DXC TECHNOLOGY

# 2024 Annual Report

**D**elivering
e**X**cellence for our
**C**ustomers and Colleagues

WE LIVE OUR VALUES

## Deliver

We do what we say we are going to do.

## Do the right thing

We act with integrity.

## Care

We take care of each other and foster a culture of inclusion and belonging.

## Collaborate

We work as a team — globally and locally.

## Community

We believe in stewardship and building a sustainable company that supports our communities.

"I am confident that our strategy will position us on a path toward sustainable and profitable growth in the coming years, and I am excited to lead DXC at this pivotal time in its history."

**Raul Fernandez**
President and Chief Executive Officer of DXC Technology

# Message from our president and CEO

To the shareholders of DXC Technology,

It is my privilege to write to you as DXC's new president and chief executive officer.

During my first months as CEO, I have focused on assessing the strengths, opportunities and challenges across DXC. I have met with customers, partners, employees and investors across the world to hear their insights, perceptions and feedback. These discussions have provided me with a deeper and richer understanding and appreciation of this outstanding company, and they have helped me formulate our path forward for creating long-term shareholder value.

We have an impressive portfolio of assets and technologies; however, it is clear that there are many compelling attributes of DXC that are underappreciated outside of the company. My leadership team is relentlessly focused on unlocking that value through operational discipline, integration, flawless execution and a series of strategic initiatives. We are improving our sales execution by employing an enhanced operating model that better highlights our differentiated offerings and aligns our sales organization by geographic markets. While the path ahead is not without challenges, and it will take some time to achieve our intended results, I am confident you will note our steady progress in the coming quarters.

I believe we have the right team and capabilities in place to capitalize on the many opportunities ahead and continue delivering impactful outcomes for our customers.

### In Global Business Services (GBS):

- We are merging **Analytics & Engineering** and **Applications** into a combined **Consulting & Engineering Services** business to improve our customer experience and employee engagement while removing areas of duplication to drive better profitability. This business has an extensive history of driving change for some of the world's biggest brands. Our deep domain expertise in areas including financial services, automotive and manufacturing, and the public sector, coupled with our rich analytics, AI and software development capabilities, equips us to lead our customers through their digital transformation journeys.

- In our **Insurance Software & Business Process Services (BPS)** business, we are the category leader in software and services for life and wealth, global specialty, and reinsurance providers. Our technology and services process 1 in 5 property and casualty transactions worldwide, and our customer base includes 21 of the top 25 global insurance carriers. This business boasts strong recurring and reoccurring revenue, along with very strong customer retention and an average customer tenure of 18 years, and we see opportunities to explore new geographic markets and revenue mix with our innovative software products.

### In Global Infrastructure Services (GIS):

- Our **Cloud Infrastructure & IT Outsourcing (ITO)** offering helps many of the world's most recognized brands modernize their technology stack. As one of the largest service providers in the industry with a strong customer NPS, we are well positioned to help customers securely operate the systems their businesses rely on. Many of the world's largest airlines, energy companies and financial institutions, as well as large government organizations, count on DXC for the systems at the heart of their business. We are helping our customers modernize securely for the future and operate confidently across a wide range of environments, from legacy core mainframes to cutting edge serverless cloud environments such as Microsoft Azure, Google Cloud Platform and Amazon Web Services, for which we have more than 30,000 overall cloud certifications. Building on this foundation, we are increasing our focus on delivering as-a-service offerings across multiple platforms.

- In **Modern Workplace**, our solutions play a pivotal role in providing easy access to the services our customers' employees need. The employee experience is more important than ever, and we support more than 7 million devices for our customers' employees, all day, every day. In support of our customers' digital strategies, we are driving more AI embedded solutions aimed at delivering near-touchless support for quick resolution of problems, enabling greater productivity and enhanced levels of engagement.

- Cybersecurity is a top C-suite concern and a core competency for DXC. Our **Security** offering equips customers with essential solutions that help them assess risks and fortify resilience in their IT infrastructure and operations. Around the world, more than 3,000 DXC security professionals work in eight security operations centers to provide around-the-clock coverage for our customers. As the pace and complexity of cybersecurity incidents increase, we are extending our focus beyond integration with DXC's other offerings to better support the changing needs of our customers and to enable growth.

## Fiscal year 2024 performance

Our fiscal year 2024 results were impacted by the challenges related to macroeconomic uncertainty and geopolitical risks affecting the markets of the customers we serve. Despite this difficult operating environment, DXC continued to distinguish itself as a provider of critical and transformational services and solutions for our customers and was able to generate significant cash flow and return capital to shareholders. Financial results for the year include the following:*

- Total revenue was $13.7 billion, representing a 5.3% year-over-year decline, or a decline of 4.1% on an organic basis.
- GBS revenue declined 2.0% year over year, or was up 1.4% on an organic basis.
- GIS revenue declined 8.3% year over year, or declined 9.3% on an organic basis.
- EBIT was $193 million, with a corresponding margin of 1.4%, and adjusted EBIT was $1.0 billion, with a corresponding margin of 7.4%.
- Diluted earnings per share (EPS) was $0.46, increased from $(2.48) in the prior year, and non-GAAP diluted EPS was $3.13, down 10% year over year.
- Operating cash flow of $1,361 million, less capital expenditures of $605 million, resulted in free cash flow of $756 million, representing the third consecutive year where DXC generated more than $700 million in free cash flow.
- We returned more than $880 million of capital to shareholders, repurchasing approximately 18% of our outstanding shares in fiscal year 2024.

In conclusion, it is an honor to lead this renowned global IT services company that is dedicated to delivering excellence for our customers and colleagues. Our global teams are committed to helping our customers run their mission-critical systems and operations, which is why we are a trusted partner to more than 200 companies in the Fortune 500.

We are embarking on a journey to simplify and improve our operational efficiency. By doing so, we will create a more streamlined, agile and competitive organization. To lead these changes, we have assembled an accomplished team of leaders with proven records of success. I am confident that our strategy will position us on a path toward sustainable and profitable growth in the coming years, and I am excited to lead DXC at this pivotal time in its history. Our success will be defined by our ability to execute, and I am determined to drive the transformation of our company as quickly as possible.

Lastly, I would like to thank our global teams, whose dedication and tireless efforts enable us to deliver the mission-critical services our customers entrust to us.

Regards,

**Raul Fernandez**
President and Chief Executive Officer

*Please see non-GAAP reconciliations of EBIT margin and adjusted EBIT margin to GAAP net income margin provided at the end of this annual report. Please see non-GAAP reconciliations of organic revenue growth, EBIT, adjusted EBIT and non-GAAP diluted EPS to their respective most directly comparable GAAP measures in the Form 10-K for the year ended March 31, 2024 (the “Form 10-K”), included as part of this annual report.

All statements in this annual report that do not directly and exclusively relate to historical facts constitute “forward-looking statements.” For more information, please see “Cautionary Statement Regarding Forward-Looking Statements” included in the Form 10-K.

## RECOGNITION HIGHLIGHTS

CDP
DISCLOSURE INSIGHT ACTION

DXC Technology achieved an A- rating for leadership in corporate disclosure transparency and performance on climate change from global environmental nonprofit CDP.

MSCI ESG RATINGS AA

| CCC | B | BB | BBB | A | AA | AAA |
| --- | --- | --- | --- | --- | --- | --- |

MORNINGSTAR | SUSTAINALYTICS
ESG 2024
INDUSTRY TOP RATED

SILVER | Top 15%
ecovadis
Sustainability Rating
APR 2024

AMERICA'S MOST RESPONSIBLE COMPANIES 2024
Newsweek
statista

AMERICA'S BEST MANAGEMENT CONSULTING FIRMS
Forbes 2023
POWERED BY STATISTA

DEI BEST PLACE TO WORK FOR DISABILITY INCLUSION 2023
100 DISABILITY EQUALITY INDEX

**UNITED STATES**
**SECURITIES AND EXCHANGE COMMISSION**
**WASHINGTON, D.C. 20549**
**FORM 10-K**

**(Mark One)**

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the fiscal year ended March 31, 2024**

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from __________________ to __________________

Commission File No.: 1-4850

# DXC TECHNOLOGY COMPANY

(Exact name of registrant as specified in its charter)

| **Nevada** | **61-1800317** |
|---|---|
| (State or other jurisdiction of incorporation or organization) | (I.R.S. Employer Identification No.) |

**20408 Bashan Drive, Suite 231**
**Ashburn, Virginia 20147**
(Address of principal executive offices and zip code)

Registrant's telephone number, including area code: **(703) 972-9700**

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class | Trading Symbol(s) | Name of each exchange on which registered |
|---|---|---|
| **Common Stock, $0.01 par value per share** | **DXC** | **The New York Stock Exchange** |
| **1.750% Senior Notes Due 2026** | **DXC 26** | **The New York Stock Exchange** |

Securities registered pursuant to Section 12(g) of the Act: **None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. ☒ Yes ☐ No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. ☐ Yes ☒ No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). ☒ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

| | | | |
|---|---|---|---|
| Large Accelerated Filer | ☒ | Accelerated Filer | ☐ |
| Non-accelerated Filer | ☐ | Smaller reporting company | ☐ |
| | | Emerging growth company | ☐ |

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act).
☐ Yes ☒ No

The aggregate market value of the registrant's common stock held by non-affiliates of the registrant on September 29, 2023, the last business day of the registrant's most recently completed second fiscal quarter, based upon the closing price of a share of the registrant's common stock on that date, was $4,056,482,026.

178,912,976 shares of common stock, par value $0.01 per share, were outstanding as of May 6, 2024.

**DOCUMENTS INCORPORATED BY REFERENCE**

Portions of the registrant's definitive Proxy Statement relating to its 2024 Annual Meeting of Stockholders (the "2024 Proxy Statement"), which will be filed with the Securities and Exchange Commission pursuant to Regulation 14A within 120 days after the registrant's fiscal year end of March 31, 2024, are incorporated by reference into Part III of this Annual Report on Form 10-K where indicated.

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## CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

*All statements and assumptions contained in this Annual Report on Form 10-K and in the documents incorporated by reference that do not directly and exclusively relate to historical facts constitute "forward-looking statements." Forward-looking statements often include words such as "anticipates," "believes," "estimates," "expects," "forecast," "goal," "intends," "objective," "plans," "projects," "strategy," "target," and "will" and words and terms of similar substance in discussions of future operating or financial performance. These statements represent current expectations and beliefs, and no assurance can be given that the results described in such statements will be achieved.*

*Forward-looking statements include, among other things, statements with respect to our future financial condition, results of operations, cash flows, business strategies, operating efficiencies or synergies, divestitures, competitive position, growth opportunities, share repurchases, dividend payments, plans and objectives of management and other matters. 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.*

*Important factors that could cause actual results to differ materially from those described in forward-looking statements include, but are not limited to:*

- *our inability to succeed in our strategic objectives;*
- *the risk of liability, reputational damages or adverse impact to business due to service interruptions, from security breaches, cyber-attacks, other security incidents or disclosure of confidential information or personal data;*
- *compliance, or failure to comply, with obligations arising under new or existing laws, regulations, and customer contracts relating to the privacy, security and handling of personal data;*
- *our product and service quality issues;*
- *our inability to develop and expand our service offerings to address emerging business demands and technological trends, including our inability to sell differentiated services amongst our offerings;*
- *our inability to compete in certain markets and expand our capacity in certain offshore locations and risks associated with such offshore locations, such as the on-going conflict between Russia and Ukraine;*
- *failure to maintain our credit rating and ability to manage working capital, refinance and raise additional capital for future needs;*
- *difficulty in understanding the changes to our business model by financial or industry analysts or our failure to meet our publicly announced financial guidance;*
- *public health crises such as the COVID-19 pandemic;*
- *our indebtedness and potential material adverse effect on our financial condition and results of operations;*
- *the competitive pressures faced by our business;*
- *our inability to accurately estimate the cost of services, and the completion timeline of contracts;*
- *failure by us or third party partners to deliver on commitments or otherwise breach obligations to our customers;*
- *the risks associated with climate change and natural disasters;*
- *increased scrutiny of, and evolving expectations for, sustainability and environmental, social and governance ("ESG") initiatives;*
- *our inability to attract and retain key personnel and maintain relationships with key partners;*
- *the risks associated with prolonged periods of inflation or current macroeconomic conditions, including the current decline in economic growth rates in the United States and in other countries, the possibility of reduced spending by customers in the areas we serve, the uncertainty related to our cost-takeout efforts, continuing unfavorable foreign exchange rate movements, and our ability to close new deals in the event of an economic slowdown;*
- *the risks associated with our international operations, such as risks related to currency exchange rates;*
- *our inability to comply with existing and new laws and regulations, including social and environmental responsibility regulations, policies and provisions, as well as customer and investor demands;*
- *our inability to achieve the expected benefits of our restructuring plans;*
- *our inadvertent infringement of third-party intellectual property rights or infringement of our intellectual property rights by third parties;*
- *our inability to procure third-party licenses required for the operation of our products and service offerings;*
- *risks associated with disruption of our supply chain;*
- *our inability to maintain effective disclosure controls and internal control over financial reporting;*
- *potential losses due to asset impairment charges;*
- *our inability to pay dividends or repurchase shares of our common stock;*
- *pending investigations, claims and disputes and any adverse impact on our profitability and liquidity;*

- *disruptions in the credit markets, including disruptions that reduce our customers' access to credit and increase the costs to our customers of obtaining credit;*
- *counterparty default risk in our hedging program;*
- *our failure to bid on projects effectively;*
- *financial difficulties of our customers and our inability to collect receivables;*
- *our inability to maintain and grow our customer relationships over time and to comply with customer contracts or government contracting regulations or requirements;*
- *our inability to succeed in our strategic transactions;*
- *changes in tax rates, tax laws, and the timing and outcome of tax examinations;*
- *risks following the merger of Computer Sciences Corporation ("CSC") and Enterprise Services business of Hewlett Packard Enterprise Company's ("HPES") businesses, including anticipated tax treatment, unforeseen liabilities and future capital expenditures;*
- *risks following the spin-off of our former U.S. Public Sector business (the "USPS") and its related mergers with Vencore Holding Corp. and KeyPoint Government Solutions in June 2018 to form Perspecta Inc. (including its successors and permitted assigns, "Perspecta") (collectively, the "USPS Separation and Mergers");*
- *volatility of the price of our securities, which is subject to market and other conditions; and*
- *the other factors described under Item 1A. "Risk Factors."*

*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. Any forward-looking statement made by us in this Annual Report on Form 10-K speaks only as of the date on which this Annual Report on Form 10-K was first filed. 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 report or to reflect the occurrence of unanticipated events, except as required by law. We make certain ESG and sustainability-related disclosures in this Annual Report on Form 10-K; our inclusion of those disclosures is in response to certain areas of stakeholder interest, and should not be read as implying that such disclosures are necessarily material to our operations, strategy or financial statements.*

*We provide information herein and on our website, including in our voluntary ESG-related reporting, that is not necessarily "material" under the U.S. federal securities laws for Securities and Exchange Commission (the "SEC") reporting purposes, even if we use the term "material" or "materiality" herein, on our website and in our external ESG disclosures, or in other materials that we may release from time to time in connection with our ESG efforts, goals and initiatives. For example, we include climate risk cost estimates in our voluntary climate change-related reporting, and these estimates, which are based on assumptions, we do not currently consider material as that term is defined under the U.S. federal securities laws. Any such ESG-related information, whether included herein, on our website or otherwise, may be informed by definitions of materiality other than the definition under the U.S. federal securities laws and may be informed by various ESG standards and frameworks (including SASB, TCFD, CDP and GRI standards as well as standards for the measurement of underlying data) and the interests of various stakeholders. Given the inherent uncertainty of such information, estimates, assumptions and timelines contained in our ESG-related disclosures, we may not be able to anticipate in advance whether or the degree to which such matters are "material" under the U.S. federal securities laws or whether we will or will not be able to meet our plans, targets or goals.*

*Furthermore, much of this information is subject to assumptions, estimates, or third-party information that is still evolving and subject to change. For example, we note that methodologies regarding the calculation of greenhouse gas emissions metrics as well as any associated reductions are still evolving, Our disclosures may change due to revisions in framework requirements, availability or quality of information, changes in our business or applicable government policies, changing stakeholder focus, or other factors, some of which may be beyond our control. However, we cannot guarantee that any changes will strictly align with particular standards, frameworks, or the methodological preferences of particular stakeholders. We may also rely on third-party information, standards, and certifications, which may change over time as methodologies and data availability and quality continue to evolve. These factors, as well as any inaccuracies or methodological concerns with the third-party data and frameworks we use, including in our own estimates or assumptions in response to such frameworks, may cause results to differ materially, and adversely, from estimates and beliefs made by us or third parties, including regarding our ability to achieve our goals. While we are not aware of any material flaws with the third-party information we have used, except to the extent disclosed, we have not undertaken to independently verify this information or the assumptions or other methodological aspects underlying such information.*

Throughout this report, we refer to DXC Technology Company, together with its consolidated subsidiaries, as “we,” “us,” “our,” “DXC,” or the “Company.” In order to make this report easier to read, we also refer throughout to (i) our Consolidated Financial Statements as our “financial statements,” (ii) our Consolidated Statements of Operations as our “statements of operations,” (iii) our Consolidated Statements of Comprehensive Income (Loss) as the "statements of comprehensive income,"(iv) our Consolidated Balance Sheets as our “balance sheets” and (v) our Consolidated Statements of Cash Flows as our “statements of cash flows.” In addition, references throughout to numbered “Notes” refer to the numbered Notes to our Financial Statements that we include in the Financial Statements section of this report.

# PART I

## ITEM 1. BUSINESS

### Overview

DXC, a Nevada corporation, is a global IT services market leader. We provide mission-critical IT services that transform global businesses. We deliver excellence for our customers and colleagues around the world.

Our approximately 130,000 people in about 65 countries are entrusted by our customers, who represent close to half of today’s Fortune 500 companies. We operate through two segments: Global Business Services ("GBS") and Global Infrastructure Services ("GIS"), to provide solutions that modernize operations and drive innovation across our customers' entire IT estate.

DXC was formed on April 1, 2017 by the merger of CSC and HPES (the "HPES Merger").

### Segments and Services

Our reportable segments are GBS and GIS.

#### *Global Business Services*

GBS provides innovative technology solutions that help our customers address key business challenges and accelerate transformations tailored to each customer’s industry and specific objectives. GBS offerings include:

- *Analytics and Engineering.* Our portfolio of analytics services and extensive partner ecosystem help customers gain rapid insights, automate operations, and accelerate their transformation journeys. We provide software engineering, consulting, and data analytics solutions that enable businesses to run and manage their mission-critical functions, transform their operations, and develop new ways of doing business.
- *Applications.* We help simplify, modernize and accelerate mission-critical applications that support business agility and growth through our Applications services. We are the engineers that enable our customers to take advantage of the latest digital platforms with both customized and pre-packaged applications, ensure resiliency, launch new products and enter new markets with minimal disruption. We help customers define, execute and manage their enterprise applications strategy.
- *Insurance Software and Business Process Services.* We partner with insurance clients, to modernize and run IT systems, provide proprietary modular insurance software and platforms, and operate the full spectrum of insurance business process services. We also help operate and continuously improve bank cards, payment and lending processes and operations, and customer experience operations.

*Global Infrastructure Services*

GIS provides a portfolio of technology offerings that deliver predictable outcomes and measurable results while reducing business risk and operational costs for customers. GIS offerings include:

- *Security.* Our Security services help customers assess risk and proactively address all facets of the security environment, from threat intelligence to compliance. We leverage proven methodologies, intelligent automation and industry-leading partners to tailor security solutions to customers' unique business needs. Our experts weave cyber resilience into IT security, operations and culture. Whether migrating to the cloud, protecting data with a Zero Trust strategy or managing a security operations center, our Security services enable our customers to focus on their business.
- *Cloud Infrastructure and IT Outsourcing ("ITO")*. We enable customers to do Cloud Right™, making the right investments at the right time and on the right platforms. We orchestrate hybrid cloud and multicloud environments, ensuring private and public clouds, servers and mainframes operate effectively together. We provide companies with tailored plans for cloud migration and optimization to enable successful transformation. We leverage our deep expertise in legacy IT and drive innovation with reliable, secure, mission-critical IT Outsourcing services – from compute and data center, to storage and backup, to network, to mainframe and to business continuity – providing a clear path to modernization.
- *Modern Workplace.* Our Modern Workplace services put the employee experience first, helping them achieve new levels of productivity, engagement and collaboration while working seamlessly and securely on any device. Organizations are empowered to deliver a consumer-like experience, centralize IT management and support services, and improve the total cost of ownership.

See Note 19 - "Segment and Geographic Information" for additional information related to our reportable segments, including the disclosure of segment revenues, segment profit, and financial information by geographic area.

**Important Divestitures**

During the past three fiscal years, we completed certain divestitures, including:

- During fiscal 2023, DXC completed the sale of its German financial services subsidiary to the FNZ Group.
- During fiscal 2022, DXC completed the sale of its healthcare provider software business to Dedalus Holding S.p.A.
- In addition, during the past three fiscal years, DXC completed the sale of certain insignificant businesses.

See Note 2 - "Divestitures" for further information on divestitures.

**Sales and Marketing**

We market and sell our services to customers through our direct sales force, which operates out of various locations around the world. Our customers include commercial businesses of many sizes and across many industries, as well as public sector enterprises. No individual customer exceeded 10% of our consolidated revenues for fiscal 2024, fiscal 2023, or fiscal 2022.

**Seasonality**

General economic conditions have an impact on our business and financial results. The markets in which we sell our solutions, services and products occasionally experience weak economic conditions that may negatively affect sales. We also experience some seasonal trends in the sale of our services. For example, contract awards and certain revenue are often tied to the timing of our customers' fiscal year-ends, and we also experience seasonality related to our own fiscal year-end selling activities.

## Competition

The IT and professional services markets we compete in are highly competitive and are not dominated by a single company or a small number of companies. A substantial number of companies offer services that overlap our offerings and are competitive with our services. In addition, the increased importance of offshore labor centers has brought several foreign-based competitors into our markets.

Our competitors include:

- large multinational enterprises that offer some or all of the services and solutions that we offer;
- smaller companies that offer focused services and solutions similar to those that we offer;
- offshore service providers in lower-cost locations, particularly in India that sell directly to end-users;
- solution or service providers that compete with us in a specific industry segment or service area; and
- in-house functions of corporations that use their own resources rather than engaging an outside IT services provider.

The principal methods of competition in the markets for our solutions and services include:

- vision and strategic advisory ability;
- integrated solutions capabilities;
- performance and reliability;
- global and diverse talent;
- delivery excellence and ongoing support;
- responsiveness to customer needs;
- competitive pricing of services;
- technical and industry expertise;
- reputation and experience;
- quality of solutions and services; and
- financial stability and strong corporate governance.

Our ability to obtain new business and retain existing business is dependent upon the following:

- technology, industry and systems know-how with an independent perspective on best solutions across software, hardware, and service providers;
- ability to offer improved strategic frameworks and technical solutions;
- investments in our services and solutions;
- focus on responsiveness to proactively address customer needs, provide quality services and competitive prices;
- successful management of our relationships with leading strategic and solution partners in hardware, networking, cloud, applications and software;
- project management experience and capabilities, including delivery;
- end-to-end spectrum of IT and professional services we provide; and
- financial stability and strong corporate governance.

## Intellectual Property

We rely on a combination of trade secrets, patents, copyrights, and trademarks, as well as contractual protections to protect our business interests. While our technical services and products are not generally dependent upon patent protection, we do selectively seek patent protection for certain inventions likely to be incorporated into products and services or where obtaining such proprietary rights will improve our competitive position.

As our patent portfolio has been built over time, the remaining terms of the individual patents across the patent portfolio vary. We believe that our patents and patent applications are important for maintaining the competitive differentiation of our solutions and services and enhancing our freedom to sell solutions and services in markets in which we choose to participate.

Additionally, we own or have rights to various trademarks, service marks, and trade names that are used in the operation of our business. We also own or have the rights to copyrights that protect the content of our products and other proprietary materials.

In addition to developing our intellectual property portfolio, we license intellectual property rights from third parties as we deem appropriate. We have also granted and plan to continue to grant licenses to others under our intellectual property rights when we consider these arrangements to be in our interest.

**Environmental, Social and Governance (ESG)**

The governance of DXC's ESG program is a multitiered process involving our Board of Directors (the "Board"), members of our executive staff and internal leadership. Our Board provides oversight of our ESG program, enabling us to have the governance, long-term strategy and processes to manage ESG outcomes and meet the needs of our stakeholders. The Nominating/Corporate Governance Committee of our Board has specific oversight of ESG. Our ESG leadership team updates the committee quarterly on ESG status and provides an update to the full Board annually.

Our ESG strategy reflects our ongoing commitment to being a responsible corporate citizen. DXC has been a signatory of the United Nations Global Compact ("UNGC") since the inception of our Company in 2017, and we are committed in our efforts to align with the UNGC's Ten Principles for responsible business practices. We are proud to be part of the global movement to reduce the impact of climate change on the world, and we are dedicated to driving sustainable growth by setting ambitious emissions reduction targets, which have been validated by the Science Based Targets initiative (the "SBTi") under the SBTi corporate near-term criteria.

We strive to reduce our impact on the environment and improve resource efficiency in the areas of energy consumption, data center management and travel and transportation. Our conservation efforts are supported in part by our shift to a virtual-first operating model, which enables our workforce to be largely remote and helps us reduce our overall direct energy consumption, which in turn helps to reduce our greenhouse gas emissions. While the virtual-first model mainly helps reduce the size of our office footprint, we are also pursuing efficiency programs for data centers and data center rationalization programs to reduce energy consumption.

DXC also partners with customers to help them achieve their own climate-related goals. In response to shifting customer demand, we offer a number of products and services that can have a significant impact on our customers' sustainability objectives, delivering climate-related benefits far greater than what we could achieve alone through our internal carbon-reduction efforts. Based on reports from our customers, offerings such as DXC Modern Workplace, cloud migration services and data-driven sustainability services can directly reduce carbon emissions for our customers.

Additional information about our ESG initiatives is available on our website at *http://dxc.com/us/en/about-us/corporate-responsibility*. The information on our website, including our voluntary ESG-related reporting, is not incorporated by reference into, and is expressly not a part of, this report.

**Environmental Regulation**

Our operations are subject to regulation under various federal, state, local, and foreign laws concerning the environment and sustainability, including laws addressing the discharge of pollutants into the air and water, the management and disposal of hazardous substances and wastes, and the clean-up of contaminated sites. Certain laws may also impose liability without regard to fault or the legality of the original conduct. Environmental costs and accruals are presently not material to our operations, cash flows or financial position; and, we do not currently anticipate material capital expenditures for environmental control facilities. However, we could incur substantial costs including clean-up costs, fines and civil or criminal sanctions and third-party damage or personal injury claims if we were to violate or become liable under existing and future environmental laws or legislation.

**Human Capital Management**

As a leading global information technology services company, we attract highly skilled and educated people from around the world. At DXC, we value our people and the opportunity to engage with them - we are at our best when our people feel valued and respected.

### *Value of Employee Engagement*

We prioritize our employees and actively take steps to enhance their engagement. Drawing from feedback collected through regular engagement surveys, our management has introduced several initiatives to enhance the employee experience. These include measures such as rewards and recognition, transparent communication, process enhancements, and utilization of various platforms like Global Talent Management, Coaching & Mentoring, and Career Development programs. Additionally, global recognition efforts contribute to fostering positive employee experiences and engagement.

### *Training and Development*

At DXC, we consider professional development a corporate responsibility and a strategic investment in both our employees' growth and the Company's future. Through our global learning management ecosystem, we provide a wide range of learning programs and a robust career development system to empower employees to reach their full potential. Encouraging continuous learning, personal growth, and exploration of new opportunities contributes to our ability to retain a motivated and knowledgeable workforce. At DXC, assessing employee abilities and recognizing their contributions is fundamental to our development approach. Our self-directed learning culture allows employees to learn at their own pace and in an environment that suits their preferences. Additionally, we emphasize the critical role of managers in supporting and guiding our people toward success.

### *Inclusion & Diversity*

We are committed to an inclusive and diverse workforce and seek to promote inclusion and diversity in legally compliant manners, including maintenance of policies regarding non-discrimination, anti-harassment, and equal employment opportunity.

### *Human Rights*

We are committed to the protection and advancement of human rights and to enabling our operations in communities around the world to function with integrity. DXC is firmly committed to seeking to prevent modern slavery and the exploitation of vulnerable groups. Our main human rights–related focus areas are adopting policies and practices aimed at preventing human rights abuses through our large and diverse global supply chain and supporting a diverse and inclusive corporate culture. DXC's Responsible Supply Chain Principles outline the human rights and environmental stewardship we expect from our suppliers.

## Available Information

We use our corporate website, *www.dxc.technology*, as a routine channel for distributing important information, including detailed company information, financial news, SEC filings, Annual Reports, historical stock information and links to a recent earnings call webcast. DXC's Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, all amendments to those reports, and the Proxy Statements for our Annual Meetings of Stockholders are made available, free of charge, on our corporate website as soon as reasonably practicable after such reports have been filed with or furnished to the SEC. They are also available through the SEC at *www.sec.gov.* Our corporate governance guidelines, Board committee charters (including the charters of the Audit Committee, Compensation Committee and Nominating/Corporate Governance Committee) and code of ethics entitled "Code of Conduct" are also available on our website. The information on our website is not incorporated by reference into, and is not a part of, this report.

## Information About Our Executive Officers

| Name | Age | Year First Elected as Officer | Term as an Officer | Position Held with the Registrant as of the filing date | Family Relationship |
|---|---|---|---|---|---|
| Raul Fernandez | 57 | 2023 | Indefinite | President and Chief Executive Officer | None |
| Rob Del Bene | 64 | 2023 | Indefinite | Executive Vice President and Chief Financial Officer | None |
| Howard Boville | 56 | 2023 | Indefinite | General Manager, Applications Services and Artificial Intelligence | None |
| James M. Brady | 57 | 2023 | Indefinite | Executive Vice President and Chief Operating Officer | None |
| Christopher R. Drumgoole | 49 | 2021 | Indefinite | General Manager, Cloud Infrastructure & ITO | None |
| Matthew K. Fawcett | 56 | 2024 | Indefinite | Executive Vice President and General Counsel | None |
| Mary E. Finch | 55 | 2019 | Indefinite | Executive Vice President, Chief Human Resources Officer and Global Lead, Marketing & Communication | None |
| Christopher A. Voci | 52 | 2021 | Indefinite | Senior Vice President, Corporate Controller and Principal Accounting Officer | None |
| Andrew Wilson | 58 | 2023 | Indefinite | General Manager, Modern Workplace | None |

## Business Experience of Executive Officers

***Raul Fernandez*** serves as President and Chief Executive Officer of DXC since February 1, 2024. He previously served as Interim President and Chief Executive Officer of DXC from December 18, 2023, to January 31, 2024. Mr. Fernandez has served as a member of our Board of Directors since August 13, 2020. He is Vice Chairman and co-owner of Monumental Sports & Entertainment, a private partnership which owns some of Washington, D.C.'s major sports franchises. Mr. Fernandez brings more than three decades of executive experience scaling innovative and rapidly growing technology companies. Mr. Fernandez was the founder of Proxicom, which under his leadership evolved into a prominent early global provider of e-commerce solutions for Fortune 500 companies, Mr. Fernandez guided the growth of Proxicom from its launch in 1991 to public listing in 1999. Proxicom was acquired by Dimension Data. From 2000 to 2002, he served as Chief Executive Officer for Dimension Data North America, an information systems integration company, and as a director of its parent company, Dimension Data Holdings Plc, in 2001. He also served as Chairman and CEO for ObjectVideo, a leading developer of intelligent video surveillance software, which was sold to Alarm.com in 2017. He was also a member of President George W. Bush's Council of Advisors on Science and Technology. Mr. Fernandez has also served on the board of directors of several public companies, including Broadcom, Inc. from January 2020 to April 2024, GameStop Corp. from April 2019 to June 2021, and Kate Spade & Co. from 2000 until its acquisition by Coach, Inc. in July 2017. Mr. Fernandez currently serves on the board of directors of NeuroSync, a neuro health technology company that utilizes artificial intelligence to develop eye-tracking software and analytic technologies to diagnose and treat neurological impairments and brain health conditions, RemoteRetail, a technology and services company that offers enterprise customers a cloudbased marketplace for their hybrid workforces, and URBANEER, an urban innovation company designing and engineering next generation living spaces. He is also on the Strategic Advisory Board of Volition Capital, a Boston-based growth equity firm, and is a Special Advisor to Carrick Capital Partners, a growth-oriented investment firm.

***Rob Del Bene*** serves as the Executive Vice President and Chief Financial Officer of DXC since June 2023. Before joining DXC, Mr. Del Bene spent 42 years at IBM where he served in various senior finance roles, including most recently as General Manager, IBM Technology Lifecycle Services, IBM's $6 billion technology support business. He also served as IBM's Vice President and Controller; General Manager, IBM Global Financing; and Vice President and Treasurer, along with other senior roles.

***Howard Boville*** serves as General Manager for Applications Services and Artificial Intelligence since September 2023. Before joining DXC, he served as Senior Vice President and Head of IBM Cloud Platform & Technology Lifecycle Services from April 2020 to September 2023. Prior to his role at IBM, Mr. Boville served as Chief Technology Officer at Bank of America from August 2021 to April 2020. He joined Bank of America in August 2012 from British Telecom, where he served in its Global Services Division. Mr. Boville currently serves on the board of Entrust, a global leader in trusted identities, payments and data protection.

***James M. Brady*** serves as Executive Vice President and Chief Operating Officer of DXC since April 2023. He previously served as Executive Vice President of Global Delivery from April 2022 to April 2023 and as President of the Americas Region from June 2020 to April 2022. Before joining DXC, he served as Chief Operating Officer of Accumen Inc., a tech-enabled healthcare performance company, from July 2012 until June 2020. Before joining Accumen Inc., Mr. Brady served in a variety of leadership positions at Accenture from June 2006 until July 2012. Prior to that, Mr. Brady served 20 years at Honeywell in a variety of leadership roles, most recently as vice president of Integrated Supply Chain for the aerospace engines business.

***Christopher R. Drumgoole*** serves as General Manager, Cloud Infrastructure and ITO since April 2023. He previously served as Executive Vice President and Chief Operating Officer of DXC from August 2021 to April 2023 and as Executive Vice President and Chief Information Officer of DXC from April 2020 to August 2021. Before joining DXC, Mr. Drumgoole served as Chief Information Officer at GE from May 2018 to April 2020, where he led the company's global technology operations, including applications, infrastructure, and related shared services. Prior to that role, he was GE's Chief Technology Officer from April 2014 to April 2018. Mr. Drumgoole joined GE from Verizon, where he was Chief Operating Officer of Verizon's Terremark subsidiary, a cloud, hosting, and data center provider, from January 2012 to April 2014. Mr. Drumgoole serves on the Board of Directors of Kodiak Gas Services; on the Advisory Board of Florida International University's College of Engineering & Computing; and on the Board of Directors of ONUG, a forum for IT business leaders interested in open technologies. Mr. Drumgoole previously served on the Board of Directors of PetSmart.

***Matthew K. Fawcett*** serves as Executive Vice President and General Counsel of DXC since April 2024. Before joining DXC, he served at NetApp as Executive Vice President and Chief Strategy Officer from December 2021 to February 2023, as Chief Strategy and Legal Officer from June 2021 to December 2021, and as General Counsel from September 2010 to June 2021. Prior to NetApp, Mr. Fawcett was Senior Vice President and General Counsel for JDS Uniphase from 1999 until August 2010.

***Mary E. Finch*** serves as Executive Vice President, Chief Human Resources Officer and Global Lead, Marketing of DXC since April 2023. She previously served as Executive Vice President and Chief Human Resources Officer of DXC from October 2019 to April 2023. Before joining DXC, Ms. Finch served as Executive Vice President and Chief Human Resources Officer of AECOM from September 2015 to October 2019. Prior to that, she served at Accenture as Senior Managing Director from September 2013 to August 2015 and as Managing Director Human Resources from January 2001 to September 2013, where she held various roles across the company including COO of Human Resources where she drove global delivery of HR services, overseeing operations supporting approximately 320,000 employees across 56 countries and multiple Accenture businesses. Ms. Finch also served as VP Human Resources of Abilizer Solutions Inc. from 2000 to 2001.

***Christopher A. Voci*** serves as Senior Vice President, Corporate Controller and Principal Accounting Officer since June 2021. Before joining DXC, Mr. Voci served as Senior Vice President, Corporate Controller and principal accounting officer for CACI International Inc. from November 2018 to May 2021. From June 2018 to November 2018, Mr. Voci served as Vice President and Controller for the Innovation Systems Sector of Northrop Grumman Corporation. From 2016 to June 2018, Mr. Voci served first as Vice President, Finance and then as Vice President, Controller and principal accounting officer of Orbital ATK (subsequently purchased by Northrop Grumman). Prior to that, he spent eleven years at Air Products and Chemicals, Inc. ("APD"). While at APD from 2004 to 2015, Mr. Voci was Global Controller Industrial Gases from 2014 to 2015, Global Controller Merchant Gases from 2011 to 2014, Director, Financial Planning & Analysis from 2007 to 2011 and Global Healthcare Controller from 2004 to 2007. Mr. Voci served as Senior Manager, Audit and Risk Advisory Services at KPMG LLP from 2002 to 2004 and in various roles at Arthur Andersen LLP from 1994 to 2002.

***Andrew Wilson*** serves as General Manager for Modern Workplace since October 2023. Before joining DXC, he served as Chief Digital Officer and Corporate Vice President of Microsoft from January 2020 to December 2022. Prior to that, he served in a variety of leadership positions at Accenture during his 27-year tenure with the company, including as Chief Information Officer from September 2013 to December 2019. Mr. Wilson also served as Chief Executive Officer of GE Capital IT Solutions.

## ITEM 1A. RISK FACTORS

*Our operations and financial results are subject to various risks and uncertainties, which may materially and adversely affect our business, financial condition, and results of operations, and the actual outcome of matters as to which forward-looking statements are made in this Annual Report on Form 10-K. In such case, the trading price for DXC common stock could decline, and you could lose all or part of your investment. Past performance may not be a reliable indicator of future financial performance and historical trends should not be used to anticipate results or trends in future periods. Future performance and historical trends may be adversely affected by the risks discussed in this section. Other variables and risks and uncertainties not currently known or that are currently expected to be immaterial may also materially and adversely affect our business, financial condition, and results of operations or the price of shares of our common stock in the future.*

### Risk Factor Summary

#### *Risks Related to Our Business*

- We may not succeed in our strategic objectives.
- We are vulnerable to security breaches, cyber-attacks, other cybersecurity events or incidents or disclosure of confidential information or personal data.
- We are subject to obligations arising under new or existing laws, regulations, and customer contracts relating to the privacy, security and handling of personal data.
- We are vulnerable to product and service quality issues.
- We may fail to continue to develop and expand service offerings to address emerging demands.
- We may fail to compete in certain markets or continue to expand our capacity, and are subject to risks, in certain offshore locations.
- We may fail to maintain our credit rating, manage working capital, refinance and raise additional capital.
- Changes to our business model may be hard to understand by the market and we may fail to meet our guidance.
- Our business and financial results could be materially adversely affected by public health crises.
- Our indebtedness could have a material adverse effect on our financial condition and results of operations.
- Our primary markets are highly competitive.
- We may fail to accurately estimate the cost of services and the timeline for completion of contracts.
- We or our third parties may fail to deliver on commitments or otherwise breach obligations to our customers.
- We are subject to a series of risks relating to climate change and natural disasters; and increased scrutiny of, and evolving expectations for, sustainability and ESG initiatives could also adversely impact our business.
- We may fail to attract and retain qualified personnel.
- Prolonged periods of inflation have an adverse effect on general economic conditions and consumer budgeting, and could adversely impact our profitability and results of operations.
- Our international operations are exposed to risks, including fluctuations in exchange rates.

- Failure to comply with federal, state, local and foreign laws and regulations could result in costs or sanctions that adversely affect our business. Social and environmental responsibility regulations, policies and provisions, as well as customer and investor demands, may adversely affect our relationships with customers and investors.

- Our restructuring plans may not benefit us and may adversely affect our business.

- We may be subject to intellectual property related risks and may fail to procure necessary third-party licenses.

- Disruption of our supply chain could adversely impact our business.

- We may fail to maintain effective disclosure controls and internal control over financial reporting.

- We could suffer additional losses due to asset impairment charges.

- We may fail to pay dividends or repurchase shares of our common stock that we announced previously.

- Pending litigations may have a material and adverse impact on our profitability and liquidity.

- Disruptions in the credit markets may reduce our customers' access to credit and increase the costs to our customers of obtaining credit, and our hedging program is subject to counterparty default risk.

- We may not achieve revenue and profit objectives if we fail to competitively bid on our projects effectively.

- If our customers experience financial difficulties, we may not be able to collect our receivables.

- We may fail to maintain and grow our customer relationships over time or to comply with customer contracts or government contracting regulations or requirements.

- Our strategic transactions may prove unsuccessful.

- Changes in tax rates, tax laws, and uncertainty of tax examinations could affect our results of operations.

- The price of our securities may be volatile.

***Risks Related to Our Completed Strategic Transactions***

- We could have an indemnification obligation to HPE if the stock distribution in connection with the HPES business separation were determined not to qualify for tax-free treatment.

- If the HPES Merger does not qualify as a reorganization under Section 368(a) of the Code, CSC's former stockholders may incur significant tax liabilities.

- We assumed certain material pension benefit obligations following the HPES Merger. These liabilities and future funding obligations could restrict our cash available for operations, capital expenditures and other requirements.

- The USPS Separation and Mergers and NPS Separation could result in substantial tax liability to DXC and our stockholders.

## Risks Related to Our Business

***We may not succeed in our strategic objectives, which could adversely affect our business, financial condition, results of operations and cash flows.***

Our transformation journey focuses on our customers, optimizing costs and seizing the market. We may not be able to implement our strategic priorities and progress on our transformation journey in accordance with our expectations for a variety of reasons, including failure to execute on our plans in a timely fashion, lack of adequate skills, ineffective management, inadequate incentives, customer resistance to new initiatives, inability to control costs or maintain competitive offerings. We also cannot be certain that executing on our strategy will generate the benefits we expect. If we fail to execute successfully on our strategic priorities, or if we pursue strategic priorities that prove to be unsuccessful, our business, financial position, results of operations and cash flows may be materially and adversely affected.

***We could be held liable for damages, our reputation could suffer, and our business may be materially impacted due to service interruptions, from security breaches, cyber-attacks, other cybersecurity events or incidents or disclosure of confidential information or personal data.***

As a provider of IT services to private and public sector customers operating in a number of industries and countries, we store and process increasingly large amounts of data for our customers, including sensitive and personally identifiable information. We possess valuable proprietary information, including copyrights, trade secrets and other intellectual property and we collect and store certain personal and financial information from customers and employees. We also rely on and manage IT infrastructure and systems (collectively, “IT Systems”) of our own and of customers, and we rely on third parties who provide various critical hardware, software and services to support our IT Systems and business operations.

We face numerous and evolving cybersecurity risks that threaten the confidentiality, integrity and availability of our IT Systems and data. Cybersecurity incidents can result from unintentional events or deliberate attacks by insiders such as employees, contractors or service providers or third parties, including criminals, competitors, nation-states, and hacktivists. These incidents can result in disruption to our business (for example, due to ransomware or denial-of-service) through an impact on our IT Systems and/or the compromise, corruption or loss of data belonging to us or our clients, employees, vendors or other partners. Because our products and services in some instances are integrated with our customers’ systems and processes, a successful attack on us could compromise the confidentiality, integrity, and availability of our customers’ IT Systems and sensitive data, despite our monitoring efforts and tools in place designed to prevent such attacks. A successful cyberattack may cause us to incur costs and liability (whether contractual or otherwise), such as monetary damages resulting from litigation, remediation costs, and regulatory actions, fines or penalties. Any of the foregoing, or a combination of the foregoing, could have a material impact on our results of operations or financial condition.

We regularly experience cyber events and sometimes have security incidents, including unauthorized efforts to access our IT Systems, and we expect such attacks and incidents to continue in varying degrees. While incidents experienced thus far have not resulted in material disruption to our business, it is possible that we or a critical service provider could suffer a severe attack or incident, with potentially material adverse effects on our business, reputation, customer relations, results of operations or financial condition. There can be no assurance that our cybersecurity risk management strategy and processes will be fully complied with or effective in protecting any IT Systems, data or business operations.

Threat actors are increasingly sophisticated and using tools and techniques, including artificial intelligence (“AI”), designed to circumvent security controls, to evade detection and to remove or obfuscate forensic evidence, which makes it more difficult for us to detect, identify, investigate, contain or recover from, future cyberattacks and security incidents. Advances in computer capabilities, new discoveries in the field of cryptography or other events or developments increase the likelihood that our encryption and other algorithms that we use to protect our data and that of customers, including sensitive customer transaction data, may fail. Computer programmers and hackers have deployed and may continue to develop and deploy ransomware, malware and other malicious software programs through phishing and other methods that attack our products. Given the nature of complex systems, hardware, software and services like ours, and the scanning tools that we deploy across our infrastructure, environment and products, we regularly identify and track security vulnerabilities. We cannot guarantee that, in all instances, we can comprehensively apply patches or confirm that measures are in place to mitigate or otherwise manage vulnerabilities before they can be exploited by a threat actor. In other situations, vulnerabilities persist even after we have issued security patches because our customers may fail to apply patches or update their systems to newer software versions. If threat actors are able to exploit critical vulnerabilities before patches are installed or mitigating measures are implemented, compromises could impact our and our customers’ IT Systems and data. From time to time, we also identify security vulnerabilities and deficiencies to our IT Systems from risk assessments, penetration testing, internal audit activities and third-party reports. Remediation of such vulnerabilities and deficiencies is a continuous process, and there is no guarantee that such remediation efforts will be successful. Sophisticated hardware, software and applications produced or procured from third parties, notwithstanding our third-party risk management process and our efforts to test and remediate cyber vulnerabilities before integrating them into our IT systems, may still contain defects in design or manufacture, including “bugs” or other vulnerabilities that may be exploited. We have acquired and may continue to acquire companies with cybersecurity vulnerabilities and/or unsophisticated security measures, which exposes us to cybersecurity, operational, and financial risks. In addition, continued remote and hybrid working arrangements post-COVID present potentially increased risk associated with security vulnerabilities present in non-corporate and home networks. And, as we and various third parties continue to explore and integrate AI into various products and services, we are likely exposed to new and unknown cybersecurity risks and threats.

A party, whether an insider or a third party operating outside the Company, who is able to circumvent our security measures or those of our contractors, partners or vendors could access our IT Systems, or those of a critical third party, and misappropriate proprietary information, the confidential data of our customers, employees or business partners or cause interruption in our or their operations. The costs to eliminate or alleviate cyber or other security problems, including ransomware, malware, bugs, malicious software programs and other security vulnerabilities, could be significant, and our efforts to address these problems may not be successful and could result in interruptions, delays, cessation of service and loss of existing or potential customers, which may impede our sales, distribution or other critical functions.

In the event of a cyberattack or security incident, we could be exposed to regulatory actions, customer attrition due to reputational concerns or otherwise, containment and remediation expenses, and claims brought by our customers or others for breaching contractual confidentiality and security provisions or data protection or privacy laws. We must expend capital and other resources to protect against security incidents, including attempted security breaches and cyber-attacks, and to alleviate problems caused by successful breaches or attacks. The cost, potential monetary damages, and operational consequences of responding to security incidents and implementing remediation measures could be significant and may be in excess of insurance policy limits or not be covered by our insurance at all. Moreover, failure to maintain effective internal accounting controls related to data security breaches and cybersecurity in general could impact our ability to produce timely and accurate financial statements and could subject us to regulatory scrutiny.

Finally, portions of our infrastructure and IT Systems also may experience interruptions, delays or cessations of service or produce errors in connection with systems integration or migration work that takes place from time to time. We may not be successful in implementing new systems and transitioning data, which could cause business disruptions and be expensive, time-consuming, disruptive and resource intensive. Such disruptions could adversely impact our ability to fulfill orders and respond to customer requests and interrupt other processes. Delayed sales, lower margins or loss of customers resulting from these disruptions could reduce our revenues, increase our expenses, damage our reputation, and adversely affect our stock price.

***Compliance, or failure to comply, with obligations arising under new or existing laws, regulations, and customer contracts relating to the privacy, security and handling of personal data could adversely affect our financial condition, results of operations and cash flows.***

We receive, store or otherwise process personal data related to our customers, employees and other individuals (including end-customers and employees of our customers) in order to run our business and are subject to a variety of laws, regulations, and contractual obligations relating to the privacy, security and handling of personal data. We expect increasing cybersecurity and data privacy obligations around the world to impose additional regulatory pressures on our customers' businesses and, indirectly, on our operations, or lead to inquiries, investigations, litigation or enforcement actions. In the United States, we are seeing increasing regulatory obligations and expectations imposed on our government and non-government customers. In response, some of our customers have sought, and may continue to seek, to contractually impose certain strict data privacy and information security obligations on us. To the extent our customers are required by laws, rules, or regulations to impose such contractual obligations on us, we may have no or limited ability to reject them or negotiate them in our favor. Moreover, some of our customer contracts may not limit our liability for the loss of confidential information (including personal data), data breaches or other cybersecurity incidents or other business impact. If we are unable to adequately address these concerns, our business and results of operations could suffer.

Compliance with privacy and security laws, requirements and regulations may result in cost increases due to expanded compliance obligations, potential systems changes, the development of additional administrative processes and increased enforcement actions, litigation, fines and penalties. The regulatory landscape in these areas continues to evolve rapidly, and there is a risk that the Company could fail to address or comply with the fast changing regulatory environment, which could lead to regulatory or other actions that could result in material liability for the Company. For example, in 2020, the California Consumer Privacy Act ("CCPA") came into force and provides new data privacy rights for California consumers and new operational requirements for covered companies, including service providers to covered companies. The CCPA has encouraged similar laws in other states across the country, and comprehensive privacy statutes that share similarities with the CCPA are now in effect and enforceable in Virginia, Utah, Colorado, and Connecticut and will soon be enforceable in several other states as well, with proposed laws being considered in many other states. New and developing legislation may add additional complexity, variation in requirements, restrictions and potential legal risk, require additional investment in compliance programs, and could impact strategies and availability of previously useful data and could result in increased compliance costs and/or changes in business practices and policies.

In addition, we are subject to the European Union General Data Protection Regulation (the "EU GDPR") and to the United Kingdom General Data Protection Regulation and Data Protection Act 2018 (collectively, the "UK GDPR") (the EU GDPR and UK GDPR together referred to as the "GDPR"). The GDPR imposes comprehensive data privacy compliance obligations in relation to our collection and use of data relating to an identifiable living individual or "personal data," including a principle of accountability and the obligation to demonstrate compliance through policies, procedures, training and audit, as well as regulating cross-border transfers of personal data out of the European Economic Area ("EEA") and the UK. Since we are under the supervision of relevant data protection authorities in both the EEA and the UK, we may be fined under both the EU GDPR and UK GDPR for the same breach. Penalties for certain breaches are up to the greater of EUR 20 million/ GBP 17.5 million or 4% of our global annual turnover. In addition to fines, a breach of the GDPR may result in regulatory investigations, reputational damage, orders to cease/ change our data processing activities, enforcement notices, assessment notices for a compulsory audit and/or civil claims (including class actions).

While we strive to comply with all applicable data protection laws and regulations, as well as internal privacy policies, any failure or perceived failure to comply or any misappropriation, loss or other unauthorized disclosure of personal data and other sensitive information may result in proceedings or actions against us by government or other entities, private lawsuits against us (including class actions) or the loss of customers, which could potentially have an adverse effect on our business, reputation and results of operations.

***Product and service quality issues could impact the Company's business, operating results and financial condition.***

Our products and services are highly technical and complex and may contain errors, defects or security vulnerabilities that cannot be discovered before a product or service is released, installed and used by customers. If errors, malfunctions, defects or disruptions in service are experienced by customers or in our operations, they could impact customers' business operations and harm our operating results and reputation, which harm may not be fully cured by our subsequent remediation efforts. In addition, our liability insurance may not adequately cover liabilities incurred, and uncovered losses could be large and harm our financial condition.

***Our ability to continue to develop and expand our service offerings to address emerging business demands and technological trends, including our ability to sell differentiated services, may impact our future growth. If we are not successful in meeting these business challenges, our results of operations and cash flows may be materially and adversely affected.***

Our ability to implement solutions for our customers, incorporating new developments and improvements in technology that translate into productivity improvements for our customers, and our ability to develop digital and other new service offerings that meet current and prospective customers' needs, as well as evolving industry standards are critical to our success. The markets we serve are highly competitive and characterized by rapid technological change, which has resulted in deflationary pressure in the price of services that in turn can adversely impact our margins. Our competitors may develop solutions or services that make our offerings obsolete or may force us to decrease prices on our services which can result in lower margins. Our ability to develop and implement innovative technology solutions that meet evolving customer needs in analytics, software engineering, applications, business process services, digital cloud, information technology ("IT") outsourcing and consulting, and in areas such as AI, automation, Internet of Things and software as-a-service solutions, in a timely or cost-effective manner, will impact our ability to retain and attract customers and our future revenue growth and earnings. If we are unable to continue to execute our strategy and grow our GBS business and expand margins while stabilizing our GIS business in a highly competitive and rapidly evolving environment or if we are unable to commercialize such services and solutions, expand and scale them with sufficient speed and versatility, our growth, productivity objectives and profit margins could be negatively affected.

Technological developments may materially affect the cost and use of technology by our customers. Some of these technologies have reduced and replaced some of our traditional services and solutions and may continue to do so in the future. For example, our competitors may introduce new product and service offerings that utilize AI and machine learning. Such offerings could render some of our offerings obsolete or harm our ability to negotiate for favorable terms. This has caused, and may in the future cause, customers to delay spending under existing contracts and engagements and to delay entering into new contracts while they evaluate new technologies. Such delays can negatively impact our results of operations if the pace and level of spending on new technologies by some of our customers are not sufficient to make up any shortfall by other customers. In addition, we face significant competition from competitors, new players and our own customers in developing AI capabilities. The AI algorithms that we use may be flawed or may be based on datasets that are biased or insufficient, and our AI features may not achieve sufficient levels of accuracy or may have unintended consequences, including allegations of bias, discrimination, legal and regulatory violations, or violation of third-party intellectual property rights. There is no guarantee that our products or services that integrate AI capabilities will achieve market acceptance and help us maintain or enhance our competitive position.

Our growth strategy focuses on responding to these types of developments by driving innovation that will enable us to expand our business into new growth areas. However, market for new technologies, such as AI, may not develop as we have anticipated. If we do not sufficiently invest in new technology and adapt to industry developments, or evolve and expand our business at sufficient speed and scale, or if we do not make the right strategic investments to respond to these developments and successfully drive innovation, our services and solutions, our results of operations, and our ability to develop and maintain a competitive advantage and to execute on our growth strategy could be negatively affected.

***Our ability to compete in certain markets we serve is dependent on our ability to continue to expand our capacity in certain offshore locations. However, as our presence in these locations increases, we are exposed to risks inherent to these locations which may adversely affect our revenue and profitability.***

A significant portion of our application outsourcing and software development activities has been shifted to India and other lower-cost locations. As a result, we are exposed to the risks inherent in operating in India or other locations, including (1) public health crisis such as the COVID-19 pandemic and government responses, (2) a highly competitive labor market for skilled workers, which may result in significant increases in labor costs, as well as shortages of qualified workers in the future, (3) currency exchange risks, and (4) the possibility that the U.S. Federal Government or the European Union may enact legislation that creates significant disincentives for customers to locate certain of their operations offshore, which would reduce the demand for the services we provide in such locations and may adversely impact our cost structure and profitability. In addition, India has experienced, and other countries may experience, political instability, civil unrest and hostilities with neighboring countries. Negative or uncertain political climates in countries or locations where we operate, such as Ukraine, including but not limited to, military activities or civil hostilities, criminal activities and other acts of violence, infrastructure disruption, natural disasters or other conditions could adversely affect our operations or cause us to exit certain markets.

The ongoing conflict between Russia and Ukraine has impacted our business and financial performance in that region. In response to Russian military actions in Ukraine, we have exited the Russian market. Additionally, some of our Ukraine team members have been forced to relocate to other countries and within Ukraine. As of March 31, 2024, we had around 3,200 employees in Ukraine. We are closely monitoring the developing situation and are committed to caring for our colleagues in the region. The ongoing conflict could cause harm to our team members and otherwise impair their ability to work for extended periods of time, as well as disrupt telecommunications systems, banks and other critical infrastructure necessary to conduct business in Ukraine. In addition, the United States created two new regional embargoes targeting the non-Ukrainian government-controlled areas of the Donetsk and Luhansk oblasts of Ukraine, the so-called Donetsk People’s Republic and Luhansk People’s Republic regions of Ukraine. If large parts of Ukraine become the target of further U.S. or other applicable sanctions, we may be legally unable to do business or otherwise continue to operate in Ukraine. If these contingencies come to pass, our results of operations and cash flows may be adversely affected.

Governmental authorities in the U.S., the EU and the UK, among others, launched an expansion of coordinated sanctions and export control measures, including, among others, blocking and other sanctions against some of the largest state-owned and private Russian financial institutions (and their subsequent removal from the Society for Worldwide Interbank Financial Telecommunication (“SWIFT”) payment system) and certain Russian businesses. Any alleged or actual failure to comply with these measures may subject us to government scrutiny, civil and/or criminal proceedings, sanctions and other liabilities, which may have a material adverse effect on our international operations, financial condition, and results of operations. Actions taken by Russia in response to such sanctions could also have a material adverse effect on our operations. For example, in response to increased sanctions, Russia or another government could attempt to take control of assets in Russia or Ukraine of Western companies that are suspending or withdrawing their operations from Russia, such as DXC. Should our assets in the region be seized, there is no guarantee that we would be able to recover those assets in the future.

We are subject to the U.S. Foreign Corrupt Practices Act of 1977, as amended ("FCPA") and similar anti-bribery laws in other jurisdictions. We pursue opportunities in certain parts of the world that experience government corruption and in certain circumstances, compliance with anti-bribery laws may conflict with local customs and practices. Our internal policies mandate compliance with all applicable anti-bribery laws. We require our employees, partners, subcontractors, agents, and others to comply with the FCPA and other anti-bribery laws. There is no assurance that our policies or procedures will protect us against liability under the FCPA or other laws for actions taken by our employees and intermediaries. If we are found to be liable for FCPA violations (either due to our own acts or our omissions, or due to the acts or omissions of others), we could suffer from severe criminal or civil penalties or other sanctions, which could have a material adverse effect on our reputation, business, results of operations or cash flows. In addition, detecting, investigating and resolving actual or alleged violations of the FCPA or other anti-bribery violations is expensive and could consume significant time and attention of our senior management.

***Failure to maintain our credit rating and ability to manage working capital, refinance and raise additional capital for future needs could adversely affect our liquidity, capital position, borrowing cost, and access to capital markets.***

We currently maintain investment grade credit ratings with Moody's Investors Service, Fitch Rating Services, and Standard & Poor's Ratings Services. Our credit ratings are based upon information furnished by us or obtained by a rating agency from its own sources and are subject to revision, suspension or withdrawal by one or more rating agencies at any time. Rating agencies may review the ratings assigned to us due to developments that are beyond our control, including potential new standards requiring the agencies to reassess rating practices and methodologies. Ratings agencies may consider changes in credit ratings based on changes in expectations about future profitability and cash flows even if short-term liquidity expectations are not negatively impacted. If changes in our credit ratings were to occur, it could result in higher interest costs under certain of our credit facilities. It would also cause our future borrowing costs to increase and limit our access to capital markets. For example, we currently fund a portion of our working capital requirements in the U.S. and European commercial paper markets. Any downgrade below our current rating would, absent changes to current market liquidity, substantially reduce or eliminate our ability to access that source of funding and could otherwise negatively impact the perception of our company by lenders and other third parties. In addition, certain of our major contracts provide customers with a right of termination in certain circumstances in the event of a rating downgrade below investment grade. There can be no assurance that we will be able to maintain our credit ratings, and any additional actual or anticipated changes or downgrades in our credit ratings, including any announcement that our ratings are under review for a downgrade, may have a negative impact on our liquidity, capital position and access to capital markets.

Our liquidity is a function of our ability to successfully generate cash flows from a combination of efficient operations and continuing operating improvements, access to capital markets and funding from third parties. In addition, like many multinational regulated enterprises, our operations are subject to a variety of tax, foreign exchange and regulatory capital requirements in different jurisdictions that have the effect of limiting, delaying or increasing the cost of moving cash between jurisdictions or using our cash for certain purposes. Our ability to maintain sufficient liquidity going forward is subject to the general liquidity of and on-going changes in the credit markets as well as general economic, financial, competitive, legislative, regulatory and other market factors that are beyond our control. An increase in our borrowing costs, limitations on our ability to access the global capital and credit markets or a reduction in our liquidity can adversely affect our financial condition and results of operations. For example, in response to increasing inflation, the U.S. Federal Reserve, along with central banks around the world, has been raising interest rates. It is difficult to predict the impact of such events on us, our third-party partners or customers or economic markets more broadly, which have been and will continue to be highly dependent upon the actions of governments and businesses in response to macroeconomic events, and the effectiveness of those actions. Such actions may impact our ability, desire, or the timing of seeking funding for various investment opportunities.

In addition, volatility and disruption in banking and capital markets can adversely affect our ability to refinance, and increase the cost of refinancing, some or all of our debt. Disruptions in the financial markets can also adversely affect our lenders, insurers, customers, and other counterparties. Our total liquidity depends in part on the availability of funds under the revolving credit facility and our other financing agreements. The failure of any lender’s ability to fund future draws on our revolving credit facility or our other financing arrangements could reduce the amount of cash we have available for operations and additional capital for future needs.

Information regarding our credit ratings is included in Part II, Item 7 of this Annual Report on Form 10-K under the caption "Liquidity and Capital Resources."

***If financial or industry analysts have difficulty in understanding the changes to our business model, or we fail to meet our publicly announced financial guidance, our stock price and trading volume could decline.***

We are growing our GBS segment, de-emphasizing lower margin resale business in the GIS segment and moving toward an infrastructure-light business model. Given the complexity of the transition process and the uncertain global economic conditions, we may not be able to progress on our transformation journey in accordance with our expectations, and it is likely that our prior forecasts will prove to be incorrect. Additionally, industry or financial analysts that publish reports about our business may not accurately capture and reflect our transition process. As a result, we may fail to meet their expectations.

If our financial results fail to meet our publicly announced financial guidance or market expectations, analysts could downgrade our common stock or publish unfavorable research that could cause our stock price or trading volume to decline, potentially significantly.

***Our business and financial results have been adversely affected and could continue to be materially adversely affected by public health crises.***

Public health crises, such as the COVID-19 pandemic, have caused disruptions in global economies, financial and commodities markets and rapid shifts in governmental and public health policies.

Negative impacts to our business have occurred, and may occur in the future, including disruptions or restrictions on our employees' ability to work effectively, as well as temporary closures of our facilities or the facilities of our customers or our subcontractors, or the requirements to deliver our services remotely. If a business interruption occurs and we are unsuccessful in our continuing efforts to minimize the impact of these events, our business, results of operations, financial position, and cash flows could be materially adversely affected.

Any future economic downturn induced by COVID-19 or any other public health crisis, depending upon its severity and duration, could also lead to a deterioration of worldwide credit and financial markets that could negatively affect the financial health of customers, lower their demand for our services, limit their ability or willingness to pay us in a timely manner and our ability to obtain external financing to fund our operations and capital expenditures, result in losses on our holdings of cash and investments due to failures of financial institutions and other parties, and result in a higher rate of losses on our accounts receivables due to credit defaults.

***We have indebtedness, which could have a material adverse effect on our business, financial condition and results of operations.***

We have indebtedness totaling approximately $4.1 billion as of March 31, 2024 (including capital lease obligations). We may incur substantial additional indebtedness in the future for many reasons, including to fund acquisitions. Our existing indebtedness, together with the incurrence of additional indebtedness and the restrictive covenants contained in, or expected to be contained in the documents evidencing such indebtedness, could have significant consequences on our future operations, including:

- events of default if we fail to comply with the financial and other covenants contained in the agreements governing our debt instruments, which could, if material and not cured, result in all of our debt becoming immediately due and payable or require us to negotiate an amendment to financial or other covenants that could cause us to incur additional fees and expenses;
- subjecting us to the risk of increased sensitivity to interest rate increases in our outstanding variable-rate indebtedness that could cause our debt service obligations to increase significantly; for instance, the U.S. Federal Reserve, along with central banks around the world, has raised benchmark interest rates significantly;
- increasing the risk of a future credit ratings downgrade of our debt, which could increase future debt costs and limit the future availability for debt financing;
- reducing the availability of our cash flow to fund working capital, capital expenditures, acquisitions and other general corporate purposes, and limiting our ability to obtain additional financing for these purposes;
- placing us at a competitive disadvantage compared to less leveraged competitors;
- increasing our vulnerability to the impact of adverse economic and industry conditions; and
- causing us to reduce or eliminate our return of cash to our stockholders, including via dividends and share repurchases.

In addition, we could be unable to refinance our outstanding indebtedness on reasonable terms or at all.

Our ability to meet our payment and other obligations under our debt instruments depends on our ability to generate significant cash flow in the future. This, to some extent, is subject to general economic, financial, competitive, legislative and regulatory factors as well as other factors that are beyond our control. There can be no assurance that our business will generate sufficient cash flow from operations, or that current or future borrowings will be sufficient to meet our current debt obligations and to fund other liquidity needs.

***Our primary markets are highly competitive. If we are unable to compete in these highly competitive markets, our results of operations may be materially and adversely affected.***

Our competitors include large, technically competent and well-capitalized companies, some of which have emerged as a result of industry consolidation, as well as “pure-play” companies that have a single product focus. This competition may place downward pressure on operating margins in our industry, particularly for technology outsourcing contract extensions or renewals. As a result, we may not be able to maintain our current operating margins, or achieve favorable operating margins, for technology outsourcing contracts extended or renewed in the future. If we fail to effectively reduce our cost structure during periods with declining margins, our results of operations may be adversely affected.

We encounter aggressive competition from numerous and varied competitors. Our competitiveness is based on factors including technology (including building AI capabilities into our offerings), innovation, performance, price, quality, reliability, brand, reputation, range of products and services, account relationships, customer training, service and support and security. If we are unable to compete based on such factors, we could lose customers or we may experience reduced profitability from our customers and our results of operations and business prospects could be harmed. We have a large portfolio of services and we need to allocate financial, personnel and other resources across all services while competing with companies that have smaller portfolios or specialize in one or more of our service lines. As a result, we may invest less in certain business areas than our competitors do, and competitors may have greater financial, technical and marketing resources available to them compared to the resources allocated to our services. Industry consolidation may also affect competition by creating larger, more homogeneous and potentially stronger competitors in the markets in which we operate. Additionally, competitors may affect our business by entering into exclusive arrangements with existing or potential customers or suppliers.

Companies with whom we have alliances in certain areas may be or become competitors in other areas. In addition, companies with whom we have alliances also may acquire or form alliances with competitors, which could reduce their business with us. If we are unable to effectively manage these complicated relationships with alliance partners, our business and results of operations could be adversely affected.

We face aggressive price competition and may have to lower prices to stay competitive, while simultaneously seeking to maintain or improve revenue and gross margin. This price competition may continue to increase from emerging companies that sell products and services into the same markets in which we operate. In addition, competitors who have a greater presence in some of the lower-cost markets in which we compete, or who can obtain better pricing, more favorable contractual terms and conditions, may be able to offer lower prices than we are able to offer. If we experience pressure from competitors to lower our prices, we may have lower than expected profit margins and lost business opportunities if we are unable to match the price declines. Our cash flows, results of operations and financial condition may be adversely affected by these and other industry-wide pricing pressures.

***If we are unable to accurately estimate the cost of services and the timeline for completion of contracts, the profitability of our contracts may be materially and adversely affected.***

Our commercial contracts are typically awarded on a competitive basis. Our bids are based upon, among other items, the expected cost to provide the services. We generally provide services under time and materials contracts, unit-price contracts, fixed-price contracts, and multiple-element software sales. We are dependent on our internal forecasts and predictions about our projects and the marketplace and, to generate an acceptable return on our investment in these contracts, we must be able to accurately estimate our costs to provide the services required by the contract and to complete the contracts in a timely manner. We face a number of risks when pricing our contracts, as many of our projects entail the coordination of operations and workforces in multiple locations and utilizing workforces with different skill sets and competencies across geographically diverse service locations. In addition, revenues from some of our contracts are recognized using the percentage-of-completion method, which requires estimates of total costs at completion, fees earned on the contract, or both. This estimation process, particularly due to the technical nature of the services being performed and the long-term nature of certain contracts, is complex and involves significant judgment. Adjustments to original estimates are often required as work progresses, experience is gained, and additional information becomes known, even though the scope of the work required under the contract may not change. If we fail to accurately estimate our costs or the time required to complete a contract, the profitability of our contracts may be materially and adversely affected.

Some ITO services agreements contain pricing provisions that permit a customer to request a benchmark study by a mutually acceptable third party. The benchmarking process typically compares the contractual price of services against the price of similar services offered by other specified providers in a peer comparison group, subject to agreed-upon adjustment, and normalization factors. Generally, if the benchmarking study shows that the pricing differs from the peer group outside a specified range, and the difference is not due to the unique requirements of the customer, then the parties will negotiate in good faith appropriate adjustments to the pricing. This may result in the reduction of rates for the benchmarked services performed after the implementation of those pricing adjustments, which could harm the financial performance of our services business.

Some IT service agreements require significant investment in the early stages that is expected to be recovered through billings over the life of the agreement. These agreements often involve the construction of new IT systems and communications networks and the development and deployment of new technologies. Substantial performance risk exists in each agreement with these characteristics, and some or all elements of service delivery under these agreements are dependent upon successful completion of the development, construction, and deployment phases. Failure to perform satisfactorily under these agreements may expose us to legal liability, result in the loss of customers or harm our reputation, which could harm the financial performance of our IT services business.

***Performance under contracts, including those on which we have partnered with third parties, may be adversely affected if we or the third parties fail to deliver on commitments or otherwise breach obligations to our customers.***

Our contracts are complex and, in some instances, may require that we partner with other parties, including software and hardware vendors, to provide the complex solutions required by our customers. For example, we recently entered a strategic partnership with a third-party cloud infrastructure provider to accelerate customer cloud adoption and digital transformation. Our ability to deliver the solutions and provide the services required by our customers is dependent on our and our partners' ability to meet our customers' delivery schedules, which is affected by a multitude of factors, including climate change. If we or our partners fail to deliver services or products on time, our ability to complete the contract may be adversely affected. If any third-party providers unexpectedly terminate our agreement, we would be forced to incur additional expenses to locate alternative providers and may experience outages or disruptions to our service. In addition, many public cloud infrastructure providers have also entered into strategic partnerships with our competitors. These alliances may result in more compelling product and service offerings than those we offer.

Additionally, our customers may perform audits or require us to perform audits and provide audit reports with respect to the controls and procedures that we use in the performance of services for such customers. Our ability to acquire new customers and retain existing customers may be adversely affected and our reputation could be harmed if we receive a qualified opinion, or if we cannot obtain an unqualified opinion in a timely manner, with respect to our controls and procedures in connection with any such audit. We could also incur liability if our controls and procedures, or the controls and procedures we manage for a customer, were to result in an internal control failure or impair our customer's ability to comply with its own internal control requirements. If we or our partners fail to meet our contractual obligations or otherwise breach obligations to our customers, we could be subject to legal liability, which may have a material and adverse impact on our revenues and profitability.

***We are subject to a series of risks relating to climate change and natural disasters, which may affect our worldwide business operations and financial results.***

There are inherent climate-related risks wherever business is conducted. Climate change increases both the frequency and severity of meteorological phenomena, extreme weather events and natural disasters (including, but not limited to, storms, flooding, drought, wildfire, and extreme temperatures) that may affect our worldwide business operations or those of our suppliers, require us to incur additional operating or capital expenditures or otherwise adversely impact our business, financial condition or results of operations. Climate change may impact the frequency and/or intensity of such events, as well as contribute to chronic physical changes, such as shifting precipitation or temperature patterns or rising sea-levels, which may also impact our operations or infrastructure on which we rely. We have facilities around the world and our facilities, our employees' ability to work or our supply chain may be impacted by climate change-related weather events or effects, including natural disasters. Increasing temperatures resulting from global warming could lead to increasing energy costs and unfavorable operating cost impacts, as well as extreme weather events that could cause loss of power or water access to data centers and service disruptions, resulting in contractual fines or loss of business. Our data centers require water for cooling purposes, and severe droughts or other extreme weather events or atmospheric changes that result in water scarcity, particularly in high-stress water areas, could adversely impact our ability to continue to operate or utilize data centers that we own or lease. Additionally, our customers' facilities may be impacted by climate change-related weather events or effects, which may impact our ability to serve our customers. While we may take various actions to mitigate our business risks associated with climate change, this may require us to incur substantial costs and may not be successful, due to, among other things, the uncertainty associated with the longer-term projections associated with managing climate risks. Any of the foregoing could have a material adverse effect on our financial condition and results of operations.

Additionally, we expect to be subject to increased regulations, reporting requirements, standards or expectations regarding the environmental impacts of our business. For more information, see our risk factor "Our business operations are subject to various and changing federal, state, local and foreign laws and regulations that could result in costs or sanctions that adversely affect our business and results of operations. Social and environmental responsibility regulations, policies and provisions, as well as customer and investor demands, may adversely affect our relationships with customers and investors."

***Increased scrutiny of, and evolving expectations for, sustainability and ESG initiatives could increase our costs, harm our reputation, or otherwise adversely impact our business.***

We, as with other companies, are facing increasing scrutiny related to our ESG practices and disclosures from certain investors, capital providers, shareholder advocacy groups, other market participants, customers, and other stakeholder groups. With this increased focus, public reporting regarding ESG practices is becoming more broadly expected. Such increased scrutiny may result in increased costs, enhanced compliance or disclosure obligations, or other adverse impacts on our business, financial condition or results of operations.

While we have in the past and may at times continue to engage in voluntary initiatives (such as voluntary disclosures, certifications, or goals, among others), such initiatives may be costly and may not have the desired effect. For example, expectations around company's management of ESG matters continue to evolve rapidly, in many instances due to factors that are out of our control. In addition, we may commit to certain initiatives or goals and we may not ultimately achieve such commitments or goals due to cost, technological constraints, or other factors that are within or outside of our control. Certain of our commitments, goals and other ESG-related disclosures are based on estimates, including, for example, our risk cost estimates disclosed in our voluntary climate change disclosures, and, even though we currently do not expect such costs to be material, they may attract regulatory or stakeholder attention or result in additional disclosure requirements in the future. Moreover, actions or statements that we may take based on expectations, assumptions, or third-party information that we currently believe to be reasonable may subsequently be determined to be erroneous, or not in keeping with particular standards or best practices or be subject to misinterpretation. Even if this is not the case, our current actions may subsequently be determined to be insufficient by various stakeholders. If our ESG practices and reporting do not meet investor, consumer, employee, or other stakeholder expectations, which continue to evolve, our brand, reputation and customer retention may be negatively impacted, and we may be subject to investor or regulator engagement regarding such matters, even if they are currently voluntary. Certain market participants, including major institutional investors, use third-party benchmarks or scores to measure our ESG practices in making investment and voting decisions. As ESG best practices, reporting standards and disclosure requirements continue to develop, we may incur increasing costs related to ESG monitoring and reporting. Simultaneously, there are efforts by some stakeholders to reduce companies' efforts on certain ESG-related matters. Both advocates and opponents to certain ESG matters are increasingly resorting to a range of activism forms, including media campaigns and litigation, to advance their perspectives. In addition, new sustainability rules and regulations have been adopted and may continue to be introduced in various jurisdictions. Sustainability and ESG-related regulations are evolving rapidly, and operating in more than one jurisdiction is likely to make our compliance with ESG and sustainability-related rules more complex and expensive, and potentially expose us to greater levels of legal risks associated with our compliance. Our failure or inability to comply with any applicable rules or regulations could lead to penalties and adversely impact our reputation, customer attraction and retention, access to capital and employee retention. Such ESG matters may also impact our suppliers and customers, which may augment or cause additional impacts on our business, financial condition or results of operations.

***Our ability to provide customers with competitive services is dependent on our ability to attract and retain qualified personnel.***

Our ability to grow and provide our customers with competitive services is partially dependent on our ability to attract and retain highly motivated people with the skills necessary to serve our customers. As competition for highly skilled employees in our industry has grown increasingly intense, we have experienced, and may experience in the future, higher than anticipated levels of employee attrition. These risks to attracting and retaining the necessary talent may be exacerbated by recent labor constraints and inflationary pressures on employee wages and benefits. Additionally, we may be unable to hire or retain talent who are trained in artificial intelligence, machine learning and advanced algorithms, to keep pace with the rapid and continuous technological changes in our industry. Immigration laws in the countries in which we operate are subject to legislative changes, as well as to variations in the standards of application and enforcement due to political forces and economic conditions. Changes in immigration laws or varying applications of immigration laws to limit the availability of certain work visas in the U.S. may impact our ability to hire talent that we need to enhance our products and services and for our operations. It is also difficult to predict the political and economic events that could affect immigration laws, or the restrictive impact they could have on obtaining or renewing work visas for our international personnel. The loss of personnel could impair our ability to perform under certain contracts, which could have a material adverse effect on our consolidated financial position, results of operations and cash flows.

Additionally, the inability to adequately develop and train personnel and assimilate key new hires or promoted employees could have a material adverse effect on relationships with third parties, our financial condition and results of operations and cash flows.

We also must manage leadership development and succession planning throughout our business. Any significant leadership change and accompanying senior management transition involves inherent risk and any failure to ensure a smooth transition could hinder our strategic planning, execution and future performance. While we strive to mitigate the negative impact associated with changes to our senior management team, such changes may cause uncertainty among investors, employees, customers, creditors and others concerning our future direction and performance. If we fail to effectively manage our leadership changes, including ongoing organizational and strategic changes, our business, financial condition, results of operations, cash flows and reputation, as well as our ability to successfully attract, motivate and retain key employees, could be harmed.

In addition, uncertainty around future employment opportunities, facility locations, organizational and reporting structures, and other related concerns may impair our ability to attract and retain qualified personnel. If employee attrition is high, it may adversely impact our ability to realize the anticipated benefits of our strategic priorities.

If we do not hire, train, motivate, and effectively utilize employees with the right mix of skills and experience in the right geographic regions and for the right offerings to meet the needs of our customers, our financial performance and cash flows could suffer. For example, if our employee utilization rate is too low, our profitability, and the level of engagement of our employees could decrease. If that utilization rate is too high, it could have an adverse effect on employee engagement and attrition and the quality of the work performed, as well as our ability to staff projects. If we are unable to hire and retain enough employees with the skills or backgrounds needed to meet current demand, we may need to redeploy existing personnel, increase our reliance on subcontractors or increase employee compensation levels, all of which could also negatively affect our profitability. In addition, if we have more employees than necessary with certain skill sets or in certain geographies, we may incur increased costs as we work to rebalance our supply of skills and resources with customer demand in those geographies.

Our business is primarily non-unionized, but we have unions and works councils in Europe, Australia, South Korea, South America and Canada, which from time to time may constrain our operational flexibility and efficiency in implementing business decisions and introducing new technologies, tools or processes within our desired timeframe. Activism of employee populations could result in higher costs and operational changes to establish new relationships with worker representatives.

***Prolonged periods of inflation have an adverse effect on general economic conditions and consumer budgeting, which could impact our profitability and have a material adverse effect on our business and results of operations, especially for customer contracts where we do not have adequate inflation protections.***

We generally provide services under time and materials contracts, unit-price contracts, fixed-price contracts, and multiple-element software sales. In many of our contracts, we bear the risk of cost overruns, completion delays, resource requirements, wage inflation and adverse movements in exchange rates in connection with these contracts. Certain, but not all, of these contracts provide for price adjustments for inflation or abnormal escalation. However, if one or more raw materials or components for our products (e.g., semiconductors) were to experience an isolated price increase without inflationary impacts on the broader economy, we may not be entitled to inflation protection under those contracts.

Additionally, inflation has risen worldwide and the United States has recently experienced historically high levels of inflation. If the inflation rate continues to increase, it can also push up the costs of labor and our employee compensation expenses. There is no assurance that our revenues will increase at the same rate to maintain the same level of profitability.

Inflation and government efforts to combat inflation, such as raising benchmark interest rate, could increase market volatility and have an adverse effect on the financial market and general economic conditions. In a time of uncertainty, our customers may reduce spending or have difficulty in budgeting for external IT services, delay procurement of products and services from us or delay their payment for products and services we have already provided, and we may have difficulty closing new deals in the event of an economic slowdown, all of which could adversely affect our profitability, results of operations and cash flow.

***Our international operations are exposed to risks, including fluctuations in exchange rates, which may be beyond our control.***

Our exposure to currencies other than the U.S. dollar may impact our results, as they are expressed in U.S. dollars. Currency variations also contribute to variations in sales of products and services in affected jurisdictions. While historically we have partially mitigated currency risk, including exposure to fluctuations in currency exchange rates by matching costs with revenues in a given currency, our exposure to fluctuations in other currencies against the U.S. dollar increases, as revenue in currencies other than the U.S. dollar increases. Approximately 71% of revenues earned during fiscal 2024 were derived from sales denominated in currencies other than the U.S. dollar and are expected to continue to represent a significant portion of our revenues. Also, we believe that our ability to match revenues and expenses in a given currency will decrease as more work is performed at offshore locations that use a different currency from where we generate our revenue.

We may use forward and option contracts to protect against currency exchange rate risks. The effectiveness of these hedges will depend on our ability to accurately forecast future cash flows, which may be particularly difficult during periods of uncertain demand and highly volatile exchange rates. We may incur significant losses from our hedging activities due to factors such as demand volatility and currency variations. In addition, certain or all of our hedging activities may be ineffective, may expire and not be renewed or may not offset the adverse financial impact resulting from currency variations. Losses associated with hedging activities may also impact our revenues and to a lesser extent our cost of sales and financial condition.

Our future business and financial performance could suffer due to a variety of international factors, including:

- ongoing instability or changes in a country's or region's economic or geopolitical and security conditions, including inflation, recession, interest rate fluctuations, and actual or anticipated military or political conflict, civil unrest, crime, political instability, human rights concerns, and terrorist activity;
- natural or man-made disasters, industrial accidents, public health issues, cybersecurity incidents, interruptions of service from utilities, transportation or telecommunications providers, or other catastrophic events;
- longer collection cycles and financial instability among customers;
- trade regulations and procedures and actions affecting production, pricing and marketing of products, including policies adopted by countries that may champion or otherwise favor domestic companies and technologies over foreign competitors;
- local labor conditions and regulations;
- managing our geographically dispersed workforce;
- changes in the international, national or local regulatory and legal environments;
- differing technology standards or customer requirements;
- difficulties associated with repatriating earnings generated or held abroad in a tax-efficient manner and
- changes in tax laws.

***Our business operations are subject to various and changing federal, state, local and foreign laws and regulations that could result in costs or sanctions that adversely affect our business and results of operations. Social and environmental responsibility regulations, policies and provisions, as well as customer and investor demands, may adversely affect our relationships with customers and investors.***

We operate in approximately 65 countries in an increasingly complex regulatory environment. Among other things, we provide complex industry-specific insurance processing in the U.K., which is regulated by authorities in the U.K. and elsewhere, such as the U.K.'s Financial Conduct Authority and His Majesty's Treasury and the U.S. Department of Treasury, which increases our exposure to compliance risk.

In addition, businesses in the countries in which we operate are subject to local, legal and political environments and regulations including with respect to employment, tax, statutory supervision and reporting and trade restriction, along with industry regulations such as regulation by bank regulators in the U.S. and Europe. These regulations and environments are also subject to change. Additionally, the rapid evolution and increased adoption of artificial intelligence technologies and our obligations to comply with emerging laws and regulations may require us to develop additional artificial intelligence-specific compliance programs.

Adjusting business operations to changing environments and regulations may be costly and could potentially render the particular business operations uneconomical, which may adversely affect our profitability or lead to a change in the business operations. Notwithstanding our best efforts, we may not be in compliance with all regulations in the countries in which we operate at all times and may be subject to sanctions, penalties or fines as a result. These sanctions, penalties or fines may materially and adversely impact our profitability.

Our operations are also subject to a broad array of domestic and international environmental, health, and safety laws and regulations, including laws addressing the discharge of pollutants into the air and water, the management and disposal of hazardous substances and wastes, and the clean-up of contaminated sites. Certain laws may also impose liability without regard to fault or the legality of the original conduct. Environmental costs and accruals are presently not material to our operations, cash flows or financial position; and, we do not currently anticipate material capital expenditures for environmental control facilities. However, our failure to comply with these laws or regulations can result in civil, criminal or regulatory penalties, fines, and legal liabilities; suspension, delay or alterations of our operations; damage to our reputation; and restrictions on our operations or sales. Our business could also be affected if new environmental legislation is passed which impacts our current operations and business. For example, if we are unable to comply with fast-moving regulatory requirements, we could be disqualified from requests for proposal processes, leading to a loss of sales as well as unfavorable operating cost impacts.

In addition, as climate change laws, regulations, treaties and national and global initiatives are adopted and implemented regionally or throughout the world, we may be required to comply or potentially face market access limitations, fines or reputational injury. For example, various policymakers, such as the SEC, European Union, and the State of California, have adopted or are considering adopting rules that require companies to provide significantly expanded climate- or other ESG-related disclosures, and we expect to incur significant additional costs to comply and impose increased oversight obligations on our management and board of directors. Other laws, regulations, treaties or initiatives in response to climate change, including, but not limited to, the introduction of a carbon tax, could result in increased operational costs associated with air pollution requirements and increased compliance and energy costs, which could harm our business and results of operations by increasing our expenses or requiring us to alter our business operations. Moreover, we may experience loss of market share if we are unable to provide competitive products and services that incorporate climate-change mitigations, and if we are unable to achieve and sustain a carbon-neutral business model in a meaningful time frame, we could lose stockholder or customer confidence, resulting in loss of business and loss of access to the financial markets.

We are also subject to risks associated with ESG regulations. Governmental bodies, investors, clients and businesses are increasingly focused on prioritizing ESG practices, which has resulted in and may in the future continue to result in the adoption of new laws and regulations that could impact our results of operations. Our inability to keep pace with any ESG regulations, trends and developments or failure to meet the expectations, including, but not limited to, any expectations resulting from goals we have established, or interests of our clients and investors, could adversely affect our business and reputation and could result in undesirable investor actions or customer or talent retention and attraction issues. For more information, see our risk factor “Increased scrutiny of, and evolving expectations for, sustainability and ESG initiatives could increase our costs, harm our reputation, or otherwise adversely impact our business."

***We may not achieve some or all of the expected benefits of our restructuring plans and our restructuring may adversely affect our business.***

We have implemented several restructuring plans and may continue to implement cost-takeout measures to realign our cost structure with the changing nature of our business and to achieve operating efficiencies to reduce our costs. We may not be able to obtain the costs savings and benefits that were initially anticipated in connection with our restructuring plans. Furthermore, even if we are successful with our cost-takeout efforts, we may not see the benefits of such efforts on our financial condition, results of operations and cash flows. Additionally, as a result of our restructuring, we may experience a loss of continuity, loss of accumulated knowledge and/or inefficiency during transitional periods, which in the past have caused issues with our service delivery. Reorganization and restructuring can require a significant amount of management and other employees' time and focus, which may divert attention from operating and growing our business. There are also significant costs associated with restructuring which can have a significant impact on our earnings and cash flow. Furthermore, cost-takeout measures require compliance with numerous laws and regulations, including local labor laws. We may face wrongful termination, discrimination or other legal claims from affected employees that require us to incur substantial costs to defend against, and such claims may significantly increase our severance costs.

If we fail to achieve some or all of the expected benefits of restructuring, it could have a material adverse effect on our competitive position, business, financial condition, results of operations and cash flows. For more information about our restructuring plans, see Note 12 - "Restructuring Costs."

***We may inadvertently infringe on the intellectual property rights of others and be exposed to claims for damages, and our intellectual property rights may be infringed by third parties.***

The solutions we provide to our customers may inadvertently infringe on the intellectual property rights of third parties, resulting in claims for damages against us or our customers. Our contracts generally indemnify our customers from claims for intellectual property infringement for the services and equipment we provide under the applicable contracts. We also indemnify certain vendors and customers against claims of intellectual property infringement made by third parties arising from the use by such vendors and customers of our software products and services and certain other matters. Some of the applicable indemnification arrangements may not be subject to maximum loss clauses. The expense and time of defending against these claims may have a material and adverse impact on our profitability. In addition, there is also uncertainty around the validity and enforceability of intellectual property rights related to our use, development, and deployment of AI. Our use of AI technologies, whether created by us or incorporated from external sources into our offerings, could lead to violation of third-party intellectual property rights, and could require us to incur significant expenses to modify our solutions or otherwise engage in efforts to remain in compliance with the law. If we lose our ability to continue using any such services and solutions because they are found to infringe the rights of others, we will need to obtain substitute solutions or seek alternative means of obtaining the technology necessary to continue to provide such services and solutions. Our inability to replace such solutions, or to replace such solutions in a timely or cost-effective manner, could materially adversely affect our results of operations. Additionally, the publicity resulting from infringing intellectual property rights may damage our reputation and adversely impact our ability to develop new business.

From time to time, we may discover that third parties are infringing, misappropriating or otherwise violating our intellectual property rights. However, policing unauthorized use of our intellectual property is difficult and expensive, and we may therefore not always be aware of such unauthorized use or misappropriation, or have adequate resources to enforce our intellectual property rights. Despite our efforts to protect our intellectual property rights, unauthorized third parties may attempt to use, copy, market or distribute our intellectual property rights or technology, and our competitive position and results of operations could be harmed and our legal costs could increase.

***Our inability to procure third-party licenses required for the operation of our products and service offerings may result in decreased revenue or increased costs.***

Many of our products and service offerings depends on the continued performance and availability of software licensed from third-party vendors under our contractual arrangements. Because of the nature of these licenses and arrangements, there can be no assurance that we would be able to retain all of these intellectual property rights upon renewal, expiration or termination of such licenses or that we will be able to procure, renew or extend such licenses on commercially reasonable terms which may result in increased costs. Certain of our licenses are concentrated in one or more third-party licensors where multiple licenses are up for renewal at the same time, which could decrease our ability to negotiate reasonable license fees and could result in our loss of rights under such licenses.

***Disruption of our supply chain could adversely impact our business.***

We have experienced, and may continue to experience, delays and shortages of certain necessary components to the services and solutions we offer our clients resulting from issues with the global supply chain, the economic downturns, the rising inflation, the conflicts between Russia and Ukraine and conflicts in the Middle East, and any disruptions at our suppliers. This shortage may increase component delivery lead times and costs to source available components and delay the delivery of our hardware products and services, which may adversely affect our ability to comply with our contracts and our ability to support our existing customers and our growth through sales to new customers. In the event of a component shortage or interruptions at a supplier, we may not be able to develop alternate sources quickly, cost effectively, or at all. Supply chain interruptions could harm our relationships with our customers, prevent us from acquiring new customers, and materially and adversely affect our business.

***We may be exposed to negative publicity and other potential risks if we are unable to maintain effective disclosure controls and internal control over financial reporting.***

The Sarbanes-Oxley Act of 2002 and the related regulations require we maintain effective disclosure controls and procedures and require our management to report on, and our independent registered public accounting firm to attest to, the effectiveness of our internal control over financial reporting. Effective internal controls are necessary for us to provide reliable financial reports and effectively prevent fraud. However, a control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. There can be no assurance that all control issues or fraud will be detected.

Any failure to maintain effective controls could prevent us from timely and reliably reporting financial results and may harm our operating results. In addition, if we are unable to conclude that we have effective internal control over financial reporting or, if our independent registered public accounting firm is unable to provide an unqualified report as to the effectiveness of our internal control over financial reporting, as of each fiscal year end, we may be exposed to negative publicity, which could cause investors to lose confidence in our reported financial information. Any failure to maintain effective internal controls and any such resulting negative publicity may negatively affect our business and stock price.

Additionally, the existence of any material weaknesses or significant deficiencies would require management to devote significant time and incur significant expense to remediate any such material weaknesses or significant deficiencies and management may not be able to remediate any such material weaknesses or significant deficiencies in a timely manner. The existence of any material weakness in our internal control over financial reporting could also result in errors in our financial statements that could require us to restate our financial statements, cause us to fail to meet our reporting obligations, subject us to litigation or regulatory scrutiny and cause stockholders to lose confidence in our reported financial information, all of which could materially and adversely affect us and the market price of our common stock.

***We could suffer additional losses due to asset impairment charges.***

We acquired substantial goodwill and other intangibles as a result of the HPES Merger and the Luxoft Acquisition, increasing our exposure to this risk. We test our goodwill for impairment during the second quarter of every year and on an interim date should events or changes in circumstances indicate that it is more likely than not that the fair value of a reporting unit is below its carrying amount. If the fair value of a reporting unit is revised downward due to declines in business performance or other factors or if the Company suffers further declines in share price, an impairment could result and a non-cash charge could be required. We test intangible assets with finite lives for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. This assessment of the recoverability of finite-lived intangible assets could result in an impairment and a non-cash charge could be required. We also test certain equipment and deferred cost balances associated with contracts when the contract is materially underperforming or is expected to materially underperform in the future, as compared to the original bid model or budget. If the projected cash flows of a particular contract are not adequate to recover the unamortized cost balance of the asset group, the balance is adjusted in the tested period based on the contract's fair value. Either of these impairments could materially affect our reported net earnings.

***We may not be able to pay dividends or repurchase shares of our common stock in accordance with our announced intent or at all.***

Our Board may authorize share repurchases from time to time. On May 18, 2023, DXC announced that its Board approved an incremental $1.0 billion share repurchase authorization. However, we are not obligated to make any purchases of our shares, and our decision to repurchase our shares, as well as the timing of such repurchases, will depend on a variety of factors as determined by our management and Board.

In addition, while we paid quarterly cash dividends to our stockholders starting fiscal 2018 in accordance with our announced dividend policy, we suspended the payment of quarterly dividends starting in fiscal 2021 to enhance our financial flexibility. At this time, we do not intend to reinstate our quarterly cash dividends. The declaration and payment of future dividends, the amount of any such dividends, and the establishment of record and payment dates for dividends, if any, are subject to final determination by our Board after review of our current strategy and financial performance and position, among other things.

The Board’s determinations regarding dividends and share repurchases will depend on a variety of factors, including net income, cash flow generated from operations, amount and location of our cash and investment balances, overall liquidity position and potential alternative uses of cash, such as acquisitions, as well as economic conditions and expected future financial results. There can be no guarantee that we will achieve our financial goals in the amounts or within the expected time frame, or at all. Our ability to declare future dividends or repurchase shares will depend on our future financial performance, which in turn depends on the successful implementation of our strategy and on financial, competitive, regulatory and other factors, general economic conditions, demand and prices for our services and other factors specific to our industry or specific projects, many of which are beyond our control. Therefore, our ability to generate cash flow depends on the performance of our operations and could be limited by decreases in our profitability or increases in costs, regulatory changes, capital expenditures or debt servicing requirements.

Any failure to achieve our financial goals could negatively impact our reputation, harm investor confidence in us, and cause the market price of our common stock to decline.

***We are defendants in pending litigation that may have a material and adverse impact on our profitability and liquidity.***

As noted in Note 20 - "Commitments and Contingencies," we are currently party to a number of disputes that involve or may involve litigation or arbitration, including securities litigation in which we and certain of our current or former officers and directors have been named as defendants. The result of these and any other future legal proceedings cannot be predicted with certainty. Regardless of their subject matter or merits, such legal proceedings may result in significant cost to us, including in the form of legal fees and/or damages, which may not be covered by insurance, may divert the attention of management or may otherwise have an adverse effect on our business, financial condition and results of operations. Negative publicity from litigation, whether or not resulting in a substantial cost, could materially damage our reputation and could have a material adverse effect on our business, financial condition, results of operations, and the price of our common stock. In addition, such legal proceedings may make it more difficult to finance our operations.

We are also subject to continuous examinations of our income tax returns by tax authorities. Although we believe our tax estimates are reasonable, the final results of any tax examination or related litigation could be materially different from our related historical income tax provisions and accruals. Adverse developments in an audit, examination or litigation related to previously filed tax returns, or in the relevant jurisdiction's tax laws, regulations, administrative practices, principles and interpretations could have a material effect on our results of operations and cash flows in the period or periods for which that development occurs, as well as for prior and subsequent periods. For more details, including on current tax examinations of our income tax returns by tax authorities, see Note 14 – "Income Taxes."

***We may be adversely affected by disruptions in the credit markets, including disruptions that reduce our customers' access to credit and increase the costs to our customers of obtaining credit.***

The credit markets have historically been volatile and therefore it is not possible to predict the ability of our customers to access short-term financing and other forms of capital. If a disruption in the credit markets were to occur, it could pose a risk to our business if customers or suppliers are unable to obtain financing to meet payment or delivery obligations to us. In the event that one or more customers or suppliers' defaults on its payment or delivery obligations, we could incur significant losses, which may harm our business, reputation, results of operations, cash flows and financial condition. In addition, customers may decide to downsize, defer or cancel contracts, which could negatively affect our revenues.

***Our hedging program is subject to counterparty default risk.***

We enter into foreign currency forward contracts and interest rate swaps with a number of counterparties. As a result, we are subject to the risk that the counterparty to one or more of these contracts defaults on its performance under the contract. During an economic downturn, the counterparty's financial condition may deteriorate rapidly and with little notice and we may be unable to take action to protect our exposure. In the event of a counterparty default, we could incur significant losses, which may harm our business and financial condition. In the event that one or more of our counterparties becomes insolvent or files for bankruptcy, our ability to eventually recover any losses suffered as a result of that counterparty's default may be limited by the liquidity of the counterparty.

***We derive significant revenues and profit from contracts awarded through competitive bidding processes, which can impose substantial costs on us and we may not achieve revenue and profit objectives if we fail to bid on these projects effectively.***

We derive significant revenues and profit from government contracts that are awarded through competitive bidding processes. We expect that most of the non-U.S. government business we seek in the foreseeable future will be awarded through competitive bidding. Competitive bidding is expensive and presents a number of risks, including:

- the substantial cost and managerial time and effort that we spend to prepare bids and proposals for contracts that may or may not be awarded to us;
- the need to estimate accurately the resources and costs that will be required to service any contracts we are awarded, sometimes in advance of the final determination of their full scope and design;

- the expense and delay that may arise if our competitors protest or challenge awards made to us pursuant to competitive bidding;
- the requirement to resubmit bids protested by our competitors and in the termination, reduction, or modification of the awarded contracts; and
- the opportunity cost of not bidding on and winning other contracts we might otherwise pursue.

***If our customers experience financial difficulties, we may not be able to collect our receivables, which would materially and adversely affect our profitability and cash flows from operations.***

Over the course of a contract term, a customer's financial condition may decline and limit its ability to pay its obligations. This could cause our cash collections to decrease and bad debt expense to increase. While we may resort to alternative methods to pursue claims or collect receivables, these methods are expensive and time consuming and successful collection is not guaranteed. Failure to collect our receivables or prevail on claims would have an adverse effect on our profitability and cash flows.

***If we are unable to maintain and grow our customer relationships over time, our operating results and cash flows will suffer. Failure to comply with customer contracts or government contracting regulations or requirements could adversely affect our business, results of operations and cash flows.***

We devote significant resources to establish relationships with our customers and implement our offerings and related services, particularly in the case of large enterprises that often request or require specific features or functions specific to their particular business profile. Accordingly, our results of operations depend in substantial part on our ability to deliver a successful customer experience and persuade customers to maintain and grow their relationship with us over time. If we are not successful in implementing an offering or delivering a successful customer experience, including achieving cost and staffing levels that meet our customers' expectations, customers could terminate or elect not to renew their agreements with us and our operating results may suffer.

Contracts with customers may include unique and specialized performance requirements. In particular, our contracts with federal, state, provincial, and local governmental customers are generally subject to various procurement regulations, contract provisions, and other requirements relating to their formation, administration, and performance, including the maintenance of necessary security clearances. Our customers' contracts with U.S. government agencies are also subject to audits and investigations, which may include a review of performance on contracts, pricing practices, cost structure, and compliance with applicable laws and regulations.

Any failure on our part to comply with the specific provisions in customer contracts or any violation of government contracting regulations or other requirements could result in the imposition of various civil and criminal penalties, which may include termination of contracts, forfeiture of profits, suspension of payments, and, in the case of government contracts, fines and suspension from future government contracting. Such failures could also cause reputational damage to our business. In addition, we may be subject to *qui tam* litigation brought by private individuals on behalf of the government relating to government contracts, which could include claims for treble damages. Further, any negative publicity with respect to customer contracts or any related proceedings, regardless of accuracy, may damage our business by harming our ability to compete for new contracts.

Our customers' contracts with the U.S. federal government and related agencies are also subject to issues with respect to federal budgetary and spending limits or matters. Any changes to the fiscal policies of the U.S. federal government may decrease overall government funding, result in delays in the procurement of products and services due to lack of funding, cause the U.S. federal government and government agencies to reduce their purchases under existing contracts, or cause them to exercise their rights to terminate contracts at-will or to abstain from exercising options to renew contracts, any of which would have an adverse effect on our business, financial condition, results of operations and/or cash flows. Additionally, any future impasse impacting the U.S. federal government's ability to reach an agreement on the federal budget, debt ceiling or any future U.S. federal government shut downs could result in material payment delays, payment reductions or contract terminations by the U.S. federal government, which in turn may adversely impact the results of operations and financial condition of our government contractor customers and cause those customers to become unable to meet their obligations under contracts with us, or reduce their demand for our products and services, which could have an adverse effect on our financial condition, results of operations and/or cash flows.

If our customer contracts are terminated, if we are suspended or disbarred from government work, or our ability to compete for new contracts is adversely affected, our financial performance could suffer.

***Our strategic transactions may prove unsuccessful and our profitability may be materially and adversely affected.***

At any given time, we may be engaged in discussions or negotiations with respect to one or more transactions, including acquisitions, divestitures or spin-offs, strategic partnerships or other transaction involving one or more of our businesses. Any of these transactions could be material to our business, financial condition, results of operations and cash flows. We may ultimately determine not to proceed with any transaction for commercial, financial, strategic or other reasons. As a result, we may not realize benefits expected from exploring one or more strategic transactions, may realize benefits further in the future or those benefits may ultimately be significantly smaller than anticipated, which could adversely affect our business, financial condition, results of operations and cash flows.

In addition, we may fail to complete transactions. Closing transactions is subject to uncertainties and risks, including the risk that we may be unable to satisfy conditions to closing, such as regulatory and financing conditions and the absence of material adverse changes to our business.

For acquisitions, our inability to successfully integrate the operations we acquire and leverage these operations to generate substantial cost savings, as well as our inability to avoid revenue erosion and earnings decline, could have a material adverse effect on our results of operations, cash flows and financial position. In order to achieve successful acquisitions, we will need to:

- integrate the operations and business cultures, as well as the accounting, financial controls, management information, technology, human resources and other administrative systems, of acquired businesses with existing operations and systems;
- maintain third-party relationships previously established by acquired companies;
- attract and retain senior management and key personnel at acquired businesses; and
- manage new business lines, as well as acquisition-related workload.

Existing contractual restrictions may limit our ability to engage in certain integration activities for varying periods. We may not be successful in meeting these or any other challenges encountered in connection with historical and future acquisitions. Even if we successfully integrate, we cannot predict with certainty if or when these cost and revenue synergies, growth opportunities and benefits will occur, nor the extent to which they actually will be achieved. In addition, the quantification of previously announced synergies expected to result from an acquisition is based on significant estimates and assumptions that are subjective in nature and inherently uncertain. Realization of any benefits and synergies could be affected by a number of factors beyond our control, including, without limitation, general economic conditions, increased operating costs, regulatory developments and other risks. In addition, future acquisitions could require dilutive issuances of equity securities and/or the assumption of contingent liabilities. The occurrence of any of these events could adversely affect our business, financial condition and results of operations.

Divestiture transactions also involve significant challenges and risks, including:

- the potential loss of key customers, suppliers, vendors and other key business partners;
- declining employee morale and retention issues affecting employees, which may result from changes in compensation, or changes in management, reporting relationships, future prospects or perceived expectations;
- difficulty in making new and strategic hires of new employees;
- diversion of management time and a shift of focus from operating the businesses to transaction execution considerations;
- customers delaying or deferring decisions or ending their relationships with us;
- the need to provide transition services, which may result in stranded costs and the diversion of resources and focus;
- the need to separate operations, systems (including accounting, management, information, human resources and other administrative systems), technologies, products and personnel, which is an inherently risky and potentially lengthy and costly process;

- the inefficiencies and lack of control that may result if such separation is delayed or not implemented effectively, and unforeseen difficulties and expenditures that may arise as a result including potentially significant stranded costs;
- our desire to maintain an investment grade credit rating may cause us to use cash proceeds, if any, from any divestitures or other strategic transactions that we might otherwise have used for other purposes in order to reduce our financial leverage;
- the inability to obtain necessary regulatory approvals or otherwise satisfy conditions required in order consummate any such transactions;
- our dependence on accounting, financial reporting, operating metrics and similar systems, controls and processes of divested businesses could lead to challenges in preparing our consolidated financial statements or maintaining effective financial control over financial reporting; and
- contractual terms limiting our ability to compete for or perform certain contracts or services.

We have also entered into and intend to identify and enter into additional strategic partnerships with other industry participants that will allow us to expand our business. However, we may be unable to identify attractive strategic partnership candidates or complete these partnerships on terms favorable to us. In addition, if we are unable to successfully implement our partnership strategies or our strategic partners do not fulfill their obligations or otherwise prove disadvantageous to our business, our investments in these partnerships and our anticipated business expansion could be adversely affected.

***Changes in U.S. tax legislation may materially affect our financial condition, results of operations and cash flows.***

The 2017 Tax Cuts & Jobs Act ("TCJA") significantly changed the federal income taxation of U.S. corporations, including by reducing the U.S. corporate income tax rate, limiting interest deductions, permitting immediate expensing of certain capital expenditures, adopting elements of a territorial tax system, imposing a one-time transition tax (or “repatriation tax”) on all undistributed earnings and profits of certain U.S.-owned foreign corporations, revising the rules governing net operating losses and the rules governing foreign tax credits, introducing new anti-base erosion provisions and the ability to expense research and experimentation costs. Many of these changes were effective immediately, without any transition periods or grandfathering for existing transactions, while other changes, such as the requirement to capitalize research and development costs became effective for tax years beginning after December 31, 2021 and became applicable to the Company starting in fiscal year 2023. Additionally, starting in fiscal year 2027, certain foreign earnings and earnings that may be subject to the Base Erosion and Anti-Abuse Tax may be subject to higher U.S. tax rates.

The repatriation tax resulted in a material amount of additional U.S. tax liability, the majority of which was reflected as an income tax expense in fiscal 2018, when the tax legislation was enacted, despite the fact that the resulting tax may be paid over eight years.

***Changes in tax rates, tax laws and the timing and outcome of tax examinations could affect our future results.***

Our future effective tax rates, which are largely driven by the mix of our global earnings and the differing statutory tax rates in the jurisdictions where we operate, are subject to change as a result of changes in statutory tax rates enacted in those jurisdictions, or by changes in the valuation of deferred tax assets and liabilities, or by changes in tax laws or their interpretation or tax policy initiatives and reforms under consideration, such as those reflected in the OECD/G20 Inclusive Framework on Base Erosion and Profit Sharing or other projects.

In January 2019, the Organization for Economic Co-operation and Development (“OECD”) announced further work in continuation of its Base Erosion and Profit Shifting project, focusing on two “pillars.” Pillar One provides a framework for the reallocation of certain residual profits of multinational enterprises to market jurisdictions where goods or services are used or consumed. Pillar Two consists of two interrelated rules referred to as Global Anti-Base Erosion (“GloBE”) Rules, which operate to impose a minimum tax rate of 15% calculated on a jurisdictional basis. Such rules are being or may be implemented in many jurisdictions, including the United States. When and how these Pillar Two rules are adopted or enacted by the various countries in which we do business could increase tax complexity and uncertainty and may adversely affect our provision for income taxes in the U.S. and non-U.S. jurisdictions.

The OECD is also issuing guidelines that are different, in some respects, than current international tax principles. If countries amend their tax laws to adopt all or part of the OECD guidelines, this may increase our provision for income taxes. We cannot predict whether the U.S. Congress or any other governmental body, whether in the United States or in other jurisdictions, will enact new tax legislation (including increases to tax rates), whether the Internal Revenue Service ("IRS") or any other tax authority will issue new regulations or other guidance, whether the OECD or any other intergovernmental organization will publish any guidelines on global taxation or whether member states will implement such guidelines, nor can we predict what effect such legislation, regulations or international guidelines might have on our income tax provision.

We are subject to the continuous examination of our income tax returns by the IRS and other tax authorities. We regularly assess the likelihood of adverse outcomes resulting from these examinations to determine the adequacy of our provision for taxes. There can be no assurance that the outcomes from these examinations will not have a material adverse effect on our financial condition and operating results.

**Risks Related to our Completed Strategic Transactions**

***We could have an indemnification obligation to HPE if the stock distribution in connection with the HPES business separation (the "Distribution") were determined not to qualify for tax-free treatment, which could materially adversely affect our financial condition.***

If, due to any of our representations being untrue or our covenants being breached, the Distribution was determined not to qualify for tax-free treatment under Section 355 of the Internal Revenue Code of 1986, as amended (the "Code"), HPE would generally be subject to tax as if it sold the DXC common stock in a taxable transaction, which could result in a material tax liability. In addition, each HPE stockholder who received DXC common stock in the Distribution would generally be treated as receiving a taxable Distribution in an amount equal to the fair market value of the DXC common stock received by the stockholder in the Distribution.

Under the tax matters agreement that we entered into with HPE in connection with the HPES Merger, we were required to indemnify HPE against taxes resulting from the Distribution or certain aspects of the HPES Merger arising as a result of an Everett Tainting Act (as defined in the Tax Matters Agreement). If we were required to indemnify HPE for taxes resulting from an Everett Tainting Act, that indemnification obligation would likely be substantial and could materially adversely affect our financial condition.

***If the HPES Merger does not qualify as a reorganization under Section 368(a) of the Code, CSC's former stockholders may incur significant tax liabilities.***

The completion of the HPES Merger was conditioned upon the receipt by HPE and CSC of opinions of counsel to the effect that, for U.S. federal income tax purposes, the HPES Merger will qualify as a "reorganization" within the meaning of Section 368(a) of the Code (the "HPES Merger Tax Opinions"). The parties did not seek a ruling from the IRS regarding such qualification. The HPES Merger Tax Opinions were based on then current law and relied upon various factual representations and assumptions, as well as certain undertakings made by HPE, HPES and CSC. If any of those representations or assumptions is untrue or incomplete in any material respect or any of those undertakings is not complied with, or if the facts upon which the HPES Merger Tax Opinions are based are materially different from the actual facts that existed at the time of the HPES Merger, the conclusions reached in the HPES Merger Tax Opinions could be adversely affected and the HPES Merger may not qualify for tax-free treatment. Opinions of counsel are not binding on the IRS or the courts. No assurance can be given that the IRS will not challenge the conclusions set forth in the HPES Merger Tax Opinions or that a court would not sustain such a challenge. If the HPES Merger were determined to be taxable, previous holders of CSC common stock would be considered to have made a taxable disposition of their shares to HPES, and such stockholders would generally recognize taxable gain or loss on their receipt of HPES common stock in the HPES Merger.

***We assumed certain material pension benefit obligations in connection with the HPES Merger. These liabilities and the related future funding obligations could restrict our cash available for operations, capital expenditures and other requirements, and may materially adversely affect our financial condition and liquidity.***

Pursuant to the Employee Matters Agreement entered into in connection with the HPES Merger, while HPE retained all U.S. defined benefit pension plan liabilities, DXC retained all liabilities relating to the International Retirement Guarantee (“IRG”) programs for all HPES employees. The IRG is a non-qualified retirement plan for employees who transfer internationally at the request of the HPE Group. The IRG determines the country of guarantee, which is generally the country in which an employee has spent the longest portion of his or her career with the HPE Group, and the present value of a full career benefit for the employee under the HPE defined benefit pension plan and social security or social insurance system in the country of guarantee. The IRG then offsets the present value of the retirement benefits from plans and social insurance systems in the countries in which the employee earned retirement benefits for his or her total period of HPE Group employment. The net benefit value is payable as a single sum as soon as practicable after termination or retirement. This liability could restrict cash available for our operations, capital expenditures and other requirements, and may materially affect our financial condition and liquidity.

In addition, pursuant to the Employee Matters Agreement, DXC assumed certain other defined benefit pension liabilities in a number of non-U.S. countries (including the U.K., Germany and Switzerland). Unless otherwise agreed or required by local law, where a defined benefit pension plan was maintained solely by a member of the HPES business, DXC assumed all assets and liabilities arising out of those non-U.S. defined benefit pension plans, and where a defined benefit pension plan was not maintained solely by a member of the HPES business, DXC assumed all assets and liabilities for those eligible HPES employees in connection with the HPES Merger. These liabilities and the related future payment obligations could restrict cash available for our operations, capital expenditures and other requirements, and may materially affect our financial condition and liquidity.

***The USPS Separation and Mergers and NPS Separation could result in substantial tax liability to DXC and our stockholders.***

Among the closing conditions to completing the USPS Separation and Mergers, we received a legal opinion of tax counsel substantially to the effect that, for U.S. federal income tax purposes: (i) the USPS Separation qualifies as a “reorganization” within the meaning of Section 368(a)(1)(D) of the Code; (ii) each of DXC and Perspecta is a “party to a reorganization” within the meaning of Section 368(b) of the Code with respect to the USPS Separation; (iii) the USPS distribution qualifies as (1) a tax-free spin-off, resulting in nonrecognition under Sections 355(a), 361 and 368(a) of the Code, and (2) a transaction in which the stock distributed thereby should constitute “qualified property” for purposes of Sections 355(d), 355(e) and 361(c) of the Code; and (iv) none of the related mergers causes Section 355(e) of the Code to apply to the USPS distribution. If, notwithstanding the conclusions expressed in these opinions, the USPS Separation and Mergers were determined to be taxable, DXC and its stockholders could incur significant tax liabilities.

In addition, prior to the HPES Merger, CSC spun off its North American Public Sector business ("NPS") on November 27, 2015 (the "NPS Separation"). In connection with the NPS Separation, CSC received an opinion of counsel substantially to the effect that, for U.S. federal income tax purposes, the NPS Separation qualified as a tax-free transaction to CSC and holders of CSC common stock under Section 355 and related provisions of the Code. The completion of the HPES Merger was conditioned upon the receipt of CSC of an opinion of counsel to the effect that the HPES Merger should not cause Section 355(e) of the Code to apply to the NPS Separation or otherwise affect the qualification of the NPS Separation as a tax-free distribution under Section 355 of the Code. If, notwithstanding the conclusions expressed in these opinions, the NPS Separation were determined to be taxable, CSC and CSC stockholders that received CSRA Inc. ("CSRA") stock in the NPS Separation could incur significant tax liabilities.

The opinions of counsel we received were based on, among other things, various factual representations and assumptions, as well as certain undertakings made by DXC, Perspecta and CSRA. If any of those representations or assumptions is untrue or incomplete in any material respect or any of those undertakings is not complied with, the conclusions reached in the opinion could be adversely affected and the USPS Separation or the NPS Separation may not qualify for tax-free treatment. Furthermore, an opinion of counsel is not binding on the IRS or the courts. Accordingly, no assurance can be given that the IRS will not challenge the conclusions set forth in the opinions or that a court would not sustain such a challenge. If, notwithstanding our receipt of the opinions, the USPS Separation or NPS Separation is determined to be taxable, we would recognize taxable gain as if we had sold the shares of Perspecta or CSRA in a taxable sale for its fair market value, which could result in a substantial tax liability. In addition, if the USPS Separation or NPS Separation is determined to be taxable, each holder of our common stock who received shares of Perspecta or CSRA would generally be treated as receiving a taxable distribution in an amount equal to the fair market value of the shares received, which could materially increase such holder's tax liability.

Additionally, even if the USPS Separation otherwise qualifies as a tax-free transaction, the USPS distribution could be taxable to us (but not to our shareholders) in certain circumstances if future significant acquisitions of our stock or the stock of Perspecta are deemed to be part of a plan or series of related transactions that includes the USPS distribution. In this event, the resulting tax liability could be substantial. In connection with the USPS Separation, we entered into a tax matters agreement with Perspecta, under which it agreed not to undertake any transaction without our consent that could reasonably be expected to cause the USPS Separation to be taxable to us and to indemnify us for any tax liabilities resulting from such transactions. These obligations and potential tax liabilities could be substantial.

**General Risk Factor**

***The price of our securities is subject to market and other conditions and may be volatile.***

Our stock price is subject to changes in financial analysts' earnings estimates, valuation and recommendations, our credit ratings and other factors beyond our control such as the inflationary pressures, other macroeconomic factors and the impact on customer demand. Speculation and market sentiment over our results of operations, financial condition and transformation journey can also cause changes in our stock price. In addition to economic, political and market conditions, our stock price may be adversely impacted if our financial results are inconsistent with earlier projections or market expectations, announcements of new products or new technologies by us, our competitors or our customers, or announcements of major transactions, litigation developments or management changes. A significant drop in our stock price could expose us to the risk of securities class action lawsuits, stockholder derivative lawsuits or other actions by stockholders, which may result in substantial costs and divert management's attention and resources, which may adversely affect our business.

We issue debt securities from time to time, with a variety of different maturities and in different currencies. The value of our debt securities fluctuates based on many factors, including the methods employed for calculating principal and interest, the maturity of the securities, the aggregate principal amount of securities outstanding, the redemption features, the level, direction and volatility of interest rates, changes in exchange rates, exchange controls, governmental and stock exchange regulations and other factors over which we have little or no control.

## ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

## ITEM 1C. CYBERSECURITY

### Cybersecurity Risk Management and Strategy

We have developed and implemented a cybersecurity risk management program intended to protect the confidentiality, integrity, and availability of our critical systems and information.

We design and assess our program based on the National Institute of Standards and Technology Cybersecurity Framework ("NIST CSF"). This does not imply that we meet any particular technical standards, specifications, or requirements, only that we use the NIST CSF as a guide to help us identify, assess, and manage cybersecurity risks relevant to our business.

Our cybersecurity risk management program is integrated into our overall enterprise risk management ("ERM") program, and shares common methodologies, reporting channels and governance processes that apply across the ERM program to other legal, compliance, strategic, operational, and financial risk areas.

Key elements of our cybersecurity risk management program include but are not limited to the following:

- risk assessments and penetration testing designed to help identify material cybersecurity risks to our critical systems and information;
- a security team principally responsible for managing (1) our cybersecurity risk assessment processes, (2) our security controls, and (3) our response to cybersecurity incidents;
- the use of external service providers such as forensic analysts, third party security reviewers, and other consultants such as outside counsel, where appropriate, to assess, test or otherwise assist with aspects of our security processes;
- cybersecurity awareness training of our employees, including incident response personnel, and senior management;
- a cybersecurity incident response plan that includes procedures for responding to cybersecurity incidents; and
- a third-party risk management process for key service providers, suppliers, and vendors based on our assessment of their criticality to our operations and respective risk profile.

We have not identified risks from known cybersecurity threats, including as a result of any prior cybersecurity incidents, that have materially affected us, including our operations, business strategy, results of operations, or financial condition. We face risks from cybersecurity threats that, if realized, are reasonably likely to materially affect us, including our operations, business strategy, results of operations, or financial condition. See "Risk Factors – *We could be held liable for damages, our reputation could suffer, and our business may be materially impacted due to service interruptions, from security breaches, cyber-attacks, other cybersecurity events or incidents or disclosure of confidential information or personal data"*.

There can be no assurance that our cybersecurity risk management program and processes, including our policies, controls or procedures, will be fully implemented, complied with or effective in protecting our systems and information.

### Cybersecurity Governance

Cybersecurity is considered a critical risk area at DXC and is integrated into the Company's overall ERM program, which includes maintaining the ERM framework, evaluating risk appetite, and monitoring evolving risks and the effectiveness of mitigations. Our Board considers cybersecurity risk as part of its risk oversight function and has delegated to the Nominating/Corporate Governance Committee oversight of cybersecurity and other information security risks. The Nominating/Corporate Governance Committee oversees management's efforts to identify, assess, mitigate, and remediate material information security risks. Similarly, the Audit Committee oversees our disclosure controls and procedures, which include cybersecurity reporting disclosure controls.

The Nominating/Corporate Governance Committee receives reports from the Global Chief Information Security Officer ("Global CISO") on the Company's information security program at each regular quarterly Committee meeting. In addition, management updates the Nominating/Corporate Governance Committee, where it deems appropriate, regarding any cybersecurity incidents it considers to be significant. The Nominating/Corporate Governance Committee chair then provides an overview of the information security reports to the full Board at each regular quarterly Board meeting. In fiscal 2024, the full Board also received a briefing from management on our enterprise risk management program.

Our management team, including our Global CISO, Chief Operating Officer ("COO"), Chief Information Officer ("CIO"), General Manager of Cloud Infrastructure and ITO, and General Counsel, comprise our Security Steering Committee ("SCC") and are responsible for assessing and managing our material risks from cybersecurity threats. Our Global CISO and our General Manager of Cloud Infrastructure and ITO have primary responsibility for our overall cybersecurity risk management program and supervise both our internal cybersecurity personnel and our retained external cybersecurity consultants. Our Global CISO has extensive experience assessing and managing cybersecurity-related risks and implementing related policies, procedures, and strategies. Our Global CISO has served in leadership roles related to information security for over 28 years, including serving as a Deputy CISO at another company since 2005, then as its CISO since 2017 and as DXC's Global CISO since May 2019. Similarly, our General Manager of Cloud Infrastructure and ITO is a well-known industry leader with more than 20 years of experience in the technology industry and has been with DXC since 2020.

Our management team takes steps to stay informed about and monitor  efforts to prevent, detect, mitigate, and remediate cybersecurity risks and incidents through various means, which may include briefings from internal security personnel; threat intelligence and other information obtained from governmental, public or private sources, including external consultants engaged by us; and alerts and reports produced by security tools deployed in our IT environment. The SCC also analyzes emerging global cyber security risks and uses the expertise of its members to review DXC's current security posture and consider steps to take to mitigate such risks and implement improvements where it deems necessary.

## ITEM 2. PROPERTIES

Our corporate headquarters is located at a leased facility in Ashburn, VA. We own or lease numerous offices and data centers in approximately 360 locations around the world. We do not identify properties by segment, as they are interchangeable in nature and used by both segments.

We continue to reduce our space capacity at low utilization and sub-scale locations, exit co-locations, align locations by skill type and optimize our data center footprint. Where commercially reasonable and to the extent it is not needed for future expansion, we seek to sell, lease or sublease our excess space.

The following table provides a summary of properties we owned and leased as of March 31, 2024:

| | Approximate Square Feet (in millions) | | |
|---|---|---|---|
| **Geographic Area** | **Owned** | **Leased** | **Total** |
| United States | 2.1 | 0.8 | 2.9 |
| EMEA | 0.9 | 2.8 | 3.7 |
| APAC | 0.9 | 1.8 | 2.7 |
| All other | 0.8 | 0.1 | 0.9 |
| Real estate in restructuring | — | 1.7 | 1.7 |
| Inactive space | 1.0 | 0.4 | 1.4 |
| Sublet space | 0.4 | — | 0.4 |
| Assets held for sale | 0.1 | — | 0.1 |
| Total | 6.2 | 7.6 | 13.8 |

| | Approximate Square Feet (in millions) | | |
|---|---|---|---|
| **Type** | **Owned** | **Leased** | **Total** |
| Offices | 1.7 | 4.1 | 5.8 |
| Data centers | 3.0 | 1.4 | 4.4 |
| Real estate in restructuring | — | 1.7 | 1.7 |
| Inactive space | 1.0 | 0.4 | 1.4 |
| Sublet space | 0.4 | — | 0.4 |
| Assets held for sale | 0.1 | — | 0.1 |
| Total | 6.2 | 7.6 | 13.8 |

We believe that the facilities described above are suitable and adequate to meet our current and anticipated requirements. See Note 7 - "Property and Equipment," which provides additional information related to our land, buildings and leasehold improvements, and Note 5 - "Leases," which provides additional information related to our real estate lease commitments.

## ITEM 3. LEGAL PROCEEDINGS

See Note 20 - "Commitments and Contingencies" under the caption “Contingencies” for information regarding legal proceedings in which we are involved.

## ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

## PART II

### ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

**Market Information**

Our common stock trades on the New York Stock Exchange under the symbol "DXC."

**Number of Holders**

As of May 6, 2024, there were 37,204 holders of record of our common stock.

**Dividends**

The Board indefinitely suspended the Company’s cash dividend payment beginning in the first quarter of fiscal 2021. As of March 31, 2024, the Company does not intend to reinstate its quarterly cash dividends.

**Issuer Purchases of Equity Securities**

Share repurchase activity during the three months ended March 31, 2024 was as follows:

| Period | Total Number of Shares Purchased | Average Price Paid Per Share | Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs | Approximate Dollar Value of Shares that May Yet be Purchased Under the Plans or Programs |
|---|---|---|---|---|
| January 1, 2024 to January 31, 2024 | 3,644,527 | $ 23.05 | 3,644,527 | $ 645,471,510 |
| February 1, 2024 to February 29, 2024 | 1,372,062 | $ 21.57 | 1,372,062 | $ 615,871,715 |
| March 1, 2024 to March 31, 2024 | 1,153,314 | $ 20.81 | 1,153,314 | $ 591,871,924 |
| Total | 6,169,903 | $ 22.30 | 6,169,903 | |

On April 3, 2017, we announced the establishment of a share repurchase plan approved by the Board with an initial authorization of $2.0 billion for future repurchases of outstanding shares of our common stock. On November 8, 2018, our Board approved an incremental $2.0 billion share repurchase authorization. During fiscal 2024, DXC completed the remaining share repurchases under the above authorizations.

On May 18, 2023, DXC announced that its Board approved an incremental $1.0 billion share repurchase authorization. Share repurchases may be made from time to time through various means, including in open market purchases, 10b5-1 plans, privately-negotiated transactions, accelerated stock repurchases, block trades and other transactions, in compliance with Rule 10b-18 under the Exchange Act of 1934, as amended, as well as, to the extent applicable, other federal and state securities laws and other legal requirements. The timing, volume, and nature of share repurchases pursuant to the share repurchase plan are at the discretion of management and may be suspended or discontinued at any time.

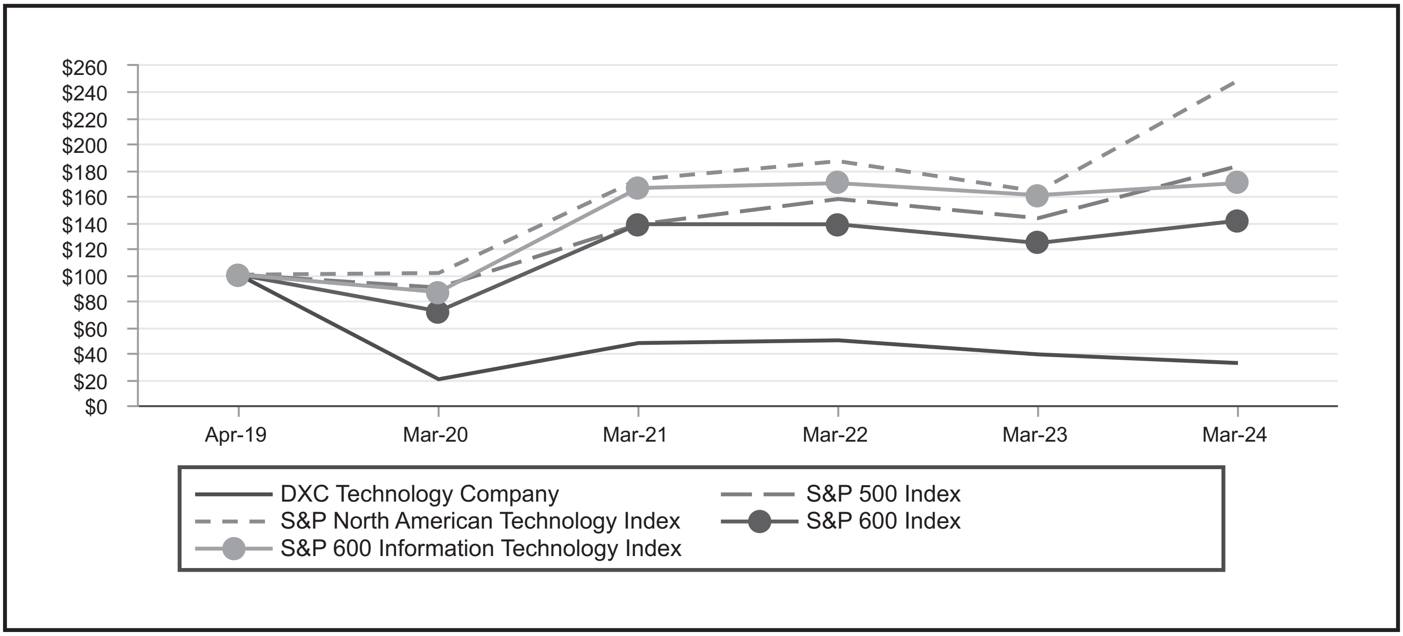
On August 16, 2022, the U.S. government enacted the Inflation Reduction Act (the "IRA") into law. The IRA imposes a 1% excise tax on share repurchases completed after December 31, 2022. We reflect the excise tax within equity as part of the repurchase of the common stock.

See Note 15 - "Stockholders' Equity" for more information.

**Performance Graph**

The following graph compares the cumulative return on our common stock for the most recent five years, with the cumulative return on the Standard & Poor's 600 Stock Index ("S&P 600 Index"), Standard & Poor's 600 Information Technology Index ("S&P 600 Information Technology Index"), Standard & Poor's 500 Stock Index ("S&P 500 Index"), and Standard & Poor's North American Technology Index ("S&P North American Technology Index"). Going forward, the Company will replace the S&P 500 Index and the S&P North American Technology Index with the S&P 600 Index and the S&P 600 Information Technology Index, as we concluded that the companies included therein are our closer competitors or are of a more similar size with us. The graph assumes that $100 was invested at the market close on April 1, 2019 (the first trading day of fiscal 2020) in our common stock, and the relevant comparison indices. The stock price performance of the following graph is not necessarily indicative of future stock price performance.

**Comparison of Five Year Cumulative Total Return**




The following table provides total shareholder returns assuming $100 was invested on April 1, 2019, with annual returns using our fiscal year-end date:

| Company/Market/Peer Group | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|
| DXC Technology Company | (80.0)% | 140.0 % | 4.0 % | (22.0)% | (17.0)% |
| S&P 500 Index | (10.0)% | 54.0 % | 14.0 % | (9.0)% | 28.0 % |
| S&P North American Technology Index | 1.0 % | 71.0 % | 8.0 % | (12.0)% | 52.0 % |
| S&P 600 Index | (28.0)% | 93.0 % | — % | (10.0)% | 14.0 % |
| S&P 600 Information Technology Index | (13.0)% | 92.0 % | 2.0 % | (5.0)% | 6.0 % |

**Securities Authorized for Issuance Under Equity Compensation Plans**

See Part III, Item 12 of this Annual Report on Form 10-K for information regarding our equity compensation plans.

**ITEM 6. RESERVED**

## ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

### Introduction

The purpose of the Management's Discussion and Analysis (“MD&A”) is to present information that management believes is relevant to an assessment and understanding of our results of operations and cash flows for the fiscal year ended March 31, 2024 and our financial condition as of March 31, 2024. The MD&A is provided as a supplement to, and should be read in conjunction with, our financial statements and notes.

The MD&A is organized in the following sections:

- Background
- Results of Operations
- Liquidity and Capital Resources
- Critical Accounting Estimates

The following discussion includes a comparison of our results of operations and liquidity and capital resources for fiscal 2024 and fiscal 2023. A comparison of our results of operations and liquidity and capital resources for fiscal 2023 and fiscal 2022 may be found in “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations” on Form 10-K filed with the Securities and Exchange Commission on May 19, 2023.

### Background

DXC helps global companies run their mission critical systems and operations while modernizing IT, optimizing data architectures, and ensuring security and scalability across public, private and hybrid clouds. The world’s largest companies and public sector organizations trust DXC to deploy services to drive new levels of performance, competitiveness, and customer experience across their IT estates.

We generate revenue by offering a wide range of information technology services and solutions primarily in North America, Europe, Asia, and Australia. We operate through two segments: Global Business Services ("GBS") and Global Infrastructure Services ("GIS"). We market and sell our services directly to customers through our direct sales offices around the world. Our customers include commercial businesses of many sizes and in many industries and public sector clients.

### Key Metrics

Key metrics for fiscal 2024 compared to fiscal 2023 are included below. We have presented organic revenue and diluted earnings per share on a non-GAAP basis. For more information see “Non-GAAP Financial Measures.”

- Revenues of $13.67 billion, down 5.3% compared to prior year period, and down 4.1% on an organic basis;
- Diluted earnings (loss) per share of $0.46, compared to $(2.48) in fiscal 2023; adjusted diluted earnings per share of $3.13, compared to $3.47 in fiscal 2023, a decrease of 9.8%;
- Operating cash flow of $1,361 million, less capital expenditures of $605 million, resulted in free cash flow of $756 million;
- Returned $883 million to shareholders through share repurchases in fiscal 2024.

## Results of Operations

The following table provides financial data for fiscal 2024 and 2023:

| (In millions, except per-share amounts) | Fiscal Years Ended March 31, 2024 | Fiscal Years Ended March 31, 2023 |
|---|---|---|
| Revenues | $ 13,667 | $ 14,430 |
| | | |
| Income (loss) before income taxes | 109 | (885) |
| Income tax expense (benefit) | 23 | (319) |
| Net income (loss) | $ 86 | $ (566) |
| | | |
| Diluted income (loss) per common share: | $ 0.46 | $ (2.48) |

### *Revenues*

Our revenues by geography and operating segments are provided below:

| | Fiscal Years Ended | | | Fiscal Year Ended | |
|---|---|---|---|---|---|
| (in millions) | March 31, 2024 | March 31, 2023 | Percentage Change | Constant Currency March 31, 2024[(1)] | Percentage Change in Constant Currency[(1)] |
| Geographic Market | | | | | |
| United States | $ 3,909 | $ 4,320 | (9.5)% | $ 3,909 | (9.5)% |
| United Kingdom | 1,881 | 1,883 | (0.1)% | 1,802 | (4.3)% |
| Other Europe | 4,267 | 4,429 | (3.7)% | 4,130 | (6.8)% |
| Australia | 1,261 | 1,449 | (13.0)% | 1,312 | (9.5)% |
| Other International | 2,349 | 2,349 | — % | 2,418 | 2.9 % |
| Total Revenues | $ 13,667 | $ 14,430 | (5.3)% | $ 13,571 | (6.0)% |
| | | | | | |
| Reportable Segments | | | | | |
| GBS | $ 6,820 | $ 6,960 | (2.0)% | $ 6,796 | (2.4)% |
| GIS | 6,847 | 7,470 | (8.3)% | 6,775 | (9.3)% |
| Total Revenues | $ 13,667 | $ 14,430 | (5.3)% | $ 13,571 | (6.0)% |

*(1) Constant currency revenues are a non-GAAP measure calculated by translating current period activity into U.S. dollars using the comparable prior period's currency conversion rates. This information is consistent with how management views our revenues and evaluates our operating performance and trends. For more information, see "Non-GAAP Financial Measures."*

Total revenue for fiscal 2024 was $13.7 billion, a decrease of $763 million or 5.3%, compared to the prior fiscal year. The 5.3% decrease against the comparative period includes a 0.7% favorable foreign currency exchange rate impact, a 1.9% decline in revenue from the disposition of certain businesses, and a 4.1% decline in organic revenue. Organic revenue growth is a non-GAAP measure. For more information, see "Non-GAAP Financial Measures."

The favorable foreign currency exchange rate impact is primarily driven by the weakening of the U.S. dollar against the British Pound and Euro.

For a discussion of risks associated with our foreign operations, see Part I, Item 1A - "Risk Factors."

*Global Business Services*

GBS revenues were $6.8 billion for fiscal 2024, a decrease of $140 million or 2.0% compared to fiscal 2023. The 2.0% decrease against the comparative period includes a 3.8% decline in revenue from the disposition of certain businesses, partially offset by 1.4% organic revenue growth from additional services provided to new and existing customers and a 0.4% favorable foreign currency exchange rate impact.

*Global Infrastructure Services*

GIS revenues were $6.8 billion for fiscal 2024, a decrease of $623 million or 8.3% compared to fiscal 2023. The 8.3% decrease against the comparative period includes a 1.0% favorable foreign currency exchange rate impact offset by a 9.3% decline in organic revenue from project completions, early terminations, and lower resale revenue.

***Costs and Expenses***

Our total costs and expenses were as follows:

| | Dollar Amount Fiscal Years Ended | | Change | |
|---|---|---|---|---|
| (in millions) | March 31, 2024 | March 31, 2023 | Dollar | Percent |
| Costs of services (excludes depreciation and amortization and restructuring costs) | $ 10,576 | $ 11,246 | $ (670) | (6.0)% |
| Selling, general and administrative (excludes depreciation and amortization and restructuring costs) | 1,244 | 1,375 | (131) | (9.5) |
| Depreciation and amortization | 1,404 | 1,519 | (115) | (7.6) |
| Restructuring costs | 111 | 216 | (105) | (48.6) |
| Interest expense | 298 | 200 | 98 | 49.0 |
| Interest income | (214) | (135) | (79) | 58.5 |
| Gain on disposition of businesses | (79) | (190) | 111 | (58.4) |
| Other expense (income), net | 218 | 1,084 | (866) | (79.9) |
| Total costs and expenses | $ 13,558 | $ 15,315 | $ (1,757) | (11.5)% |

***Costs of Services***

Costs of services, excluding depreciation and amortization and restructuring costs ("COS"), were $10.6 billion for fiscal 2024, a decrease of $670 million compared to the prior fiscal year.

The $670 million decrease in expenses against the prior fiscal year was primarily due to a reduction in labor costs from lower revenue levels and a reduction in professional services and contractor-related expenses from our cost optimization efforts, partially offset by a $9 million severance expense in the third quarter of fiscal 2024 related to the departure of the Company’s prior Chief Executive Officer and an unfavorable foreign currency exchange rate impact of $64 million.

Gross margin (Revenues less COS as a percentage of revenue) was 22.6% for fiscal 2024, an increase of 50 basis points against the prior fiscal year.

***Selling, General and Administrative***

Selling, general and administrative expense, excluding depreciation and amortization and restructuring costs ("SG&A"), was $1.2 billion for fiscal 2024, a decrease of $131 million compared to the prior fiscal year.

The $131 million decrease in expenses against the prior fiscal year was primarily due to a reduction of $30 million in costs related to merger related indemnification expenses, a decrease of $9 million in transaction, separation and integration-related (“TSI”) costs, and lower professional services and other vendor-related expenses in fiscal 2024. In addition, the prior year included a $29 million expense for arbitration-related losses and an $8 million expense for the SEC Matter. These decreases in expense were partially offset by a $5 million unfavorable foreign currency exchange rate impact.

SG&A as a percentage of revenue was 9.1% for fiscal 2024, a favorable decrease of 40 basis points against the prior fiscal year.

### *Depreciation and Amortization*

Depreciation expense was $433 million for fiscal 2024, a decrease of $86 million compared to the prior fiscal year. The decrease in depreciation expense was primarily due to lower average net property and equipment balances.

Amortization expense was $971 million for fiscal 2024, a decrease of $29 million compared to the prior fiscal year. The decrease in amortization expense was primarily due to lower software amortization and customer related intangible amortization, partially offset by an increase in transition and transformation contract cost amortization.

### *Restructuring Costs*

During fiscal 2024, management approved global cost savings initiatives designed to better align our workforce, facility and data center requirements. Total restructuring costs recorded, net of reversals, during fiscal 2024 were $111 million, a decrease of $105 million compared to the prior fiscal year, primarily from a reduction in workforce-related expenses.

See Note 12 - "Restructuring Costs" for additional information about our restructuring actions.

### *Interest Expense and Interest Income*

For fiscal 2024, net interest expense (interest expense less interest income) was $84 million, an increase of $19 million as compared to the prior fiscal year.

The increase in net interest expense against the comparative period was primarily due to higher interest rates globally that increased interest expense from securitization and commercial paper borrowings.

### *Gain on Disposition of Businesses*

During fiscal 2024, the Company sold insignificant businesses and a strategic investment, and made adjustments to estimated amounts from prior years' dispositions that resulted in a net gain of $79 million.

During fiscal 2023, the Company had a net gain of $190 million from the disposition of certain businesses, including a pre-tax gain of $215 million from the sale of its FDB business, partially offset by a loss of $25 million from the sale of certain insignificant businesses.

***Other Expense (Income), Net***

Other expense (income), net comprises non-service cost components of net periodic pension income, pension and OPEB actuarial and settlement losses, movement in foreign currency exchange rates on our foreign currency denominated assets and liabilities and the related economic hedges, gains on sales of assets, and other miscellaneous gains and losses.

The components of other expense (income), net for fiscal 2024 and 2023 were as follows:

| | Fiscal Years Ended | | |
|---|---|---|---|
| (in millions) | March 31, 2024 | March 31, 2023 | Dollar Change |
| Non-service cost components of net periodic pension (income) expense | $ (145) | $ (251) | $ 106 |
| Pension and OPEB actuarial and settlement losses (gains) | 445 | 1,431 | (986) |
| Foreign currency (gain) loss | (7) | (15) | 8 |
| Gain on sale of assets | (40) | (90) | 50 |
| Other (gain) loss | (35) | 9 | (44) |
| Total | $ 218 | $ 1,084 | $ (866) |

Other expense (income), net, was $218 million in fiscal 2024, a decrease of $866 million against the prior fiscal year. The change against the prior fiscal year was primarily due to:

- net periodic pension income decreased by $106 million primarily due to changes in expected returns on assets and other actuarial assumptions;
- pension and OPEB actuarial and settlement losses decreased by $986 million from mark-to-market adjustments and other settlement gains and losses;
- foreign currency gains decreased $8 million primarily due to movements of exchange rates on our foreign currency-denominated assets and liabilities, related hedges including forward contracts to manage our exposure to economic risk, and the cost of our hedging program;
- a decrease in gains from sales of assets of $50 million; and
- an increase in other gains of $44 million, primarily from the sale of a strategic investment in fiscal 2024 and an impairment loss recorded in fiscal 2023.

***Taxes***

Our effective tax rate ("ETR") on income (loss) from continuing operations, before taxes, for fiscal 2024 and 2023 was 21.1% and (36.0)%, respectively. A reconciliation of the differences between the U.S. federal statutory rate and the ETR, as well as other information about our income tax provision, is provided in Note 14 - "Income Taxes."

In fiscal 2024, the ETR was primarily impacted by:

- Changes in foreign jurisdictional losses that decreased the ETR by $160 million and 146.8%, respectively, with an offsetting increase in the ETR due to an increase in the valuation allowance of the same amount.
- Income tax and foreign tax credits, which decreased income tax expense and decreased the ETR by $101 million and 92.7%, respectively, offset by tax expense on U.S. international tax inclusions, which increased tax expense and increased the ETR by $39 million and 35.8%, respectively.
- Foreign withholding taxes, which increased income tax expense and increased the ETR by $64 million and 58.7%, respectively.

In fiscal 2023, the ETR was primarily impacted by:

- A reduction in base erosion and transition taxes, which increased income tax benefit and decreased the ETR by $81 million and 9.1%, respectively.
- Income tax and foreign tax credits, which increased income tax benefit and decreased the ETR by $71 million and 8.0%, respectively, offset by tax expense on U.S. international tax inclusions which decreased tax benefit and increased the ETR by $51 million and 5.8%, respectively.
- Non-taxable gains and losses on business divestitures, which increased income tax benefit and decreased the ETR by $67 million and 7.6%, respectively.

The Internal Revenue Service (the "IRS") has examined, or is examining, the Company's federal income tax returns for fiscal 2009 through the tax year ended October 31, 2018. With respect to CSC's fiscal 2009 through 2017 federal tax returns, the Company participated in settlement negotiations with the IRS Office of Appeals. The IRS examined several issues for these tax years that resulted in various audit adjustments. The Company and the IRS Office of Appeals have settled various audit adjustments, and we disagree with the IRS' disallowance of certain losses and deductions resulting from restructuring costs, foreign exchange losses, and a third-party financing transaction in previous years. As we believe we will ultimately prevail on the technical merits of the disagreed items and are challenging them in the U.S. Tax Court, these matters are not fully reserved and would result in incremental federal and state tax expense of approximately $507 million (including estimated interest and penalties) for the unreserved portion of these items and cash tax payments of approximately $582 million, if we do not prevail. We have received notices of deficiency with respect to fiscal 2009, 2010, 2011 and 2013 and have timely filed petitions with the U.S. Tax Court. During fiscal 2024, some of these cases were dismissed, but the dismissals were procedural in nature only and do not impact the Company's potential liability for the aforementioned fiscal years. We expect court proceedings to progress during calendar year 2024 that may result in resolution of some or all of the litigation matters by the end of fiscal year 2025.

During the third quarter of fiscal 2024, the Company determined there were inadvertent omissions on previously filed tax returns related to gain recognition agreements and certain related tax forms and disclosures. The Company notified the IRS in December of 2023 and filed for relief under Treas. Reg. Sec. 1.367(a)-8(p) in January 2024 to correct the issue.

The Company's fiscal years 2009, 2010, and 2013 are in the U.S. Tax Court, and consequently these years will remain open until such proceedings have concluded. The statute of limitations on assessments related to a refund claim for fiscal year 2012 is open through February 28, 2025. The Company has agreed to extend the statute of limitations for fiscal and tax return years 2014 through 2021 to December 31, 2025. The Company expects to reach resolution for fiscal and tax return years 2009 through 2021 no earlier than the end of fiscal year 2026, except fiscal year 2012 for which the statute closes in fiscal year 2025, and potentially the years subject to litigation which may be resolved in fiscal year 2025.

The Company may settle certain other tax examinations for different amounts than the Company has accrued as uncertain tax positions. Consequently, the Company may need to accrue and ultimately pay additional amounts or pay lower amounts than previously estimated and accrued when positions are settled in the future. The Company believes the outcomes that are reasonably possible within the next 12 months to result in a reduction in its liability for uncertain tax positions, excluding interest, penalties, and tax carryforwards, would be approximately $17 million.

***Earnings Per Share (EPS)***

Diluted EPS for fiscal 2024 was $0.46, an increase of $2.94 compared to the prior fiscal year. The increase in diluted EPS against the prior fiscal year was primarily due to an increase in net income attributable to DXC common stockholders and a lower weighted average share count from the Company's share repurchases.

Diluted EPS for fiscal 2024 includes $0.44 per share of restructuring costs, $0.03 per share of transaction, separation and integration-related costs, $1.40 per share of amortization of acquired intangible assets, $0.01 per share of merger-related indemnification, $0.04 per share of impairment losses, $1.68 per share of pension and OPEB actuarial and settlement losses, $(0.45) per share of net gains on dispositions, and $(0.49) per share of tax adjustments primarily relating to tax adjustments to impair or recognize certain deferred tax assets and adjustments for changes in tax legislation.

***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, non-GAAP net income attributable to DXC common stockholders, non-GAAP EPS, organic revenue growth, constant currency revenues, and free cash flow.

We believe EBIT, adjusted EBIT, non-GAAP income before income taxes, non-GAAP net income, non-GAAP net income attributable to DXC common stockholders, and non-GAAP EPS provide investors with useful supplemental information about our operating performance after excluding certain categories of expenses.

We believe constant currency revenues provides investors with useful supplemental information about our revenues after excluding the effect of currency exchange rate fluctuations for currencies other than U.S. dollars in the periods presented. See below for a description of the methodology we use to present constant currency revenues.

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

Another category of expenses excluded from adjusted EBIT, non-GAAP income before income tax, non-GAAP net income, non-GAAP net income attributable to DXC common stockholders, and non-GAAP EPS is impairment losses, which, if included, may result in a significant difference in period-over-period expense on a GAAP basis. We exclude impairment losses as these non-cash amounts reflect generally an acceleration of what would be multiple periods of expense and are not expected to occur frequently. Further, assets such as goodwill may be significantly impacted by market conditions outside of management's control.

Selected references are made to revenue growth on an "organic basis" so that certain financial results can be viewed without the impact of fluctuations in foreign currency rates and without the impacts of acquisitions and divestitures, thereby providing comparisons of operating performance from period to period of the business that we have owned during both periods presented. Organic revenue growth is calculated by dividing the year-over-year change in GAAP revenues attributed to organic growth by the GAAP revenues reported in the prior comparable period. Organic revenue is calculated as constant currency revenue excluding the impact of mergers, acquisitions or similar transactions until the one-year anniversary of the transaction and excluding revenues of divestitures during the reporting period. This approach is used for all results where the functional currency is not the U.S. dollar. We believe organic revenue growth provides investors with useful supplemental information about our revenues after excluding the effect of currency exchange rate fluctuations for currencies other than U.S. dollars and the effects of acquisitions and divestitures in both periods presented.

Free cash flow represents cash flow from operations, less capital expenditures. Free cash flow is utilized by our management, investors, and analysts to evaluate cash available to pay debt, repurchase shares, and provide further investment in the business.

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. Please see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Results of Operations—Revenues."

Certain non-GAAP financial measures and the respective most directly comparable financial measures calculated and presented in accordance with GAAP include:

| | Dollar Amount Fiscal Years Ended | | Change | |
|---|---|---|---|---|
| (in millions) | March 31, 2024 | March 31, 2023 | Dollar [1] | Percent [1] |
| Income (loss) before income taxes | $ 109 | $ (885) | $ 994 | 112.3 % |
| Non-GAAP income before income taxes | $ 932 | $ 1,092 | $ (160) | (14.7)% |
| Net income (loss) | $ 86 | $ (566) | $ 652 | 115.2 % |
| Adjusted EBIT | $ 1,016 | $ 1,157 | $ (141) | (12.2)% |

[1] *The dollar and percent change for the Income (loss) before income taxes and Net income (loss) includes the Pension and OPEB actuarial and settlement gains and losses that were $445 million and $1,431 million for the fiscal years ended March 31, 2024 and March 31, 2023, respectively.*

*Reconciliation of Non-GAAP Financial Measures*

Our non-GAAP adjustments include:

- Restructuring costs – includes costs, net of reversals, related to workforce and real estate optimization and other similar charges.
- Transaction, separation and integration-related ("TSI") costs – includes costs related to integration, separation, planning, financing and advisory fees and other similar charges associated with mergers, acquisitions, strategic investments, joint ventures, and dispositions and other similar transactions incurred within one year of such transactions closing, except for costs associated with related disputes, which may arise more than one year after closing.
- Amortization of acquired intangible assets – includes amortization of intangible assets acquired through business combinations.
- Pension and OPEB actuarial and settlement gains and losses – pension and OPEB actuarial mark to market adjustments and settlement gains and losses.
- Merger related indemnification – in fiscal 2024, primarily represents the Company's current estimate of potential liability to HPE for tax related indemnifications; and in fiscal 2023, represents the Company's then current estimate of potential liability to HPE for tax related indemnifications; indemnification on the Forsyth v. HP Inc. and HPE litigation; and the Company's final liability to HPE on the Oracle v. HPE litigation. These obligations are related to the HPES merger.
- SEC Matter - represents the Company's liability related to a previously disclosed investigation into its historical determination and disclosure of certain "transaction, separation, and integration-related costs" as part of the Company's non-GAAP adjustments.
- Gains and losses on dispositions – gains and losses related to dispositions of businesses, strategic assets and interests in less than wholly-owned entities.(1)
- Arbitration loss - reflects losses arising from arbitration decisions in the third and fourth quarters of fiscal 2023.
- Impairment losses – non-cash charges associated with the permanent reduction in the value of the Company's assets (e.g., impairment of goodwill and other long-term assets including fixed assets and impairments to deferred tax assets for discrete changes in valuation allowances). Future discrete reversals of valuation allowances are likewise excluded.(2)
- Tax adjustments – discrete tax adjustments to impair or recognize certain deferred tax assets, adjustments for changes in tax legislation, and adjustments to transition tax. Income tax expense (benefit) from the impact of merger and divestitures is separately computed based on the underlying transaction. Income tax expense of all other (non-discrete) non-GAAP adjustments is computed by applying the jurisdictional tax rate to the pre-tax adjustments on a jurisdictional basis.(3)

*(1) During fiscal 2024, the Company sold insignificant businesses and a strategic investment and made adjustments to estimated amounts from prior years' dispositions that resulted in a net gain of $115 million. During fiscal 2023, the Company had a net gain of $190 million from the disposition of certain businesses, including a pre-tax gain of $215 million from the sale of its FDB business partially offset by a loss of $25 million from the sale of certain insignificant businesses.*

*(2) Impairment losses on dispositions for fiscal 2024 include $5 million of charges associated with certain strategic investments accounted for within Other income, net. Impairment losses on dispositions for fiscal 2024 included $4 million of Net income attributable to non-controlling interest, net of tax. Impairment losses for fiscal 2023 include an $8 million impairment charge for customer related intangible assets and an $11 million impairment charge associated with a strategic investment.*

*(3) Tax adjustments for fiscal 2024 include $(92) million of changes in valuation allowances on deferred tax assets, $(7) million of adjustments to transition tax, and $2 million of revaluation of deferred taxes resulting from changes in non-U.S. jurisdiction tax rates. Tax adjustments for fiscal 2023 include $(5) million changes in valuation allowances on deferred tax assets, $(28) million of adjustments to transition tax, and $(87) million of revaluation of deferred taxes resulting from changes in non-U.S. jurisdiction tax rates.*

A reconciliation of reported results to non-GAAP results is as follows:

| | Fiscal Year Ended March 31, 2024 | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| (in millions, except per-share amounts) | As Reported | Restructuring Costs | Transaction, Separation and Integration-Related Costs | Amortization of Acquired Intangible Assets | Merger Related Indemnification | Gains and Losses on Dispositions | Impairment Losses | Pension and OPEB Actuarial and Settlement Gains and Losses | Tax Adjustment | Non-GAAP Results |
| Income before income taxes | 109 | 111 | 7 | 354 | 16 | (115) | 5 | 445 | — | 932 |
| Income tax expense | 23 | 23 | 1 | 75 | 14 | (26) | 1 | 109 | 97 | 317 |
| Net income | 86 | 88 | 6 | 279 | 2 | (89) | 4 | 336 | (97) | 615 |
| Less: net loss attributable to non-controlling interest, net of tax | (5) | — | — | — | — | — | (4) | 2 | — | (7) |
| Net income attributable to DXC common stockholders | $ 91 | $ 88 | $ 6 | $ 279 | $ 2 | $ (89) | $ 8 | $ 334 | (97) | $ 622 |
| Effective Tax Rate | 21.1 % | | | | | | | | | 34.0 % |
| Basic EPS | $ 0.46 | $ 0.45 | $ 0.03 | $ 1.42 | $ 0.01 | $ (0.45) | $ 0.04 | $ 1.71 | $ (0.50) | $ 3.18 |
| Diluted EPS | $ 0.46 | $ 0.44 | $ 0.03 | $ 1.40 | $ 0.01 | $ (0.45) | $ 0.04 | $ 1.68 | $ (0.49) | $ 3.13 |
| Weighted average common shares outstanding for: | | | | | | | | | | |
| Basic EPS | 195.80 | 195.80 | 195.80 | 195.80 | 195.80 | 195.80 | 195.80 | 195.80 | 195.80 | 195.80 |
| Diluted EPS | 198.78 | 198.78 | 198.78 | 198.78 | 198.78 | 198.78 | 198.78 | 198.78 | 198.78 | 198.78 |

| | Fiscal Year Ended March 31, 2023 | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| (in millions, except per-share amounts) | As Reported | Restructuring Costs | Transaction, Separation and Integration-Related Costs | Amortization of Acquired Intangible Assets | Merger Related Indemnification, Arbitration Loss, and SEC Matter | Gains and Losses on Dispositions | Impairment Losses | Pension and OPEB Actuarial and Settlement Gains and Losses | Tax Adjustment | Non-GAAP Results |
| (Loss) income before income taxes | (885) | 216 | 16 | 402 | 83 | (190) | 19 | 1,431 | — | 1,092 |
| Income tax (benefit) expense | (319) | 44 | 3 | 81 | 31 | 25 | 4 | 291 | 120 | 280 |
| Net (loss) income | (566) | 172 | 13 | 321 | 52 | (215) | 15 | 1,140 | (120) | 812 |
| Less: net income attributable to non-controlling interest, net of tax | 2 | — | — | — | — | — | — | 2 | — | 4 |
| Net (loss) income attributable to DXC common stockholders | $ (568) | $ 172 | $ 13 | $ 321 | $ 52 | $ (215) | $ 15 | $ 1,138 | $ (120) | $ 808 |
| Effective Tax Rate | 36.0 % | | | | | | | | | 25.6 % |
| Basic EPS | $ (2.48) | $ 0.75 | $ 0.06 | $ 1.40 | $ 0.23 | $ (0.94) | $ 0.07 | $ 4.97 | $ (0.52) | $ 3.53 |
| Diluted EPS | $ (2.48) | $ 0.74 | $ 0.06 | $ 1.38 | $ 0.22 | $ (0.92) | $ 0.06 | $ 4.89 | $ (0.52) | $ 3.47 |
| Weighted average common shares outstanding for: | | | | | | | | | | |
| Basic EPS | 228.99 | 228.99 | 228.99 | 228.99 | 228.99 | 228.99 | 228.99 | 228.99 | 228.99 | 228.99 |
| Diluted EPS | 228.99 | 232.62 | 232.62 | 232.62 | 232.62 | 232.62 | 232.62 | 232.62 | 232.62 | 232.62 |

Reconciliations of revenue growth to organic revenue growth are as follows:

| | Fiscal Years Ended | |
|---|---|---|
| | March 31, 2024 | March 31, 2023 |
| Total revenue growth | (5.3)% | (11.3)% |
| Foreign currency | (0.7)% | 6.0 % |
| Acquisitions and divestitures | 1.9 % | 2.6 % |
| Organic revenue growth | (4.1)% | (2.7)% |
| | | |
| GBS revenue growth | (2.0)% | (8.4)% |
| Foreign currency | (0.4)% | 5.9 % |
| Acquisitions and divestitures | 3.8 % | 4.9 % |
| GBS organic revenue growth | 1.4 % | 2.4 % |
| | | |
| GIS revenue growth | (8.3)% | (13.8)% |
| Foreign currency | (1.0)% | 6.0 % |
| Acquisitions and divestitures | — % | 0.6 % |
| GIS organic revenue growth | (9.3)% | (7.2)% |

Reconciliations of net income (loss) to adjusted EBIT are as follows:

| | Fiscal Years Ended | |
|---|---|---|
| (in millions) | March 31, 2024 | March 31, 2023 |
| Net income (loss) | $ 86 | $ (566) |
| Income tax expense (benefit) | 23 | (319) |
| Interest income | (214) | (135) |
| Interest expense | 298 | 200 |
| EBIT | 193 | (820) |
| Restructuring costs | 111 | 216 |
| Transaction, separation and integration-related costs | 7 | 16 |
| Amortization of acquired intangible assets | 354 | 402 |
| Merger-related indemnification | 16 | 46 |
| SEC Matter | — | 8 |
| Gains on dispositions | (115) | (190) |
| Arbitration loss | — | 29 |
| Impairment losses | 5 | 19 |
| Pension and OPEB actuarial and settlement losses | 445 | 1,431 |
| Adjusted EBIT | $ 1,016 | $ 1,157 |

## Liquidity and Capital Resources

### *Cash and Cash Equivalents and Cash Flows*

As of March 31, 2024, our cash and cash equivalents ("cash") were $1.2 billion, of which $0.6 billion was held outside of the U.S. We maintain various multi-currency, multi-entity, cross-border, physical and notional cash pool arrangements with various counterparties to manage liquidity efficiently that enable participating subsidiaries to draw on the Company's pooled resources to meet liquidity needs.

A significant portion of the cash held by our foreign subsidiaries is not expected to be impacted by U.S. federal income tax upon repatriation. However, a portion of this cash may still be subject to foreign and U.S. state income tax consequences upon future remittance. Therefore, if additional funds held outside the U.S. are needed for our operations in the U.S., we plan to repatriate these funds not designated as indefinitely reinvested.

We have $0.1 billion in cash held by foreign subsidiaries used for local operations that is subject to country-specific limitations, which may restrict or result in increased costs in the repatriation of these funds. In addition, other practical considerations may limit our use of consolidated cash. This includes cash of $0.1 billion held by majority owned consolidated subsidiaries where third parties or public shareholders hold minority interests.

The following table summarizes our cash flow activity:

| | Fiscal Year Ended | | |
|---|---|---|---|
| (in millions) | **March 31, 2024** | **March 31, 2023** | **Change** |
| Net cash provided by (used in): | | | |
| Operating activities | $ 1,361 | $ 1,415 | $ (54) |
| Investing activities | (491) | (635) | 144 |
| Financing activities | (1,487) | (1,507) | 20 |
| Effect of exchange rate changes on cash and cash equivalents | (17) | (97) | 80 |
| Cash classified within current assets held for sale | — | 10 | (10) |
| **Net decrease in cash and cash equivalents** | **$ (634)** | **$ (814)** | **$ 180** |
| | | | |
| Cash and cash equivalents at beginning of year | 1,858 | 2,672 | |
| Cash and cash equivalents at end of year | $ 1,224 | $ 1,858 | |

*Operating cash flow*

Net cash provided by operating activities was $1,361 million and $1,415 million, respectively, in fiscal 2024 and fiscal 2023, reflecting a year-over-year decrease of $54 million. The decrease was primarily due to:

- a decrease in net income, net of adjustments of $214 million; partially offset by
- a $160 million favorable change in working capital primarily from improvements in our cash conversion cycle.

The following table contains certain key working capital metrics:

| | Three months ended | | |
|---|---|---|---|
| | **March 31, 2024** | **March 31, 2023** | **March 31, 2022** |
| Days of sales outstanding in accounts receivable | 69 | 67 | 70 |
| Days of purchases outstanding in accounts payable | (64) | (51) | (45) |
| Cash conversion cycle | 5 | 16 | 25 |

*Investing cash flow*

Net cash used in investing activities was $491 million and $635 million, respectively, in fiscal 2024 and fiscal 2023, reflecting a year-over-year change of $144 million. The change was primarily due to:

- cash inflows of $26 million in fiscal 2024 resulting from various business divestitures, compared with cash outflows from business dispositions of $147 million in fiscal 2023 caused by net cash deposit outflows from the sale of the FDB Business; and
- a $73 million year-over-year decrease in cash outflows from capital expenditures; partially offset by
- a decrease in proceeds from sale of assets and other investing activities of $96 million and $6 million, respectively.

*Financing cash flow*

Net cash used in financing activities was $1,487 million and $1,507 million, respectively, in fiscal 2024 and fiscal 2023, reflecting a year-over-year change of $20 million. The change was primarily due to:

- a $140 million decrease in cash outflows from commercial paper payments, net of borrowings;
- an $81 million decrease in payments on capital leases and borrowings for asset financings, as the Company continues reducing the volume of these financing arrangements; and
- $63 million in payments on long term debt in fiscal 2023 that did not occur in fiscal 2024; partially offset by
- a $249 million increase in cash used for share repurchase activity and related taxes paid on net share settlements; and
- a $15 million increase in cash outflows from other financing activities.

***Debt Financing***

The following table summarizes our total debt:

| | As of | |
|---|---|---|
| (in millions) | March 31, 2024 | March 31, 2023 |
| Short-term debt and current maturities of long-term debt | $ 271 | $ 500 |
| Long-term debt, net of current maturities | 3,818 | 3,900 |
| Total debt | $ 4,089 | $ 4,400 |

The $0.3 billion decrease in total debt during fiscal 2024 was primarily due to net decreases in finance lease liabilities, borrowings for asset financing, and commercial paper borrowings.

We were in compliance with all financial covenants associated with our borrowings as of March 31, 2024 and March 31, 2023.

As of March 31, 2024, our credit ratings were as follows:

| Rating Agency | Long Term Ratings | Short Term Ratings | Outlook |
|---|---|---|---|
| Fitch | BBB | F-2 | Stable |
| Moody's | Baa2 | P-2 | Stable |
| S&P | BBB- | - | Stable |

For information on the risks of ratings downgrades, see Part I, Item 1A - "Risk Factors" subsection titled "Failure to maintain our credit rating and ability to manage working capital, refinance and raise additional capital for future needs could adversely affect our liquidity, capital position, borrowing cost, and access to capital markets."

### *Liquidity*

We expect our existing cash and cash equivalents, together with cash generated from operations, will be sufficient to meet our normal operating requirements for the next 12 months and beyond. We expect to continue using cash generated by operations as a primary source of liquidity; however, should we require funds greater than that generated from our operations to fund discretionary investment activities, such as business acquisitions, we have the ability to raise capital through debt financing, including the issuance of capital market debt instruments such as commercial paper and bonds. In addition, we currently utilize and will further utilize accounts receivable sales facilities, and our cross-currency cash pool for liquidity needs. There is no guarantee that we will be able to obtain debt financing, if required, on terms and conditions acceptable to us, if at all, in the future.

Our exposure to operational liquidity risk is primarily from long-term contracts which require significant investment of cash during the initial phases of the contracts. The recovery of these investments is over the life of the contract and is dependent upon our performance as well as customer acceptance.

Our liquidity of $4.4 billion as of March 31, 2024, includes $1.2 billion of cash and cash equivalents and $3.2 billion of available borrowings under our revolving credit facility.

### *Share Repurchases*

See Note 15 - "Stockholders' Equity."

### *Dividends*

To maintain our financial flexibility, we continued to suspend payment of quarterly dividends for fiscal 2024.

### *Off-Balance Sheet Arrangements*

In the normal course of business, we are a party to arrangements that include guarantees, the receivables sales facility and certain other financial instruments with off-balance sheet risk, such as letters of credit and surety bonds. We also use performance letters of credit to support various risk management insurance policies. No liabilities related to these arrangements are reflected in the Company's balance sheets. See Note 4 - "Receivables" and Note 20 - "Commitments and Contingencies" for additional information regarding these off-balance sheet arrangements.

### *Cash Commitments*

For a description of the Company’s cash commitments to debt, leases, pension and other benefit plans, and minimum purchase commitments, refer to “Note 10 - Debt,” Note 5 - "Leases,” "Note 20 - Commitments and Contingencies," and “Note 13 - Pension and Other Benefit Plans,” for the estimated future benefit payments under our Pension and OPEB plans.

Our other cash commitments as of March 31, 2024, were as follows:

| (in millions) | Less than 1 year | 2-3 years | 4-5 years | More than 5 years | Total |
|---|---|---|---|---|---|
| U.S. Tax Reform - Transition Tax[1] | 57 | (38) | — | — | 19 |
| Interest payments[2] | 57 | 85 | 39 | 18 | 199 |
| Total | $ 114 | $ 47 | $ 39 | $ 18 | $ 218 |

[1] *The transition tax is payable over eight years. We have remitted the first six installment payments. Our remaining liability from the originally computed transition tax in 2018 is $128 million. We are in the process of amending our tax return for historical transactions and other adjustments which are expected to reduce our overall transition tax obligation by approximately $109 million, resulting in a net refund due in the final installment period.*

[2] *Amounts represent scheduled interest payments on long-term debt.*

## Critical Accounting Estimates

The preparation of the financial statements, in accordance with GAAP, requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, as well as the disclosure of contingent assets and liabilities. The Company bases its estimates on assumptions regarding historical experience, currently available information, and anticipated developments that it believes are reasonable and appropriate. However, because the use of estimates involves an inherent degree of uncertainty, actual results could differ materially from those estimates. We consider the following policies to be critical because of their complexity and the high degree of judgment involved in implementing them: revenue recognition, income taxes, defined benefit plans, valuation of assets, and loss accruals for litigation. We have discussed the selection of our critical accounting policies and the effect of estimates with the Audit Committee of our Board.

### *Revenue Recognition*

Most of our revenues are recognized based on objective criteria and do not require significant estimates that may change over time. However, some arrangements may require significant estimates, including contracts which include multiple performance obligations.

*Contracts with multiple performance obligations*

Many of our contracts require us to provide a range of services or performance obligations to our customers, which may include a combination of services and products and may also contain leases embedded in those arrangements. Significant judgment may be required to determine the appropriate accounting, including whether the elements specified in contracts with multiple performance obligations should be treated as separate performance obligations for revenue recognition purposes, and, when considered appropriate, how the total transaction price should be allocated among the performance obligations and any lease components and the timing of revenue recognition for each. For contracts with multiple performance obligations and lease components, we allocate the contract's transaction price to each performance obligation and lease component based on the relative standalone selling price. Other than software sales involving multiple performance obligations, the primary method used to estimate standalone selling price is the expected cost plus a margin approach, under which we forecast our expected costs of satisfying a performance obligation and then add an appropriate margin for that distinct good or service. Certain of our contracts involve the sale of DXC proprietary software, post-contract customer support and other software-related services. The standalone selling price generally is determined for each performance obligation using an adjusted market assessment approach based on the price charged where each deliverable is sold separately. In certain limited cases (typically for software licenses) when the historical selling price is highly variable, the residual approach is used. This approach allocates revenue to the performance obligation equal to the difference between the total transaction price and the observable standalone selling prices for the other performance obligations. These methods involve significant judgments and estimates that we assess periodically by considering market and entity-specific factors, such as type of customer, features of the products or services and market conditions.

Once the total revenues have been allocated to the various performance obligations and lease components, revenues for each are recognized based on the relevant revenue recognition method for each. Estimates of total revenues at contract inception often differ materially from actual revenues due to volume differences, changes in technology or other factors which may not be foreseen at inception.

*Contract modifications*

A contract modification is a legally binding change to the scope, price, or both of an existing contract. Contract modifications are reviewed to determine whether they should be accounted for as part of the original contract, the termination of an existing contract and the creation of a new contract, or as a separate contract, and whether they modify an embedded lease. This determination requires significant judgment, which could impact the timing of revenue recognition.

*Costs to obtain contracts with customers*

Accounting for the costs to obtain contracts with customers requires significant judgments and estimates with regards to the determination of sales commission payments that qualify for deferral of costs and the related amortization period. Most of our sales commission plans are quota-based and payments are made by achieving targets related to a large number of new and renewed contracts. Certain sales commissions earned by our sales force are considered incremental and recoverable costs of obtaining a contract with a customer. We defer and amortize these costs on a straight-line basis over an average period of benefit of five years, which is determined and regularly assessed by considering the length of our customer contracts, our technology and other factors. Significant changes in these estimates or impairment may result if material contracts terminate earlier than the expected benefit period, or if there are material changes in the average contract period.

***Income Taxes***

We are subject to income taxes in the United States (federal and state) and numerous foreign jurisdictions. Significant judgment is required in determining our provision for income taxes, analyzing our income tax reserves, the determination of the likelihood of recoverability of deferred tax assets and any corresponding adjustment of valuation allowances. In addition, our tax returns are routinely audited, and settlements of issues raised in these audits sometimes affect our tax provisions.

As a global enterprise, our ETR is affected by many factors, including our global mix of earnings among countries with differing statutory tax rates, the extent to which our non-U.S. earnings are indefinitely reinvested outside the U.S., changes in the valuation allowance for deferred tax assets, changes in tax regulations, acquisitions, dispositions and the tax characteristics of our income. We cannot predict with certainty what our ETR will be in the future because there is uncertainty regarding these factors. Future events, such as changes in tax laws, tax regulations, or interpretations of such laws or regulations, could have an impact on the provision for income tax and the effective tax rate. Any such changes could significantly affect the amounts reported in the consolidated financial statements in the year these changes occur.

The Organization for Economic Co-operation and Development (“OECD”), along with members of its inclusive framework, have, through the Base Erosion and Profit Shifting project, proposed changes to numerous long-standing tax principles (“Pillar Two Rules”), which imposes a global minimum corporate tax rate of 15%. Although the U.S. has not yet enacted legislation implementing Pillar Two Rules, other countries where the Company does business, including the U.K. and Germany, have enacted legislation implementing Pillar Two Rules, which are effective from January 1, 2024, and several other countries are also considering changes to their tax laws to implement it. When and how these rules are adopted or enacted by the various countries in which we do business could increase tax complexity and uncertainty and may adversely affect our provision for income taxes in the U.S. and non-U.S. jurisdictions.

The majority of our global unremitted foreign earnings have been taxed or would be exempt from U.S. tax upon repatriation. Such earnings and all current foreign earnings are not indefinitely reinvested. The following earnings are considered indefinitely reinvested: approximately $480 million that could be subject to U.S. federal tax when repatriated to the U.S. under section 1.245A-5(b) of the final Treasury regulations; and approximately $200 million of our accumulated earnings in India. A portion of these indefinitely reinvested earnings may be subject to foreign and U.S. state tax consequences when remitted. The Company will continue to evaluate its position based on its future strategy and cash needs.

Considerations impacting the recoverability of deferred tax assets include the period of expiration of the tax asset, planned use of the tax asset, historical and projected taxable income as well as deferred tax liabilities for the tax jurisdiction to which the tax asset relates. In determining whether the deferred tax assets are realizable, we consider all available positive and negative evidence, including future reversals of existing taxable temporary differences, taxable income in prior carryback years, projected future taxable income, tax planning strategies and recent results of financial operations. We recorded a valuation allowance against deferred tax assets of approximately $2.3 billion as of March 31, 2024, due to uncertainties related to the ability to utilize these assets. However, valuation allowances are subject to change in future reporting periods due to changes in various factors such as when inputs or estimates used in determining valuation allowances significantly change or upon the receipt of new information.

We determine whether it is more likely than not a tax position will be sustained upon examination by the appropriate taxing authorities before any portion of the tax benefit is recorded in our financial statements and only the portion of the tax benefit that is measured as greater than 50% likely to be realized upon settlement with a taxing authority (that has full knowledge of all relevant information) is recognized. We may be required to change our provision for income taxes when the ultimate outcome of a tax position is agreed to by taxing authorities or otherwise effectively settled.

In the U.S., the IRA was signed into law on August 16, 2022. We do not currently expect the IRA to have a material impact on our Consolidated Financial Statements.

***Defined Benefit Plans***

The computation of our pension and other post-retirement benefit costs and obligations is dependent on various assumptions. Inherent in the application of the actuarial methods are key assumptions, including discount rates, expected long-term rates of return on plan assets, mortality rates, rates of compensation increases and medical cost trend rates. Our management evaluates these assumptions annually and updates assumptions as necessary. The fair value of assets is determined based on observable inputs for similar assets or on significant unobservable inputs if observable inputs are not available. Two of the most significant assumptions are the expected long-term rate of return on plan assets and the discount rate.

Our weighted average rates used were:

| | March 31, 2024 | March 31, 2023 |
|---|---|---|
| Discount rates | 4.5 % | 2.7 % |
| Expected long-term rates of return on assets | 6.0 % | 4.3 % |

The assumption for the expected long-term rate of return on plan assets is impacted by the expected asset mix of the plan; judgments regarding the correlation between historical excess returns and future excess returns and expected investment expenses. The discount rate assumption is based on current market rates for high-quality, fixed income debt instruments with maturities similar to the expected duration of the benefit payment period. The following table provides the impact that changes in the weighted-average assumptions would have had on our net periodic pension benefits and settlement and contractual termination charges for fiscal 2024:

| (in millions) | Change | Approximate Change in Net Periodic Pension Expense | Approximate Change in Settlement, Contractual Termination, and Mark-to-Market Charges |
|---|---|---|---|
| Expected long-term return on plan assets | 50 basis points | $ (38) | $ 38 |
| Expected long-term return on plan assets | (50) basis points | $ 38 | $ (38) |
| | | | |
| Discount rate | 50 basis points | $ 10 | $ (441) |
| Discount rate | (50) basis points | $ (13) | $ 497 |

### *Valuation of Assets*

We review long-lived assets, intangible assets, and goodwill for impairment in accordance with our accounting policy disclosed in Note 1 - "Summary of Significant Accounting Policies." Assessing the fair value of assets involves significant judgment including estimation of future cash flows, the timing of such cash flows, and discount rates reflecting the risk inherent in projecting future cash flows. The valuation of long-lived and intangible assets involves management estimates about future values and remaining useful lives of assets, particularly purchased intangible assets. These estimates are subjective and can be affected by a variety of factors, including external factors such as industry and economic trends, and internal factors such as changes in our business strategy and forecasts.

Evaluation of goodwill for impairment requires judgment, including the identification of reporting units, assignment of assets, liabilities, and goodwill to reporting units and determination of the fair value of each reporting unit. The identification of reporting units requires consideration of components of the operating segments and whether or not there is discrete financial information available that is regularly reviewed by management. Additionally, we consider whether or not it is reasonable to aggregate components that have similar economic characteristics. The assumptions used to estimate the fair value of a reporting unit change from year to year based on operating results, market conditions, and other factors. Changes in these assumptions may be impacted by a significant change in the business climate, established business plans, operating performance indicators or competition which could materially affect the estimates of fair value for each reporting unit.

We estimate the fair value of our reporting units using a combination of an income approach, utilizing a discounted cash flow analysis, and a market approach, using performance-metric market multiples. The discount rate used in an income approach is based on our weighted-average cost of capital and may be adjusted for the relevant risks associated with business-specific characteristics and any uncertainty related to a reporting unit's ability to generate the projected future cash flows.

### *Assumptions and Estimates Used to Analyze Contingencies and Litigation*

We are subject to various claims and contingencies associated with lawsuits, insurance, tax and other issues arising in the normal course of business. The financial statements reflect the treatment of claims and contingencies based on management's view of the expected outcome. DXC consults with outside legal counsel on issues related to litigation and seeks input from other experts and advisors with respect to matters in the ordinary course of business. If the likelihood of an adverse outcome is probable and the amount is estimable, we accrue a liability in accordance with ASC 450 "Contingencies." Significant changes in the estimates or assumptions used in assessing the likelihood of an adverse outcome could have a material effect on our results of operations.

## ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

As a multinational company, we are exposed to certain market risks such as changes in foreign currency exchange rates and interest rates. Changes in foreign currency exchange rates can impact our foreign currency denominated monetary assets and liabilities and forecasted transactions in foreign currency, whereas changes in benchmark interest rates can impact interest expense associated with our floating interest rate debt and the fair value of our fixed interest rate debt. A variety of practices are employed to manage these risks, including operating and financing activities and the use of derivative instruments. We do not use derivatives for trading or speculative purposes.

Presented below is a description of our risks together with a sensitivity analysis of each of these risks based on selected changes in market rates. The foreign currency model incorporates the impact of diversification from holding multiple currencies and the correlation of revenues, costs and any related short-term contract financing in the same currency. In order to determine the impact of changes in interest rates on our future results of operations and cash flows, we calculated the increase or decrease in the index underlying these rates. We estimate the fair value of our long-term debt primarily using an expected present value technique using interest rates offered to us for instruments with similar terms and remaining maturities. These analyses reflect management's view of changes that are reasonably possible to occur over a one-year period.

### Foreign Currency Risk

We are exposed to both favorable and unfavorable movements in foreign currency exchange rates. In the ordinary course of business, we enter into contracts denominated in foreign currencies. Exposure to fluctuations in foreign currency exchange rates arising from these contracts is analyzed during the contract bidding process. We generally manage these contracts by incurring costs in the same currency in which revenues are received and any related short-term contract financing requirements are met by borrowing in the same currency. Thus, by generally matching revenues, costs and borrowings to the same currency, we are able to mitigate a portion of the foreign currency risk to earnings. However, due to our increased use of offshore labor centers, we have become more exposed to fluctuations in foreign currency exchange rates. We experienced significant foreign currency fluctuations during both fiscal years 2024 and 2023 due primarily to the volatility of the Euro, British Pound, and Australian Dollar in relation to the U.S. dollar.

We have policies and procedures to manage exposure to fluctuations in foreign currency by using short-term foreign currency forward contracts to economically hedge certain foreign currency denominated assets and liabilities, including intercompany accounts and loans. For accounting purposes, these foreign currency forward contracts are not designated as hedges and changes in their fair value are reported in current period earnings within other expense (income), net in the statements of operations. We also use foreign currency forward contracts to reduce foreign currency exchange rate risk related to certain Indian rupee denominated intercompany obligations and forecasted transactions. For accounting purposes, these foreign currency forward contracts are designated as cash flow hedges with critical terms that match the hedged items. Therefore, the changes in fair value of these forward contracts are recorded in accumulated other comprehensive loss, net of taxes in the statements of comprehensive income and subsequently classified into net income in the period the hedged transactions are recognized in net income.

We have foreign currency risks related to our revenue and operating expenses denominated in currencies other than U.S. dollar; see Note 11 - "Revenue." During fiscal 2024, approximately 71% of our revenues were generated outside of the United States. For the year ended March 31, 2024, a hypothetical 10% increase (decrease) in the value of the U.S. dollar against all currencies would have decreased (increased) revenues by approximately 7.1%, or $1.0 billion. The majority of this fluctuation would be offset by expenses incurred in local currency. To the extent that we were not able to match local currency revenues with local currency expenses, there would be an impact to our results of operations and cash flows.

### Interest Rate Risk

As of March 31, 2024, we had outstanding debt with varying maturities for an aggregate carrying amount of $4.1 billion, of which none was floating interest rate debt. As of March 31, 2024, an assumed 10% unfavorable change in interest rates would not be material to our consolidated results of operations or cash flows. A change in interest rates related to our long-term debt would not have a material impact on our balance sheet as we do not record our debt at fair value.

## ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

### Index to Consolidated Financial Statements

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the stockholders and the Board of Directors of
DXC Technology Company
Ashburn, Virginia

### Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of DXC Technology Company and subsidiaries (the "Company") as of March 31, 2024 and 2023, the related consolidated statements of operations, comprehensive income (loss), cash flows, and changes in equity, for each of the three years in the period ended March 31, 2024, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of March 31, 2024 and 2023, and the results of its operations and its cash flows for each of the three years in the period ended March 31, 2024, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of March 31, 2024, based on criteria established in Internal Control — Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated May 16, 2024, expressed an unqualified opinion on the Company's internal control over financial reporting.

### Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

### Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

### Revenue Recognition — Refer to Notes 1 and 11 to the financial statements

*Critical Audit Matter Description*

Certain of the Company’s contracts with customers involve multiple performance obligations and may contain embedded leases, which are assessed for classification and are typically recognized either as sales-type leases or as operating leases. When the Company enters into such arrangements, the contract’s transaction price is allocated to the contract performance obligations and the lease component based upon the relative standalone selling price. These conclusions could impact the timing of revenue recognition.

Additionally, the Company’s contracts with customers may be modified over the course of the contract term which may change the scope, price, or both, of the existing contract. Contract modifications are reviewed to determine whether they should be accounted for as part of the original contract, the termination of an existing contract and the creation of a new contract, or as a separate contract. If the contract modification is part of the existing contract, a cumulative adjustment to revenue is recorded. If the contract modification represents the termination of the existing contract and the creation of a new contract, the modified transaction price is allocated to the prospective performance obligations and any embedded lease components. If a contract modification modifies an embedded lease component and the modification is not accounted for as a separate contract, the classification of the lease is reassessed.

Given these factors related to complex new contracts with customers and modifications of such contracts in the current fiscal year, the related audit effort in evaluating complex revenue arrangements was significant and required a high degree of auditor judgment.

*How the Critical Audit Matter Was Addressed in the Audit*

Our audit procedures related to the Company’s revenue recognition for complex new and modified revenue arrangements included the following:

- We tested the effectiveness of internal controls related to the review of revenue recognition conclusions for new and modified contracts.

- We analyzed the population of material revenue arrangements that were new or modified during the year and performed the following procedures on a selection of new or modified contracts:

  – Obtained and read the customer contract and evaluated management’s identification of performance obligations.

  – Evaluated management’s determination of standalone selling price for the identified performance obligations.

  – Recalculated the transaction price and tested the allocation of transaction price to each performance obligation.

  – Evaluated the pattern of delivery and revenue recognition timing for each performance obligation.

/s/ Deloitte & Touche LLP

McLean, Virginia
May 16, 2024

We have served as the Company's auditor since at least 1965; however, an earlier year could not be reliably determined.

## DXC TECHNOLOGY COMPANY
## CONSOLIDATED BALANCE SHEETS

| (in millions, except per share and share amounts) | As of March 31, 2024 | As of March 31, 2023 |
|---|---|---|
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | $ 1,224 | $ 1,858 |
| Receivables and contract assets, net of allowance for doubtful accounts of $35 and $47 | 3,253 | 3,441 |
| Prepaid expenses | 512 | 565 |
| Other current assets | 146 | 255 |
| Assets held for sale | — | 5 |
| Total current assets | 5,135 | 6,124 |
| Intangible assets, net of accumulated amortization of $5,792 and $5,670 | 2,130 | 2,569 |
| Operating lease assets, net | 731 | 909 |
| Goodwill | 532 | 539 |
| Deferred income taxes, net | 804 | 460 |
| Property and equipment, net of accumulated depreciation of $3,515 and $4,111 | 1,671 | 1,979 |
| Other assets | 2,857 | 3,247 |
| Assets held for sale - non-current | 11 | 18 |
| Total Assets | $ 13,871 | $ 15,845 |
| LIABILITIES and EQUITY | | |
| Current liabilities: | | |
| Short-term debt and current maturities of long-term debt | $ 271 | $ 500 |
| Accounts payable | 846 | 782 |
| Accrued payroll and related costs | 558 | 569 |
| Operating lease liabilities | 282 | 317 |
| Accrued expenses and other current liabilities | 1,437 | 1,836 |
| Deferred revenue and advance contract payments | 866 | 1,054 |
| Income taxes payable | 134 | 120 |
| Liabilities related to assets held for sale | — | 9 |
| Total current liabilities | 4,394 | 5,187 |
| Long-term debt, net of current maturities | 3,818 | 3,900 |
| Non-current deferred revenue | 671 | 788 |
| Non-current income tax liabilities and deferred income taxes | 556 | 587 |
| Non-current operating lease liabilities | 497 | 648 |
| Non-current pension obligations | 423 | 463 |
| Other long-term liabilities | 446 | 449 |
| Liabilities related to assets held for sale - non-current | — | 3 |
| Total Liabilities | 10,805 | 12,025 |
| Commitments and contingencies | | |
| DXC stockholders' equity: | | |
| Preferred stock, par value $0.01 per share; authorized 1,000,000 shares; none issued as of March 31, 2024 and March 31, 2023 | — | — |
| Common stock, par value $0.01 per share; authorized 750,000,000 shares; issued 183,430,878 as of March 31, 2024 and 218,058,482 as of March 31, 2023 | 2 | 2 |
| Additional paid-in capital | 7,599 | 9,121 |
| Accumulated deficit | (3,839) | (4,665) |
| Accumulated other comprehensive loss | (732) | (774) |
| Treasury stock, at cost, 4,591,340 and 3,333,592 shares as of March 31, 2024 and March 31, 2023 | (219) | (187) |
| Total DXC stockholders' equity | 2,811 | 3,497 |
| Non-controlling interest in subsidiaries | 255 | 323 |
| Total Equity | 3,066 | 3,820 |
| Total Liabilities and Equity | $ 13,871 | $ 15,845 |

The accompanying notes are an integral part of these consolidated financial statements.

## DXC TECHNOLOGY COMPANY
## CONSOLIDATED STATEMENTS OF OPERATIONS

| | Fiscal Years Ended | | |
|---|---|---|---|
| (in millions, except per-share amounts) | March 31, 2024 | March 31, 2023 | March 31, 2022 |
| Revenues | $ 13,667 | $ 14,430 | $ 16,265 |
| Costs of services (excludes depreciation and amortization and restructuring costs) | 10,576 | 11,246 | 12,683 |
| Selling, general and administrative (excludes depreciation and amortization and restructuring costs) | 1,244 | 1,375 | 1,408 |
| Depreciation and amortization | 1,404 | 1,519 | 1,717 |
| Restructuring costs | 111 | 216 | 318 |
| Interest expense | 298 | 200 | 204 |
| Interest income | (214) | (135) | (65) |
| Debt extinguishment costs | — | — | 311 |
| Gain on disposition of businesses | (79) | (190) | (371) |
| Other expense (income), net | 218 | 1,084 | (1,081) |
| Total costs and expenses | 13,558 | 15,315 | 15,124 |
| Income (loss) before income taxes | 109 | (885) | 1,141 |
| Income tax expense (benefit) | 23 | (319) | 405 |
| Net income (loss) | 86 | (566) | 736 |
| Less: net (loss) income attributable to non-controlling interest, net of tax | (5) | 2 | 18 |
| Net income (loss) attributable to DXC common stockholders | $ 91 | $ (568) | $ 718 |
| Income (loss) per common share: | | | |
| Basic | $ 0.46 | $ (2.48) | $ 2.87 |
| Diluted | $ 0.46 | $ (2.48) | $ 2.81 |

The accompanying notes are an integral part of these consolidated financial statements.

## DXC TECHNOLOGY COMPANY
## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

| | Fiscal Years Ended | | |
|---|---|---|---|
| (in millions) | March 31, 2024 | March 31, 2023 | March 31, 2022 |
| Net income (loss) | $ 86 | $ (566) | $ 736 |
| Other comprehensive income (loss), net of taxes: | | | |
| Foreign currency translation adjustments, net of tax [(1)] | 39 | (336) | (86) |
| Cash flow hedges adjustments, net of tax [(2)] | 7 | (17) | 11 |
| Pension and other post-retirement benefit plans, net of tax: | | | |
| Prior service cost, net of tax [(3)] | (6) | (2) | 9 |
| Amortization of prior service cost, net of tax [(4)] | (5) | (36) | (6) |
| Pension and other post-retirement benefit plans, net of tax | (11) | (38) | 3 |
| Other comprehensive income (loss), net of taxes | 35 | (391) | (72) |
| Comprehensive income (loss) | 121 | (957) | 664 |
| Less: comprehensive (loss) income attributable to non-controlling interest | (12) | — | 29 |
| Comprehensive income (loss) attributable to DXC common stockholders | $ 133 | $ (957) | $ 635 |

[(1)] *Tax (benefit) expense related to foreign currency translation adjustments was $(4), $2, and $5 for the fiscal years ended March 31, 2024, March 31, 2023, and March 31, 2022, respectively.*

[(2)] *Tax expense (benefit) related to cash flow hedge adjustments was $3, $(6), and $2 for the fiscal years ended March 31, 2024, March 31, 2023, and March 31, 2022, respectively.*

[(3)] *Tax (benefit) expense related to prior service costs was $0, $(1), and $2 for the fiscal years ended March 31, 2024, March 31, 2023, and March 31, 2022, respectively.*

[(4)] *Tax benefit related to amortization of prior service costs was $1, $15, and $2 for the fiscal years ended March 31, 2024, March 31, 2023, and March 31, 2022, respectively.*

The accompanying notes are an integral part of these consolidated financial statements.

## DXC TECHNOLOGY COMPANY
## CONSOLIDATED STATEMENTS OF CASH FLOWS

| (in millions) | Fiscal Years Ended March 31, 2024 | Fiscal Years Ended March 31, 2023 | Fiscal Years Ended March 31, 2022 |
|---|---|---|---|
| Cash flows from operating activities: | | | |
| Net income (loss) | $ 86 | $ (566) | $ 736 |
| **Adjustments to reconcile net income (loss) to net cash provided by operating activities:** | | | |
| Depreciation and amortization | 1,433 | 1,551 | 1,742 |
| Operating right-of-use expense | 353 | 404 | 484 |
| Pension & other post-employment benefits, actuarial & settlement losses (gains) | 445 | 1,431 | (684) |
| Share-based compensation | 109 | 108 | 101 |
| Deferred taxes | (416) | (609) | 255 |
| Gain on dispositions | (131) | (260) | (421) |
| Provision for losses on accounts receivable | — | (1) | 5 |
| Unrealized foreign currency exchange (gains) losses | (7) | 8 | (12) |
| Impairment losses and contract write-offs | 18 | 47 | 51 |
| Debt extinguishment costs | — | — | 311 |
| Amortization of debt issuance costs and discount | 5 | 4 | — |
| Cash surrender value in excess of premiums paid | (14) | (17) | (24) |
| Other non-cash charges, net | 9 | 4 | 15 |
| Changes in assets and liabilities, net of effects of acquisitions and dispositions: | | | |
| Decrease in receivables | 176 | 412 | 228 |
| Decrease (Increase) in prepaid expenses and other current assets | 211 | (119) | (48) |
| Decrease in accounts payable and accruals | (278) | (424) | (714) |
| Increase (Decrease) in income taxes payable and income tax liability | 13 | (161) | (315) |
| Decrease in operating lease liability | (353) | (404) | (484) |
| (Decrease) Increase in advance contract payments and deferred revenue | (290) | 11 | 270 |
| Other operating activities, net | (8) | (4) | 5 |
| **Net cash provided by operating activities** | 1,361 | 1,415 | 1,501 |
| | | | |
| Cash flows from investing activities: | | | |
| Purchases of property and equipment | (182) | (267) | (254) |
| Payments for transition and transformation contract costs | (198) | (223) | (209) |
| Software purchased and developed | (225) | (188) | (295) |
| Business dispositions | 26 | (147) | 533 |
| Proceeds from sale of assets | 75 | 171 | 100 |
| Proceeds from short-term investing | — | — | 24 |
| Other investing activities, net | 13 | 19 | 41 |
| **Net cash used in investing activities** | (491) | (635) | (60) |
| | | | |
| **Cash flows from financing activities:** | | | |
| Borrowings of commercial paper | 1,784 | 1,514 | 1,068 |
| Repayments of commercial paper | (1,887) | (1,757) | (905) |
| Borrowings on long-term debt | — | — | 19 |
| Principal payments on long-term debt | — | (63) | (2,872) |
| Payments on finance leases and borrowings for asset financing | (430) | (511) | (990) |
| Proceeds from bond issuance | — | — | 2,918 |
| Proceeds from stock options and other common stock transactions | — | 2 | 13 |
| Taxes paid related to net share settlements of share-based compensation awards | (35) | (17) | (18) |
| Repurchase of common stock | (898) | (669) | (628) |

| | | | |
|---|---|---|---|
| Payments for debt extinguishment costs | — | — | (344) |
| Other financing activities, net | (21) | (6) | (79) |
| **Net cash used in financing activities** | (1,487) | (1,507) | (1,818) |
| Effect of exchange rate changes on cash and cash equivalents | (17) | (97) | 29 |
| Net decrease in cash and cash equivalents including cash classified within current assets held for sale | (634) | (824) | (348) |
| Cash classified within current assets held for sale | — | 10 | 52 |
| Net decrease in cash and cash equivalents | (634) | (814) | (296) |
| **Cash and cash equivalents at beginning of year** | 1,858 | 2,672 | 2,968 |
| **Cash and cash equivalents at end of year** | $ 1,224 | $ 1,858 | $ 2,672 |

The accompanying notes are an integral part of these consolidated financial statements.

# DXC TECHNOLOGY COMPANY
# CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

| (in millions, except shares in thousands) | Common Stock Shares | Common Stock Amount | Additional Paid-in Capital | Accumulated Deficit | Accumulated Other Comprehensive Loss | Treasury Stock[1] | Total DXC Equity | Non-Controlling Interest | Total Equity |
|---|---|---|---|---|---|---|---|---|---|
| Balance at March 31, 2021 | 257,053 | $ 3 | $ 10,761 | $ (5,331) | $ (302) | $ (158) | $ 4,973 | $ 335 | $ 5,308 |
| Net income | | | | 718 | | | 718 | 18 | 736 |
| Other comprehensive loss | | | | | (83) | | (83) | 11 | (72) |
| Share-based compensation expense | | | 80 | | | | 80 | | 80 |
| Acquisition of treasury stock | | | | | | (15) | (15) | | (15) |
| Share repurchase program | (18,819) | | (796) | 162 | | | (634) | | (634) |
| Stock option exercises and other common stock transactions | 2,274 | | 12 | | | | 12 | | 12 |
| Non-controlling interest distributions and other | | | | 1 | | | 1 | (41) | (40) |
| Balance at March 31, 2022 | 240,508 | $ 3 | $ 10,057 | $ (4,450) | $ (385) | $ (173) | $ 5,052 | $ 323 | $ 5,375 |

*(1) 2,878,079 treasury shares as of March 31, 2022*

| (in millions, except shares in thousands) | Common Stock Shares | Common Stock Amount | Additional Paid-in Capital | Accumulated Deficit | Accumulated Other Comprehensive Loss | Treasury Stock[1] | Total DXC Equity | Non-Controlling Interest | Total Equity |
|---|---|---|---|---|---|---|---|---|---|
| Balance at March 31, 2022 | 240,508 | $ 3 | $ 10,057 | $ (4,450) | $ (385) | $ (173) | $ 5,052 | $ 323 | $ 5,375 |
| Net loss | | | | (568) | | | (568) | 2 | (566) |
| Other comprehensive loss | | | | | (389) | | (389) | (2) | (391) |
| Share-based compensation expense | | | 98 | | | | 98 | | 98 |
| Acquisition of treasury stock | | | | | | (14) | (14) | | (14) |
| Share repurchase program[2] | (24,437) | (1) | (1,036) | 354 | | | (683) | | (683) |
| Stock option exercises and other common stock transactions | 1,987 | | 1 | | | | 1 | | 1 |
| Non-controlling interest distributions and other | | | 1 | (1) | | | — | | — |
| Balance at March 31, 2023 | 218,058 | $ 2 | $ 9,121 | $ (4,665) | $ (774) | $ (187) | $ 3,497 | $ 323 | $ 3,820 |

*(1) 3,333,592 treasury shares as of March 31, 2023*

| (in millions, except shares in thousands) | Common Stock Shares | Common Stock Amount | Additional Paid-in Capital | Accumulated Deficit | Accumulated Other Comprehensive Loss | Treasury Stock [1] | Total DXC Equity | Non-Controlling Interest | Total Equity |
|---|---|---|---|---|---|---|---|---|---|
| Balance at March 31, 2023 | 218,058 | $ 2 | $ 9,121 | $ (4,665) | $ (774) | $ (187) | $ 3,497 | $ 323 | $ 3,820 |
| Net income | | | | 91 | | | 91 | (5) | 86 |
| Other comprehensive income | | | | | 42 | | 42 | (7) | 35 |
| Share-based compensation expense | | | 107 | | | | 107 | | 107 |
| Acquisition of treasury stock | | | | | | (32) | (32) | | (32) |
| Share repurchase program[2] | (38,445) | | (1,626) | 734 | | | (892) | | (892) |
| Stock option exercises and other common stock transactions | 3,818 | | | | | | — | | — |
| Non-controlling interest distributions and other | | | (3) | 1 | | | (2) | (56) | (58) |
| Balance at March 31, 2024 | 183,431 | $ 2 | $ 7,599 | $ (3,839) | $ (732) | $ (219) | $ 2,811 | $ 255 | $ 3,066 |

*(1) 4,591,340 treasury shares as of March 31, 2024*

*(2) On August 16, 2022, the U.S. government enacted the Inflation Reduction Act (the "IRA") into law. The IRA imposes a 1% excise tax on share repurchases completed after December 31, 2022. We reflect the excise tax within equity as part of the repurchase of the common stock.*

The accompanying notes are an integral part of these consolidated financial statements.

## Note 1 - Summary of Significant Accounting Policies

### *Business*

DXC Technology Company ("DXC," the "Company," "we," "us," or "our") is a global IT services market leader. We provide mission-critical IT services that transform global businesses. We deliver excellence for our customers and colleagues around the world.

Our approximately 130,000 people in about 65 countries are entrusted by our customers, close to half of today’s Fortune 500 companies. We operate through two segments: Global Business Services ("GBS") and Global Infrastructure Services ("GIS"), to provide solutions that modernize operations and drive innovation across our customers' entire IT estate.

### *Basis of Presentation*

In order to make this report easier to read, DXC refers throughout to (i) the Consolidated Financial Statements as the “financial statements,” (ii) the Consolidated Statements of Operations as the “statements of operations,” (iii) the Consolidated Statements of Comprehensive Income (Loss) as the "statements of comprehensive income," (iv) the Consolidated Balance Sheets as the “balance sheets,” and (v) the Consolidated Statements of Cash Flows as the “statements of cash flows.” In addition, references are made throughout to the numbered Notes to the Consolidated Financial Statements (“Notes”) in this Annual Report on Form 10-K.

The accompanying financial statements have been prepared in accordance with the rules and regulations of the U.S. Securities and Exchange Commission for annual reports and accounting principles generally accepted in the United States ("GAAP"). The financial statements include the accounts of DXC, its consolidated subsidiaries, and those business entities in which DXC maintains a controlling interest. Investments in business entities in which the Company does not have control, but has the ability to exercise significant influence over operating and financial policies, are accounted for by the equity method. Other investments are accounted for by the cost method. Non-controlling interests are presented as a separate component within equity in the balance sheets. Net earnings attributable to the non-controlling interests are presented separately in the statements of operations, and comprehensive (loss) income attributable to non-controlling interests are presented separately in the statements of comprehensive (loss) income. All intercompany transactions and balances have been eliminated.

### *Use of Estimates*

The preparation of the financial statements, in accordance with GAAP, requires the Company's management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, as well as the disclosure of contingent assets and liabilities. The Company bases its estimates on assumptions regarding historical experience, currently available information, and anticipated developments that it believes are reasonable and appropriate. However, because the use of estimates involves an inherent degree of uncertainty, actual results could differ from those estimates. Estimates are used for, but not limited to, contracts accounted for using the percentage-of-completion method, cash flows used in the evaluation of impairment of goodwill and other long-lived assets, reserves for uncertain tax positions, valuation allowances on deferred tax assets, loss accruals for litigation, and obligations related to our pension plans. In the opinion of the Company's management, the accompanying financial statements contain all adjustments necessary, including those of a normal recurring nature, to fairly present the financial statements.

### *Leases*

The Company determines if an arrangement is or contains a lease at inception by evaluating whether the arrangement conveys the right to use an identified asset and whether DXC obtains substantially all economic benefits from and has the ability to direct the use of the asset. Operating leases are reported as operating right-of-use ("ROU") assets, net, with the associated liabilities included in current operating lease liabilities and non-current operating lease liabilities in DXC's balance sheets. Finance leases are included in property and equipment, net, and the associated liabilities are included in short-term debt and current maturities of long-term debt and long-term debt, net of current maturities in DXC's balance sheets.

Lease assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent its obligation to make lease payments arising from the lease. Lease liabilities are recognized at commencement based on the present value of fixed or in-substance fixed lease payments over the lease term. Leased assets are recognized at commencement based on the leased liability plus any lease payments made at or before lease commencement and excluding any lease incentives.

As most of the Company's leases do not provide an implicit rate, DXC uses its incremental borrowing rate based on the information available at commencement to determine the present value of lease payments. The incremental borrowing rate is the rate of interest that DXC would have to pay to borrow, on a collateralized basis, an amount equal to the lease payments, in a similar economic environment and over a similar term. The rate is dependent on several factors, including the lease term, currency of the lease payments and the Company's credit ratings.

The Company's lease terms may include options to extend or terminate the lease. Leased assets and lease liabilities include these options when it is reasonably certain that they will be exercised. The Company's lease arrangements generally do not contain any residual value guarantees or material restrictive covenants.

Operating lease expense, which includes interest, is recognized on a straight-line basis over the lease term with variable payments, primarily related to the operational costs for the Company's leased real estate for offices, recognized as incurred. Assets obtained under finance leases are recorded as fixed assets and depreciated over the shorter of the depreciable life of the asset or the lease term with interest recognized as it is incurred.

The Company combines lease and non-lease components under its lease agreements.

***Revenue Recognition***

The Company's primary service offerings are information technology outsourcing, other professional services, or a combination thereof. Revenues are recognized when control of the promised goods or services is transferred to DXC's customers, in an amount that reflects the consideration the Company expects to be entitled to in exchange for those goods or services.

DXC determines revenue recognition through the five-step model as follows:

- Identification of the contract, or contracts, with a customer
- Identification of the performance obligations in the contract
- Determination of the transaction price
- Allocation of the transaction price to the identified performance obligations
- Recognition of revenue when, or as, the Company satisfies a performance obligation

DXC's IT outsourcing ("ITO") arrangements typically reflect a single performance obligation that comprises a series of distinct services which are substantially the same and provided over a period of time using the same measure of progress. Revenue derived from these arrangements is recognized over time based upon the level of services delivered in the distinct periods in which they are provided based on time increments. When other parties are involved in providing goods or services as part of our customer arrangements, DXC recognizes revenue on a gross basis as a principal when it controls goods or services before they are transferred to the customer. In addition, the Company reports revenue net of any revenue-based taxes assessed by a governmental authority that are imposed on and concurrent with specific revenue-producing transactions, such as sales taxes and value-added taxes.

DXC's contracts often include upfront fees billed for activities to familiarize DXC with the customers' operations, take control over their administration and operation, and adapt them to DXC's solutions. Upfront fees are generally recognized ratably over the contract period, which approximates the manner in which the services are provided. These activities typically do not qualify as performance obligations, and the related revenues are allocated to the relevant performance obligations and recognized ratably over time as the performance obligation is satisfied during the period in which DXC provides the related service, which is typically the life of the contract. Software transactions that include multiple performance obligations are described below.

For contracts with multiple performance obligations, DXC allocates the contract's transaction price to each performance obligation based on the relative standalone selling price of each distinct good or service in the contract. Other than software sales involving multiple performance obligations, the primary method used to estimate standalone selling price is the expected cost plus a margin approach, under which the Company forecasts its expected costs of satisfying a performance obligation and then adds an appropriate margin for that distinct good or service.

DXC's ITO arrangements may also contain embedded leases for equipment used to fulfill services. A contract with a customer includes an embedded lease when DXC grants the customer a right to control the use of an identified asset for a period of time in exchange for consideration. Embedded leases with customers are typically recognized either as sales type leases in which revenue and cost of sales is recognized upon lease commencement; or they may be recognized as operating leases in which revenue is recognized over the usage period. Where a contract contains an embedded lease, the contract's transaction price is allocated to the contract performance obligations and the lease component based upon the relative standalone selling price.

The transaction price of a contract is determined based on fixed and variable consideration. Variable consideration related to the Company's ITO offerings often includes volume-based pricing that is allocated to the distinct days of the services to which the variable consideration pertains. However, in certain cases, estimates of variable consideration, including penalties, contingent milestone payments and rebates are necessary. The Company only includes estimates of variable consideration in the transaction price to the extent it is probable that a significant reversal of cumulative revenue recognized will not occur. These judgments involve consideration of historical and expected experience with the customer and other similar customers, and the facts and circumstances specific to the arrangement.

Contracts with our customers may be modified over the course of the contract term and we may change the scope, price or both of the existing contracts. Contract modifications are reviewed to determine whether they should be accounted for as part of the original contract, the termination of an existing contract and the creation of a new contract, or as a separate contract. Contract modifications are a separate contract when the modification provides additional goods and services that are distinct and the transaction price is at the standalone selling price. If the contract modification is part of the existing contract, a cumulative adjustment to revenue is recorded. If the contract modification represents the termination of the existing contract and the creation of a new contract, the modified transaction price is allocated to the prospective performance obligations and any embedded lease components. If a contract modification modifies an embedded lease component and the modification is not accounted for as a separate contract, the classification of the lease is reassessed.

The Company generally provides its services under time and materials contracts, unit-price contracts, fixed-price contracts, and software contracts for which revenue is recognized in the following manner:

*Time and materials contracts*. Revenue is recognized over time at agreed-upon billing rates when services are provided.

*Unit-price contracts.* Revenue is recognized over time based on unit metrics multiplied by the agreed-upon contract unit price or when services are delivered.

*Fixed-price contracts.* For certain fixed-price contracts, revenue is recognized over time using a method that measures the extent of progress towards completion of a performance obligation, generally using a cost-input method (referred to as the percentage-of-completion cost-to-cost method). Under the percentage-of-completion cost-to-cost method, revenue is recognized based on the proportion of total cost incurred to estimated total costs at completion. A performance obligation's estimate at completion includes all direct costs such as materials and labor. If output or input measures are not available or cannot be reasonably estimated, revenue is deferred until progress can be measured and costs are not deferred unless they meet the criteria for capitalization. Under the percentage-of-completion cost-to-cost method, progress towards completion is measured based on costs incurred as a proportion of estimated total costs. Profit in a given period is reported at the estimated profit margin to be achieved on the overall contract. If estimated total costs at completion exceed estimated revenue for a contract under the percentage-of-completion cost-to-cost method, the loss is recognized in the quarter it first becomes probable and reasonably estimable.

*Software contracts.* Certain of DXC's arrangements involve the sale of DXC proprietary software, post-contract customer support, and other software-related services. The standalone selling price generally is determined for each performance obligation using an adjusted market assessment approach based on the price charged where each deliverable is sold separately. In certain limited cases (typically for software licenses) when the historical selling price is highly variable, the residual approach is used. This approach allocates revenue to the performance obligation equal to the difference between the total transaction price and the observable standalone selling prices for the other performance obligations. Revenue from distinct software licenses is recognized at a point in time when the customer can first use the software license. If significant customization is required, software revenue is recognized as the related software customization services are performed in accordance with the percentage-of-completion method described above. Revenue for post-contract customer support and other software services is recognized over time as those services are provided.

*Practical Expedients*

DXC does not adjust the promised amount of consideration for the effects of a significant financing component when the period between when DXC transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less.

*Contract Balances*

The timing of revenue recognition, billings and cash collections results in accounts receivable (billed receivables, unbilled receivables and contract assets) and deferred revenue and advance contract payments (contract liabilities) on the Company's balance sheets. In arrangements that contain an element of customized software solutions, amounts are generally billed as work progresses in accordance with agreed-upon contractual terms, either at periodic intervals (e.g. monthly) or upon achievement of certain contractual milestones. Generally, billing occurs subsequent to revenue recognition, sometimes resulting in contract assets if the related billing is conditional upon more than just the passage of time. However, the Company sometimes receives advances or deposits from customers, before revenue is recognized, which results in the generation of contract liabilities. Payment terms vary by type of product or service being provided as well as by customer, although the term between invoicing and when payment is due is generally an insignificant period of time.

*Costs to Obtain a Contract*

Certain sales commissions earned by the Company's sales force are considered incremental and recoverable costs of obtaining a contract with a customer. The majority of sales commissions are paid based on the achievement of quota-based targets. These costs are deferred and amortized on a straight-line basis over an average period of benefit determined to be five years. The Company determined the period of benefit considering the length of its customer contracts, its technology, and other factors. Some commission payments are not capitalized because they are expensed during the fiscal year as the related revenue is recognized. Capitalized sales commissions costs are classified within other assets and amortized in selling, general and administrative expenses.

*Costs to Fulfill a Contract*

Certain contract setup costs incurred upon initiation or renewal of an outsourcing contract that generate or enhance resources to be used in satisfying future performance obligations are capitalized when they are deemed recoverable. Judgment is applied to assess whether contract setup costs are capitalizable. Costs that generate or enhance resources often pertain to activities that enhance the capabilities of the services, improve customer experience, and establish a more effective and efficient IT environment. The Company recognizes these transition and transformation contract costs as other assets, which are amortized over the respective contract life.

***Pension and Other Benefit Plans***

The Company accounts for its pension, other post-retirement benefit ("OPEB"), defined contribution and deferred compensation plans using the guidance of ASC 710 "Compensation – General" and ASC 715 "Compensation – Retirement Benefits." The Company recognizes actuarial gains and losses and changes in fair value of plan assets in earnings at the time of plan remeasurement as a component of net periodic benefit expense. Typically plan remeasurement occurs annually during the fourth quarter of each fiscal year. The remaining components of pension and OPEB expense, primarily current period service and interest costs and expected return on plan assets, are recorded on a quarterly basis.

Inherent in the application of the actuarial methods are key assumptions, including, but not limited to, discount rates, expected long-term rates of return on plan assets, mortality rates, rates of compensation increases, and medical cost trend rates. Company management evaluates these assumptions annually and updates assumptions as necessary. The fair value of assets is determined based on the prevailing market prices or estimated fair value of investments when quoted prices are not available.

***Software Development Costs***

After establishing technological feasibility, and until such time as the software products are available for general release to customers, the Company capitalizes costs incurred to develop commercial software products to be sold, leased or otherwise marketed. Costs incurred to establish technological feasibility are charged to expense as incurred. Enhancements to software products are capitalized where such enhancements extend the life or significantly expand the marketability of the products. Amortization of capitalized software development costs is determined separately for each software product. Annual amortization expense is calculated based on the greater of the ratio of current gross revenues for each product to the total of current and anticipated future gross revenues for the product or the straight-line amortization method over the estimated useful life of the product.

Unamortized capitalized software costs associated with commercial software products are periodically evaluated for impairment on a product-by-product basis by comparing the unamortized balance to the product's net realizable value. The net realizable value is the estimated future gross revenues from that product reduced by the related estimated future costs. When the unamortized balance exceeds the net realizable value, the unamortized balance is written down to the net realizable value and an impairment charge is recorded.

The Company capitalizes costs incurred to develop internal-use computer software during the application development stage. Costs related to preliminary project activities and post-implementation activities are expensed as incurred. Internal and external costs incurred in connection with development of upgrades or enhancements that result in additional functionality are also capitalized. Capitalized costs associated with internal-use software are amortized on a straight-line basis over the estimated useful life of the software. Purchased software is capitalized and amortized over the estimated useful life of the software. Internal-use software assets are evaluated for impairment whenever events or changes in circumstances occur that could impact the recoverability of these assets.

***Share-Based Compensation***

Share-based awards are accounted for under the fair value method. The Company provides different forms of share-based compensation to its employees and non-employee directors. This generally includes restricted stock units ("RSUs"), including performance-based restricted stock units ("PSUs"). The fair value of the awards is determined on the grant date, based on the Company's closing stock price. For awards settled in shares, the Company recognizes compensation expense based on the grant-date fair value net of estimated forfeitures over the vesting period. For awards settled in cash, the Company recognizes compensation expense based on the fair value at each reporting date net of estimated forfeitures.

The Company uses a Monte Carlo simulation model to compute the estimated fair value of PSUs with a market condition. This model includes assumptions regarding term, risk-free interest rates, expected volatility and dividend yields, which are evaluated each time the Company issues an award. The risk-free rate equals the yield, as of the Valuation Date on semi-annual zero-coupon U.S. Treasury rates. The dividend yield assumption is based on the respective fiscal year dividend payouts. Expected volatility is based on a historical approach and the Company considers the performance period of the award.

***Goodwill Impairment Analysis***

The Company tests goodwill for impairment on an annual basis as of the first day of the second fiscal quarter and between annual tests if circumstances change, or if an event occurs that would more likely than not reduce the fair value of a reporting unit below its carrying amount. The Company has defined its reporting units as its reportable segments. A significant amount of judgment is involved in determining whether an event indicating impairment has occurred between annual testing dates. Such indicators include: a significant decline in the Company's stock price, a significant decline in expected future cash flows, a significant adverse change in legal factors or in the business climate, unanticipated competition, the disposal of a significant component of a reporting unit and the testing for recoverability of a significant asset group within a reporting unit.

The Company initially assesses qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount. This qualitative assessment considers all relevant factors specific to the reporting units, including macroeconomic conditions, industry and market considerations, overall financial performance, and relevant entity-specific events.

If the Company determines that it is not more likely than not that the carrying amount for a reporting unit is less than its fair value, then subsequent quantitative goodwill impairment testing is not required. If the Company determines that it is more likely than not that the carrying amount for a reporting unit is greater than its fair value, then it proceeds with a subsequent quantitative goodwill impairment test.

The Company has the option to bypass the initial qualitative assessment stage and proceed directly to the quantitative goodwill impairment test. The quantitative goodwill impairment test compares each reporting unit’s fair value to its carrying value. If the reporting unit’s fair value exceeds its carrying value, no further procedures are required. However, if a reporting unit’s fair value is less than its carrying value, then an impairment charge is recorded in the amount of the excess.

When the Company performs the quantitative goodwill impairment test for a reporting unit, it estimates the fair value of the reporting unit using a combination of an income approach and a market approach. The income approach utilizes a discounted cash flow analysis in which the estimated future cash flows and terminal values for each reporting unit are discounted to present value using a discount rate. Cash flow projections are based on management's estimates of economic and market conditions, which drive key assumptions of revenue growth rates, operating margins, capital expenditures and working capital requirements. The discount rate is based on the weighted-average cost of capital and may be adjusted for the relevant risks associated with business-specific characteristics and any uncertainty related to a reporting unit’s ability to execute on the projected future cash flows. The market approach estimates fair value by applying performance-metric multiples to the reporting unit's prior and expected operating performance. The multiples are derived from comparable publicly traded companies that have operating and investment characteristics similar to those of the reporting unit. If the fair value of the reporting unit derived using one approach is significantly different from the fair value estimate using the other approach, the Company reevaluates its assumptions used in the two models. Assumptions are modified as considered appropriate under the circumstances until the two models yield similar and reasonable results. The fair values determined by the market approach and income approach, as described above, are weighted to determine the fair value for each reporting unit.

When the Company performs a quantitative goodwill impairment test for its reporting units, it also compares the sum of the reporting units' fair values to the Company's market capitalization (per-share stock price multiplied by the number of shares outstanding) and calculates an implied control premium representing the excess of the sum of the reporting units' fair values over the market capitalization. The Company evaluates the reasonableness of the control premium by comparing it to control premiums derived from recent comparable business combinations. If the implied control premium is not supported by market data, the Company adjusts its fair value estimates of the reporting units to a market capitalization supported by relevant market data.

***Fair Value***

The Company applies fair value accounting for its financial assets and liabilities and non-financial assets and liabilities that are recognized or disclosed at fair value in the financial statements on a recurring basis. The objective of a fair value measurement is to estimate the price to sell an asset or transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions.

Assets and liabilities subject to fair value measurement disclosures are required to be classified according to a three-level fair value hierarchy with respect to the inputs used to determine fair value. The level in which an asset or liability is disclosed within the fair value hierarchy is based on the lowest level input that is significant to the related fair value measurement in its entirety. The levels of input are defined as follows:

| | |
|---|---|
| Level 1: | Quoted prices unadjusted for identical assets or liabilities in an active market. |
| Level 2: | Quoted prices for similar assets or liabilities in an active market, quoted prices for identical similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable and market-corroborated inputs which are derived principally from or corroborated by observable market data. |
| Level 3: | Unobservable inputs that reflect the entity's own assumptions which market participants would use in pricing the asset or liability. |

The fair value of money market funds, money market deposit accounts, U.S. Treasury bills with less than three months maturity and time deposits, included in cash and cash equivalents, are based on quoted market prices. The fair value of other equity securities, included in other long-term assets, is based on actual market prices. The fair value of contingent consideration, included in other liabilities, is based on contractually defined targets of financial performance in connection with earn outs and other considerations.

The carrying amounts of the Company's financial instruments with short-term maturities, primarily accounts receivable, accounts payable, short-term debt, and financial liabilities included in other accrued liabilities approximate their market values due to their short-term nature.

Non-financial assets such as goodwill, tangible assets, intangible assets, and other contract related long-lived assets are recorded at fair value in the period they are initially recognized; and such fair value may be adjusted in subsequent periods if an event occurs or circumstances change that indicate that the asset may be impaired. The fair value measurements in such instances would be classified as Level 3 within the fair value hierarchy. There were no significant impairments recorded during the fiscal periods covered by this report.

***Receivables***

The Company records receivables at their face amounts less an allowance for doubtful accounts. Receivables consist of amounts billed and currently due from customers, amounts earned but unbilled (including contracts measured under the percentage-of-completion cost-to-cost method of accounting), amounts retained by the customer until the completion of a specified contract and claims. Unbilled recoverable amounts under contracts in progress generally become billable upon the passage of time, the achievement of project milestones, or upon acceptance by the customer.

Allowances for uncollectible trade receivables are estimated based on a combination of write-off history, aging analysis, any known collectability issues, and certain forward-looking information.

DXC uses receivables securitization facilities or receivables sales facilities in the normal course of business as part of managing its cash flows. The Company accounts for receivables sold under these facilities as a sale of financial assets pursuant to ASC 860 “Transfers and Servicing” and derecognizes these receivables, as well as the related allowances, from its balance sheets. Generally, the fair value of the sold receivables approximates the book value due to the short-term nature and, as a result, no gain or loss on sale of receivables is recorded.

***Property and Equipment***

Property and equipment, which include assets under capital leases, are stated at cost less accumulated depreciation. Depreciation is computed predominantly on a straight-line basis over the estimated useful lives of the assets or the remaining lease term. The estimated useful lives of DXC's property and equipment are as follows:

| | |
|---|---|
| Buildings | Up to 40 years |
| Computers and related equipment | 4 to 7 years |
| Furniture and other equipment | 3 to 15 years |
| Leasehold improvements | Shorter of lease term or useful life up to 20 years |

***Intangible Assets***

The Company's estimated useful lives for finite-lived intangibles are shown in the table below:

| | |
|---|---|
| Software | 2 to 10 years |
| Customer related intangibles | Expected customer service life |
| Acquired contract related intangibles | Contract life and first contract renewal, where applicable |

Software is amortized using predominately the straight-line method (see *Software Development Costs* above). Acquired contract related and customer related intangible assets are amortized in proportion to the estimated undiscounted cash flows projected over the estimated life of the asset or on a straight-line basis if such cash flows cannot be reliably estimated.

***Impairment of Long-Lived Assets and Finite-Lived Intangible Assets***

Long-lived assets such as property and equipment and finite-lived intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset or group of assets may not be recoverable. Recoverability of long-lived assets or groups of assets is assessed based on a comparison of the carrying amount of such assets to the estimated future net cash flows. If estimated future net cash flows are less than the carrying amount of such assets, an expense is recorded in the amount required to reduce the carrying amount of such assets to fair value. Fair value is determined based on a discounted cash flow approach or, when available and appropriate, comparable market values. Long-lived assets to be disposed of are reported at the lower of their carrying amount or their fair value less costs to sell.

***Assets/Liabilities Held for Sale***

The Company classifies assets as held for sale in the period when the following conditions are met: (i) management, having the authority to approve the action, commits to a plan to sell the asset (disposal group); (ii) the asset (disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets (disposal group); (iii) an active program to locate a buyer and other actions required to complete the plan to sell the asset (disposal group) have been initiated; (iv) the sale of the asset (disposal group) is probable, and transfer of the asset (disposal group) is expected to qualify for recognition as a completed sale within one year, except if events or circumstances beyond our control extend the period of time required to sell the asset (disposal group) beyond one year; (v) the asset (disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value; and (vi) actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

A long-lived asset (disposal group) that is classified as held for sale is initially measured at the lower of its carrying value or fair value less any costs to sell. Any loss resulting from this measurement is recognized in the period in which the held for sale criteria are met. Conversely, gains are not recognized on the sale of a long-lived asset (disposal group) until the date of sale.

The fair value of a long-lived asset (disposal group) less any costs to sell is assessed each reporting period that it remains classified as held for sale and any subsequent changes are reported as an adjustment to the carrying value of the asset (disposal group), as long as the new carrying value does not exceed the carrying value of the asset at the time it was initially classified as held for sale.

***Income Taxes***

The Company uses the liability method in accounting for income taxes. Deferred tax assets and liabilities are recorded for the expected future tax consequences of temporary differences between financial statement carrying amounts of assets and liabilities and their respective tax bases, using statutory tax rates in effect for the year in which the differences are expected to reverse. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in the results of operations in the period that includes the related enactment date.

A valuation allowance is established when it is more likely than not that all or a portion of a deferred tax asset will not be realized. Changes in valuation allowances from period to period are included in the Company’s tax provision during the period in which the change occurred. In determining whether a valuation allowance is warranted, the Company considers all available positive and negative evidence, including future reversals of existing taxable temporary differences, taxable income in prior carryback years, projected future taxable income, tax planning strategies and recent results of financial operations. The Company recognizes the tax benefit of uncertain tax positions when it is more likely than not that the tax position will be sustained upon examination. Uncertain tax positions are measured based on the probabilities that the uncertain tax position will be realized upon final settlement.

All tax-related cash flows resulting from excess tax benefits related to the settlement of share-based awards are classified as cash flows from operating activities and cash paid by directly withholding shares for tax withholding purposes is classified as a financing activity in the statements of cash flows.

***Cash and Cash Equivalents***

The Company considers investments with an original maturity of three months or less to be cash equivalents. The Company’s cash equivalents consist of time deposits, money market funds and money market deposit accounts with a number of institutions that have high credit ratings.

### *Foreign Currency*

The local currency of the Company's foreign affiliates is generally their functional currency. Accordingly, the assets and liabilities of the foreign affiliates are translated from their respective functional currency to U.S. dollars using fiscal year-end exchange rates, income and expense accounts are translated at the average rates in effect during the fiscal year and equity accounts are translated at historical rates. The resulting translation adjustment is reported in the statements of comprehensive income and recorded as part of accumulated other comprehensive loss.

### *Derivative Instruments*

The Company designates certain derivative instruments as hedges for purposes of hedge accounting, as defined under ASC 815 “Derivatives and Hedging.” For such derivative instruments, the Company documents its risk management objectives and strategy for undertaking hedging transactions, as well as all relationships between hedging and hedged risks. The Company's derivative instruments designated for hedge accounting include interest rate swaps and foreign currency forward and option contracts. Changes in the fair value measurements of these derivative instruments are reflected as adjustments to other comprehensive income (loss) and subsequently reclassified into earnings in the period during which the hedged transactions occurred. Any ineffectiveness or excluded portion of a designated hedge is recognized in earnings.

The Company also has entered into certain net investment hedges. Changes in the fair value of net investment hedges are recorded in the currency translation adjustment section of other comprehensive income (loss) and subsequently reclassified into earnings in the period the hedged item affects earnings. The Company excludes forward points from the effectiveness assessment of its net investment hedges. Changes in fair value of the excluded component are recognized in earnings.

The derivative instruments not designated as hedges for purposes of hedge accounting include total return swaps and certain short-term foreign currency forward contracts. These instruments are recorded at their respective fair values and the change in their value is reported in current period earnings. The Company does not use derivative instruments for trading or speculative purpose. The Company reports the effective portion of its cash flow hedges in the same financial statement line item as changes in the fair value of the hedged item. All cash flows associated with the Company's derivative instruments are classified as operating activities in the statements of cash flows.

### *New Accounting Pronouncements*

During fiscal 2024, the following Accounting Standards Updates (“ASUs”) were issued by the Financial Accounting Standards Board but have not yet been adopted by DXC:

| Date Issued and ASU | DXC Effective Date | Description | Impact |
|---|---|---|---|
| November 2023<br><br>ASU 2023-07, “Improvements to Reportable Segment Disclosures” | Fiscal 2025 | This update requires disclosure of significant segment expenses used by the Chief Operating Decision Maker (“CODM”) to assess performance and allocate resources, disclose the title and position of the CODM and modifies other segment disclosures and the frequency thereof. Early adoption of this update is permitted. | The Company is in the process of assessing the impacts and method of adoption. This ASU will impact the Company’s segment disclosures, but not its consolidated financial statements. |
| December 2023<br><br>ASU 2023-09, “Improvements to Income Tax Disclosures” | Fiscal 2026 | The update requires disclosure of disaggregated income taxes paid, prescribes standard categories for the components of the effective tax rate reconciliation, and modifies other income tax-related disclosures. Early adoption of this update is permitted. | The Company is in the process of assessing the impacts and method of adoption. This ASU will impact our income tax disclosures, but not its consolidated financial statements. |

Other recently issued ASUs that have not yet been adopted are not expected to have a material effect on DXC's consolidated financial statements.

## Note 2 - Divestitures

### *Fiscal 2024 Divestitures*

During fiscal 2024, the Company sold insignificant businesses and made adjustments to estimated amounts from prior years' dispositions that resulted in a gain of $79 million.

### *Fiscal 2023 Divestitures*

During fiscal 2023, DXC completed the sale of its German financial services subsidiary ("FDB" or the "FDB Business") to the FNZ Group ("FNZ") for €308 million (approximately $329 million), resulting in a pre-tax gain of approximately $215 million. Included in the FDB sale was AXA Bank Germany, a German retail bank, that DXC acquired for total consideration of $101 million on January 1, 2021.

During fiscal 2023, the Company sold insignificant businesses that resulted in a net loss of $25 million. Included in this amount was the Company's primary Russian entity that the Company sold in the second quarter of fiscal 2023, in response to the ongoing sanctions against certain industry sectors and parties in Russia due to Russia's invasion of Ukraine.

### *Fiscal 2022 Divestitures*

### *HPS Sale*

During fiscal 2022, DXC completed the sale of its healthcare provider software business ("HPS" or the "HPS Business") to Dedalus Holding S.p.A. ("Dedalus") for €468 million (approximately $551 million), resulting in a pre-tax gain on sale of $331 million, net of closing costs.

During fiscal 2022, the Company sold some insignificant businesses that resulted in a gain of $53 million. This was partially offset by $13 million in sales price adjustments related to prior year dispositions, which resulted from changes in estimated net working capital.

## Note 3 - Earnings (Loss) Per Share

Basic EPS are computed using the weighted average number of shares of common stock outstanding during the period. Diluted EPS reflect the incremental shares issuable upon the assumed exercise of stock options and equity awards. The following table reflects the calculation of basic and diluted EPS:

| | Fiscal Years Ended | | |
|---|---|---|---|
| (in millions, except per-share amounts) | March 31, 2024 | March 31, 2023 | March 31, 2022 |
| **Net income (loss) attributable to DXC common shareholders:** | $ 91 | $ (568) | $ 718 |
| | | | |
| **Common share information:** | | | |
| Weighted average common shares outstanding for basic EPS | 195.80 | 228.99 | 250.02 |
| Dilutive effect of stock options and equity awards | 2.98 | — | 5.19 |
| Weighted average common shares outstanding for diluted EPS | 198.78 | 228.99 | 255.21 |
| | | | |
| **Earnings (loss) per share:** | | | |
| Basic | $ 0.46 | $ (2.48) | $ 2.87 |
| Diluted | $ 0.46 | $ (2.48) | $ 2.81 |

Certain share-based equity awards were excluded from the computation of dilutive EPS because inclusion of these awards would have had an anti-dilutive effect. The following table reflects awards excluded:

| | Fiscal Years Ended | | |
|---|---|---|---|
| | March 31, 2024 | March 31, 2023 | March 31, 2022 |
| Stock Options | 953,126 | 523,969 | 510,933 |
| RSUs | 1,137,403 | 3,242,461 | 6,500 |
| PSUs | 37,504 | 3,380,812 | 37,821 |

**Note 4 - Receivables**

Receivables, net of allowance for doubtful accounts consist of the following:

| | As of | |
|---|---|---|
| (in millions) | March 31, 2024 | March 31, 2023 |
| Billed trade receivables | $ 1,433 | $ 1,530 |
| Unbilled receivables | 1,124 | 1,105 |
| Other receivables | 696 | 806 |
| Total | $ 3,253 | $ 3,441 |

The Company calculates expected credit losses for trade accounts receivable based on historical credit loss rates for each aging category as adjusted for the current market conditions and forecasts about future economic conditions. The following table presents the change in balance for the allowance for doubtful accounts:

| | As of and for Fiscal Years Ended | |
|---|---|---|
| (in millions) | March 31, 2024 | March 31, 2023 |
| Beginning balance | $ 47 | $ 55 |
| Provisions for losses on accounts receivable | — | (1) |
| Other adjustments to allowance and write-offs | (12) | (7) |
| Ending balance | $ 35 | $ 47 |

***Receivables Facility***

The Company has an accounts receivable sales facility (as amended, restated, supplemented or otherwise modified as of March 31, 2024, the "Receivables Facility") with certain unaffiliated financial institutions (the "Purchasers") for the sale of commercial accounts receivable in the United States. The Receivables Facility has a facility limit of $400 million as of March 31, 2024. The Receivables Facility was amended on July 28, 2023, extending the termination date to July 26, 2024.

As of March 31, 2024, the total availability under the Receivables Facility was $400 million and the amount sold to the Purchasers was $400 million, which was derecognized from the Company's balance sheet. The fair value of the sold receivables approximated their book value due to their short-term nature, resulting in no gain or loss recorded on the sale of receivables.

**Note 5 - Leases**

The Company has operating and finance leases for data centers, corporate offices and certain equipment. Our leases have remaining lease terms of one to 10 years, some of which include options to extend the leases for up to 10 years, and some of which include options to terminate the leases within one to three years.

***Operating Leases***

The components of operating lease expense were as follows:

| | For the Fiscal Year Ended | | |
|---|---|---|---|
| (in millions) | March 31, 2024 | March 31, 2023 | March 31, 2022 |
| Operating lease cost | $ 353 | $ 404 | $ 484 |
| Short-term lease cost | 28 | 35 | 40 |
| Variable lease cost | 61 | 73 | 73 |
| Sublease income | (19) | (18) | (32) |
| Total operating costs | $ 423 | $ 494 | $ 565 |

Cash payments made for variable lease costs and short-term leases are not included in the measurement of operating lease liabilities, and as such, are excluded from the supplemental cash flow information stated below.

| | For the Fiscal Year Ended | | |
|---|---|---|---|
| (in millions) | March 31, 2024 | March 31, 2023 | March 31, 2022 |
| Cash paid for amounts included in the measurement of operating lease liabilities – operating cash flows | $ 353 | $ 404 | $ 484 |
| ROU assets obtained in exchange for operating lease liabilities[(1)] | $ 175 | $ 227 | $ 279 |

[(1)] *There were $880 million, $1,142 million, and $1,085 million in modifications and terminations in fiscal 2024, 2023, and 2022, respectively. See Note 17 – "Cash Flows" for further information on non-cash activities affecting cash flows.*

The following table presents operating lease balances:

| | | As of | |
|---|---|---|---|
| (in millions) | Balance Sheet Line Item | March 31, 2024 | March 31, 2023 |
| ROU operating lease assets | Operating right-of-use assets, net | $ 731 | $ 909 |
| | | | |
| Operating lease liabilities | Current operating lease liabilities | $ 282 | $ 317 |
| Operating lease liabilities | Non-current operating lease liabilities | 497 | 648 |
| Total operating lease liabilities | | $ 779 | $ 965 |

The weighted-average operating lease term was 3.9 years as of both March 31, 2024 and March 31, 2023. The weighted-average operating lease discount rate was 4.6% and 3.9% as of March 31, 2024 and March 31, 2023, respectively.

The following maturity analysis presents expected undiscounted cash payments for operating leases as of March 31, 2024:

| | Fiscal Year | | | | | | |
|---|---|---|---|---|---|---|---|
| (in millions) | 2025 | 2026 | 2027 | 2028 | 2029 | Thereafter | Total |
| Operating lease payments | $ 305 | $ 208 | $ 127 | $ 102 | $ 62 | $ 51 | $ 855 |
| Less: imputed interest | | | | | | | (76) |
| Total operating lease liabilities | | | | | | | $ 779 |

***Finance Leases***

The components of finance lease expense were as follows:

| (in millions) | For the Fiscal Year Ended March 31, 2024 | March 31, 2023 | March 31, 2022 |
|---|---|---|---|
| Finance lease cost: | | | |
| Amortization of right-of-use assets | $ 137 | $ 218 | $ 346 |
| Interest on lease liabilities | 15 | 17 | 27 |
| Total finance lease cost | $ 152 | $ 235 | $ 373 |

The following table provides supplemental cash flow information related to the Company's finance leases:

| (in millions) | For the Fiscal Year Ended March 31, 2024 | March 31, 2023 | March 31, 2022 |
|---|---|---|---|
| Interest paid for finance lease liabilities – Operating cash flows | $ 15 | $ 17 | $ 27 |
| Cash paid for amounts included in the measurement of finance lease obligations – financing cash flows | 240 | 315 | 501 |
| Total cash paid in the measurement of finance lease obligations | $ 255 | $ 332 | $ 528 |
| | | | |
| Capital expenditures through finance lease obligations[(1)] | $ 105 | $ 102 | $ 233 |

*[(1)] See Note 17 – "Cash Flows" for further information on non-cash activities affecting cash flows.*

The following table presents finance lease balances:

| (in millions) | Balance Sheet Line Item | As of March 31, 2024 | March 31, 2023 |
|---|---|---|---|
| ROU finance lease assets | Property and Equipment, net | $ 264 | $ 424 |
| | | | |
| Finance lease | Short-term debt and current maturities of long-term debt | $ 178 | $ 215 |
| Finance lease | Long-term debt, net of current maturities | 242 | 287 |
| Total finance lease liabilities[(1)] | | $ 420 | $ 502 |

*[(1)] See Note 10 – "Debt" for further information on finance lease liabilities.*

The weighted-average finance lease term was 2.9 years as of both March 31, 2024 and March 31, 2023. The weighted-average finance lease discount rate was 4.3% and 3.4% as of March 31, 2024 and March 31, 2023, respectively.

The following maturity analysis presents expected undiscounted cash payments for finance leases as of March 31, 2024:

| | Fiscal Year | | | | | | |
|---|---|---|---|---|---|---|---|
| (in millions) | 2025 | 2026 | 2027 | 2028 | 2029 | Thereafter | Total |
| Finance lease payments | $ 187 | $ 128 | $ 81 | $ 38 | $ 12 | $ — | $ 446 |
| Less: imputed interest | | | | | | | (26) |
| Total finance lease liabilities | | | | | | | $ 420 |

**Note 6 - Derivative Instruments**

In the normal course of business, the Company is exposed to interest rate and foreign exchange rate fluctuations. As part of its risk management strategy, the Company uses derivative instruments, primarily foreign currency forward contracts and interest rate swaps, to hedge certain foreign currency and interest rate exposures. The Company's objective is to reduce earnings volatility by offsetting gains and losses resulting from these exposures with losses and gains on the derivative contracts used to hedge them. The Company does not use derivative instruments for trading or any speculative purpose.

***Derivatives Designated for Hedge Accounting***

*Cash flow hedges*

The Company has designated certain foreign currency forward contracts as cash flow hedges to reduce foreign currency risk related to certain Euro, Indian Rupee-denominated obligations and forecasted transactions. The notional amounts of foreign currency forward contracts designated as cash flow hedges as of March 31, 2024 and March 31, 2023 were $885 million and $842 million, respectively. As of March 31, 2024, the related forecasted transactions extend through May 2026.

For the fiscal years ended March 31, 2024 and March 31, 2023, respectively, the Company had no cash flow hedges for which it was probable that the hedged transaction would not occur.

See Note 15 - "Stockholders' Equity" for changes in accumulated other comprehensive loss, net of taxes, related to the Company's derivatives designated for hedge accounting. As of March 31, 2024, $2 million of gain related to the cash flow hedge reported in accumulated other comprehensive loss is expected to be reclassified into earnings within the next 12 months.

***Derivatives Not Designated For Hedge Accounting***

The derivative instruments not designated as hedges for purposes of hedge accounting include certain short-term foreign currency forward contracts. Derivatives that are not designated as hedging instruments are adjusted to fair value through earnings in the financial statement line item to which the derivative relates.

*Foreign currency forward contracts*

The Company manages the exposure to fluctuations in foreign currencies by using foreign currency forward contracts to hedge certain foreign currency denominated assets and liabilities, including intercompany accounts and forecasted transactions. The notional amount of the foreign currency forward contracts outstanding as of March 31, 2024 and March 31, 2023 was $1.5 billion and $2.5 billion, respectively.

The following table presents the foreign currency (gain) loss to Other expense (income), net:

| | Fiscal Years Ended | | |
|---|---|---|---|
| (in millions) | March 31, 2024 | March 31, 2023 | March 31, 2022 |
| Foreign currency remeasurement [1] | $ 18 | $ 12 | $ (39) |
| Undesignated foreign currency forward contracts [2] | (25) | (27) | 52 |
| Total - Foreign currency (gain) loss | $ (7) | $ (15) | $ 13 |

*(1) Movements from exchange rates on the Company's foreign currency-denominated assets and liabilities.*
*(2) Movements from hedges used to manage the Company's foreign currency remeasurement exposure, and the associated costs of the hedging program.*

***Fair Value of Derivative Instruments***

All derivative instruments are recorded at fair value. The Company's accounting treatment for these derivative instruments is based on its hedge designation. The following tables present the fair values of derivative instruments included in the balance sheets:

| | | As of | |
|---|---|---|---|
| (in millions) | Balance Sheet Line Item | March 31, 2024 | March 31, 2023 |
| *Derivatives designated for hedge accounting:* | | | |
| Foreign currency forward contracts | Other current assets | $ 6 | $ 6 |
| | Accrued expenses and other current liabilities | $ 3 | $ 13 |
| *Derivatives not designated for hedge accounting:* | | | |
| Foreign currency forward contracts | Other current assets | $ 16 | $ 15 |
| | Accrued expenses and other current liabilities | $ 12 | $ 16 |

The fair value of foreign currency forward contracts represents the estimated amount required to settle the contracts using current market exchange rates and is based on the period-end foreign currency exchange rates and forward points that are classified as Level 2 inputs.

***Other Risks for Derivative Instruments***

The Company is exposed to the risk of losses in the event of non-performance by the counterparties to its derivative contracts. The amount subject to credit risk related to derivative instruments is generally limited to the amount, if any, by which a counterparty's obligations exceed the obligations of the Company with that counterparty. To mitigate counterparty credit risk, the Company regularly reviews its credit exposure and the creditworthiness of the counterparties. With respect to its foreign currency derivatives, as of March 31, 2024, there were eight counterparties with concentration of credit risk, and based on gross fair value, the maximum amount of loss that the Company could incur is $9 million.

The Company also enters into enforceable master netting arrangements with some of its counterparties. However, for financial reporting purposes, it is the Company's policy not to offset derivative assets and liabilities despite the existence of enforceable master netting arrangements. The potential effect of such netting arrangements on the Company's balance sheets is not material for the periods presented.

***Non-Derivative Financial Instruments Designated for Hedge Accounting***

The Company applies hedge accounting for foreign currency-denominated debt used to manage foreign currency exposures on its net investments in certain non-U.S. operations. To qualify for hedge accounting, the hedging instrument must be highly effective at reducing the risk from the exposure being hedged.

*Net Investment Hedges*

DXC seeks to reduce the impact of fluctuations in foreign exchange rates on its net investments in certain non-U.S. operations with foreign currency-denominated debt. For foreign currency denominated debt designated as a hedge, the effectiveness of the hedge is assessed based on changes in spot rates. For qualifying net investment hedges, all gains or losses on the hedging instruments are included in currency translation. Gains or losses on individual net investments in non-U.S. operations are reclassified to earnings from accumulated other comprehensive loss when such net investments are sold or substantially liquidated.

As of March 31, 2024, DXC had $702 million of foreign currency-denominated debt designated as hedges of net investments in non-U.S. subsidiaries. For the fiscal year ended March 31, 2024, the pre-tax impact of gain on foreign currency-denominated debt designated for hedge accounting recognized in other comprehensive income (loss) was $5 million. As of March 31, 2023, DXC had $272 million of foreign currency-denominated debt designated as hedges of net investments in non-U.S. subsidiaries.

**Note 7 - Property and Equipment**

Property and equipment consisted of the following:

| | As of | |
|---|---|---|
| (in millions) | **March 31, 2024** | **March 31, 2023** |
| Property and equipment — gross: | | |
| Land, buildings and leasehold improvements | $ 1,917 | $ 1,949 |
| Computers and related equipment | 3,142 | 3,945 |
| Furniture and other equipment | 118 | 185 |
| Construction in progress | 9 | 11 |
| | 5,186 | 6,090 |
| Less: accumulated depreciation | 3,515 | 4,111 |
| Property and equipment, net | $ 1,671 | $ 1,979 |

Depreciation expense for fiscal 2024, 2023 and 2022 was $433 million, $519 million and $625 million, respectively.

## Note 8 - Intangible Assets

Intangible assets consisted of the following:

| | As of March 31, 2024 | | | As of March 31, 2023 | | |
|---|---|---|---|---|---|---|
| (in millions) | Gross Carrying Value | Accumulated Amortization | Net Carrying Value | Gross Carrying Value | Accumulated Amortization | Net Carrying Value |
| Software | $ 3,721 | $ 3,070 | $ 651 | $ 4,009 | $ 3,290 | $ 719 |
| Customer related intangible assets | 3,892 | 2,588 | 1,304 | 3,927 | 2,260 | 1,667 |
| Other intangible assets | 309 | 134 | 175 | 303 | 120 | 183 |
| Total intangible assets | $ 7,922 | $ 5,792 | $ 2,130 | $ 8,239 | $ 5,670 | $ 2,569 |

The components of amortization expense were as follows:

| | Fiscal Years Ended | | |
|---|---|---|---|
| (in millions) | March 31, 2024 | March 31, 2023 | March 31, 2022 |
| Intangible asset amortization | $ 759 | $ 796 | $ 865 |
| Transition and transformation contract cost amortization[1] | 212 | 204 | 227 |
| Total amortization expense | $ 971 | $ 1,000 | $ 1,092 |

[1] *Transition and transformation contract costs are included within other assets on the balance sheet.*

Estimated future amortization as of March 31, 2024 is as follows:

| Fiscal Year | (in millions) |
|---|---|
| 2025 | $ 695 |
| 2026 | 608 |
| 2027 | 417 |
| 2028 | 182 |
| 2029 | 91 |
| Thereafter | 137 |
| Total | $ 2,130 |

## Note 9 - Goodwill

The following tables summarize the changes in the carrying amounts of goodwill, by segment, for the fiscal years ended March 31, 2024 and March 31, 2023, respectively:

| (in millions) | GBS | GIS | Total |
|---|---|---|---|
| Balance as of March 31, 2023, net | $ 539 | $ — | $ 539 |
| Divestitures | (3) | — | (3) |
| Foreign currency translation | (4) | — | (4) |
| Balance as of March 31, 2024, net | $ 532 | $ — | $ 532 |
| Goodwill, gross | 5,022 | 5,066 | 10,088 |
| Accumulated impairment losses | (4,490) | (5,066) | (9,556) |
| Balance as of March 31, 2024, net | $ 532 | $ — | $ 532 |

| (in millions) | GBS | GIS | Total |
|---|---|---|---|
| Balance as of March 31, 2022, net | $ 617 | $ — | $ 617 |
| Divestitures | (60) | — | (60) |
| Foreign currency translation | (18) | — | (18) |
| Balance as of March 31, 2023, net | $ 539 | $ — | $ 539 |
| Goodwill, gross | 5,029 | 5,066 | 10,095 |
| Accumulated impairment losses | (4,490) | (5,066) | (9,556) |
| Balance as of March 31, 2023, net | $ 539 | $ — | $ 539 |

Divestitures are described in Note 2 - "Divestitures." The foreign currency translation amount reflects the impact of currency movements on non-U.S. dollar-denominated goodwill balances.

***Goodwill Impairment Analyses***

The Company’s annual goodwill impairment analyses, which were performed qualitatively in the second quarter of fiscal years 2024, 2023, and 2022, did not result in an impairment charge. At the end of each fiscal year, the Company assessed whether there were events or changes in circumstances that would more likely than not reduce the fair value of any of its reporting units below its carrying amount and require goodwill to be tested for impairment. The Company determined that there have been no such indicators, and, therefore, it was unnecessary to perform an interim goodwill impairment test as of the end of each respective fiscal year.

## Note 10 - Debt

The following is a summary of the Company's debt:

| (in millions) | Interest Rates | Fiscal Year Maturities | As of March 31, 2024[1] | | As of March 31, 2023[1] | |
|---|---|---|---|---|---|---|
| **Short-term debt and current maturities of long-term debt** | | | | | | |
| Commercial paper[2] | 0.00% | 2024 | $ | — | $ | 109 |
| Current maturities of long-term debt | Various | 2025 | | 93 | | 176 |
| Current maturities of finance lease liabilities | 0.01% - 14.59% | 2025 | | 178 | | 215 |
| Short-term debt and current maturities of long-term debt | | | $ | 271 | $ | 500 |
| | | | | | | |
| **Long-term debt, net of current maturities** | | | | | | |
| €650 million Senior notes | 1.75% | 2026 | | 700 | | 704 |
| $700 million Senior notes | 1.80% | 2027 | | 697 | | 696 |
| €750 million Senior notes | 0.45% | 2028 | | 806 | | 810 |
| $650 million Senior notes | 2.375% | 2029 | | 646 | | 645 |
| €600 million Senior notes | 0.95% | 2032 | | 643 | | 646 |
| Finance lease liabilities | 0.01% - 14.59% | 2025 - 2029 | | 420 | | 502 |
| Borrowings for assets acquired under long-term financing | 0.00% - 9.78% | 2025 - 2029 | | 177 | | 285 |
| Other borrowings | Various | 2024 | | — | | 3 |
| Long-term debt | | | | 4,089 | | 4,291 |
| Less: current maturities | | | | 271 | | 391 |
| Long-term debt, net of current maturities | | | $ | 3,818 | $ | 3,900 |

*[1] The carrying amounts of the senior notes as of March 31, 2024 and March 31, 2023, include the remaining principal outstanding of $3,509 million and $3,523 million, respectively, net of total unamortized debt (discounts) and premiums, and deferred debt issuance costs of $17 million and $22 million, respectively.*

*[2] At DXC's option, DXC can borrow up to a maximum of €1 billion or its equivalent in £ and $.*

### *Fair Value of Debt*

The estimated fair value of the Company's long-term debt excluding finance lease liabilities was $3.3 billion and $3.3 billion as of March 31, 2024 and March 31, 2023, respectively, as compared with the carrying value of $3.7 billion and $3.8 billion as of March 31, 2024 and March 31, 2023, respectively. If measured at fair value, long-term debt excluding finance lease liabilities would be classified as Level 1 or Level 2 within the fair value hierarchy.

### *Future Maturities of Long-term Debt*

Expected maturities of long-term debt, including borrowings for asset financing but excluding minimum capital lease payments, for fiscal years subsequent to March 31, 2024, are as follows:

| **Fiscal Year** | (in millions) | |
|---|---|---|
| 2025 | $ | 93 |
| 2026 | | 749 |
| 2027 | | 720 |
| 2028 | | 812 |
| 2029 | | 649 |
| Thereafter | | 646 |
| Total | $ | 3,669 |

## Note 11 - Revenue

### *Revenue Recognition*

The following table presents DXC's revenues disaggregated by geography, based on the location of incorporation of the DXC entity providing the related goods or services:

| | Twelve Months Ended | | |
|---|---|---|---|
| (in millions) | March 31, 2024 | March 31, 2023 | March 31, 2022 |
| United States | $ 3,909 | $ 4,320 | $ 4,775 |
| United Kingdom | 1,881 | 1,883 | 2,295 |
| Other Europe | 4,267 | 4,429 | 5,117 |
| Australia | 1,261 | 1,449 | 1,549 |
| Other International | 2,349 | 2,349 | 2,529 |
| Total Revenues | $ 13,667 | $ 14,430 | $ 16,265 |

The revenue by geography pertains to both of the Company's reportable segments. Refer to Note 19 - "Segment and Geographic Information" for the Company's segment disclosures.

### *Remaining Performance Obligations*

Remaining performance obligations represent the aggregate amount of the transaction price in contracts allocated to performance obligations not delivered, or partially undelivered, as of the end of the reporting period. Remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in the scope of contracts, periodic revalidations, adjustments for revenue that has not materialized and adjustments for currency. As of March 31, 2024, approximately $17.7 billion of revenue is expected to be recognized from remaining performance obligations. The Company expects to recognize revenue on approximately 41% of these remaining performance obligations in fiscal 2025, with the remainder of the balance recognized thereafter.

### *Contract Balances*

The following table provides information about the balances of the Company's trade receivables and contract assets and contract liabilities:

| | | As of | |
|---|---|---|---|
| (in millions) | Balance Sheet Line Item | March 31, 2024 | March 31, 2023 |
| Trade receivables, net | Receivables and contract assets, net of allowance for doubtful accounts | $ 2,195 | $ 2,269 |
| Contract assets | Receivables and contract assets, net of allowance for doubtful accounts | $ 362 | $ 366 |
| Contract liabilities | Deferred revenue and advance contract payments and Non-current deferred revenue | $ 1,537 | $ 1,842 |

Change in contract liabilities were as follows:

| (in millions) | Twelve Months Ended March 31, 2024 | Twelve Months Ended March 31, 2023 |
|---|---|---|
| Balance, beginning of period | $ 1,842 | $ 1,915 |
| Deferred revenue | 1,845 | 2,351 |
| Recognition of deferred revenue | (2,081) | (2,303) |
| Currency translation adjustment | (3) | (70) |
| Other | (66) | (51) |
| Balance, end of period | $ 1,537 | $ 1,842 |

The following tables provides information about the Company's capitalized costs to obtain and fulfill a contract:

| | As of | |
|---|---|---|
| (in millions) | March 31, 2024 | March 31, 2023 |
| Capitalized sales commission costs[1] | $ 89 | $ 125 |
| Transition and transformation contract costs, net[2] | $ 751 | $ 778 |

Amortization expense of capitalized sales commission and transition and transformation contract costs were as follows:

| | Fiscal Years Ended | | |
|---|---|---|---|
| (in millions) | March 31, 2024 | March 31, 2023 | March 31, 2022 |
| Capitalized sales commission costs amortization[1] | $ 61 | $ 76 | $ 85 |
| Transition and transformation contract cost amortization[2] | $ 212 | $ 204 | $ 227 |

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*[1] Capitalized sales commission costs are included within other assets in the accompanying balance sheets and amortization expense related to the capitalized sales commission assets are included in selling, general, and administrative expenses in the accompanying statements of operations.*

*[2] Transition and transformation contract costs, net reflect the Company's setup costs incurred upon initiation of an outsourcing contract and are included within other assets in the accompanying balance sheets and amortization expense are included within depreciation and amortization in the accompanying statements of operations.*

### Note 12 - Restructuring Costs

The Company recorded restructuring costs, net of reversals, of $111 million, $216 million and $318 million for fiscal 2024, 2023 and 2022, respectively. The costs recorded during fiscal 2024 were largely the result of implementing the Fiscal 2024 Plan as described below.

The composition of restructuring liabilities by financial statement line items is as follows:

| | As of | |
|---|---|---|
| (in millions) | March 31, 2024 | March 31, 2023 |
| Accrued expenses and other current liabilities | $ 40 | $ 105 |
| Other long-term liabilities | 11 | 22 |
| Total | $ 51 | $ 127 |

***Summary of Restructuring Plans***

*Fiscal 2024 Plan*

During fiscal 2024, management approved global cost savings initiatives designed to better align the Company's workforce, facilities and data centers (the "Fiscal 2024 Plan").

Restructuring activities, summarized by plan year, were as follows:

| | Restructuring Liability as of March 31, 2023 | Costs Expensed, Net of Reversals | Costs Not Affecting Restructuring Liability[(1)] | Cash Paid | Other[(2)] | Restructuring Liability as of March 31, 2024 |
|---|---|---|---|---|---|---|
| Fiscal 2024 Plan | | | | | | |
| Workforce Reductions | $ — | $ 24 | $ — | $ (16) | $ — | $ 8 |
| Facilities Costs | — | 53 | (40) | (8) | (3) | 2 |
| | — | $ 77 | (40) | (24) | (3) | 10 |
| | | | | | | |
| Fiscal 2023 Plan | | | | | | |
| Workforce Reductions | $ 79 | $ — | $ — | $ (62) | $ — | $ 17 |
| Facilities Costs | 1 | 24 | (13) | (12) | — | — |
| | 80 | 24 | (13) | (74) | — | 17 |
| | | | | | | |
| Other Prior Year and Acquired Plans | | | | | | |
| Workforce Reductions | $ 45 | $ (1) | $ — | $ (21) | $ — | $ 23 |
| Facilities Costs | 2 | 11 | (1) | (11) | — | 1 |
| | 47 | 10 | (1) | (32) | — | 24 |
| Total | $ 127 | $ 111 | $ (54) | $ (130) | $ (3) | $ 51 |

(1) *Pension benefit augmentations recorded as pension liabilities, asset impairments and restructuring costs associated with right-of-use assets.*

(2) *Foreign currency translation adjustments.*

Included in restructuring costs for fiscal 2024 is $22 million related to amortization of the right-of-use asset and interest expense for leased facilities that have been vacated but are being actively marketed for sublease or we are in negotiations with the landlord to potentially terminate or modify those leases.

## Note 13 - Pension and Other Benefit Plans

The Company offers a number of pension and OPEB plans, life insurance benefits, deferred compensation and defined contribution plans. Most of the Company's pension plans are not admitting new participants; therefore, changes to pension liabilities are primarily due to market fluctuations of investments for existing participants and changes in interest rates.

### *Defined Benefit Plans*

The Company sponsors a number of defined benefit and post-retirement medical benefit plans for the benefit of eligible employees. The benefit obligations of the Company's U.S. pension, U.S. OPEB, and non-U.S. OPEB plans represent an insignificant portion of the Company's pension and other post-retirement benefit plans. As a result, the disclosures below include the Company's U.S. and non-U.S. pension plans on a global consolidated basis.

Eligible employees are enrolled in defined benefit pension plans in their country of domicile. The defined benefit pension plan in the U.K. represents the largest plan. In addition, healthcare, dental and life insurance benefits are also provided to certain non-U.S. employees. A significant number of employees outside the United States are covered by government sponsored programs at no direct cost to the Company other than related payroll taxes.

During fiscal 2023, pension trustees and the Company took actions to reduce the volatility of a defined benefit pension plan in the U.K., including entering into pension risk transfer transactions involving the purchase of annuity contracts for portions of its outstanding defined benefit pension obligations using assets from the pension trust. In connection with this transaction, the pension trustees transferred $1.0 billion of gross defined benefit pension obligations and related plan assets to an insurance company for approximately 5,000 U.K. plan participants. In addition, the Company recognized a noncash pension settlement charge of $361 million, which includes the accelerated recognition of prior service credit that was included in accumulated other comprehensive loss. This transaction is irrevocable, and as a result of the transaction, the pension trustees and the Company were relieved of all responsibility for the related pension obligations and the insurance company is now required to pay and administer the retirement benefits.

The Company accrued $0 million, $0 million and $4 million, for fiscal 2024, 2023 and 2022, respectively, as additional contractual termination benefits for certain employees as part of the Company's restructuring plans. These amounts are reflected in the projected benefit obligation and in the net periodic pension cost.

The change in projected benefit obligation for fiscal year 2024 is primarily related to interest cost and benefits paid and includes actuarial losses. Actuarial losses were primarily due to benefit indexation in the United Kingdom.

### *Projected Benefit Obligations*

| | As of | |
|---|---|---|
| (in millions) | March 31, 2024 | March 31, 2023 |
| Projected benefit obligation at beginning of year | $ 6,937 | $ 10,862 |
| Service cost | 53 | 73 |
| Interest cost | 307 | 254 |
| Plan participants' contributions | 21 | 27 |
| Amendments | 6 | 3 |
| Business/contract acquisitions/divestitures | 4 | (84) |
| Settlement/curtailment | (268) | (1,102) |
| Actuarial loss (gain) | 67 | (2,083) |
| Benefits paid | (292) | (330) |
| Foreign currency exchange rate changes | 98 | (678) |
| Other | (18) | (5) |
| Projected benefit obligation at end of year | $ 6,915 | $ 6,937 |

The following table summarizes the weighted average rates used in the determination of the Company's benefit obligations:

| | Fiscal Years Ended | |
|---|---|---|
| | March 31, 2024 | March 31, 2023 |
| Discount rate | 4.4 % | 4.5 % |
| Rates of increase in compensation levels | 2.4 % | 2.8 % |
| Interest Crediting Rate | 2.7 % | 4.5 % |

### *Fair Value of Plan Assets and Funded Status*

| | As of | |
|---|---|---|
| *(in millions)* | March 31, 2024 | March 31, 2023 |
| Fair value of plan assets at beginning of year | $ 7,636 | $ 12,952 |
| Actual return on plan assets | 67 | (3,038) |
| Employer contribution | 49 | 79 |
| Plan participants' contributions | 21 | 27 |
| Benefits paid | (292) | (330) |
| Business/contract acquisitions/divestitures | — | (93) |
| Contractual termination benefits | 1 | 10 |
| Plan settlement | (265) | (1,102) |
| Foreign currency exchange rate changes | 118 | (848) |
| Other | (17) | (21) |
| Fair value of plan assets at end of year | $ 7,318 | $ 7,636 |
| | | |
| Funded status at end of year | $ 403 | $ 699 |

### *Selected Information*

| | As of | |
|---|---|---|
| (in millions) | March 31, 2024 | March 31, 2023 |
| Other assets | $ 874 | $ 1,203 |
| Accrued expenses and other current liabilities | (34) | (26) |
| Non-current pension obligations | (423) | (463) |
| Other long-term liabilities - OPEB | (14) | (15) |
| Net amount recorded | $ 403 | $ 699 |
| | | |
| Accumulated benefit obligation | $ 6,842 | $ 6,858 |

| | Benefit Plans with Projected Benefit Obligation in Excess of Plan Assets | | Benefit Plans with Accumulated Benefit Obligation in Excess of Plan Assets | |
|---|---|---|---|---|
| (in millions) | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 |
| Projected benefit obligation | $ 1,113 | $ 1,480 | $ 777 | $ 1,208 |
| Accumulated benefit obligation | $ 1,047 | $ 1,411 | $ 744 | $ 1,170 |
| Fair value of plan assets | $ 646 | $ 976 | $ 327 | $ 718 |

***Net Periodic Pension Cost***

| (in millions) | Fiscal Years Ended March 31, 2024 | March 31, 2023 | March 31, 2022 |
|---|---|---|---|
| Service cost | $ 53 | $ 73 | $ 88 |
| Interest cost | 307 | 254 | 203 |
| Expected return on assets | (446) | (498) | (581) |
| Amortization of prior service credit | (6) | (7) | (8) |
| Contractual termination benefit | — | — | 4 |
| Subtotal | (92) | (178) | (294) |
| Settlement/curtailment (gain) loss | (2) | 361 | (20) |
| Recognition of actuarial loss (gain) | 447 | 1,070 | (664) |
| Net periodic pension expense (income) | $ 353 | $ 1,253 | $ (978) |

The service cost component of net periodic pension expense (income) is presented in costs of services and selling, general and administrative and the other components of net periodic pension expense (income) are presented in other expense (income), net in the Company's statements of operations.

The weighted-average rates used to determine net periodic pension cost were:

| | Fiscal Years Ended March 31, 2024 | March 31, 2023 | March 31, 2022 |
|---|---|---|---|
| Discount or settlement rates | 4.5 % | 2.7 % | 2.0 % |
| Expected long-term rates of return on assets | 6.0 % | 4.3 % | 4.4 % |
| Rates of increase in compensation levels | 2.8 % | 2.9 % | 2.5 % |
| Interest Crediting Rate | 4.5 % | 4.0 % | 4.0 % |

The following is a summary of amounts in accumulated other comprehensive loss, before tax effects:

| (in millions) | Fiscal Years Ended March 31, 2024 | March 31, 2023 |
|---|---|---|
| Prior service credit | $ (176) | $ (188) |

***Estimated Future Contributions and Benefits Payments***

| (in millions) | |
|---|---|
| Employer contributions: | |
| 2025 | $ 33 |
| | |
| Benefit Payments: | |
| 2025 | $ 338 |
| 2026 | 327 |
| 2027 | 338 |
| 2028 | 351 |
| 2029 | 359 |
| 2029 and thereafter | 1,932 |
| Total | $ 3,645 |

***Fair Value of Plan Assets***

The tables below set forth the fair value of plan assets by asset category within the fair value hierarchy:

| (in millions) | | As of March 31, 2024 Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|---|
| Equity: | | | | | |
| | Global/International Equity commingled funds | $ 21 | $ 662 | $ — | $ 683 |
| | U.S./North American Equity commingled funds | 5 | — | — | 5 |
| Fixed Income: | | | | | |
| | Non-U.S. Government funds | — | 29 | — | 29 |
| | Fixed income commingled funds | 1 | 205 | 12 | 218 |
| | Fixed income mutual funds | — | — | — | — |
| | Corporate bonds | — | 3,678 | 91 | 3,769 |
| Alternatives: | | | | | |
| | Other Alternatives [1] | — | 943 | 1,018 | 1,961 |
| | Hedge Funds[2] | — | 8 | 48 | 56 |
| Other Assets | | 28 | 26 | 60 | 114 |
| Insurance contracts | | — | 91 | — | 91 |
| Cash and cash equivalents | | 347 | 45 | — | 392 |
| Totals | | $ 402 | $ 5,687 | $ 1,229 | $ 7,318 |

| (in millions) | | As of March 31, 2023 Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|---|
| Equity: | | | | | |
| | Global/International Equity commingled funds | $ 18 | $ 756 | $ — | $ 774 |
| | U.S./North American Equity commingled funds | 5 | — | — | 5 |
| Fixed Income: | | | | | |
| | Non-U.S. Government funds | — | 24 | — | 24 |
| | Fixed income commingled funds | 2 | 67 | 12 | 81 |
| | Fixed income mutual funds | — | 2 | — | 2 |
| | Corporate bonds | 682 | 2,934 | 1 | 3,617 |
| Alternatives: | | | | | |
| | Other Alternatives [1] | — | 1,191 | 1,095 | 2,286 |
| | Hedge Funds[2] | — | 17 | 34 | 51 |
| Other Assets | | 7 | 84 | 59 | 150 |
| Insurance contracts | | — | 331 | — | 331 |
| Cash and cash equivalents | | 305 | 10 | — | 315 |
| Totals | | $ 1,019 | $ 5,416 | $ 1,201 | $ 7,636 |

*[1] Represents real estate and other commingled funds consisting mainly of equities, bonds, or commodities.*
*[2] Represents investments in diversified fund of hedge funds.*

Changes in fair value measurements of level 3 investments for the defined benefit plans were as follows:

| (in millions) | | |
|---|---|---|
| Balance as of March 31, 2022 | $ | 1,648 |
| Actual return on plan assets held at the reporting date | | 83 |
| Purchases, sales and settlements | | (430) |
| Transfers in and / or out of Level 3 | | — |
| Changes due to exchange rates | | (100) |
| Balance as of March 31, 2023 | | 1,201 |
| Actual return on plan assets held at the reporting date | | 14 |
| Purchases, sales and settlements | | (18) |
| Transfers in and / or out of Level 3 | | — |
| Changes due to exchange rates | | 32 |
| Balance as of March 31, 2024 | $ | 1,229 |

Domestic and global equity accounts are categorized as Level 1 if the securities trade on national or international exchanges and are valued at their last reported closing price. Equity assets in commingled funds reporting a net asset value are categorized as Level 2 and valued using broker dealer bids or quotes of securities with similar characteristics.

Fixed income accounts are categorized as Level 1 if traded on a publicly quoted exchange or as level 2 if investments in corporate bonds are primarily investment grade bonds, generally priced using model-based pricing methods that use observable market data as inputs. Broker dealer bids or quotes of securities with similar characteristics may also be used.

Alternative investment fund securities are categorized as Level 1 if held in a mutual fund or in a separate account structure and actively traded through a recognized exchange, or as Level 2 if they are held in commingled or collective account structures and are actively traded. Alternative investment fund securities are classified as Level 3 if they are held in Limited Company or Limited Partnership structures or cannot otherwise be classified as Level 1 or Level 2.

Other assets represent property holdings by certain pension plans. As above, the property holdings represent a master lease arrangement entered into by DXC in the U.K. and certain U.K. pension plans as a financing transaction.

Insurance contracts purchased to cover benefits payable to retirees are valued using the assumptions used to value the projected benefit obligation.

Cash equivalents that have quoted prices in active markets are classified as Level 1. Short-term money market commingled funds are categorized as Level 2 and valued at cost plus accrued interest which approximates fair value.

***Plan Asset Allocations***

| | As of | |
|---|---|---|
| **Asset Category** | **March 31, 2024** | **March 31, 2023** |
| Equity securities | 9 % | 10 % |
| Debt securities | 55 % | 49 % |
| Alternatives | 29 % | 35 % |
| Cash and other | 7 % | 6 % |
| Total | 100 % | 100 % |

Plan assets are held in a trust that includes commingled funds subject to country specific regulations and invested primarily in commingled funds. For the U.K. pension plans, the Company's largest pension plans by assets and projected liabilities, a target allocation by asset class was developed to achieve their long-term objectives. Asset allocations are monitored closely and investment reviews regarding asset strategy are conducted regularly with internal and external advisors.

The Company's investment goals and risk management strategy for plan assets evaluates a number of factors, including the time horizon of the plans' obligations. Plan assets are invested in various asset classes that are expected to produce a sufficient level of diversification in order to reduce risk, yet produces a reasonable amount of return on investment over the long term. Sufficient liquidity is maintained to meet benefit obligations as they become due. Third party investment managers are employed to invest assets in both passively-indexed and actively-managed strategies. Equities are primarily invested broadly in domestic and foreign companies across market capitalizations and industries. Fixed income securities are invested broadly, primarily in government treasury, corporate credit, mortgage backed and asset backed investments. Alternative investment allocations are included in selected plans to achieve greater portfolio diversity intended to reduce the overall volatility risk of the plans.

Plan asset risks include longevity, inflation, and other changes in market conditions that could reduce the value of plan assets. Also, a decline in the yield of high quality corporate bonds may adversely affect discount rates resulting in an increase in DXC's pension and other post-retirement obligations. These risks, among others, could cause the plans' funded status to deteriorate, resulting in an increased reliance on Company contributions. Derivatives are permitted although their current use is limited within traditional funds and broadly allowed within alternative funds. Derivatives are used for inflation risk management and within the liability driven investing strategy. The Company also has investments in insurance contracts to pay plan benefits in certain countries.

***Return on Assets***

The Company consults with internal and external advisors regarding the expected long-term rate of return on assets. The Company uses various sources in its approach to compute the expected long-term rate of return of the major asset classes expected in each of the plans. DXC utilizes long-term, asset class return assumptions of typically 30 years, which are provided by external advisors. Consideration is also given to the extent active management is employed in each asset class and also to management expenses. A single expected long-term rate of return is calculated for each plan by assessing the plan's expected asset allocation strategy, the benefits of diversification therefrom, historical excess returns from actively managed traditional investments, expected long-term returns for alternative investments and expected investment expenses. The resulting composite rate of return is reviewed by internal and external parties for reasonableness.

***Retirement Plan Discount Rate***

The U.K. discount rate is based on the yield curve approach using the U.K. Aon GBP Single Agency AA Corporates-Only Curve.

***Defined Contribution Plans***

The Company sponsors defined contribution plans for substantially all U.S. employees and certain foreign employees. For certain plans, the Company will match employee contributions. The plans allow employees to contribute a portion of their earnings in accordance with specified guidelines. During fiscal 2024, 2023 and 2022, the Company contributed $188 million, $203 million and $226 million, respectively, to its defined contribution plans. As of March 31, 2024, plan assets included 2,310,298 shares of the Company's common stock.

***Deferred Compensation Plans***

DXC sponsors two Deferred Compensation Plans, the "DXC Technology Company Deferred Compensation Plan" (the "DXC DCP"), and the Enterprise Services Executive Deferred Compensation Plan (the "ES DCP"). Both plans are non-qualified deferred compensation plans maintained for a select group of management, highly compensated employees and non-employee directors.

The DXC DCP covers eligible employees who participated in CSC's Deferred Compensation Plan prior to the HPES Merger. The ES DCP covers eligible employees who participated in the HPE Executive Deferred Compensation Plan prior to the HPES Merger. Both plans allow participating employees to defer the receipt of current compensation to a future distribution date or event above the amounts that may be deferred under DXC's tax-qualified 401(k) plan, the DXC Technology Matched Asset Plan. Neither plan provides for employer contributions. As of April 3, 2017, the ES DCP does not admit new participants.

Certain management and highly compensated employees are eligible to defer all, or a portion of, their regular salary that exceeds the limitation set forth in Internal Revenue Section 401(a)(17) and all or a portion of their incentive compensation. Non-employee directors are eligible to defer up to 100% of their cash compensation. The liability under the plan, which is included in other long-term liabilities in the Company's balance sheets, amounted to $31 million as of March 31, 2024 and $29 million as of March 31, 2023. The Company's expense under the Plan totaled $5 million and $0 million for fiscal 2024 and 2023, respectively.

**Note 14 - Income Taxes**

The sources of (loss) income from continuing operations, before income taxes, classified between domestic entities and those entities domiciled outside of the United States, are as follows:

| | Fiscal Years Ended | | |
|---|---|---|---|
| (in millions) | March 31, 2024 | March 31, 2023 | March 31, 2022 |
| Domestic entities | $ 53 | $ (206) | $ (566) |
| Entities outside the United States | 56 | (679) | 1,707 |
| Total | $ 109 | $ (885) | $ 1,141 |

The income tax expense (benefit) on income (loss) from continuing operations is comprised of:

| | Fiscal Years Ended | | |
|---|---|---|---|
| (in millions) | March 31, 2024 | March 31, 2023 | March 31, 2022 |
| Current: | | | |
| Federal | $ 94 | $ 96 | $ (118) |
| State | 57 | 39 | (17) |
| Foreign | 288 | 155 | 285 |
| | 439 | 290 | 150 |
| Deferred: | | | |
| Federal | (186) | (192) | 9 |
| State | (38) | (47) | (9) |
| Foreign | (192) | (370) | 255 |
| | (416) | (609) | 255 |
| Total income tax (benefit) expense | $ 23 | $ (319) | $ 405 |

The current federal (benefit) and tax expense for fiscal years 2024, 2023, and 2022 includes a $(21) million, $(61) million and $(7) million transition tax benefit, respectively. The current expense (benefit) for fiscal years 2024, 2023, and 2022, includes interest and penalties of $10 million, $1 million and $(3) million, respectively, for uncertain tax positions.

In connection with the HPES Merger, the Company entered into a tax matters agreement with HPE. HPE generally will be responsible for tax liabilities arising prior to the HPES Merger, and DXC is liable to HPE for income tax receivables it receives related to pre-HPES Merger periods. Pursuant to the tax matters agreement, the Company recorded a $17 million tax indemnification receivable related to uncertain tax positions, a $52 million tax indemnification receivable related to other tax payables, and a $91 million tax indemnification payable related to other tax receivables.

In connection with the spin-off of the Company's former U.S. public sector business (the "USPS Separation"), the Company entered into a tax matters agreement with Perspecta Inc. (including its successors and permitted assigns, "Perspecta"). The Company generally will be responsible for tax liabilities arising prior to the USPS Separation, and

Perspecta is liable to the Company for income tax receivables related to pre-spin-off periods. Income tax liabilities transferred to Perspecta primarily relate to pre-HPES Merger periods, for which the Company is indemnified by HPE pursuant to the tax matters agreement between the Company and HPE. The Company remains liable to HPE for tax receivables transferred to Perspecta related to pre-HPES Merger periods. Pursuant to the tax matters agreement, the Company recorded a $15 million tax indemnification receivable from Perspecta related to other tax receivables and a $4 million tax indemnification payable to Perspecta related to income tax and other tax payables.

In connection with the sale of the HPS business, the Company entered into a tax matters agreement with Dedalus. Pursuant to the tax matters agreement, the Company generally will be responsible for tax liabilities arising prior to the sale of the HPS business.

The major elements contributing to the difference between the U.S. federal statutory tax rate and the effective tax rate ("ETR") for continuing operations is below.

| | Fiscal Years Ended | | |
|---|---|---|---|
| | **March 31, 2024** | **March 31, 2023** | **March 31, 2022** |
| Statutory rate | 21.0 % | (21.0)% | 21.0 % |
| State income tax, net of federal tax | 3.7 | (1.4) | (6.9) |
| Foreign tax rate differential | (152.3) | (2.3) | 151.1 |
| Change in valuation allowances | 146.8 | (1.3) | (140.9) |
| Income tax and foreign tax credits | (92.7) | (8.0) | (15.2) |
| Change in uncertain tax positions | — | 1.2 | 6.8 |
| Withholding taxes | 58.7 | 3.5 | 6.2 |
| U.S. tax on foreign income | 35.8 | 5.8 | 2.5 |
| Excess tax benefit or expense for stock compensation | (0.9) | 0.6 | 0.1 |
| Capitalized transaction costs | 0.9 | 0.2 | 0.2 |
| Base erosion and transition taxes | (26.6) | (9.1) | 6.6 |
| Impact of business divestitures | (5.5) | (7.6) | 3.0 |
| Indemnification costs | 3.7 | 1.2 | — |
| Tax audits | 22.0 | — | — |
| Other items, net | 6.5 | 2.2 | 1.0 |
| Effective tax rate | 21.1 % | (36.0)% | 35.5 % |

In fiscal 2024, the ETR was primarily impacted by:

- Changes in foreign jurisdictional losses that decreased the ETR by $160 million and 146.8%, respectively, with an offsetting increase in the ETR due to an increase in the valuation allowance of the same amount.
- Income tax and foreign tax credits, which decreased income tax expense and decreased the ETR by $101 million and 92.7%, respectively, offset by tax expense on U.S. international tax inclusions, which increased tax expense and increased the ETR by $39 million and 35.8%, respectively.
- Foreign withholding taxes, which increased income tax expense and increased the ETR by $64 million and 58.7%, respectively.

In fiscal 2023, the ETR was primarily impacted by:

- A reduction in base erosion and transition taxes, which increased income tax benefit and decreased the ETR by $81 million and 9.1%, respectively.
- Income tax and foreign tax credits, which increased income tax benefit and decreased the ETR by $71 million and 8.0%, respectively, offset by tax expense on U.S. international tax inclusions which decreased tax benefit and increased the ETR by $51 million and 5.8%, respectively.

- Non-taxable gains and losses on business divestitures, which increased income tax benefit and decreased the ETR by $67 million and 7.6%, respectively.

In fiscal 2022, the ETR was primarily impacted by:

- Income tax and foreign tax credits, which decreased income tax expense and decreased the ETR by $174 million and 15.2%, respectively.
- Changes in Luxembourg losses that increased the ETR by $1,609 million and 141.0%, respectively, with an offsetting decrease in the ETR due to a decrease in the valuation allowance of the same amount.
- Adjustments to uncertain tax positions that increased the overall income tax expense and the ETR by $78 million and 6.8%, respectively.

The deferred tax assets (liabilities) were as follows:

| | As of | |
|---|---|---|
| (in millions) | **March 31, 2024** | **March 31, 2023** |
| Deferred tax assets | | |
| Tax loss/credit carryforwards | 2,535 | 2,327 |
| Accrued interest | 24 | 18 |
| Operating lease liabilities | 172 | 219 |
| Contract accounting | 127 | 135 |
| Depreciation and amortization | 129 | — |
| Other assets | 298 | 272 |
| Total deferred tax assets | 3,285 | 2,971 |
| Valuation allowance | (2,264) | (2,064) |
| Net deferred tax assets | 1,021 | 907 |
| | | |
| Deferred tax liabilities | | |
| Depreciation and amortization | — | (98) |
| Operating right-of-use asset | (161) | (208) |
| Investment basis differences | (13) | (8) |
| Employee benefits | (7) | (103) |
| Other liabilities | (166) | (198) |
| Total deferred tax liabilities | (347) | (615) |
| | | |
| Total net deferred tax assets (liabilities) | $ 674 | $ 292 |

Income tax related assets are included in the accompanying balance sheets as follows:

| (in millions) | As of March 31, 2024 | As of March 31, 2023 |
|---|---|---|
| Current: | | |
| Income tax receivables and prepaid taxes | $ 44 | $ 60 |
| | $ 44 | $ 60 |
| Non-current: | | |
| Income taxes receivable and prepaid taxes | $ 258 | $ 192 |
| Deferred tax assets | 804 | 460 |
| | $ 1,062 | $ 652 |
| | | |
| Total | $ 1,106 | $ 712 |

Income tax related liabilities are included in the accompanying balance sheet as follows:

| (in millions) | As of March 31, 2024 | As of March 31, 2023 |
|---|---|---|
| Current: | | |
| Liability for uncertain tax positions | $ — | $ (1) |
| Income taxes payable | (134) | (119) |
| | $ (134) | $ (120) |
| Non-current: | | |
| Deferred taxes | (130) | (168) |
| Income taxes payable | (32) | (16) |
| Liability for uncertain tax positions | (394) | (403) |
| | $ (556) | $ (587) |
| | | |
| Total | $ (690) | $ (707) |

Significant management judgment is required in determining the Company's provision for income taxes, deferred tax assets and liabilities and any valuation allowance recorded against deferred tax assets. As of each reporting date, management weighs new evidence, both positive and negative, that could affect its view of the future realization of its net deferred tax assets. Objective verifiable evidence, which is historical in nature, carries more weight than subjective evidence, which is forward looking in nature.

A valuation allowance has been recorded against deferred tax assets of approximately $2,264 million as of March 31, 2024, due to uncertainties related to the ability to utilize these assets. In assessing whether its deferred tax assets are realizable, the Company considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized and adjusts the valuation allowance accordingly. The Company considers all available positive and negative evidence including future reversals of existing taxable temporary differences, taxable income in prior carryback years, projected future taxable income, tax planning strategies and recent financial operations.

The net increase in the valuation allowance of $200 million in fiscal 2024 was primarily due to losses in Luxembourg.

The following table provides information on the Company's various tax carryforwards:

| | As of March 31, 2024 | | | | As of March 31, 2023 | | | |
|---|---|---|---|---|---|---|---|---|
| (in millions) | Total | With No Expiration | With Expiration | Expiration Dates Through | Total | With No Expiration | With Expiration | Expiration Dates Through |
| Net operating loss carryforwards | | | | | | | | |
| Federal | $ 62 | $ 62 | $ — | N/A | $ 70 | $ 70 | $ — | N/A |
| State | $ 387 | $ 191 | $ 196 | 2044 | $ 463 | $ 217 | $ 246 | 2043 |
| Foreign | $ 10,211 | $ 5,359 | $ 4,852 | 2041 | $ 9,164 | $ 5,370 | $ 3,794 | 2040 |
| Tax credit carryforwards | | | | | | | | |
| Federal | $ 3 | $ — | $ 3 | 2044 | $ 19 | $ — | $ 19 | 2043 |
| State | $ 5 | $ — | $ 5 | 2034 | $ 4 | $ — | $ 4 | 2037 |
| Foreign | $ 2 | $ — | $ 2 | 2037 | $ — | $ — | $ — | N/A |
| Capital loss carryforwards | | | | | | | | |
| Federal | $ 42 | $ 42 | $ — | N/A | $ 42 | $ 42 | $ — | N/A |
| State | $ 46 | $ 46 | $ — | N/A | $ 46 | $ 46 | $ — | N/A |
| Foreign | $ 30 | $ 30 | $ — | N/A | $ 199 | $ 199 | $ — | N/A |

The Company also has federal and state 163(j) interest deduction carryforward attributes of approximately $24 million and $1,066 million, respectively, that have no expiration.

The majority of our global unremitted foreign earnings have been taxed or would be exempt from U.S. tax upon repatriation. Such earnings and all current foreign earnings are not indefinitely reinvested. The following earnings are considered indefinitely reinvested: approximately $480 million that could be subject to U.S. federal tax when repatriated to the U.S. under section 1.245A-5(b) of the final Treasury regulations; and approximately $200 million of our accumulated earnings in India. A portion of these indefinitely reinvested earnings may be subject to foreign and U.S. state tax consequences when remitted. The Company will continue to evaluate its position in the future based on its future strategy and cash needs.

The Company accounts for income tax uncertainties in accordance with ASC 740 Income Taxes, which prescribes a recognition threshold and measurement criteria for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. Benefits from tax positions should be recognized in the financial statements only when it is more likely than not that the tax position will be sustained upon examination by the appropriate taxing authority that would have full knowledge of all relevant information. A tax position that meets the more likely than not recognition threshold is measured at the largest amount of benefit that is greater than fifty percent likely of being realized upon ultimate settlement. Tax positions that previously failed to meet the more likely than not recognition threshold should be recognized in the first subsequent financial reporting period in which that threshold is met. Previously recognized tax positions that no longer meet the more likely than not recognition threshold should be derecognized in the first subsequent financial reporting period in which that threshold is no longer met. ASC 740 also provides guidance on the accounting for and disclosure of liabilities for uncertain tax positions, interest and penalties.

In accordance with ASC 740, the Company’s liability for uncertain tax positions was as follows:

| (in millions) | Fiscal Years Ended March 31, 2024 | Fiscal Years Ended March 31, 2023 |
|---|---|---|
| Tax | $ 361 | $ 399 |
| Interest | 103 | 79 |
| Penalties | 4 | 18 |
| Reduction of receivables | (72) | (91) |
| Net of tax attributes | (2) | (1) |
| Total | $ 394 | $ 404 |

The following table summarizes the activity related to the Company’s uncertain tax positions (excluding interest and penalties and related tax attributes):

| (in millions) | Fiscal Years Ended March 31, 2024 | Fiscal Years Ended March 31, 2023 | Fiscal Years Ended March 31, 2022 |
|---|---|---|---|
| Balance at beginning of fiscal year | $ 399 | $ 422 | $ 354 |
| Gross increases related to prior year tax positions | 14 | 31 | 61 |
| Gross decreases related to prior year tax positions | (55) | (17) | (16) |
| Gross increases related to current year tax positions | 8 | 8 | 93 |
| Settlements and statute of limitation expirations | (5) | (43) | (33) |
| Acquisitions and dispositions | — | — | (36) |
| Foreign exchange and others | — | (2) | (1) |
| Balance at end of fiscal year | $ 361 | $ 399 | $ 422 |

The Company’s liability for uncertain tax positions at March 31, 2024, March 31, 2023, and March 31, 2022, includes $365 million, $368 million and $393 million, respectively, related to amounts that, if recognized, would affect the effective tax rate (excluding related interest and penalties). The decrease related to prior year tax positions primarily relates to the Company's increase in the foreign tax credit and capitalized research and experimental expenditures.

The Company recognizes interest accrued related to uncertain tax positions and penalties as a component of income tax expense. During the year ended March 31, 2024, the Company had a net increase in interest expense of $24 million ($18 million net of tax) and a net decrease in accrued expense for penalties of $14 million and, as of March 31, 2024, recognized a liability for interest of $103 million ($79 million net of tax) and penalties of $4 million. During the year ended March 31, 2023, the Company had a net increase in interest expense of $3 million ($1 million net of tax) and a net decrease in accrued expense for penalties of $2 million and, as of March 31, 2023, recognized a liability for interest of $79 million ($61 million net of tax) and penalties of $18 million. During the year ended March 31, 2022, the Company had net decrease in interest expense of $1 million ($1 million net of tax) and net decrease in accrued expense for penalties of $2 million, and as of March 31, 2022, recognized a liability for interest of $76 million ($60 million net of tax) and penalties of $20 million.

The Company is currently under examination in several tax jurisdictions. A summary of the tax years that remain subject to examination in certain of the Company's major tax jurisdictions are:

| Jurisdiction: | Tax Years that Remain Subject to Examination (Fiscal Year Ending): |
|---|---|
| Australia | 2020 and forward |
| United States – Federal | 2009 and forward |
| United States – Various States | 2009 and forward |
| Canada | 2010 and forward |
| France | 2019 and forward |
| Germany | 2010 and forward |
| India | 2001 and forward |
| U.K. | 2018 and forward |

***Tax Examinations***

The Internal Revenue Service (the "IRS") has examined, or is examining, the Company's federal income tax returns for fiscal 2009 through the tax year ended October 31, 2018. With respect to CSC's fiscal 2009 through 2017 federal tax returns, the Company participated in settlement negotiations with the IRS Office of Appeals. The IRS examined several issues for these tax years that resulted in various audit adjustments. The Company and the IRS Office of Appeals have settled various audit adjustments, and we disagree with the IRS' disallowance of certain losses and deductions resulting from restructuring costs, foreign exchange losses, and a third-party financing transaction in previous years. As we believe we will ultimately prevail on the technical merits of the disagreed items and are challenging them in the U.S. Tax Court, these matters are not fully reserved and would result in incremental federal and state tax expense of approximately $507 million (including estimated interest and penalties) for the unreserved portion of these items and cash tax payments of approximately $582 million, if we do not prevail. We have received notices of deficiency with respect to fiscal 2009, 2010, 2011 and 2013 and have timely filed petitions with the U.S. Tax Court. During fiscal 2024, some of these cases were dismissed, but the dismissals were procedural in nature only and do not impact the Company's potential liability for the aforementioned fiscal years. We expect court proceedings to progress during calendar year 2024 that may result in resolution of some or all of the litigation matters by the end of fiscal year 2025.

During the third quarter of fiscal 2024, the Company determined there were inadvertent omissions on previously filed tax returns related to gain recognition agreements and certain related tax forms and disclosures. The Company notified the IRS in December of 2023 and filed for relief under Treas. Reg. Sec. 1.367(a)-8(p) in January 2024 to correct the issue.

The Company's fiscal years 2009, 2010, and 2013 are in the U.S. Tax Court, and consequently these years will remain open until such proceedings have concluded. The statute of limitations on assessments related to a refund claim for fiscal year 2012 is open through February 28, 2025. The Company has agreed to extend the statute of limitations for fiscal and tax return years 2014 through 2021 to December 31, 2025. The Company expects to reach resolution for fiscal and tax return years 2009 through 2021 no earlier than the end of fiscal year 2026, except fiscal year 2012 for which the statute closes in fiscal year 2025, and potentially the years subject to litigation which may be resolved in fiscal year 2025.

The Company may settle certain other tax examinations for different amounts than the Company has accrued as uncertain tax positions. Consequently, the Company may need to accrue and ultimately pay additional amounts or pay lower amounts than previously estimated and accrued when positions are settled in the future. The Company believes the outcomes that are reasonably possible within the next 12 months to result in a reduction in its liability for uncertain tax positions, excluding interest, penalties, and tax carryforwards, would be approximately $17 million.

## Note 15 - Stockholders' Equity

### *Description of Capital Stock*

The Company has authorized share capital consisting of 750,000,000 shares of common stock, par value $0.01 per share, and 1,000,000 shares of preferred stock, par value $0.01 per share.

Each share of common stock is equal in all respects to every other share of common stock of the Company. Each share of common stock is entitled to one vote per share at each annual or special meeting of stockholders for the election of directors and upon any other matter coming before such meeting. Subject to all the rights of the preferred stock, dividends may be paid to holders of common stock as and when declared by the Board of Directors (the "Board").

The Company's charter requires that preferred stock must be all of one class but may be issued from time to time in one or more series, each of such series to have such full or limited voting powers, if any, and such designations, preferences and relative, participating, optional or other special rights or qualifications, limitations or restrictions as provided in a resolution adopted by the Board. Each share of preferred stock will rank on a parity with each other share of preferred stock, regardless of series, with respect to the payment of dividends at the respectively designated rates and with respect to the distribution of capital assets according to the amounts to which the shares of the respective series are entitled.

### *Share Repurchase Program*

On April 3, 2017, DXC announced the establishment of a share repurchase program approved by the Board with an initial authorization of $2.0 billion for future repurchases of outstanding shares of DXC common stock. On November 8, 2018, DXC announced that its Board approved an incremental $2.0 billion share repurchase authorization. During fiscal 2024, DXC completed the remaining share repurchases under the above authorizations.

On May 18, 2023, DXC announced that its Board approved an incremental $1.0 billion share repurchase authorization. Share repurchases may be made from time to time through various means, including in open market purchases, 10b5-1 plans, privately-negotiated transactions, accelerated stock repurchases, block trades and other transactions, in compliance with Rule 10b-18 under the Exchange Act of 1934, as amended, as well as, to the extent applicable, other federal and state securities laws and other legal requirements. The timing, volume, and nature of share repurchases pursuant to the share repurchase plan are at the discretion of management and may be suspended or discontinued at any time. As of March 31, 2024, the approximate dollar value of shares that may yet be purchased under the plans or programs was $592 million.

The shares repurchased are retired immediately and included in the category of authorized but unissued shares. The excess of purchase price over par value of the common shares is allocated between additional paid-in capital and retained earnings. The details of shares repurchased during fiscal 2024, 2023 and 2022 are shown below:

| Fiscal Year | Number of shares repurchased | Average Price Per Share | Amount (In millions) |
|---|---|---|---|
| 2024 | | | |
| Open market purchases | 38,444,830 | $22.98 | $ 883 |
| 2024 Total | 38,444,830 | $22.98 | $ 883 |
| 2023 | | | |
| Open market purchases | 24,436,738 | $27.78 | $ 679 |
| 2023 Total | 24,436,738 | $27.78 | $ 679 |
| 2022 | | | |
| Open market purchases | 18,818,934 | $33.67 | $ 634 |
| 2022 Total | 18,818,934 | $33.67 | $ 634 |

### *Treasury Stock Transactions*

In fiscal 2024, 2023 and 2022 the Company accepted 0, 0 and 4,614 shares of its common stock, respectively, in lieu of cash in connection with the exercise of stock options. In fiscal 2024, 2023 and 2022, the Company accepted 1,257,748, 455,513 and 415,438 shares of its common stock, respectively, in lieu of cash in connection with the tax withholdings associated with the release of common stock upon vesting of restricted stock and RSUs. As a result, the Company holds 4,591,340 treasury shares as of March 31, 2024.

### *Dividends*

The Board suspended the Company's cash dividend payment beginning in the first quarter of fiscal 2021 to preserve cash and enhance financial flexibility in the current environment. As of March 31, 2024, the Company does not intend to reinstate its quarterly cash dividends.

### *Accumulated Other Comprehensive Loss*

The following table shows the changes in accumulated other comprehensive loss, net of taxes:

| (in millions) | Foreign Currency Translation Adjustments | Cash Flow Hedges | Pension and Other Post-retirement Benefit Plans | Accumulated Other Comprehensive Loss |
|---|---|---|---|---|
| Balance at March 31, 2021 | $ (554) | $ (1) | $ 253 | $ (302) |
| Current-period other comprehensive (loss) income | (11) | 17 | — | 6 |
| Amounts reclassified from accumulated other comprehensive (loss) income, net of taxes[(1)] | (86) | (6) | 3 | (89) |
| Balance at March 31, 2022 | $ (651) | $ 10 | $ 256 | $ (385) |
| Current-period other comprehensive (loss) income | (334) | (6) | — | (340) |
| Amounts reclassified from accumulated other comprehensive loss, net of taxes | — | (11) | (38) | (49) |
| Balance at March 31, 2023 | $ (985) | $ (7) | $ 218 | $ (774) |
| Current-period other comprehensive (loss) income | 46 | — | — | 46 |
| Amounts reclassified from accumulated other comprehensive loss, net of taxes | — | 7 | (11) | (4) |
| Balance at March 31, 2024 | $ (939) | $ — | $ 207 | $ (732) |

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*(1) Includes net cumulative foreign currency translation losses of $86 million upon sale of foreign entities primarily related to the HPS business divestiture. See Note 2 – "Divestitures" for additional information.*

## Note 16 - Stock Incentive Plans

### *Equity Plans*

The Compensation Committee of the Board has broad authority to grant awards and otherwise administer the DXC Employee Equity Plan. The plan became effective March 30, 2017 and will continue in effect for a period of 10 years thereafter, unless terminated earlier by the Board. The Board has the authority to amend the plan in such respects as it deems desirable, subject to approval of DXC's stockholders for material modifications.

Restricted stock units ("RSUs") represent the right to receive one share of DXC common stock upon a future settlement date, subject to vesting and other terms and conditions of the award, plus any dividend equivalents accrued during the award period. In general, if the employee’s status as a full-time employee is terminated prior to the vesting of the RSU grant in full, then the RSU grant is automatically canceled on the termination date and any unvested shares and dividend equivalents are forfeited. Certain executives were awarded service-based "career share" RSUs for which the shares are settled over the 10 anniversaries following the executive's separation from service as a full-time employee, provided the executive complies with certain non-competition covenants during that period. The Company also grants PSUs, which generally vest over a period of three years. The number of PSUs that ultimately vest is dependent upon the Company’s achievement of certain specified financial performance criteria over a three-year period. If the specified performance criteria are met, awards are settled for shares of DXC common stock and dividend equivalents upon the filing with the SEC of the Annual Report on Form 10-K for the last fiscal year of the performance period.

Beginning in fiscal 2021, DXC issued awards that are considered to have a market condition. A Monte Carlo simulation model was used for the valuation of the grants. Settlement of shares for these PSU awards will be made at the end of the third fiscal year subject to certain compounded annual growth rates of the stock price and continued employment through the last day of the third fiscal year.

The terms of the DXC Director Equity Plan allow DXC to grant RSU awards to non-employee directors of DXC. Such RSU awards vest in full at the earlier of (i) the first anniversary of the grant date or (ii) the next annual meeting date, and are automatically redeemed for DXC common stock and dividend equivalents either at that time or, if an RSU deferral election form is submitted, upon the date or event elected by the director. Distributions made upon a director’s separation from the Board may occur in either a lump sum or in annual installments over periods of 5, 10, or 15 years, per the director’s election. In addition, RSUs vest in full upon a change in control of DXC.

The Board has reserved for issuance shares of DXC common stock, par value $0.01 per share, under each of the plans as detailed below:

| | As of March 31, 2024 | |
|---|---|---|
| | Reserved for issuance | Available for future grants |
| DXC Employee Equity Plan | 51,200,000 | 24,212,597 |
| DXC Director Equity Plan | 745,000 | 166,852 |
| Total | 51,945,000 | 24,379,449 |

The Company recognized share-based compensation expense for fiscal 2024, 2023 and 2022 as follows:

| | Fiscal Years Ended | | |
|---|---|---|---|
| (in millions) | March 31, 2024 | March 31, 2023 | March 31, 2022 |
| Total share-based compensation cost | $ 109 | $ 108 | $ 101 |
| Related income tax benefit | $ 16 | $ 18 | $ 14 |
| Total intrinsic value of options exercised | $ — | $ 1 | $ 8 |
| Tax benefits from exercised stock options and awards | $ 14 | $ 12 | $ 17 |

As of March 31, 2024, total unrecognized compensation expense related to unvested DXC RSUs and PSUs, net of expected forfeitures was $145 million, respectively. The unrecognized compensation expense for unvested RSUs and PSUs is expected to be recognized over a weighted-average period of 1.74 years.

### *Stock Options*

The Company's stock options vest one-third annually on each of the first three anniversaries of the grant date. Stock options are generally granted for a term of ten years. Information concerning stock options granted under stock incentive plans was as follows:

| | Number of Option Shares | Weighted Average Exercise Price | Weighted Average Remaining Contractual Term | Aggregate Intrinsic Value (in millions) |
|---|---|---|---|---|
| Outstanding as of March 31, 2021 | 1,675,580 | $ 30.43 | 3.61 | $ 8 |
| Granted | — | $ — | | |
| Exercised | (510,294) | $ 23.27 | | $ 8 |
| Canceled/Forfeited | — | $ — | | |
| Expired | (53,899) | $ 35.57 | | |
| Outstanding as of March 31, 2022 | 1,111,387 | $ 33.47 | 3.01 | $ 5 |
| Granted | — | $ — | | |
| Exercised | (69,855) | $ 20.03 | | $ 1 |
| Canceled/Forfeited | — | $ — | | |
| Expired | (48,829) | $ 44.10 | | |
| Outstanding as of March 31, 2023 | 992,703 | $ 33.89 | 2.20 | $ — |
| Granted | — | $ — | | |
| Exercised | (15,278) | $ 18.79 | | |
| Canceled/Forfeited | — | $ — | | |
| Expired | (32,366) | $ 30.75 | | |
| Outstanding and exercisable as of March 31, 2024 | 945,059 | $ 34.25 | 1.27 | $ — |

| | As of March 31, 2024 | | | | |
|---|---|---|---|---|---|
| | Options Outstanding | | | Options Exercisable | |
| Range of Option Exercise Price | Number Outstanding | Weighted Average Exercise Price | Weighted Average Remaining Contractual Term | Number Exercisable | Weighted Average Exercise Price |
| $17.33 - $24.47 | 47,666 | $ 23.43 | 0.22 | 47,666 | $ 23.43 |
| $25.14 - $41.92 | 475,841 | $ 26.73 | 0.97 | 475,841 | $ 26.73 |
| $42.59 - $53.41 | 421,552 | $ 43.95 | 1.72 | 421,552 | $ 43.95 |
| | 945,059 | | | 945,059 | |

The cash received from stock options exercised during fiscal 2024, 2023 and 2022 was $0 million, $1 million and $12 million, respectively.

***Restricted Stock***

Information concerning RSUs and PSUs granted under the stock incentive plans was as follows:

| | Number of Shares | Weighted Average Grant Date Fair Value |
|---|---|---|
| Outstanding as of March 31, 2021 | 8,326,220 | $ 28.98 |
| Granted | 2,972,253 | $ 50.87 |
| Released/Issued | (2,141,180) | $ 34.12 |
| Canceled/Forfeited | (1,680,167) | $ 34.93 |
| Outstanding as of March 31, 2022 | 7,477,126 | $ 35.89 |
| Granted | 3,404,395 | $ 38.08 |
| Released/Issued | (2,252,627) | $ 33.10 |
| Canceled/Forfeited | (1,179,515) | $ 36.34 |
| Outstanding as of March 31, 2023 | 7,449,379 | $ 37.11 |
| Granted | 6,033,909 | $ 24.73 |
| Released/Issued | (4,066,367) | $ 23.71 |
| Canceled/Forfeited | (1,105,628) | $ 40.20 |
| Outstanding as of March 31, 2024 | 8,311,293 | $ 33.97 |

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***Non-employee Director Incentives***

Information concerning RSUs granted to non-employee directors was as follows:

| | Number of Shares | Weighted Average Grant Date Fair Value |
|---|---|---|
| Outstanding as of March 31, 2021 | 184,660 | $ 28.42 |
| Granted | 74,300 | $ 35.18 |
| Released/Issued | (102,238) | $ 21.43 |
| Canceled/Forfeited | — | $ — |
| Outstanding as of March 31, 2022 | 156,722 | $ 36.18 |
| Granted | 66,100 | $ 31.29 |
| Released/Issued | (75,335) | $ 32.62 |
| Canceled/Forfeited | — | $ — |
| Outstanding as of March 31, 2023 | 147,487 | $ 35.80 |
| Granted | 135,457 | $ 19.52 |
| Released/Issued | (69,189) | $ 31.68 |
| Canceled/Forfeited | — | $ — |
| Outstanding as of March 31, 2024 | 213,755 | $ 26.82 |

## Note 17 - Cash Flows

Cash payments for interest on indebtedness and income taxes and other select non-cash activities are as follows:

| | Fiscal Years Ended | | |
|---|---|---|---|
| (in millions) | March 31, 2024 | March 31, 2023 | March 31, 2022 |
| **Cash paid for:** | | | |
| Interest | $ 286 | $ 188 | $ 227 |
| Taxes on income, net of refunds[1] | $ 434 | $ 408 | $ 394 |
| | | | |
| **Non-cash activities:** | | | |
| Operating: | | | |
| ROU assets obtained in exchange for lease, net[2] | $ 175 | $ 227 | $ 279 |
| Prepaid assets acquired under long-term financing | $ 46 | $ 106 | $ 107 |
| Investing: | | | |
| Capital expenditures in accounts payable and accrued expenses | $ 67 | $ 5 | $ 9 |
| Capital expenditures through finance lease obligations | $ 105 | $ 102 | $ 233 |
| Assets acquired under long-term financing | $ 34 | $ 25 | $ 44 |
| Financing: | | | |
| Shares repurchased but not settled in cash[3] | $ 10 | $ 20 | $ 6 |

*[1] Income tax refunds were $38 million, $43 million, and $54 million for fiscal 2024, 2023, and 2022, respectively.*
*[2] There were $880 million, $1,142 million, and $1,085 million in modifications and terminations in fiscal 2024, 2023, and 2022, respectively.*
*[3] On August 16, 2022, the U.S. government enacted the IRA into law. The IRA imposes a 1% excise tax on share repurchases completed after December 31, 2022. In our cash flow statement we reflect the excise tax as a financing activity relating to the repurchase of common stock.*

## Note 18 - Other Expense (Income), Net

Other expense (income), net comprises non-service cost components of net periodic pension income, pension and OPEB actuarial and settlement losses (gains), movement in foreign currency exchange rates on our foreign currency denominated assets and liabilities and the related economic hedges, gains on sale of assets, and other miscellaneous gains and losses. The following table summarizes components of other expense (income), net:

| | Fiscal Years Ended | | |
|---|---|---|---|
| (in millions) | March 31, 2024 | March 31, 2023 | March 31, 2022 |
| Non-service cost components of net periodic pension (income) expense | $ (145) | $ (251) | $ (382) |
| Pension and OPEB actuarial and settlement losses (gains) | 445 | 1,431 | (684) |
| Foreign currency (gain) loss | (7) | (15) | 13 |
| Gain on sale of assets | (40) | (90) | (88) |
| Other (gain) loss | (35) | 9 | 60 |
| Total | $ 218 | $ 1,084 | $ (1,081) |

## Note 19 - Segment and Geographic Information

DXC has a matrix form of organization and is managed in several different and overlapping groupings including services, industries and geographic regions. As a result, and in accordance with accounting standards, operating segments are organized by the type of services provided. DXC's chief operating decision maker ("CODM"), the chief executive officer, obtains, reviews, and manages the Company's financial performance based on these segments. The CODM uses these results, in part, to evaluate the performance of, and allocate resources to, each of the segments.

Global Business Services ("GBS") provides innovative technology solutions that help our customers address key business challenges and accelerate transformations tailored to each customer's industry and specific objectives. Global Infrastructure Services ("GIS") provides a portfolio of technology offerings that deliver predictable outcomes and measurable results while reducing business risk and operational costs for customers.

### *Segment Measures*

The following table summarizes operating results regularly provided to the CODM by reportable segment and a reconciliation to the financial statements:

| (in millions) | GBS | GIS | Total Reportable Segments | All Other | Totals |
|---|---|---|---|---|---|
| **Fiscal Year Ended March 31, 2024** | | | | | |
| Revenues | $ 6,820 | $ 6,847 | $ 13,667 | $ — | $ 13,667 |
| Segment Profit | $ 835 | $ 437 | $ 1,272 | $ (256) | $ 1,016 |
| Depreciation and amortization [(1)] | $ 186 | $ 759 | $ 945 | $ 105 | $ 1,050 |
| | | | | | |
| **Fiscal Year Ended March 31, 2023** | | | | | |
| Revenues | $ 6,960 | $ 7,470 | $ 14,430 | $ — | $ 14,430 |
| Segment Profit | $ 912 | $ 507 | $ 1,419 | $ (262) | $ 1,157 |
| Depreciation and amortization [(1)] | $ 165 | $ 853 | $ 1,018 | $ 99 | $ 1,117 |
| | | | | | |
| **Fiscal Year Ended March 31, 2022** | | | | | |
| Revenues | $ 7,598 | $ 8,667 | $ 16,265 | $ — | $ 16,265 |
| Segment Profit | $ 1,160 | $ 475 | $ 1,635 | $ (260) | $ 1,375 |
| Depreciation and amortization [(1)] | $ 180 | $ 991 | $ 1,171 | $ 112 | $ 1,283 |

*[(1)] Depreciation and amortization as presented excludes amortization of acquired intangible assets of $354 million, $402 million, and $434 million for fiscal 2024, 2023, and 2022, respectively.*

### *Reconciliation of Reportable Segment Profit to Consolidation*

The Company's management uses segment profit as the measure for assessing performance of its segments. Segment profit is defined as segment revenues less cost of services, segment selling, general and administrative, depreciation and amortization, and other income (excluding the movement in foreign currency exchange rates on DXC's foreign currency denominated assets and liabilities and the related economic hedges). The Company does not allocate to its segments certain operating expenses managed at the corporate level. These unallocated costs generally include certain corporate function costs, stock-based compensation expense, pension and OPEB actuarial and settlement gains and losses, restructuring costs, transaction, separation, and integration-related costs and amortization of acquired intangible assets.

| | Fiscal Years Ended | | |
|---|---|---|---|
| (in millions) | March 31, 2024 | March 31, 2023 | March 31, 2022 |
| Total profit for reportable segments | $ 1,272 | $ 1,419 | $ 1,635 |
| All other loss | (256) | (262) | (260) |
| Subtotal | $ 1,016 | $ 1,157 | $ 1,375 |
| Interest income | 214 | 135 | 65 |
| Interest expense | (298) | (200) | (204) |
| Restructuring costs | (111) | (216) | (318) |
| Transaction, separation and integration-related costs | (7) | (16) | (26) |
| Amortization of acquired intangibles | (354) | (402) | (434) |
| Merger related indemnification | (16) | (46) | — |
| SEC matter | — | (8) | — |
| Gains on dispositions | 115 | 190 | 341 |
| Arbitration loss | — | (29) | — |
| Impairment losses | (5) | (19) | (31) |
| Debt extinguishment cost | — | — | (311) |
| Pension and OPEB actuarial and settlement (losses) gains | (445) | (1,431) | 684 |
| Income (loss) before income taxes | $ 109 | $ (885) | $ 1,141 |

Management does not use total assets by segment to evaluate segment performance or allocate resources. As a result, assets are not tracked by segment and therefore, total assets by segment are not disclosed.

### *Geographic Information*

See Note 11 - "Revenue" for the Company's revenue by geography. Property and equipment, net, which is based on the physical location of the assets, was as follows:

| | As of | |
|---|---|---|
| (in millions) | March 31, 2024 | March 31, 2023 |
| United States | $ 658 | $ 788 |
| United Kingdom | 325 | 362 |
| Australia | 55 | 94 |
| Other Europe | 293 | 357 |
| Other International | 340 | 378 |
| Total Property and Equipment, net | $ 1,671 | $ 1,979 |

No single customer exceeded 10% of the Company’s revenues during fiscal 2024, fiscal 2023 or fiscal 2022.

## Note 20 - Commitments and Contingencies

### *Commitments*

The Company signed long-term purchase agreements with certain software, hardware, telecommunication and other service providers to obtain favorable pricing and terms for services and products that are necessary for the operations of business activities. Under the terms of these agreements, the Company is contractually committed to purchase specified minimum amounts within defined time periods. If the Company does not meet the specified minimums, the Company would have an obligation to pay the service provider all, or a portion, of the shortfall. Minimum purchase commitments as of March 31, 2024 were as follows:

| Fiscal year (in millions) | Minimum Purchase Commitment |
|---|---|
| 2025 | $ 647 |
| 2026 | 544 |
| 2027 | 122 |
| 2028 | 75 |
| 2029 | 23 |
| Total | $ 1,411 |

In the normal course of business, the Company may provide certain customers with financial performance guarantees, and at times performance letters of credit or surety bonds. In general, the Company would only be liable for the amounts of these guarantees in the event that non-performance by the Company permits termination of the related contract by the Company's customer. The Company believes it is in compliance with its performance obligations under all service contracts for which there is a financial performance guarantee, and the ultimate liability, if any, incurred in connection with these guarantees will not have a material adverse effect on its consolidated results of operations or financial position.

The Company also uses stand-by letters of credit, in lieu of cash, to support various risk management insurance policies. These letters of credit represent a contingent liability and the Company would only be liable if it defaults on its payment obligations on these policies.

The following table summarizes the expiration of the Company's financial guarantees and stand-by letters of credit outstanding as of March 31, 2024:

| (in millions) | Fiscal 2025 | Fiscal 2026 | Fiscal 2027 and Thereafter | Totals |
|---|---|---|---|---|
| Surety bonds | $ 81 | $ 66 | $ 136 | $ 283 |
| Letters of credit | 62 | 15 | 565 | 642 |
| Stand-by letters of credit | 60 | 3 | 7 | 70 |
| Totals | $ 203 | $ 84 | $ 708 | $ 995 |

The Company generally indemnifies licensees of its proprietary software products against claims brought by third parties alleging infringement of their intellectual property rights, including rights in patents (with or without geographic limitations), copyrights, trademarks and trade secrets. DXC's indemnification of its licensees relates to costs arising from court awards, negotiated settlements, and the related legal and internal costs of those licensees. The Company maintains the right, at its own cost, to modify or replace software in order to eliminate any infringement. The Company has not incurred any significant costs related to licensee software indemnification.

***Contingencies***

*Forsyth, et al. v. HP Inc. and Hewlett Packard Enterprise:* On August 18, 2016, this purported class and collective action was filed in the U.S. District Court for the Northern District of California, against HP and HPE alleging violations of the Federal Age Discrimination in Employment Act ("ADEA") and California state law, in connection with workforce reductions that occurred in or after August 2012 in California, and in or after as early as December 2014 in other U.S. locations. Former business units of HPE now owned by the Company, and former business units of the Company now owned by Peraton (formerly Perspecta), may be proportionately liable for any recovery by plaintiffs in this matter.

In December 2020, Plaintiffs filed a motion for preliminary certification of the collective action, which Defendants opposed. In April 2021, the court granted Plaintiffs' motion for preliminary certification and lifted the previously imposed stay of the action. In November 2021, notice was sent to putative members of the ADEA collectives regarding participation in the case. In February 2022, the notice period closed.

In September 2023, the parties entered into a settlement agreement to resolve the matter and submitted it to the District Court for approval. In October 2023, the District Court entered an order preliminarily approving the proposed settlement. In March 2024, the District Court issued its final approval of the settlement and entered a final judgment closing the case. In May 2024, the Company funded its contribution to the settlement amount. This matter is now closed.

*Securities Litigation:* Previously disclosed securities litigation matters have been dismissed, with one case remaining, in the Superior Court of the State of California.

On August 20, 2019, a purported class action lawsuit was filed in the Superior Court of the State of California, County of Santa Clara, against the Company, directors of the Company, and a former officer of the Company, among other defendants. The action asserts claims under Sections 11, 12 and 15 of the Securities Act of 1933, as amended, and is premised on allegedly false and/or misleading statements, and alleged non-disclosure of material facts, regarding the Company's prospects and expected performance. The putative class of plaintiffs includes former shareholders of Computer Sciences Corporation ("CSC") who exchanged their CSC shares for the Company's common stock pursuant to the offering documents filed with the Securities and Exchange Commission in connection with the April 2017 transaction that formed DXC.

The State of California action had been stayed pending the outcome of the substantially similar federal action filed in the United States District Court for the Northern District of California. The federal action was dismissed with prejudice in December 2021. Thereafter, the state court lifted the stay and entered an order permitting additional briefing by the parties. In March 2022, Plaintiffs filed an amended complaint, which the Company moved to dismiss. In August 2022, the Court granted the Company's motion to dismiss, but permitted Plaintiffs to amend and refile their complaint. In September 2022, Plaintiffs filed a second amended complaint, which the Company moved to dismiss. In January 2023, the Court issued an order denying the Company's motion to dismiss the second amended complaint. In March 2023, the Court entered a scheduling order setting a trial date for September 2025. In March 2024, a hearing was held on Plaintiffs' motion for class certification. In May 2024, the Court entered an order granting Plaintiffs' motion for class certification. The case is otherwise in discovery.

The Company believes that the final remaining lawsuit described above is also without merit, and intends to vigorously defend it.

*Tax Examinations:* The Company is under IRS examination in the U.S. on its federal income tax returns for certain fiscal years and is in disagreement with the IRS on certain tax positions, which are currently being contested in the U.S. Tax Court. For more detail, see Note 14 - "Income Taxes" for further information.

*OFAC Matter:* In August 2022, the Company submitted an initial notification of voluntary self-disclosure to the U.S. Department of the Treasury, Office of Foreign Assets Control ("OFAC") regarding potential violations of U.S. sanctions on Russia. The self-disclosure pertains to the Company's sale of Luxoft's Russia business to IBS Holding LLC in April 2022, as part of the Company's exit from the Russian market following Russia's invasion of Ukraine. The Company has also submitted an initial notification of voluntary self-disclosure to the U.S. Department of Commerce, Bureau of Industry and Security ("BIS") regarding potential export control violations in connection with its exit from the Russian market. In August 2023, the Company submitted its Final Report of Voluntary Self-Disclosure to OFAC, and in November 2023, the Company submitted its Final Report of Voluntary Self-Disclosure to BIS. In January 2024, BIS issued a Warning Letter to the Company, in lieu of any penalties, and closed its review of the matter. In March 2024, OFAC issued a Cautionary Letter to the Company, in lieu of any penalties or further enforcement action, and closed its review of the matter. The OFAC and BIS matters are now closed.

*TCS Litigation:* In April 2019, the Company filed a lawsuit against Tata Consultancy Services Limited and Tata America International Corporation ("TCS") alleging misappropriation of certain of the Company's trade secrets. In November 2023, a trial was held in the United States District Court for the Northern District of Texas, and a jury found TCS liable for misappropriating the Company's trade secrets and awarded the Company $70 million in compensatory damages and $140 million in punitive damages, for a total award of $210 million. The jury verdict is considered advisory and remains subject to the court's review. A final verdict is expected to be entered after the parties complete post-trial briefing, which the Company estimates will conclude in Q2 FY25. The Company has not recognized any portion of the award in its financial statements and will continue to monitor the progress of the case.

In addition to the matters noted above, the Company is currently subject in the normal course of business to various claims and contingencies arising from, among other things, disputes with customers, vendors, employees, contract counterparties and other parties, as well as securities matters, environmental matters, matters concerning the licensing and use of intellectual property, and inquiries and investigations by regulatory authorities and government agencies. Some of these disputes involve or may involve litigation. The financial statements reflect the treatment of claims and contingencies based on management's view of the expected outcome. DXC consults with outside legal counsel on issues related to litigation and regulatory compliance and seeks input from other experts and advisors with respect to matters in the ordinary course of business. Although the outcome of these and other matters cannot be predicted with certainty, and the impact of the final resolution of these and other matters on the Company's results of operations in a particular subsequent reporting period could be material and adverse, management does not believe based on information currently available to the Company, that the resolution of any of the matters currently pending against the Company will have a material adverse effect on the financial position of the Company or the ability of the Company to meet its financial obligations as they become due. Unless otherwise noted, the Company is unable to determine at this time a reasonable estimate of a possible loss or range of losses associated with the foregoing disclosed contingent matters.

## ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

## ITEM 9A. CONTROLS AND PROCEDURES

### Evaluation of Disclosure Controls and Procedures

Our management, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated, as of the end of the period covered by this Annual Report on Form 10-K, the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended, as of the end of the period covered by this report to ensure that information required to be disclosed by us in the SEC reports (i) is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms and (ii) is accumulated and communicated to our management, including the principal executive and principal financial officers, or persons performing similar functions, as appropriate, to allow timely decisions regarding required disclosure.

Based on this evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that DXC's disclosure controls and procedures were effective as of the end of the period covered by this report.

### Management’s Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external reporting purposes in accordance with accounting principles generally accepted in the United States of America ("US GAAP").

Our internal control over financial reporting includes policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect transactions and dispositions of assets; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with US GAAP and that receipts and expenditures of DXC are being made only in accordance with authorization of management and the directors of DXC; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on our financial statements. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk controls may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate.

Management assessed the effectiveness of our internal control over financial reporting based on the criteria and framework established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, management concluded that our internal control over financial reporting was effective as of March 31, 2024.

The effectiveness of DXC's internal control over financial reporting as of March 31, 2024 has been audited by Deloitte & Touche LLP, an independent registered public accounting firm, which is contained in this Annual Report.

### Changes in Internal Control Over Financial Reporting

During the quarter ended March 31, 2024, there were no changes in our internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the stockholders and the Board of Directors of
DXC Technology Company
Ashburn, Virginia

### Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of DXC Technology Company and subsidiaries (the "Company") as of March 31, 2024, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of March 31, 2024, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements as of and for the year ended March 31, 2024, of the Company and our report dated May 16, 2024, expressed an unqualified opinion on those financial statements.

### Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

### Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Deloitte & Touche LLP

McLean, Virginia
May 16, 2024

## ITEM 9B. OTHER INFORMATION

During the three months ended March 31, 2024, no director or officer of the Company adopted or terminated a “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement,” as each term is defined in Item 408 of Regulation S-K.

## ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

# PART III

Certain information required by Part III is omitted from this Annual Report on Form 10-K and is incorporated herein by reference to the definitive proxy statement with respect to our 2024 Annual Meeting of Stockholders (the "2024 Proxy Statement"), which we will file with the Securities and exchange Commission no later than 120 days after the end of the fiscal year covered by this Annual Report.

## ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Information relating to our executive officers appears in Part I, Item I of this Annual Report on Form 10-K under the heading "Information About Our Executive Officers."

Other information required by this item will appear under the headings "Proposal 1: -Election of Directors,” "Delinquent Section 16(a) Reports", “Corporate Governance,” and “Additional Information-Business for 2024 Annual Meeting" in our 2024 Proxy Statement, which will be filed with the SEC pursuant to Regulation 14A not later than 120 days after March 31, 2024, and such information is incorporated herein by reference.

We have a written Code of Conduct that applies to our Chief Executive Officer, Chief Financial Officer, Principal Accounting Officer and every other officer and employee of DXC. Our Code of Conduct is available on our website, *www.dxc.technology,* under About Us/Governance/Ethics & Compliance. If any amendment to, or a waiver from, a provision of the Code of Conduct is made for any of our directors or executive officers, including our CEO, CFO and PAO, we intend to disclose such information on our website within four business days.

## ITEM 11. EXECUTIVE COMPENSATION

Information required by this item will appear in our 2024 Proxy Statement under the headings "Executive Compensation" and "Corporate Governance" and are incorporated herein by reference.

## ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The following table gives information about our common stock that may be issued under our equity compensation plans as of March 31, 2024. See Note 16 - "Stock Incentive Plans" of the consolidated financial statements included herein for information regarding the material features of these plans.

| Plan Category | Number of securities to be issued upon exercise of outstanding options, warrants and rights<br>(a) | Weighted-average exercise price of outstanding options, warrants and rights<br>(b) | Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))<br>(c) |
|---|---|---|---|
| Equity compensation plans approved by security holders | 9,470,107 | 3.42 | 24,379,449 |
| Equity compensation plans not approved by security holders | — | — | — |
| **Total** | 9,470,107 | 3.42 | 24,379,449 |

Other information required by this Item will appear in the 2024 Proxy Statement under the heading "Security Ownership of Certain Beneficial Owners and Management," which section is incorporated by reference.

## ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Information required by this item will appear in our 2024 Proxy Statement under the headings "Corporate Governance" and "Certain Relationships and Related Party Transactions" and is incorporated herein by reference.

## ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

Information required by this item will appear in our 2024 Proxy Statement under the heading "Proposal 2: Ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for the fiscal year ending March 31, 2025" and is incorporated herein by reference.

## PART IV

## ITEM 15. EXHIBIT AND FINANCIAL STATEMENT SCHEDULES

### (1) Consolidated Financial Statements

The financial statements are included under Item 8 of this Annual Report on Form 10-K. See the index on page 60.

### (2) Exhibits

The following exhibits are filed herewith unless otherwise indicated.

| Exhibit Number | Description of Exhibit |
|---|---|
| 2.1 | Purchase Agreement, dated March 9, 2020, by and between Milano Acquisition Corp and DXC Technology Company (incorporated by reference to Exhibit 2.1 to DXC Technology Company's Current Report on Form 8-K (filed March 12, 2020) (file no. 001-38033)) |
| 2.2 | Agreement and Plan of Merger, dated as of May 24, 2016, by and among Computer Sciences Corporation, Hewlett Packard Enterprise Company, Everett SpinCo, Inc. (now known as DXC Technology Company) and Everett Merger Sub, Inc. (incorporated by reference to Exhibit 2.1 to Hewlett Packard Enterprise Company's Current Report on Form 8-K (filed May 26, 2016) (file no. 001-37483)) |
| 2.3 | First Amendment to Agreement and Plan of Merger, dated as of November 2, 2016, by and among Computer Sciences Corporation, Hewlett Packard Enterprise Company, Everett SpinCo, Inc. (now known as DXC Technology Company), New Everett Merger Sub Inc. and Everett Merger Sub Inc. (incorporated by reference to Exhibit 2.1 to Hewlett Packard Enterprise Company's Current Report on Form 8-K (filed November 2, 2016) (file no. 001-37483)) |
| 2.4 | Second Amendment to Agreement and Plan of Merger, dated as of December 6, 2016, by and among Hewlett Packard Enterprise Company, Computer Sciences Corporation, Everett SpinCo, Inc. (now known as DXC Technology Company), Everett Merger Sub Inc. and New Everett Merger Sub Inc. (incorporated by reference to Exhibit 2.3 to Amendment No. 1 to Form 10 of Everett SpinCo, Inc. (filed December 7, 2016) (file no. 000-55712)) |
| 2.5 | Separation and Distribution Agreement, dated May 24, 2016, between Hewlett Packard Enterprise Company and Everett SpinCo, Inc. (now known as DXC Technology Company) (incorporated by reference to Exhibit 2.2 to Hewlett Packard Enterprise Company's Current Report on Form 8-K (filed May 26, 2016) (file no. 001-37483)) |
| 2.6 | First Amendment to the Separation and Distribution Agreement, dated November 2, 2016, by and between Hewlett Packard Enterprise Company and Everett SpinCo, Inc. (now known as DXC Technology Company) (incorporated by reference to Exhibit 2.2 to Hewlett Packard Enterprise Company's Current Report on Form 8-K (filed November 2, 2016) (file no. 001-37483)) |
| 2.7 | Second Amendment to the Separation and Distribution Agreement, dated December 6, 2016, by and between Hewlett Packard Enterprise Company and Everett SpinCo, Inc. (now known as DXC Technology Company)(incorporated by reference to Exhibit 2.6 to Everett SpinCo, Inc.'s Amendment No. 1 to Form 10 (filed December 7, 2016) (file no. 000-55712)) |
| 2.8 | Third Amendment to the Separation and Distribution Agreement, dated January 27, 2017, by and between Hewlett Packard Enterprise Company and Everett SpinCo, Inc. (now known as DXC Technology Company) (incorporated by reference to Exhibit 2.7 to Everett SpinCo Inc.'s Form 10 (filed February 14, 2017) (file no. 000-55712)) |
| 2.9 | Fourth Amendment to the Separation and Distribution Agreement, dated March 31, 2017, by and between Hewlett Packard Enterprise Company and Everett SpinCo, Inc. (now known as DXC Technology Company) (incorporated by reference to Exhibit 2.6 to DXC Technology Company's Current Report on Form 8-K (filed April 6, 2017) (file no. 001-38033)) |
| 2.10 | Employee Matters Agreement, dated as of March 31, 2017, by and among the Computer Sciences Corporation, Hewlett Packard Enterprise Company and Everett SpinCo, Inc. (now known as DXC Technology Company) (incorporated by reference to Exhibit 2.1 to DXC Technology Company's Current Report on Form 8-K (filed April 6, 2017) (file no. 001-38033)) |
| 2.11 | Tax Matters Agreement, dated as of March 31, 2017, by and among the Computer Sciences Corporation, Hewlett Packard Enterprise Company and Everett SpinCo, Inc. (now known as DXC Technology Company) (incorporated by reference to Exhibit 2.2 to DXC Technology Company's Current Report on Form 8-K (filed April 6, 2017) (file no. 001-38033)) |
| 2.12 | Intellectual Property Matters Agreement, dated as of March 31, 2017, by and among Hewlett Packard Enterprise Company, Hewlett Packard Enterprise Development LP and Everett SpinCo, Inc. (now known as DXC Technology Company) (incorporated by reference to Exhibit 2.3 to DXC Technology Company's Current Report on Form 8-K (filed April 6, 2017) (file no. 001-38033)) |
| 2.13 | Transition Services Agreement, dated as of March 31, 2017, by and between Hewlett Packard Enterprise Company and Everett SpinCo, Inc. (now known as DXC Technology Company) (incorporated by reference to Exhibit 2.4 to DXC Technology Company's Current Report on Form 8-K (filed April 6, 2017) (file no. 001-38033)) |
| 2.14 | Real Estate Matters Agreement, dated as of March 31, 2017, by and between Hewlett Packard Enterprise Company and Everett SpinCo, Inc. (now known as DXC Technology Company) (incorporated by reference to Exhibit 2.5 to DXC Technology Company's Current Report on Form 8-K (filed April 6, 2017) (file no. 001-38033)) |

| | |
|---|---|
| 2.15 | Agreement and Plan of Merger, dated as of October 11, 2017 by and among DXC Technology Company, Ultra SCInc., Ultra First VMS Inc., Ultra Second VMS LLC, Ultra KMS Inc., Vencore Holding Corp., KGS Holding Corp.,The SI Organization Holdings LLC and KGS Holding LLC (incorporated by reference to Exhibit 2.1 to DXC Technology Company's Current Report on Form 8-K (filed October 13, 2017) (file no. 001-38033)) |
| 2.16 | Separation and Distribution Agreement dated as of May 31, 2018, by and between DXC Technology Company and Perspecta Inc. (incorporated by reference to Exhibit 2.1 to DXC Technology Company's Current Report on Form 8-K (filed June 6, 2018) (file no. 001-38033)) |
| 2.17 | Employee Matters Agreement dated as of May 31, 2018, by and between DXC Technology Company and Perspecta Inc. (incorporated by reference to Exhibit 2.2 to DXC Technology Company's Current Report on Form 8-K (filed June 6, 2018) (file no. 001-38033)) |
| 2.18 | Tax Matters Agreement dated as of May 31, 2018, by and between DXC Technology Company and Perspecta Inc. (incorporated by reference to Exhibit 2.3 to DXC Technology Company's Current Report on Form 8-K (filed June 6, 2018) (file no. 001-38033)) |
| 2.19 | Intellectual Property Matters Agreement dated as of May 31, 2018, by and between DXC Technology Company and Perspecta Inc. (incorporated by reference to Exhibit 2.4 to DXC Technology Company's Current Report on Form 8-K (filed June 6, 2018) (file no. 001-38033)) |
| 2.20 | Transition Services Agreement dated as of May 31, 2018, by and between DXC Technology Company and Perspecta Inc. (incorporated by reference to Exhibit 2.5 to DXC Technology Company's Current Report on Form 8-K (filed June 6, 2018) (file no. 001-38033)) |
| 2.21 | Real Estate Matters Agreement dated as of May 31, 2018, by and between DXC Technology Company and Perspecta Inc. (incorporated by reference to Exhibit 2.6 to DXC Technology Company's Current Report on Form 8-K (filed June 6, 2018) (file no. 001-38033)) |
| 2.22 | Non-U.S. Agency Agreement dated as of May 31, 2018, by and between DXC Technology Company and Perspecta Inc. (incorporated by reference to Exhibit 2.7 to DXC Technology Company's Current Report on Form 8-K (filed June 6, 2018) (file no. 001-38033)) |
| 2.23 | Merger Agreement, dated January 6, 2019, by and among DXC Technology Company, Luna Equities, Inc. and Luxoft Holding, Inc (incorporated by reference to Exhibit 99.1 to Luxoft Holding, Inc's Report of Foreign Private Issuer on Form 6-K (filed January 7, 2019) (file no. 001-35976)) |
| 3.1 | Articles of Incorporation of DXC Technology Company, as filed with the Secretary of State of the State of Nevada on March 31, 2017 (incorporated by reference to Exhibit 3.3 to DXC Technology Company's Current Report on Form 8-K (filed April 6, 2017) (file no. 001-38033)) |
| 3.2 | Amended and Restated Bylaws of DXC Technology Company, effective November 3, 2022 (incorporated by reference to Exhibit 3.2 to DXC Technology Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2022 (filed November 4, 2022) (file no. 001-38033)) |
| 4.1 | Base Indenture, dated as of March 27, 2017, between Everett SpinCo, Inc. (now known as DXC Technology Company) and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 4.1 to DXC Technology Company's Form 8-K (filed March 27, 2017) (file no. 001-38033)) |
| 4.2 | Seventh Supplemental Indenture, dated September 26, 2018, among DXC Technology Company, U.S. Bank National Association, as trustee, and Elavon Financial Services DAC, UK Branch, as paying agent (incorporated by reference to Exhibit 4.1 to DXC Technology Company’s Current Report on Form 8-K (filed September 26, 2018) (file no. 001-38033)) |
| 4.3 | Form of DXC Technology Company’s 1.750% Senior Notes due 2026 (incorporated by reference to Exhibit 4.1 to DXC Technology Company’s Current Report on Form 8-K (filed September 26, 2018) (file no. 001-38033)) |
| 4.4 | Ninth Supplemental Indenture, dated September 9, 2021, between DXC Technology Company and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 4.4 to DXC Technology Company's Form 8-K (September 9, 2021) (file no. 001-38033)) |
| 4.5 | Form of DXC Technology Company’s 1.800% Senior Notes due 2026 (incorporated by reference to Exhibit 4.4 to DXC Technology Company's Form 8-K (September 9, 2021) (file no. 001-38033)) |
| 4.6 | Form of DXC Technology Company’s 2.375% Senior Notes due 2028 (incorporated by reference to Exhibit 4.4 to DXC Technology Company's Form 8-K (September 9, 2021) (file no. 001-38033)) |
| 4.7 | Indenture, dated September 9, 2021, by and among DXC Capital Funding DAC, as issuer, DXC Technology Company and DXC Luxembourg International S.à r.l., as guarantors, U.S. Bank National Association, as trustee, and Elavon Financial Services DAC, as paying agent (incorporated by reference to Exhibit 4.1 to DXC Technology Company's Form 8-K (September 9, 2021) (file no. 001-38033)) |
| 4.8 | First Supplemental Indenture, dated September 26, 2022, by and among DXC Capital Funding DAC, as issuer, and U.S. Bank Trust Company, National Association (as successor to U.S. Bank National Association), as trustee, transfer agent and registrar (incorporated by reference to Exhibit 4.1 to DXC Technology Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2022 (filed November 4, 2022) (file no. 001-38033)) |
| 4.9 | Form of DXC Capital Funding DAC’s 0.450% Senior Notes due 2027 (incorporated by reference to Exhibit 4.1 to DXC Technology Company's Form 8-K (September 9, 2021) (file no. 001-38033)) |
| 4.10 | Form of DXC Capital Funding DAC’s 0.950% Senior Notes due 2031 (incorporated by reference to Exhibit 4.1 to DXC Technology Company's Form 8-K (September 9, 2021) (file no. 001-38033)) |
| 4.11 | Description of Securities (incorporated by reference to Exhibit 4.10 to DXC Technology Company's Annual Report on Form 10-K (filed May 26, 2022) (file no. 001-38033)) |

| | |
|---|---|
| 10.1 | Revolving Credit Agreement dated November 1, 2021 among DXC Technology Company, the financial institutions listed therein and Citibank, N.A., as Administrative Agent (incorporated by reference to Exhibit 10.1 to DXC Technology Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2021 (filed November 4, 2021) (file no. 001-38033)) |
| 10.2 | First Incremental Assumption Agreement dated as of November 1, 2023, which supplements that certain Revolving Credit Agreement dated as of November 1, 2021 among DXC Technology Company, the lenders from time to time party thereto and Citibank, N.A., as administrative agent (incorporated by reference to Exhibit 10.3 to DXC Technology Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2023 (filed November 2, 2023) (file no. 001-38033)) |
| 10.3 | Dealer Agreement, dated July 24, 2015, by and between CSC Capital Funding Limited, as issuer, Computer Sciences Corporation, as guarantor, Citibank International Limited, as arranger, and the financial institutions listed therein, as dealers (incorporated by reference to Exhibit 99.1 to Computer Sciences Corporation's Current Report on Form 8-K (filed July 28, 2015) (file no.001-04850)) |
| 10.4 | Amendment No. 1 dated April 3, 2017, to the Dealer Agreement, dated July 24, 2015, by and between DXC Capital Funding Limited, as Issuer, DXC Technology Company, as Guarantor, Citibank Europe PLC, UK Branch, as Arranger, and the financial institutions listed therein, as Dealers (incorporated by reference to Exhibit 10.23 to DXC Technology Company's Annual Report on Form 10-K (filed May 29, 2018) (file no. 001-38033)) |
| 10.5 | Purchase and Sale Agreement dated as of December 21, 2016, among Computer Sciences Corporation, as Contributing Originator and Servicer, Alliance-One Services, Inc., CSC Agility Platform, Inc., CSC Consulting, Inc., CSC Cybertek Corporation, Mynd Corporation and PDA Software Services LLC, as Originators, and CSC Receivables LLC, as Buyer (incorporated by reference to Exhibit 10.1 to Computer Sciences Corporation 's Current Report on Form 8-K (filed December 23, 2016) (file no. 001-04850)) |
| 10.6 | First Amendment to the Purchase and Sale Agreement dated as of August 22, 2018, among Computer Sciences Corporation, as Contributing Originator and Servicer, Alliance-One Services, Inc., CSC Agility Platform, Inc., CSC Consulting, Inc., CSC Cybertek Corporation, Mynd Corporation, DXC Technology Services LLC and PDA Software Services LLC, as Originators, and CSC Receivables LLC, as Buyer (incorporated by reference to Exhibit 10.1 to DXC Technology Company's Current Report on Form 8-K (filed August 27, 2018) (file no. 001-38033)) |
| 10.7 | Second Amendment to the Purchase and Sale Agreement dated as of September 24, 2018, among Computer Sciences Corporation, as Exiting Originator and Exiting Servicer, Alliance-One Services, Inc., CSC Agility Platform, Inc., CSC Consulting, Inc., CSC Cybertek Corporation, Mynd Corporation and PDA Software Services LLC, as Exiting Originators, DXC Technology Services LLC, as Originator, DXC Technology Company, as Servicer, and DXC Receivables LLC (f/k/a CSC Receivables LLC), as Buyer (incorporated by reference to Exhibit 10.1 to DXC Technology Company's Current Report on Form 8-K (filed September 27, 2018) (file no. 001-38033)) |
| 10.8 | Third Amendment to the Purchase and Sale Agreement dated as of August 21, 2019, among DXC Technology Company, as Servicer, DXC Technology Services LLC, as Existing Originator, Alliance-One Services, Inc., Computer Sciences Corporation, CSC Consulting, Inc., CSC Cybertek Corporation, Mynd Corporation, and PDA Software Services LLC, as New Originators, and DXC Receivables LLC (f/k/a CSC Receivables LLC), as Buyer (incorporated by reference to Exhibit 10.1 to DXC Technology Company's Quarterly Report on Form 10-Q (filed November 12, 2019) (file no. 001-38033)) |
| 10.9 | Fourth Amendment to the Purchase and Sale Agreement dated as of November 22, 2019, among DXC Technology Company, as Servicer, DXC Technology Services LLC, Alliance-One Services, Inc., Computer Sciences Corporation, CSC Consulting, Inc., CSC Cybertek Corporation, Mynd Corporation, and PDA Software Services LLC, as Existing Originators; CSC Puerto Rico LLC, CSC Covansys Corporation and Tribridge Holdings, LLC, as New Originators; and DXC Receivables LLC (f/k/a CSC Receivables LLC), as Buyer (incorporated by reference to Exhibit 10.1 to DXC Technology Company's Quarterly Report on Form 10-Q (filed February 7, 2020) (file no. 001-38033)) |
| 10.10 | Fifth Amendment to the Purchase and Sale Agreement dated as of May 29, 2020, among DXC Technology Company, as Servicer, DXC MS LLC as exiting Originator, DXC Receivables LLC (f/k/a CSC Receivables LLC), as Buyer and the various parties listed as remaining Originators (incorporated by reference to Exhibit 10.2 to DXC Technology Company's Quarterly Report on Form 10-Q (filed August 7, 2020) (file no. 001-38033)) |
| 10.11 | Sixth Amendment to the Purchase and Sale Agreement dated as of August 10, 2020, among DXC Technology Company, as Servicer, PDA Software Services LLC as exiting Originator, DXC Receivables LLC (f/k/a CSC Receivables LLC), as Buyer and the various parties listed as remaining Originators (incorporated by reference to Exhibit 10.2 to DXC Technology Company's Quarterly Report on Form 10-Q (filed November 6, 2020) (file no. 001-38033)) |
| 10.12^ | Seventh Amendment to the Purchase and Sale Agreement dated as of July 29, 2022, among DXC Technology Company, as Servicer, DXC Receivables LLC (f/k/a CSC Receivables LLC), as Buyer, and the various parties listed as Originators (incorporated by reference to Exhibit 10.2 to DXC Technology Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2022 (filed August 4, 2022) (file no. 001-38033)) |
| 10.13 | Receivables Purchase Agreement dated as of December 21, 2016, among Computer Sciences Corporation, as Servicer, CSC Receivables LLC, as Seller, the persons from time to time party thereto as Purchasers and group agents, PNC Bank, National Association, as Administrative Agent and PNC Capital Markets LLC, as Structuring Agent (incorporated by reference to Exhibit 10.2 to Computer Sciences Corporation's Current Report on Form 8-K (filed December 23, 2016) (file no. 001-04850)) |
| 10.14 | Third Amendment to the Receivables Purchase Agreement dated as of August 22, 2018, among Computer Sciences Corporation, as Servicer, CSC Receivables LLC, as seller, the persons from time to time party thereto as Purchasers and group agents, and PNC Bank, National Association, as Administrative Agent. (incorporated by reference to Exhibit 10.2 to DXC Technology Company's Current Report on Form 8-K (filed August 27, 2018) (file no. 001-38033)) |

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| 10.15 | Fourth Amendment to the Receivables Purchase Agreement dated as of September 24, 2018, among Computer Sciences Corporation, as Exiting Servicer, DXC Receivables LLC (f/k/a CSC Receivables LLC), as seller, DXC Technology Company, as Servicer, the persons from time to time party thereto as Purchasers and group agents, and PNC Bank, National Association, as Administrative Agent (incorporated by reference to Exhibit 10.2 to DXC Technology Company's Current Report on Form 8-K (filed September 27, 2018) (file no. 001-38033)) |
| 10.16 | Sixth Amendment to the Receivables Purchase Agreement dated as of August 21, 2019, among DXC Receivables LLC (f/k/a CSC Receivables LLC), as Seller, DXC Technology Company, as Servicer, PNC Bank, National Association, as Administrative Agent, and the persons from time to time party thereto as Purchasers and Group Agents (incorporated by reference to Exhibit 10.1 to DXC Technology Company's Quarterly Report on Form 10-Q (filed November 12, 2019) (file no. 001-38033)) |
| 10.17 | Seventh Amendment to the Receivables Purchase Agreement dated as of November 22, 2019, among DXC Receivables LLC (f/k/a CSC Receivables LLC), as Seller, DXC Technology Company, as Servicer, PNC Bank, National Association, as Administrative Agent, and the persons from time to time party thereto as Purchasers and Group Agents (incorporated by reference to Exhibit 10.1 to DXC Technology Company's Quarterly Report on Form 10-Q (filed February 7, 2020) (file no. 001-38033)) |
| 10.18 | Eighth Amendment to the Receivables Purchase Agreement dated as of February 18, 2020, among DXC Receivables LLC (f/k/a CSC Receivables LLC), as Seller, DXC Technology Company, as Servicer, PNC Bank, National Association, as Administrative Agent, and the persons from time to time party thereto as Purchasers and Group Agents (incorporated by reference to Exhibit 10.34 to DXC Technology Company's Annual Report on Form 10-K (filed June 1, 2020)(file no. 001-38033)) |
| 10.19 | Ninth Amendment to the Receivables Purchase Agreement dated as of May 29, 2020, among DXC Receivables LLC (f/k/a CSC Receivables LLC), as Seller, DXC Technology Company, as Servicer, PNC Bank, National Association, as Administrative Agent, and the persons from time to time party thereto as Purchasers and Group Agents (incorporated by reference to Exhibit 10.1 to DXC Technology Company's Quarterly Report on Form 10-Q (filed August 7, 2020) (file no. 001-38033)) |
| 10.20 | Tenth Amendment to the Receivables Purchase Agreement dated as of August 10, 2020, among DXC Receivables LLC (f/k/a CSC Receivables LLC), as Seller, DXC Technology Company, as Servicer, PNC Bank, National Association, as Administrative Agent, and the persons from time to time party thereto as Purchasers and Group Agents (incorporated by reference to Exhibit 10.1 to DXC Technology Company's Quarterly Report on Form 10-Q (filed November 6, 2020) (file no. 001-38033)) |
| 10.21 | Eleventh Amendment to the Receivables Purchase Agreement dated as of July 30, 2021, among DXC Receivables LLC (f/k/a CSC Receivables LLC), as Seller, DXC Technology Company, as Servicer, PNC Bank, National Association, as Administrative Agent, and the persons from time to time party thereto as Purchasers and Group Agents (incorporated by reference to Exhibit 10.1 to DXC Technology Company's Quarterly Report on Form 10-Q (filed August 5, 2021) (file no. 001-38033)) |
| 10.22^ | Twelfth Amendment to the Receivables Purchase Agreement dated as of July 29, 2022, among DXC Receivables LLC (f/k/a CSC Receivables LLC), as Seller, DXC Technology Company, as Servicer, PNC Bank, National Association, as Administrative Agent, and the persons from time to time party thereto as Purchasers and Group Agents (incorporated by reference to Exhibit 10.1 to DXC Technology Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2022 (filed August 4, 2022) (file no. 001-38033)) |
| 10.23 | Thirteenth Amendment to the Receivables Purchase Agreement dated as of September 1, 2022, among DXC Receivables LLC (f/k/a CSC Receivables LLC), as Seller, DXC Technology Company, as Servicer, PNC Bank, National Association, as Administrative Agent, and the persons from time to time party thereto as Purchasers and Group Agents (incorporated by reference to Exhibit 10.1 to DXC Technology Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2022 (filed November 4, 2022) (file no. 001-38033)) |
| 10.24^ | Fourteenth Amendment to the Receivables Purchase Agreement dated as of December 21, 2022, among DXC Receivables LLC (f/k/a CSC Receivables LLC), as Seller, DXC Technology Company, as Servicer, PNC Bank, National Association, as Administrative Agent, and the persons from time to time party thereto as Purchasers and Group Agents (incorporated by reference to Exhibit 10.1 to DXC Technology Company's Quarterly Report on Form 10-Q for the quarter ended December 31, 2022 (filed February 2, 2023) (file no. 001-38033)) |
| 10.25^ | Fifteenth Amendment to the Receivables Purchase Agreement dated as of July 28, 2023, among DXC Receivables LLC (f/k/a CSC Receivables LLC), as Seller, DXC Technology Company, as Servicer, PNC Bank, National Association, as Administrative Agent, and the persons from time to time party thereto as Purchasers and Group Agents (incorporated by reference to Exhibit 10.1 to DXC Technology Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2023 (filed August 3, 2023) (file no. 001-38033)) |
| 10.26 | Sixteenth Amendment to the Receivables Purchase Agreement dated as of September 27, 2023, among DXC Receivables LLC (f/k/a CSC Receivables LLC), as Seller, DXC Technology Company, as Servicer, PNC Bank, National Association, as Administrative Agent, and the persons from time to time party thereto as Purchasers and Group Agents (incorporated by reference to Exhibit 10.2 to DXC Technology Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2023 (filed November 2, 2023) (file no. 001-38033)) |
| 10.27 | Fourth Amended and Restated Performance Guaranty dated as of February 18, 2020, made by DXC Technology Company, as Performance Guarantor, in favor of PNC Bank, National Association, as Administrative Agent, for the benefit of the Purchasers (incorporated by reference to Exhibit 10.38 to DXC Technology Company's Annual Report on Form 10-K (filed June 1, 2020)(file no. 001-38033)) |
| 10.28* | DXC Technology Company 2017 Omnibus Incentive Plan (Amended and Restated effective August 13, 2020) (incorporated by reference to Appendix C to the Company's Proxy Statement for the 2020 Annual Meeting of Stockholder on Form DEF 14A (filed July 2, 2020) (file no.001-38033)) |

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| 10.29* | DXC Technology Company 2017 Non-Employee Director Compensation Plan (Amended and Restated effective August 13, 2020) (incorporated by reference to Appendix D to the Company's Proxy Statement for the 2020 Annual Meeting of Stockholder on Form DEF 14A (filed July 2, 2020) (file no.001-38033)) |
| 10.30* | DXC Technology Company 2017 Share Purchase Plan (incorporated by reference to Exhibit 4.6 to the Company’s Registration Statement on Form S-8 (filed March 31, 2017) (file no. 333-217053)) |
| 10.31* | DXC Technology Company Deferred Compensation Plan (incorporated by reference to Exhibit 4.4 to the Company’s Registration Statement on Form S-8 (filed March 31, 2017) (file no. 333-217054)) |
| 10.32* | Amendment to DXC Technology Company Deferred Compensation Plan (incorporated by reference to Exhibit 10.4 to the Company’s Quarterly Report on Form 10-Q for the period ended September 30, 2017 (filed November 8, 2017) (file no. 001-38033)) |
| 10.33* | Form of Stock Option Award under the DXC Technology Company 2017 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.4 to the Company’s Periodic Report on Form 8-K (filed April 6, 2017) (file no. 001-38033)) |
| 10.34*^ | Form of Fiscal 2025 Performance Based Restricted Stock Unit Award under the DXC Technology Company 2017 Omnibus Incentive Plan (filed herewith) |
| 10.35*^ | Form of Fiscal 2024 Performance Based Restricted Stock Unit Award under the DXC Technology Company 2017 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.33 to the Company’s Annual Report on Form 10-K for the period ended March 31, 2023 (filed May 19, 2023) (file no. 001-38033)) |
| 10.36*^ | Form of Fiscal 2023 Performance Based Restricted Stock Unit Award under the DXC Technology Company 2017 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.27 to DXC Technology Company’s Annual Report on Form 10-K (filed May 26, 2022)(file no. 001-38033)) |
| 10.37* | Form of Fiscal 2022 Performance Based Restricted Stock Unit Award under the DXC Technology Company 2017 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.40 to the Company’s Annual Report on Form 10-K for the period ended March 31, 2021 (filed May 28, 2021) (file no. 001-38033)) |
| 10.38* | Form of Fiscal 2025 Service Based Restricted Stock Unit Award under the DXC Technology Company 2017 Omnibus Incentive Plan (filed herewith) |
| 10.39* | Form of Fiscal 2024 Service Based Restricted Stock Unit Award under the DXC Technology Company 2017 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.37 to the Company’s Annual Report on Form 10-K for the period ended March 31, 2023 (filed May 19, 2023) (file no. 001-38033)) |
| 10.40* | Form of Fiscal 2023 Service Based Restricted Stock Unit Award under the DXC Technology Company 2017 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.31 to DXC Technology Company’s Annual Report on Form 10-K (filed May 26, 2022)(file no. 001-38033)) |
| 10.41* | Form of Fiscal 2022 Service Based Restricted Stock Unit Award under the DXC Technology Company 2017 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.43 to the Company’s Annual Report on Form 10-K for the period ended March 31, 2021 (filed May 28, 2021) (file no. 001-38033)) |
| 10.42* | Form of Restricted Stock Unit Agreement under the DXC Technology Company 2017 Non-Employee Director Incentive Plan (incorporated by reference to Exhibit 10.7 to the Company’s Periodic Report on Form 8-K (filed April 6, 2017) (file no. 001-38033)) |
| 10.43* | DXC Technology Company Severance Plan for Senior Management and Key Employees (incorporated by reference to Exhibit 10.11 to the Company’s Periodic Report on Form 8-K (filed April 6, 2017) (file no. 001-38033)) |
| 10.44* | Amendment to the DXC Technology Corporation Severance Plan for Senior Management and Key Employees (incorporated by reference to Exhibit 10.2 to DXC Technology Company's Quarterly Report on Form 10-Q (filed November 8, 2018) (file no. 001-38033)) |
| 10.45* | Amendment No. 2 to the DXC Technology Company Severance Plan for Senior Management and Key Employees (incorporated by reference to Exhibit 10.49 to the Company’s Annual Report on Form 10-K for the period ended March 31, 2021 (filed May 28, 2021) (file no. 001-38033)) |
| 10.46* | Form of Director Indemnification Agreement (incorporated by reference to Exhibit 10.16 to the Company’s Periodic Report on Form 8-K (filed April 6, 2017) (file no. 001-38033)) |
| 10.47* | Form of Career Share Restricted Stock Unit Award under the DXC Technology Company 2017 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.45 to DXC Technology Company's Annual Report on Form 10-K (filed May 29, 2018) (file no. 001-38033)) |
| 10.48* | Form of Fiscal 2022 Career Share Restricted Stock Unit Award under the DXC Technology Company 2017 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.52 to the Company’s Annual Report on Form 10-K for the period ended March 31, 2021 (filed May 28, 2021) (file no. 001-38033)) |
| 10.49* | Employment Agreement with Raul Fernandez dated March 31, 2024 (filed herewith) |
| 10.50* | Separation Agreement with Kenneth Sharp dated May 16, 2023 (incorporated by reference to Exhibit 10.4 to DXC Technology Company’s Quarterly Report on Form 10-Q for the quarter ended September 30, 2023 (filed November 2, 2023) (file no. 001-38033)) |
| 19.1 | Insider Trading Policy (filed herewith) |
| 21 | Significant Active Subsidiaries and Affiliates of the Registrant (filed herewith) |

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| 23 | Consent of Independent Registered Public Accounting Firm |
| 31.1 | Section 302 Certification of the Chief Executive Officer |
| 31.2 | Section 302 Certification of the Chief Financial Officer |
| 32.1** | Section 906 Certification of Chief Executive Officer |
| 32.2** | Section 906 Certification of Chief Financial Officer |
| 97.1 | Compensation Recovery Policy (filed herewith) |
| 101.INS | XBRL Instance |
| 101.SCH | XBRL Taxonomy Extension Schema |
| 101.CAL | XBRL Taxonomy Extension Calculation |
| 101.LAB | XBRL Taxonomy Extension Labels |
| 101.PRE | XBRL Taxonomy Extension Presentation |
| 104 | Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101) |

* Management contract or compensatory plan or agreement
^ Certain information in this exhibit has been omitted pursuant to Item 601(b)(10)(iv) of Regulation S-K and will be provided to the Securities and Exchange Commission upon request
** Furnished herewith

**ITEM 16. FORM 10-K SUMMARY**

None.

## SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

DXC TECHNOLOGY COMPANY

Dated: May 16, 2024

By: /s/ Rob Del Bene

Name: **Rob Del Bene**

Title: **Executive Vice President and Chief Financial Officer**

Each person whose signature appears below constitutes and appoints Raul Fernandez and Rob Del Bene, and each or any of them, as his or her true and lawful attorney-in-fact and agent, each acting alone, with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, to sign any or all amendments or supplements to this Report, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorney-in-fact and agent, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agent, or his or her substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities and Exchange Act of 1934, this report has been signed by the following persons on behalf of the Registrant and in the capacities and on the dates indicated:

| Signature | Title | Date |
|---|---|---|
| /s/ Raul Fernandez<br>**Raul Fernandez** | President and Chief Executive Officer<br>(Principal Executive Officer) | May 16, 2024 |
| /s/ Rob Del Bene<br>**Rob Del Bene** | Executive Vice President and Chief Financial Officer<br>(Principal Financial Officer) | May 16, 2024 |
| /s/ Christopher A. Voci<br>**Christopher A. Voci** | Senior Vice President and Corporate Controller<br>(Principal Accounting Officer) | May 16, 2024 |
| /s/ David L. Herzog<br>**David L. Herzog** | Chairman | May 16, 2024 |
| /s/ David A. Barnes<br>**David A. Barnes** | Director | May 16, 2024 |
| /s/ Anthony Gonzalez<br>**Anthony Gonzalez** | Director | May 16, 2024 |

| | | |
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| /s/ Pinkie Mayfield<br>**Pinkie Mayfield** | Director | May 16, 2024 |
| /s/ Karl Racine<br>**Karl Racine** | Director | May 16, 2024 |
| /s/ Dawn Rogers<br>**Dawn Rogers** | Director | May 16, 2024 |
| /s/ Carrie Teffner<br>**Carrie Teffner** | Director | May 16, 2024 |
| /s/ Akihiko Washington<br>**Akihiko Washington** | Director | May 16, 2024 |
| /s/ Robert F. Woods<br>**Robert F. Woods** | Director | May 16, 2024 |

## DXC Technology Board of Directors

**Raul Fernandez**

President and Chief Executive Officer of DXC Technology

**David Herzog**

Chairman of the Board of DXC Technology; former Chief Financial Officer of AIG and current member of MetLife board

**David Barnes**

Former Senior Vice President, Chief Information and Global Business Services Officer of United Parcel Service (UPS)

**Dawn Rogers**

Director of Human Capital at American Securities LLC and former Executive Vice President and Chief Human Resources Officer at Pfizer

**Anthony Gonzalez**

Former U.S. Congressman in the United States House of Representatives and current Co-Chief Executive Officer of Cobalt Service Partners

**Carrie Teffner**

Former Interim Executive Chair of the Board of the Ascena Retail Group, former Chief Financial Officer of Crocs and current member of Rite Aid and Amer Sports boards

**Pinkie Mayfield**

Chief Communications Officer and Vice President of Corporate Affairs at Graham Holdings Company and current member of Ready Capital board

**Kiko Washington**

Former Executive Vice President of Worldwide Human Resources for Warner Bros. Entertainment

**Karl Racine**

Former Attorney General of the District of Columbia, current Partner at Hogan Lovells and current member of SHF Holdings board

**Robert Woods**

Former Senior Vice President and Chief Financial Officer at Sungard Data Systems

# NON-GAAP RECONCILIATIONS

### *EBIT and Adjusted EBIT*

| (in millions) | FY24 | FY23 |
|---|---|---|
| Net income (loss) | $ 86 | $ (566) |
| Income tax expense (benefit) | 23 | (319) |
| Interest income | (214) | (135) |
| Interest expense | 298 | 200 |
| EBIT | 193 | (820) |
| Restructuring costs | 111 | 216 |
| Transaction, separation and integration-related costs | 7 | 16 |
| Amortization of acquired intangible assets | 354 | 402 |
| Merger-related indemnification | 16 | 46 |
| Gains on dispositions | (115) | (190) |
| Impairment losses | 5 | 19 |
| SEC matter | — | 8 |
| Arbitration loss | — | 29 |
| Pension and OPEB actuarial and settlement losses | 445 | 1,431 |
| Adjusted EBIT | $ 1,016 | $ 1,157 |
| | | |
| Net income margin | 0.6 % | (3.9)% |
| EBIT margin | 1.4 % | (5.7)% |
| Adjusted EBIT margin | 7.4 % | 8.0 % |

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# DXC stockholder information

### Stock Information
Common stock symbol: DXC, listed and traded on the New York Stock Exchange. As of May 31, 2024, there were 180,272,906 shares of common stock outstanding and 37,089 stockholders of record.

### Transfer Agent and Registrar
All inquiries concerning registered stockholder accounts and stock transfer matters, including address changes and consolidation of multiple accounts, should be directed to EQ Shareowner Services, DXC's transfer agent and registrar.

### Stockholder Correspondence
**Regular mail:**
EQ Shareowner Services
P.O. Box 64874
St. Paul, MN 55164-0874

**First Class, registered and certified mail:**
EQ Shareowner Services
1110 Centre Pointe Curve, Suite 101
Mendota Heights, MN 55120-4100
www.shareowneronline.com

**By phone:**
1.800.468.9716 (U.S. Domestic)
1.651.450.4064 (International)

### Financial Community Information
Institutional and individual investors, financial analysts and portfolio managers can submit written requests, including requests for DXC filings with the U.S. Securities and Exchange Commission (SEC), to:
20408 Bashan Drive, Suite 231
Ashburn, VA 20147
1.703.245.9700
investor.relations@dxc.com

To enroll in electronic delivery of DXC's Proxy Statement, Annual Report and other materials, log on to www.proxyvote.com.

### DXC Website
Additional DXC information is available at https://investors.dxc.com/investor-relations, including all of the documents DXC files with or furnishes to the SEC, which are available free of charge.

### Annual Meeting
The Annual Meeting of Stockholders will be held on July 30, 2024, at 10:30 a.m. Eastern time and will be a virtual meeting conducted via live webcast. Attend the meeting online and submit your questions during the meeting by visiting: www.virtualshareholdermeeting.com/DXC2024.

To participate in the Annual Meeting, you will need the 16-digit control number included on your notice of Internet availability of the proxy materials, on your proxy card or on the instructions that accompany your proxy materials.

### Independent Auditors
Deloitte & Touche LLP
7900 Tysons One Place, Suite 800
McLean, VA 22102

### Forward-Looking Statements
All statements in this annual report 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 to 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 year ended March 31, 2024, and any updating information in subsequent SEC filings.

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 annual report or to reflect the occurrence of unanticipated events, except as required by law.

**About DXC Technology**

DXC Technology (NYSE: DXC) helps global companies run their mission-critical systems and operations while modernizing IT, optimizing data architectures, and ensuring security and scalability across public, private and hybrid clouds. The world's largest companies and public sector organizations trust DXC to deploy services to drive new levels of performance, competitiveness, and customer experience across their IT estates. Learn more about how we deliver excellence for our customers and colleagues at **DXC.com**.