solicitation and other legal and advisory expenses.
- **Tax adjustments:** Reflects discrete tax adjustments to impair or recognize certain deferred tax assets and adjustments for changes in tax legislation. Income tax expense 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.

