

# **3RD QUARTER FISCAL YEAR 2026 EARNINGS PRESENTATION**

JANUARY 29, 2026

# AGENDA

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**1** Q3 Business Update

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**2** Detailed Review of Q3 Results and Guidance Update

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**3** Q&A



# FORWARD-LOOKING STATEMENTS

Except for the historical information and discussions contained herein, statements contained in this document may constitute “forward-looking statements” that are based on the Company’s current assumptions regarding future operating or financial performance. These statements involve numerous risks, uncertainties and other important factors that could cause actual results to differ materially from those described in forward-looking statements, many of which are outside of our control, and include, but are not limited to: our inability to succeed in our strategic objectives; the risk of liability, reputational damages or adverse impact to business due to service interruptions from security breaches, cyber-attacks, other security incidents or disclosure of confidential information or personal data; compliance, or failure to comply, with obligations arising under new or existing laws, regulations, and customer contracts relating to the privacy, security and handling of personal data; our product and service quality issues; 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 and the competitive pressures faced by our business; our inability to compete in certain markets and expand our capacity in certain offshore locations; failure to maintain our credit rating and ability to manage working capital, refinance and raise additional capital for future needs; difficulty in understanding the changes to our business model by the investment community or industry analysts or our failure to meet our publicly announced financial guidance; public health crises; our indebtedness and potential material adverse effect on our financial condition and results of operations; our inability to accurately estimate the cost of services, and the completion timeline of contracts; failure by us or third party partners to deliver on commitments or otherwise breach obligations to our customers; the risks associated with climate change and natural disasters; increased scrutiny of, and evolving expectations for, sustainability and environmental, social and governance initiatives; our inability to attract and retain key personnel and maintain relationships with key partners; the risks associated with prolonged periods of inflation or adverse changes in macroeconomic conditions; the risks associated with our international operations, such as risks related to currency exchange rates; our inability to comply with existing and new laws and regulations, including social and environmental responsibility regulations, policies and provisions; our inability to achieve the expected benefits of our restructuring plans; our inadvertent infringement of third-party intellectual property rights or infringement of our intellectual property rights by third parties; 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 or increases in procurement costs, including as a result of ongoing trade tensions and tariff changes; our inability to maintain effective disclosure controls and 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; counterparty default risk in our hedging program; 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 rates, tax laws, and the timing and outcome of tax examinations; risks related to our completed strategic transactions; volatility of the price of our securities, which is subject to market and other conditions. For a written description of these factors, see our Annual Report on Form 10-K for the fiscal year ended March 31, 2025, and any updating information in subsequent SEC filings. Any forward-looking statement contained herein speaks only as of the date on which it is made. Except as required by law, we assume no obligation to update or revise any forward-looking statements.



# 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 EBIT excluding pension income, adjusted EBIT margin, adjusted EBIT margin excluding pension income, 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, constant currency revenue, free cash flow, Non-GAAP cost of services, Non-GAAP SG&A expense, Non-GAAP depreciation and amortization, Non-GAAP gross profit, Non-GAAP tax rate, Non-GAAP income tax expense, Non-GAAP other income, and Net Debt/adjusted EBITDA.

We believe EBIT, adjusted EBIT, Non-GAAP income before income taxes, Non-GAAP net income, Non-GAAP net income attributable to DXC common stockholders, and Non-GAAP EPS provide investors with useful supplemental information about our operating performance after excluding certain categories of expenses as well as gains and losses on certain dispositions and certain tax adjustments.

We believe constant currency revenues 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. See below for a description of the methodology we use to present constant currency revenues.

One category of expenses excluded from adjusted EBIT, Non-GAAP income before income tax, Non-GAAP net income, Non-GAAP net income attributable to DXC common stockholders, and Non-GAAP EPS, incremental amortization of intangible assets acquired through business combinations, if included, may result in a significant difference in period-over-period amortization expense on a GAAP basis. We exclude amortization of certain acquired intangible assets as these non-cash amounts are inconsistent in amount and frequency and are significantly impacted by the timing and/or size of acquisitions. Although DXC management excludes amortization of acquired intangible assets, primarily customer-related intangible assets, from its Non-GAAP expenses, we believe that it is important for investors to understand that such intangible assets were recorded as part of purchase accounting and support revenue generation. Any future transactions may result in a change to the acquired intangible asset balances and associated amortization expense.

Another category of expenses excluded from adjusted EBIT, Non-GAAP income before income tax, Non-GAAP net income, Non-GAAP net income attributable to DXC common stockholders, and Non-GAAP EPS is impairment losses, which, if included, may result in a significant difference in period-over-period expense on a GAAP basis. We exclude impairment losses as these non-cash amounts reflect generally an acceleration of what would be multiple periods of expense and are not expected to occur frequently. Further, assets such as goodwill may be significantly impacted by market conditions outside of management's control.

Selected references are made to revenue growth 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, thereby providing comparisons of operating performance from period to period of the business that we have owned during both 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. Organic revenue is calculated as constant currency revenue excluding the impact of mergers, acquisitions or similar transactions until the one-year anniversary of the transaction and excluding revenues of divestitures during the reporting period. This approach is used for all results where the functional currency is not the U.S. dollar. 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 and the effects of acquisitions and divestitures in both periods presented.

Free cash flow represents cash flow from operations, less capital expenditures. Free cash flow is utilized by our management, investors, and analysts to evaluate cash available to pay debt, repurchase shares, and provide further investment in the business.

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 on a "constant currency basis" so that certain financial results can be viewed without the impact of fluctuations in foreign currency rates, thereby providing comparisons of operating performance from period to period. Financial results on a "constant currency basis" are Non-GAAP measures calculated by translating current period activity into U.S. dollars using the comparable prior period's currency conversion rates. This approach is used for all results where the functional currency is not the U.S. dollar.

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.



# TWO TRACKS

## CORE TRACK

Our heritage businesses

We're the trusted operator that delivers certainty at scale.

## FAST TRACK

Our new AI-fueled businesses are designed to drive exponential growth

We're investing in what's new — building new capabilities and revenue engines.

This two-track approach combines innovation with decades of proven execution.



# CORE TRACK PROGRESS



## What We've Built

- Refreshed brand and clear market story
- New sales materials articulating why customers choose DXC
- Retooled solution positioning across all practices
- High-impact sales enablement team (first centralized function)
- Pitch decks, talk tracks and competitive assets
- Integrated sales and marketing alignment



## What's Working

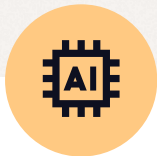
- Where teams use new tools and lead with differentiated message, customers respond
- Early signals: Clarity and confidence resonating in the market



## What's Next

- Driving consistent adoption across global sales organization
- Simplifying access to materials
- Building muscle memory so new approach becomes second nature

# FAST TRACK ATTRIBUTES



AI-native, AI-enabled  
solutions



Faster growth



Higher margins



Repeatable,  
scalable IP

**Goal: 10% of our run rate revenue by end of Q2 fiscal 2029**



# FAST TRACK PROGRESS

## Startups poised to drive growth

### COREIGNITE

High-performance orchestration and ledger platform that unlocks new revenue streams for banks without replacing the core

### AGENTIC AI SOC

AI-powered security solution that transforms SOC's (Security Operations Centers) from reactive to resilient

### OASIS

An intelligent, agentic operations platform purpose-built to consolidate fragmented tooling, enable competitive differentiation and unlock new revenue streams

### ASSURE PLATFORM & OFFERINGS

A suite of AI-powered, workflow-driven modular applications designed to transform how insurers engage with customers, brokers and advisors

## AI INNOVATION LAB

Transforms promising ideas into working products — fast



# INTRODUCTION TO COREIGNITE

Delivering next-gen financial  
product offerings

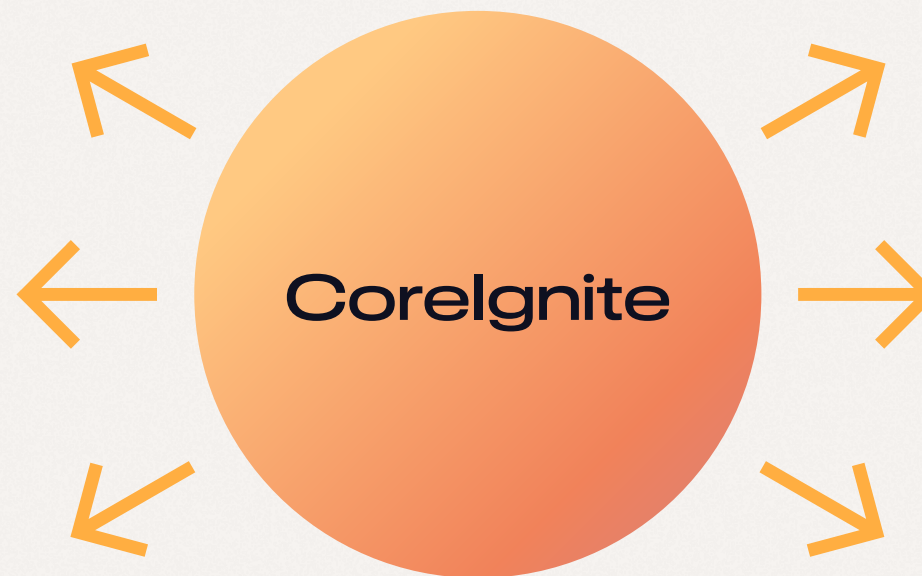


Global Large Banks  
Community Banks  
Credit Unions



North America  
Europe  
Australia

**300M+ Deposit Accounts**



Existing traditional and newer digital  
assets ecosystem brings new services,  
transaction volume and revenue flows

Payment Processors

Tokenized Securities  
Platforms

BNPL & Other  
Lenders

Crypto Exchanges

Data Aggregators

Crypto Custodians

Custodians

Stablecoin  
On-/Off-Ramps



# INTRODUCTION TO COREIGNITE

Delivering next-gen financial  
product offerings

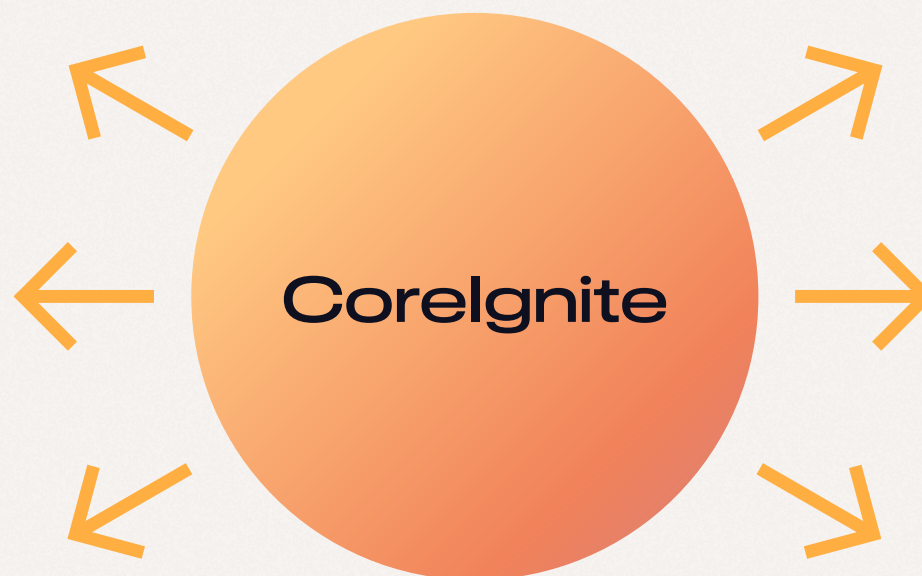


Global Large Banks  
Community Banks  
Credit Unions



North America  
Europe  
Australia

**300M+ Deposit Accounts**



Growing our  
strategic partnerships



**Serving a broad set of  
financial institutions**





# NEW DXC PARTNERSHIPS MAKING HEADLINES

“DXC and Splitit bring instalment payments to bank account holders”

“Ripple-Powered Digital Assets Integration Could Be A Game Changer For DXC Technology”

“DXC and Splitit Partner to Enable Installment Payments for 300+ Million Bank Account Holders”

“Splitit, DXC Bring Transactional Credit to Bank Debit Cards”

“XRP Price Nears \$2 as Ripple Expands Enterprise Reach to 300 Million Accounts in New Deal”

“DXC links Hogan core banking with Euronet & Ripple”

“DXC’s Euronet Integration: Helping banks and fintechs speed up the launch of card-issuing and payments offerings”

“Ripple Partners With DXC To Integrate XRP Payments Into \$5 Trillion Banking Network”

“DXC Partners With Aptys to Modernize US Payments”

“DXC partners with Ripple to integrate blockchain into banking systems”

“DXC and Aptys Solutions Partner to Modernize Payments Connectivity for U.S. Financial Institutions”

“Splitit’s New Partnership Helps Banks Compete on BNPL”

“DXC Partners with Ripple to Empower Global Banks with Scalable Digital Asset Custody and Payments”

“DXC Announces Strategic Partnership with Euronet to Expand Global Issuing and Payments Capabilities”

“Ripple and DXC join forces to provide scalable digital asset custody for global banks”

# HOGAN



“Ripple Taps Into \$5 Trillion Banking Pool with Major Partnership”



# THIRD QUARTER RESULTS

Performance Overview

Q3 FY26

Guidance

YOY ORGANIC REVENUE GROWTH*	BOOK-TO-BILL	ADJUSTED EBIT MARGIN*	NON-GAAP DILUTED EPS*
(4.3%)	1.12x	8.2%	\$0.96
(5.0%) – (4.0%)		7.0% – 8.0%	\$0.75 – \$0.85

\* Reconciliation of GAAP to Non-GAAP measures provided in appendix



# THIRD QUARTER SEGMENT RESULTS

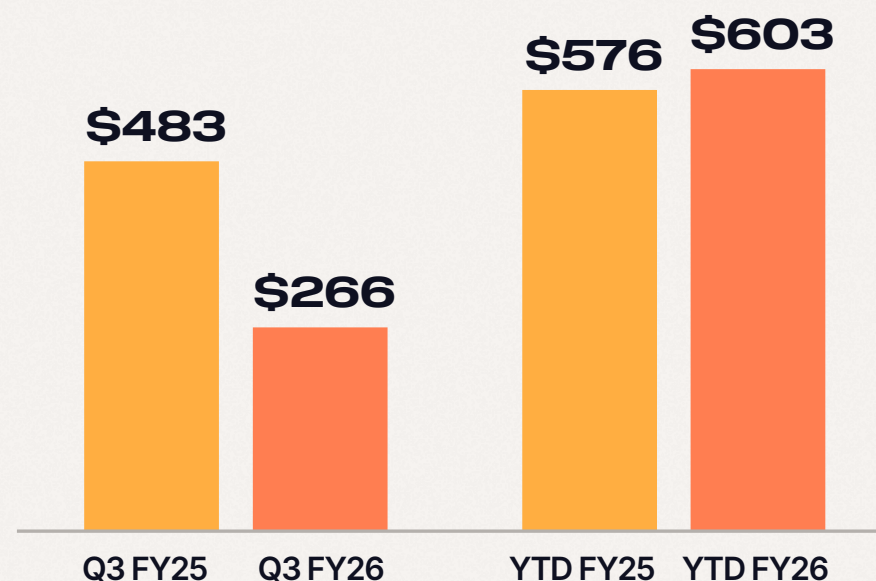
	CES	GIS	Insurance
Revenue	\$1,266M	\$1,607M	\$321M
YoY Organic Revenue Growth*	(3.6%)	(6.2%)	3.2%
YoY Bookings	(6%)	(26%)	(6%)
TTM Book-to-Bill	1.13x	0.99x	0.73x

\* Reconciliation of GAAP to Non-GAAP measures provided in appendix

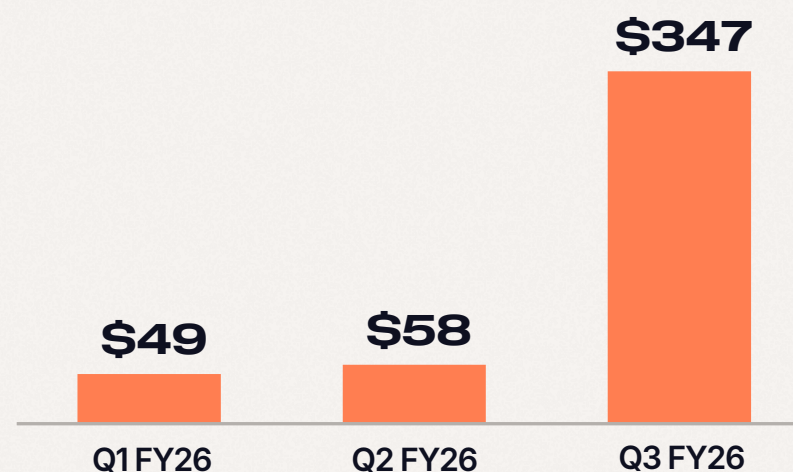


# FREE CASH FLOW AND CAPITAL STRUCTURE

## Strong Free Cash Flow (\$M)

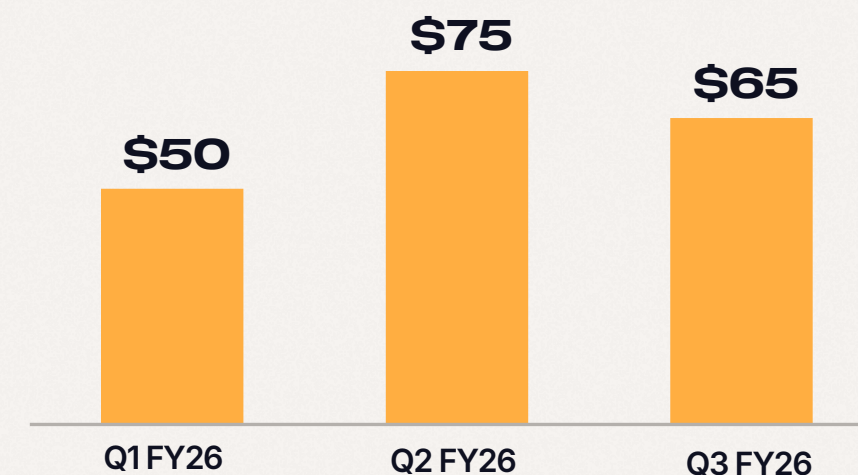


## Debt Repayments (\$M)



- Refinanced €650M January 2026 bond
- Repaid \$300M of \$700M September 2026 bond
- \$454M of debt repayments YTD

## Share Repurchases (\$M)

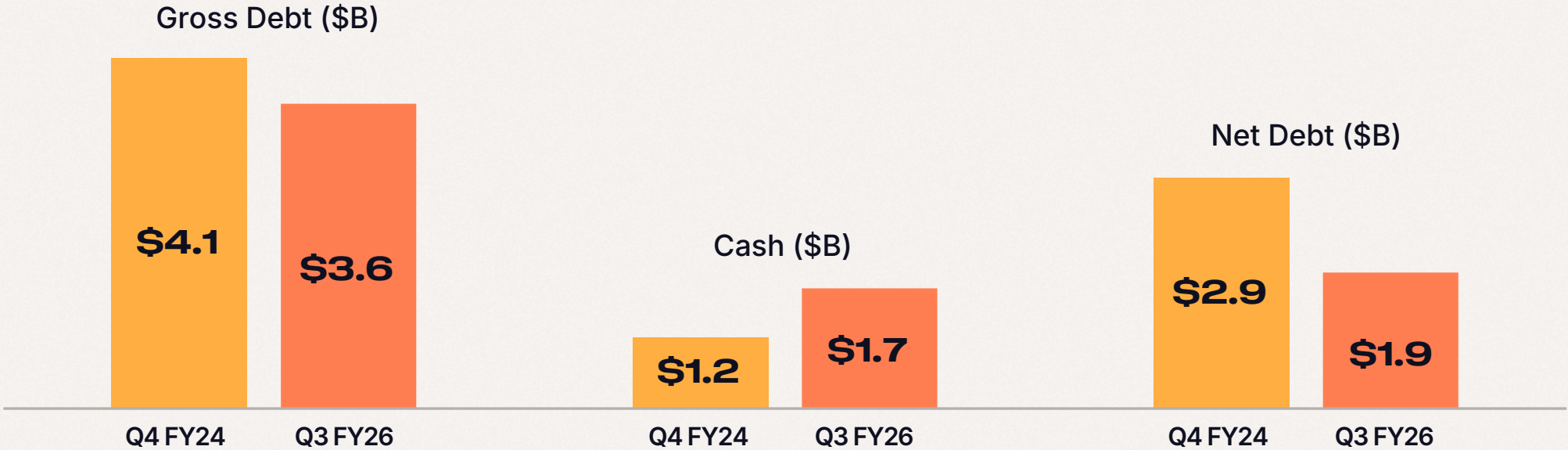


- \$190M of share repurchases YTD



# DEBT MANAGEMENT

Since Start of FY25



Capital Leases (\$M): Since Start of FY25

Capital Lease Originations	Capital Lease Payments	Gross Debt Reduction from Capital Leases
\$33	\$452	\$419



# EXPECTED NEAR-TERM CAPITAL ALLOCATION PRIORITIES



Repurchase \$60 million of shares in the fourth quarter

- Exit FY26 with \$1.7 billion cash on hand



Continue to invest in growth



Retire the remaining \$400 million of senior notes due Sept '26



Repurchase \$250 million of shares in first half of FY27



# Q4 FISCAL YEAR 2026 AND FULL FISCAL YEAR 2026 GUIDANCE\*

## Q4 Fiscal Year 2026

YOY ORGANIC  
REVENUE GROWTH

**(4.0%) – (5.0%)**

ADJUSTED EBIT  
MARGIN

**6.5% – 7.5%**

NON-GAAP  
DILUTED EPS

**\$0.65 – \$0.75**

## Full Fiscal Year 2026

YOY ORGANIC  
REVENUE GROWTH

**~(4.3%)**

ADJUSTED EBIT  
MARGIN

**~7.5%**

NON-GAAP  
DILUTED EPS

**~\$3.15**

FREE CASH  
FLOW

**~\$650M**

\* Reconciliation of GAAP to Non-GAAP measures provided in appendix



# APPENDIX



# YOY ORGANIC REVENUE GROWTH

(\$M)	Q1 FY24	Q2 FY24	Q3 FY24	Q4 FY24	Total FY24	Q1 FY25	Q2 FY25	Q3 FY25	Q4 FY25	Total FY25	Q1 FY26	Q2 FY26	Q3 FY26
CES revenue	1,320	1,322	1,313	1,319	5,274	1,281	1,279	1,267	1,235	5,062	1,246	1,255	1,266
YoY CES revenue growth	(5.0%)	(2.1%)	(4.0%)	(3.0%)	(3.5%)	(3.0%)	(3.3%)	(3.5%)	(6.4%)	(4.0%)	(2.7%)	(1.9%)	(0.1%)
Foreign currency	0.7%	(1.6%)	(1.5%)	0.5%	(0.5%)	1.7%	(0.1%)	0.9%	2.1%	1.1%	(2.0%)	(1.9%)	(3.5%)
Acquisitions and divestitures	7.2%	5.3%	5.1%	1.7%	4.8%	0.4%	0.0%	0.4%	0.3%	0.3%	0.3%	0.4%	0.0%
YoY CES organic revenue growth	2.9%	1.6%	(0.4%)	(0.8%)	0.8%	(0.9%)	(3.4%)	(2.2%)	(4.0%)	(2.6%)	(4.4%)	(3.4%)	(3.6%)
GIS revenue	1,844	1,824	1,798	1,764	7,230	1,658	1,656	1,651	1,631	6,596	1,600	1,586	1,607
YoY GIS revenue growth	(10.4%)	(6.6%)	(6.7%)	(9.1%)	(8.2%)	(10.1%)	(9.2%)	(8.2%)	(7.5%)	(8.8%)	(3.5%)	(4.2%)	(2.7%)
Foreign currency	0.7%	(2.3%)	(2.0%)	(0.1%)	(0.9%)	1.3%	0.1%	0.8%	2.2%	1.1%	(2.2%)	(2.1%)	(3.5%)
Acquisitions and divestitures	0.1%	0.0%	(0.0%)	0.1%	(0.0%)	0.2%	0.1%	0.2%	0.1%	0.2%	(0.0%)	0.0%	0.0%
YoY GIS organic revenue growth	(9.6%)	(8.9%)	(8.7%)	(9.1%)	(9.1%)	(8.6%)	(9.0%)	(7.2%)	(5.2%)	(7.5%)	(5.7%)	(6.3%)	(6.2%)
Insurance revenue	282	290	288	303	1,163	297	306	307	303	1,213	313	320	321
YoY Insurance revenue growth	8.8%	9.9%	6.0%	4.3%	7.2%	5.3%	5.5%	6.6%	0.0%	4.3%	5.4%	4.6%	4.6%
Foreign currency	1.0%	(1.0%)	(0.9%)	(0.1%)	(0.3%)	0.9%	(0.2%)	(0.2%)	1.1%	0.4%	(1.8%)	(1.0%)	(1.4%)
Acquisitions and divestitures	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
YoY Insurance organic revenue growth	9.8%	8.9%	5.1%	4.2%	6.9%	6.2%	5.3%	6.4%	1.1%	4.7%	3.6%	3.6%	3.2%



# ADJUSTED EBIT RECONCILIATION

EBIT to Adjusted EBIT (\$M)	Q1 FY24	Q2 FY24	Q3 FY24	Q4 FY24	Total FY24	Q1 FY25	Q2 FY25	Q3 FY25	Q4 FY25	Total FY25	Q1 FY26	Q2 FY26	Q3 FY26
Net income (loss)	42	99	140	(195)	86	25	45	63	263	396	18	40	110
Income tax expense (benefit)	36	29	72	(114)	23	43	48	68	75	234	49	91	61
Interest income	(49)	(53)	(56)	(56)	(214)	(51)	(51)	(51)	(46)	(199)	(46)	(46)	(46)
Interest expense	66	78	78	76	298	72	69	66	58	265	54	53	54
<b>EBIT <sup>(1)</sup></b>	<b>95</b>	<b>153</b>	<b>234</b>	<b>(289)</b>	<b>193</b>	<b>89</b>	<b>111</b>	<b>146</b>	<b>350</b>	<b>696</b>	<b>75</b>	<b>138</b>	<b>179</b>
Restructuring costs	20	35	36	20	111	39	42	43	29	153	37	35	20
Transaction, separation & integration-related costs	1	3	2	1	7	7	15	3	—	25	1	1	—
Amortization of acquired intangible assets	89	89	88	88	354	87	89	87	85	348	87	88	87
Merger related indemnification	11	2	2	1	16	—	—	—	2	2	2	—	(34)
Impairment losses	3	2	—	—	5	—	—	12	5	17	14	—	—
Gains and losses on disposition of businesses	5	(33)	(104)	17	(115)	—	(5)	(8)	—	(13)	—	(1)	—
Pension & OPEB actuarial & settlement gains and losses	—	—	—	445	445	—	—	—	(232)	(232)	—	—	11
Gains and losses on real estate and facility sales	(6)	—	(2)	1	(7)	2	27	3	(9)	23	—	(7)	—
<b>Adjusted EBIT <sup>(1)</sup></b>	<b>218</b>	<b>251</b>	<b>256</b>	<b>284</b>	<b>1,009</b>	<b>224</b>	<b>279</b>	<b>286</b>	<b>230</b>	<b>1,019</b>	<b>216</b>	<b>254</b>	<b>263</b>
<b>EBIT margin <sup>(1)</sup></b>	<b>2.8%</b>	<b>4.5%</b>	<b>6.9%</b>	<b>(8.5%)</b>	<b>1.4%</b>	<b>2.8%</b>	<b>3.4%</b>	<b>4.5%</b>	<b>11.0%</b>	<b>5.4%</b>	<b>2.4%</b>	<b>4.4%</b>	<b>5.6%</b>
<b>Adjusted EBIT margin <sup>(1)</sup></b>	<b>6.3%</b>	<b>7.3%</b>	<b>7.5%</b>	<b>8.4%</b>	<b>7.4%</b>	<b>6.9%</b>	<b>8.6%</b>	<b>8.9%</b>	<b>7.3%</b>	<b>7.9%</b>	<b>6.8%</b>	<b>8.0%</b>	<b>8.2%</b>

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



# NON-GAAP RECONCILIATION — EPS

Non-GAAP EPS	Q1 FY24	Q2 FY24	Q3 FY24	Q4 FY24	Total FY24	Q1 FY25	Q2 FY25	Q3 FY25	Q4 FY25	Total FY25	Q1 FY26	Q2 FY26	Q3 FY26
GAAP EPS (diluted)	\$0.17	\$0.49	\$0.81	(\$1.10)	\$0.46	\$0.14	\$0.23	\$0.31	\$1.43	\$2.10	\$0.09	\$0.20	\$0.61
Restructuring costs	0.07	0.13	0.16	0.08	0.44	0.17	0.18	0.18	0.11	0.65	0.15	0.16	0.09
TSI	—	0.01	0.01	0.01	0.03	0.03	0.07	0.01	—	0.11	0.01	0.01	—
Amortization of acquired intangible assets	0.32	0.34	0.39	0.36	1.40	0.39	0.38	0.37	0.33	1.47	0.36	0.41	0.40
Impairment losses	0.03	0.01	—	—	0.04	—	—	0.05	0.03	0.09	0.05	—	—
Merger related indemnification	—	—	0.01	(0.01)	0.01	—	(0.03)	—	0.01	(0.02)	0.01	0.01	(0.19)
Debt extinguishment costs	—	—	—	—	—	—	—	—	—	—	—	—	0.01
Gains and losses on disposition of businesses	0.02	(0.11)	(0.49)	0.13	(0.45)	—	(0.03)	(0.01)	(0.01)	(0.05)	—	(0.01)	—
Gains and losses on real estate and facility sales	(0.02)	—	(0.01)	—	(0.03)	0.01	0.11	0.01	(0.05)	0.08	—	(0.03)	—
Pension & OPEB actuarial & settlement gains and losses	—	—	—	1.82	1.68	—	—	—	(0.89)	(0.89)	—	—	0.05
Tax adjustment	0.01	(0.17)	(0.03)	(0.33)	(0.49)	—	0.03	(0.01)	(0.11)	(0.09)	0.01	0.09	(0.01)
Non-GAAP dilution adjustment	—	—	—	0.01	—	—	—	—	—	—	—	—	—
<b>Non-GAAP EPS (diluted) <sup>(1)</sup></b>	<b>\$0.61</b>	<b>\$0.70</b>	<b>\$0.86</b>	<b>\$0.97</b>	<b>\$3.10</b>	<b>\$0.75</b>	<b>\$0.93</b>	<b>\$0.92</b>	<b>\$0.84</b>	<b>\$3.43</b>	<b>\$0.68</b>	<b>\$0.84</b>	<b>\$0.96</b>
Shares outstanding (diluted)	213.8	203.1	191.9	183.5	198.8	182.9	183.9	184.8	184.8	184.9	185.0	179.2	175.8

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



# FREE CASH FLOW

Free Cash Flow (\$M)	Q1 FY24	Q2 FY24	Q3 FY24	Q4 FY24	Total FY24	Q1 FY25	Q2 FY25	Q3 FY25	Q4 FY25	Total FY25	Q1 FY26	Q2 FY26	Q3 FY26
Cash flows from operating activities	127	248	706	280	1,361	238	195	650	315	1,398	186	409	414
Less capex													
Purchase of property & equipment	(55)	(53)	(36)	(38)	(182)	(48)	(41)	(82)	(77)	(248)	(43)	(44)	(55)
Payments for transition & transformation contract costs	(62)	(48)	(49)	(39)	(198)	(38)	(35)	(33)	(29)	(135)	(30)	(28)	(27)
Software purchased & developed	(85)	(56)	(36)	(48)	(225)	(107)	(71)	(52)	(98)	(328)	(16)	(97)	(66)
Total capex	(202)	(157)	(121)	(125)	(605)	(193)	(147)	(167)	(204)	(711)	(89)	(169)	(148)
Free Cash Flow	(75)	91	585	155	756	45	48	483	111	687	97	240	266



# NON-GAAP AND OTHER DEFINITIONS

## Our Non-GAAP and other definitions include:

- **Segment profit:** Segment revenue *less* costs of services, selling, general and administrative, depreciation and amortization, and other segment items. The company does not allocate to its segments certain operating expenses managed at the corporate level. These unallocated expenses generally include certain corporate function costs, pension and other post-retirement benefit ("OPEB") actuarial and settlement gains and losses, restructuring costs, transaction, separation, and integration-related costs, amortization of acquired intangible assets, impairment losses, gains/(losses) on dispositions of businesses, gains/(losses) on real estate and facility sales, and other costs that do not reflect ongoing segment operating performance
- **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 Non-GAAP adjustments (e.g., restructuring costs, amortization expense related to acquired intangible assets, and others — refer to next slide for definitions)
- **Adjusted EBIT margin:** Adjusted EBIT as a percentage of revenue
- **Free cash flow:** Cash flows from operating activities excluding capital expenditures for property, plant and equipment, transition and transformation contract costs, and software purchased and developed
- **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 gross profit margin:** Non-GAAP gross profit as a percentage of revenue
- **Net debt:** Short-term debt plus long-term debt, less cash and cash equivalents



# 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 third party costs related to integration, separation, planning, financing and advisory fees and other similar charges associated with mergers, acquisitions, strategic investments, joint ventures, and dispositions and other similar transactions incurred within one year of such transactions closing, except for costs associated with related disputes, which may arise more than one year after closing.
- **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 estimate of potential net liability for tax related indemnifications.
- **Gains and losses on dispositions:** Gains and losses related to dispositions of businesses, strategic assets and interests in less than wholly-owned entities.
- **Gains and losses on real estate and facility sales:** Gains and losses related to dispositions of real property.
- **Impairment losses:** Non-cash charges associated with the permanent reduction in the value of the company's assets (e.g., impairment of goodwill and other long-term assets including fixed assets and impairments to deferred tax assets for discrete changes in valuation allowances). Future discrete reversals of valuation allowances are likewise excluded.
- **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, adjustments for changes in tax legislation, and adjustments to transition tax. Income tax expense/(benefit) from the impact of mergers 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.





**IMPOSSIBLE. DELIVERED.**