

# 4th Quarter FY 2021 Earnings Presentation

**May 26, 2021**

**“new DXC”**

# Non-GAAP Financial Measures

We present non-GAAP financial measures of performance which are derived from the statements of operations of DXC. These non-GAAP financial measures include earnings before interest and taxes (“EBIT”), adjusted EBIT, non-GAAP income before income taxes, non-GAAP net income and non-GAAP EPS, constant currency revenues, net debt and net debt-to-total capitalization.

We present these non-GAAP financial measures to provide investors with meaningful supplemental financial information, in addition to the financial information presented on a GAAP basis. Non-GAAP financial measures exclude certain items from GAAP results which DXC management believes are not indicative of core operating performance. DXC management believes these non-GAAP measures allow investors to better understand the financial performance of DXC, exclusive of the impacts of corporate-wide strategic decisions. DXC management believes that adjusting for these items provides investors with additional measures to evaluate the financial performance of our core business operations on a comparable basis from period to period. DXC management believes the non-GAAP measures provided are also considered important measures by financial analysts covering DXC, as equity research analysts continue to publish estimates and research notes based on our non-GAAP commentary, including our guidance around diluted non-GAAP EPS targets.

Non-GAAP financial measures exclude certain items from GAAP results which DXC management believes are not indicative of operating performance such as the amortization of acquired intangible assets, transaction, separation and integration-related costs, and gains and losses on dispositions of businesses, strategic assets and interests in less than wholly-owned entities, debt extinguishment costs, and impairment losses on goodwill and other long-lived assets.

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.

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.

For a reconciliation of GAAP to non-GAAP financial measures, see slide 31 of this presentation.



# 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, 2020, DXC’s Quarterly Report on Form 10-Q for the quarters ended June 30, 2020, September 30, 2020, and December 31, 2020, and any updating information in subsequent SEC filings including DXC’s upcoming Annual Report on Form 10-K for the fiscal year ended March 31, 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 Q4 FY21 Results
- 2 Progress on Our Transformation Journey
- 3 Q4 FY21 Financial Results, FY22 and FY24 Guidance
- 4 Closing Remarks

# Continued Strong Performance in Q4 FY21

## Q4 FY21 – Key Metrics and Drivers

Revenues

**\$4.39B**

Strong progress delivering quarter-on-quarter revenue stabilization

Adjusted EBIT  
Margin <sup>(1)</sup>

**7.5%**

Sequential improvement driven by effective cost optimization

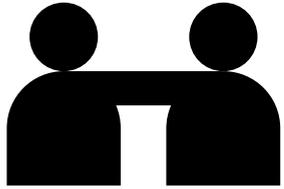
Book-to-Bill

**1.08x**

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

(1) This is a non-GAAP measure, and is reconciled on Slide 31 of this presentation

# Transformation Journey

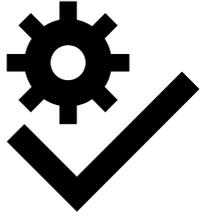


## Focus on Customers

### Proof points:

- Investing in our customers is paying off:
  - Delivering for customers
  - Keeping the work we have and generating new business
  - Driving deeper customer relationships
- Confident we can flatten organic revenue growth in FY22

# Transformation Journey



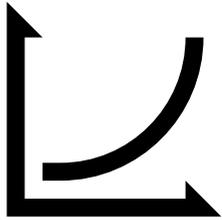
## Optimize Costs

### Proof points:

- Continued progress on cost optimization program
- Achieved \$550 million of cost savings in FY21
- Cost optimization program was driver of Q4 FY21 adjusted EBIT margin <sup>(1)</sup> of 7.5%
- Expect to continue expanding margins in Q1 FY22

<sup>(1)</sup>This is a non-GAAP measure, and is reconciled on Slide 31 of this presentation

# Transformation Journey



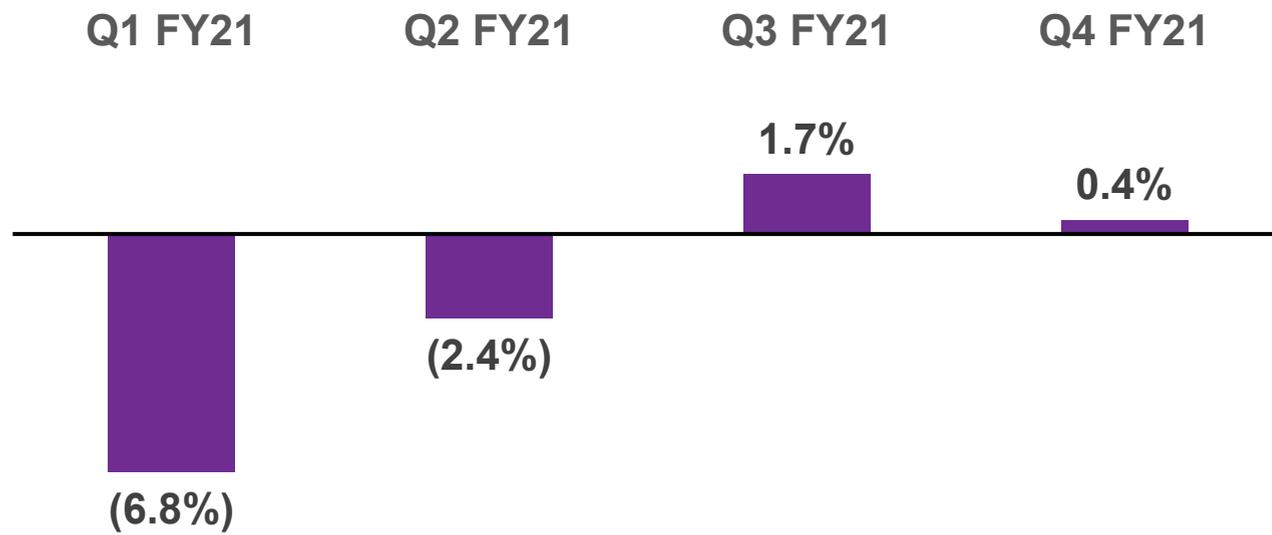
## Seize the Market Opportunity

### Proof points:

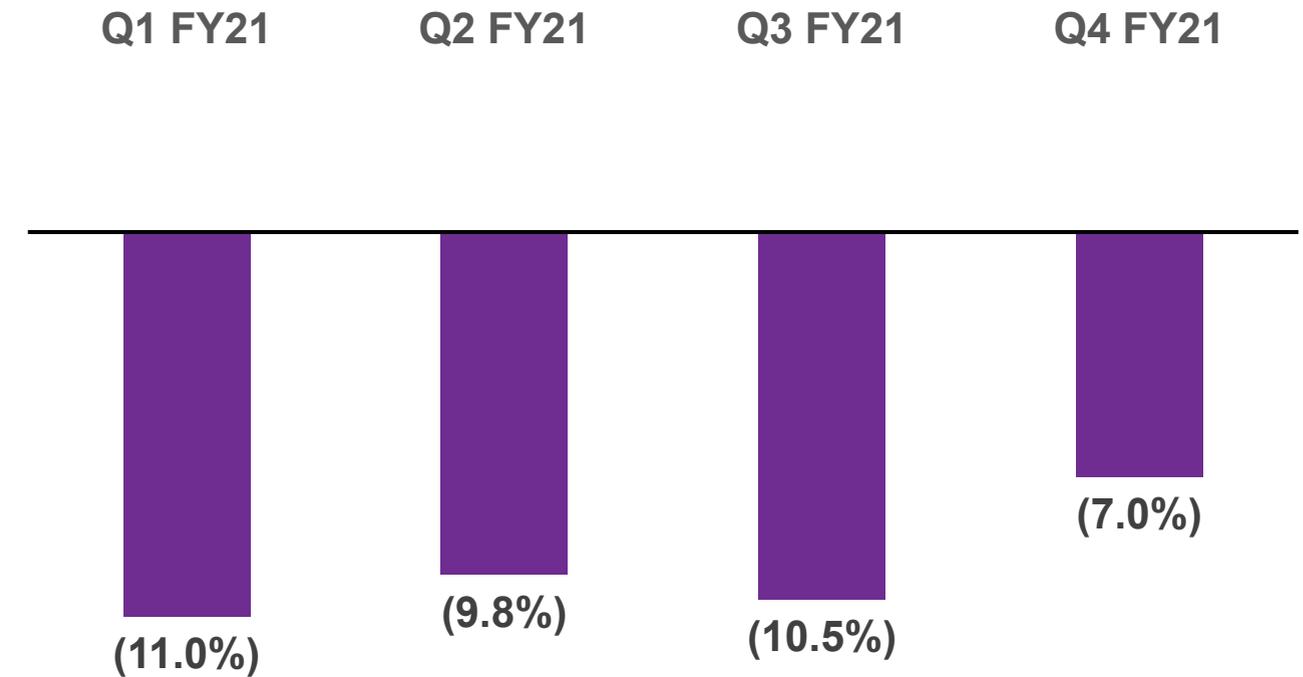
- Cross-selling to existing accounts and winning new work
- Book-to-bill of 1.08x in Q4 FY21 – fourth quarter in a row with >1x book-to-bill
- 53% of Q4 FY21 bookings were new work and 47% were renewals
- Expect another quarter with a book-to-bill of 1x or greater in Q1 FY22

# Moving from Sequential to YoY Organic Growth

## Sequential Organic Growth % Change



## YoY Organic Growth % Change



Organic revenue defined on Slide 37 of this presentation

# Financial Priorities

1

## Financial Foundation

- True earnings power
- Disciplined finance execution
- Remediate Material Weakness

2

## Strengthen Balance Sheet

- Maintain investment grade credit rating
- Reduce debt by over \$6B
- Approaching targeted debt ratio

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

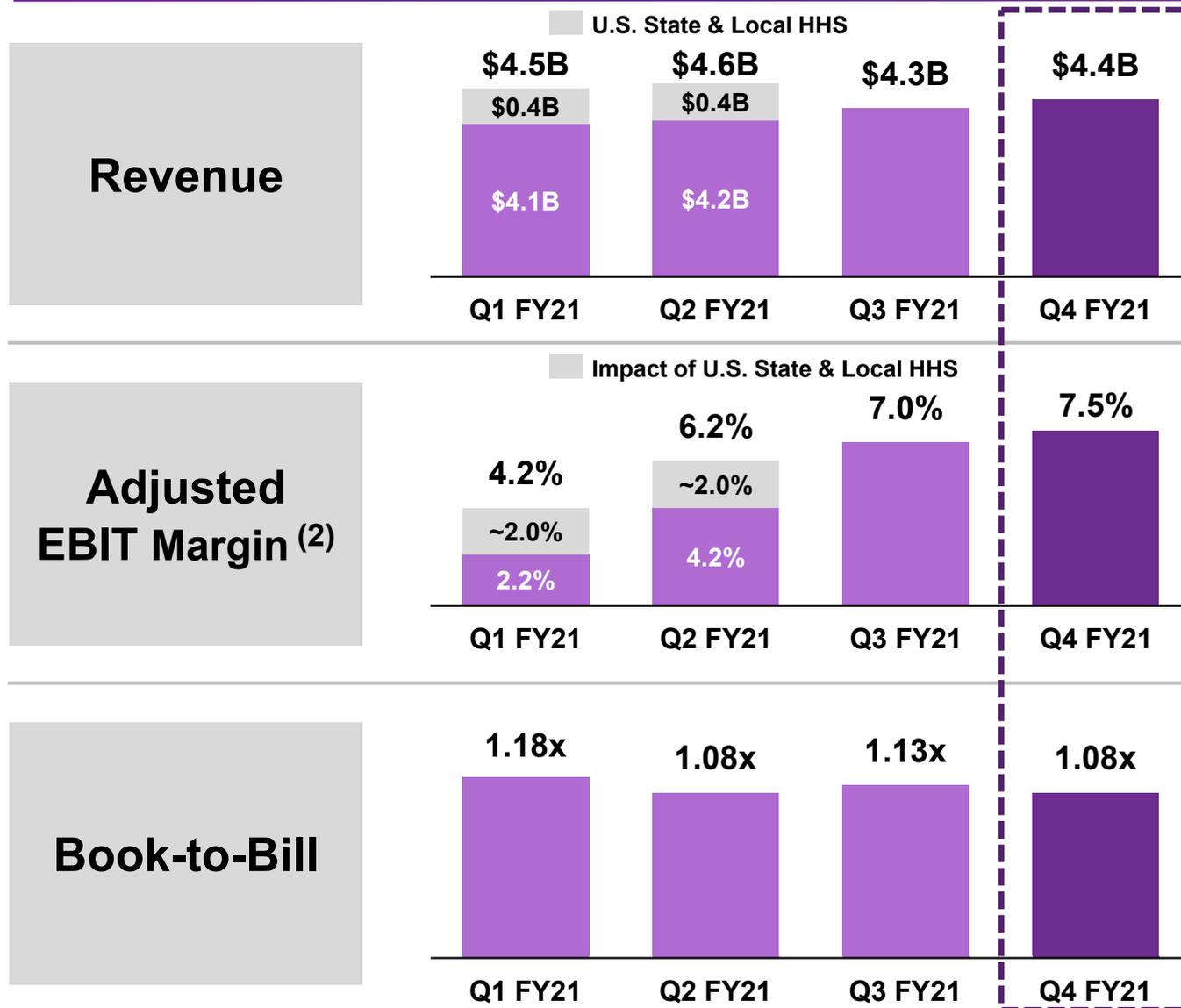
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## Capital Allocation

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

# Quarterly Results

## Commentary



- Continued sequential revenue stabilization
- Investments in our customers are paying off
- **Organic (1) revenues increased 0.4% sequentially**, and declined 7.0% year-over-year
- Anticipate quarterly YoY organic revenue growth to stabilize in FY22

- **Q4 FY21 adjusted EBIT margins (2) expanded 50bps to 7.5%**
- Cost optimization program driver of adjusted EBIT margin (2)

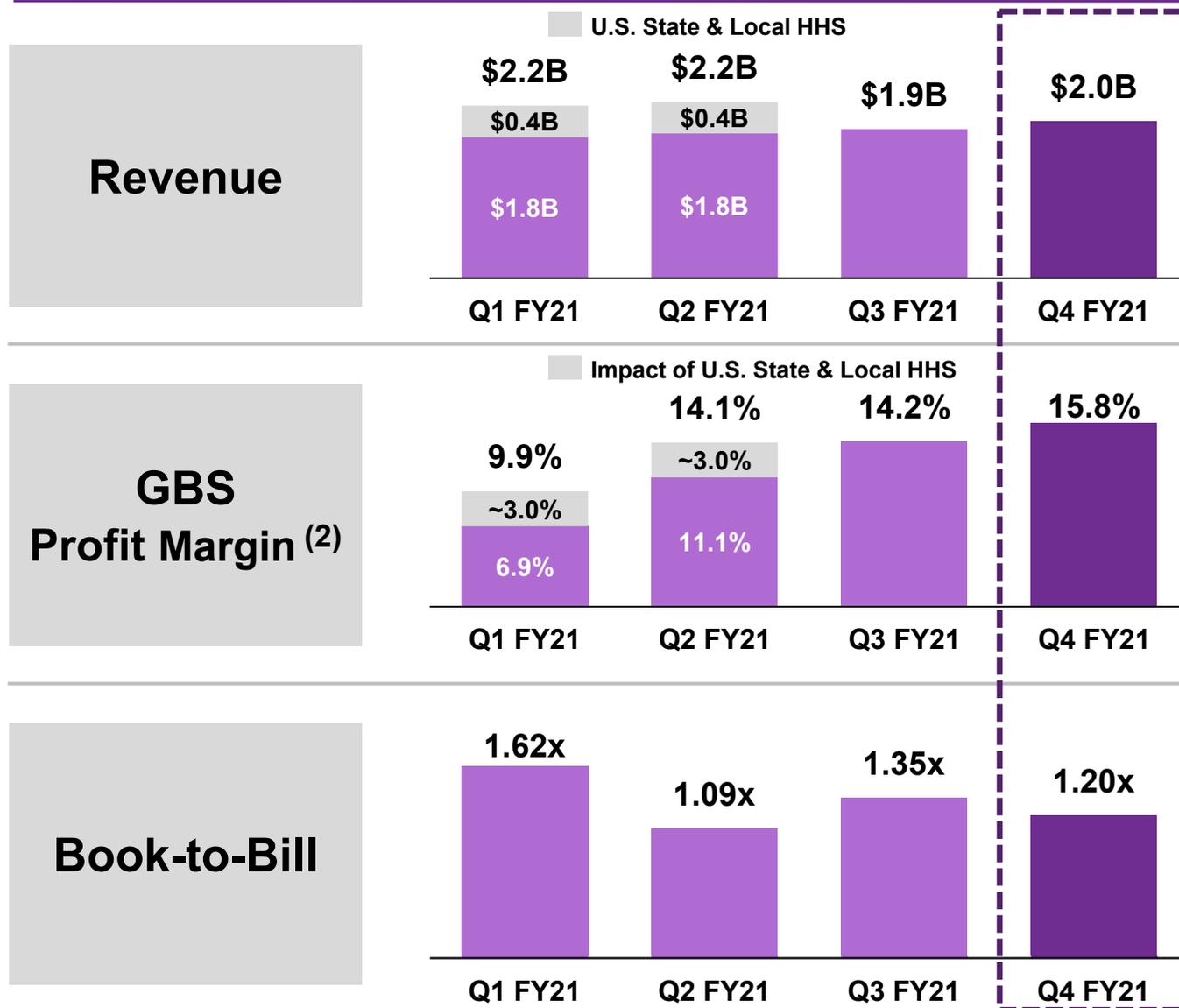
- **Fourth quarter in a row with >1x book-to-bill**
- 53% of Q4 FY21 bookings were new work; 47% renewals
- Cross-selling to existing accounts and winning new work
- FY21 book-to-bill of 1.12x vs. 0.90x in FY20

(1) Defined on Slide 37 of this presentation

(2) This is a non-GAAP measure, and is reconciled on Slide 31 of this presentation

# Global Business Services (GBS)

## Commentary



- “Top of the stack” revenues increased 4.1% sequentially
- **Organic (1) revenues increased 2.0% sequentially**, and declined 4.0% year-over-year
- Strength in Applications new business and Analytics and Engineering consulting projects

- Q4 FY21 **GBS profit margins (2) expanded 160bps to 15.8%**
- Cost optimization program driver of adjusted EBIT margin (2)

- **Fourth quarter in a row with >1x book-to-bill**
- FY21 book-to-bill of 1.32x vs. 0.99x in FY20

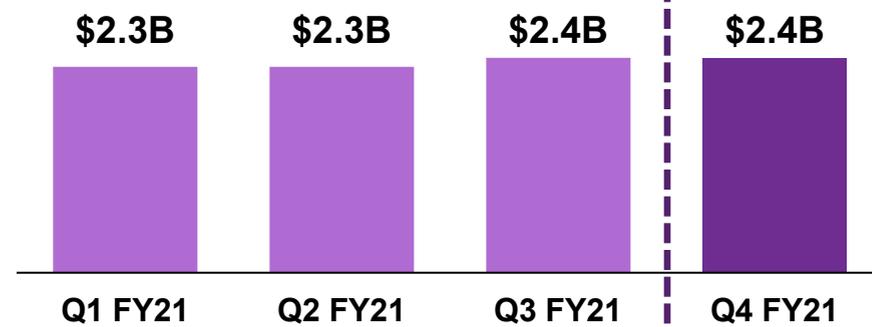
(1) Defined on Slide 37 of this presentation

(2) This is a non-GAAP measure, and is reconciled on Slide 24 of this presentation

# Global Infrastructure Services (GIS)

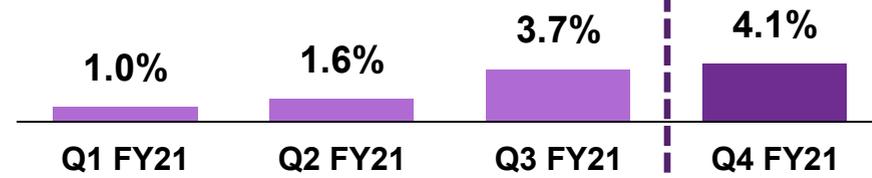
## Commentary

### Revenue



- Revenue <sup>(1)</sup> increased 0.8% sequentially
- **Organic <sup>(2)</sup> revenues declined 0.9% sequentially**, and declined 9.3% year-over-year
- **ITO revenues were positive**

### GIS Profit Margin <sup>(3)</sup>



- Q4 FY21 **GIS profit margins <sup>(3)</sup> of 4.1%**, up 40bps on a **sequential basis**
- Cost optimization program driver of adjusted EBIT margin <sup>(3)</sup>

### Book-to-Bill



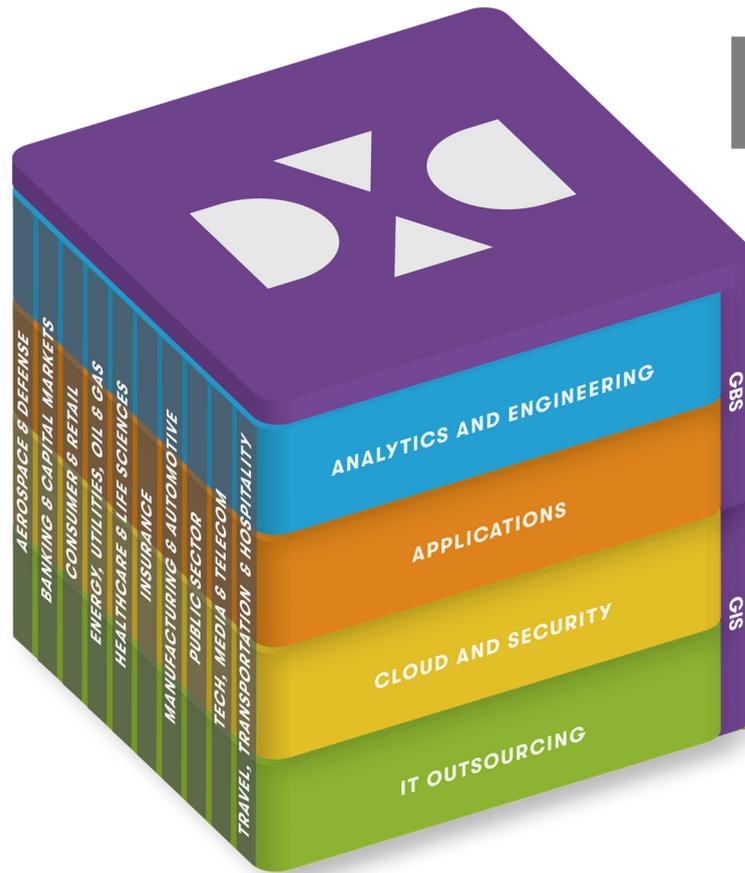
- Book-to-bill of 0.98x for Q4 FY21
- FY21 book-to-bill of 0.94x vs. 0.83x in FY20

<sup>(1)</sup> GIS segment includes revenue of ~\$10 million in Q1 FY21 and ~\$10 million in Q2 FY21 from the U.S. State & Local HHS business

<sup>(2)</sup> Defined on Slide 37 of this presentation

<sup>(3)</sup> This is a non-GAAP measure, and is reconciled on Slide 25 of this presentation

# Enterprise Technology Stack – Q4 FY21 Performance<sup>(1)</sup>



GBS: Global Business Services  
GIS: Global Infrastructure Services

	Q1 FY21		Q2 FY21		Q3 FY21 <sup>(2)</sup>		Q4 FY21 <sup>(2)</sup>	
	QtQ Growth	Book-to-Bill	QtQ Growth	Book-to-Bill	QtQ Growth	Book-to-Bill	QtQ Growth	Book-to-Bill
<b>Analytics and Engineering</b>	(2.0%)	1.33x	4.0%	1.39x	4.6%	1.20x	2.0%	1.46x
<b>Applications</b>	(8.7%)	1.50x	(2.6%)	0.85x	2.6%	1.46x	1.9%	1.06x
<b>Cloud and Security</b>	(11.1%)	1.02x	2.8%	0.98x	4.7%	1.02x	(1.6%)	1.08x
<b>IT Outsourcing</b>	(5.2%)	0.58x	(4.7%)	1.31x	(1.8%)	0.96x	1.4%	0.98x
<b>Workplace &amp; Horizontal BPS</b>	(7.0%)		(1.8%)		1.6%		1.2%	1.09x
<b>Healthcare Software</b>	(5.2%)	0.82x	(5.4%)	0.69x	2.6%	0.90x	(3.3%)	1.01x
<b>Strategic Alternatives</b>	Strategic Alternatives – QtQ: Q1 FY21 4.5%; Q2 FY21 3.9%; Q3 FY21 (3.7%); Q4 FY21 4.5%							
	(5.7%)		(1.9%)		1.7%		0.4%	1.08x

Transformation Journey  
**IN PROGRESS**

Transformation Journey  
**STARTED IN Q3 FY21**

<sup>(1)</sup> Figures in the chart represent growth rates in constant currency, except for Book-to-Bill values

<sup>(2)</sup> Sequential growth rates for Q3 FY21 and Q4 FY21 are calculated on an Organic basis, as defined on slide 37 of this presentation

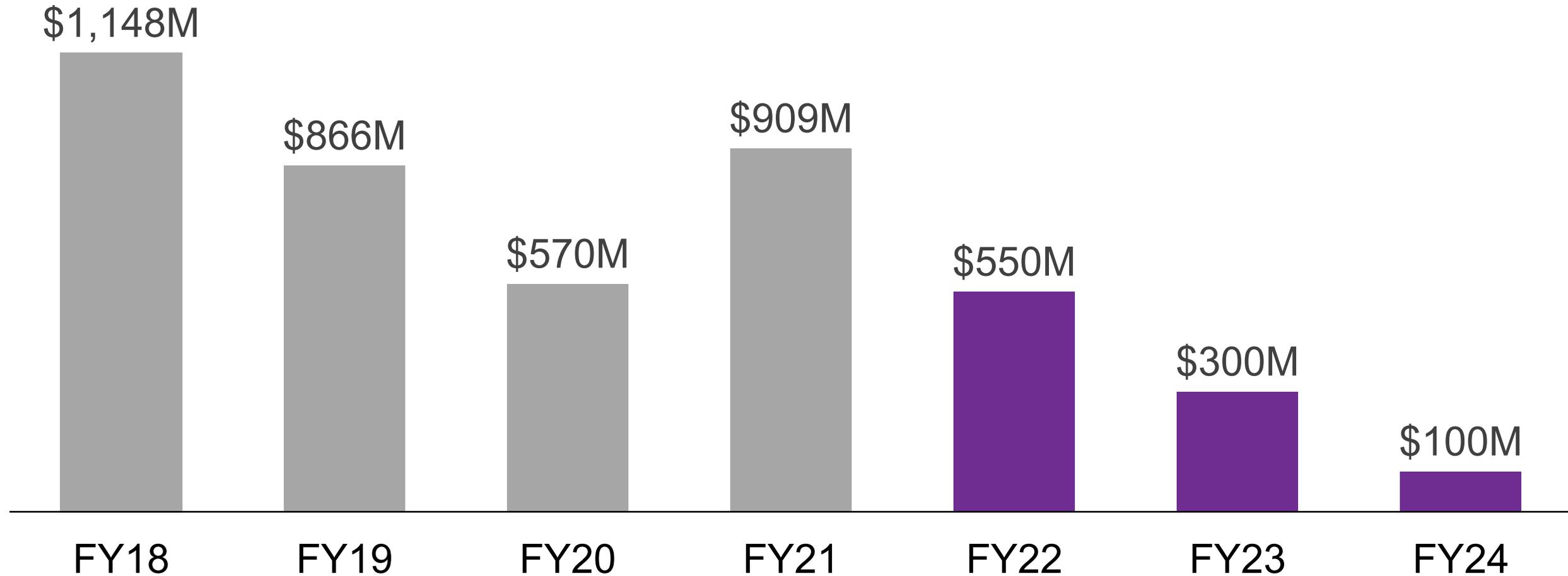
# Cash Flow

(in millions)	Q4 FY21	FY21
<b>Cash From Operations</b>	<b>\$ (280)</b>	<b>\$ 124</b>
Less Capital Expenditures		
Purchase of property and equipment	(46)	(261)
Payments for transition and transformation contract costs	(72)	(261)
Software purchased and developed	(45)	(254)
<b>Free Cash Flow</b>	<b>(443)</b>	<b>(652)</b>
Payments on finance leases and borrowings for asset financing	(236)	(930)
Acquisitions	194	184
Divestitures	5	4,947
Borrowings less Repayments	(519)	(4,425)
Other	48	165
<b>Change in Cash</b>	<b>\$ (951)</b>	<b>\$ (711)</b>

## Cash flow impacted by non-recurring items:

- Fourth quarter – \$531 million of taxes due to the gain on the divestiture of the U.S. State & Local Health and Human Services (HHS) business
- Third quarter – \$323 million due to repurchase of securitized receivables and purchase of software license from U.S. State & Local HHS business
- Second and third quarter – \$500 million associated with normalizing payments to our suppliers and partners during COVID-19 pandemic
- Deferral of certain tax payments due to COVID relief legislation of approximately \$200 million that will be principally paid during FY22

# Restructuring and TSI

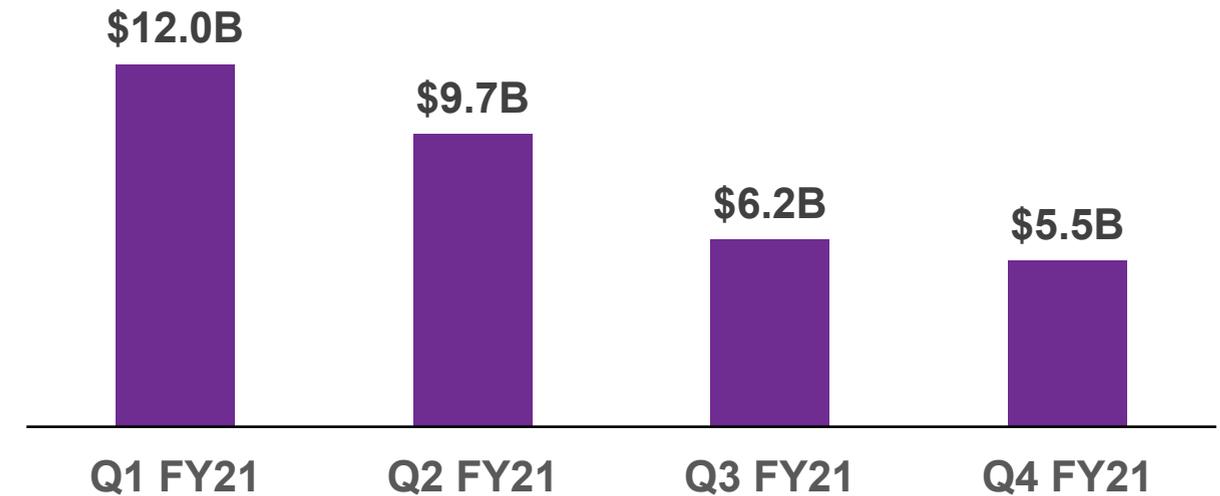


**Lower Restructuring and TSI Expense Drive >\$500 Million in FCF in 3 Years**

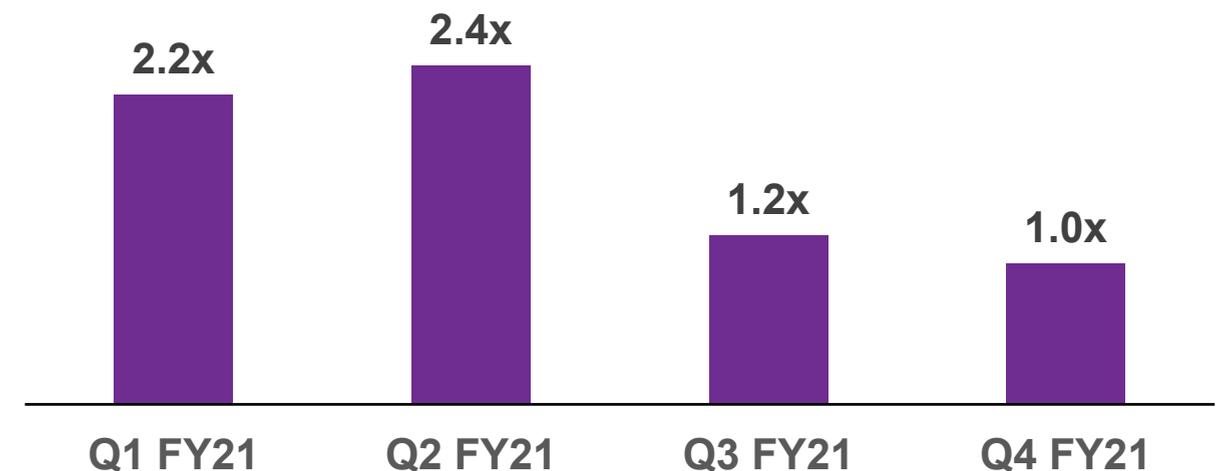
# Continue Strengthening Our Balance Sheet

- Committed to investment grade rating profile; demonstrated by our actions
- Reduced debt by \$6.5 billion in past 3 quarters
- Expect to approach \$5 billion in debt outstanding in the first half of FY22
- Relatively low debt maturities ~\$600 million through FY24
- Net debt to EBITDA leverage ratio improved from a high of 2.4x to 1.0x

## Outstanding Debt

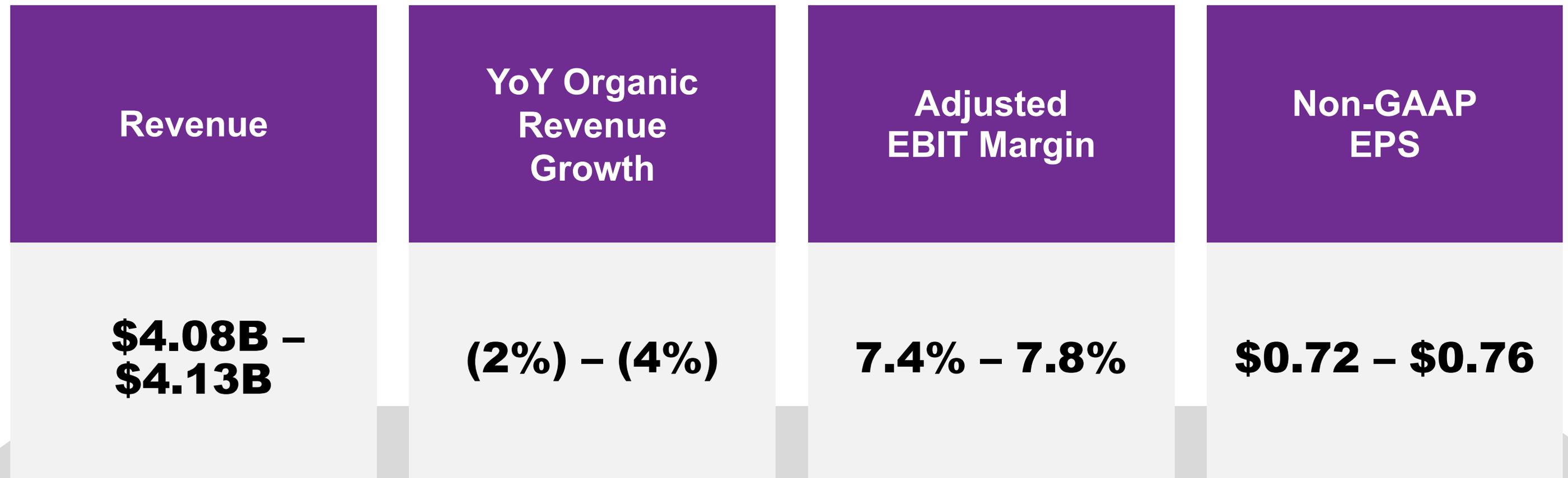


## Improving Net Debt to EBITDA Leverage Ratio <sup>(1)</sup>



<sup>(1)</sup> Net debt for 12/31/20 is calculated by adjusting cash balance as of 12/31/20 for taxes earmarked for sale of U.S. State & Local HHS; EBITDA is on a last-twelve-month as reported basis; as of 3/31/21 - \$2,543M

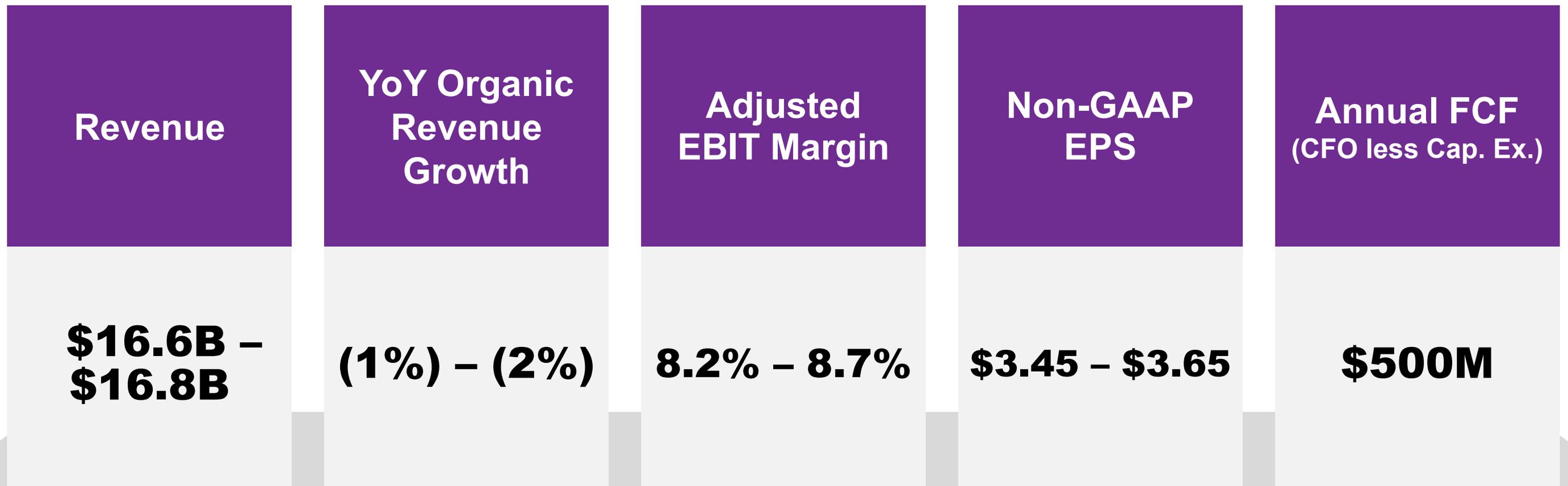
# Q1 FY22 Outlook



## Q1 FY22 Financial Targets

Organic revenue defined on Slide 37 of this presentation  
Adjusted EBIT margin is a non-GAAP measure

# FY22 Outlook



## FY22 Financial Targets

Organic revenue defined on Slide 37 of this presentation  
Adjusted EBIT margin is a non-GAAP measure

# FY24 Outlook



## Longer-Term Financial Targets

Organic revenue defined on Slide 37 of this presentation  
Adjusted EBIT margin is a non-GAAP measure

# Continued Positive Momentum

	Past		Today
People/Culture	Not engaged	➡	Engaged
Customers	Challenging	➡	Positive
Revenue/Margin Trajectory	Declining	➡	Improving
Marketplace	Losing	➡	Winning
Balance Sheet	High debt	➡	Strengthened

- **Delivered on our commitments in FY21**
- **FY22 will build the foundation for growth**
- **Expect to deliver organic revenue growth longer-term**
- **Analyst Day on June 17**

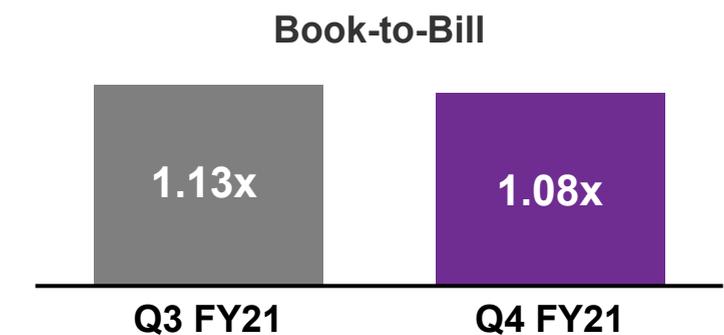
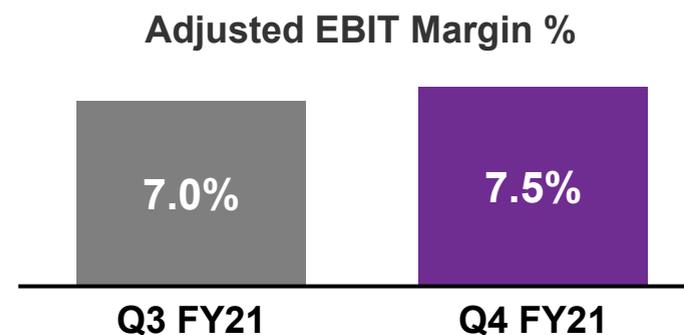
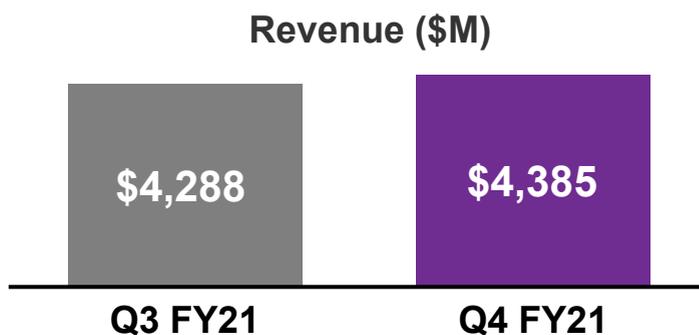
# 4th Quarter FY 2021

“new DXC”

**Supplemental Information**

# 4th Quarter Results

	Q4 FY20		Q4 FY21		FY20		FY21	
Revenue (\$M)	\$	4,815	\$	4,385	\$	19,577	\$	17,729
– YoY Growth – GAAP				(8.9%)				(9.4%)
– cc <sup>(1)</sup>				(13.5%)				(11.1%)
– organic <sup>(1)</sup>				(7.0%)				(9.6%)
– QtQ Growth – GAAP				2.3%				n.a.
– cc <sup>(1)</sup>				0.7%				n.a.
– organic <sup>(1)</sup>				0.4%				n.a.
Adjusted EBIT (\$M) <sup>(2)</sup>		352		329		2,061		1,102
Adjusted EBIT Margin (%) <sup>(2)</sup>		7.3%		7.5%		10.5%		6.2%
Adjusted Net Income (\$M) <sup>(3)</sup>		300		186		1,462		627
Non-GAAP Diluted EPS <sup>(3)</sup>	\$	1.20	\$	0.74	\$	5.58	\$	2.43
Bookings (\$B)	\$	4.4	\$	4.7	\$	17.7	\$	19.8
Book-to-Bill		0.91x		1.08x		0.90x		1.12x



<sup>(1)</sup> Defined on Slide 37 of this presentation

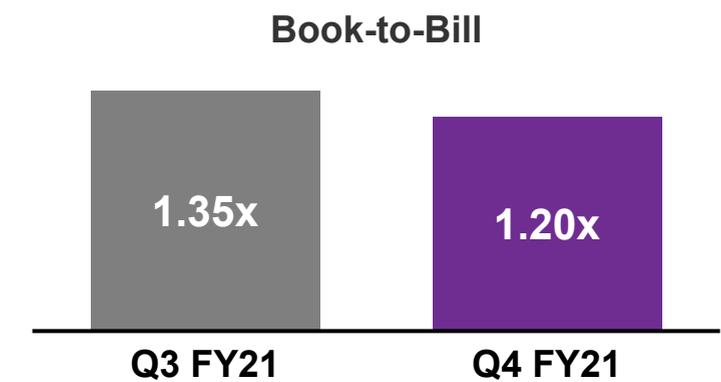
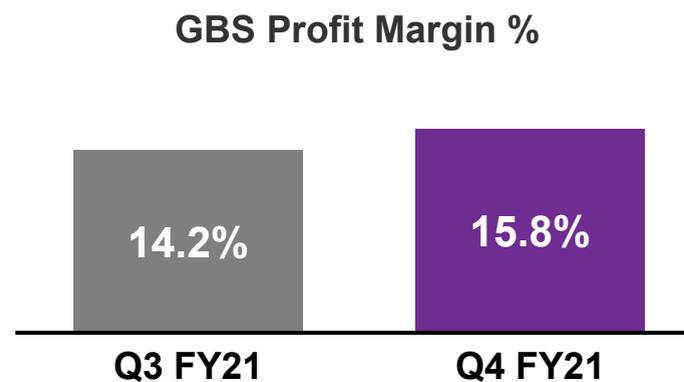
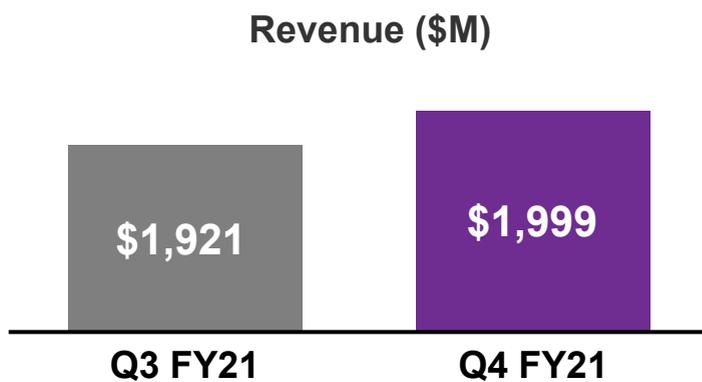
<sup>(2)</sup> This is a non-GAAP measure and is reconciled on Slide 31 of this presentation

<sup>(3)</sup> This is a non-GAAP measure and is reconciled on Slide 29 of this presentation

# Global Business Services (GBS)

	Q4 FY20	Q4 FY21
Revenue (\$M)	\$ 2,308	\$ 1,999
– YoY Growth – GAAP		(13.4%)
– cc <sup>(1)</sup>		(17.6%)
– organic <sup>(1)</sup>		(4.0%)
– QtQ Growth – GAAP		4.1%
– cc <sup>(1)</sup>		2.8%
– organic <sup>(1)</sup>		2.0%
GBS Profit (\$M)	223	315
GBS Profit Margin (%)	9.7%	15.8%
Bookings (\$B)	\$ 2.2	\$ 2.4
Book-to-Bill	0.95x	1.20x

	FY20	FY21
Revenue (\$M)	\$ 9,111	\$ 8,336
– YoY Growth – GAAP		(8.5%)
– cc <sup>(1)</sup>		(10.1%)
– organic <sup>(1)</sup>		(6.6%)
– QtQ Growth – GAAP		n.a.
– cc <sup>(1)</sup>		n.a.
– organic <sup>(1)</sup>		n.a.
GBS Profit (\$M)	1,301	1,120
GBS Profit Margin (%)	14.3%	13.4%
Bookings (\$B)	\$ 9.0	\$ 11.0
Book-to-Bill	0.99x	1.32x

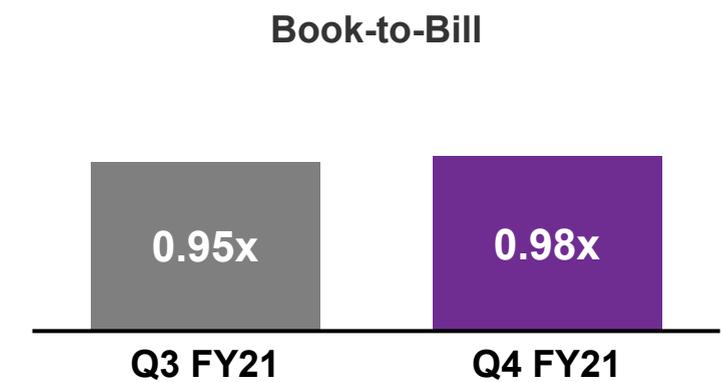
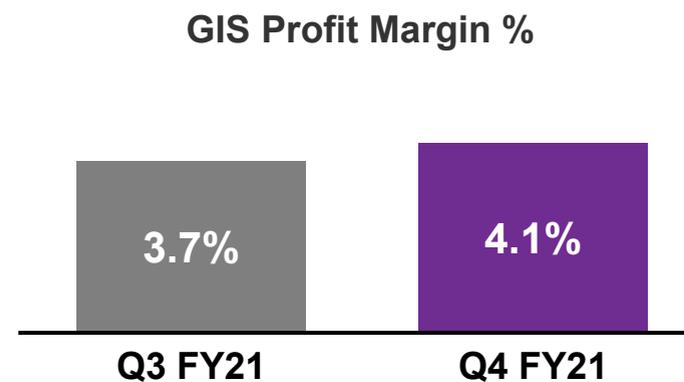
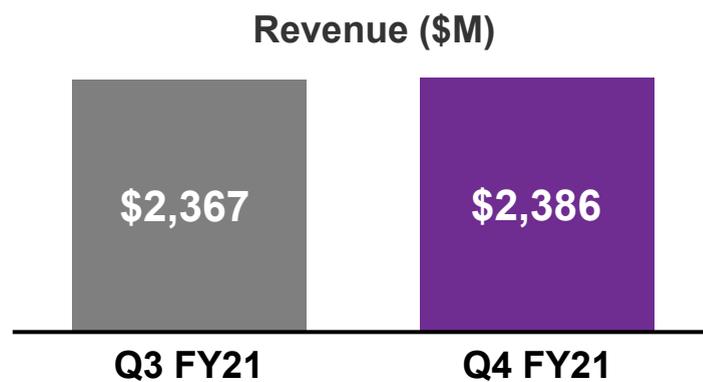


<sup>(1)</sup> Defined on Slide 37 of this presentation

# Global Infrastructure Services (GIS)

	Q4 FY20	Q4 FY21
Revenue (\$M)	\$ 2,507	\$ 2,386
– YoY Growth – GAAP		(4.8%)
– cc <sup>(1)</sup>		(9.8%)
– organic <sup>(1)</sup>		(9.3%)
– QtQ Growth – GAAP		0.8%
– cc <sup>(1)</sup>		(1.0%)
– organic <sup>(1)</sup>		(0.9%)
GIS Profit (\$M)	192	98
GIS Profit Margin (%)	7.7%	4.1%
Bookings (\$B)	\$ 2.2	\$ 2.3
Book-to-Bill	0.87x	0.98x

	FY20	FY21
Revenue (\$M)	\$ 10,466	\$ 9,393
– YoY Growth – GAAP		(10.3%)
– cc <sup>(1)</sup>		(11.9%)
– organic <sup>(1)</sup>		(11.8%)
– QtQ Growth – GAAP		n.a.
– cc <sup>(1)</sup>		n.a.
– organic <sup>(1)</sup>		n.a.
GIS Profit (\$M)	1,007	245
GIS Profit Margin (%)	9.6%	2.6%
Bookings (\$B)	\$ 8.7	\$ 8.8
Book-to-Bill	0.83x	0.94x



<sup>(1)</sup> Defined on Slide 37 of this presentation

# Consolidated Statements of Operations

(preliminary and unaudited)

in millions, except per-share amounts	Q4 FY20	Q4 FY21	FY20	FY21
Revenue	\$ 4,815	\$ 4,385	\$ 19,577	\$ 17,729
Costs of services	3,773	3,561	14,901	14,086
Selling, general and administrative	536	471	2,050	2,066
Depreciation and amortization	526	478	1,942	1,970
Goodwill impairment losses	3,854	—	6,794	—
Restructuring costs	4	110	252	551
Interest expense	95	77	383	361
Interest income	(35)	(22)	(165)	(98)
Debt extinguishment costs	—	41	—	41
Gain on dispositions of businesses	—	42	—	(2,004)
Gain on arbitration award	—	—	(632)	—
Other income, net	(376)	420	(720)	102
Total costs and expenses	8,377	5,178	24,805	17,075
(Loss) income before income taxes	(3,562)	(793)	(5,228)	654
Income tax (benefit) expense	(61)	11	130	800
Net loss attributable to DXC common stockholders	(3,501)	(804)	(5,358)	(146)
Less: net (loss) income attributable to non-controlling interest, net of tax	(6)	(6)	11	3
Net loss attributable to DXC common stockholders	\$ (3,495)	\$ (798)	\$ (5,369)	\$ (149)
Loss per common share:				
Basic	\$ (13.79)	\$ (3.14)	\$ (20.76)	\$ (0.59)
Diluted	\$ (13.79)	\$ (3.14)	\$ (20.76)	\$ (0.59)
Cash dividend per common share	\$ 0.21	\$ —	\$ 0.84	\$ —
Weighted average common shares outstanding for:				
Basic EPS	253.51	254.49	258.57	254.14
Diluted EPS	253.51	254.49	258.57	254.14

# Non-GAAP Reconciliation: Organic Revenue

Year-Over-Year Organic Revenue Growth	Q1 FY21	Q2 FY21	Q3 FY21	Q4 FY21	Total FY21
<b>Total Revenue Growth</b>	(7.9)%	(6.1)%	(14.6)%	(8.9)%	(9.4)%
Foreign Currency <sup>(1)</sup>	2.0%	(1.6)%	(2.3)%	(4.6)%	(1.7)%
Acquisitions	(3.8)%	(0.3)%	(0.1)%	(0.4)%	(1.1)%
Dispositions	(1.3)%	(1.8)%	6.5%	6.9%	2.6%
<b>Organic <sup>(1)</sup> Revenue Growth</b>	<b>(11.0)%</b>	<b>(9.8)%</b>	<b>(10.5)%</b>	<b>(7.0)%</b>	<b>(9.6)%</b>
<b>GIS Revenue Growth</b>	(14.8)%	(9.9)%	(11.1)%	(4.8)%	(10.3)%
Foreign Currency <sup>(1)</sup>	2.4%	(1.7)%	(2.4)%	(5.0)%	(1.6)%
Acquisitions	(0.2)%	(0.2)%	— %	— %	(0.1)%
Dispositions	(0.1)%	(0.1)%	0.4%	0.5%	0.2%
<b>GIS Organic <sup>(1)</sup> Revenue Growth</b>	<b>(12.7)%</b>	<b>(11.9)%</b>	<b>(13.1)%</b>	<b>(9.3)%</b>	<b>(11.8)%</b>
<b>GBS Revenue Growth</b>	0.7%	(1.9)%	(18.6)%	(13.4)%	(8.5)%
Foreign Currency <sup>(1)</sup>	1.8%	(1.5)%	(2.2)%	(4.2)%	(1.6)%
Acquisitions	(8.4)%	(0.3)%	(0.2)%	(0.7)%	(2.3)%
Dispositions	(2.6)%	(3.3)%	14.0%	14.3%	5.8%
<b>GBS Organic <sup>(1)</sup> Revenue Growth</b>	<b>(8.5)%</b>	<b>(7.0)%</b>	<b>(7.0)%</b>	<b>(4.0)%</b>	<b>(6.6)%</b>

<sup>(1)</sup> Defined on Slide 37 of this presentation

# Non-GAAP Reconciliation: Organic Revenue

Sequential Organic Revenue Growth	Q1 FY21	Q2 FY21	Q3 FY21	Q4 FY21
<b>Total Revenue Growth</b>	(6.5)%	1.2%	(5.8)%	2.3%
Foreign Currency <sup>(1)</sup>	0.8%	(3.1)%	(1.3)%	(1.6)%
Acquisitions	(0.1)%	— %	— %	(0.3)%
Dispositions	(1.0)%	(0.5)%	8.8%	— %
<b>Organic <sup>(1)</sup> Revenue Growth</b>	<b>(6.8)%</b>	<b>(2.4)%</b>	<b>1.7%</b>	<b>0.4%</b>
<b>GIS Revenue Growth</b>	(7.1)%	(0.7)%	2.4%	0.8%
Foreign Currency <sup>(1)</sup>	1.0%	(3.3)%	(1.5)%	(1.8)%
Acquisitions	— %	— %	— %	— %
Dispositions	(0.1)%	(0.1)%	0.4%	0.1%
<b>GIS Organic <sup>(1)</sup> Revenue Growth</b>	<b>(6.2)%</b>	<b>(4.1)%</b>	<b>1.3%</b>	<b>(0.9)%</b>
<b>GBS Revenue Growth</b>	(5.8)%	3.1%	(14.3)%	4.1%
Foreign Currency <sup>(1)</sup>	0.6%	(2.6)%	(1.1)%	(1.3)%
Acquisitions	(0.1)%	— %	— %	(0.8)%
Dispositions	(2.3)%	(0.7)%	17.5%	— %
<b>GBS Organic <sup>(1)</sup> Revenue Growth</b>	<b>(7.6)%</b>	<b>(0.2)%</b>	<b>2.1%</b>	<b>2.0%</b>

<sup>(1)</sup> Defined on Slide 37 of this presentation

# Reconciliation of Non-GAAP Results

Q4 FY21										
(in millions except EPS)	GAAP	Restructuring Costs	Transaction, Separation and Integration-Related Costs <sup>(2)</sup>	Amortization of Acquired Intangible Assets	Impairment Losses	Gain on Disposition of Businesses	Pension and OPEB Actuarial and Settlement Losses	Debt Extinguishment Costs	Tax Adjustment	Non-GAAP Results
<b>(Loss) income before income taxes</b>	(793)	110	51	116	190	42	517	41	—	274
Income tax expense (benefit)	11	17	17	26	49	(17)	115	10	(140)	88
Net (loss) income	(804)	93	34	90	141	59	402	31	140	186
<b>Diluted EPS <sup>(1)</sup></b>	<b>(\$3.14)</b>	0.36	0.13	0.35	0.55	0.23	1.56	0.12	0.54	<b>\$0.74</b>

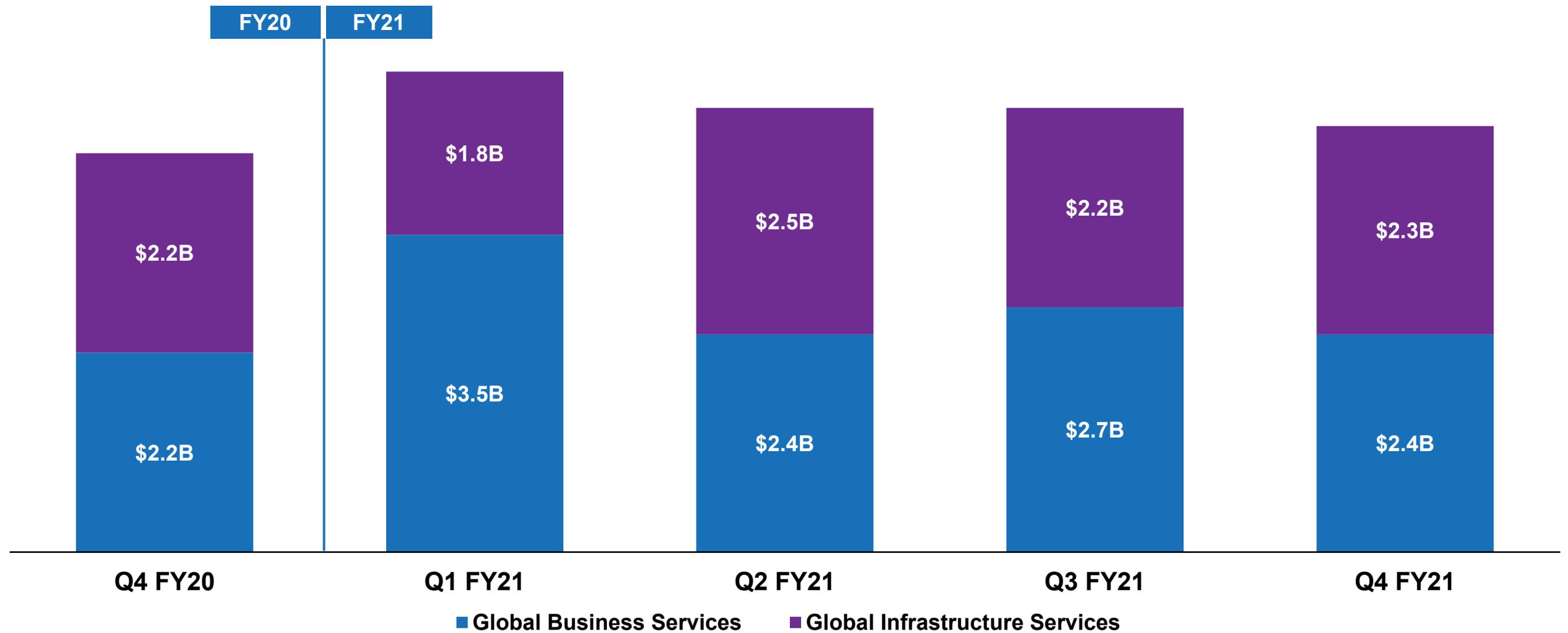
FY21										
(in millions except EPS)	GAAP	Restructuring Costs	Transaction, Separation and Integration-Related Costs <sup>(2)</sup>	Amortization of Acquired Intangible Assets	Impairment Losses	Gain on Disposition of Businesses	Pension and OPEB Actuarial and Settlement Losses	Debt Extinguishment Costs	Tax Adjustment	Non-GAAP Results
<b>Income (loss) before income taxes</b>	654	551	358	530	190	(2,004)	519	41	—	839
Income tax expense (benefit)	800	92	87	121	49	(920)	115	10	(142)	212
Net (loss) income	(146)	459	271	409	141	(1,084)	404	31	142	627
<b>Diluted EPS <sup>(1)</sup></b>	<b>(\$0.59)</b>	1.79	1.06	1.59	0.55	(4.22)	1.57	0.12	0.55	<b>\$2.43</b>

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

<sup>(2)</sup> 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 the fourth quarter of fiscal 2021 include \$25 million of costs to execute dispositions (including \$2 million for the sale of HHS which closed in October 2020 and \$24 million for the sale of the healthcare software business which closed on April 1, 2021); \$17 million in expenses related to integration projects resulting from the CSC – HPE ES merger (including costs associated with continuing efforts to separate certain IT systems) and \$9 million of costs incurred in connection with activities related to other acquisitions and divestitures.

# Bookings (1)



(1) 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)	Q4 FY20	Q4 FY21	FY20	FY21
Net loss	\$ (3,501)	\$ (804)	\$ (5,358)	\$ (146)
Income tax (benefit) expense	(61)	11	130	800
Interest income	(35)	(22)	(165)	(98)
Interest expense	95	77	383	361
<b>EBIT</b>	<b>(3,502)</b>	<b>(738)</b>	<b>(5,010)</b>	<b>917</b>
Restructuring costs	4	110	252	551
Transaction, separation and integration-related costs	92	51	318	358
Amortization of acquired intangible assets	148	116	583	530
Gain on disposition of businesses	—	42	—	(2,004)
Pension and OPEB actuarial and settlement (gains) losses	(244)	517	(244)	519
Impairment losses	3,854	190	6,794	190
Debt extinguishment costs	—	41	—	41
Gain on arbitration award	—	—	(632)	—
<b>Adjusted EBIT</b>	<b>\$ 352</b>	<b>\$ 329</b>	<b>\$ 2,061</b>	<b>\$ 1,102</b>
	<b>Q4 FY20</b>	<b>Q4 FY21</b>	<b>FY20</b>	<b>FY21</b>
Adjusted EBIT margin (%)	7.3%	7.5%	10.5%	6.2%
EBIT margin (%)	(72.7%)	(16.8%)	(25.6%)	5.2%

(1) The non-GAAP reconciliations for adjusted EBIT and adjusted EBIT margin for prior quarters are included in DXC's earnings presentations for the quarters

# Reconciliation: Segment Profit to Income Before Taxes

(in millions)	Q4 FY20	Q4 FY21	FY20	FY21
GBS profit	\$ 223	\$ 315	\$ 1,301	\$ 1,120
GIS profit	192	98	1,007	245
All other loss	(63)	(84)	(247)	(263)
Interest income	35	22	165	98
Interest expense	(95)	(77)	(383)	(361)
Restructuring costs	(4)	(110)	(252)	(551)
Transaction, separation and integration-related costs	(92)	(51)	(318)	(358)
Amortization of acquired intangible assets	(148)	(116)	(583)	(530)
Gain on disposition of businesses	—	(42)	—	2,004
Pension and OPEB actuarial and settlement gains (losses)	244	(517)	244	(519)
Debt extinguishment costs	—	(41)	—	(41)
Impairment losses	(3,854)	(190)	(6,794)	(190)
Gain on arbitration award	—	—	632	—
<b>(Loss) income before taxes</b>	<b>\$ (3,562)</b>	<b>\$ (793)</b>	<b>\$ (5,228)</b>	<b>\$ 654</b>
<b>Segment profit margins</b>	<b>Q4 FY20</b>	<b>Q4 FY21</b>	<b>FY20</b>	<b>FY21</b>
GBS profit margin (%)	9.7%	15.8%	14.3%	13.4%
GIS profit margin (%)	7.7%	4.1%	9.6%	2.6%

<sup>(1)</sup> The reconciliation of segment profit to (loss) income before taxes for prior quarters is included in DXC's earnings presentations for the quarters

# Q4 FY21 Non-GAAP Results

(in millions except EPS)	GAAP	Restructuring Costs	Transaction, Separation and Integration-Related Costs <sup>(2)</sup>	Amortization of Acquired Intangible Assets	Impairment Losses	Gain on Disposition of Businesses	Pension and OPEB Actuarial and Settlement Losses	Debt Extinguishment Costs	Tax Adjustment	Non-GAAP Results
Cost of services (excludes depreciation and amortization and restructuring costs)	\$ 3,561	\$ —	\$ (2)	\$ —	\$ (190)	\$ —	\$ —	\$ —	\$ —	\$ 3,369
Selling, general and administrative (excludes depreciation and amortization and restructuring costs)	471	—	(49)	—	—	—	—	—	—	422
(Loss) income before income taxes	(793)	110	51	116	190	42	517	41	—	274
Income tax expense (benefit)	11	17	17	26	49	(17)	115	10	(140)	88
Net (loss) income	(804)	93	34	90	141	59	402	31	140	186
Less: net loss attributable to non-controlling interest, net of tax	(6)	—	—	—	—	—	—	—	—	(6)
Net (loss) income attributable to DXC common stockholders	\$ (798)	\$ 93	\$ 34	\$ 90	\$ 141	\$ 59	\$ 402	\$ 31	\$ 140	\$ 192
Effective tax rate	(1.4)%									32.1%
Basic EPS <sup>(1)</sup>	\$ (3.14)	\$ 0.37	\$ 0.13	\$ 0.35	\$ 0.55	\$ 0.23	\$ 1.58	\$ 0.12	\$ 0.55	\$ 0.75
Diluted EPS <sup>(1)</sup>	\$ (3.14)	\$ 0.36	\$ 0.13	\$ 0.35	\$ 0.55	\$ 0.23	\$ 1.56	\$ 0.12	\$ 0.54	\$ 0.74
Weighted average common shares outstanding for:										
Basic EPS	254.49	254.49	254.49	254.49	254.49	254.49	254.49	254.49	254.49	254.49
Diluted EPS	254.49	258.42	258.42	258.42	258.42	258.42	258.42	258.42	258.42	258.42

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

<sup>(2)</sup> 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 the fourth quarter of fiscal 2021 include \$25 million of costs to execute dispositions (including \$2 million for the sale of HHS which closed in October 2020 and \$24 million for the sale of the healthcare software business which closed on April 1, 2021); \$17 million in expenses related to integration projects resulting from the CSC – HPE ES merger (including costs associated with continuing efforts to separate certain IT systems) and \$9 million of costs incurred in connection with activities related to other acquisitions and divestitures.

# FY21 Non-GAAP Results

(in millions except EPS)	GAAP	Restructuring Costs	Transaction, Separation and Integration-Related Costs <sup>(2)</sup>	Amortization of Acquired Intangible Assets	Impairment Losses	Gain on Disposition of Businesses	Pension and OPEB Actuarial and Settlement Losses	Debt Extinguishment Costs	Tax Adjustment	Non-GAAP Results
Cost of services (excludes depreciation and amortization and restructuring costs)	\$ 14,086	\$ —	\$ (2)	\$ —	\$ (190)	\$ —	\$ —	\$ —	\$ —	\$ 13,894
Selling, general and administrative (excludes depreciation and amortization and restructuring costs)	2,066	—	(363)	—	—	—	—	—	—	1,703
Income (loss) before income taxes	654	551	358	530	190	(2,004)	519	41	—	839
Income tax expense (benefit)	800	92	87	121	49	(920)	115	10	(142)	212
Net (loss) income	(146)	459	271	409	141	(1,084)	404	31	142	627
Less: net income attributable to non-controlling interest, net of tax	3	—	—	—	—	—	—	—	—	3
Net (loss) income attributable to DXC common stockholders	\$ (149)	\$ 459	\$ 271	\$ 409	\$ 141	\$ (1,084)	\$ 404	\$ 31	\$ 142	\$ 624
Effective tax rate	122.3%									25.3%
Basic EPS <sup>(1)</sup>	\$ (0.59)	\$ 1.81	\$ 1.07	\$ 1.61	\$ 0.55	\$ (4.27)	\$ 1.59	\$ 0.12	\$ 0.56	2.46
Diluted EPS <sup>(1)</sup>	\$ (0.59)	\$ 1.79	\$ 1.06	\$ 1.59	\$ 0.55	\$ (4.22)	\$ 1.57	\$ 0.12	\$ 0.55	2.43
Weighted average common shares outstanding for:										
Basic EPS	254.14	254.14	254.14	254.14	254.14	254.14	254.14	254.14	254.14	254.14
Diluted EPS	254.14	256.86	256.86	256.86	256.86	256.86	256.86	256.86	256.86	256.86

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

<sup>(2)</sup> 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.

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# Q4 FY20 Non-GAAP Results

(in millions except EPS)	GAAP	Restructuring Costs	Transaction, Separation and Integration-Related Costs <sup>(2)</sup>	Amortization of Acquired Intangible Assets	Goodwill Impairment Losses	Pension and OPEB Actuarial and Settlement Losses	Tax Adjustment	Non-GAAP Results
Cost of services (excludes depreciation and amortization and restructuring costs)	\$ 3,773	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 3,773
Selling, general and administrative (excludes depreciation and amortization and restructuring costs)	536	—	(92)	—	—	—	—	444
(Loss) income before income taxes	(3,562)	4	92	148	3,854	(244)	—	292
Income tax (benefit) expense	(61)	2	20	34	42	(51)	6	(8)
Net (loss) income	(3,501)	2	72	114	3,812	(193)	(6)	300
Less: net income attributable to non-controlling interest, net of tax	(6)	—	—	—	—	—	—	(6)
Net (loss) income attributable to DXC common stockholders	\$ (3,495)	\$ 2	\$ 72	\$ 114	\$ 3,812	\$ (193)	\$ (6)	\$ 306
Effective tax rate	1.7%							(2.7)%
Basic EPS <sup>(1)</sup>	\$ (13.79)	\$ 0.01	\$ 0.28	\$ 0.45	\$ 15.04	\$ (0.76)	\$ (0.02)	1.21
Diluted EPS <sup>(1)</sup>	\$ (13.79)	\$ 0.01	\$ 0.28	\$ 0.45	\$ 15.00	\$ (0.76)	\$ (0.02)	1.20
Weighted average common shares outstanding for:								
Basic EPS	253.51	253.51	253.51	253.51	253.51	253.51	253.51	253.51
Diluted EPS	253.51	254.14	254.14	254.14	254.14	254.14	254.14	254.14

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

<sup>(2)</sup> 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 the fourth quarter of fiscal 2021 include \$25 million of costs to execute dispositions (including \$2 million for the sale of HHS which closed in October 2020 and \$24 million for the sale of the healthcare software business which closed on April 1, 2021); \$17 million in expenses related to integration projects resulting from the CSC – HPE ES merger (including costs associated with continuing efforts to separate certain IT systems) and \$9 million of costs incurred in connection with activities related to other acquisitions and divestitures.

# FY20 Non-GAAP Results

(in millions except EPS)	GAAP	Restructuring Costs	Transaction, Separation and Integration-Related Costs <sup>(2)</sup>	Amortization of Acquired Intangible Assets	Goodwill Impairment Losses	Gain on Arbitration Award	Pension and OPEB Actuarial and Settlement Losses	Tax Adjustment	Non-GAAP Results
Cost of services (excludes depreciation and amortization and restructuring costs)	\$ 14,901	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 14,901
Selling, general and administrative (excludes depreciation and amortization and restructuring costs)	2,050	—	(318)	—	—	—	—	—	1,732
(Loss) income before income taxes	(5,228)	252	318	583	6,794	(632)	(244)	—	1,843
Income tax expense (benefit)	130	44	63	133	95	—	(51)	(33)	381
Net (loss) income	(5,358)	208	255	450	6,699	(632)	(193)	33	1,462
Less: net income attributable to non-controlling interest, net of tax	11	—	—	—	—	—	—	—	11
Net (loss) income attributable to DXC common stockholders	\$ (5,369)	\$ 208	\$ 255	\$ 450	\$ 6,699	\$ (632)	\$ (193)	\$ 33	\$ 1,451
Effective tax rate	(2.5)%								20.7%
Basic EPS <sup>(1)</sup>	\$ (20.76)	\$ 0.80	\$ 0.99	\$ 1.74	\$ 25.91	\$ (2.44)	\$ (0.75)	\$ 0.13	\$ 5.61
Diluted EPS <sup>(1)</sup>	\$ (20.76)	\$ 0.80	\$ 0.98	\$ 1.73	\$ 25.78	\$ (2.43)	\$ (0.74)	\$ 0.13	\$ 5.58
Weighted average common shares outstanding for:									
Basic EPS	258.57	258.57	258.57	258.57	258.57	258.57	258.57	258.57	258.57
Diluted EPS	258.57	259.81	259.81	259.81	259.81	259.81	259.81	259.81	259.81

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

<sup>(2)</sup> 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.

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# 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)

**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 segment EBIT as a percentage of revenue

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

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

**Net debt:** Total debt, less cash and cash equivalents

**Net debt-to-total capitalization:** Calculated as the ratio of net debt to total capitalization

**Organic revenue:** Excludes the impacts of acquisitions and divestitures from financial results on a constant currency basis, thereby providing comparisons of operating performance from period to period of the business that we have owned during all periods presented

**Constant currency revenue (cc):** Non-GAAP measure calculated by translating current period activity into U.S. dollars using the comparable prior period's currency conversion rates



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