2nd Quarter FY 2020 Earnings Presentation

November 11, 2019

Non-GAAP financial measures

We present non-GAAP financial measures of performance which are derived from the unaudited condensed consolidated 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. 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 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 non-GAAP EPS.

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 and transaction, separation, and integration-related costs. 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 specifically 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 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 contribute to 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 presentation. 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” (“cc”) 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.

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. 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, 2019, and any updating information in subsequent SEC filings, including DXC’s upcoming Form 10-Q for the quarter ended September 30, 2019.

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. Share observations on the business
2. Review preliminary second quarter results and full-year outlook
3. Introduce the enterprise technology stack and strategy moving forward
4. Present results of strategic review of assets
5. Outline longer term outlook for DXC Technology

My observations – Positives

Experienced and loyal global talent base with knowledge of mission-critical systems

Significant scale and global reach across technology offerings

Loyal customer base comprising world's leading enterprises

Strong core capabilities ranging from traditional ITO and applications to Digital solutions

Differentiated solutions and IP in key industries (e.g., automotive, insurance, healthcare, travel & transportation)

Track record of enhancing capabilities through targeted strategic acquisitions, including Luxoft and Virtual Clarity

My observations – Challenges

Insufficient execution on delivery of extended cost improvements at previously targeted pace

Evolving employee value proposition needing greater focus

Recent delivery issues on some large, complex accounts – *recovery plans underway*

Under-emphasized ITO business

Diffused organizational accountability and slow decision making

Shortcomings against opportunity to sell integrated, multi-offering solutions

Priorities

Running the Business

1. Customers:

- Upgrade engagement and service at key accounts
- Deliver against customer priorities

2. People:

- Invest in our people/employee value proposition
- Augment senior management team
(5 key additions already)
- Expand account management and sales talent

3. Operational Execution:

- Invest in and enhance delivery execution
- Simplify operating model
- Re-emphasize the ITO business

Unlock Value

1. Execute go-forward strategy centered on:

- Enterprise technology stack
- Selling industry solutions
- Focus on installed base of customers

2. Pursue strategic alternatives for adjacent businesses that do not fit the strategy

3. Pursue a balanced capital allocation

- Maintain investment grade credit profile

Reconciliation of non-GAAP results

(in millions except EPS)	Q2 FY20							
	GAAP	Restructuring Costs	Transaction, Separation and Integration-Related Costs	Amortization of Acquired Intangible Assets	Goodwill Impairment Losses	Gain on Arbitration Award	Tax Adjustment	Non-GAAP Results
(Loss) income from continuing operations before income taxes	(1,999)	32	53	151	2,887	(632)	-	492
Income tax expense	116	4	5	34	-	-	(29)	130
(Loss) income from continuing operations	(2,115)	28	48	117	2,887	(632)	29	362
Diluted EPS from continuing operations[(1)]	**($8.19)**	0.11	0.18	0.45	11.10	(2.43)	0.11	**$1.38**

(in millions except EPS)	YTD FY20							
	GAAP	Restructuring Costs	Transaction, Separation and Integration-Related Costs	Amortization of Acquired Intangible Assets	Goodwill Impairment Losses	Gain on Arbitration Award	Tax Adjustment	Non-GAAP Results
(Loss) income from continuing operations before income taxes	(1,793)	174	158	289	2,887	(632)	-	1,083
Income tax expense	154	32	27	65	-	-	(29)	249
(Loss) income from continuing operations	(1,947)	142	131	224	2,887	(632)	29	834
Diluted EPS from continuing operations[(1)]	**($7.44)**	0.54	0.50	0.85	10.91	(2.39)	0.11	**$3.12**

[1] EPS and per-share values of certain items do not sum to non-GAAP EPS

2nd quarter results

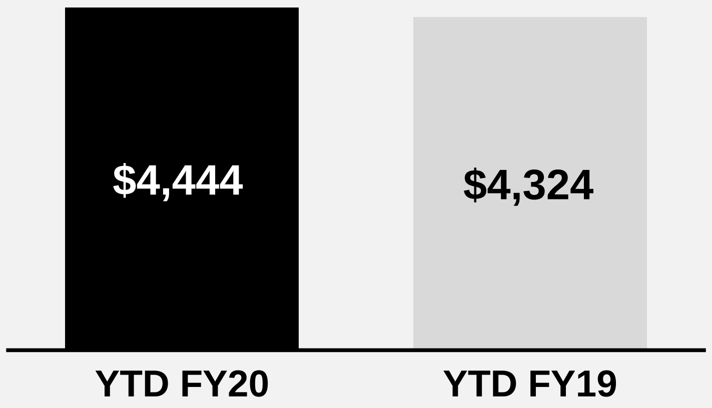
	Q2				YTD			
	FY20		FY19		FY20		FY19	
Revenue ($M)	$	4,851	$	5,013	$	9,741	$	10,295
– YoY Growth – GAAP		*(3.2%)*				*(5.4%)*		
– cc		*(0.8%)*				*(2.6%)*		
– QtQ Growth – GAAP		*(0.8%)*				—		
– cc		*0.2%*				—		
Adjusted EBIT ($M)		529		799		1,181		1,602
Adjusted EBIT Margin (%)		*10.9%*		*15.9%*		*12.1%*		*15.6%*
Adjusted Income from Continuing Operations ($M)(1)		362		573		834		1,137
Non-GAAP Diluted EPS from Continuing Operations(1)	$	1.38	$	2.02	$	3.12	$	3.94
Bookings ($B)	$	3.8	$	4.7	$	8.0	$	9.2

[1] Excludes restructuring costs, transaction, separation and integration-related costs, amortization of acquired intangible assets, goodwill impairment losses, gain on arbitration award, and tax adjustment

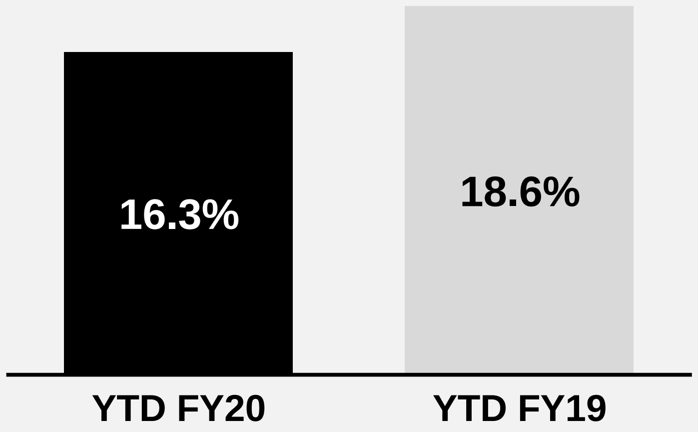
Global Business Services (GBS)

	Q2 FY20	Q2 FY19	YTD FY20	YTD FY19
Revenue ($M)	$ 2,285	$ 2,111	$ 4,444	$ 4,324
– YoY Growth – GAAP	*8.2%*		*2.8%*	
– cc	*10.5%*		*5.4%*	
– QtQ Growth – GAAP	*5.9%*		—	
– cc	*6.7%*		—	
GBS Profit ($M)	359	400	725	803
GBS Profit Margin (%)	*15.7%*	*18.9%*	*16.3%*	*18.6%*
Bookings ($B)	$ 1.9	$ 2.2	$ 4.3	$ 4.2

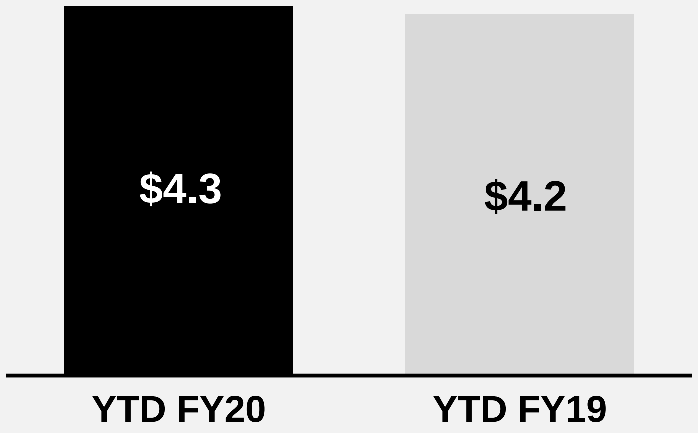
Revenue ($M)



GBS Profit Margin %



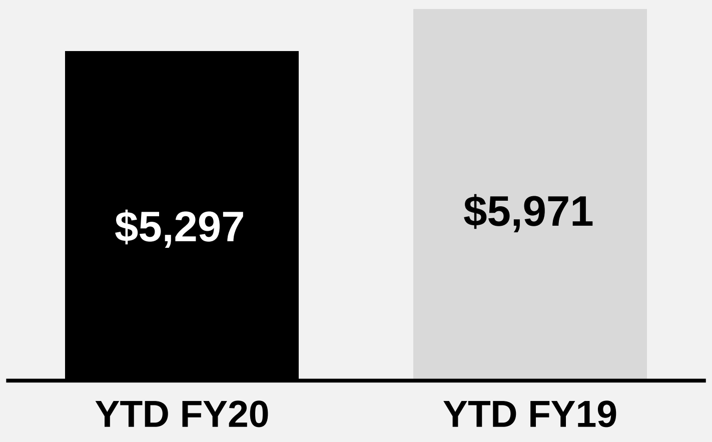
Bookings ($B)



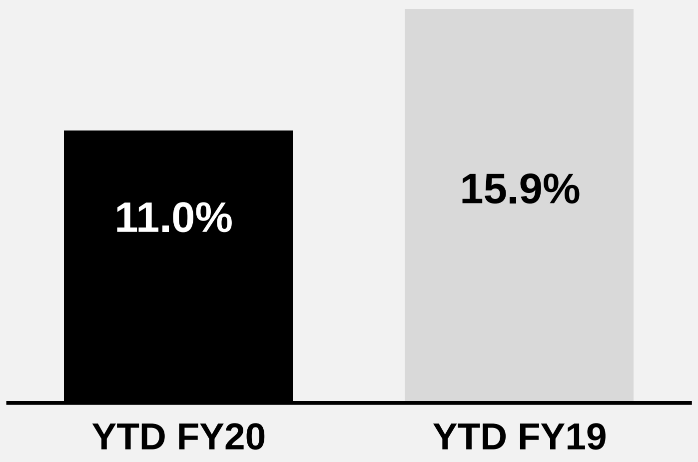
Global Infrastructure Services (GIS)

	Q2 FY20	Q2 FY19	YTD FY20	YTD FY19
Revenue ($M)	$ 2,566	$ 2,902	$ 5,297	$ 5,971
– YoY Growth – GAAP	*(11.6%)*		*(11.3%)*	
– cc	*(9.1%)*		*(8.3%)*	
– QtQ Growth – GAAP	*(6.1%)*		—	
– cc	*(5.0%)*		—	
GIS Profit ($M)	243	473	583	947
GIS Profit Margin (%)	*9.5%*	*16.3%*	*11.0%*	*15.9%*
Bookings ($B)	$ 1.9	$ 2.5	$ 3.7	$ 5.1

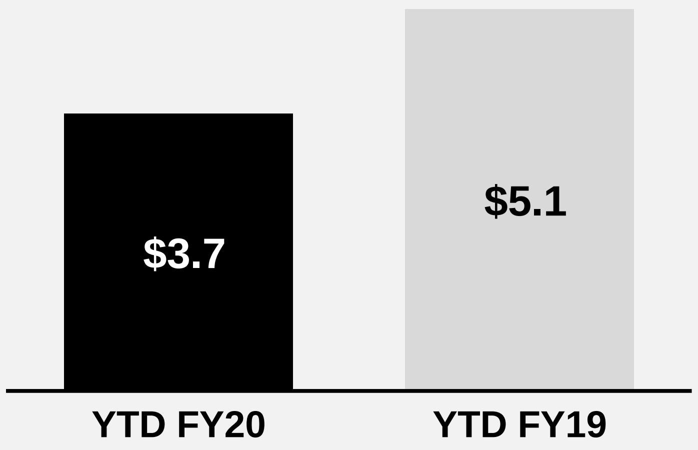
Revenue ($M)



GIS Profit Margin %



Bookings ($B)



Financial highlights

Cash Flow Performance

	Q2 FY20	YTD FY20
▸ Adjusted Free Cash Flow	$739M	$813M
▸ Cap Ex — Including Payments on Capital Leases	$342M	$699M
▸ *Cap Ex as a % of Revenue*	*7.1%*	*7.2%*

Capital to Shareholders

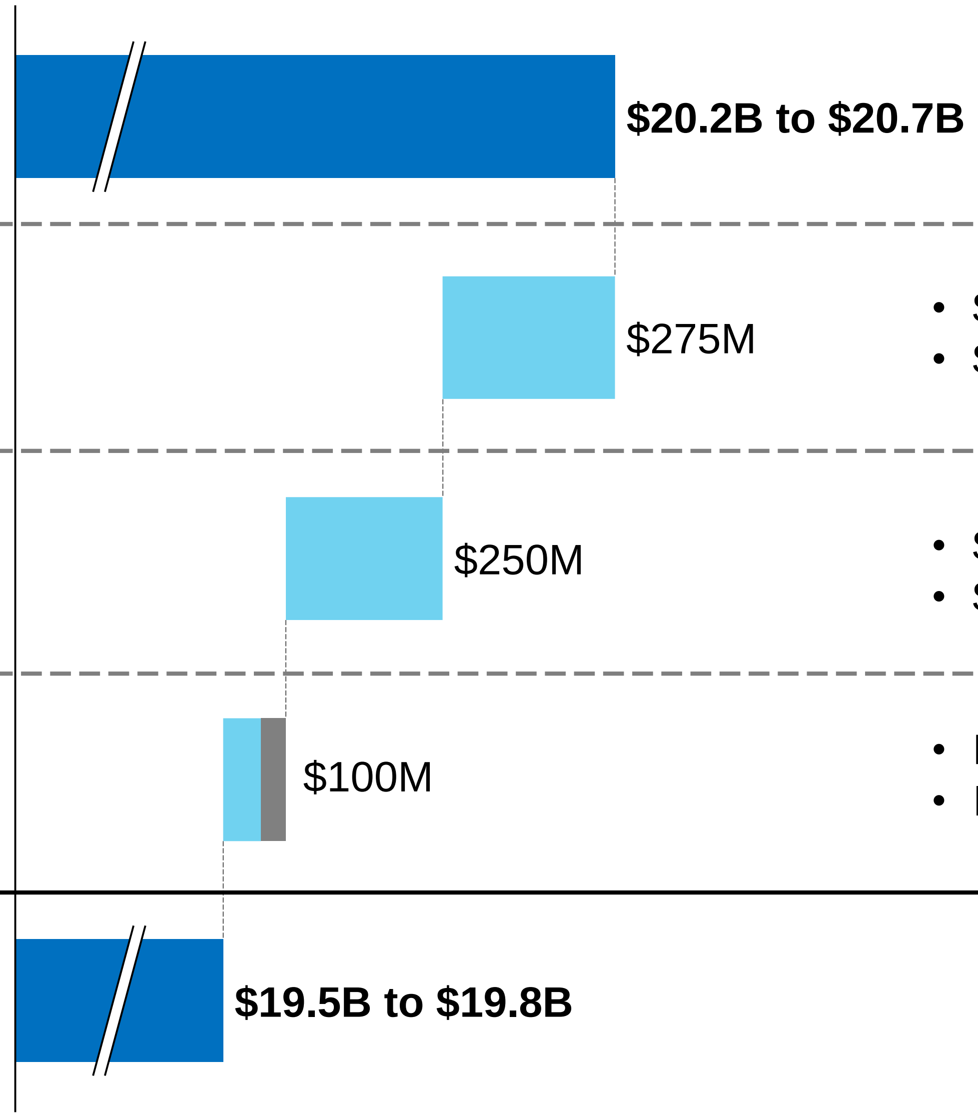
	Q2 FY20	YTD FY20
▸ Cash Dividends	$56M	$107M
▸ Share Repurchases	$250M 6.2M shares	$650M 13.6M shares

Capital Structure

	Q2 FY20
▸ Cash and Cash Equivalents	$2.9B
▸ Net Debt-to-Total Capitalization	*34.9%*

FY20 revenue guidance update

Execution related | Industry trends



Previous Guidance — $20.2B to $20.7B

Revenue delays — $275M
- $235M from deal delays and losses
- $40M from delayed acquisitions

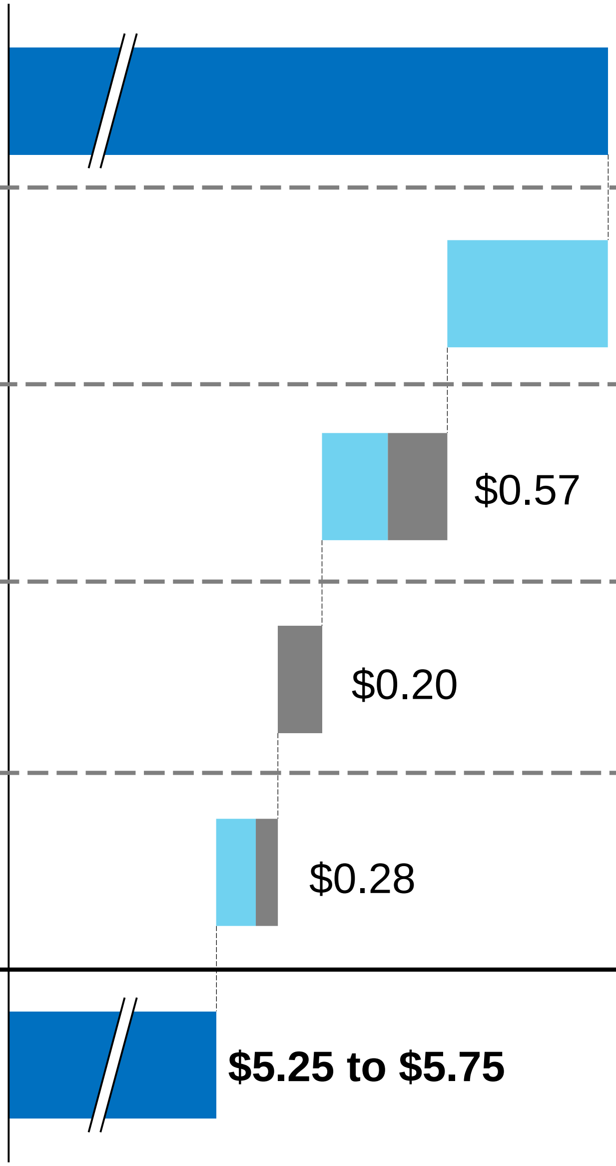
Execution at existing customers — $250M
- $75M add-on revenue impact from delivery execution at select customers
- $175M from potential disruption given announcement of strategic alternatives

Cloud acceleration — $100M
- Primarily from account sales execution
- Impact from dynamics of cloud migration

Revised Guidance — $19.5B to $19.8B

FY20 EPS guidance update

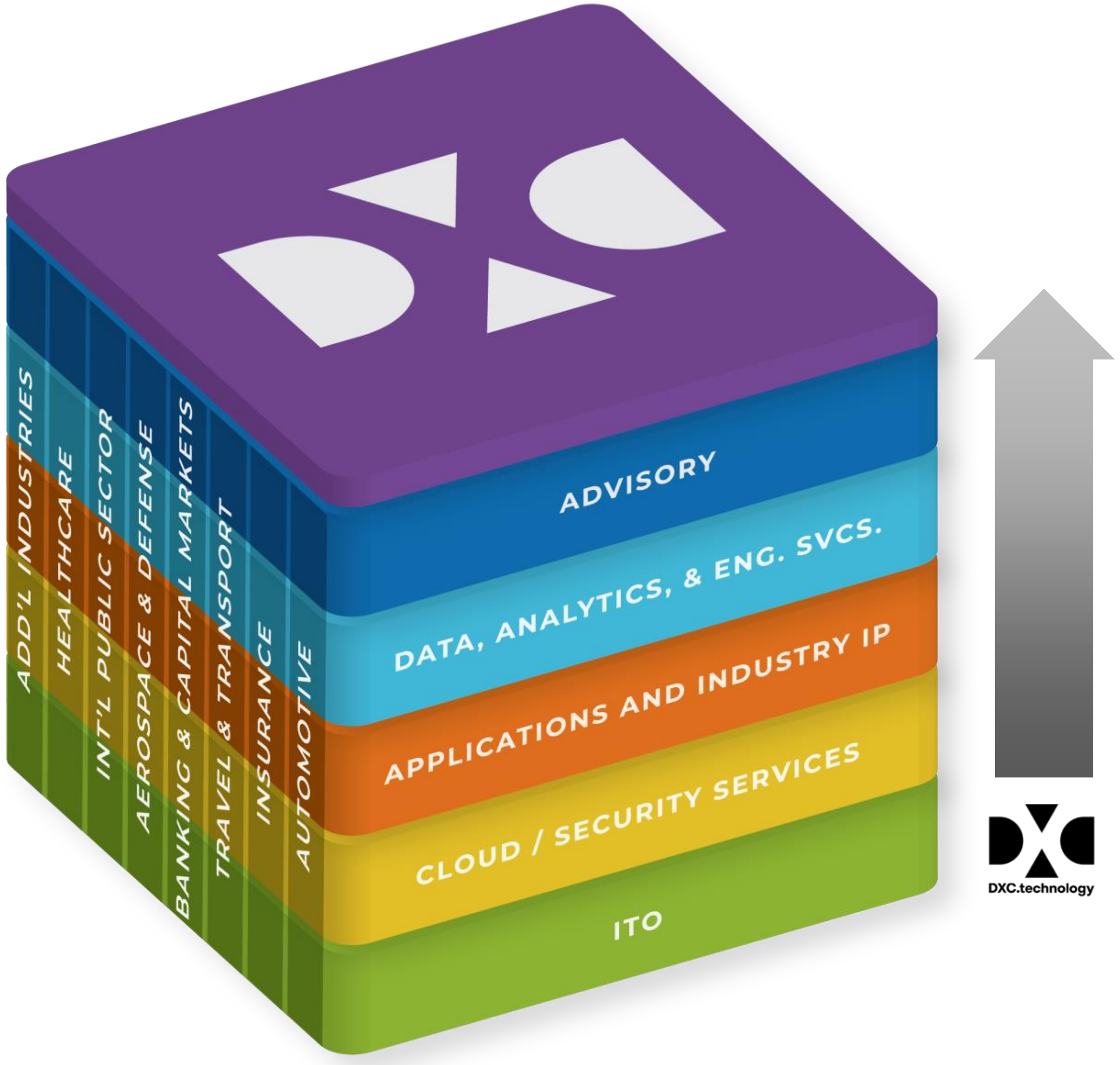
Non-recurring



	EPS		EBIT Impact ($M)
Previous Guidance	**$7.00 to $7.75**		
Revenue	$0.73	• Profit impact from reduced revenue forecast, including potential disruption given announcement of strategic alternatives	$275M
Cost take-out	$0.57	• Complex actions taking longer than expected	$170M
		• Delays in cross-regional initiatives	$30M
Transformation overruns	$0.20	• Large T&T overruns to meet customer deliverables, primarily in Europe	$70M
Investments	$0.28	• Renewed investment in operations, customers, and talent	$100M
Revised Guidance	**$5.25 to $5.75**		**$645M**

DXC strategy moving forward

Enterprise technology stack

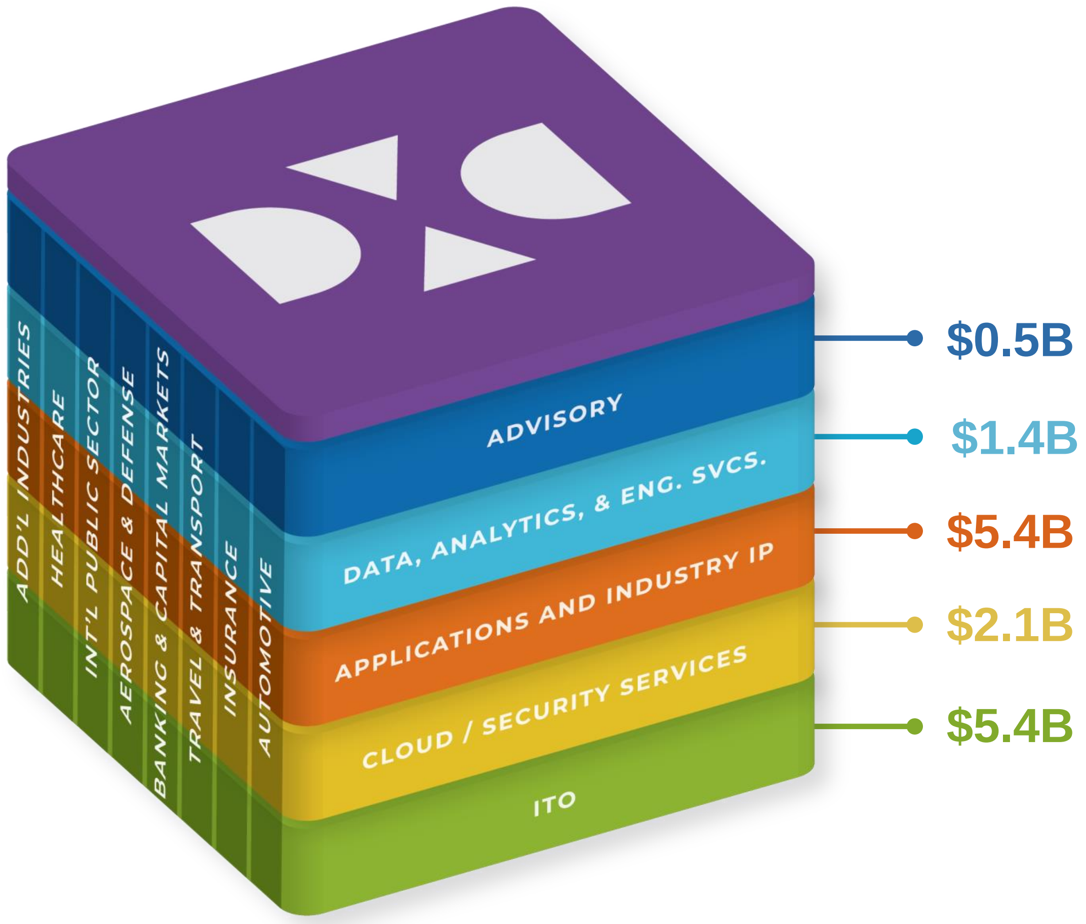


Customer expectations

- **DXC is running mission-critical systems** – our customers expect silent operations
- Customers need to upgrade these mission-critical systems and **want to partner with someone they trust**
- **However, not all workloads will move to cloud** – our large customers typically have a hybrid environment with a mix of on-prem as well as private and public cloud
- **Security is a top concern** for our customers, and they expect us to have deep capabilities
- **Service providers with end-to-end capabilities** have an opportunity to grow with these customers as they scale their digital capabilities
- **Leveraging analytics for business insights** is becoming a key priority for our customers

Implications:
Significant opportunity with customers by leveraging core capabilities and reinvesting in customers, talent, and operational excellence

DXC has capabilities at scale across the stack



Guiding principles

- *Importance to technology stack*
- *Ability to create industry solutions*
- *What customers want*
- *Potential to unlock value*

Strategic alternatives

U.S. State & Local HHS	$1.4B
Horizontal BPS	$0.7B
Workplace and Mobility	$2.9B

~25% of total DXC revenue

Note: Data, Analytics, and Eng. Svcs. includes Luxoft revenues annualized for 12 months
(1) GIS: $10.4B includes Cloud and Security Services, ITO, and Workplace and Mobility
(2) GBS: $9.4B includes Advisory, Data, Analytics & Eng. Services, Applications/ Industry IP, U.S. State & Local HHS, and Horizontal BPS

Illustrative impact of executing strategy

	FY20E	FY22E
Revenue range	**$19.5B – $19.8B**	**$15B+**
EBIT margin (non-GAAP)	**~11%**	**12%+**
FCF	**80%+**	**85%+**
Non-GAAP EPS range	**$5.25 – $5.75**	**$7.00+**
Non-GAAP EPS incl. restructuring, integration, and transaction costs range	*$3.25 – $3.75*	*$5.25+*

Capital returned to shareholders: $4.25B+
(50%+ of current market cap)

Debt reduction: $2.5B+
(Maintain investment grade credit profile)

DXC is well positioned to grow

DXC has significant scale and scope, along with mission-critical positions at large customers

DXC has reduced its cost structure in an industry where being a low-cost player boosts competitiveness

Customers are facing transformation challenges across the entire enterprise technology stack. They need DXC to help them **modernize their IT, optimize data architectures**, and securely orchestrate all of it across public, private, and hybrid clouds

DXC.technology