



3rd Quarter FY 2018 Earnings Presentation

February 8, 2018

Pro forma combined company financial information

In an effort to provide investors with additional information, we are disclosing certain unaudited pro forma combined company financial information of DXC for the three and nine months ended December 31, 2017 (“pro forma combined company” information) as supplemental information herein. The following discussion includes comparisons of our unaudited results of operations for the three and nine months of fiscal 2018 to our pro forma combined company results. The pro forma combined company results are based on the historical quarterly statements of operations of each of CSC and the Enterprise Services Business of Hewlett Packard Enterprise Company (“HPES”), giving effect to the merger as if it had been consummated on April 2, 2016.

CSC reported its results based on a fiscal year convention that comprised four thirteen-week quarters, while HPES reported its results on a fiscal year basis ended October 31. As a consequence of CSC and HPES having different fiscal year-end dates, the pro forma combined company results include the historical unaudited condensed combined statements of operations of CSC for the three and nine months ended December 30, 2016 and of HPES for the three and nine months ended October 31, 2016.

The historical financial information of HPES was “carved-out” from the combined statement of operations of HPE and reflects assumptions and allocations made by HPE and only includes revenue and costs directly attributable to HPES and an allocation of expenses related to certain HPE corporate functions and does not necessarily include all expenses that would have been incurred by HPES had it been a separate, stand-alone entity and therefore, does not necessarily reflect what HPES’ results of operations would have been had HPES operated as a stand-alone company during the period presented. Actual costs that may have been incurred if HPES had been a stand-alone company would depend on a number of factors, including the chosen organizational structure, functions outsourced or performed by employees and strategic decisions made in areas such as information technology and infrastructure.

The pro forma combined company results have been prepared using the acquisition method of accounting with CSC considered the accounting acquirer of HPES. These pro forma combined company results include historical results, reflecting preliminary purchase accounting (“PPA”) adjustments and aligning our accounting policies for consolidated results and reportable segments. These adjustments give effect to pro forma events that were (i) directly attributable to the merger of CSC and HPES, (ii) factually supportable, and (iii) expected to have a continuing impact on the consolidated results of operations of DXC. The pro forma combined company results do not reflect the costs of integration activities or benefits that may result from realization of synergies. No assurances of the timing or the amount of cost synergies, or the costs necessary to achieve those cost synergies, can be provided.

The adjustments to historical results included were based upon currently available information and assumptions that management of DXC believes to be reasonable. The pro forma combined company results are provided for illustrative and informational purposes only and are not intended to represent or be indicative of what DXC’s results of operations would have been had the merger occurred on April 2, 2016, and should not be taken as being indicative of DXC’s future consolidated financial results. The pro forma combined company results should be read in conjunction with Exhibit 99.2 of the Form 8-K/A that was filed on June 14, 2017, including the accompanying notes.

Non-GAAP financial measures

We present non-GAAP financial measures of performance which are derived from the unaudited condensed consolidated statements of operations and unaudited pro forma combined company statement of operations of DXC. These non-GAAP financial measures include earnings before interest and taxes (“EBIT”), adjusted EBIT, adjusted EBIT margin, non-GAAP income before income taxes, non-GAAP net income, non-GAAP EPS and adjusted free cash flow.

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 or pro forma basis. Non-GAAP financial measures exclude certain items from GAAP results that DXC management believes are not indicative of core operating performance. DXC management believes these non-GAAP measures provide investors supplemental information about 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 non-GAAP EPS.

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 or on a pro forma basis. 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 Quarterly Reports on Form 10-Q for the quarters ended June 30, 2017 and September 30, 2017 and any updating information in subsequent SEC filings, including DXC’s upcoming Form 10-Q for the quarter ended December 31, 2017.

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.



3rd Quarter FY 2018 Earnings Presentation

Mike Lawrie
Chairman, President and
Chief Executive Officer

Key messages

Q3 FY18 non-GAAP EPS⁽¹⁾ of \$2.15

Revenue down 4%⁽²⁾ YoY and up 0.6%⁽²⁾ sequentially; book-to-bill of 1.0x

Digital revenue up 13%⁽²⁾ YoY

Achieving key merger-integration and separation milestones

Raising FY18 non-GAAP EPS⁽¹⁾ target to \$7.50 – \$8.00

¹ Excludes restructuring costs, pension and OPEB actuarial and settlement gains, transaction and integration-related costs, amortization of acquired intangible assets, and tax adjustment

² Adjusted for the impact of purchase price accounting (PPA) on revenue in the third quarter of FY18 and a one-time contract reset in USPS in the third quarter of FY17



3rd Quarter FY 2018 Earnings Presentation

Paul Saleh
Executive Vice President
and Chief Financial Officer

Financial presentation

- Pro forma results conform with the methodology used in the Form S-4

	Fiscal 2017			
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
CSC	July 1, 2016	September 30, 2016	December 30, 2016	March 31, 2017
HPES	April 30, 2016	July 31, 2016	October 31, 2016	January 31, 2017

- Prior year pro forma non-GAAP results assume a flat quarterly tax rate of about 27.5%
- FY18 results reflect revenue adjustments for purchase price accounting, whereas the prior year pro forma does not
- Non-GAAP results exclude restructuring costs, pension and OPEB actuarial and settlement gains, transaction and integration-related costs, amortization of acquired intangible assets, and tax adjustment

Reconciliation of non-GAAP results

(in millions except EPS)	Q3 FY18						
	GAAP	Restructuring costs	Transaction and integration-related costs	Amortization of acquired intangible assets	Pension and OPEB actuarial and settlement gains	Tax adjustment	Non-GAAP results
Income before income taxes	438	213	94	149	(17)	-	877
Income tax (benefit) expense	(341)	52	26	45	(3)	473	252
Net income	779	161	68	104	(14)	(473)	625
Diluted EPS⁽¹⁾	\$ 2.68	0.56	0.23	0.36	(0.05)	(1.63)	\$ 2.15

(in millions except EPS)	YTD FY18						
	GAAP	Restructuring costs	Transaction and integration-related costs	Amortization of acquired intangible assets	Pension and OPEB actuarial and settlement gains	Tax adjustment	Non-GAAP results
Income before income taxes	1,010	595	284	438	(17)	-	2,310
Income tax (benefit) expense	(207)	143	90	148	(3)	473	644
Net income	1,217	452	194	290	(14)	(473)	1,666
Diluted EPS⁽¹⁾	\$ 4.11	1.56	0.67	1.00	(0.05)	(1.63)	\$ 5.66

¹EPS and per-share values of certain items may not sum to non-GAAP EPS due to rounding

3rd quarter results

	Q3		YTD	
	FY18	Pro forma combined company FY17	FY18	Pro forma combined company FY17
Revenue (\$M)	\$ 6,186	\$ 6,585	\$ 18,262	\$ 19,358
– YoY Growth - GAAP	(6.1%)		(5.7%)	
- adjusted ⁽¹⁾	(4.0%)		(4.2%)	
- cc, adjusted ⁽¹⁾	(5.9%)		(4.5%)	
– QtQ Growth - GAAP	0.4%		—	
- adjusted ⁽¹⁾	0.6%		—	
- cc, adjusted ⁽¹⁾	0.8%		—	
Adjusted EBIT (\$M)	927	626	2,482	1,316
Adjusted EBIT Margin (%)	15.0%	9.5%	13.6%	6.8%
Adjusted Net Income (\$M) ⁽²⁾	625	424	1,666	825
Non-GAAP EPS ⁽²⁾	\$ 2.15	\$ 1.45	\$ 5.66	\$ 2.82
Bookings (\$B)	\$ 6.0	\$ 6.7	\$ 18.2	\$ 18.2

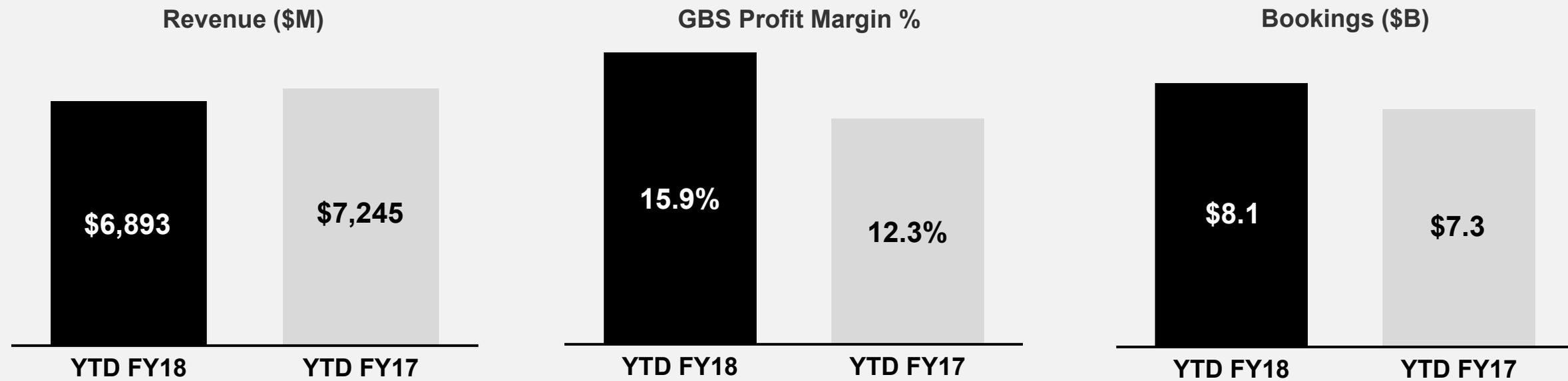
¹ FY18 Q3 and year-to-date revenue adjusted for the impact of purchase price accounting (PPA) by \$34 million and \$174 million, respectively. Q3 FY17 revenue adjusted for one-time contract reset within USPS.

² Excludes restructuring costs, transaction and integration-related costs, amortization of acquired intangible assets, pension and OPEB actuarial and settlement gains, certain overhead costs, and tax adjustment

Global Business Services (GBS)

	Q3 FY18	Pro forma combined company Q3 FY17	YTD FY18	Pro forma combined company YTD FY17
Revenue (\$M)	\$ 2,315	\$ 2,432	\$ 6,893	\$ 7,245
– YoY growth - GAAP	(4.8%)		(4.9%)	
- adjusted ⁽¹⁾	(4.6%)		(4.4%)	
- cc, adjusted ⁽¹⁾	(6.6%)		(4.9%)	
– QtQ growth - GAAP	0.2%		—	
- adjusted ⁽¹⁾	0.2%		—	
- cc, adjusted ⁽¹⁾	0.4%		—	
GBS Profit (\$M)	431	338	1,093	889
GBS Profit Margin (%)	18.6%	13.9%	15.9%	12.3%
Bookings (\$B)	\$ 3.3	\$ 2.2	\$ 8.1	\$ 7.3

Year-to-Date



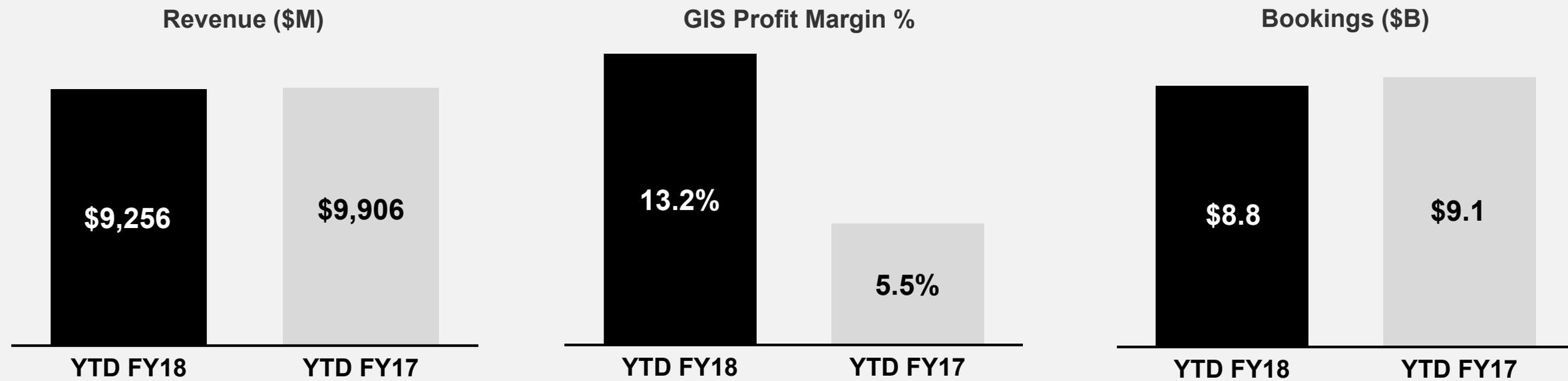
¹ Adjusted for the impact of purchase price accounting (PPA) on revenue of \$6 million in the third quarter of FY18 and \$32 million on a year-to-date basis

Global Infrastructure Services (GIS)

	Q3 FY18		Pro forma combined company Q3 FY17	
Revenue (\$M)	\$	3,145	\$	3,327
- YoY growth - GAAP		(5.5%)		
- adjusted ⁽¹⁾		(4.7%)		
- cc, adjusted ⁽¹⁾		(6.8%)		
- QtQ growth - GAAP		0.1%		
- adjusted ⁽¹⁾		0.4%		
- cc, adjusted ⁽¹⁾		0.7%		
GIS Profit (\$M)		463		317
GIS Profit Margin (%)		14.7%		9.5%
Bookings (\$B)	\$	2.2	\$	3.6

	YTD FY18		Pro forma combined company YTD FY17	
Revenue (\$M)	\$	9,256	\$	9,906
- YoY growth - GAAP		(6.6%)		
- adjusted ⁽¹⁾		(5.2%)		
- cc, adjusted ⁽¹⁾		(5.4%)		
- QtQ growth - GAAP		—		
- adjusted ⁽¹⁾		—		
- cc, adjusted ⁽¹⁾		—		
GIS Profit (\$M)		1,222		540
GIS Profit Margin (%)		13.2%		5.5%
Bookings (\$B)	\$	8.8	\$	9.1

Year-to-Date

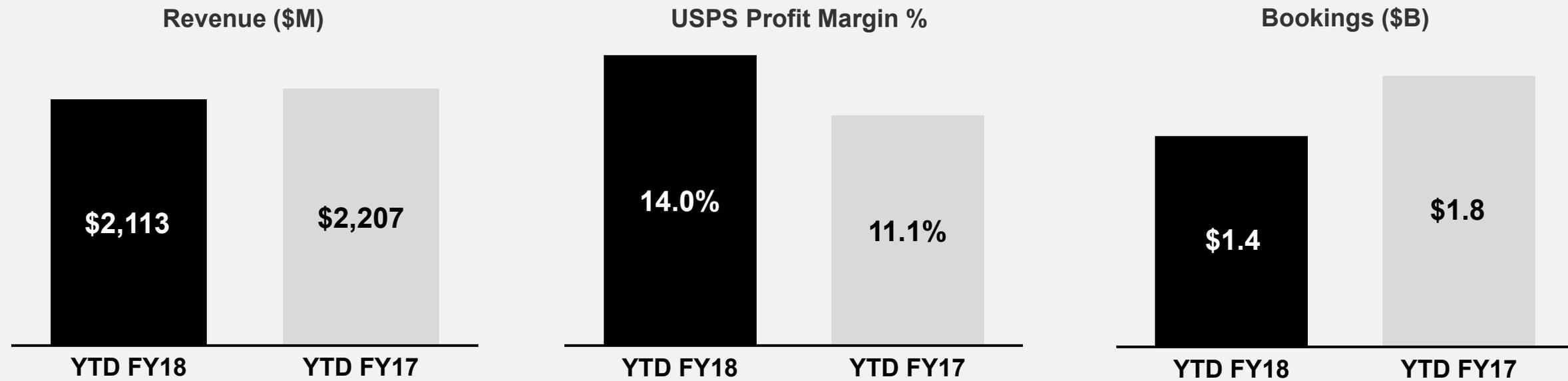


¹ Adjusted for the impact of purchase price accounting (PPA) on revenue of \$26 million in the third quarter of FY18 and \$134 million on a year-to-date basis

U.S. Public Sector (USPS)

	Q3 FY18	Pro forma combined company Q3 FY17	YTD FY18	Pro forma combined company YTD FY17
Revenue (\$M)	\$ 726	\$ 826	\$ 2,113	\$ 2,207
– YoY growth - GAAP	(12.1%)		(4.3%)	
– YoY growth - adjusted ⁽¹⁾	0.9%		0.9%	
– QtQ growth - GAAP	2.3%		—	
– QtQ growth - adjusted ⁽¹⁾	2.3%		—	
USPS Profit (\$M)	110	96	296	245
USPS Profit Margin (%)	15.2%	11.6%	14.0%	11.1%
Bookings (\$B)	\$ 0.5	\$ 0.9	\$ 1.4	\$ 1.8

Year-to-Date



¹ Adjusted for the impact of purchase price accounting (PPA) on revenue of \$2 million in the third quarter of FY18 and \$8 million on a year-to-date basis. Q3 FY17 revenue adjusted for one-time contract reset.

Financial highlights

Cash Flow Performance

- ▶ Adjusted Free Cash Flow
- ▶ Cap Ex — Including Capital Leases
- ▶ *Cap Ex as a % of Revenue*

Q3 FY18

YTD FY18

\$686M

\$1,870M

\$481M

\$1,289M

7.8%

7.1%

Capital to Shareholders

- ▶ Cash Dividends
- ▶ Share Repurchases

Q3 FY18

YTD FY18

\$51M

\$123M

–

\$66M
842K shares

Capital Structure

- ▶ Cash and Cash Equivalents
- ▶ Net Debt-to-Total Capitalization

Q3 FY18

\$2.9B

25.8%

FY 2018 targets

Revenue

\$24.0B – \$24.5B

Non-GAAP EPS⁽¹⁾

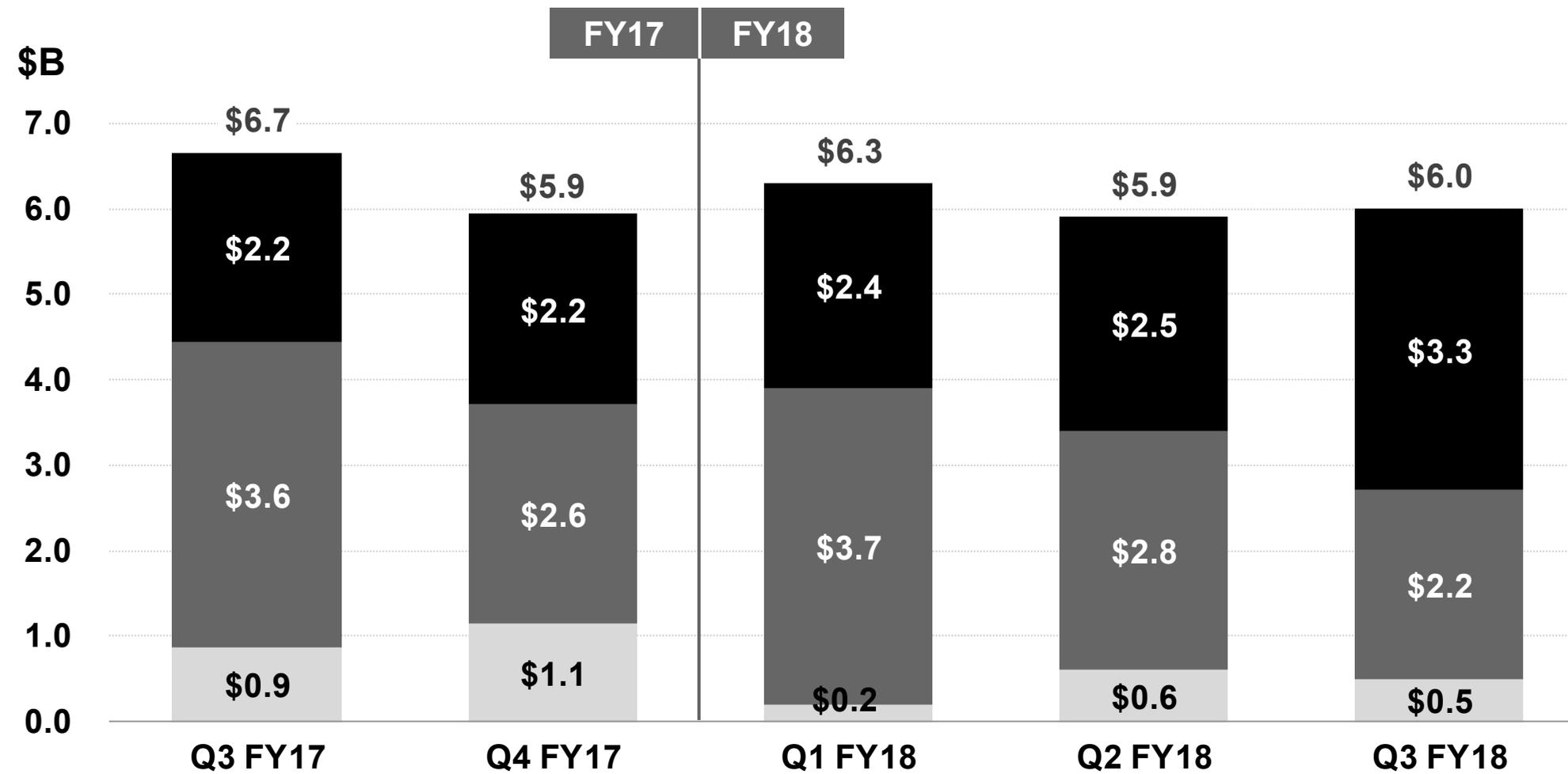
\$7.50 – \$8.00

Adjusted Free Cash Flow

90% of Adj. Net Income⁽¹⁾

¹ Excludes restructuring costs, pension and OPEB actuarial and settlement gains, transaction and integration-related costs, amortization of acquired intangible assets, and tax adjustment

Bookings⁽¹⁾



GBS Global Business Services

GIS Global Infrastructure Services

USPS U.S. Public Sector

¹ The summation of the quarter bookings number may not equal the full-year number, due to rounding



3rd Quarter FY 2018 Earnings Presentation

Supplemental Information

Q2 FY18 segment profitability adjustment

- Q2 FY18 segment profitability as reported included the cumulative benefit from the reclassification of HPES operating leases to capitalized leases and the corresponding adjustment of the related assets to fair value
- The table below adjusts Q2 FY18 segment profitability to exclude the amount of lease reclassification benefit related to Q1 FY18

Q2 FY18 segment profitability adjustment			
(in millions)	Q2 FY18 segment profitability (as reported)	Lease reclassification impact related to Q1 FY18	Segment profitability excluding impact of Q1 FY18 lease reclassifications
GBS profit	380	1	379
GIS profit	469	43	426
USPS profit	109	16	93
All other profit (loss)	(82)	1	(83)
Adjusted EBIT (\$M)	876	61	815
GBS profit margin	16.4%	0.0%	16.4%
GIS profit margin	14.9%	1.4%	13.6%
USPS profit margin	15.4%	2.3%	13.1%
Adjusted EBIT margin	14.2%	1.0%	13.2%

Non-GAAP reconciliations

Adjusted EBIT

(in millions)	Q3 FY18	Pro forma combined company Q3 FY17	YTD FY18	Pro forma combined company YTD FY17
Net income (loss) ⁽¹⁾	\$ 779	\$ (166)	\$ 1,217	\$ (570)
Income tax (benefit) expense	(341)	277	(207)	128
Interest income	(27)	(18)	(59)	(59)
Interest expense	77	55	231	232
EBIT	488	148	1,182	(269)
Restructuring costs	213	214	595	646
Transaction and integration-related costs	94	126	284	282
Amortization of acquired intangible assets	149	119	438	352
Pension and OPEB actuarial and settlement (gains) losses	(17)	-	(17)	198
Certain overhead costs	-	19	-	107
Adjusted EBIT	\$ 927	\$ 626	\$ 2,482	\$ 1,316

	Q3 FY18	Pro forma combined company Q3 FY17	YTD FY18	Pro forma combined company YTD FY17
Adjusted EBIT margin (%)	15.0%	9.5%	13.6%	6.8%
EBIT margin (%)	7.9%	2.2%	6.5%	(1.4%)

¹ Net income (loss) does not reflect the revised PPA and related fair value adjustments of \$96 million in Q3 FY17 and \$292 million in FY17 on a year-to-date basis

Non-GAAP reconciliations

Segment profit

(in millions)	Q3 FY18	Pro forma combined company Q3 FY17	YTD FY18	Pro forma combined company YTD FY17
GBS profit	\$ 431	\$ 338	\$ 1,093	\$ 889
GIS profit	463	317	1,222	540
USPS profit	110	96	296	245
All other loss	(77)	(144)	(129)	(465)
Interest income	27	18	59	59
Interest expense	(77)	(55)	(231)	(232)
Restructuring costs	(213)	(214)	(595)	(646)
Pension and OPEB actuarial and settlement gains	17	-	17	(198)
Amortization of acquired intangible assets	(149)	(119)	(438)	(352)
Transaction and integration-related costs	(94)	(126)	(284)	(282)
Income (loss) before income taxes	\$ 438	\$ 111	\$ 1,010	\$ (442)

Segment profit margins	Q3 FY18	Pro forma combined company Q3 FY17	YTD FY18	Pro forma combined company YTD FY17
GBS profit margin (%)	18.6%	13.9%	15.9%	12.3%
GIS profit margin (%)	14.7%	9.5%	13.2%	5.5%
USPS profit margin (%)	15.2%	11.6%	14.0%	11.1%

Q3 FY18 non-GAAP results

(in millions except EPS)	GAAP	Restructuring costs	Transaction and integration-related costs	Amortization of acquired intangible assets	Pension and OPEB actuarial and settlement gains	Tax adjustment	Non-GAAP results
Cost of services (excludes depreciation and amortization and restructuring costs)	\$ 4,521	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,521
Selling, general and administrative (excludes depreciation and amortization and restructuring costs)	475	-	(94)	-	17	-	398
Income before income taxes	438	213	94	149	(17)	-	877
Income tax (benefit) expense	(341)	52	26	45	(3)	473	252
Net income	779	161	68	104	(14)	(473)	625
Less: net income attributable to noncontrolling interest, net of tax	3	-	-	-	-	-	3
Net income attributable to DXC common stockholders	\$ 776	\$ 161	\$ 68	\$ 104	\$ (14)	\$ (473)	\$ 622
Effective tax rate	(77.9)%						28.7%
Basic EPS ⁽¹⁾	\$ 2.72	\$ 0.56	\$ 0.24	\$ 0.36	\$ (0.05)	\$ (1.66)	\$ 2.18
Diluted EPS ⁽¹⁾	\$ 2.68	\$ 0.56	\$ 0.23	\$ 0.36	\$ (0.05)	\$ (1.63)	\$ 2.15
Weighted average common shares outstanding for:							
Basic EPS	285.38	285.38	285.38	285.38	285.38	285.38	285.38
Diluted EPS	289.77	289.77	289.77	289.77	289.77	289.77	289.77

¹ EPS and per-share values of certain items may not sum to non-GAAP EPS due to rounding

YTD FY18 non-GAAP results

(in millions except EPS)	GAAP	Restructuring costs	Transaction and integration-related costs	Amortization of acquired intangible assets	Pension and OPEB actuarial and settlement gains	Tax adjustment	Non-GAAP results
Cost of services (excludes depreciation and amortization and restructuring costs)	\$ 13,621	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,621
Selling, general and administrative (excludes depreciation and amortization and restructuring costs)	1,557	-	(284)	-	17	-	1,290
Income before income taxes	1,010	595	284	438	(17)	-	2,310
Income tax (benefit) expense	(207)	143	90	148	(3)	473	644
Net income	1,217	452	194	290	(14)	(473)	1,666
Less: net income attributable to noncontrolling interest, net of tax	26	-	-	-	-	-	26
Net income attributable to DXC common stockholders	\$ 1,191	\$ 452	\$ 194	\$ 290	\$ (14)	\$ (473)	\$ 1,640
Effective tax rate	(20.5)%						27.9%
Basic EPS ⁽¹⁾	\$ 4.18	\$ 1.59	\$ 0.68	\$ 1.02	\$ (0.05)	\$ (1.66)	\$ 5.76
Diluted EPS ⁽¹⁾	\$ 4.11	\$ 1.56	\$ 0.67	\$ 1.00	\$ (0.05)	\$ (1.63)	\$ 5.66
Weighted average common shares outstanding for:							
Basic EPS	284.70	284.70	284.70	284.70	284.70	284.70	284.70
Diluted EPS	289.53	289.53	289.53	289.53	289.53	289.53	289.53

¹ EPS and per-share values of certain items may not sum to non-GAAP EPS due to rounding

Q3 FY17 non-GAAP results

(in millions except EPS)	Pro forma combined company	Restructuring costs	Transaction and integration-related costs	Amortization of acquired intangible assets	Pension and OPEB actuarial and settlement losses	Certain overhead costs	Tax adjustment	Non-GAAP results
Cost of services (excludes depreciation and amortization and restructuring costs)	\$ 5,015	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,015
Selling, general and administrative (excludes depreciation and amortization and restructuring costs)	689	-	(126)	-	-	(19)	-	544
Income before income taxes	111	214	126	119	-	19	-	589
Income tax expense	277	-	-	-	-	-	(112)	165
Net (loss) income ⁽¹⁾	(166)	214	126	119	-	19	112	424
Less: net income attributable to noncontrolling interest, net of tax	8	-	-	-	-	-	-	8
Net (loss) income attributable to DXC common stockholders ⁽¹⁾	\$ (174)	\$ 214	\$ 126	\$ 119	\$ -	\$ 19	\$ 112	\$ 416
Effective tax rate	249.5%							28.0%
Basic EPS ⁽¹⁾⁽²⁾	\$ (0.61)	\$ 0.76	\$ 0.44	\$ 0.42	\$ -	\$ 0.07	\$ 0.40	\$ 1.47
Diluted EPS ⁽¹⁾⁽²⁾	\$ (0.61)	\$ 0.75	\$ 0.44	\$ 0.41	\$ -	\$ 0.07	\$ 0.39	\$ 1.45
Weighted average common shares outstanding for:								
Basic EPS	283.16	283.16	283.16	283.16	283.16	283.16	283.16	283.16
Diluted EPS	283.16	287.09	287.09	287.09	287.09	287.09	287.09	287.09

¹ Net (loss) income and EPS do not reflect the revised PPA and related fair value adjustments of \$96 million and \$0.34 for Q3 FY17

² EPS and per-share values of certain items may not sum to non-GAAP EPS due to rounding

YTD FY17 non-GAAP results

(in millions except EPS)	Pro forma combined company	Restructuring costs	Transaction and integration-related costs	Amortization of acquired intangible assets	Pension and OPEB actuarial and settlement losses	Certain overhead costs	Tax adjustment	Non-GAAP results
Cost of services (excludes depreciation and amortization and restructuring costs)	\$ 15,293	\$ -	\$ -	\$ -	\$ (150)	\$ -	\$ -	\$ 15,143
Selling, general and administrative (excludes depreciation and amortization and restructuring costs)	2,059	-	(282)	-	(48)	(107)	-	1,622
(Loss) income, before income taxes	(442)	646	282	352	198	107	-	1,143
Income tax expense	128	-	-	-	-	-	190	318
Net (loss) income ⁽¹⁾	(570)	646	282	352	198	107	(190)	825
Less: net income attributable to noncontrolling interest, net of tax	17	-	-	-	-	-	-	17
Net (loss) income attributable to DXC common stockholders ⁽¹⁾	\$ (587)	\$ 646	\$ 282	\$ 352	\$ 198	\$ 107	\$ (190)	\$ 808
Effective tax rate	(29.0)%							27.8%
Basic EPS ⁽¹⁾⁽²⁾	\$ (2.07)	\$ 2.28	\$ 1.00	\$ 1.24	\$ 0.70	\$ 0.38	\$ (0.67)	\$ 2.85
Diluted EPS ⁽¹⁾⁽²⁾	\$ (2.07)	\$ 2.25	\$ 0.98	\$ 1.23	\$ 0.69	\$ 0.37	\$ (0.66)	\$ 2.82
Weighted average common shares outstanding for:								
Basic EPS	283.16	283.16	283.16	283.16	283.16	283.16	283.16	283.16
Diluted EPS	283.16	286.83	286.83	286.83	286.83	286.83	286.83	286.83

¹ Net (loss) income and EPS do not reflect the revised PPA and related fair value adjustments of \$292 million and \$1.03 for FY17 on a year-to-date basis

² EPS and per-share values of certain items may not sum to non-GAAP EPS due to rounding

Adjusted free cash flow

(in millions)	Q3 FY18	YTD FY18
Net cash provided by operating activities	\$ 999	\$ 2,542
Net cash used in investing activities ⁽¹⁾	(217)	220
Acquisitions, net of cash acquired	41	(781)
Payments on capital leases and other long-term asset financings	(289)	(732)
Payments on transaction and other integration-related costs	61	204
Payments on restructuring costs	176	569
Sale of accounts receivables, net DPP	(24)	(4)
Sale of USPS accounts receivables	(61)	(148)
Adjusted free cash flow	\$ 686	\$ 1,870

¹ Excludes capital expenditures financed through our lease credit facility

Non-GAAP and other definitions

Segment profit: Segment revenue less costs of services, segment selling, general and administrative, and depreciation and amortization (excluding amortization of acquired intangible assets)

Segment profit margin: Segment profit as a percentage of 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 and integration-related costs, amortization expense related to acquired intangible assets, pension and OPEB actuarial and settlement gains and losses, and certain overhead costs

Adjusted EBIT margin: Adjusted segment EBIT as a percentage of revenue

Adjusted free cash flow: Equal to the sum of (1) operating cash flows, (2) investing cash flows, excluding business acquisitions, dispositions and investments (including short-term investments and purchase or sale of available for sale securities), and (3) payments on capital leases and other long-term asset financings. Adjusted free cash flow is further adjusted for certain cash flow items, such as (i) payments for transaction and integration-related costs, (ii) restructuring payments, (iii) cash receipts from the sale of accounts receivables

Capital expenditure: Equal to the sum of purchases of property, equipment, and software, payments on outsourcing contracts, and principal 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

