



HP INC. Q3 FY21 Earnings announcement

August 26, 2021
<http://investor.hp.com>



Forward-looking statements

This presentation contains forward-looking statements based on current expectations and assumptions that involve risks and uncertainties. If the risks or uncertainties ever materialize or the assumptions prove incorrect, the results of HP Inc. and its consolidated subsidiaries may differ materially from those expressed or implied by such forward-looking statements and assumptions.

All statements other than statements of historical fact are statements that could be deemed forward-looking statements, including, but not limited to, any statements regarding the potential impact of the COVID-19 pandemic and the actions by governments, businesses and individuals in response to the situation; projections of net revenue, margins, expenses, effective tax rates, net earnings, net earnings per share, cash flows, benefit plan funding, deferred taxes, share repurchases, foreign currency exchange rates or other financial items; any projections of the amount, timing or impact of cost savings or restructuring and other charges, planned structural cost reductions and productivity initiatives; any statements of the plans, strategies and objectives of management for future operations, including, but not limited to, our business model and transformation, our sustainability goals, our go-to-market strategy, the execution of restructuring plans and any resulting cost savings, net revenue or profitability improvements or other financial impacts; any statements concerning the expected development, performance, market share or competitive performance relating to products or services; any statements regarding current or future macroeconomic trends or events and the impact of those trends and events on HP and its financial performance; any statements regarding pending investigations, claims or disputes; any statements of expectation or belief, including with respect to the timing and expected benefits of acquisitions and other business combination and investment transactions; and any statements of assumptions underlying any of the foregoing. Forward-looking statements can also generally be identified by words such as “future,” “anticipates,” “believes,” “estimates,” “expects,” “intends,” “plans,” “predicts,” “projects,” “will,” “would,” “could,” “can,” “may,” and similar terms.

Risks, uncertainties and assumptions include factors relating to the effects of the COVID-19 pandemic and the actions by governments, businesses and individuals in response to the situation, the effects of which may give rise to or amplify the risks associated with many of these factors listed here; HP’s ability to execute on its strategic plan, including the previously announced initiatives, business model changes and transformation; execution of planned structural cost reductions and productivity initiatives; HP’s ability to complete any contemplated share repurchases, other capital return programs or other strategic transactions; the need to address the many challenges facing HP’s businesses; the competitive pressures faced by HP’s businesses; risks associated with executing HP’s strategy and business model changes and transformation; successfully innovating, developing and executing HP’s go-to-market strategy, including online, omnichannel and contractual sales, in an evolving distribution and reseller landscape; the development and transition of new products and services and the enhancement of existing products and services to meet customer needs and respond to emerging technological trends; successfully competing and maintaining the value proposition of HP’s products, including supplies; the need to manage (and reliance on) third-party suppliers, including with respect to component shortages, and the need to manage HP’s global, multi-tier distribution network, limit potential misuse of pricing programs by HP’s channel partners, adapt to new or changing marketplaces and effectively deliver HP’s services; challenges to HP’s ability to accurately forecast inventories, demand and pricing, which may be due to HP’s multi-tiered channel, sales of HP’s products to unauthorized resellers or unauthorized resale of HP’s products or our uneven sales cycle; integration and other risks associated with business combination and investment transactions; the results of the restructuring plans, including estimates and assumptions related to the cost (including any possible disruption of HP’s business) and the anticipated benefits of the restructuring plans; the protection of HP’s intellectual property assets, including intellectual property licensed from third parties; the hiring and retention of key employees; the impact of macroeconomic and geopolitical trends and events, including the effects of inflation; risks associated with HP’s international operations; the execution and performance of contracts by HP and its suppliers, customers, clients and partners, including logistical challenges with respect to such execution and performance; changes in estimates and assumptions HP makes in connection with the preparation of its financial statements; disruptions in operations from system security risks, data protection breaches, cyberattacks, extreme weather conditions, medical epidemics or pandemics such as the COVID-19 pandemic, and other natural or manmade disasters or catastrophic events; the impact of changes to federal, state, local and foreign laws and regulations, including environmental regulations and tax laws; potential impacts, liabilities and costs from pending or potential investigations, claims and disputes; and other risks that are described in HP’s Annual Report on Form 10-K for the fiscal year ended October 31, 2020, and HP’s other filings with the Securities and Exchange Commission.

As in prior periods, the financial information set forth in this presentation, including any tax-related items, reflects estimates based on information available at this time. While HP believes these estimates to be reasonable, these amounts could differ materially from reported amounts in HP’s Quarterly Reports on Form 10-Q for the fiscal quarter ended July 31, 2021, Annual Report on Form 10-K for the fiscal year ended October 31, 2021, and HP’s other filings with the Securities and Exchange Commission. The forward-looking statements in this document are made as of the date of this document and HP assumes no obligation and does not intend to update these forward-looking statements.

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Use of non-GAAP financial information

HP has included non-GAAP financial measures in this presentation to supplement HP's consolidated financial statements presented on a GAAP basis. Definitions of these non-GAAP financial measures and reconciliations of these non-GAAP financial measures to the most directly comparable GAAP financial measures are included elsewhere in this presentation.

HP's management uses net revenue on a constant currency basis, non-GAAP total operating expenses, non-GAAP operating profit, non-GAAP operating margin, non-GAAP tax rate, non-GAAP net earnings, and non-GAAP diluted net earnings per share to evaluate and forecast HP's performance before gains, losses or other charges that are considered by HP's management to be outside of HP's core business segment operating results. Gross cash, net cash (debt), and free cash flow are liquidity measures that provide useful information to management about the amount of cash available for investment in HP's businesses, funding acquisitions, repurchasing stock and other purposes. Net cash (debt) provides useful information to management about the state of HP's consolidated balance sheet.

These non-GAAP financial measures may have limitations as analytical tools, and these measures should not be considered in isolation or as a substitute for analysis of HP's results as reported under GAAP. For example, items such as amortization of intangible assets, though not directly affecting HP's cash position, represent the loss in value of intangible assets over time. The expense associated with this change in value is not included in non-GAAP operating profit, non-GAAP tax rate, non-GAAP net earnings, and non-GAAP diluted net earnings per share and therefore does not reflect the full economic effect of the change in value of those intangible assets. In addition, items such as restructuring and other charges, acquisition-related (credits)/charges, non-operating retirement-related (credits)/charges, defined benefit plan settlement charges, debt extinguishment costs, tax adjustments, and the related tax impact on these items that are excluded from non-GAAP total operating expense, non-GAAP operating profit, non-GAAP tax rate, non-GAAP net earnings and non-GAAP diluted net earnings per share can have a material impact on the equivalent GAAP earnings financial measures and cash flow. HP may not be able to immediately liquidate the short-term and long-term investments included in gross cash, which may limit the usefulness of gross cash as a liquidity measure. In addition, free cash flow, which includes adjustment for net investment in leases and net capital expenditure, does not represent the total increase or decrease in cash for the period. The non-GAAP financial information that we provide also may differ from the non-GAAP information provided by other companies.

We compensate for the limitations on our use of these non-GAAP financial measures by relying primarily on our GAAP financial statements and using non-GAAP financial measures only supplementally. We also provide robust and detailed reconciliations of each non-GAAP financial measure to the most directly comparable GAAP measure, and we encourage investors to review those reconciliations carefully.

We believe that providing these non-GAAP financial measures in addition to the related GAAP measures provides investors with greater transparency to the information used by HP's management in its financial and operational decision-making and allows investors to see HP's results "through the eyes" of management. We further believe that providing this information better enables investors to understand HP's operating performance and financial condition and to evaluate the efficacy of the methodology and information used by HP's management to evaluate and measure such performance and financial condition.

HP's Investor Relations website at investor.hp.com contains a significant amount of information about HP, including financial and other information for investors. HP encourages investors to visit its website from time to time, as information is updated and new information is posted.

Q3 FY21 highlights

- Net revenue of **\$15.3 billion**, up 7.0% from the prior-year period and up 4.1% in constant currency¹
- Non-GAAP diluted net earnings per share² of **\$1.00**³, above the previously provided outlook of \$0.81 to \$0.85 per share
- GAAP diluted net earnings per share of **\$0.92**³, above the previously provided outlook of \$0.77 to \$0.81 per share
- Free cash flow of **\$1.0 billion**⁴
- Returned **\$1.7 billion** to shareholders in the form of share repurchases and dividends

1. Adjusted to exclude the effect of foreign currency exchange fluctuations calculated by translating current period revenues using monthly average exchange rates from the comparative period and excluding any hedging impact recognized in the current period

2. A reconciliation of specific adjustments to GAAP results for the current and prior periods is included on slide 13 and in the GAAP to non-GAAP slides that appear as part of the supplemental slides of this presentation. A description of HP's use of non-GAAP information is provided on slide 3 under "Use of non-GAAP financial information"

3. GAAP and Non-GAAP diluted net EPS includes a net benefit of \$0.13 per diluted share, resulting from a reduction in previously estimated sales and marketing program incentives which was partially offset by discretionary investments in, among other things, R&D, marketing and investing in our hybrid work strategy

4. Free cash flow includes net cash provided by operating activities of \$1,093 million adjusted for net investments in leases of \$40 million and net investment in property, plant and equipment of \$158 million

Q3 FY21 results overview

\$ in millions	Net revenue	Growth y/y%	Growth CC ¹ y/y%	Non-GAAP OP \$ ³	Non-GAAP OP % of rev ³	Non-GAAP OP \$ y/y ³	Non-GAAP OP % of rev y/y ³
Printing	\$4,882	24.1%	22.2%	\$857	17.6%	\$377	5.4 pts
Personal Systems	\$10,406	0.4%	(2.8)%	\$869	8.4%	\$299	2.9 pts
Corporate Investments / Other	\$1	nm ²	nm ²	\$(223)	nm ²	\$(51)	nm ²
Total HP	\$15,289	7.0%	4.1%	\$1,503	9.8%	\$625	3.7 pts

1. CC = constant currency; adjusted to exclude the effect of foreign currency exchange fluctuations calculated by translating current period revenues using monthly average exchange rates from the comparative period and excluding any hedging impact recognized in the current period

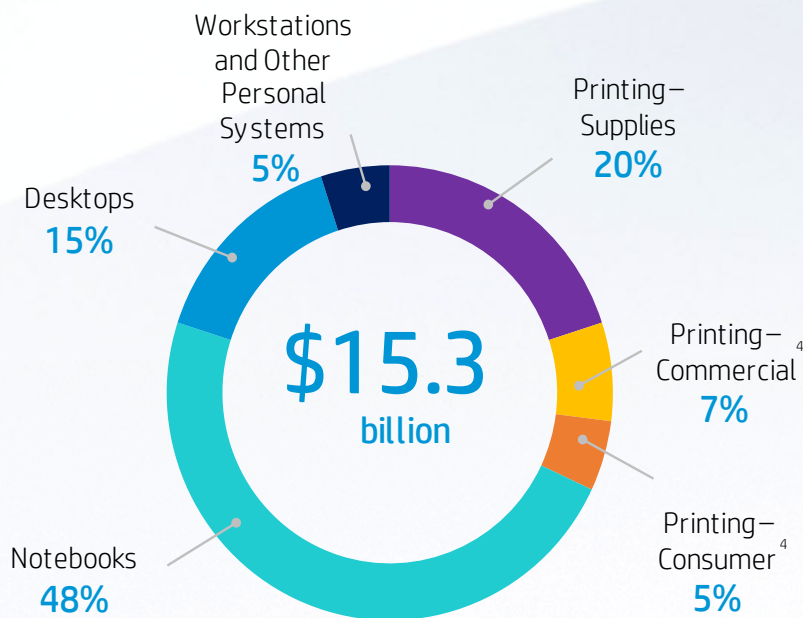
2. Not meaningful

3. A reconciliation of specific adjustments to GAAP results for the current period is included on slide 13 and in the GAAP to non-GAAP slides that appear as part of the supplemental slides of this presentation. A description of HP's use of non-GAAP information is provided on slide 3 under "Use of non-GAAP financial information"

Q3 FY21 mix by segment and region

Net revenue

By key segment and business unit¹



Personal Systems = 68%
Printing = 32%

Non-GAAP operating profit²

By key segment³

\$ 1.7 billion

Printing
50% of total

17.6%
OP margin

Personal Systems
50% of total

8.4%
OP margin

Net revenue by region



Americas

46%

US: 38%
Canada / LA: 8%
↑ 12% y/y
↑ 12% y/y CC⁵

EMEA

33%

↑ 6% y/y
↑ 1% y/y CC⁵

APJ

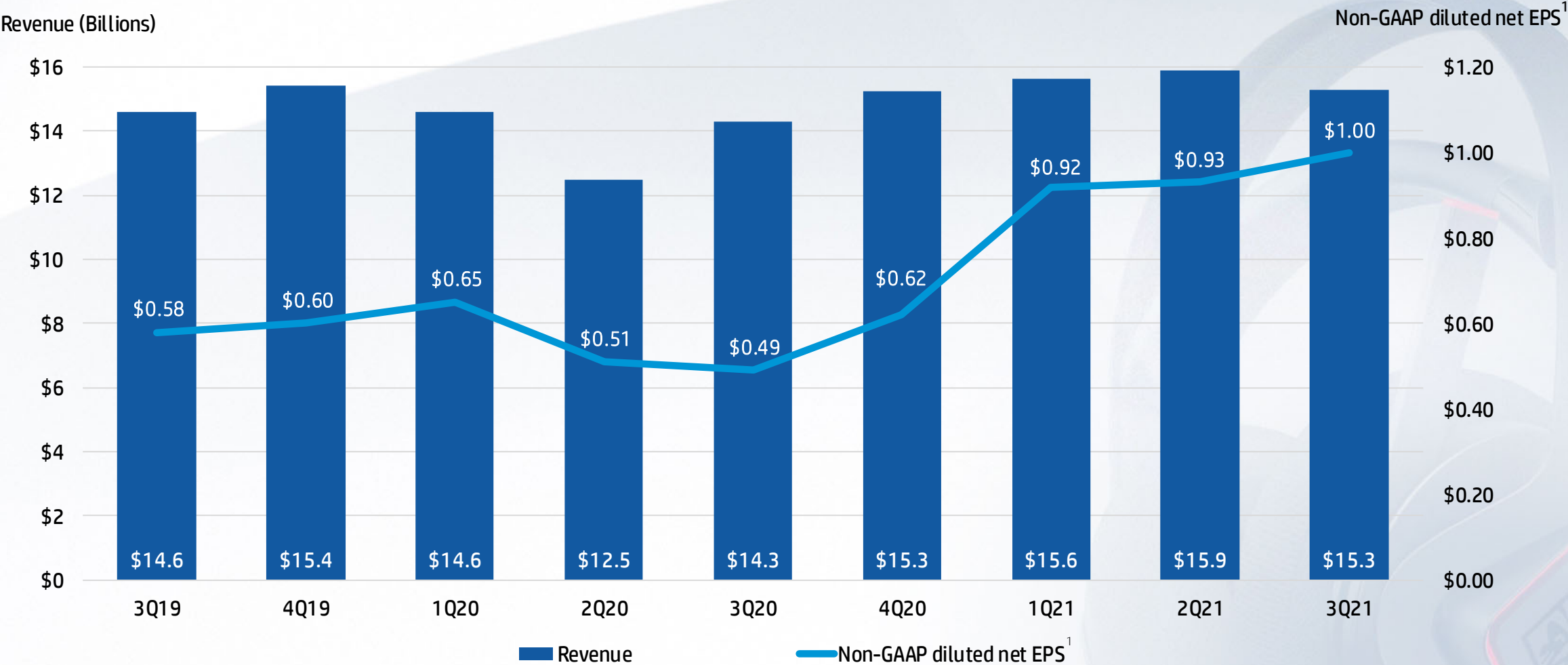
21%

↓ 2% y/y
↓ 6% y/y CC⁵

Non-US net revenue = 62% of total net revenue

1. Revenue mix calculated based on total segment revenue, which does not include corporate investments and other
2. A reconciliation of specific adjustments to GAAP results for the current period is included on slide 13 and in the GAAP to non-GAAP slides that appear as part of the supplemental slides of this presentation. A description of HP's use of non-GAAP information is provided on slide 3 under "Use of non-GAAP financial information"
3. Operating profit mix calculated based on total segment operating profit, which does not include corporate investments and other
4. Commercial includes Office Printing Solutions including commercial products and OEM hardware, Graphics Solutions and 3D Printing and digital manufacturing, excluding supplies. Consumer includes Home Printing Solutions, excluding supplies
5. CC = constant currency; adjusted to exclude the effect of foreign currency exchange fluctuations calculated by translating current period revenues using monthly average exchange rates from the comparative period and excluding any hedging impact recognized in the current period

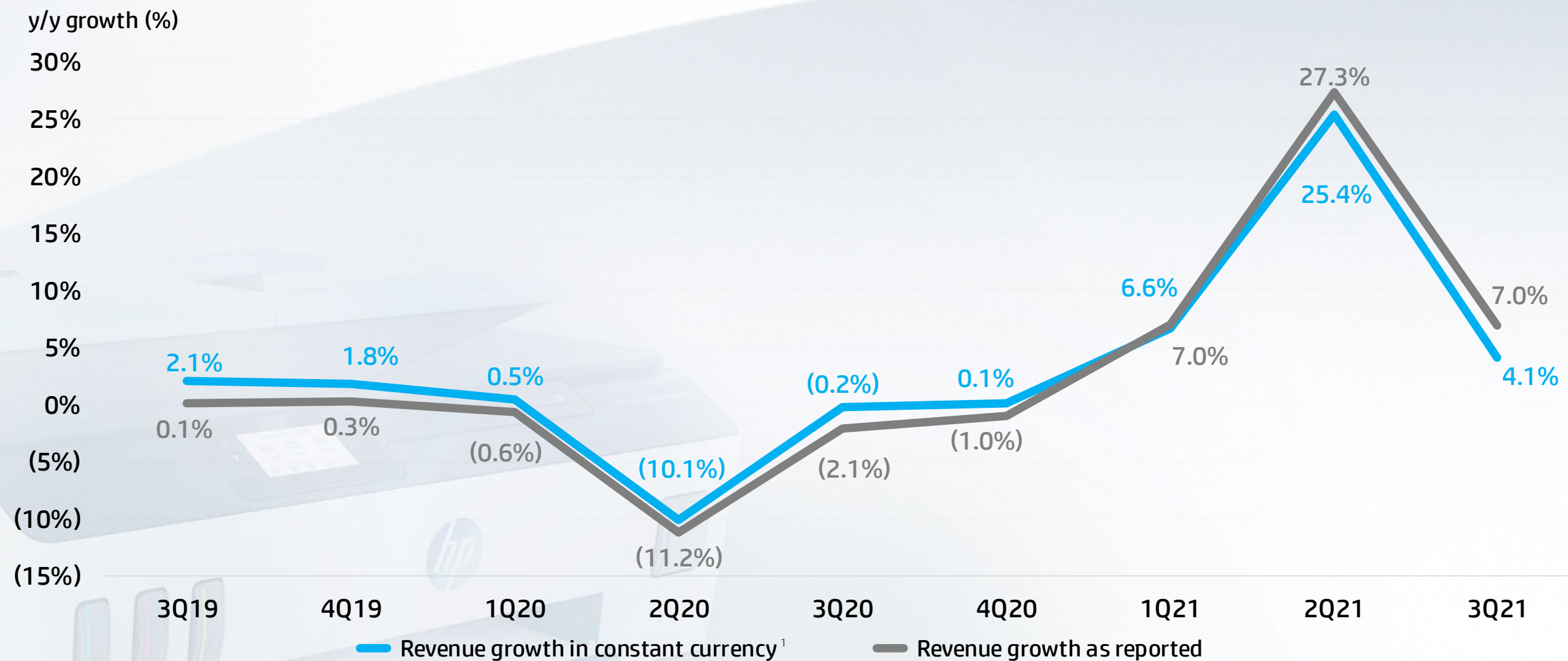
Revenue and non-GAAP diluted net EPS¹ performance



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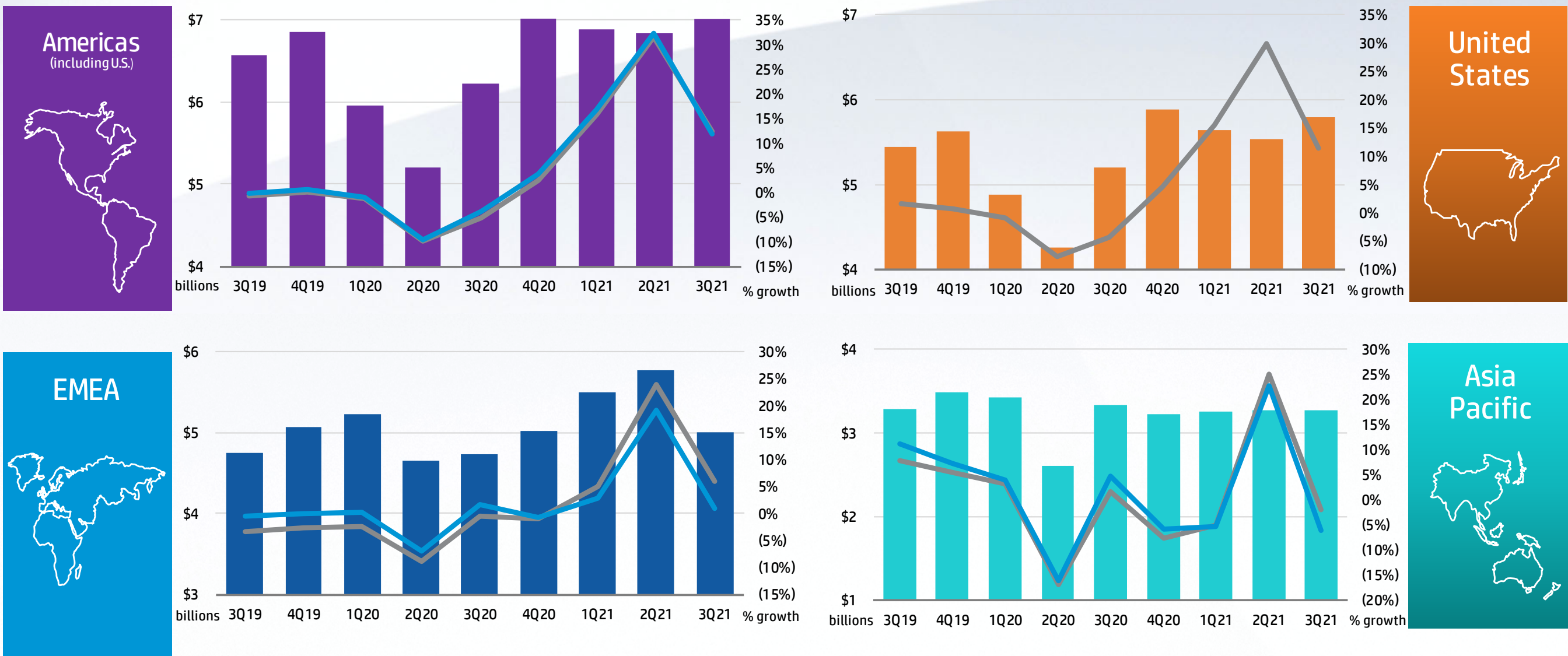


Revenue growth



1. Adjusted to exclude the effect of foreign currency exchange fluctuations calculated by translating current period revenues using monthly average exchange rates from the comparative period and excluding any hedging impact recognized in the current period

Regional revenue trends



1. Adjusted to exclude the effect of foreign currency exchange fluctuations calculated by translating current period revenues using monthly average exchange rates from the comparative period and excluding any hedging impact recognized in the current period



Personal Systems

Q3 FY21



Revenue

\$10.4 billion

↔ flat y/y ↓ 3% CC¹

Operating profit

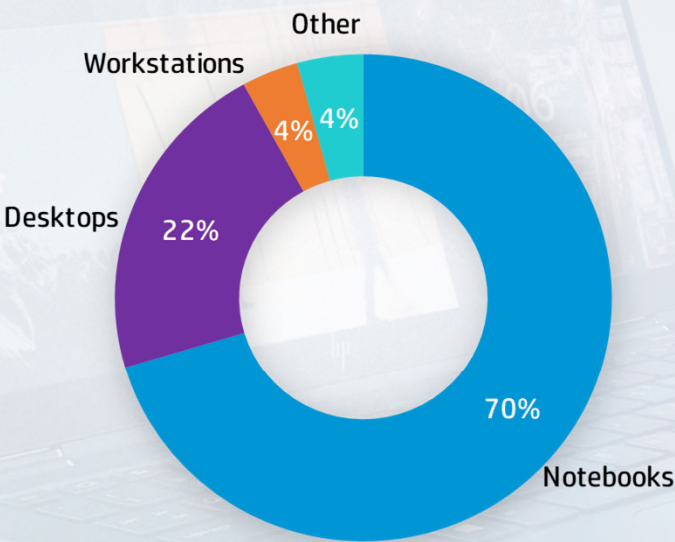
\$869 million

8.4% of revenue

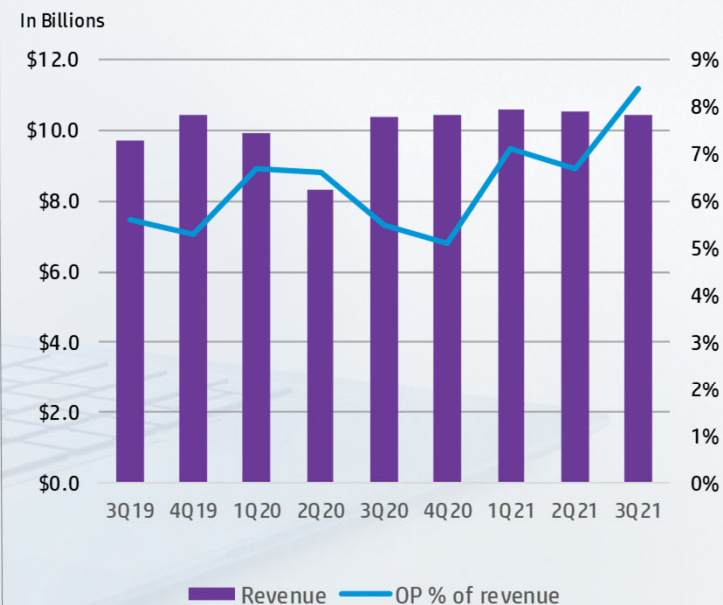
Key messages

- PC is essential – Leader in Commercial PCs benefitting from strength across multiple product categories
- Strong double-digit growth in high value categories including gaming, services, consumer accessories, and mobile workstations; closed HyperX acquisition
- Innovation: launched HP's lightest consumer laptop the Pavilion Aero 13 and premium gaming laptop HP OMEN 17

Revenue breakdown



Revenue and OP % trend



Key metrics

- Total units flat y/y
- Notebooks revenue flat y/y, units up 2% y/y
- Desktops revenue up 1% y/y, units down 7% y/y
- Commercial revenue down 1% y/y
- Consumer revenue up 3% y/y

1. CC = constant currency; adjusted to exclude the effect of foreign currency exchange fluctuations calculated by translating current period revenue using monthly average exchange rates from the comparative period and excluding any hedging impact recognized in the current period



Printing

Q3 FY21



Revenue

\$4.9 billion
↑ 24% y/y ↑ 22% CC¹

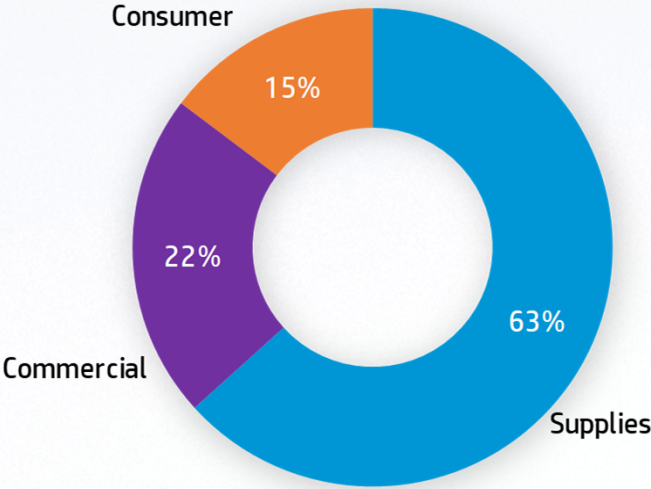
Operating profit

\$857 million
17.6% of revenue

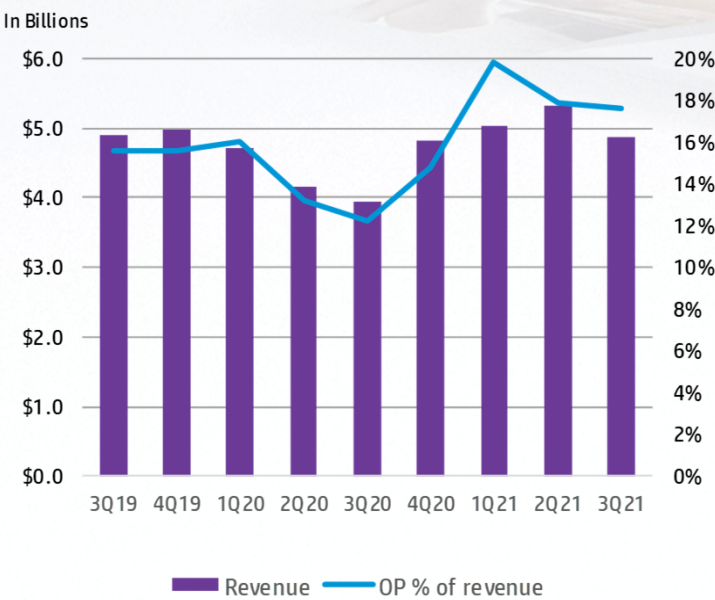
Key messages

- Office continued gradual recovery including double-digit revenue growth in Managed Print Services
- Instant Ink revenue and total subscribers grew more than 30% y/y
- Innovation: Launched Arize, HP's new 3D print digital solution for podiatrists to deliver personalized foot orthotics

Revenue breakdown



Revenue and OP % trend



Key metrics

- ¹Supplies revenue up 20%, (up 19% CC) y/y
- Total Hardware units down 4% y/y
- Commercial² revenue up 46% y/y
- Consumer² revenue up 15% y/y

1. CC = constant currency; adjusted to exclude the effect of foreign currency exchange fluctuations calculated by translating current period revenues using monthly average exchange rates from the comparative period and excluding any hedging impact recognized in the current period
2. Commercial includes Office Printing Solutions including commercial products and OEM hardware, Graphics Solutions and 3D Printing and digital manufacturing, excluding supplies. Consumer includes Home Printing Solutions, excluding supplies



Non-GAAP¹ financial information

\$ in millions, except per share amounts	Q3 FY21		Q2 FY21		Q3 FY20	
Revenue	\$15,289		\$15,877		\$14,294	
Cost of revenue	11,901	77.8%	12,437	78.3%	11,901	83.3%
Total OpEx	1,885	12.4%	1,997	12.6%	1,515	10.6%
Operating profit	\$1,503	9.8%	\$1,443	9.1%	\$878	6.1%
Interest and other, net	(78)		(64)		(42)	
Pre-tax earnings	1,425	9.3%	1,379	8.7%	836	5.8%
Income tax	(227)		(221)		(134)	
Net earnings	1,198	7.8%	1,158	7.3%	702	4.9%
Diluted net earnings per share	\$1.00		\$0.93		\$0.49	

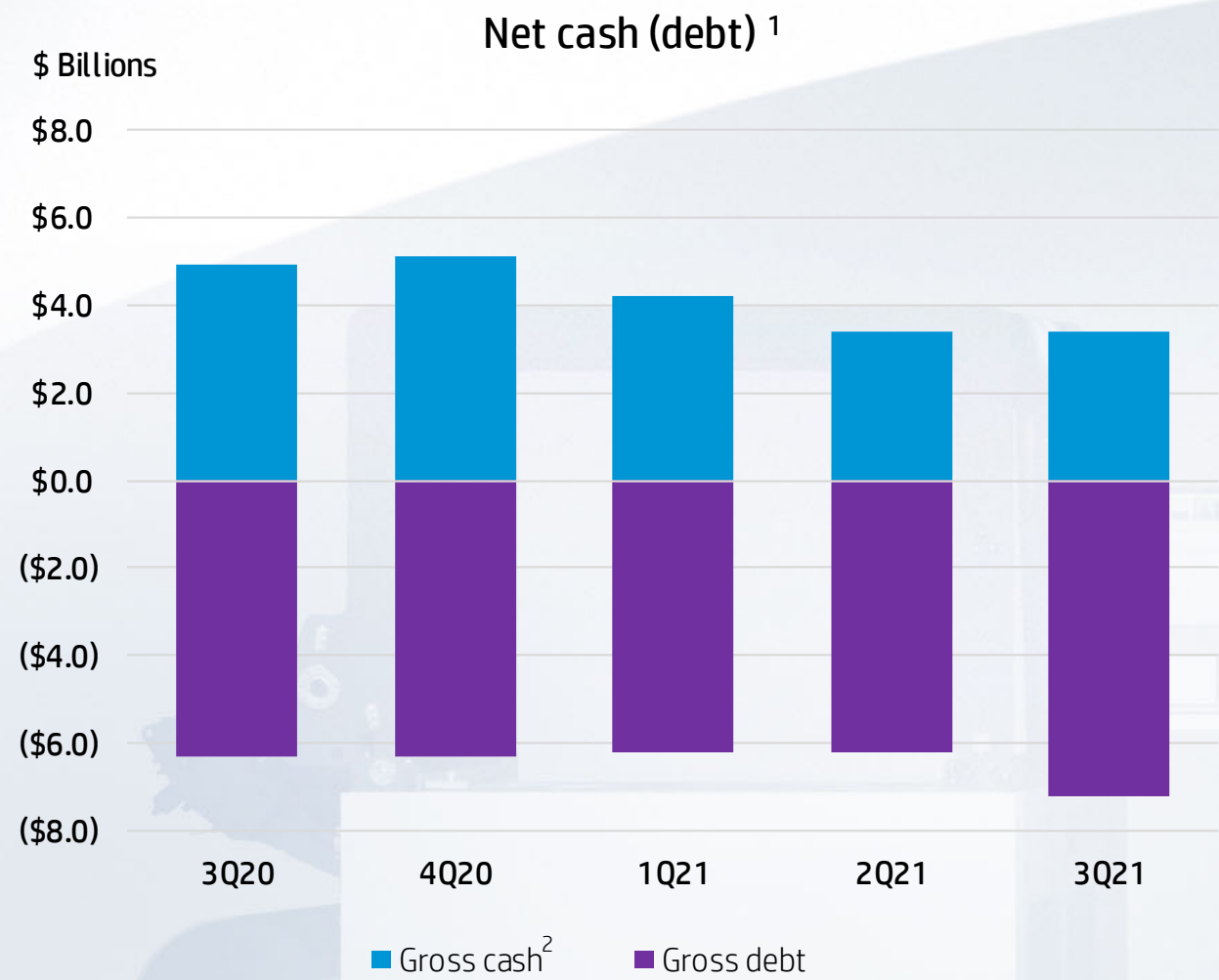
1. A reconciliation of specific adjustments to GAAP results for the current period is included on slide 13 and in the GAAP to non-GAAP slides that appear as part of the supplemental slides of this presentation. A description of HP's use of non-GAAP information is provided on slide 3 under "Use of non-GAAP financial information"

Q3 FY21 GAAP to non-GAAP bridge

\$ in millions, except tax rate and per share amounts	GAAP	Amortization of intangible assets	Restructuring and other charges	Acquisition-related charges	Debt extinguishment costs	Tax adjustments	Non-operating retirement related (credits) / charges	Non-GAAP
Revenue	\$15,289							\$15,289
Cost of revenue	11,901							11,901
Total OpEx	2,007	(42)	(56)	(24)				1,885
Operating profit	1,381	42	56	24				1,503
Interest and other, net	(55)				16		(39)	(78)
Pre-tax earnings	1,326	42	56	24	16		(39)	1,425
Income tax	(218)	(8)	(9)	(3)	(3)	13	1	(227)
Tax rate	16.4%							16.0%
Net earnings	\$1,108	34	47	21	13	13	(38)	\$1,198
Diluted net earnings per share	\$0.92							\$1.00

A description of HP's use of non-GAAP information is provided on slide 3 under "Use of non-GAAP financial information"

Select cash and debt balances



\$ Billions	3Q20	4Q20	1Q21	2Q21	3Q21
Gross cash ²	4.9	5.1	4.2	3.4	3.4
Gross debt	6.3	6.3	6.2	6.2	7.2
Net cash (debt) ^{1,3}	(1.4)	(1.1)	(2.1)	(2.8)	(3.7)

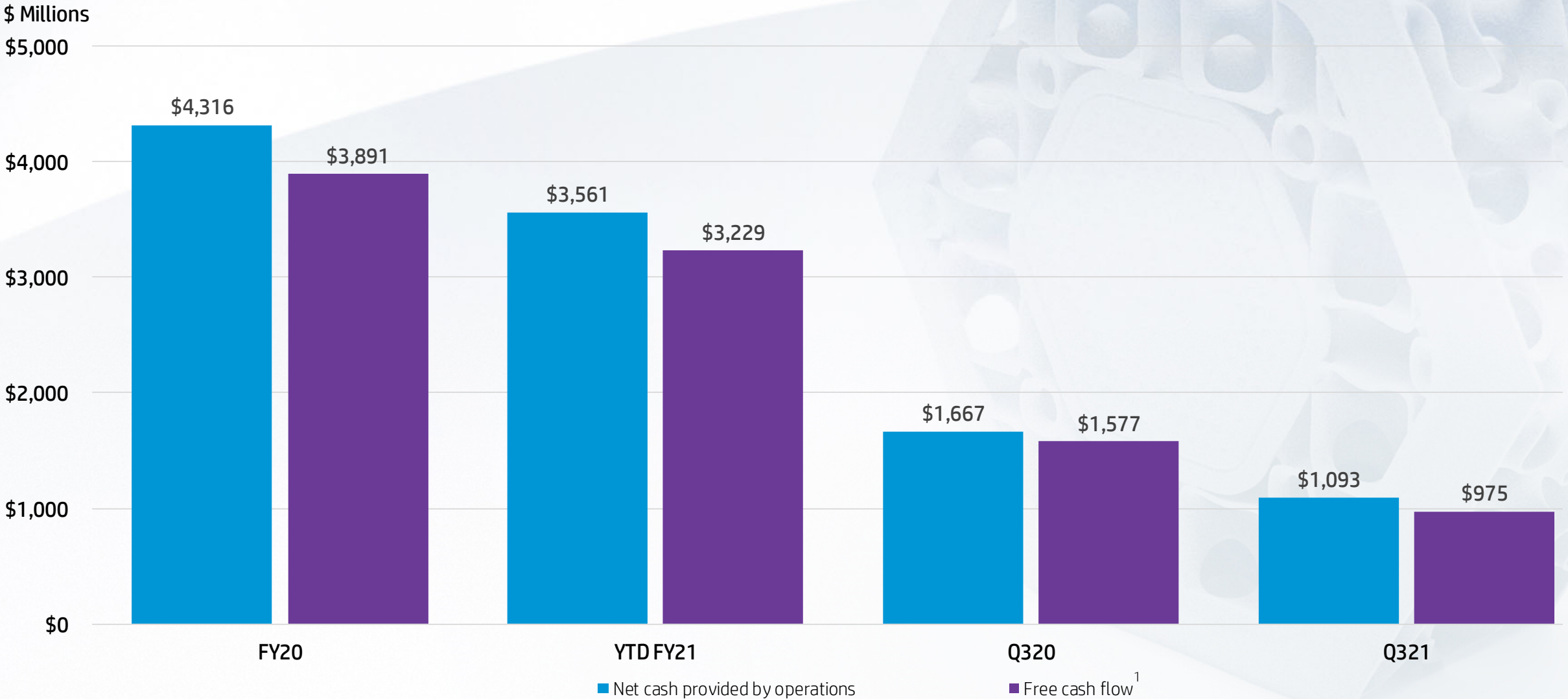
1. Net cash (debt) is defined as gross cash less gross debt after adjusting the effect of unamortized premium/discount on debt issuance, debt issuance costs and gains/losses on interest rate swaps

2. Gross cash includes cash and cash equivalents, short-term investments, and certain liquid long-term investments

3. Numbers may not foot due to rounding



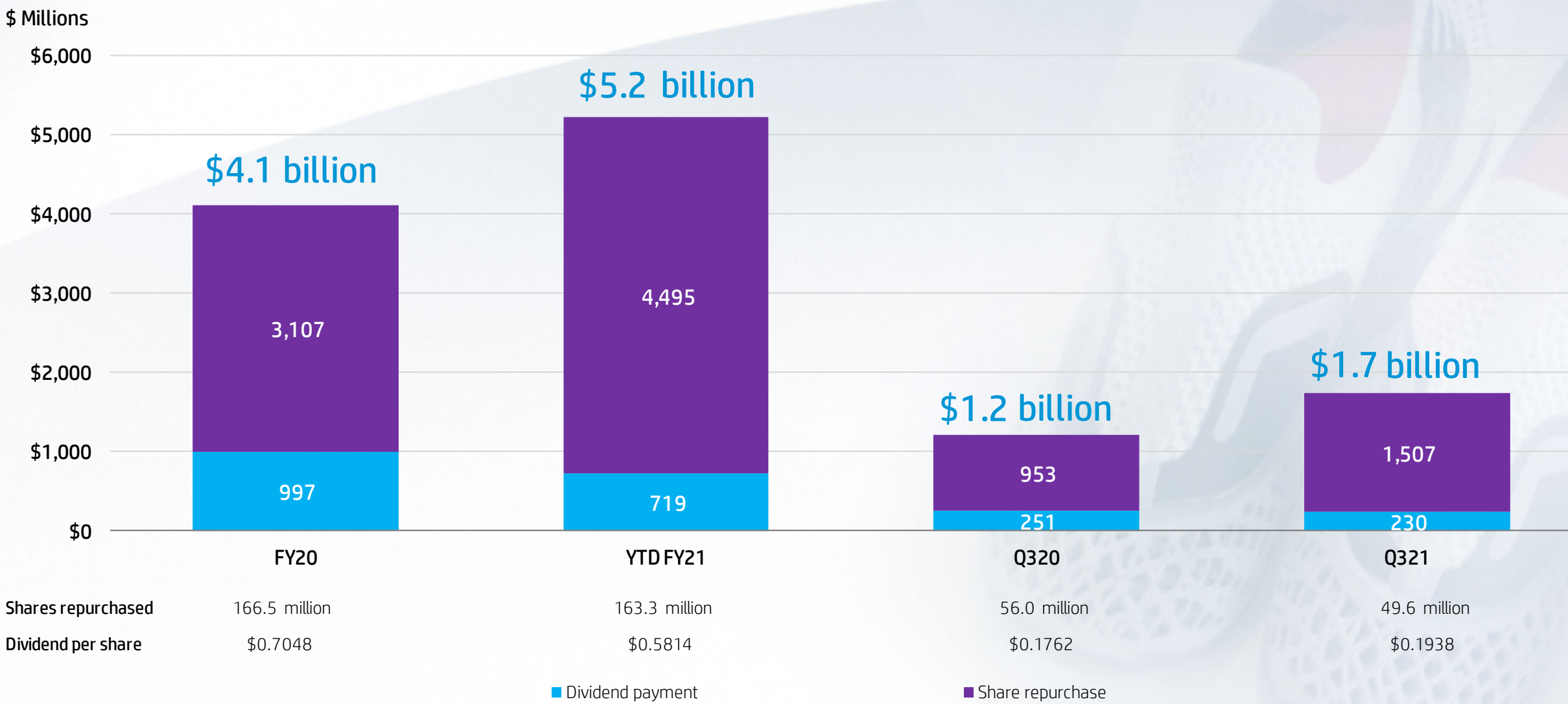
Cash flow



1. Free cash flow = Net cash provided by operations adjusted for net investment in leases and net investment in property, plant and equipment



Shareholder return



Outlook

Q4 FY21 net EPS guidance

GAAP diluted net EPS	\$0.82 – \$0.88
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Non-GAAP diluted net EPS ¹	\$0.84 – \$0.90
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FY21 net EPS guidance

GAAP diluted net EPS	\$3.56 – \$3.62
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Non-GAAP diluted net EPS ²	\$3.69 – \$3.75
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FY21 Free Cash Flow Guidance

Free Cash Flow ³	At least \$4.0 Billion
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1. Fourth quarter non-GAAP diluted net EPS estimates exclude restructuring and other charges, acquisition-related charges, defined benefit plan settlement charges, amortization of intangible assets, non-operating retirement-related (credits) / charges, tax adjustments, and the related tax impact on these items

2. Fiscal 2021 non-GAAP diluted net EPS estimates exclude restructuring and other charges, acquisition-related charges, defined benefit plan settlement charges, amortization of intangible assets, non-operating retirement-related (credits) / charges, debt extinguishment costs, tax adjustments, and the related tax impact on these items

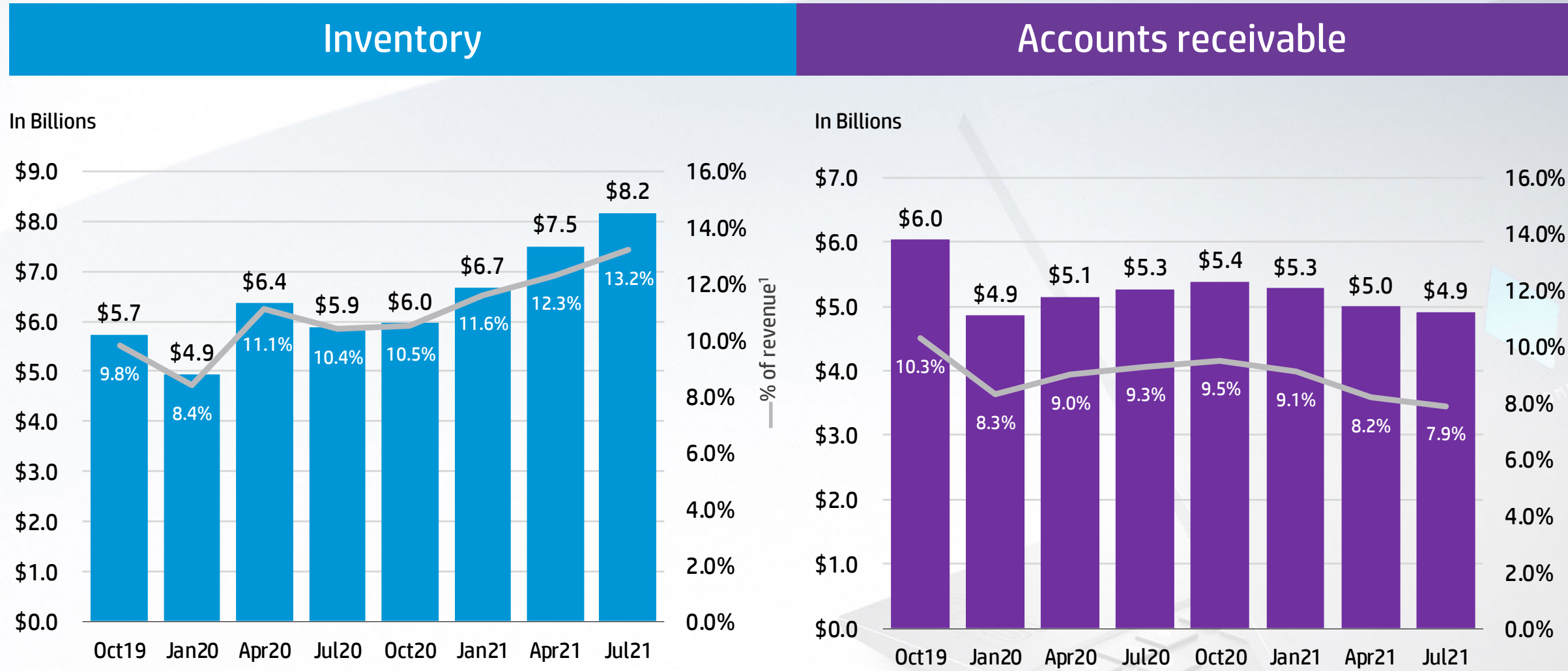
3. Free cash flow = Net cash provided by operations adjusted for net investment in leases and net investment in property, plant and equipment



Supplemental slides



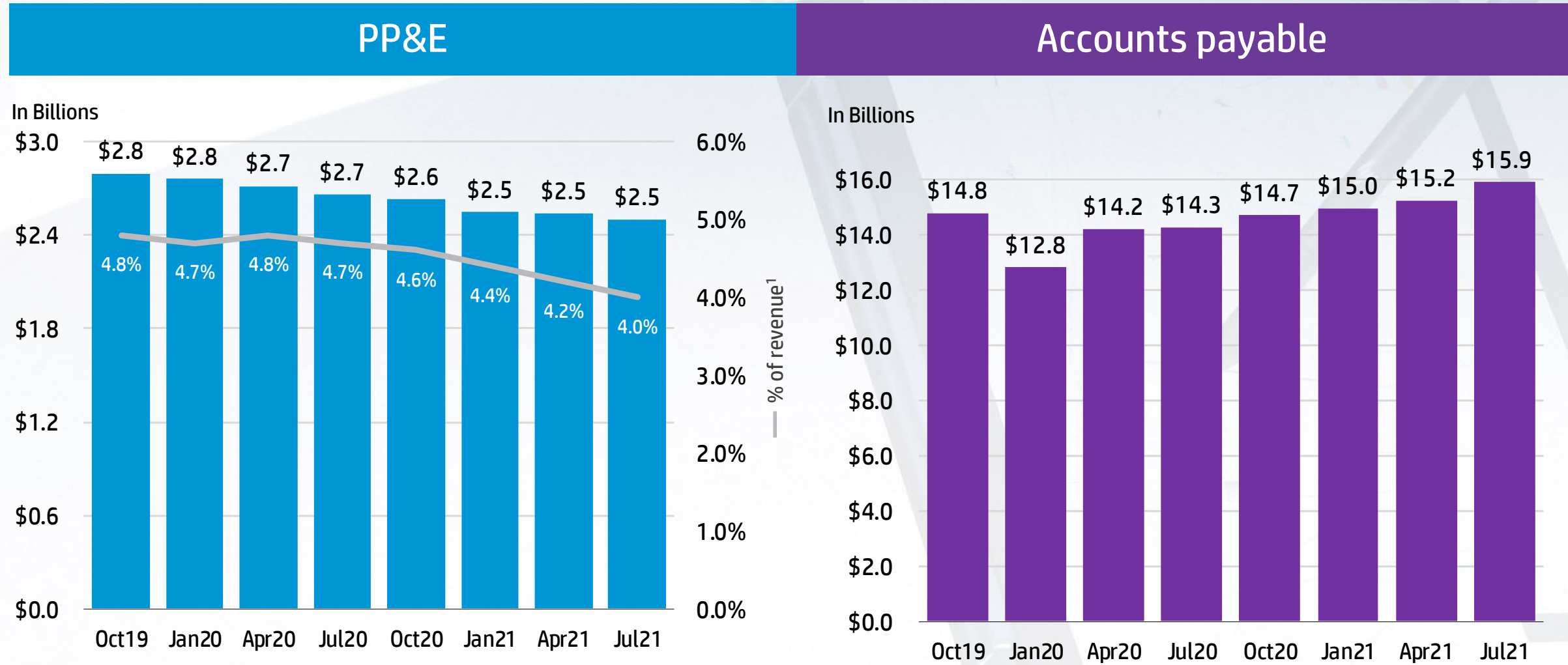
Inventory and accounts receivable



1. % of revenue calculations based on trailing 4-quarter net revenue



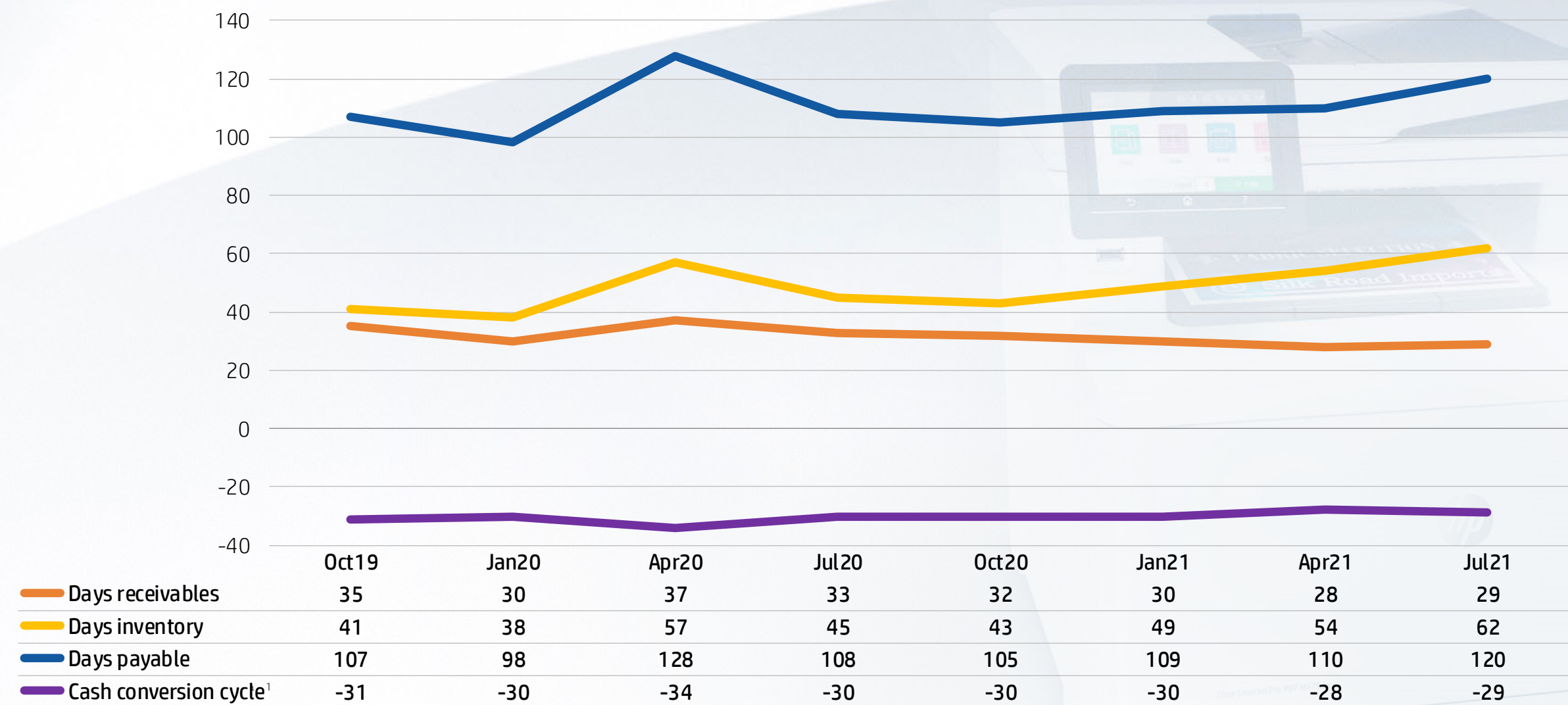
PP&E and accounts payable



1. % of revenue calculations based on trailing 4-quarter net revenue



Working capital metrics



1. Cash conversion cycle = Days receivables + Days inventory – Days payable



Q2 FY21 GAAP to non-GAAP bridge

\$ in millions, except tax rate and per share amounts	GAAP	Amortization of intangible assets	Restructuring and other charges	Acquisition-related charges	Tax adjustments	Non-operating retirement related (credits) / charges	Non-GAAP
Revenue	\$15,877						\$15,877
Cost of revenue	12,437						12,437
Total OpEx	2,078	(32)	(39)	(10)			1,997
Operating profit	1,362	32	39	10			1,443
Interest and other, net	(26)					(38)	(64)
Pre-tax earnings	1,336	32	39	10		(38)	1,379
Income tax	(108)	(7)	(8)	(2)	(96)		(221)
Tax rate	8.1%						16.0%
Net earnings	\$1,228	25	31	8	(96)	(38)	\$1,158
Diluted net earnings per share	\$0.98						\$0.93

A description of HP's use of non-GAAP information is provided on slide 3 under "Use of non-GAAP financial information"

Q1 FY21 GAAP to non-GAAP bridge

\$ in millions, except tax rate and per share amounts	GAAP	Amortization of intangible assets	Restructuring and other charges	Acquisition-related charges	Tax adjustments	Non-operating retirement related (credits) / charges	Non-GAAP
Revenue	\$15,646						\$15,646
Cost of revenue	12,322						12,322
Total OpEx	2,003	(29)	(121)	(6)			1,847
Operating profit	1,321	29	121	6			1,477
Interest and other, net	(25)					(38)	(63)
Pre-tax earnings	1,296	29	121	6		(38)	1,414
Income tax	(228)	(5)	(28)	(1)	36		(226)
Tax rate	17.6%						16.0%
Net earnings	\$1,068	24	93	5	36	(38)	\$1,188
Diluted net earnings per share	\$0.83						\$0.92

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FY20 GAAP to non-GAAP bridge

\$ in millions, except tax rate and per share amounts	GAAP	Amortization of intangible assets	Restructuring and other charges	Acquisition- related charges	Debt extinguishment costs	Defined benefit plan settlement charges	Tax adjustments	Non-operating retirement related (credits) / charges	Non-GAAP
Revenue	\$56,639								\$56,639
Cost of revenue	46,202								46,202
Total OpEx	6,975	(113)	(462)	(16)					6,384
Operating profit	3,462	113	462	16					4,053
Interest and other, net	(231)				40	214	(1)	(225)	(203)
Pre-tax earnings	3,231	113	462	16	40	214	(1)	(225)	3,850
Income tax	(387)	(21)	(91)	(3)	(7)	(40)	(72)	5	(616)
Tax rate	12.0%								16.0%
Net earnings	\$2,844	92	371	13	33	174	(73)	(220)	\$3,234
Diluted net earnings per share	\$2.00								\$2.28

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Q4 FY20 GAAP to non-GAAP bridge

\$ in millions, except tax rate and per share amounts	GAAP	Amortization of intangible assets	Restructuring and other charges	Acquisition- related charges	Defined benefit plan settlement charges	Tax adjustments	Non-operating retirement related (credits) / charges	Non-GAAP
Revenue	\$15,258							\$15,258
Cost of revenue	12,579							12,579
Total OpEx	1,687	(29)	(31)	(2)				1,625
Operating profit	992	29	31	2				1,054
Interest and other, net	(216)				214	(1)	(57)	(60)
Pre-tax earnings	776	29	31	2	214	(1)	(57)	994
Income tax	(108)	(6)	(7)		(40)	1	1	(159)
Tax rate	13.9%							16.0%
Net earnings	\$668	23	24	2	174		(56)	\$835
Diluted net earnings per share	\$0.49							\$0.62

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Q3 FY20 GAAP to non-GAAP bridge

\$ in millions, except tax rate and per share amounts	GAAP	Amortization of intangible assets	Restructuring and other charges	Acquisition- related charges	Debt extinguishment costs	Tax adjustments	Non-operating retirement related (credits) / charges	Non-GAAP
Revenue	\$14,294							\$14,294
Cost of revenue	11,901							11,901
Total OpEx	1,614	(29)	(59)	(11)				1,515
Operating profit	779	29	59	11				878
Interest and other, net	(28)				40	1	(55)	(42)
Pre-tax earnings	751	29	59	11	40	1	(55)	836
Income tax	(17)	(5)	(12)	(2)	(7)	(92)	1	(134)
Tax rate	2.3%							16.0%
Net earnings	\$734	24	47	9	33	(91)	(54)	\$702
Diluted net earnings per share	\$0.52							\$0.49

A description of HP's use of non-GAAP information is provided on slide 3 under "Use of non-GAAP financial information"

Q2 FY20 GAAP to non-GAAP bridge

\$ in millions, except tax rate and per share amounts	GAAP	Amortization of intangible assets	Restructuring and other charges	Acquisition-related charges	Tax adjustments	Non-operating retirement related (credits) / charges	Non-GAAP
Revenue	\$12,469						\$12,469
Cost of revenue	9,976						9,976
Total OpEx	1,667	(29)	(81)	(3)			1,554
Operating profit	826	29	81	3			939
Interest and other, net	0				(1)	(56)	(57)
Pre-tax earnings	826	29	81	3	(1)	(56)	882
Income tax	(62)	(5)	(17)	(1)	(58)	2	(141)
Tax rate	7.5%						16.0%
Net earnings	\$764	24	64	2	(59)	(54)	\$741
Diluted net earnings per share	\$0.53						\$0.51

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Q1 FY20 GAAP to non-GAAP bridge

\$ in millions, except tax rate and per share amounts	GAAP	Amortization of intangible assets	Restructuring and other charges	Acquisition-related charges	Tax adjustments	Non-operating retirement related (credits) / charges	Non-GAAP
Revenue	\$14,618						\$14,618
Cost of revenue	11,746						11,746
Total OpEx	2,007	(26)	(291)				1,690
Operating profit	865	26	291				1,182
Interest and other, net	13					(57)	(44)
Pre-tax earnings	878	26	291			(57)	1,138
Income tax	(200)	(5)	(55)		77	1	(182)
Tax rate	22.8%						16.0%
Net earnings	\$678	21	236		77	(56)	\$956
Diluted net earnings per share	\$0.46						\$0.65

A description of HP's use of non-GAAP information is provided on slide 3 under "Use of non-GAAP financial information"

FY19 GAAP to non-GAAP bridge

\$ in millions, except tax rate and per share amounts	GAAP	Amortization of intangible assets	Restructuring and other charges	Acquisition- related charges	Tax adjustments	Non-operating retirement related (credits) / charges	Non-GAAP
Revenue	\$58,756						\$58,756
Cost of revenue	47,586						47,586
Total OpEx	7,293	(116)	(275)	(35)			6,867
Operating profit	3,877	116	275	35			4,303
Interest and other, net	(1,354)				1,177	(68)	(245)
Pre-tax earnings	2,523	116	275	35	1,177	(68)	4,058
Income tax	629	(25)	(58)	(9)	(1,197)	11	(649)
Tax rate	(24.9)%						16.0%
Net earnings	3,152	91	217	26	(20)	(57)	\$3,409
Diluted net earnings per share	\$2.07						\$2.24

A description of HP's use of non-GAAP information is provided on slide 3 under "Use of non-GAAP financial information"

Q4 FY19 GAAP to non-GAAP bridge

\$ in millions, except tax rate and per share amounts	GAAP	Amortization of intangible assets	Restructuring and other charges	Acquisition-related charges	Tax adjustments	Non-operating retirement related (credits) / charges	Non-GAAP
Revenue	\$15,407						\$15,407
Cost of revenue	12,483						12,483
Total OpEx	1,980	(29)	(134)	(23)			1,794
Operating profit	944	29	134	23			1,130
Interest and other, net	(452)				417	(25)	(60)
Pre-tax earnings	492	29	134	23	417	(25)	1,070
Income tax	(104)	(8)	(29)	(2)	(39)	11	(171)
Tax rate	21.1%						16.0%
Net earnings	\$388	21	105	21	378	(14)	\$899
Diluted net earnings per share	\$0.26						\$0.60

A description of HP's use of non-GAAP information is provided on slide 3 under "Use of non-GAAP financial information"

Q3 FY19 GAAP to non-GAAP bridge

\$ in millions, except tax rate and per share amounts	GAAP	Amortization of intangible assets	Restructuring and other charges	Acquisition- related credits (charges)	Defined benefit plan settlement charges	Tax adjustments	Non-operating retirement related (credits) / charges	Non-GAAP
Revenue	\$14,603							\$14,603
Cost of revenue	11,698							11,698
Total OpEx	1,826	(29)	(17)	9				1,789
Operating profit	1,079	29	17	(9)				1,116
Interest and other, net	(831)					784	(21)	(68)
Pre-tax earnings	248	29	17	(9)		784	(21)	1,048
Income tax	931	(6)	(3)	(3)		(1,089)	2	(168)
Tax rate	nm ¹							16.0%
Net earnings	\$1,179	23	14	(12)		(305)	(19)	\$880
Diluted net earnings per share	\$0.78							\$0.58

A description of HP's use of non-GAAP information is provided on slide 3 under "Use of non-GAAP financial information"

NM = Not Meaningful



Thank you

