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# EDITED TRANSCRIPT

DXC.N - DXC Technology Co Annual Shareholders Meeting

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## CORPORATE PARTICIPANTS

**John Michael Lawrie** *DXC Technology Company - Chairman*

**William L. Deckelman** *DXC Technology Company - Executive VP, General Counsel & Secretary*

## PRESENTATION

### Operator

Good morning. Welcome to the 2019 Annual Meeting of Stockholders of DXC Technology. I would like to now turn the conference over to Mike Lawrie, Chairman of the Board of Directors. Please go ahead.

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**John Michael Lawrie** - *DXC Technology Company - Chairman*

Okay. Thank you, and good morning, ladies and gentlemen. Welcome to the 2019 Annual Meeting of Stockholders of DXC Technology. I'm Mike Lawrie, Chairman of the Board of Directors, President and CEO of DXC Technology, and will be presiding as Chairman of this meeting. And at this time, I'd like to call the meeting to order.

Now I'd like to make a few comments or remarks before we get into the main part of the meeting. And on behalf of our Board, our employees and the entire community, I want to begin by thanking our shareholders for your continued trust and confidence in DXC Technology. The support of our shareholders enables us effectively to execute on our strategy, build and grow our company and create value for our clients and for all stakeholders.

Now before I begin, I also want to remind everyone that our discussions today may include forward-looking statements that are subject to risks, uncertainties and other factors that could cause actual results to differ materially from these statements. Additional information about these factors is detailed in the company's press releases and public filings with the Securities and Exchange Commission, including the annual report on Form 10-K.

Now to get started, I'd like to address DXC's first quarter fiscal 2020 earnings announced a week ago today. And given our results and revised guidance, the market response, while not entirely unexpected, was sober. And while no reminder is needed, it's abundantly clear and fully understood that we need to execute and deliver against our strategy, goals and commitments.

The industry is going through a seismic transformation, and the opportunities are tremendous. And the key to our success and growth is to lead our existing clients toward a digital future. The shift to digital has taken on even greater urgency today. To transform into a digital enterprise at scale, they are going to need technology services and partners like DXC. As we noted during our Q1 earnings, year-over-year digital revenue growth was 35%, and our digital pipeline growth was 80%. This is a positive and important trend and a significant accomplishment for DXC and our team.

Going back to the strategy we outlined during our Investor Day last November, I said then and reiterate today that we remain committed to our growth path and to delivering on the value-creation opportunity before us. We've tested and validated our approach with our clients, and only DXC can lead digital transformation by clients -- for clients by modernizing and integrating their mainstream IT and then deploying digital solutions at scale. And as part of our model, we've produced new efficiencies that can help clients fund their digital initiatives. And in doing so, they realize better business outcomes and a successful digital future.

DXC closed out our fiscal 2019 making solid progress against our strategy, delivering good growth in digital along with sequential growth in revenue, bookings and cash flow. We exceeded our post-merger integration targets and rebalanced assets not critical to our long-term success. Additionally, we won significant new business led by digital, which represented half of all new logos and more than 1/3 of all renewals and add-ons during the fiscal year.



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I've said before that significant opportunities that we see in digital will be won or lost based on talent and our ability to provide our clients with the right skills in the right places at the right price. And in fiscal '19, we focused on 4 key areas.

The first is reskilling from legacy to digital. In fiscal '19, DXC employees consumed 1.1 million learning hours. And we had 102,000 employees certified in key technical areas, including Agile, cloud and next-generation skills.

We're also creating new pipelines of talent. We've set up digital transformation cities in 5 cities so far, including Newcastle and New Orleans. And in total, for fiscal '19, we hired more than 26,000 new people into DXC, many of them with digital skills.

Third, we continue our efforts to reapportion work across high- and low-cost centers globally, shifting projects, especially the commodity variety, to low-cost centers. DXC has lagged many peers in its low-cost center percentage, but we are making progress. And finally, we're leveraging other pools of talent, including that from our acquisitions and partners.

In addition to our focus on talent, in fiscal '19, we made good progress in other areas as well. We expanded our partner networks with platforms such as DXC - AWS Integrated Practice and the industry's first Analytics Migration Factory for Microsoft Azure. We implemented new models such as our colocation services agreement with Crédit Suisse that positions DXC to expand data center services as part of our digital strategy. And we gained significant industry analyst recognition across our offerings. DXC was rated a leader 41 times or 76% in competitive assessments for digital services. And finally, we're cited as a global leader in corporate responsibility, including Barron's 100 Most Sustainable Companies.

And in fiscal '19, our acquisitions and investments accelerated our growth and ability to deliver leading industry-focused solutions to clients. In particular, we made acquisitions to extend DXC's leadership in Microsoft Dynamics 365, Salesforce and Oracle. Our acquisition of Molina Medicaid Solutions extends DXC's leadership in Medicaid IT services. And this past June, we added Luxoft, a global at-scale digital innovator. Luxoft gives DXC access to differentiated offerings and platforms, rich vertical expertise and a highly skilled digital workforce of close to 13,000 people, along with a deep talent recruiting engine that is especially strong in Eastern Europe.

So fiscal '19 was a busy and productive year. Looking ahead, we must continue to position DXC to better serve our clients in a rapidly changing marketplace. There's still a lot of work to do to get our business where we want it to be. And like any business, we'll make changes to ensure that DXC continues to operate effectively for our clients and our people. We're committed to returning capital to shareholders through dividends while reinvesting in the business. And we'll continue to invest in our business and our people, make smart investments in acquisitions within a disciplined allocation of capital and maintain an investment-grade credit profile.

And as I said, digital transformation creates an enormous opportunity. And as clients embrace digital, they face challenges in scaling new solutions and integrating them with their existing mainstream IT. We want DXC to be a trusted partner that helps them do that. Our clients want us to lead and guide them. In providing digital solutions at scale, DXC will deliver new value, faster time to market and increased productivity, all while minimizing risks. This enables our clients to unlock new opportunities and realize better business outcomes and for DXC to grow, succeed and fulfill our mission.

I thank you again for your support and confidence in DXC. We have a great deal to look forward to in the year ahead.

Now before moving to the voting items, I would like now to introduce my fellow directors, all of whom are present today. Please welcome Mukesh Aghi, Amy Alving, David Herzog, ML Krakauer, Sachin Lawande, Julio Portalatin, Peter Rutland, Mike Salvino, Manoj Singh and Robert Woods. And I'd also like to introduce several other participants in this meeting: Mr. James Raitt from the American Election Services, LLC, who has been appointed as inspector of election for this meeting and has taken his oath as inspector; and Mr. [Lee Court] from Deloitte & Touche, the company's independent accountants, is also present at the meeting and will be available to answer questions concerning the audit of the company's financial statements; and Mr. William Deckelman, Executive Vice President, General Counsel and Corporate Secretary, who will act as secretary of the meeting.

I'd like to briefly review the rules of conduct and procedures for this meeting. We have posted the rules of conduct and the meeting agenda to the meeting portal. This meeting will follow the items as set forth on the agenda. Any stockholder who has not yet voted or wishes to change his or her vote may do so by clicking on the Vote Here button on the web portal and following the instructions. Any stockholder who has sent in a proxy



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or voted via the telephone or internet and does not want to change his or her vote does not need to take any further action. And after the formal meeting is adjourned, we will provide time for questions and answers. Any validated stockholders will be able to submit questions online in the designated field on the web portal. Out of consideration for others, please limit yourself to one question. And although we won't be able to answer all the questions, we'll do our very best to get back on all the questions that get posted. Thank you very much for your cooperation.

Now the secretary has delivered an affidavit of mailing, establishing that notice of this meeting was duly given, and I hereby direct the secretary to incorporate a copy of the notice of meeting and the affidavit of mailing into the minutes of this meeting.

Now as noted in the notice and proxy statement previously delivered to you, all stockholders of record at the close of business on June 18, 2019, are entitled to vote at this annual meeting.

Our first order of business at this meeting is to determine whether the shares represented at the meeting, either by proxy or online, are sufficient to constitute a quorum for the purpose of transacting business.

Mr. Deckelman, would you please report on whether a quorum is present?

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**William L. Deckelman** - *DXC Technology Company - Executive VP, General Counsel & Secretary*

Mr. Chairman, the stockholders list for the company shows that the holders of 266,440,303 shares of common stock of the company are entitled to vote at this meeting. We are informed by our inspector of election that there are represented, by proxy or online, 225,648,613 shares of common stock or approximately 84.69% of all of the shares entitled to vote at this meeting. Therefore, a quorum is present.

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**John Michael Lawrie** - *DXC Technology Company - Chairman*

Thank you. Because holders of a majority of the shares entitled to vote at this meeting are present by proxy or online, I declare this meeting open and competent for the transaction of business as may properly come before it.

There are 3 proposals to be considered and act upon at this annual meeting. Voting will commence after all proposals have been presented. If you have any questions on the proposals described in the proxy statement, please enter the questions on the web portal now.

The first proposal before the stockholders of the company is the election of the 11 directors of the company to hold office until the 2020 Annual Meeting or until their successors are elected and qualified. The company has an advanced notice provision in its bylaws for nominations or proposals for inclusion at the Annual Meeting. Accordingly, all nominations for directors are closed.

The Board of Directors of the company recommends the election of the following persons as directors of the company: Mukesh Aghi, Amy Alving, David Herzog, ML Krakauer, Sachin Lawande, Julio Portalatin, Peter Rutland, Mike Salvino, Manoj Singh, Robert Woods and myself. Information about the nominees for election as directors is included in the company's proxy materials, which have previously been provided to the stockholders.

The second proposal before the stockholders is the ratification of the appointment of Deloitte & Touche LLP as independent auditors. The board recommends the ratification of the appointment of Deloitte & Touche as the company's independent auditor for the 2020 fiscal year. A representative of Deloitte & Touche is present and is available to respond to appropriate questions concerning the audit of the company's financial statements.

And the third proposal before the stockholders of the company is the approval by advisory or nonbinding vote of the company's compensation of its named executive officers as outlined in the proxy statement, and the Board recommends the approval of this proposal.

And if approved, the minutes will reflect the following resolution of the stockholders: resolved that the stockholders of DXC Technology company approved, on an advisory basis, the compensation of the named executive officers as disclosed in the DXC Technology Company 2019 definitive

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proxy statement pursuant to Item 402 of Regulation S-K, including the compensation discussion and analysis, compensation tables and accompanying footnotes and narratives.

That concludes the introduction of all matters requiring a stockholder vote today.

The voting will proceed as follows: any stockholder who hasn't yet voted or wishes to change his or her vote may do so by clicking on the Vote Here button on the web portal and following the instructions. Any stockholder who has sent in a proxy or voted via the telephone or internet and does not want to change his or her vote does not need to take any further action.

It is now 10:47 a.m., and I declare the polls open for each matter to be voted on today. We will leave the polls open for a few moments to allow anyone who chooses to vote electronically to cast their ballots.

(Voting)

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**John Michael Lawrie** - *DXC Technology Company - Chairman*

We now seem to have all of the electronic ballots, and I hereby declare the polls closed.

The electronic ballots and proxies will be held in the possession of the inspector of election. The inspector of election will count the votes.

We will now move on to the question-and-answer period. Again, only validated stockholders will be able to submit questions online in the designated field on the web portal. And out of consideration for others, please limit yourself to one question. And as I said earlier, although we won't be able to answer all the questions, we will make every effort to get back to every question. Now I'll pause briefly to compile the questions that have been submitted.

This concludes the question-and-answer session. We will now move to the results of the voting.

Mr. Deckelman, would you please report the results of the voting on the proposals before the stockholders of the company at this meeting?

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**William L. Deckelman** - *DXC Technology Company - Executive VP, General Counsel & Secretary*

We have been informed by the inspector of election that all the ballots have been counted and that each of the nominees for election to the Board of Directors has received the requisite affirmative vote cast by proxy or online at this meeting for election as directors. I also declare that the requisite affirmative vote cast by proxy or online at this meeting has been obtained to ratify the appointment of Deloitte & Touche LLP as the company's independent auditor for the 2020 fiscal year and to approve the company's executive compensation. The detailed results will be included in the company's Form 8-K to be filed later today.

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**John Michael Lawrie** - *DXC Technology Company - Chairman*

Well, thank you, Mr. Deckelman. I declare that the director nominees have been duly elected, each to hold office until next year's meeting or his or her respective successor is elected and qualified.

I also declare that the appointment of Deloitte & Touche LLP as the company's independent auditor for fiscal year 2020 has been duly ratified and that the company's executive compensation proposal has been approved. The company will file a current report on Form 8-K, disclosing the results of the proposals voted on at this meeting.

The Annual Meeting is now concluded, and I declare this meeting to be officially adjourned at 10:51 a.m., August 15, 2019, and I wish to thank each of you for attending and for your continued support.



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### Operator

The conference has now concluded. Thank you for attending today's presentation. You may now disconnect. Thanks.

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