



1st Quarter FY 2022 Earnings Presentation

August 4, 2021

Non-GAAP Financial Measures

We present Non-GAAP financial measures which are derived from the statements of operations, cash flow and balance sheets of DXC. These Non-GAAP financial measures include earnings before interest and taxes ("EBIT"), adjusted EBIT, EBIT before depreciation and amortization ("EBITDA"), Non-GAAP income from continuing operations before income taxes, Non-GAAP net income and Non-GAAP Diluted EPS, constant currency revenues, organic revenue growth, free cash flow, net debt and net debt to LTM Adjusted EBITDA.

We believe EBIT, adjusted EBIT, EBITDA, Non-GAAP income before income taxes, Non-GAAP net income and Non-GAAP EPS provide investors with useful supplemental information about our operating performance after excluding certain categories of expenses.

We believe constant currency revenues and organic revenue growth provides investors with useful supplemental information about our revenues after excluding the effect of currency exchange rate fluctuations for currencies other than U.S. dollars in the periods presented, and in the case of organic revenue growth after excluding the impact of acquisitions and divestitures. See below for a description of the methodology we use to present constant currency revenues and organic revenue growth. We believe net debt and net debt-to-total capitalization provide investors with useful supplemental information about DXC's net leverage and capitalization.

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

Another category of expenses excluded from adjusted EBIT, Non-GAAP income from continuing operations before tax, Non-GAAP net income and Non-GAAP EPS, impairment losses, may result in a significant difference in period over period expense on a GAAP basis. We exclude impairment losses as these non-cash amounts, generally an acceleration of what would be multiple periods of expense, have not occurred frequently. Further assets such as goodwill may be significantly impacted by market conditions outside of management's control.

There are limitations to the use of the Non-GAAP financial measures presented in this report. One of the limitations is that they do not reflect complete financial results. We compensate for this limitation by providing a reconciliation between our Non-GAAP financial measures and the respective most directly comparable financial measure calculated and presented in accordance with GAAP. Additionally, other companies, including companies in our industry, may calculate Non-GAAP financial measures differently than we do, limiting the usefulness of those measures for comparative purposes between companies.

Selected references are made 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. Selected references are made to revenues on an "organic basis" so that certain financial results can be viewed without the impact of fluctuations in foreign currency rates and without the impacts of acquisitions and divestitures from "organic basis" financial results, thereby providing comparisons of operating performance from period to period of the business that we have owned during all periods presented. Organic revenue growth is calculated by dividing the year over year change in GAAP revenues attributed to organic growth by the GAAP revenues reported in the prior comparable period. Revenues on an "organic basis" are Non-GAAP financial measures calculated by translating current period activity into U.S. dollars using the comparable prior period's currency conversion rates after excluding the impact of acquisitions and divestitures.

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

Forward-Looking Statements

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

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

Agenda for Today



- 1 Overview of Q1 FY22 Results

- 2 Progress on Our Transformation Journey

- 3 Q1 FY22 Financial Results, FY22 and FY24 Guidance

- 4 Closing Remarks

Continued Strong Performance in Q1 FY22

Q1 FY22 – Key Metrics and Drivers

Revenue

\$4.14B

Revenues down 8% vs. prior year, and down 3.7% on an organic basis*

Adjusted EBIT Margin

8.0%

380 bps YoY margin expansion from 4.2% in Q1 FY21

Book-to-Bill

1.12x

Continued success in bringing the “new DXC” to the market

Non-GAAP Diluted EPS

\$0.84

300% increase YoY from \$0.21 in Q1 FY21

* Please see reconciliation on slides 31 & 34

Playbook Phases



Transformation Journey – Foundation (FY22)

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

Transformation Journey



**Inspire and
Take Care of
Our Colleagues**

Proof points:

- New Chief Marketing Officer rounds out our refreshed management team
- Investing in our colleagues:
 - Paid annual bonuses that benefited ~45,000 colleagues
 - Merit increases that will touch ~77,500 colleagues
 - Taken care of our people throughout the pandemic
- Increased employee engagement helps us deliver and grow our customers

Transformation Journey



Focus on Customers

Proof points:

- Investing in our customers is paying off:
 - Delivering for customers
 - Keeping more of the work we have and generating new business
 - Driving customer intimacy
- Confident we will deliver on our revenue expectations for Q2 and FY22

Transformation Journey



Optimize Costs

Proof points:

- Continued progress on cost optimization program:
 - Contractor conversion
 - Real estate
 - Scaling the Global Innovation & Delivery Centers (GIDCs)
 - DXC Platform X™
- Cost optimization program drives Q1 FY22 Adjusted EBIT margin of 8.0%
- Confident we will deliver on our margin expectations for Q2 and FY22

Transformation Journey



**Seize the
Market**

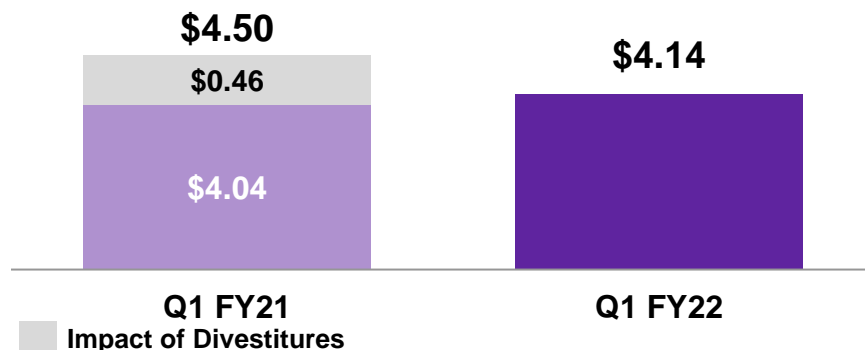
Proof points:

- Cross-selling to existing accounts and winning new work
- Book-to-bill of 1.12x in Q1 FY22
- 57% of Q1 FY22 bookings were new work and 43% renewals
- Expect another quarter with a book-to-bill of 1x or greater in Q2 FY22

Quarterly Results

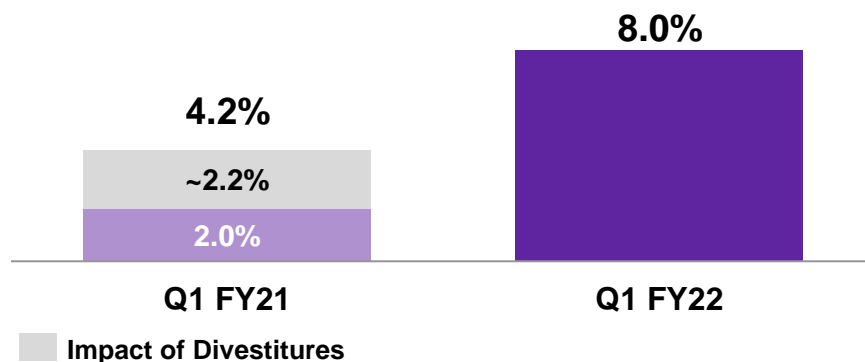
Commentary

Revenue (\$B)



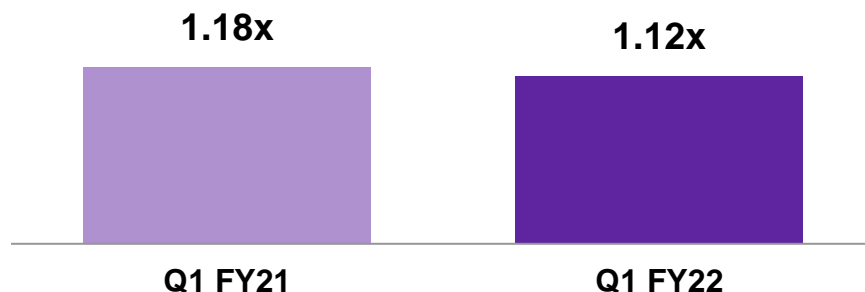
- Reported revenues down 8.0% YoY
- Currency tailwind of 5.7%
- Dispositions reduce revenues by 10.0%
- Organic revenue decline of 3.7%

Adjusted EBIT Margin



- Q1 FY22 Adjusted EBIT margin of 8.0%
- Up 380 bps vs. Q1 FY21
- Excl. dispositions, Adjusted EBIT margin expanded 600 bps YoY

Book-to-Bill

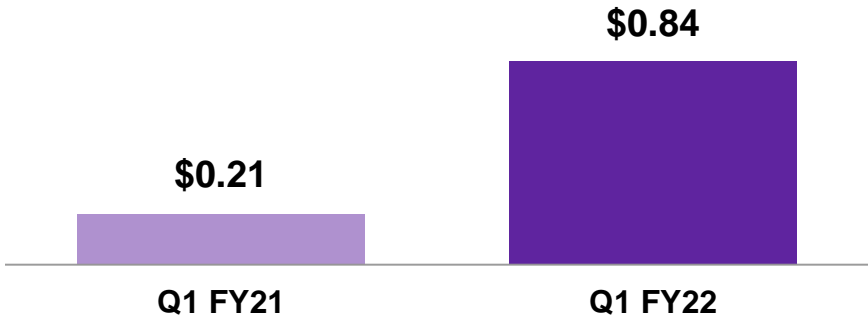


- Q1 FY22 BtB of 1.12x
- 57% of Q1 FY22 bookings were new work and 43% renewals

Quarterly Results

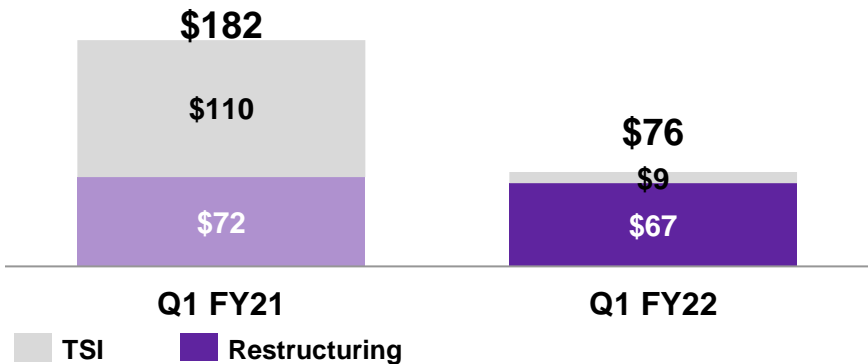
Commentary

Non-GAAP Diluted EPS



- Q1 FY22 Non-GAAP Diluted EPS of \$0.84, up 300% YoY
- Increase driven by cost optimization, lower interest expense, and lower tax rate

Restructuring & TSI (\$M)



- Restructuring and TSI expense of \$76M, down 58% from prior year
- Q1 FY22 restructuring includes facility reduction expenses of \$22M

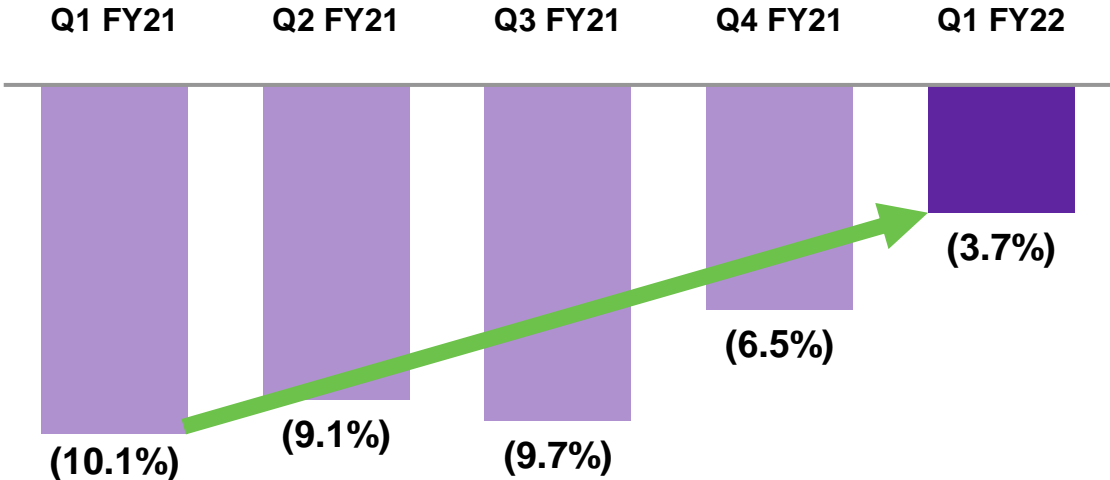
FCF (\$M)



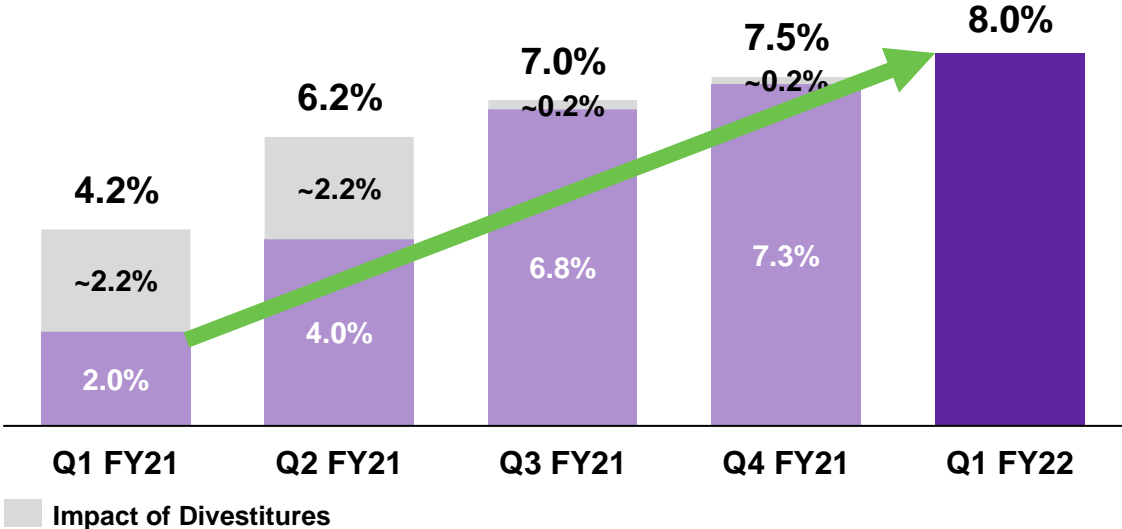
- Q1 FY22 FCF (\$304M) vs. (\$106M) in Q1 FY21
- See slide 20 for additional details

Transformation Journey on Track

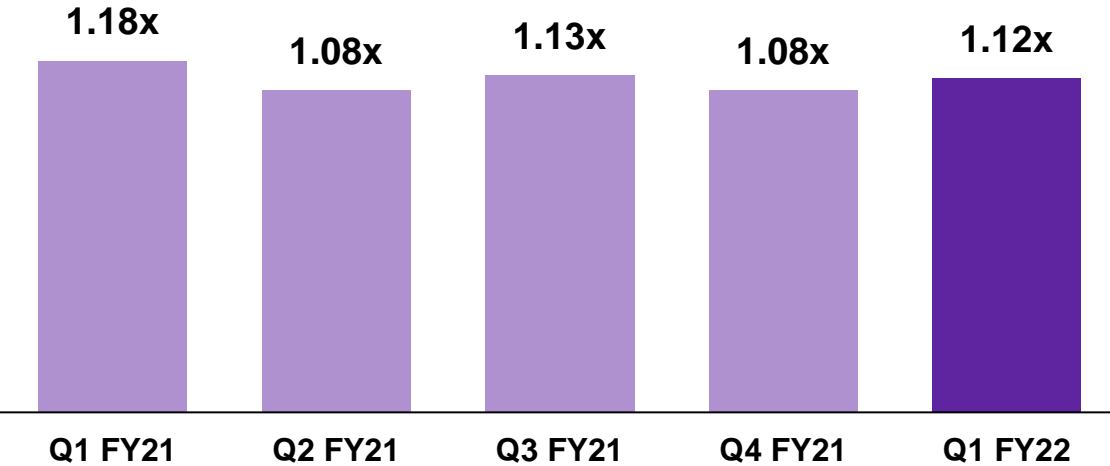
Organic Revenue Growth Trends (YoY)



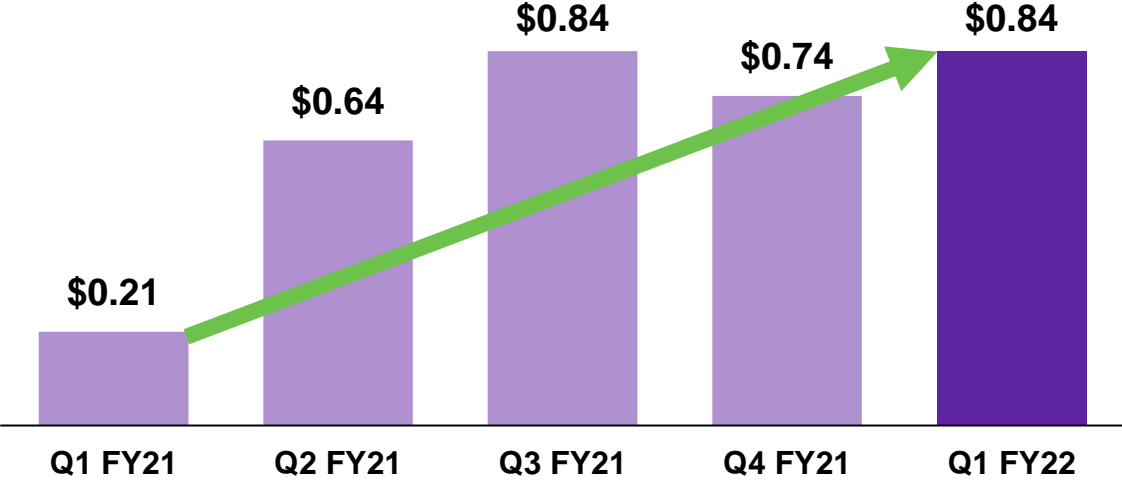
Adjusted EBIT Margin



Book-to-Bill

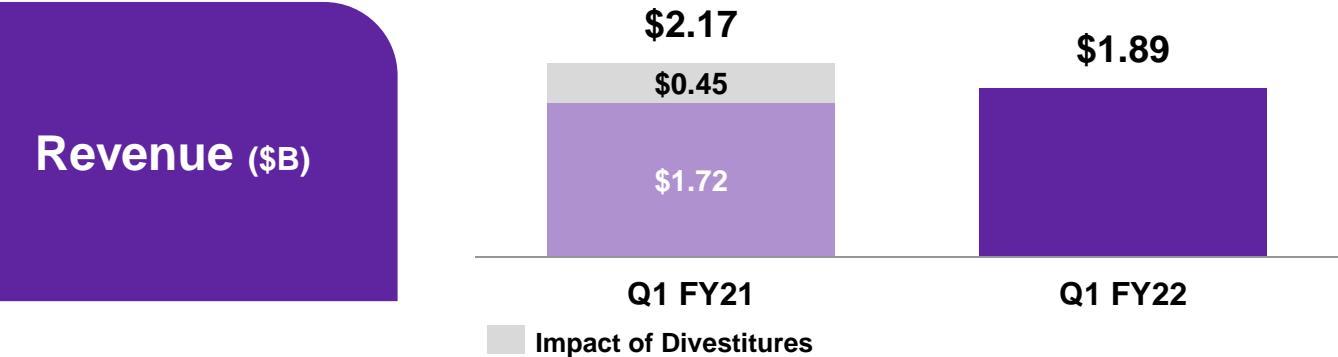


Non-GAAP Diluted EPS

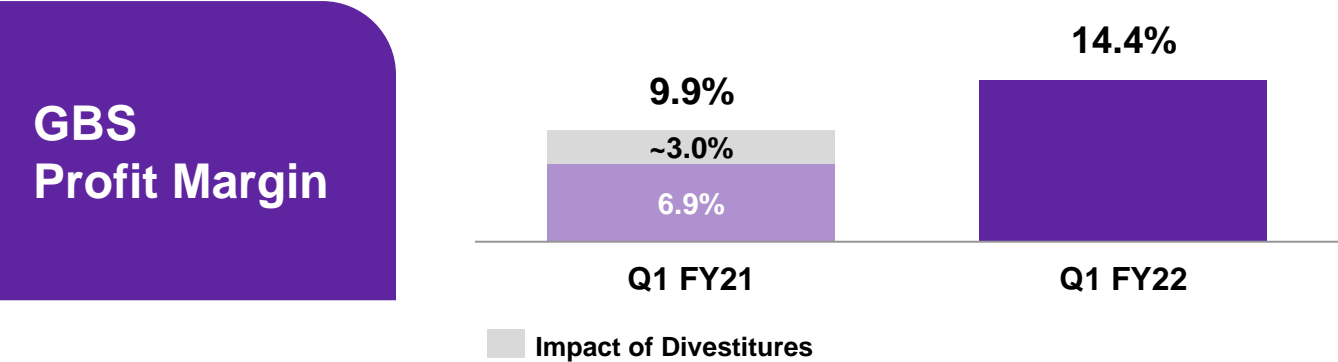


Global Business Services (GBS)

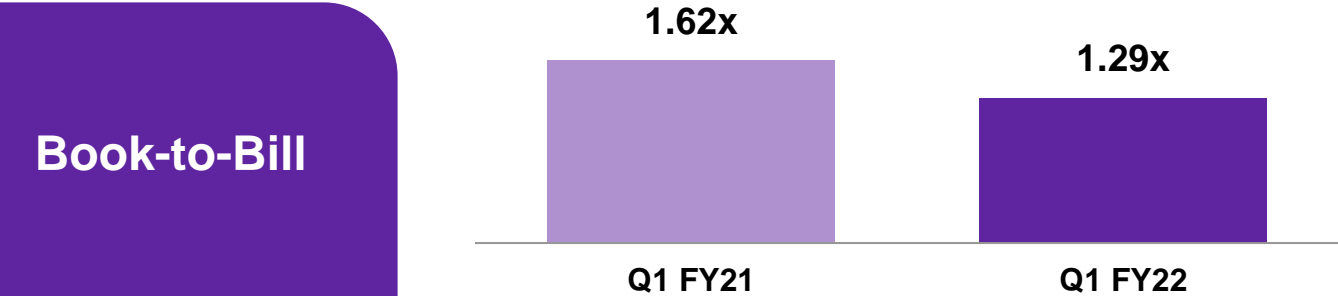
Commentary



- “**Top of the stack**” revenues decreased 13.2% year-over-year
- **Organic revenues increased 2.0% year-over-year**
- Strength in Analytics and Engineering consulting projects



- Q1 FY22 **GBS profit margin expanded 450 bps to 14.4%**
- Cost optimization program driver of margin expansion

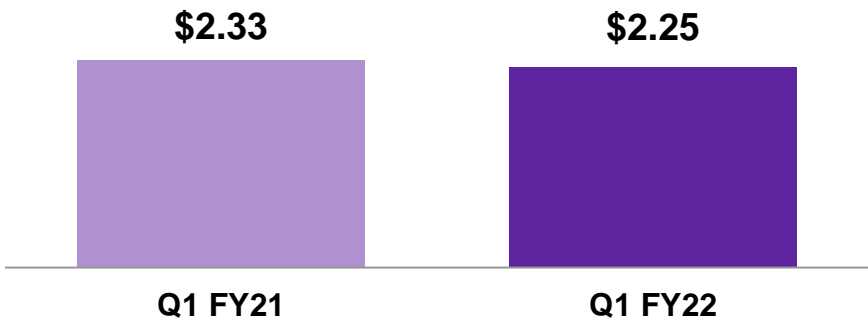


- Q1 FY22 BtB of 1.29x

Global Infrastructure Services (GIS)

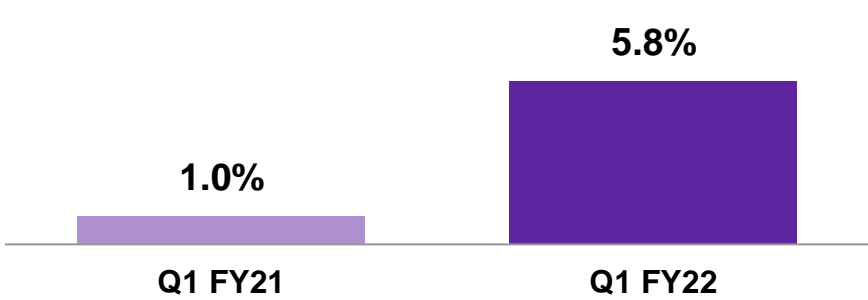
Commentary

Revenue (\$B)



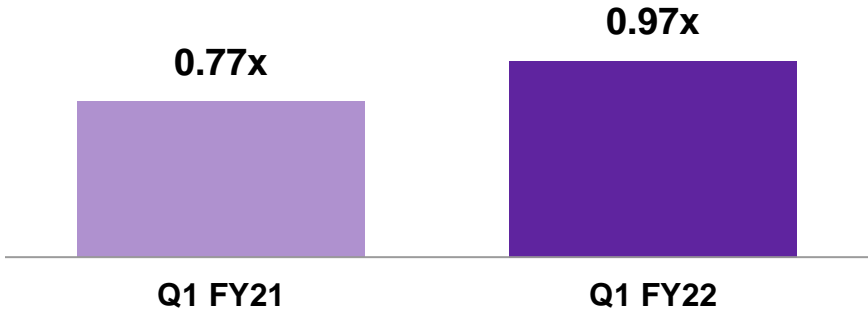
- Revenue decreased 3.2% year-over-year
- Organic revenues declined 9.1% year-over-year
- Strategic alternative delayed Modern Workplace transformation journey

GIS Profit Margin



- Q1 FY22 **GIS profit margin expanded 480 bps to 5.8%**
- Cost optimization program driver of margin expansion

Book-to-Bill

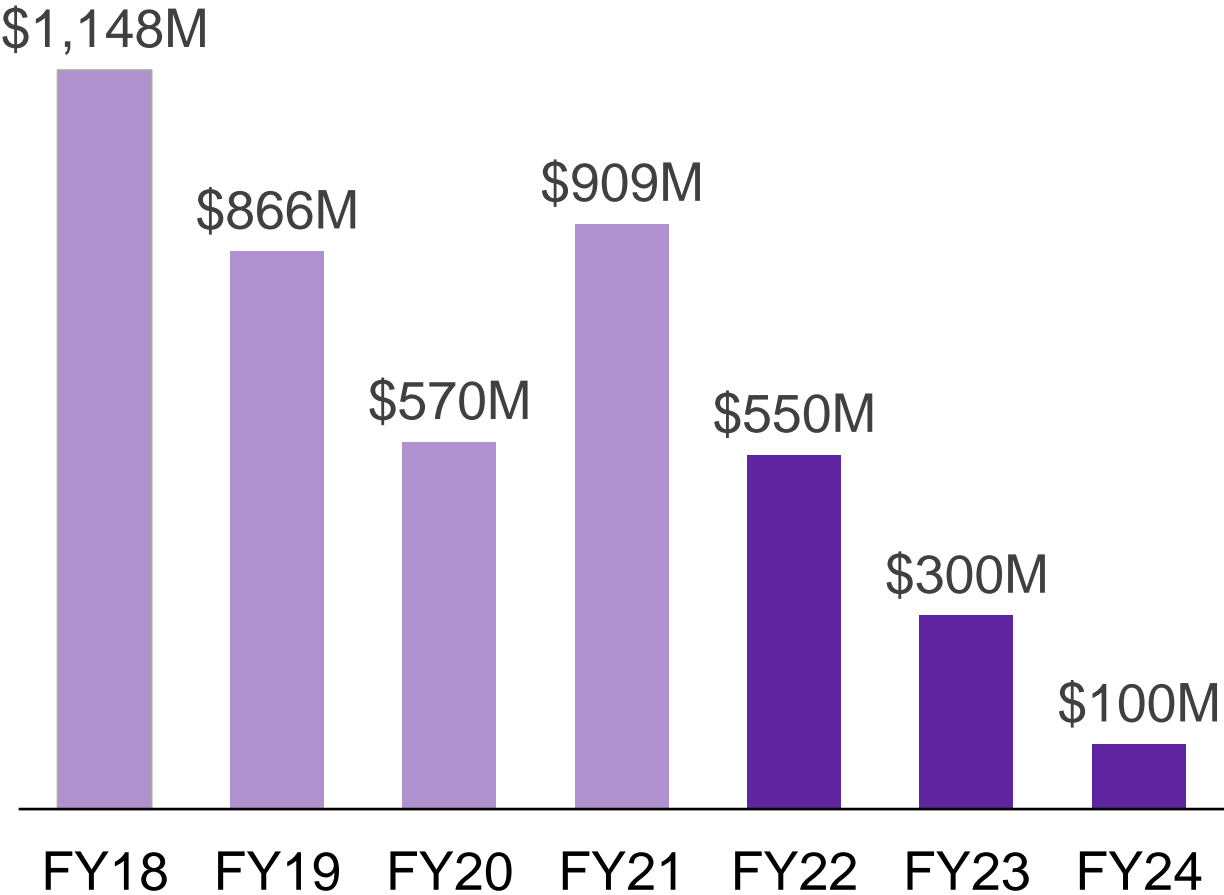
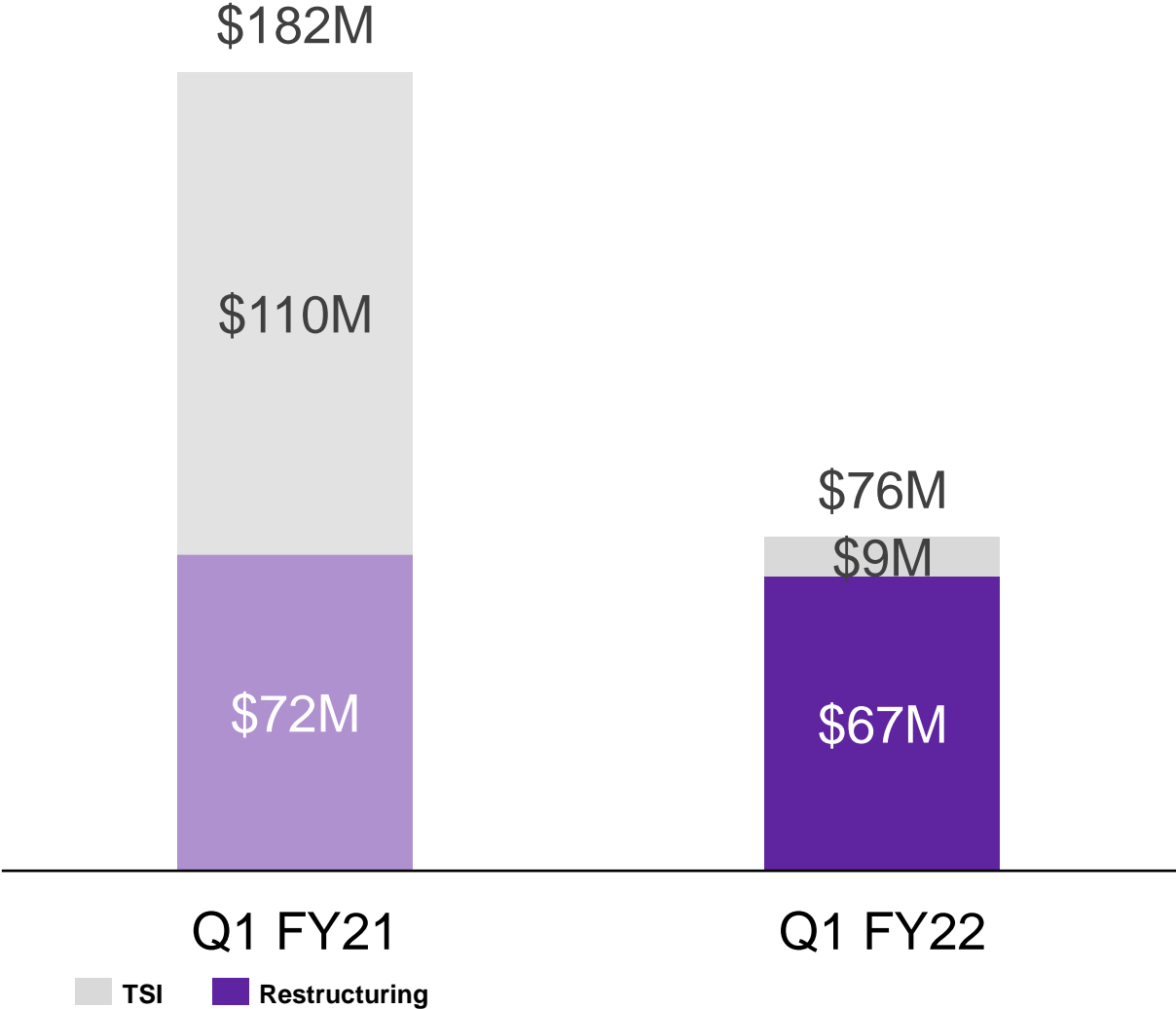


- Q1 FY22 BtB of 0.97x

Enterprise Technology Stack – Q1 FY22 Performance

| | | Q1 FY22 | | | |
|-------------------------------|---------------------------------|---------------|-----------------|--------------------|--------------|
| | | Revenue (\$M) | YoY GAAP Growth | YoY Organic Growth | Book-to-Bill |
| GBS | Analytics and Engineering | 482 | 17.9% | 12.9% | 1.32x |
| | Applications | 1,246 | 7.2% | 0.6% | 1.32x |
| | Business Process Services (BPS) | 118 | (8.1)% | (13.0)% | 1.13x |
| GIS | Cloud and Security | 549 | 13.7% | 4.9% | 0.85x |
| | IT Outsourcing | 1,128 | (3.0)% | (9.0)% | 1.02x |
| | Modern Workplace | 577 | (13.4)% | (19.7)% | 1.00x |
| Acquisitions and Divestitures | | 41 | | | |
| TOTAL | | 4,141 | (8.0)% | (3.7)% | 1.12x |

Restructuring and TSI

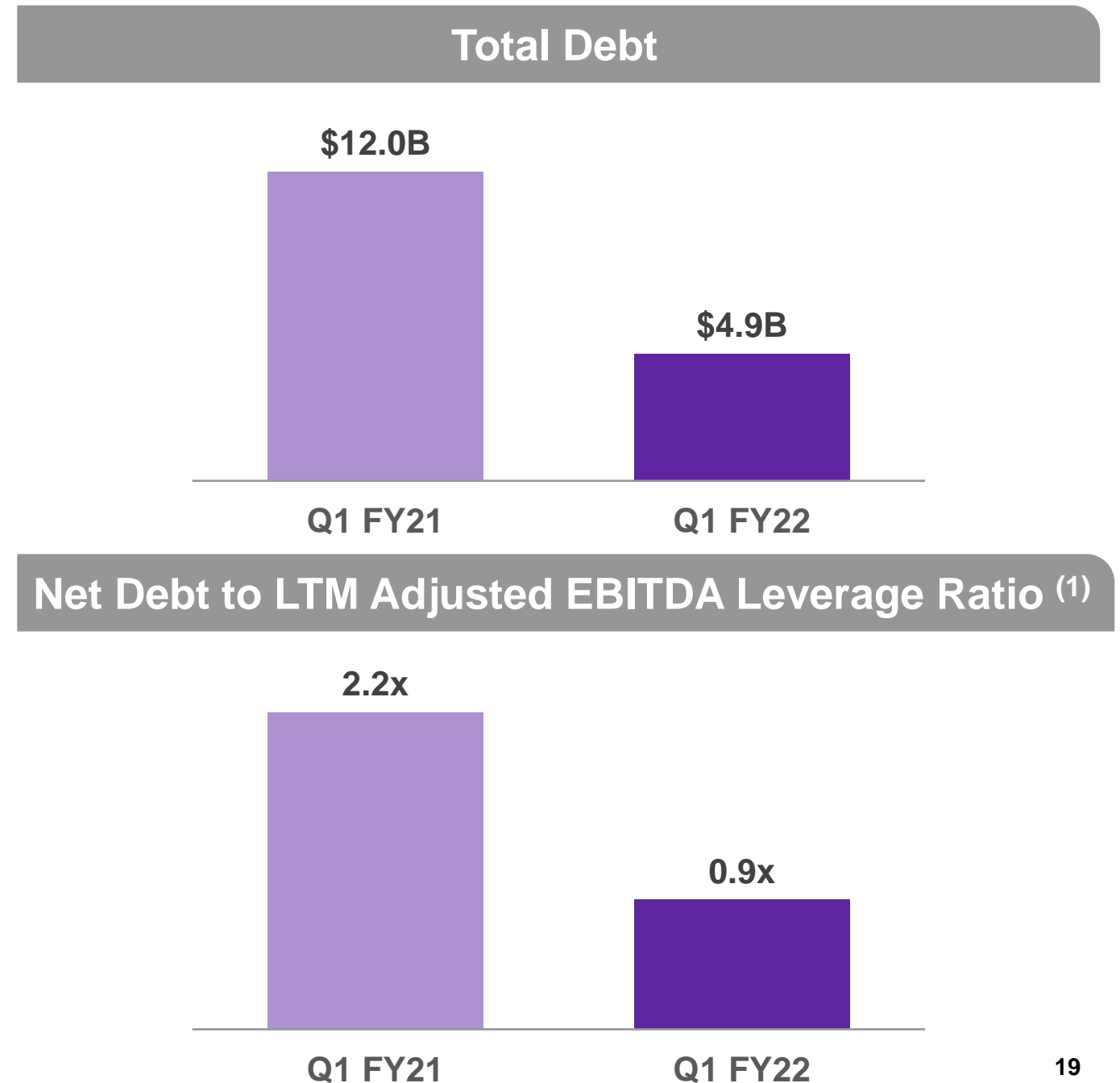


Lower Restructuring and TSI Expense Drive >\$500 Million in FCF by FY24

Strengthened Our Balance Sheet

- Achieved targeted debt level and leverage
- Committed to an investment grade credit profile, as demonstrated by our actions
- Reduced debt by \$7.1 billion in past 4 quarters
- Relatively low debt maturities ~\$700 million through FY24
- Net debt to LTM Adjusted EBITDA leverage ratio improved from 2.2x to 0.9x

⁽¹⁾ Net debt represents total debt, less cash and cash equivalents. Adjusted EBITDA, on an as reported basis, for the trailing four quarters ended 6/30/21 (T4Q) and 6/30/20 (PT4Q) totaled \$2,653M and \$2,970M respectively.



Cash Generation

| (in millions) | Q1 FY22 | Q1 FY21 |
|---------------------------------------------------------------|-----------------|-----------------|
| Cash (Used In) From Operations | \$ (29) | \$ 119 |
| Less capital expenditures | | |
| Purchase of property and equipment | (98) | (95) |
| Payments for transition and transformation contract costs | (55) | (82) |
| Software purchased and developed | (122) | (48) |
| Free Cash Flow | (304) | (106) |
| Payments on finance leases and borrowings for asset financing | (494) | (245) |
| Acquisitions | 0 | (10) |
| Divestitures | 513 | 0 |
| Borrowings less repayments | (311) | 2,090 |
| Other | 88 | 101 |
| Change in Cash | \$ (508) | \$ 1,830 |

YoY change in cash flow impacted by:

- Increased sales compensation & bonus payments (\$120M)
- Wind-down of German AR Securitization (\$114M)
- Timing of vendor payment (\$95M)
- Termination payment of a long-standing take-or-pay arrangement for IT hardware (\$88M)
- Timing of deferred tax payments due to COVID-19 relief legislation (\$16M)

Financial Priorities

1

Financial Foundation

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

2

Strengthen Balance Sheet

- Maintain investment grade credit rating
- Achieved targeted debt level
- Refinance debt/Reduce interest expense

3

Cash Generation

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

4

Restructuring & TSI

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

5

Capital Allocation

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

Q2 FY22 Outlook

| Revenue | YoY Organic Revenue Growth | Adjusted EBIT Margin | Non-GAAP Diluted EPS |
|-------------------|----------------------------|----------------------|----------------------|
| \$4.08B – \$4.13B | (1)% – (3)% | 8.0% – 8.4% | \$0.80 – \$0.84 |

Q2 FY22 Financial Targets

Reaffirming FY22 Outlook

| Revenue | YoY Organic Revenue Growth | Adjusted EBIT Margin | Non-GAAP Diluted EPS | FCF |
|-------------------|----------------------------|----------------------|----------------------|--------|
| \$16.6B – \$16.8B | (1)% – (2)% | 8.2% – 8.7% | \$3.45 – \$3.65 | \$500M |

FY22 Financial Targets

Reaffirming FY24 Outlook

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

FY24 Financial Targets

Transformation – Building the Strong Foundation in FY22

1

TRAJECTORY

Improvements in organic revenue, margin and EPS

2

WINNING IN THE MARKET

Delivering book-to-bill greater than 1.0x for 5 consecutive quarters

3

FINANCIAL FOUNDATION

Debt reduction, reducing restructuring & TSI, and capital allocation

Supplemental Information



Q1 FY22 Quarterly Result Details

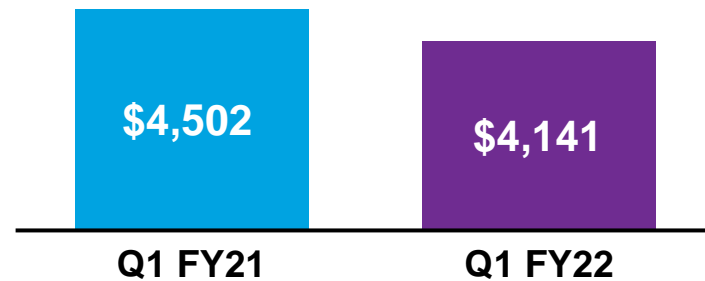
Non-GAAP Reconciliations

Definitions

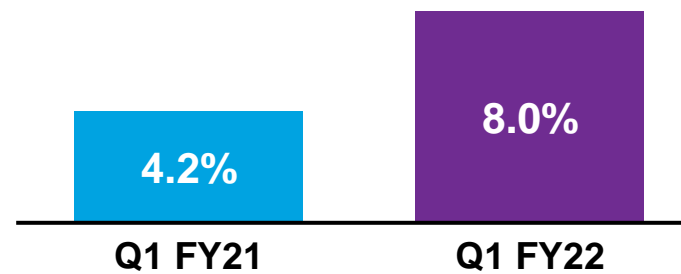
1st Quarter Results

| | Q1 FY22 | Q1 FY21 |
|---------------------------|----------|----------|
| Revenue (\$M) | \$ 4,141 | \$ 4,502 |
| – YoY Growth – GAAP | (8.0%) | |
| – cc ⁽¹⁾ | (13.7%) | |
| – organic ⁽¹⁾ | (3.7%) | |
| – QtQ Growth – GAAP | (5.6%) | |
| – cc ⁽¹⁾ | (5.8%) | |
| – organic ⁽¹⁾ | (3.8%) | |
| Adjusted EBIT (\$M) | 332 | 190 |
| Adjusted EBIT Margin (%) | 8.0% | 4.2% |
| Adjusted Net Income (\$M) | 222 | 59 |
| Non-GAAP Diluted EPS | \$ 0.84 | \$ 0.21 |
| Bookings (\$B) | \$ 4.6 | \$ 5.3 |
| Book-to-Bill | 1.12x | 1.18x |

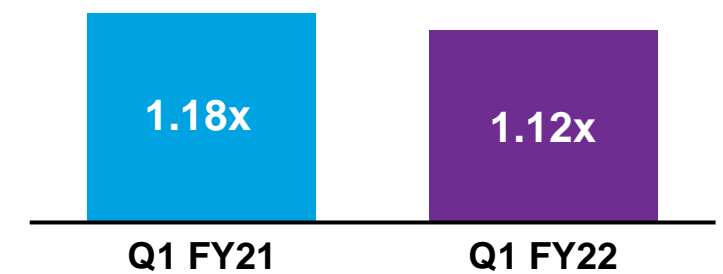
Revenue (\$M)



Adjusted EBIT Margin %



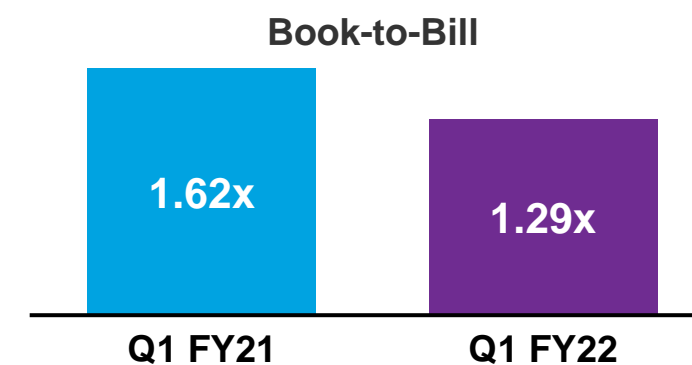
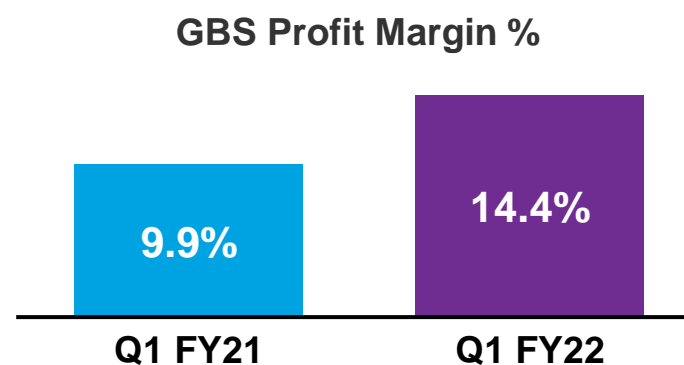
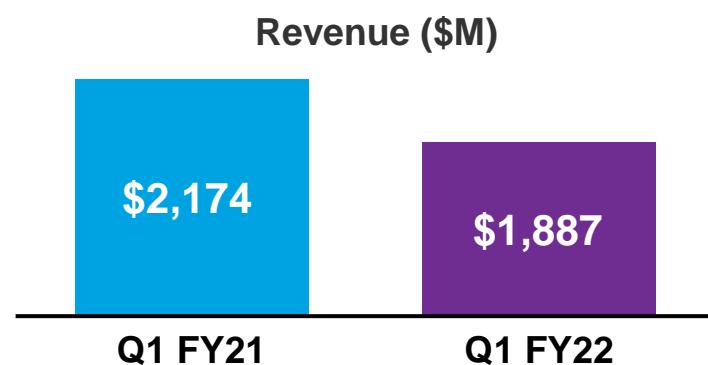
Book-to-Bill



⁽¹⁾ Defined at end of presentation

Global Business Services (GBS)

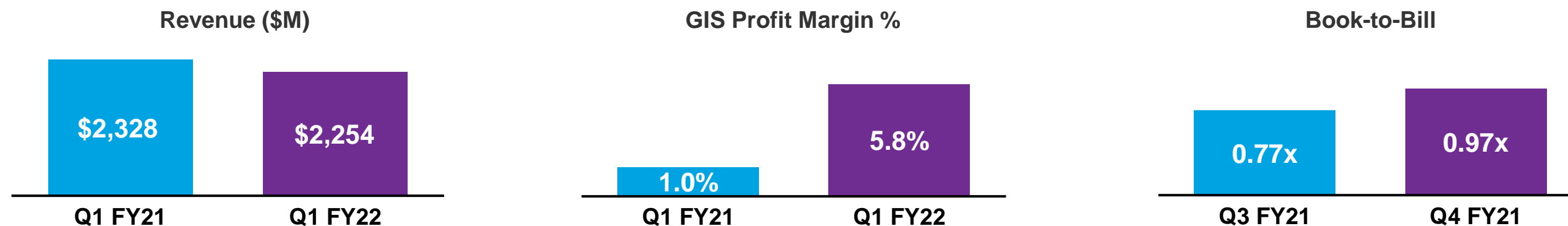
| | Q1 FY22 | Q1 FY21 |
|--------------------------|----------|----------|
| Revenue (\$M) | \$ 1,887 | \$ 2,174 |
| – YoY Growth – GAAP | (13.2%) | |
| – cc ⁽¹⁾ | (17.9%) | |
| – organic ⁽¹⁾ | 2.0% | |
| – QtQ Growth – GAAP | (5.6%) | |
| – cc ⁽¹⁾ | (5.7%) | |
| – organic ⁽¹⁾ | (1.5%) | |
| GBS Profit (\$M) | 272 | 215 |
| GBS Profit Margin (%) | 14.4% | 9.9% |
| Bookings (\$B) | \$ 2.4 | \$ 3.5 |
| Book-to-Bill | 1.29x | 1.62x |



⁽¹⁾ Defined at end of presentation

Global Infrastructure Services (GIS)

| | Q1 FY22 | Q1 FY21 |
|--------------------------|----------|----------|
| Revenue (\$M) | \$ 2,254 | \$ 2,328 |
| – YoY Growth – GAAP | (3.2%) | |
| – cc ⁽¹⁾ | (9.8%) | |
| – organic ⁽¹⁾ | (9.1%) | |
| – QtQ Growth – GAAP | (5.5%) | |
| – cc ⁽¹⁾ | (5.9%) | |
| – organic ⁽¹⁾ | (5.7%) | |
| GIS Profit (\$M) | 131 | 23 |
| GIS Profit Margin (%) | 5.8% | 1.0% |
| Bookings (\$B) | \$ 2.2 | \$ 1.8 |
| Book-to-Bill | 0.97x | 0.77x |



⁽¹⁾ Defined at end of presentation

Consolidated Statement of Operations

(preliminary and unaudited)

| in millions, except per-share amounts | Q1 FY22 | Q1 FY21 |
|-----------------------------------------------------------------------|----------|-----------|
| Revenue | \$ 4,141 | \$ 4,502 |
| Costs of services | 3,255 | 3,629 |
| Selling, general and administrative | 383 | 539 |
| Depreciation and amortization | 422 | 492 |
| Restructuring costs | 67 | 72 |
| Interest expense | 62 | 106 |
| Interest income | (20) | (23) |
| Debt extinguishment costs | 28 | — |
| Gain on disposition of businesses | (377) | — |
| Other income, net | (103) | (88) |
| Total costs and expenses | 3,717 | 4,727 |
| Income (loss) before income taxes | 424 | (225) |
| Income tax expense (benefit) | 142 | (26) |
| Net income (loss) | 282 | (199) |
| Less: net income attributable to non-controlling interest, net of tax | 4 | 6 |
| Net income (loss) attributable to DXC common stockholders | \$ 278 | \$ (205) |
| Earnings (loss) per common share: | | |
| Basic | \$ 1.09 | \$ (0.81) |
| Diluted | \$ 1.07 | \$ (0.81) |
| Weighted average common shares outstanding for: | | |
| Basic EPS | 254.67 | 253.63 |
| Diluted EPS | 260.32 | 253.63 |

Non-GAAP Reconciliation: Organic Revenue Growth %

| (in millions) | Q1 FY21 | | Q2 FY21 | | Q3 FY21 | | Q4 FY21 | | Total FY21 | | Q1 FY22 | |
|----------------------------------------|---------|---------|---------|--------|---------|---------|---------|--------|------------|---------|---------|--------|
| Revenue | \$ | 4,502 | \$ | 4,554 | \$ | 4,288 | \$ | 4,385 | \$ | 17,729 | \$ | 4,141 |
| Prior Year Revenue | | 4,890 | | 4,851 | | 5,021 | | 4,815 | | 19,577 | | 4,502 |
| YoY Change | | (388) | | (297) | | (733) | | (430) | | (1,848) | | (361) |
| Foreign Exchange | | 101 | | (78) | | (118) | | (222) | | (317) | | (256) |
| M&A/Dispositions Current Year | | (613) | | (414) | | (17) | | (18) | | (1,062) | | (41) |
| M&A/Dispositions Prior Year | | 405 | | 349 | | 381 | | 358 | | 1,493 | | 489 |
| Organic Revenue Growth/(Decline) | \$ | (495) | \$ | (440) | \$ | (487) | \$ | (312) | \$ | (1,734) | \$ | (169) |
| YoY % Change | | | | | | | | | | | | |
| Revenue | | (7.9)% | | (6.1)% | | (14.6)% | | (8.9)% | | (9.4)% | | (8.0)% |
| Foreign Exchange | | 2.1% | | (1.6)% | | (2.3)% | | (4.6)% | | (1.6)% | | (5.7)% |
| M&A/Dispositions | | (4.3)% | | (1.4)% | | 7.2% | | 7.0% | | 2.2% | | 10.0% |
| Organic Revenue Change/PY GAAP Revenue | | (10.1)% | | (9.1)% | | (9.7)% | | (6.5)% | | (8.8)% | | (3.7)% |
| Revenue (Excl. Foreign Exchange & M&A) | | | | | | | | | | | | |
| Current Year | \$ | 3,990 | \$ | 3,062 | \$ | 4,153 | \$ | 4,145 | \$ | 16,350 | \$ | 3,844 |
| Prior Year | | 4,485 | | 4,502 | | 4,640 | | 4,457 | | 18,084 | | 4,013 |
| YoY Change \$ | \$ | (495) | \$ | (440) | \$ | (487) | \$ | (312) | \$ | (1,734) | \$ | (169) |
| YoY Change/PY Revenue excl. Fx. & M&A | | (11.0)% | | (9.8)% | | (10.5)% | | (7.0)% | | (9.6)% | | (4.2)% |

Non-GAAP Reconciliation: Organic Revenue Growth % – GBS

| (in millions) | Q1 FY21 | | Q2 FY21 | | Q3 FY21 | | Q4 FY21 | | Total FY21 | Q1 FY22 | | |
|----------------------------------------|---------|--------|---------|--------|---------|---------|---------|---------|------------|---------|----|---------|
| Revenue | \$ | 2,174 | \$ | 2,242 | \$ | 1,921 | \$ | 1,999 | \$ | 8,336 | \$ | 1,887 |
| Prior Year Revenue | | 2,159 | | 2,285 | | 2,359 | | 2,308 | | 9,111 | | 2,174 |
| YoY Change | | 15 | | (43) | | (438) | | (309) | | (775) | | (287) |
| Foreign Exchange | | 38 | | (35) | | (53) | | (98) | | (148) | | (103) |
| M&A/Dispositions Current Year | | (594) | | (394) | | (7) | | (16) | | (1,011) | | (41) |
| M&A/Dispositions Prior Year | | 391 | | 335 | | 358 | | 344 | | 1,428 | | 474 |
| Organic Revenue Growth/(Decline) | \$ | (150) | \$ | (137) | \$ | (140) | \$ | (79) | \$ | (506) | \$ | 43 |
| YoY % Change | | | | | | | | | | | | |
| Revenue | | 0.7% | | (1.9)% | | (18.6)% | | (13.4)% | | (8.5)% | | (13.2)% |
| Foreign Exchange | | 1.8% | | (1.5)% | | (2.2)% | | (4.2)% | | (1.6)% | | (4.7)% |
| M&A/Dispositions | | (9.4)% | | (2.6)% | | 14.9% | | 14.2% | | 4.5% | | 19.9% |
| Organic Revenue Change/PY GAAP Revenue | | (6.9)% | | (6.0)% | | (5.9)% | | (3.4)% | | (5.6)% | | 2.0% |
| Revenue (Excl. Foreign Exchange & M&A) | | | | | | | | | | | | |
| Current Year | \$ | 1,618 | \$ | 1,813 | \$ | 1,861 | \$ | 1,885 | \$ | 7,177 | \$ | 1,743 |
| Prior Year | | 1,768 | | 1,950 | | 2,001 | | 1,964 | | 7,683 | | 1,700 |
| YoY Change \$ | \$ | (150) | \$ | (137) | \$ | (140) | \$ | (79) | \$ | (506) | \$ | 43 |
| YoY Change/PY Revenue excl. Fx. & M&A | | (8.5)% | | (7.0)% | | (7.0)% | | (4.0)% | | (6.6)% | | 2.5% |

Non-GAAP Reconciliation: Organic Revenue Growth % – GIS

| (in millions) | Q1 FY21 | | Q2 FY21 | | Q3 FY21 | | Q4 FY21 | | Total FY21 | Q1 FY22 | | |
|----------------------------------------|---------|---------|---------|---------|---------|---------|---------|--------|------------|---------|----|--------|
| Revenue | \$ | 2,328 | \$ | 2,312 | \$ | 2,367 | \$ | 2,386 | \$ | 9,393 | \$ | 2,254 |
| Prior Year Revenue | | 2,731 | | 2,566 | | 2,662 | | 2,507 | | 10,466 | | 2,328 |
| YoY Change | | (403) | | (254) | | (295) | | (121) | | (1,073) | | (74) |
| Foreign Exchange | | 63 | | (43) | | (65) | | (124) | | (169) | | (153) |
| M&A/Dispositions Current Year | | (19) | | (20) | | (10) | | (2) | | (51) | | — |
| M&A/Dispositions Prior Year | | 13 | | 13 | | 23 | | 15 | | 64 | | 16 |
| Organic Revenue Growth/(Decline) | \$ | (346) | \$ | (304) | \$ | (347) | \$ | (232) | \$ | (1,229) | \$ | (211) |
| YoY % Change | | | | | | | | | | | | |
| Revenue | | (14.8)% | | (9.9)% | | (11.1)% | | (4.8)% | | (10.3)% | | (3.2)% |
| Foreign Exchange | | 2.4% | | (1.7)% | | (2.4)% | | (5.0)% | | (1.6)% | | (6.6)% |
| M&A/Dispositions | | (0.2)% | | (0.2)% | | 0.5% | | 0.5% | | 0.1% | | 0.7% |
| Organic Revenue Change/PY GAAP Revenue | | (12.6)% | | (11.8)% | | (13.0)% | | (9.3)% | | (11.8)% | | (9.1)% |
| Revenue (Excl. Foreign Exchange & M&A) | | | | | | | | | | | | |
| Current Year | \$ | 2,372 | \$ | 2,249 | \$ | 2,292 | \$ | 2,260 | \$ | 9,173 | \$ | 2,101 |
| Prior Year | | 2,718 | | 2,553 | | 2,639 | | 2,492 | | 10,402 | | 2,312 |
| YoY Change \$ | \$ | (346) | \$ | (304) | \$ | (347) | \$ | (232) | \$ | (1,229) | \$ | (211) |
| YoY Change/PY Revenue excl. Fx. & M&A | | (12.7)% | | (11.9)% | | (13.1)% | | (9.3)% | | (11.8)% | | (9.1)% |

Non-GAAP Reconciliation: Organic Revenue – Enterprise Technology Stack

| (in millions) | Analytics and Engineering | | Applications | | Business Process Services (BPS) | | Cloud and Security | | IT Outsourcing | | Modern Workplace | | Acquisitions and Divestitures | | Total | |
|------------------------------------|---------------------------|--------|--------------|--------|---------------------------------|---------|--------------------|--------|----------------|--------|------------------|---------|-------------------------------|-------|-------|---------|
| Revenue | \$ | 482 | \$ | 1,246 | \$ | 118 | \$ | 549 | \$ | 1,128 | \$ | 577 | \$ | 41 | \$ | 4,141 |
| Prior Year Revenue | | 409 | | 1,162 | | 129 | | 483 | | 1,163 | | 667 | | 489 | | 4,502 |
| YoY Change \$ | \$ | 73 | \$ | 84 | \$ | (11) | \$ | 66 | \$ | (35) | \$ | (90) | \$ | (448) | \$ | (361) |
| YoY Change % | | | | | | | | | | | | | | | | |
| Revenue | | 17.9% | | 7.2% | | (8.1%) | | 13.7% | | (3.0%) | | (13.4%) | | | | (8.0%) |
| Foreign Exchange | | (5.0%) | | (6.6%) | | (4.9%) | | (8.8%) | | (6.0%) | | (6.3%) | | | | (5.7%) |
| M&A/Dispositions | | | | | | | | | | | | | | | | (10.0%) |
| Organic Revenue Growth/(Decline) % | | 12.9% | | 0.6% | | (13.0%) | | 4.9% | | (9.0%) | | (19.7%) | | | | (3.7%) |

Reconciliation of Non-GAAP Results

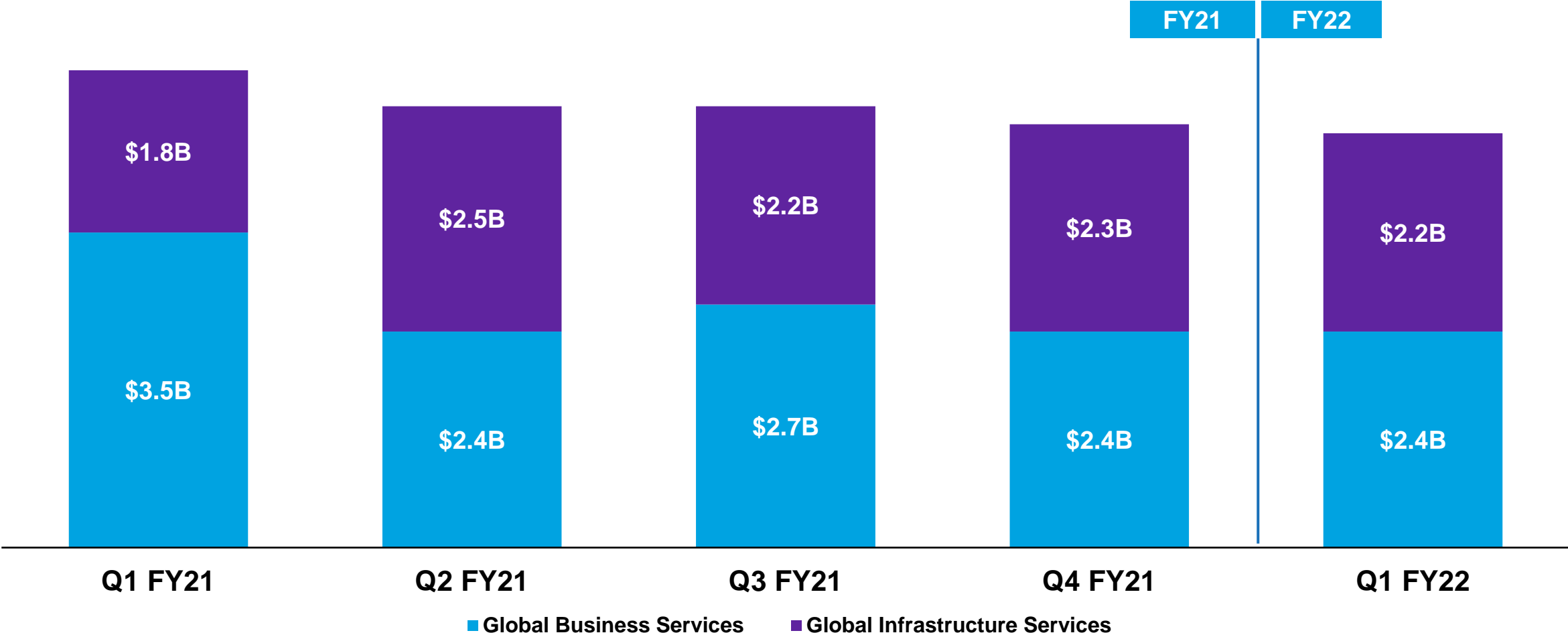
| (in millions except EPS) | Q1 FY22 | | | | | | | |
|----------------------------|---------------|---------------------|----------------------------------------------------------------------|--------------------------------------------|----------------------------------|---------------------------|----------------|------------------|
| | As Reported | Restructuring Costs | Transaction, Separation and Integration-Related Costs ⁽²⁾ | Amortization of Acquired Intangible Assets | Gains and Losses on Dispositions | Debt Extinguishment Costs | Tax Adjustment | Non-GAAP Results |
| Income before income taxes | 424 | 67 | 9 | 109 | (347) | 28 | — | 290 |
| Income tax expense | 142 | 10 | 4 | 24 | (91) | 7 | (28) | 68 |
| Net income | 282 | 57 | 5 | 85 | (256) | 21 | 28 | 222 |
| Diluted EPS ⁽¹⁾ | \$1.07 | 0.22 | 0.02 | 0.33 | (0.98) | 0.08 | 0.11 | \$0.84 |

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

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

The TSI-Related costs for Q1 FY22 include \$11M of costs on sale of Healthcare Software business; (\$12M) legal cost reimbursement on Perspecta arbitration settlement offset partially by \$4M of legal costs; \$4M in expenses related to integration projects resulting from the CSC – HPE ES merger (including costs associated with continuing efforts to separate certain IT systems); \$2 million of costs incurred in connection with activities related to other acquisitions and divestitures.

Bookings



Note: The summation of the quarter bookings number may not equal the full-year number due to rounding

Non-GAAP Reconciliation: EBIT and Adjusted EBIT

| (in millions) | Q1 FY22 | Q1 FY21 |
|-------------------------------------------------------|---------------|---------------|
| Net income (loss) | \$ 282 | \$ (199) |
| Income tax expense (benefit) | 142 | (26) |
| Interest income | (20) | (23) |
| Interest expense | 62 | 106 |
| EBIT | 466 | (142) |
| Restructuring costs | 67 | 72 |
| Transaction, separation and integration-related costs | 9 | 110 |
| Amortization of acquired intangible assets | 109 | 148 |
| (Gains) and losses on dispositions | (347) | — |
| Debt extinguishment costs | 28 | — |
| Pension and OPEB actuarial and settlement losses | — | 2 |
| Adjusted EBIT | \$ 332 | \$ 190 |

| | Q1 FY22 | Q1 FY21 |
|--------------------------|---------|---------|
| EBIT margin (%) | 11.3% | (3.2%) |
| Adjusted EBIT margin (%) | 8.0% | 4.2% |

Note: The Non-GAAP reconciliations for Adjusted EBIT and Adjusted EBIT margin for prior quarters are included in DXC's earnings presentation for the quarters

Reconciliation: Segment Profit to Income Before Taxes

| (in millions) | Q1 FY22 | Q1 FY21 |
|-------------------------------------------------------|---------------|-----------------|
| GBS profit | \$ 272 | \$ 215 |
| GIS profit | 131 | 23 |
| All other loss | (71) | (48) |
| Interest income | 20 | 23 |
| Interest expense | (62) | (106) |
| Restructuring costs | (67) | (72) |
| Transaction, separation and integration-related costs | (9) | (110) |
| Amortization of acquired intangible assets | (109) | (148) |
| Gains and (losses) on dispositions | 347 | — |
| Debt extinguishment costs | (28) | — |
| Pension and OPEB actuarial and settlement losses | — | (2) |
| Income (loss) before income taxes | \$ 424 | \$ (225) |

| Segment profit margins | Q1 FY22 | Q1 FY21 |
|------------------------|---------|---------|
| GBS | 14.4% | 9.9% |
| GIS | 5.8% | 1.0% |

Note: The reconciliation of segment profit to (loss) income before taxes for prior quarters is included in DXC's earnings presentation for the quarters

EBIT and Adjusted EBITDA Reconciliation

| EBIT to Adjusted EBIT (in millions) | Q1 FY21 | Q2 FY21 | Q3 FY21 | Q4 FY21 | Total FY21 | Q1 FY22 | T4Q | PT4Q |
|-----------------------------------------------------|---------------|---------------|---------------|----------------|-----------------|---------------|-----------------|-----------------|
| Net (loss) income | \$ (199) | \$ (246) | \$ 1,103 | \$ (804) | \$ (146) | \$ 282 | \$ 335 | \$ (5,725) |
| Income tax (benefit) expense | (26) | (60) | 875 | 11 | 800 | 142 | 968 | 66 |
| Interest income | (23) | (25) | (28) | (22) | (98) | (20) | (95) | (158) |
| Interest expense | 106 | 96 | 82 | 77 | 361 | 62 | 317 | 398 |
| EBIT ⁽¹⁾ | (142) | (235) | 2,032 | (738) | 917 | 466 | 1,525 | (5,419) |
| Restructuring costs | 72 | 265 | 104 | 110 | 551 | 67 | 546 | 182 |
| Transaction, separation & integration related costs | 110 | 101 | 96 | 51 | 358 | 9 | 257 | 323 |
| Amortization of acquired intangible assets | 148 | 152 | 114 | 116 | 530 | 109 | 491 | 593 |
| Goodwill impairment losses | - | - | - | - | - | - | - | 6,794 |
| Gain on arbitration award | - | - | - | - | - | - | - | (632) |
| (Gain) loss on disposition of businesses | - | - | (2,046) | 42 | (2,004) | (347) | (2,351) | - |
| Pension and OPEB actuarial and settlement losses | 2 | - | - | 517 | 519 | - | 517 | (242) |
| Impairment losses | - | - | - | 190 | 190 | - | 190 | - |
| Debt extinguishment costs | - | - | - | 41 | 41 | 28 | 69 | - |
| Adjusted EBIT ⁽¹⁾ | 190 | 283 | 300 | 329 | 1,102 | 332 | 1,244 | 1,599 |
| Depreciation and amortization | 492 | 525 | 475 | 478 | 1,970 | 422 | 1,900 | 1,964 |
| Less: Amortization of acquired intangible assets | (148) | (152) | (114) | (116) | (530) | (109) | (491) | (593) |
| Adjusted EBITDA ⁽¹⁾ | \$ 534 | \$ 656 | \$ 661 | \$ 691 | \$ 2,542 | \$ 645 | \$ 2,653 | \$ 2,970 |
| EBIT Margin ⁽¹⁾ | (3.2)% | (5.2)% | 47.4% | (16.8)% | 5.2% | 11.3% | 8.8% | (28.2)% |
| Adjusted EBIT Margin ⁽¹⁾ | 4.2% | 6.2% | 7.0% | 7.5% | 6.2% | 8.0% | 7.2% | 8.3% |

⁽¹⁾ Defined at end of presentation

Diluted EPS to Non-GAAP Diluted EPS Reconciliation

| Diluted EPS to Non-GAAP Diluted EPS | Q1 FY21 | Q2 FY21 | Q3 FY21 | Q4 FY21 | Total FY21 | Q1 FY22 |
|--------------------------------------------------------|------------------|------------------|----------------|------------------|------------------|----------------|
| Diluted EPS | \$ (0.81) | \$ (0.96) | \$ 4.29 | \$ (3.14) | \$ (0.59) | \$ 1.07 |
| Restructuring | 0.24 | 0.83 | 0.36 | 0.36 | 1.79 | 0.22 |
| Transaction, Separation, and Integration Related Costs | 0.32 | 0.29 | 0.31 | 0.13 | 1.06 | 0.02 |
| Amortization of Acquired Intangible Assets | 0.45 | 0.46 | 0.34 | 0.35 | 1.59 | 0.33 |
| Impairment Losses | - | - | - | 0.55 | 0.55 | - |
| (Gains) and Losses on Dispositions | - | - | (4.47) | 0.23 | (4.22) | (0.98) |
| Debt Extinguishment Costs | - | - | - | 0.12 | 0.12 | 0.08 |
| Pension and OPEB Actuarial and Settlement Losses | 0.01 | - | - | 1.56 | 1.57 | - |
| Tax Adjustment | - | 0.01 | - | 0.54 | 0.55 | 0.11 |
| Non-GAAP Diluted EPS ⁽¹⁾ | \$ 0.21 | \$ 0.64 | \$ 0.84 | \$ 0.74 | \$ 2.43 | \$ 0.84 |

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

Q1 FY22 Non-GAAP Results

| (in millions except EPS) | As Reported | Restructuring Costs | Transaction, Separation and Integration-Related Costs ⁽²⁾ | Amortization of Acquired Intangible Assets | Gains and Losses on Dispositions | Debt Extinguishment Costs | Tax Adjustment | Non-GAAP Results |
|------------------------------------------------------------------------------------------------------|-------------|---------------------|----------------------------------------------------------------------|--------------------------------------------|----------------------------------|---------------------------|----------------|------------------|
| Cost of services (excludes depreciation and amortization and restructuring costs) | \$ 3,255 | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ 3,255 |
| Selling, general and administrative (excludes depreciation and amortization and restructuring costs) | 383 | — | (9) | — | — | — | — | 374 |
| Other income, net | (103) | — | — | — | (30) | — | — | (133) |
| Income before income taxes | 424 | 67 | 9 | 109 | (347) | 28 | — | 290 |
| Income tax expense | 142 | 10 | 4 | 24 | (91) | 7 | (28) | 68 |
| Net income | 282 | 57 | 5 | 85 | (256) | 21 | 28 | 222 |
| Less: net income attributable to non-controlling interest, net of tax | 4 | — | — | — | — | — | — | 4 |
| Net income attributable to DXC common stockholders | \$ 278 | \$ 57 | \$ 5 | \$ 85 | \$ (256) | \$ 21 | \$ 28 | \$ 218 |
| Effective tax rate | 33.5% | | | | | | | 23.4% |
| Basic EPS ⁽¹⁾ | \$ 1.09 | \$ 0.22 | \$ 0.02 | \$ 0.33 | \$ (1.01) | \$ 0.08 | \$ 0.11 | \$ 0.86 |
| Diluted EPS ⁽¹⁾ | \$ 1.07 | \$ 0.22 | \$ 0.02 | \$ 0.33 | \$ (0.98) | \$ 0.08 | \$ 0.11 | \$ 0.84 |
| Weighted average common shares outstanding for: | | | | | | | | |
| Basic EPS | 254.67 | 254.67 | 254.67 | 254.67 | 254.67 | 254.67 | 254.67 | 254.67 |
| Diluted EPS | 260.32 | 260.32 | 260.32 | 260.32 | 260.32 | 260.32 | 260.32 | 260.32 |

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

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

The TSI-Related costs for Q1 FY22 include \$11M of costs on sale of Healthcare Software business; (\$12M) legal cost reimbursement on Perspecta arbitration settlement offset partially by \$4M of legal costs; \$4M in expenses related to integration projects resulting from the CSC – HPE ES merger (including costs associated with continuing efforts to separate certain IT systems); \$2 million of costs incurred in connection with activities related to other acquisitions and divestitures.

Q1 FY21 Non-GAAP Results

| (in millions except EPS) | GAAP | Restructuring Costs | Transaction, Separation and Integration-Related Costs ⁽²⁾ | Amortization of Acquired Intangible Assets | Pension and OPEB Actuarial and Settlement Losses | Non-GAAP Results |
|------------------------------------------------------------------------------------------------------|-----------|---------------------|----------------------------------------------------------------------|--------------------------------------------|--------------------------------------------------|------------------|
| Cost of services (excludes depreciation and amortization and restructuring costs) | \$ 3,629 | \$ — | \$ — | \$ — | \$ — | \$ 3,629 |
| Selling, general and administrative (excludes depreciation and amortization and restructuring costs) | 539 | — | (110) | — | — | 429 |
| (Loss) income before income taxes | (225) | 72 | 110 | 148 | 2 | 107 |
| Income tax (benefit) expense | (26) | 12 | 28 | 34 | — | 48 |
| Net (loss) income | (199) | 60 | 82 | 114 | 2 | 59 |
| Less: net income attributable to non-controlling interest, net of tax | 6 | — | — | — | — | 6 |
| Net (loss) income attributable to DXC common stockholders | \$ (205) | \$ 60 | \$ 82 | \$ 114 | \$ 2 | \$ 53 |
| Effective tax rate | 11.6% | | | | | 44.9% |
| Basic EPS ⁽¹⁾ | \$ (0.81) | \$ 0.24 | \$ 0.32 | \$ 0.45 | \$ 0.01 | \$ 0.21 |
| Diluted EPS ⁽¹⁾ | \$ (0.81) | \$ 0.24 | \$ 0.32 | \$ 0.45 | \$ 0.01 | \$ 0.21 |
| Weighted average common shares outstanding for: | | | | | | |
| Basic EPS | 253.63 | 253.63 | 253.63 | 253.63 | 253.63 | 253.63 |
| Diluted EPS | 253.63 | 254.41 | 254.41 | 254.41 | 254.41 | 254.41 |

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

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

The TSI-Related costs for Q1 FY22 include \$11M of costs on sale of Healthcare Software business; (\$12M) legal cost reimbursement on Perspecta arbitration settlement offset partially by \$4M of legal costs; \$4M in expenses related to integration projects resulting from the CSC – HPE ES merger (including costs associated with continuing efforts to separate certain IT systems); \$2 million of costs incurred in connection with activities related to other acquisitions and divestitures.

Non-GAAP and Other Definitions

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

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

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

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

EBIT margin: EBIT as a percentage of revenue

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

Adjusted EBIT margin: Adjusted EBIT as a percentage of revenue

Adjusted EBITDA: EBITDA excluding amortization of intangible assets

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

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

Net debt: Total debt, less cash and cash equivalents

Net debt to LTM Adjusted EBITDA leverage ratio: Calculated as the ratio of net debt at the end of the period to trailing four quarters Adjusted EBITDA

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

Constant currency revenue (cc): Calculated by translating current period activity into U.S. dollars using the comparable prior period's currency conversion rates

