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

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

For the quarterly period ended September 30, 2026
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.: 001-38033

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) 972-7000**
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**

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 is a shell company (as defined in Rule 12b-2 of the Exchange Act).
☐ Yes ☒ No

155,470,670 shares of common stock, par value $0.01 per share, were outstanding on October 19, 2026.

TABLE OF CONTENTS

Item		Page
	PART I – FINANCIAL INFORMATION	
1.	Financial Statements (unaudited)	1
2.	Management's Discussion and Analysis of Financial Condition and Results of Operations	33
3.	Quantitative and Qualitative Disclosures About Market Risk	48
4.	Controls and Procedures	48
	PART II – OTHER INFORMATION	
1.	Legal Proceedings	49
1A.	Risk Factors	49
2.	Unregistered Sales of Equity Securities and Use of Proceeds	49
3.	Defaults Upon Senior Securities	50
4.	Mine Safety Disclosures	50
5.	Other Information	50
6.	Exhibits	51

PART I

ITEM 1. FINANCIAL STATEMENTS

Index to Condensed Consolidated Financial Statements

	Page
Condensed Consolidated Statements of Operations for the Three and Six Months Ended September 30, 2026 and September 30, 2025 (unaudited)	2
Condensed Consolidated Statements of Comprehensive Income (Loss) for the Three and Six Months Ended September 30, 2026 and September 30, 2025 (unaudited)	3
Condensed Consolidated Balance Sheets as of September 30, 2026 and March 31, 2026 (unaudited)	4
Condensed Consolidated Statements of Cash Flows for the Six Months Ended September 30, 2026 and September 30, 2025 (unaudited)	5
Condensed Consolidated Statements of Changes in Equity for the Three and Six Months Ended September 30, 2026 and September 30, 2025 (unaudited)	6
Notes to Condensed Consolidated Financial Statements (unaudited)	
Note 1–Summary of Significant Accounting Policies	8
Note 2–Earnings Per Share	10
Note 3–Receivables	11
Note 4–Leases	11
Note 5–Derivative Instruments	14
Note 6–Intangible Assets	16
Note 7–Goodwill	17
Note 8–Debt	18
Note 9–Revenue	19
Note 10–Restructuring Costs	20
Note 11–Pension and Other Benefit Plans	21
Note 12–Income Taxes	21
Note 13–Stockholders' Equity	24
Note 14–Stock Incentive Plans	25
Note 15–Cash Flows	26
Note 16–Segment Information	27
Note 17–Other Liabilities	29
Note 18–Commitments and Contingencies	30

DXC TECHNOLOGY COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (unaudited)

(in millions, except per-share amounts)	Three Months Ended		Six Months Ended	
	September 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025
Revenues	$ 3,034	$ 3,161	$ 6,033	$ 6,320
Costs of services (excludes depreciation and amortization and restructuring costs)	2,374	2,383	4,762	4,771
Selling, general and administrative (excludes depreciation and amortization and restructuring costs)	319	366	647	760
Depreciation and amortization	286	295	553	599
Restructuring costs	23	35	49	72
Interest expense	57	53	112	107
Interest income	(45)	(46)	(134)	(92)
Other income, net	(34)	(56)	(251)	(95)
Total costs and expenses	2,980	3,030	5,738	6,122
Income before income taxes	54	131	295	198
Income tax expense	41	91	156	140
Net income	13	40	139	58
Less: net (loss) income attributable to non-controlling interest, net of tax	(11)	4	(7)	6
Net income attributable to DXC common stockholders	$ 24	$ 36	$ 146	$ 52
Income per common share:				
Basic	$ 0.15	$ 0.20	$ 0.91	$ 0.29
Diluted	$ 0.15	$ 0.20	$ 0.89	$ 0.29

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

DXC TECHNOLOGY COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (unaudited)

	Three Months Ended		Six Months Ended	
(in millions)	September 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025
Net income	$ 13	$ 40	$ 139	$ 58
Other comprehensive income (loss), net of taxes:				
Foreign currency translation adjustments, net of tax [1]	20	(75)	65	(107)
Cash flow hedges adjustments, net of tax [2]	5	(4)	15	(11)
Pension and other post-retirement benefit plans, net of tax:				
Amortization of prior service cost, net of tax [3]	—	(2)	(1)	(2)
Pension and other post-retirement benefit plans, net of tax	—	(2)	(1)	(2)
Other comprehensive income (loss), net of taxes	25	(81)	79	(120)
Comprehensive income (loss)	38	(41)	218	(62)
Less: comprehensive (loss) income attributable to non-controlling interest	(9)	3	(6)	5
Comprehensive income (loss) attributable to DXC common stockholders	$ 47	$ (44)	$ 224	$ (67)

[1] Tax expense (benefit) related to foreign currency translation adjustments was $1 and $2 for the three and six months ended September 30, 2026, respectively, and $0 and $(15) for the three and six months ended September 30, 2025, respectively.
[2] Tax expense (benefit) related to cash flow hedges adjustments was $1 and $4 for the three and six months ended September 30, 2026, respectively, and $(2) and $(4) for the three and six months ended September 30, 2025, respectively.
[3] Tax expense related to amortization of prior service costs was $0 and $0 for the three and six months ended September 30, 2026, respectively, and $0 and $0 for the three and six months ended September 30, 2025, respectively.

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

DXC TECHNOLOGY COMPANY
CONDENSED CONSOLIDATED BALANCE SHEETS (unaudited)

(in millions, except per-share and share amounts)	As of September 30, 2026	As of March 31, 2026
ASSETS		
Current assets:		
Cash and cash equivalents	$ 1,599	$ 1,737
Receivables and contract assets, net of allowance of $26 and $27	2,815	2,973
Prepaid expenses	447	526
Other current assets	119	126
Total current assets	4,980	5,362
Intangible assets, net of accumulated amortization of $6,133 and $5,977	1,370	1,612
Operating right-of-use assets, net	601	663
Goodwill	527	527
Deferred income taxes, net	785	802
Property and equipment, net of accumulated depreciation of $3,187 and $3,229	1,083	1,122
Other assets	2,864	2,802
Total Assets	$ 12,210	$ 12,890
LIABILITIES and EQUITY		
Current liabilities:		
Short-term debt and current maturities of long-term debt	935	520
Accounts payable	614	561
Accrued payroll and related costs	568	564
Current operating lease liabilities	231	232
Accrued expenses and other current liabilities	1,222	1,261
Deferred revenue and advance contract payments	667	748
Income taxes payable	112	53
Total current liabilities	4,349	3,939
Long-term debt, net of current maturities	2,124	3,032
Non-current deferred revenue	468	559
Non-current operating lease liabilities	403	463
Non-current income tax liabilities and deferred tax liabilities	375	502
Other long-term liabilities	1,172	1,186
Total Liabilities	8,891	9,681
Commitments and contingencies		
DXC stockholders' equity:		
Preferred stock, par value $0.01 per share, 1,000,000 shares authorized, none issued as of September 30, 2026 and March 31, 2026	—	—
Common stock, par value $0.01 per share, 750,000,000 shares authorized, 162,904,565 issued as of September 30, 2026 and 171,946,069 issued as of March 31, 2026	1	1
Additional paid-in capital	6,527	7,016
Accumulated deficit	(2,401)	(2,937)
Accumulated other comprehensive loss	(812)	(890)
Treasury stock, at cost, 7,443,916 and 6,460,358 shares as of September 30, 2026 and March 31, 2026	(258)	(249)
Total DXC stockholders' equity	3,057	2,941
Non-controlling interest in subsidiaries	262	268
Total Equity	3,319	3,209
Total Liabilities and Equity	$ 12,210	$ 12,890

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

DXC TECHNOLOGY COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (unaudited)

(in millions)	Six Months Ended	
	September 30, 2026	September 30, 2025
Cash flows from operating activities:		
Net income	$ 139	$ 58
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	560	611
Goodwill impairment losses	—	14
Operating right-of-use expense	140	153
Share-based compensation	33	46
Deferred taxes	13	22
Loss (gain) on dispositions	7	(5)
Provision for losses on accounts receivable	1	3
Unrealized foreign currency exchange gain	(6)	(38)
Impairment losses and contract write-offs	39	3
Other non-cash charges, net	(5)	(8)
Changes in assets and liabilities:		
Decrease in assets	119	211
Decrease in operating lease liability	(140)	(153)
Decrease in other liabilities	(265)	(322)
Net cash provided by operating activities	635	595
Cash flows from investing activities:		
Purchases of property and equipment	(133)	(87)
Payments for transition and transformation contract costs	(49)	(58)
Software purchased and developed	(48)	(113)
Proceeds from sale of assets	32	23
Other investing activities, net	11	13
Net cash used in investing activities	(187)	(222)
Cash flows from financing activities:		
Principal payments on long-term debt	(400)	—
Payments on finance leases and borrowings for asset financing	(73)	(107)
Taxes paid related to net share settlements of share-based compensation awards	(11)	(13)
Repurchase of common stock	(132)	(124)
Other financing activities, net	(2)	(2)
Net cash used in financing activities	(618)	(246)
Effect of exchange rate changes on cash and cash equivalents	32	(35)
Net (decrease) increase in cash and cash equivalents	(138)	92
Cash and cash equivalents at beginning of year	1,737	1,796
Cash and cash equivalents at end of period	$ 1,599	$ 1,888

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

DXC TECHNOLOGY COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (unaudited)

	Three Months Ended September 30, 2026								
(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 June 30, 2026	168,277	$ 1	$ 6,749	$ (2,601)	$ (835)	$ (257)	$ 3,057	$ 271	$ 3,328
Net Income				24			24	(11)	13
Other comprehensive income					23		23	2	25
Share-based compensation expense			16				16		16
Acquisition of treasury stock						(1)	(1)		(1)
Share repurchase program	(5,663)		(238)	176			(62)		(62)
Stock option exercises and other common stock transactions	291						—		—
Balance at September 30, 2026	162,905	$ 1	$ 6,527	$ (2,401)	$ (812)	$ (258)	$ 3,057	$ 262	$ 3,319

	Three Months Ended September 30, 2025								
(in millions, except shares in thousands)	Common Stock Shares	Common Stock Amount	Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Treasury Stock	Total DXC Equity	Non-Controlling Interest	Total Equity
Balance at June 30, 2025	185,978	$ 2	$ 7,561	$ (3,347)	$ (801)	$ (247)	$ 3,168	$ 262	$ 3,430
Net income				36			36	4	40
Other comprehensive loss					(80)		(80)	(1)	(81)
Share-based compensation expense			24				24		24
Acquisition of treasury stock						(1)	(1)		(1)
Share repurchase program	(5,318)		(225)	149			(76)		(76)
Stock option exercises and other common stock transactions	261						—		—
Balance at September 30, 2025	180,921	$ 2	$ 7,360	$ (3,162)	$ (881)	$ (248)	$ 3,071	$ 265	$ 3,336

(in millions, except shares in thousands)	Six Months Ended September 30, 2026									
	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Treasury Stock[1]	Total DXC Equity	Non-Controlling Interest	Total Equity	
	Shares	Amount								
Balance at March 31, 2026	171,946	$ 1	$ 7,016	$ (2,937)	$ (890)	$ (249)	$ 2,941	$ 268	$ 3,209	
Net income				146			146	(7)	139	
Other comprehensive income					78		78	1	79	
Share-based compensation expense			33				33		33	
Acquisition of treasury stock						(9)	(9)		(9)	
Share repurchase program	(12,367)		(522)	390			(132)		(132)	
Stock option exercises and other common stock transactions	3,326						—		—	
Balance at September 30, 2026	162,905	$ 1	$ 6,527	$ (2,401)	$ (812)	$ (258)	$ 3,057	$ 262	$ 3,319	

(in millions, except shares in thousands)	Six Months Ended September 30, 2025								
	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Treasury Stock	Total DXC Equity	Non-Controlling Interest	Total Equity
	Shares	Amount							
Balance at March 31, 2025	186,856	$ 2	$ 7,677	$ (3,451)	$ (762)	$ (237)	$ 3,229	$ 261	$ 3,490
Net income				52			52	6	58
Other comprehensive loss					(119)		(119)	(1)	(120)
Share-based compensation expense			46				46		46
Acquisition of treasury stock						(11)	(11)		(11)
Share repurchase program	(8,593)		(363)	237			(126)		(126)
Stock option exercises and other common stock transactions	2,658						—		—
Non-controlling interest distributions and other				—			—	(1)	(1)
Balance at September 30, 2025	180,921	$ 2	$ 7,360	$ (3,162)	$ (881)	$ (248)	$ 3,071	$ 265	$ 3,336

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

Note 1 – Summary of Significant Accounting Policies

Business

DXC Technology Company ("DXC," the "Company," "we," "us," or "our") is a leading enterprise technology and innovation partner delivering software, services, and solutions to global enterprises and public sector organizations — helping them harness AI to drive outcomes at a time of exponential change with speed. With deep expertise in Managed Infrastructure Services, Application Modernization, and Industry-Specific Software Solutions, DXC modernizes, secures, and operates some of the world's most complex technology estates.

Segment Structure

The Company's three reportable segments align with how management assesses performance of the business and allocates resources: Consulting & Engineering Services ("CES"), Global Infrastructure Services ("GIS"), and Insurance Software & Services ("Insurance"). Across these segments, we embed AI, automation and data-driven capabilities into our solutions to improve efficiency, enhance operations and support better business outcomes for clients. See Note 16 - "Segment Information" for more information. Descriptions for each segment are provided below:

- Consulting & Engineering Services – Helps businesses use AI and data analytics to improve operations, automate tasks, and speed up their digital transformation. We provide software engineering, consulting, and custom and enterprise applications solutions that help companies manage essential functions, modernize processes, and drive innovation. We have strong expertise in industries like finance, automotive, manufacturing, healthcare, life sciences, travel, and the public sector. Our solutions help businesses stay competitive by improving efficiency, launching new products faster, expanding into new markets, and achieving their strategic goals.

- Global Infrastructure Services – Implements and operates the technology underpinning the critical systems of global businesses and governments. Clients trust us to secure, modernize, and operate their critical systems and improve workplace experience to support business growth. Services include the design, migration, and management of complex data center, mainframe, cloud, and network environments, with an emphasis on scalability, security, compliance, and cost efficiency. By leveraging a human-led, AI-driven Intelligent Operations approach, we deliver secure, reliable IT operations that clients trust. We also provide cross-industry business process services, which streamline clients' core enterprise functions such as finance, HR, procurement, and customer service. The implementation of secure, reliable technology improves employee experiences and productivity by streamlining daily operations—such as device management, helpdesk support, and AI-powered automation—enabling seamless collaboration, reducing IT support demands, and lowering costs through intuitive, self-service tools.

- Insurance Software & Services – Provides software and services for Life and Wealth, Property & Casualty and Reinsurance providers, helping them optimize, run and digitally transform their operations. We help insurers modernize their technology landscape from heritage systems to advanced AI-powered solutions that enhance operational efficiency, improve customer experiences, and enable insurers to adopt a digital-first approach. Complementing our software solutions, we provide comprehensive business process services, leveraging deep industry expertise to support the full spectrum of insurance operations.

Basis of Presentation

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

The accompanying 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 income attributable to non-controlling interests are presented separately in the statements of comprehensive income. All intercompany transactions and balances have been eliminated.

The financial statements of the Company have been prepared in accordance with the rules and regulations of the U.S. Securities and Exchange Commission ("SEC") for quarterly reports and accounting principles generally accepted in the United States ("GAAP"). Certain disclosures normally included in financial statements prepared in accordance with GAAP have been condensed or omitted pursuant to such rules. These financial statements should therefore be read in conjunction with the audited consolidated financial statements and accompanying notes included in the Company's Annual Report on Form 10-K for the fiscal year ended March 31, 2026 ("fiscal 2026").

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 and liabilities as well as the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. 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 are 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. The results of operations for the interim periods are not necessarily indicative of the results to be expected for the full fiscal year.

Recent Accounting Pronouncements

The following Accounting Standards Updates ("ASU") issued by the Financial Accounting Standards Board have not yet been adopted by DXC:

Date Issued and ASU	DXC Effective Date	Description	Impact
November 2024 ASU 2024-03, "Disaggregation of Income Statement Expenses"	Fiscal 2028	The update requires disclosure, in the notes to financial statements, of specified quantitative information about certain costs and expenses presented in the income statement and certain qualitative information about costs that are not disaggregated. 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 financial statement disclosures, but not its consolidated financial statements.
September 2025 ASU 2025-06, "Targeted Improvements to the Accounting for Internal-Use Software"	Fiscal 2029	The update amends the guidance for capitalizing internal-use software so that it is neutral to different software development methods, primarily by removing the previous "development stage" model to more closely align the capitalization of internal use software to that of software to be sold or marketed externally. Early adoption of this update is permitted.	The Company is in the process of assessing the impact of the ASU on our consolidated financial statements as well as its method of adoption.

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

Note 2 – Earnings per Share

Basic earnings per share ("EPS") is computed using the weighted average number of shares of common stock outstanding during the period. Diluted EPS reflects 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:

	Three Months Ended		Six Months Ended	
(in millions, except per-share amounts)	September 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025
Net income attributable to DXC common shareholders:	$ 24	$ 36	$ 146	$ 52
Common share information:				
Weighted average common shares outstanding for basic EPS	158.16	177.43	160.50	179.26
Dilutive effect of stock options and equity awards	3.83	1.72	3.89	2.50
Weighted average common shares outstanding for diluted EPS	161.99	179.15	164.39	181.76
Earnings per share:				
Basic	$ 0.15	$ 0.20	$ 0.91	$ 0.29
Diluted	$ 0.15	$ 0.20	$ 0.89	$ 0.29

Certain share-based equity awards were excluded from the dilutive EPS calculation because they would have an anti-dilutive effect. The number of awards excluded were as follows:

	Three Months Ended		Six Months Ended	
	September 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025
Stock Options	58,842	275,643	125,424	341,010
Restricted Stock Units	2,623,520	1,147,221	2,669,400	1,043,219
Performance Stock Units	99,113	4,057,854	713,911	3,063,239

Note 3 – Receivables

Allowance for Doubtful Accounts

The following table presents the change in balance for the allowance for doubtful accounts:

	As of	
(in millions)	September 30, 2026	September 30, 2025
Beginning balance	$ 27	$ 32
Provisions for losses on accounts receivable	1	3
Other adjustments to allowance and write-offs	(2)	(13)
Ending balance	$ 26	$ 22

Receivables Facility

The Company has an accounts receivable sales facility (as amended, restated, supplemented or otherwise modified, the "Receivables Facility") with certain unaffiliated financial institutions (the "Purchasers") for the sale of commercial accounts receivable in the United States up to a maximum amount of $400 million. The Receivables Facility was amended on July 24, 2026, extending the termination date to July 23, 2027.

As of September 30, 2026, the total availability under the Receivables Facility was $400 million and the amount sold to the Purchasers was $397 million, which was derecognized from the Company's balance sheet. As of September 30, 2026, the Company recorded a $3 million asset within accounts receivable because the amount of cash proceeds received by the Company under the Receivables Facility was less than the total availability.

The fair value of the sold receivables approximated book value due to the short-term nature, and as a result, no gain or loss on sale of receivables was recorded.

Note 4 – Leases

The Company has operating and finance leases for data centers, corporate offices, and certain equipment. Its leases have remaining lease terms of one to nine years, some of which include options to extend the leases for up to ten 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:

	Three Months Ended		Six Months Ended	
(in millions)	September 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025
Operating lease cost	$ 68	$ 77	$ 140	$ 153
Short-term lease cost	3	3	6	8
Variable lease cost	14	19	28	34
Sublease income	(3)	(4)	(6)	(7)
Total operating costs	$ 82	$ 95	$ 168	$ 188

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 below.

	Six Months Ended	
(in millions)	September 30, 2026	September 30, 2025
Cash paid for amounts included in the measurement of operating lease liabilities – operating cash flows	$ 140	$ 153
ROU assets obtained in exchange for operating lease liabilities[1]	$ 82	$ 165

[1] *Net of $208 million and $406 million in lease modifications and terminations during the first six months of fiscal 2027 and 2026, respectively. See Note 15 – "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	September 30, 2026	March 31, 2026
ROU operating lease assets	Operating right-of-use assets, net	$ 601	$ 663
Operating lease liabilities	Current operating lease liabilities	$ 231	$ 232
Operating lease liabilities	Non-current operating lease liabilities	403	463
Total operating lease liabilities		$ 634	$ 695

The weighted-average operating lease term was 3.4 years and 3.7 years as of September 30, 2026 and March 31, 2026, respectively. The weighted-average operating lease discount rate was 4.8% and 4.9% as of September 30, 2026 and March 31, 2026, respectively.

The following maturity analysis presents expected undiscounted cash payments for operating leases as of September 30, 2026:

	Fiscal Year						
(in millions)	Remainder of 2027	2028	2029	2030	2031	Thereafter	Total
Operating lease payments	$ 136	$ 235	$ 168	$ 67	$ 42	$ 49	$ 697
Less: imputed interest							(63)
Total operating lease liabilities							$ 634

Finance Leases

The components of finance lease expense were as follows:

	Three Months Ended		Six Months Ended	
(in millions)	September 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025
Amortization of right-of-use assets	$ 7	$ 14	$ 16	$ 28
Interest on lease liabilities	2	3	4	6
Total finance lease expense	$ 9	$ 17	$ 20	$ 34

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

	Six Months Ended	
(in millions)	September 30, 2026	September 30, 2025
Interest paid for finance lease liabilities – Operating cash flows	$ 4	$ 6
Cash paid for amounts included in the measurement of finance lease obligations – financing cash flows	54	76
Total cash paid in the measurement of finance lease obligations	$ 58	$ 82
Capital expenditures through finance lease obligations[1]	$ 5	$ 4

[1] *See Note 15 – "Cash Flows" for further information on non-cash activities affecting cash flows.*

The following table presents finance lease balances:

		As of	
(in millions)	Balance Sheet Line Item	September 30, 2026	March 31, 2026
ROU finance lease assets	Property and Equipment, net	$ 55	$ 74
Finance lease	Short-term debt and current maturities of long-term debt	$ 73	$ 92
Finance lease	Long-term debt, net of current maturities	58	82
Total finance lease liabilities[1]		$ 131	$ 174

[1] *See Note 8 – "Debt" for further information on finance lease liabilities.*

The weighted-average finance lease term was 2.2 years and 2.3 years as of September 30, 2026 and March 31, 2026, respectively. The weighted-average finance lease discount rate was 6.1% and 6.0% as of September 30, 2026 and March 31, 2026, respectively.

The following maturity analysis presents expected undiscounted cash payments for finance leases as of September 30, 2026:

	Fiscal Year						
(in millions)	Remainder of 2027	2028	2029	2030	2031	Thereafter	Total
Finance lease payments	$ 43	$ 61	$ 26	$ 6	$ 2	$ 3	$ 141
Less: imputed interest							(10)
Total finance lease liabilities							$ 131

Note 5 – 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 purposes.

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 Indian Rupee-denominated obligations and forecasted transactions. The notional amounts of foreign currency forward contracts designated as cash flow hedges as of September 30, 2026 and March 31, 2026 were $41 million and $197 million, respectively. As of September 30, 2026, the related forecasted transactions extend through December 2026.

During the six months ended September 30, 2026 and September 30, 2025, respectively, the Company had no cash flow hedges for which it was probable that the hedged transaction would not occur.

See Note 13 - "Stockholders' Equity" for changes in accumulated other comprehensive loss, net of taxes, related to the Company's derivatives designated for hedge accounting. As of September 30, 2026, $3 million of loss related to cash flow hedges 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 primarily short-term foreign currency forward contracts to hedge certain foreign currency denominated assets and liabilities, including intercompany accounts and forecasted transactions. The net notional amounts of the foreign currency forward contracts outstanding as of September 30, 2026 and March 31, 2026 were $1.1 billion and $1.3 billion, respectively.

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

	Three Months Ended		Six Months Ended	
(in millions)	September 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025
Foreign currency remeasurement [1]	$ (4)	$ —	$ 1	$ (59)
Undesignated foreign currency forward contracts [2]	5	(2)	(1)	52
Total - Foreign currency (gain) loss	$ 1	$ (2)	$ —	$ (7)

(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.

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 September 30, 2026, there were two counterparties with concentration of credit risk, and based on gross fair value, the maximum amount of loss that the Company could incur is $2 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 intercompany 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 intercompany debt. For foreign currency-denominated intercompany 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 income (loss) when such net investments are sold or substantially liquidated.

As of September 30, 2026, DXC had $633 million of foreign currency-denominated intercompany debt designated as hedges of net investments in non-U.S. subsidiaries. For the three and six months ended September 30, 2026, the pre-tax gain on foreign currency-denominated intercompany debt designated for hedge accounting recognized in other comprehensive income was $4 million and $9 million, respectively.

Note 6 – Intangible Assets

Intangible assets consisted of the following:

	As of September 30, 2026			As of March 31, 2026		
(in millions)	Gross Carrying Value	Accumulated Amortization	Net Carrying Value	Gross Carrying Value	Accumulated Amortization	Net Carrying Value
Software	$ 3,308	$ 2,494	$ 814	$ 3,383	$ 2,507	$ 876
Customer related intangible assets	3,937	3,493	444	3,941	3,326	615
Other intangible assets	258	146	112	265	144	121
Total intangible assets	$ 7,503	$ 6,133	$ 1,370	$ 7,589	$ 5,977	$ 1,612

The components of amortization expense were as follows:

	Three Months Ended		Six Months Ended	
(in millions)	September 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025
Intangible asset amortization	$ 185	$ 180	$ 347	$ 360
Transition and transformation contract cost amortization[1]	37	41	75	86
Total amortization expense	$ 222	$ 221	$ 422	$ 446

[1] *Transaction and transformation contract costs are included within other assets on the balance sheets. The balance within other assets is $513 million and $577 million as of September 30, 2026 and March 31, 2026, respectively.*

Estimated future amortization related to intangible assets as of September 30, 2026 is as follows:

Fiscal Year	(in millions)
Remainder of 2027	$ 307
2028	344
2029	234
2030	187
2031	176
Thereafter	122
Total	$ 1,370

Note 7 – Goodwill

The following table summarizes the changes in the carrying amount of goodwill, by segment, for the six months ended September 30, 2026.

(in millions)	Consulting & Engineering Services	Global Infrastructure Services	Insurance Services	Total
Balance as of March 31, 2026, net	$ 378	$ —	$ 149	$ 527
Foreign currency translation[1]	—	—	—	—
Balance as of September 30, 2026, net	$ 378	$ —	$ 149	$ 527
Goodwill, gross	3,597	5,080	1,420	10,097
Accumulated impairment losses	(3,219)	(5,080)	(1,271)	(9,570)
Balance as of September 30, 2026, net	$ 378	$ —	$ 149	$ 527

[1] *The foreign currency translation amount reflects the impact of currency movements on non-U.S. dollar-denominated goodwill balances.*

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.

For the Company's annual goodwill impairment assessment as of July 1, 2026, the Company chose the option to bypass the initial qualitative assessment stage and proceed directly to the quantitative goodwill impairment test. The test concluded that the fair value of the Company's CES and Insurance reporting units exceeded their respective carrying amounts. The goodwill balances for CES and Insurance were not impaired.

As part of the test, the quantitative analysis for the CES reporting unit, which holds goodwill of $378 million as of July 1, 2026, showed that fair value exceeded carrying value by 13%. In the event that there is a significant unfavorable change to the revenue growth rates included in the forecasted cash flows as well as terminal value of the reporting unit used in the fair value estimates, we may be required to record an impairment of goodwill at a future date.

As of September 30, 2026, 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 September 30, 2026.

Note 8 – Debt

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

(in millions)	Interest Rates	Fiscal Year Maturities	September 30, 2026[1]	March 31, 2026[1]
Short-term debt and current maturities of long-term debt				
$700 million Senior notes	1.80%	2027	—	400
€750 million Senior notes	0.45%	2028	851	—
Current maturities of finance lease liabilities	0.59% - 14.59%	2027 - 2028	73	92
Current maturities of other long-term debt	Various	2027 - 2028	11	28
Short-term debt and current maturities of long-term debt			$ 935	$ 520
Long-term debt, net of current maturities				
€750 million Senior notes	0.45%	2028	—	862
$650 million Senior notes	2.375%	2029	648	648
€650 million Senior notes	4.25%	2031	722	731
€600 million Senior notes	0.95%	2032	678	687
Finance lease liabilities	0.59% - 14.59%	2027 - 2035	58	82
Borrowings for assets acquired under long-term financing	0.00% - 7.55%	2027 - 2033	5	7
Other borrowings	Various	2027 - 2035	13	15
Long-term debt, net of current maturities			2,124	3,032
Total debt			$ 3,059	$ 3,552

[1] *The carrying amounts of the senior notes as of September 30, 2026 and March 31, 2026, include the remaining principal outstanding of $2,900 million and $3,328 million, respectively, net of total unamortized debt discounts and premiums, and deferred debt issuance costs of $22 million and $27 million, respectively.*

Fair Value of Debt

The estimated fair value of the Company's senior notes was $2.7 billion and $3.1 billion as of September 30, 2026 and March 31, 2026, respectively, compared with a carrying value of $2.9 billion and $3.3 billion, respectively. Senior notes are classified as Level 2 within the fair value hierarchy.

Revolving Credit Facility

As of September 30, 2026, the Company's total liquidity was $4.6 billion, consisting of $1.6 billion of cash and cash equivalents and $3.0 billion of available borrowings under our revolving credit facility, with no borrowings outstanding under the facility at any time during the fiscal year.

Note 9 – 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:

	Three Months Ended		Six Months Ended	
(in millions)	September 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025
United States	$ 747	$ 821	$ 1,489	$ 1,649
United Kingdom	465	464	866	944
Other Europe	995	1,040	2,034	2,078
Australia	283	275	571	534
Other International	544	561	1,073	1,115
Total Revenues	$ 3,034	$ 3,161	$ 6,033	$ 6,320

The revenue by geography pertains to all of the Company's reportable segments. Refer to Note 16 – "Segment Information" for the Company's segment disclosures.

Remaining Performance Obligations

As of September 30, 2026, approximately $15.8 billion of revenue is expected to be recognized from remaining performance obligations. We expect to recognize revenue on approximately 25% of these remaining performance obligations in fiscal 2027, with the remainder of the balance recognized thereafter.

Contract Balances

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

		As of	
(in millions)	Balance Sheet Line Item	September 30, 2026	March 31, 2026
Trade receivables, net	Receivables and contract assets, net of allowance for doubtful accounts	$ 1,839	$ 1,940
Contract assets	Receivables and contract assets, net of allowance for doubtful accounts	$ 414	$ 379
Contract liabilities	Deferred revenue and advance contract payments and Non-current deferred revenue	$ 1,135	$ 1,307

Changes in contract liabilities were as follows:

	Six Months Ended	
(in millions)	September 30, 2026	September 30, 2025
Balance, beginning of period	$ 1,307	$ 1,397
Deferred revenue	786	771
Recognition of deferred revenue	(957)	(945)
Currency translation adjustment	1	51
Other	(2)	(7)
Balance, end of period	$ 1,135	$ 1,267

Note 10 – Restructuring Costs

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

	As of	
(in millions)	September 30, 2026	March 31, 2026
Accrued expenses and other current liabilities	$ 16	$ 20
Other long-term liabilities	3	3
Total	$ 19	$ 23

Summary of Restructuring Plans

Fiscal 2027 Plan

During fiscal 2027, management approved global cost savings initiatives designed to better align the Company's workforce, facility and data center requirements (the "Fiscal 2027 Plan").

Restructuring Liability Reconciliations by Plan

	Restructuring Liability as of March 31, 2026	Costs Expensed, Net of Reversals	Costs Not Affecting Restructuring Liability[1]	Cash Paid	Other[2]	Restructuring Liability as of September 30, 2026
Fiscal 2027 Plan						
Workforce Reductions	$ —	$ 31	$ —	$ (21)	$ —	$ 10
Facilities Costs	—	2	(2)	—	—	—
	—	33	(2)	(21)	—	10
Fiscal 2026 Plan						
Workforce Reductions	$ 12	$ —	$ —	$ (9)	$ 1	$ 4
Facilities Costs	—	1	(1)	—	—	—
	12	1	(1)	(9)	1	4
Other Prior Year and Acquired Plans						
Workforce Reductions	$ 10	$ 1	$ —	$ (6)	$ —	$ 5
Facilities Costs	1	14	(1)	(13)	(1)	—
	11	15	(1)	(19)	(1)	5
Total	$ 23	$ 49	$ (4)	$ (49)	$ —	$ 19

[1] *Restructuring costs associated with right-of-use assets.*
[2] *Foreign currency translation adjustments.*

Included in restructuring costs for the six months of fiscal 2027 is $2 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 11 – Pension and Other Benefit Plans

Defined Benefit Plans

The components of net periodic pension income were:

	Three Months Ended		Six Months Ended	
(in millions)	September 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025
Service cost	$ 12	$ 13	$ 24	$ 26
Interest cost	80	76	161	151
Expected return on assets	(125)	(118)	(250)	(235)
Amortization of prior service costs	(1)	(1)	(2)	(2)
Net periodic pension income	$ (34)	$ (30)	$ (67)	$ (60)

The service cost component of net periodic pension income is presented in costs of services and selling, general and administrative and the other components of net periodic pension income are presented in Other income, net.

Note 12 – Income Taxes

The Company's effective tax rate ("ETR") was 75.9% and 69.5% for the three months ended September 30, 2026, and September 30, 2025, respectively, and 52.9% and 70.7% for the six months ended September 30, 2026, and September 30, 2025, respectively. For the three months ended September 30, 2026, the primary drivers of the ETR were the global mix of income, and U.S. tax on foreign income. For the six months ended September 30, 2026, the primary drivers of the ETR were the global mix of income, U.S. tax on foreign income, and a decrease in a deferred tax asset for stock based compensation. For the three months ended September 30, 2025, the primary drivers of the ETR were the global mix of income, U.S. tax on foreign income, and the tax benefit of a worthless stock deduction under section 165(g) of the Internal Revenue Code related to the Company's investment in a wholly owned subsidiary. For the six months ended September 30, 2025, the primary drivers of the ETR were the global mix of income, U.S. tax on foreign income, the tax benefit of a worthless stock deduction under section 165(g) of the Internal Revenue Code related to the Company's investment in a wholly owned subsidiary, and a decrease in a deferred tax asset for stock based compensation.

As of September 30, 2026, the Company had undistributed earnings from foreign subsidiaries that were not indefinitely reinvested and had a deferred tax liability of $19 million for the estimated taxes associated with the repatriation of these earnings. The Company also had undistributed earnings and other outside basis differences in foreign subsidiaries that were indefinitely reinvested for which no taxes have been provided and the quantification of the deferred tax liability, if any, was not practicable. If future events, including material changes in estimates of cash, working capital and long-term investment requirements, necessitate that these earnings be distributed, an additional provision for taxes may apply, which could materially affect our future effective tax rate.

In connection with the merger of Computer Sciences Corporation ("CSC") and the Enterprise Services business of Hewlett Packard Enterprise Company (the "HPES Merger"), the Company entered into a tax matters agreement with Hewlett Packard Enterprise Company ("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 $14 million tax indemnification receivable related to uncertain tax positions, a $25 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 $12 million tax indemnification receivable from Perspecta related to other tax receivables.

In connection with the sale of its healthcare provider software business ("HPS"), 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 Internal Revenue Service (the "IRS") has examined, or is examining, the Company's federal income tax returns for fiscal years 2009 through 2021. With respect to CSC's fiscal years 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.

We have received notices of deficiency and a final partnership administrative adjustment with respect to fiscal years 2009, 2010, 2011 and 2013 and have timely filed petitions with the U.S. Tax Court.

The U.S. Tax Court cases generally involve three primary issues. The first issue pertains to a capital loss the Company claimed in fiscal year 2013 in the amount of $651 million, which the IRS subsequently disallowed, and for which it proposed a substantial understatement penalty. The total cash tax payment the IRS is seeking is approximately $520 million, inclusive of penalties and interest, which continues to accrue. The U.S. Tax Court held a trial on this matter in two sessions in August and October 2025. Post-trial briefing concluded in April 2026. A decision from the court is now pending.

The second issue pertains to the Company's deduction for restructuring expenses in fiscal year 2013 in the amount of $139 million, which the IRS has disputed. The total cash tax payment the IRS is seeking is approximately $111 million, inclusive of penalties and interest, which continues to accrue. In January 2025, the Court denied the IRS' motion for summary judgment. This issue is set for trial in November 2027.

The third issue primarily pertains to foreign currency losses from 2009 that the Company claimed in fiscal years 2010 and 2011 in the amount of $163 million, resulting from the depreciation of the U.S. dollar against the Euro over an eight-year period (from 2001 to 2009) upon termination of a partnership interest involving two entities with different functional currencies. The total cash tax payment the IRS is seeking is approximately $129 million, inclusive of penalties and interest. In March 2026, the Court granted the IRS' motion for summary judgment. In June 2026, the Company's motion for reconsideration was denied. In August 2026, the Company made a deposit of approximately $122 million of tax and estimated interest with the IRS under Section 6603 of the Internal Revenue Code to suspend the accrual of further interest on most of the IRS' claim. A final decision on the Company's tax liability is pending.

As we believe we will ultimately prevail on the technical merits of the first and second issues above and are continuing to challenge them in the U.S. Tax Court, the first and second issues are not fully reserved and would result in incremental federal and state tax expense of approximately $537 million (including estimated interest and penalties) for the unreserved portion of these items, if we do not prevail. The total cash tax exposure across all three issues above is approximately $551 million after taking into account the Section 6603 deposit and net of an expected $87 million interest deduction tax benefit.

During 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 promptly and filed for relief under Treas. Reg. Sec. 1.367(a)-8(p) 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 Company has agreed to extend the statute of limitations for fiscal and tax return years 2014 through 2021 to December 31, 2027. The Company expects to reach resolution for fiscal and tax return years 2009 through 2011 no earlier than fiscal year 2027. The Company expects to reach resolution for fiscal and tax return years 2012 and 2013 no earlier than fiscal year 2029. The Company expects to reach resolution for fiscal and tax return years 2014 through 2021 no earlier than fiscal year 2028.

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. For the three months ended September 30, 2026, the Company's liability for uncertain tax positions decreased by $2 million (excluding interest and penalties and related tax attributes).

Note 13 – Stockholders' Equity

Share Repurchase Program

Share repurchase activity for the first six months of fiscal 2027 and fiscal 2026 was as follows:

	Fiscal 2027			Fiscal 2026		
Fiscal Period	Number of Shares Repurchased	Average Price Per Share	Amount (in millions)	Number of Shares Repurchased	Average Price Per Share	Amount (in millions)
1st Quarter	6,704,651	$ 10.42	$ 70	3,275,268	$ 15.27	$ 50
2nd Quarter	5,662,754	$ 10.60	60	5,317,898	$ 14.10	75
Total	12,367,405	$ 10.50	$ 130	8,593,166	$ 14.55	$ 125

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, 2026	$ (1,060)	$ (19)	$ 189	$ (890)
Other comprehensive income before reclassifications	64	(2)	—	62
Amounts reclassified from accumulated other comprehensive loss	—	17	(1)	16
Balance at September 30, 2026	$ (996)	$ (4)	$ 188	$ (812)

(in millions)	Foreign Currency Translation Adjustments	Cash Flow Hedges	Pension and Other Post-retirement Benefit Plans	Accumulated Other Comprehensive Loss
Balance at March 31, 2025	$ (948)	$ (7)	$ 193	$ (762)
Other comprehensive loss before reclassifications	(106)	(19)	—	(125)
Amounts reclassified from accumulated other comprehensive loss	—	8	(2)	6
Balance at September 30, 2025	$ (1,054)	$ (18)	$ 191	$ (881)

Note 14 – Stock Incentive Plans

Restricted Stock Units and Performance-Based Restricted Stock Units

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.

The RSUs vest one-third ratably over a three-year period. In general, if the employees' 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.

The Company also grants performance-based restricted stock units ("PSUs"), which generally vest at the end of a three-year period. 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 shortly subsequent to the end of the performance period, subject to continued employment through the last day of the third fiscal year. DXC also issued PSU awards that are considered to have a market condition. Settlement of shares for these PSU awards will be made shortly subsequent to the end of the third fiscal year, subject to certain market conditions and continued employment through the last day of the third fiscal year.

The fair value of RSUs and PSUs is based on the Company's common stock closing price on the grant date. For PSUs with a market-based condition, DXC uses a Monte Carlo simulation model to value the grants.

	Employee Equity Plan		Director Equity Plan	
	Number of Shares	Weighted Average Grant Date Fair Value	Number of Shares	Weighted Average Grant Date Fair Value
Outstanding as of March 31, 2026	13,441,505	$ 17.15	250,235	$ 20.41
Granted	9,364,378	$ 10.21	183,500	$ 11.02
Settled	(3,217,224)	$ 19.13	(131,722)	$ 14.24
Canceled/Forfeited	(2,109,937)	$ 17.73	—	$ —
Outstanding as of September 30, 2026	17,478,722	$ 12.99	302,013	$ 17.39

Share-Based Compensation

	Three Months Ended		Six Months Ended	
(in millions)	September 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025
Total share-based compensation cost	$ 16	$ 24	$ 33	$ 46
Related income tax benefit	$ 3	$ 3	$ 5	$ 6

Note 15 – Cash Flows

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

	Six Months Ended	
(in millions)	September 30, 2026	September 30, 2025
Cash paid for:		
Interest	$ 98	$ 102
Taxes on income, net of refunds [1]	$ 225	$ 145
Non-cash activities:		
Operating:		
ROU assets obtained in exchange for lease, net [2]	$ 82	$ 165
Investing:		
Capital expenditures in accounts payable and accrued expenses [3]	$ 62	$ 508
Capital expenditures through finance lease obligations	$ 5	$ 4
Assets acquired under long-term financing	$ —	$ 3
Financing:		
Shares repurchased but not settled in cash	$ 2	$ 2

[1] *Income tax refunds were $17 million and $35 million for the six months ended September 30, 2026 and September 30, 2025, respectively.*
[2] *Net of $208 million and $406 million in lease modifications and terminations during the first six months of fiscal 2027 and 2026, respectively.*
[3] *Accrued expenses includes both short-term and long-term liabilities.*

Note 16 – Segment 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. Our Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") serve as our Chief Operating Decision Makers ("CODM") and are responsible for obtaining, reviewing, and managing the Company's financial performance based on these segments.

The Company reports its financial results under a segment structure designed to reflect the Company's operational structure and the delivery of end-to-end IT services. The structure includes three reportable segments that align with how management assesses performance of the business and allocates resources: CES, GIS, and Insurance, as previously described above in Note 1 - "Summary of Significant Accounting Policies." In connection with our segment reporting change, we have recast previously reported amounts across all reportable segments to conform to current segment presentation.

The Company's CODM uses segment profit to measure operational strength and performance, assist in evaluation of underlying trends, and allocate resources through periodic budget and forecasting processes. Segment profit is defined as segment revenues less costs of services, selling, general and administrative, depreciation and amortization, and other segment items.

The Company allocates certain costs such as real estate costs, information technology costs and costs for certain other shared corporate functions to its segments using a proportional share of either revenue or headcount for each segment. The Company does not allocate to its segments certain operating expenses managed at the corporate level. These unallocated expenses generally include certain corporate function costs, pension and other post-retirement benefit ("OPEB") actuarial and settlement gains and losses, restructuring costs, transaction, separation, and integration-related costs, amortization of acquired intangible assets, impairment losses, gains/(losses) on dispositions of businesses, gains/(losses) on real estate and facility sales, and other costs that do not reflect ongoing segment operating performance. As part of the transition to the new segment structure, the Company updated the assumptions that define which expenses remain in corporate post allocation. The tables below reflect those revised assumptions.

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)	CES	GIS	Insurance	Total Reportable Segments
Three Months Ended September 30, 2026				
Revenues	$ 1,213	$ 1,427	$ 394	$ 3,034
Costs of services	(959)	(1,132)	(272)	(2,363)
Selling, general and administrative	(129)	(107)	(42)	(278)
Depreciation and amortization[1]	(17)	(142)	(40)	(199)
Other segment items[2]	17	20	5	42
Segment profit	$ 125	$ 66	$ 45	$ 236
Three Months Ended September 30, 2025				
Revenues	$ 1,255	$ 1,586	$ 320	$ 3,161
Costs of services	(962)	(1,195)	(230)	(2,387)
Selling, general and administrative	(143)	(135)	(41)	(319)
Depreciation and amortization[1]	(24)	(158)	(25)	(207)
Other segment items[2]	19	24	4	47
Segment profit	$ 145	$ 122	$ 28	$ 295

(in millions)	CES	GIS	Insurance	Total Reportable Segments
Six Months Ended September 30, 2026				
Revenues	$ 2,444	$ 2,876	$ 713	$ 6,033
Costs of services	(1,954)	(2,305)	(504)	(4,763)
Selling, general and administrative	(265)	(225)	(82)	(572)
Depreciation and amortization[1]	(36)	(285)	(58)	(379)
Other segment items[2]	36	43	10	89
Segment profit	$ 225	$ 104	$ 79	$ 408
Six Months Ended September 30, 2025				
Revenues	$ 2,501	$ 3,186	$ 633	$ 6,320
Costs of services	(1,938)	(2,407)	(448)	(4,793)
Selling, general and administrative	(306)	(285)	(85)	(676)
Depreciation and amortization[1]	(48)	(327)	(48)	(423)
Other segment items[2]	41	52	9	102
Segment profit	$ 250	$ 219	$ 61	$ 530

[1] *Depreciation and amortization as presented excludes amortization of acquired intangible assets.*
[2] *Other segment items as presented include non-service cost components of net periodic pension income and other miscellaneous segment gains/(losses).*

Reconciliation of Reportable Segment Profit to Consolidated Total

(in millions)	Three Months Ended		Six Months Ended	
	September 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025
Total profit for reportable segments	$ 236	$ 295	$ 408	$ 530
Corporate expenses	(49)	(41)	(71)	(60)
Subtotal	$ 187	$ 254	$ 337	$ 470
Restructuring costs	(23)	(35)	(49)	(72)
Transaction, separation and integration-related costs	(3)	(1)	(3)	(2)
Amortization of acquired intangible assets	(86)	(88)	(173)	(175)
Merger related indemnification	—	—	—	(2)
Gain on litigation award	—	—	168	—
(Losses) gains on real estate, facility sales and dispositions	(9)	8	(7)	8
Impairment losses	—	—	—	(14)
Interest income	45	46	134	92
Interest expense	(57)	(53)	(112)	(107)
Income before income taxes	$ 54	$ 131	$ 295	$ 198

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.

Note 17 – Other Liabilities

The following table provides the components of other liabilities:

(in millions)	As of	
	September 30, 2026	March 31, 2026
Accrued Expenses and Other Current Liabilities		
Indirect tax expenses	$ 269	$ 316
Employee-related obligations[1]	152	216
Operating expenses and other current liabilities[2]	801	729
Total	$ 1,222	$ 1,261
Other Long-term Liabilities		
Indemnification obligations	$ 87	$ 83
Employee-related obligations[1]	491	507
Operating expenses and other long-term liabilities[2]	594	596
Total	$ 1,172	$ 1,186

[1] *Includes the Company's pension obligations and other certain employee-related obligations.*
[2] *Includes multi-year third-party software license agreements and accrued services for professional service providers and other vendors primarily related to program-level activities.*

Note 18 – Commitments and Contingencies

Commitments

Minimum purchase commitments as of September 30, 2026 were as follows:

Fiscal year (in millions)	**Minimum Purchase Commitment**
Remainder of 2027	$ 327
2028	658
2029	571
2030	372
2031	342
Thereafter	171
Total	$ 2,441

Contingencies

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 12 – "Income Taxes."

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.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

All statements and assumptions contained in this Quarterly Report on Form 10-Q and in the documents incorporated by reference that do not directly and exclusively relate to historical facts constitute "forward-looking statements" that involve numerous assumptions, risks and uncertainties. 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.

We may also make forward-looking statements in other reports filed with the Securities and Exchange Commission ("SEC"), in materials delivered to stockholders and in press releases. In addition, our representatives may from time to time make oral forward-looking statements. Forward-looking statements represent current expectations and beliefs, and no assurance can be given that the results, goals or plans described in such statements 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 report or to reflect the occurrence of unanticipated events, except as required by law.

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, restructuring plans, potential acquisitions and divestitures, competitive position, growth opportunities, artificial intelligence and technology initiatives, effective tax rates, liquidity and capital resources, capital return strategy, plans and objectives of management, the outcome of and costs associated with regulatory and litigation matters, and other matters.

Important factors that could cause actual results to differ materially from those described in forward-looking statements, many of which are outside of our control, include, but are not limited to:

- *our inability to effectively manage and improve our sales organization, including structural challenges related to sales execution, pipeline development, and talent management;*
- *our inability to develop and expand our service offerings to address emerging business demands and technological trends, and the competitive pressures faced by our business;*
- *our inability to attract and retain key personnel, including sales talent and employees with artificial intelligence and technical expertise, and to maintain relationships with key partners;*
- *risks associated with AI, including our adoption, deployment, and governance of AI technologies, reliance on third-party AI platforms, AI-related cybersecurity and data privacy risks, evolving AI regulations, and competitive displacement from AI;*
- *our inability to accurately estimate the cost of services and the timeline for completion of contracts, or if we or third parties fail to deliver on commitments or otherwise breach obligations to our customers;*
- *systems failures, catastrophic events, and resulting interruptions in the availability of our products or services;*
- *the risk of liability, reputational damages or adverse impact to our business due to security breaches, cyber-attacks, other cybersecurity events or 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 inability to comply with existing and new laws and regulations, including economic sanctions, export controls, AI regulations, and social and environmental responsibility regulations, policies, and provisions, as well as customer and investor demands;*
- *failure to maintain our credit rating, manage our indebtedness, and raise additional capital for future needs, which could adversely affect our liquidity, capital position, borrowing costs, and access to capital markets;*
- *the risks associated with our international operations, including fluctuations in exchange rates, geopolitical conflicts such as the ongoing conflict between Russia and Ukraine and hostilities in the Middle East, and disruptions to our operations;*

- *the risks associated with prolonged periods of inflation or macroeconomic conditions, including reduced customer spending, the uncertainty related to our cost-takeout efforts, and our ability to close new deals in the event of an economic slowdown;*
- *our inability to compete effectively, maintain and grow our customer relationships over time, collect receivables from customers experiencing financial difficulties, or comply with customer contracts or government contracting regulations or requirements;*
- *our inability to succeed in our strategic transactions, including acquisitions, divestitures, and strategic partnerships;*
- *disruption of our supply chain or increases in procurement costs, including as a result of ongoing trade tensions, tariff charges, supplier non-performance, or armed hostilities;*
- *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 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;*
- *our inability to achieve the expected benefits of our restructuring plans, including risks associated with workforce reductions and increased reliance on automation and AI;*
- *our inability to maintain effective disclosure controls and internal control over financial reporting;*
- *potential losses due to asset impairment charges, including but not limited to intangibles and deferred tax assets;*
- *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;*
- *changes in tax rates, tax laws, and the timing and outcome of tax examinations;*
- *volatility of the price of our securities, which is subject to market and other conditions;*
- *risks following the merger of Computer Sciences Corporation ("CSC") and Enterprise Services business of Hewlett Packard Enterprise Company's ("HPE") 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"); and*
- *the other factors described in Part I, Item 1A "Risk Factors" of our Annual Report on Form 10-K for the fiscal year ended March 31, 2026 and subsequent SEC filings, including Part II, Item 1A "Risk Factors" of this Quarterly Report on Form 10-Q.*

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Introduction

The purpose of the Management's Discussion and Analysis of Financial Condition and Results of Operations ("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 second quarter and first six months of fiscal 2027 and our financial condition as of September 30, 2026. The MD&A is provided as a supplement to, and should be read in conjunction with, our financial statements and accompanying 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 the second quarters and first six months of fiscal 2027 and fiscal 2026. References are made throughout to the numbered Notes to the Condensed Consolidated Financial Statements ("Notes") in this Quarterly Report on Form 10-Q.

Background

DXC is a leading enterprise technology and innovation partner delivering software, services, and solutions to global enterprises and public sector organizations — helping them harness AI to drive outcomes at a time of exponential change with speed. With deep expertise in Managed Infrastructure Services, Application Modernization, and Industry-Specific Software Solutions, DXC modernizes, secures, and operates some of the world's most complex technology estates.

We generate revenue by offering a broad range of information technology services and solutions to customers primarily in North America, Europe, Asia, and Australia. Our financial results are reported through three reportable segments that reflect the Company's operational structure and how we deliver end-to-end IT solutions: Consulting & Engineering Services ("CES"), Global Infrastructure Services ("GIS"), and Insurance Software & Services ("Insurance").

Key Metrics

Key revenue, profitability and cash flow metrics for the second quarter of fiscal 2027 compared to the second quarter of fiscal 2026 as well as year to date cash flow comparisons are included below. Organic revenue, adjusted earnings before income taxes, and adjusted diluted earnings per share are non-GAAP financial measures. For more information see "Non-GAAP Financial Measures."

- Revenues of $3.0 billion, down 4.0% on an organic basis;
- EBIT was $66 million, down 52.2% with a corresponding margin of 2.2%. Adjusted EBIT was $187 million, down 26.4% with a corresponding margin of 6.2%;
- Diluted earnings per share of $0.15, compared to $0.20 in the same period a year ago; adjusted diluted earnings per share of $0.67, compared to $0.84 in the same period a year ago;
- Year-to-date fiscal 2027 cash generated from operations was $635 million, less capital expenditures of $230 million, resulted in free cash flow of $405 million, compared to free cash flow of $337 million in the prior-year period. Free cash flow in fiscal 2027 includes cash proceeds of $214 million related to the litigation judgment obtained against TCS and also a cash outflow of $122 million related to tax deposits made with the IRS, as discussed in Note 12 - "Income Taxes";
- Book-to-bill ratio (contract awards divided by quarterly revenue) of 0.80x, compared to 0.85x in the prior-year period.

Segment Highlights - Second Quarter Fiscal 2027

Consulting & Engineering Services

- Revenue was $1,213 million, down 3.3% year-over-year on an organic basis.
- Segment profit was $125 million, down 13.8% year-over-year, with a corresponding margin of 10.3%.
- Book-to-bill ratio of 0.79x, compared to 0.92x during the second quarter of fiscal 2026.

Global Infrastructure Services

- Revenue was $1,427 million, down 10.0% year-over-year on an organic basis.
- Segment profit was $66 million, down 45.9% year-over-year, with a corresponding margin of 4.6%.
- Book-to-bill ratio of 0.80x, compared to 0.82x during the second quarter of fiscal 2026.

Insurance Services

- Revenue was $394 million, up 23.1% year-over-year on an organic basis. Organic revenue growth includes a favorable contract modification entered into during the second quarter of fiscal 2027.
- Segment profit was $45 million, up 60.7% year-over-year, with a corresponding margin of 11.4%.
- Book-to-bill ratio of 0.79x, compared to 0.68x during the second quarter of fiscal 2026.

Segment Highlights - First Six Months Fiscal 2027

Consulting & Engineering Services

- Revenue was $2,444 million, down 3.1% year-over-year on an organic basis.
- Segment profit was $225 million, down 10.0% year-over-year, with a corresponding margin of 9.2%.

Global Infrastructure Services

- Revenue was $2,876 million, down 10.6% year-over-year on an organic basis.
- Segment profit was $104 million, down 52.5% year-over-year, with a corresponding margin of 3.6%.

Insurance Services

- Revenue was $713 million, up 12.4% year-over-year on an organic basis.
- Segment profit was $79 million, up 29.5% year-over-year, with a corresponding margin of 11.1%.

Revenues

Our revenues by geography and operating segment are provided below:

(in millions)	Three Months Ended		Percentage Change		Percentage of Revenue for the Three Months Ended	
	September 30, 2026	September 30, 2025	U.S. Dollars	Constant Currency[1]	September 30, 2026	September 30, 2025
Geographic Market						
United States	$ 747	$ 821	(9.0)%	(9.0) %	24.6 %	26.0 %
United Kingdom	465	464	0.2 %	0.4 %	15.3 %	14.7 %
Other Europe	995	1,040	(4.3)%	(3.2) %	32.8 %	32.9 %
Australia	283	275	2.9 %	(4.4) %	9.3 %	8.7 %
Other International	544	561	(3.0)%	(1.8) %	17.9 %	17.7 %
Total Revenues	$ 3,034	$ 3,161	(4.0)%	(4.0) %	100.0 %	100.0 %
Operating Segments						
CES	$ 1,213	$ 1,255	(3.3)%	(3.3) %	40.0 %	39.7 %
GIS	1,427	1,586	(10.0)%	(10.0) %	47.0 %	50.2 %
Insurance	394	320	23.1 %	23.1 %	13.0 %	10.1 %
Total Revenues	$ 3,034	$ 3,161	(4.0)%	(4.0) %	100.0 %	100.0 %

(in millions)	Six Months Ended		Percentage Change		Percentage of Revenue for the Six Months Ended	
	September 30, 2026	September 30, 2025	U.S. Dollars	Constant Currency[1]	September 30, 2026	September 30, 2025
Geographic Market						
United States	$ 1,489	$ 1,649	(9.7) %	(9.7) %	24.7 %	26.1 %
United Kingdom	866	944	(8.3) %	(8.3) %	14.4 %	14.9 %
Other Europe	2,034	2,078	(2.1) %	(2.6) %	33.7 %	32.9 %
Australia	571	534	6.9 %	(2.1) %	9.5 %	8.4 %
Other International	1,073	1,115	(3.8) %	(3.0) %	17.8 %	17.6 %
Total Revenues	$ 6,033	$ 6,320	(4.5) %	(5.3) %	100.0 %	100.0 %
Operating Segments						
CES	$ 2,444	$ 2,501	(2.3) %	(3.1) %	40.5 %	39.6 %
GIS	2,876	3,186	(9.7) %	(10.6) %	47.7 %	50.4 %
Insurance	713	633	12.6 %	12.4 %	11.8 %	10.0 %
Total Revenues	$ 6,033	$ 6,320	(4.5) %	(5.3) %	100.0 %	100.0 %

[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."*

For the second quarter of fiscal 2027, our total revenue was $3.0 billion, a decrease of $127 million or 4.0% on an organic basis, compared to the same period a year ago. Organic revenue growth is a non-GAAP measure. For more information, see "Non-GAAP Financial Measures."

For the first six months of fiscal 2027, our total revenue was $6.0 billion, a decrease of $287 million or 4.5%, as compared to the same period a year ago. The decrease against the comparative period includes a 5.3% decline in organic revenue partially offset by a 0.8% favorable foreign currency exchange rate impact.

For the discussion of risks associated with our foreign operations, see Part 1, Item 1A “Risk Factors” of our Annual Report on Form 10-K for the fiscal year ended March 31, 2026.

Costs and Expenses

Our total costs and expenses are provided below:

	Three Months Ended September 30,		Change		Six Months Ended September 30,		Change	
(in millions)	2026	2025	Dollar	Percent	2026	2025	Dollar	Percent
Costs of services	$ 2,374	$ 2,383	$ (9)	(0.4)%	$ 4,762	$ 4,771	$ (9)	(0.2)%
Selling, general and administrative	319	366	(47)	(12.8)%	647	760	(113)	(14.9)%
Depreciation and amortization	286	295	(9)	(3.1)%	553	599	(46)	(7.7)%
Restructuring costs	23	35	(12)	(34.3)%	49	72	(23)	(31.9)%
Interest expense	57	53	4	7.5 %	112	107	5	4.7 %
Interest income	(45)	(46)	1	(2.2)%	(134)	(92)	(42)	45.7 %
Other income, net	(34)	(56)	22	(39.3)%	(251)	(95)	(156)	164.2 %
Total costs and expenses	$ 2,980	$ 3,030	$ (50)	(1.7)%	$ 5,738	$ 6,122	$ (384)	(6.3)%

Costs of Services

Costs of services, excluding depreciation and amortization and restructuring costs ("COS"), consist of expenses directly associated with revenue-generating activities. These expenses primarily include payroll and related employee benefit costs, subcontractor costs and other contract-related expenses, as well as technology, facilities, and other supporting infrastructure costs.

COS was $2.4 billion for the second quarter of fiscal 2027, a decrease of $9 million (-0.4%) compared to the prior-year period. COS was $4.8 billion for the first six months of fiscal 2027, a decrease of $9 million (-0.2%) compared to the prior-year period. The decline in both periods primarily reflects lower revenue levels and reduced professional services and contractor-related expenses resulting from our cost optimization initiatives, partially offset by a one-time impairment of transition and transformation costs related to a customer contract modification in the second quarter of fiscal 2027.

Gross margin was 21.8% and 21.1% for the second quarter and first six months of fiscal 2027, respectively, a decrease of 280 basis points and 340 basis points against the comparative periods.

Selling, General and Administrative

Selling, general and administrative expense, excluding depreciation and amortization and restructuring costs ("SG&A"), consist of the costs associated with personnel in non-client facing positions. These expenses primarily include payroll and related employee benefit costs, business development efforts, marketing and advertising activities, and other expenses such as information systems and office space.

SG&A was $319 million for the second quarter of fiscal 2027, a decrease of $47 million (-12.8%) compared to the prior-year period. SG&A was $647 million for the first six months of fiscal 2027, a decrease of $113 million (-14.9%) compared to the prior-year period. The decline in both periods was primarily driven by lower payroll and related employee benefit costs, as well as reduced professional services and contractor related expenses.

SG&A as a percentage of revenue was 10.5% and 10.7% for the second quarter and first six months of fiscal 2027, respectively, an improvement of 110 basis points and 130 basis points against the comparative periods.

Depreciation and Amortization

Depreciation and amortization was $286 million for the second quarter of fiscal 2027, a decrease of $9 million (-3.1%) compared to the prior-year period. Depreciation expense decreased by $10 million due to lower average net property and equipment balances. Amortization expense increased by $1 million, as a one-time acceleration of software amortization related to a customer contract modification more than offset lower amortization associated with software assets and transition and transformation contract costs.

Depreciation and amortization was $553 million for the first six months of fiscal 2027, a decrease of $46 million (-7.7%) compared to the prior-year period. Depreciation expense decreased by $22 million due to lower average net property and equipment balances. Amortization expense decreased by $24 million due to lower software amortization and transition and transformation contract cost balances, partially offset by a one-time acceleration of software amortization during the second quarter of fiscal 2027.

Restructuring Costs

During fiscal 2027, management approved global cost savings initiatives designed to better align our workforce, facility and data center requirements. During the second quarter and first six months of fiscal 2027, total restructuring costs recorded, net of reversals, were $23 million and $49 million, respectively, a decrease of $12 million (-34.3%) and $23 million (-31.9%), respectively, as compared to the prior-year periods.

See Note 10 – “Restructuring Costs” for additional information about our restructuring actions.

Interest Income and Interest Expense

Net interest expense (interest expense less interest income) was $12 million for the second quarter of fiscal 2027, an increase of $5 million, as compared to the prior-year period. The increase was primarily driven by lower net income from cash deposits, notional pooling arrangements, and leases.

Net interest income was $22 million for the first six months of fiscal 2027 an increase of $37 million, as compared to the prior-year period. Included in this amount is $46 million of interest income from the TCS litigation judgment, partially offset by lower net income from cash deposits, notional pooling arrangements, and leases.

Other Income, Net

The components of Other income, net for the second quarters and first six months of fiscal 2027 and 2026 were as follows:

	Three Months Ended September 30,			Six Months Ended September 30,		
(in millions)	2026	2025	Dollar Change	2026	2025	Dollar Change
Non-service cost components of net periodic pension income	$ (46)	$ (43)	$ (3)	$ (91)	$ (86)	$ (5)
Foreign currency loss (gain)	1	(2)	3	—	(7)	7
Gain on litigation	—	—	—	(168)	—	(168)
Loss (gain) on real estate and facility sales	10	(7)	17	10	(7)	17
Other (gain) loss	1	(4)	5	(2)	5	(7)
Total	$ (34)	$ (56)	$ 22	$ (251)	$ (95)	$ (156)

Other income, net was $34 million in the second quarter of fiscal 2027, a decrease of $22 million, as compared to the prior-year period. The decrease was primarily due to a $17 million unfavorable change in gains and losses on real estate and facility sales.

Other income, net was $251 million for the first six months of fiscal 2027, an increase of $156 million, as compared to the prior-year period. The increase was primarily due to the $168 million litigation judgment against TCS recognized in the first quarter, partially offset by a $17 million unfavorable change in gains and losses on real estate and facility sales.

Taxes

Our effective tax rate ("ETR") was 75.9% and 69.5% for the three months ended September 30, 2026, and September 30, 2025, respectively, and 52.9% and 70.7% for the six months ended September 30, 2026, and September 30, 2025, respectively. For the three months ended September 30, 2026, the primary drivers of the ETR were the global mix of income, and U.S. tax on foreign income. For the six months ended September 30, 2026, the primary drivers of the ETR were the global mix of income, U.S. tax on foreign income, and a decrease in a deferred tax asset for stock based compensation. For the three months ended September 30, 2025, the primary drivers of the ETR were the global mix of income, U.S. tax on foreign income, and the tax benefit of a worthless stock deduction under section 165(g) of the Internal Revenue Code related to the Company's investment in a wholly owned subsidiary. For the six months ended September 30, 2025, the primary drivers of the ETR were the global mix of income, U.S. tax on foreign income, the tax benefit of a worthless stock deduction under section 165(g) of the Internal Revenue Code related to the Company's investment in a wholly owned subsidiary, and a decrease in a deferred tax asset for stock based compensation.

Net loss attributable to non-controlling interest

The net loss attributable to non-controlling interest, net of tax, was $11 million and $7 million for the second quarter and first six months of fiscal 2027, respectively, a change of $15 million and $13 million as compared to both periods of the prior fiscal year. These increases were primarily attributable to a one-time impairment of transition and transformation costs related to a customer contract modification within a joint venture.

Earnings Per Share

Diluted EPS for the second quarter and first six months of fiscal 2027 was $0.15 and $0.89, respectively, a decrease of $0.05 and an increase of $0.60 compared with the prior-year periods.

Diluted EPS for the second quarter of fiscal 2027 includes $0.10 per share of restructuring costs, $0.01 per share of transaction, separation and integration-related costs, $0.36 per share of amortization of acquired intangible assets, $0.04 per share of losses on real estate, facility sales, and dispositions, and $0.01 per share of tax adjustments.

Diluted EPS for the first six months of fiscal 2027 includes $0.18 per share of restructuring costs, $0.01 per share of transaction, separation and integration-related costs, $0.64 per share of amortization of acquired intangible assets, $(0.70) per share of gain on litigation award, $0.03 per share of losses on real estate, facility sales, and dispositions, and $0.01 per share of tax adjustments.

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 as well as gains and losses on certain dispositions and certain tax adjustments.

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, 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:

	Three Months Ended September 30,		Change		Six Months Ended September 30,		Change	
(in millions)	2026	2025	Dollar	Percent	2026	2025	Dollar	Percent
Income before income taxes	$ 54	$ 131	$ (77)	(58.8)%	$ 295	$ 198	$ 97	49.0 %
Non-GAAP income before income taxes	$ 175	$ 247	$ (72)	(29.1)%	$ 313	$ 455	$ (142)	(31.2)%
Net income	$ 13	$ 40	$ (27)	(67.5)%	$ 139	$ 58	$ 81	139.7 %
Adjusted EBIT	$ 187	$ 254	$ (67)	(26.4)%	$ 337	$ 470	$ (133)	(28.3)%

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 third party 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.
- Merger-related indemnification – represents the Company's estimate of potential net liability for tax related indemnifications.
- Gain on litigation award – reflects a gain related to the TCS litigation judgment.
- Gains and losses on real estate and facility sales – gains and losses related to dispositions of real property.
- Gains and losses on dispositions – gains and losses related to dispositions of businesses, strategic assets and interests in less than wholly-owned entities.
- 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.
- Tax adjustments – discrete tax adjustments to impair or recognize certain deferred tax assets, adjustments for changes in tax legislation and the impact of merger and divestitures. Income tax expense of all other (non-discrete) non-GAAP adjustments is based on the difference in the GAAP annual effective tax rate (AETR) and overall non-GAAP provision (consistent with the GAAP methodology).

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

	Three Months Ended September 30, 2026						
(in millions, except per-share amounts)	As Reported	Restructuring Costs	Transaction, Separation and Integration-Related Costs	Amortization of Acquired Intangible Assets	(Gains) and Losses on Real Estate, Facility Sales and Dispositions	Tax Adjustment	Non-GAAP Results
Income before income taxes	$ 54	$ 23	$ 3	$ 86	$ 9	$ —	$ 175
Income tax expense	41	7	1	28	3	(2)	78
Net income	13	16	2	58	6	2	97
Less: net loss attributable to non-controlling interest, net of tax	(11)	—	—	—	—	—	(11)
Net income attributable to DXC common stockholders	$ 24	$ 16	$ 2	$ 58	$ 6	$ 2	$ 108
Effective Tax Rate	75.9 %						44.6 %
Basic EPS from continuing operations	$ 0.15	$ 0.10	$ 0.01	$ 0.37	$ 0.04	$ 0.01	$ 0.68
Diluted EPS from continuing operations	$ 0.15	$ 0.10	$ 0.01	$ 0.36	$ 0.04	$ 0.01	$ 0.67
Weighted average common shares outstanding for:							
Basic EPS	158.16	158.16	158.16	158.16	158.16	158.16	158.16
Diluted EPS	161.99	161.99	161.99	161.99	161.99	161.99	161.99

	Six Months Ended September 30, 2026							
(in millions, except per-share amounts)	As Reported	Restructuring Costs	Transaction, Separation and Integration-Related Costs	Amortization of Acquired Intangible Assets	Gain on Litigation Award	(Gains) and Losses on Real Estate, Facility Sales and Dispositions	Tax Adjustment	Non-GAAP Results
Income before income taxes	$ 295	$ 49	$ 3	$ 173	$ (214)	$ 7	$ —	$ 313
Income tax expense	156	19	1	68	(99)	2	(2)	145
Net income	139	30	2	105	(115)	5	2	168
Less: net loss attributable to non-controlling interest, net of tax	(7)	—	—	—	—	—	—	(7)
Net income attributable to DXC common stockholders	$ 146	$ 30	$ 2	$ 105	$ (115)	$ 5	$ 2	$ 175
Effective Tax Rate	52.9 %							46.3 %
Basic EPS from continuing operations	$ 0.91	$ 0.19	$ 0.01	$ 0.65	$ (0.72)	$ 0.03	$ 0.01	$ 1.09
Diluted EPS from continuing operations	$ 0.89	$ 0.18	$ 0.01	$ 0.64	$ (0.70)	$ 0.03	$ 0.01	$ 1.06
Weighted average common shares outstanding for:								
Basic EPS	160.50	160.50	160.50	160.50	160.50	160.50	160.50	160.50
Diluted EPS	164.39	164.39	164.39	164.39	164.39	164.39	164.39	164.39

	Three Months Ended September 30, 2025							
(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 Real Estate, Facility Sales and Dispositions	Tax Adjustment	Non-GAAP Results
Income before income taxes	$ 131	$ 35	$ 1	$ 88	$ —	$ (8)	$ —	$ 247
Income tax expense	91	6	—	15	(2)	(1)	(16)	93
Net income	40	29	1	73	2	(7)	16	154
Less: net income attributable to non-controlling interest, net of tax	4	—	—	—	—	—	—	4
Net income attributable to DXC common stockholders	$ 36	$ 29	$ 1	$ 73	$ 2	$ (7)	$ 16	$ 150
Effective Tax Rate	69.5 %							37.7 %
Basic EPS	$ 0.20	$ 0.16	$ 0.01	$ 0.41	$ 0.01	$ (0.04)	$ 0.09	$ 0.85
Diluted EPS	$ 0.20	$ 0.16	$ 0.01	$ 0.41	$ 0.01	$ (0.04)	$ 0.09	$ 0.84
Weighted average common shares outstanding for:								
Basic EPS	177.43	177.43	177.43	177.43	177.43	177.43	177.43	177.43
Diluted EPS	179.15	179.15	179.15	179.15	179.15	179.15	179.15	179.15

	Six Months Ended September 30, 2025								
(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 Real Estate, Facility Sales and Dispositions	Impairment Losses	Tax Adjustment	Non-GAAP Results
Income before income taxes	$ 198	$ 72	$ 2	$ 175	$ 2	$ (8)	$ 14	$ —	$ 455
Income tax expense	140	15	—	35	(2)	(1)	4	(18)	173
Net income	58	57	2	140	4	(7)	10	18	282
Less: net income attributable to non-controlling interest, net of tax	6	—	—	—	—	—	—	—	6
Net income attributable to DXC common stockholders	$ 52	$ 57	$ 2	$ 140	$ 4	$ (7)	$ 10	$ 18	$ 276
Effective Tax Rate	70.7 %								38.0 %
Basic EPS	$ 0.29	$ 0.32	$ 0.01	$ 0.78	$ 0.02	$ (0.04)	$ 0.06	$ 0.10	$ 1.54
Diluted EPS	$ 0.29	$ 0.31	$ 0.01	$ 0.77	$ 0.02	$ (0.04)	$ 0.06	$ 0.10	$ 1.52
Weighted average common shares outstanding for:									
Basic EPS	179.26	179.26	179.26	179.26	179.26	179.26	179.26	179.26	179.26
Diluted EPS	181.76	181.76	181.76	181.76	181.76	181.76	181.76	181.76	181.76

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

	Three Months Ended		Six Months Ended	
(in millions)	September 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025
Total revenue growth	(4.0) %	(2.5) %	(4.5) %	(2.4) %
Foreign currency	— %	(1.9) %	(0.8) %	(2.0) %
Acquisitions and Divestitures	— %	0.2 %	— %	0.1 %
Organic revenue growth	(4.0) %	(4.2) %	(5.3) %	(4.3) %
CES revenue growth	(3.3) %	(1.9) %	(2.3) %	(2.3) %
Foreign currency	— %	(1.9) %	(0.8) %	(2.0) %
Acquisitions and Divestitures	— %	0.4 %	— %	0.4 %
CES organic revenue growth	(3.3) %	(3.4) %	(3.1) %	(3.9) %
GIS revenue growth	(10.0) %	(4.2) %	(9.7) %	(3.9) %
Foreign currency	— %	(2.1) %	(0.9) %	(2.1) %
Acquisitions and Divestitures	— %	— %	— %	— %
GIS organic revenue growth	(10.0) %	(6.3) %	(10.6) %	(6.0) %
Insurance revenue growth	23.1 %	4.6 %	12.6 %	5.0 %
Foreign currency	— %	(1.0) %	(0.2) %	(1.4) %
Acquisitions and Divestitures	— %	— %	— %	— %
Insurance organic revenue growth	23.1 %	3.6 %	12.4 %	3.6 %

Reconciliations of segment profit and adjusted EBIT to net income are as follows:

	Three Months Ended		Six Months Ended	
(in millions)	September 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025
Total profit for reportable segments	$ 236	$ 295	$ 408	$ 530
Corporate expenses	(49)	(41)	(71)	(60)
Adjusted EBIT	187	254	337	470
Restructuring costs	(23)	(35)	(49)	(72)
Transaction, separation and integration-related costs	(3)	(1)	(3)	(2)
Amortization of acquired intangible assets	(86)	(88)	(173)	(175)
Merger related indemnification	—	—	—	(2)
Gain on litigation award	—	—	168	—
(Losses) gains on real estate, facility sales and dispositions	(9)	8	(7)	8
Impairment losses	—	—	—	(14)
EBIT	66	138	273	213
Interest income	45	46	134	92
Interest expense	(57)	(53)	(112)	(107)
Income before income taxes	54	131	295	198
Income tax expense	(41)	(91)	(156)	(140)
Net income	$ 13	$ 40	$ 139	$ 58

Liquidity and Capital Resources

Cash and Cash Equivalents and Cash Flows

As of September 30, 2026, our cash and cash equivalents ("cash") were $1.6 billion, of which $0.8 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 $0.2 billion held by majority-owned consolidated subsidiaries where third-parties or public shareholders hold minority interests.

The following table summarizes our cash flow activity:

	Six Months Ended		
(in millions)	September 30, 2026	September 30, 2025	Change
Net cash provided by (used in):			
Operating activities	$ 635	$ 595	$ 40
Investing activities	(187)	(222)	35
Financing activities	(618)	(246)	(372)
Effect of exchange rate changes on cash and cash equivalents	32	(35)	67
Net (decrease) increase in cash and cash equivalents	$ (138)	$ 92	$ (230)
Cash and cash equivalents at beginning of year	1,737	1,796	
Cash and cash equivalents at the end of period	$ 1,599	$ 1,888	

Operating cash flow

Net cash provided by operating activities was $635 million and $595 million, respectively, during the first six months of fiscal 2027 and fiscal 2026, reflecting a year-over year increase of $40 million. The increase was primarily due to:

- a $62 million increase in net income, net of adjustments, including $214 million of proceeds related to the TCS litigation judgment; partially offset by
- a $22 million unfavorable change in working capital, including $122 million of deposits made with the IRS, as discussed in Note 12 - "Income Taxes."

The following table contains certain key working capital metrics:

	Three Months Ended	
	September 30, 2026	September 30, 2025
Days of sales outstanding in accounts receivable	68	66
Days of purchases outstanding in accounts payable	(49)	(57)
Cash conversion cycle	19	9

Investing cash flow

Net cash used in investing activities was $187 million and $222 million, respectively, during the first six months of fiscal 2027 and fiscal 2026, reflecting a year-over-year change of $35 million. The change was primarily due to:

- a $28 million decrease in capital expenditures primarily from lower levels of software purchased and developed; and
- a $7 million increase in proceeds from sales of assets and other net investing activities.

Financing cash flow

Net cash used in financing activities was $618 million and $246 million, respectively, during the first six months of fiscal 2027 and fiscal 2026, reflecting a year-over-year change of $372 million. The change was primarily due to:

- a $400 million principal payment on long-term debt in the first six months of fiscal 2027; and
- a $6 million increase in cash used for share repurchases and related tax payments on net share settlements; partially offset by
- a $34 million reduction in payments on capital leases and asset financing arrangements, as the Company continues reducing the volume of these financing activities.

Debt Financing

The following table summarizes our total debt:

	As of		
(in millions)	September 30, 2026	March 31, 2026	Change
Short-term debt and current maturities of long-term debt	$ 935	$ 520	$ 415
Long-term debt, net of current maturities	2,124	3,032	(908)
Total debt	$ 3,059	$ 3,552	$ (493)

The $493 million decrease in total debt during the first six months of fiscal 2027 was primarily attributable to $400 million in principal payments on long-term debt, reduction in finance leases and borrowings for asset financing attributable to payments exceeding additions, and a favorable foreign currency exchange rate of the U.S. dollar against the Euro.

We were in compliance with all financial covenants associated with our borrowings as of September 30, 2026.

Our credit ratings are as follows:

Rating Agency	Long Term Ratings	Short Term Ratings	Outlook
Fitch	BBB-	F3	Stable
Moody's	Baa3	P-3	Stable
S&P	BBB-	-	Stable

For information on the risks of ratings downgrades, see Part I, Item 1A "Risk Factors" of our Annual Report on Form 10-K for the fiscal year ended March 31, 2026.

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 receivables, sales facilities, and our cross-currency cash pool for liquidity needs. However, 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 that require significant investment of cash during the initial phases of the contracts. The recovery of these investments is over the life of the contracts and is dependent upon our performance as well as customer acceptance.

Our total liquidity of $4.6 billion as of September 30, 2026, includes $1.6 billion of cash and cash equivalents and $3.0 billion of available borrowings under our revolving credit facility.

The Company has $3.0 billion of available borrowings under our revolving credit facility through November 1, 2030. On October 27, 2026, the Company extended $2.8 billion of our revolving credit facility for one additional year to November 1, 2031. The Company believes this revised facility continues to provide ample financial flexibility to support our operating and strategic objectives.

Share Repurchases

See Note 13 – “Stockholders’ Equity.”

Dividends

To maintain our financial flexibility, we continue to suspend payment of quarterly dividends for fiscal 2027.

Off-Balance Sheet Arrangements

In the normal course of business, we are a party to arrangements that include guarantees, the receivables securitization 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 our condensed consolidated balance sheets. There have been no material changes to our off-balance-sheet arrangements reported under Part II, Item 7 of our Annual Report on Form 10-K for the fiscal year ended March 31, 2026, other than as disclosed in Note 3 – “Receivables” and Note 18 – “Commitments and Contingencies.”

Cash Commitments

There have been no material changes, outside the ordinary course of business, to our cash commitments since March 31, 2026. For further information see “Cash Commitments” in Part II, Item 7 of our Annual Report on Form 10-K for the fiscal year ended March 31, 2026.

For our minimum purchase cash commitments in connection with our long-term purchase agreements with certain software, hardware, telecommunication, and other service providers, see Note 18 – “Commitments and Contingencies.”

Critical Accounting Estimates

The preparation of consolidated financial statements in accordance with U.S. 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. These estimates may change in the future if underlying assumptions or factors change. Accordingly, actual results could differ materially from our estimates under different assumptions, judgments or conditions. 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 contingencies and litigation. We have discussed the selection of our critical accounting policies and the effect of estimates with the Audit Committee of our Board of Directors. During the three months ended September 30, 2026, there were no changes to our critical accounting policies and estimates from those described in our Annual Report on Form 10-K for the fiscal year ended March 31, 2026 except as mentioned in Note 1 – "Summary of Significant Accounting Policies."

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

For quantitative and qualitative disclosures about market risk affecting DXC, see "Quantitative and Qualitative Disclosures About Market Risk" in Part II, Item 7A of our Annual Report on Form 10-K for the fiscal year ended March 31, 2026. Our exposure to market risk has not changed materially since March 31, 2026.

ITEM 4. 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 Quarterly Report on Form 10-Q, the effectiveness 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 (the "Exchange Act")). Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of September 30, 2026.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting during the three months ended September 30, 2026 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II

ITEM 1. LEGAL PROCEEDINGS

See Note 18 – "Commitments and Contingencies" to the financial statements in this Quarterly Report on Form 10-Q under the caption "Contingencies" for information regarding legal proceedings in which we are involved.

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 Quarterly Report on Form 10-Q. 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 aforementioned risks, and 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 our common stock in the future. There have been no material changes in the three months ended September 30, 2026 to the risk factors described in Part I, Item 1A of our Annual Report on Form 10-K for the fiscal year ended March 31, 2026.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Unregistered Sales of Equity Securities

None during the period covered by this report.

Use of Proceeds

Not applicable.

Issuer Purchases of Equity Securities

The following table provides information on a monthly basis for the quarter ended September 30, 2026, with respect to the Company's purchase of equity securities:

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
July 1 to July 31, 2026	2,025,999	$ 9.87	2,025,999	$ 251,980,589
August 1 to August 31, 2026	1,840,450	$ 10.87	1,840,450	$ 231,981,245
September 1 to September 30, 2026	1,796,305	$ 11.13	1,796,305	$ 211,980,500

On May 18, 2023, DXC announced that its Board approved an incremental $1.0 billion share repurchase authorization. As of September 30, 2026, approximately $212 million worth of shares remained available for repurchase under the plans or programs. 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, 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 13 - "Stockholders' Equity" to the financial statements in this Quarterly Report on Form 10-Q for more information.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

During the three months ended September 30, 2026, 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 6. EXHIBITS

Exhibit Number	Description of Exhibit
10.1+	Resolution Adopting Amendments to the Amended and Restated DXC Technology Company 2017 Non-Employee Director Incentive Plan, effective July 21, 2026 (incorporated by reference to Appendix C to DXC Technology Company's Definitive Proxy Statement on Schedule 14A filed June 4, 2026 (file no. 001-38033))
10.2^	Twentieth Amendment to the Receivables Purchase Agreement, dated as of July 24, 2026, among DXC 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, 2026 (filed July 31, 2026) (file no. 001-38033))
10.3*+#	Offer Letter and Contract of Employment between EntServ UK Limited and Paul Taylor, dated July 28, 2026
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
101.INS	Interactive Data Files
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)

* Filed herewith
** Furnished herewith
+ Management contract or compensatory plan or arrangement.
# Certain personal information has been redacted from this exhibit pursuant to Item 601(a)(6) of Regulation S-K
^ Certain identified information has been excluded from this exhibit pursuant to Item 601(b)(10)(iv) of Regulation S-K and will be provided to the Securities and Exchange Commission upon request

SIGNATURES

Pursuant to the requirements 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: October 29, 2026

By: /s/ Christopher A. Voci

Name: **Christopher A. Voci**

Title: **Senior Vice President, Corporate Controller and Principal Accounting Officer**