HP INC. Q1 FY22

Earnings announcement

February 28, 2022
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 ("HP") 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, demand, performance, market share or competitive performance relating to products or services; any statements concerning potential supply constraints, component shortages, manufacturing disruptions or logistics challenges; 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, disputes or other litigation matters; 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; 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; 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 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, reseller and customer landscape; the development and transition of new products and services and the enhancement of existing products and services to meet evolving customer needs and respond to emerging technological trends; successfully competing and maintaining the value proposition of HP's products, including supplies; 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 unfolding situation in Ukraine and related sanctions and 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 or other effects of climate change, 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, 2021, 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 Annual Report on Form 10-K for the fiscal year ended October 31, 2022, HP's Quarterly Reports for the fiscal quarters ended January 31, 2022, April 30, 2022 and July 31, 2022, and HP's other filings with the Securities and Exchange Commission. The forward-looking statements in this presentation are made as of the date of this presentation and HP assumes no obligation and does not intend to update these forward-looking statements. Forward-looking and other statements in this presentation may also address our corporate responsibility progress, plans, and goals (including environmental matters), and the inclusion of such statements is not an indication that these contents are necessarily material to investors or required to be disclosed in HP's filings with the SEC. In addition, historical, current, and forward-looking sustainability-related statements may be based on standards for measuring progress that are still developing, internal controls and processes that continue to evolve, and assumptions that are subject to change in the future.

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. The content of HP's website is not incorporated by reference into this presentation or in any other report or document HP files with the SEC, and any references to HP's website are intended to be inactive textual references only.

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 generally accepted accounting principles ("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, non-GAAP diluted net earnings per share, and other non-GAAP financial measures 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 and the other non-GAAP financial measures that HP uses 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 account 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 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.

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Q1 FY22 highlights

- Net revenue of ***$17.0 billion***, up 8.8% from the prior-year period and up 8.2% in constant currency[1]
- Non-GAAP diluted net earnings per share[2] of ***$1.10***, above the previously provided outlook of $0.99 to $1.05 per share
- GAAP diluted net earnings per share of ***$0.99***, above the previously provided outlook of $0.92 to $0.98 per share
- Free cash flow of ***$1.4 billion***[2,3]
- Returned ***$1.8 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 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 15 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. Free cash flow includes net cash provided by operating activities of $1,657 million adjusted for net investments in leases of $20 million and net investment in property, plant and equipment of $273 million.

Key Growth Areas

Collectively grew revenue double-digit in Q1 FY22

- **Peripherals**
  40% revenue growth across HyperX and HP branded peripherals.
  Leading with cutting edge innovation, including the HyperX Cloud Alpha Wireless headset with up to 300 hours of battery life

- **Gaming**
  20% revenue growth in Personal Systems Gaming.
  Driving innovation with a new breakthrough Omen gaming line-up to keep gamers social, connected and entertained

- **Workforce solutions**
  Driving more integrated offerings across Personal Systems and Print, with growth in Device as a Service (DaaS) offsetting softness in Managed Print Services (MPS)

- **Consumer services**
  Solid Instant Ink performance with over 11M subscribers, growing revenue double-digit

- **Industrial graphics**
  Double-digit revenue growth driven by PageWide and Indigo hardware; labels & packaging impressions up 10%

- **3D**
  Acquisition of Choose Packaging positions HP well to disrupt the $10B fiber-based sustainable packaging market





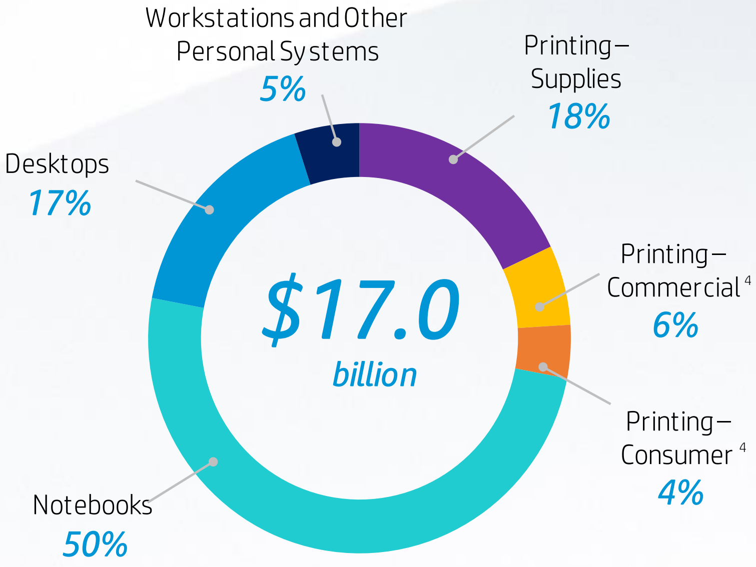

Q1 FY22 results overview

$ 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	$4,831	(4.2)%	(4.6)%	$879	18.2%	$(119)	(1.6) pts
Personal Systems	$12,196	15.0%	14.3%	$957	7.8%	$199	0.7 pts
Corporate Investments / Other	$1	nm[2]	nm[2]	$(337)	nm[2]	$(58)	nm[2]
Total HP	*$17,028*	*8.8%*	*8.2%*	*$1,499*	*8.8%*	*$22*	*(0.6) pts*

1. CC = constant currency; adjusted to exclude the effect of foreign currency exchange fluctuations calculated by translating current period revenues using monthly 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 15 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"

Q1 FY22 mix by segment and region

Net revenue
By key segment and business unit[1]



Personal Systems = 72%
Printing = 28%

Non-GAAP operating profit[2]
By key segment[3]

$ 1.8 billion

Printing *48% of total*	*18.2%* OP margin
Personal Systems *52% of total*	*7.8%* OP margin

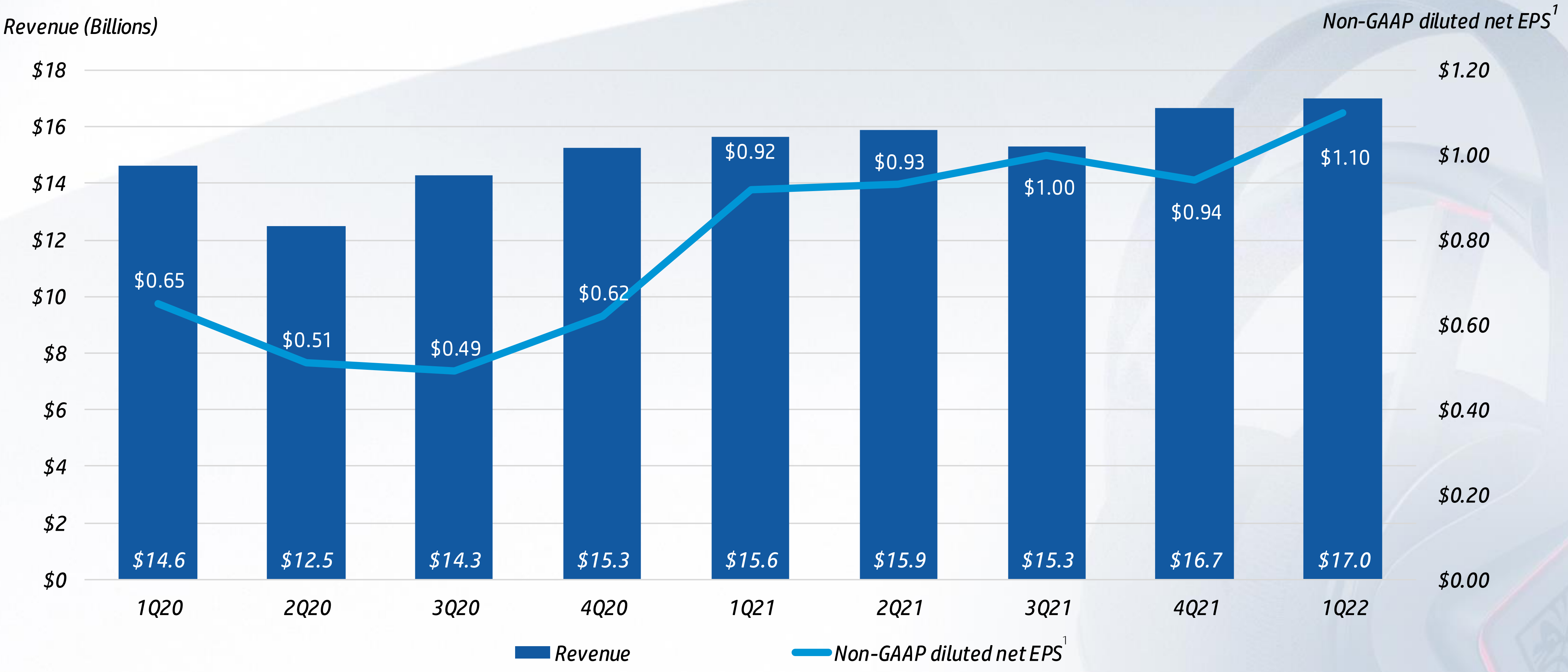
Net revenue by region

Americas	EMEA	APJ
40%	*35%*	*25%*
US: 33% Canada / LA: 7%		
↓ *1% y/y*	↑ *8% y/y*	↑ *30% y/y*
↓ 1% y/y CC[5]	↑ 8% y/y CC[5]	↑ 28% y/y CC[5]

Non-US net revenue = 67% of total net revenue

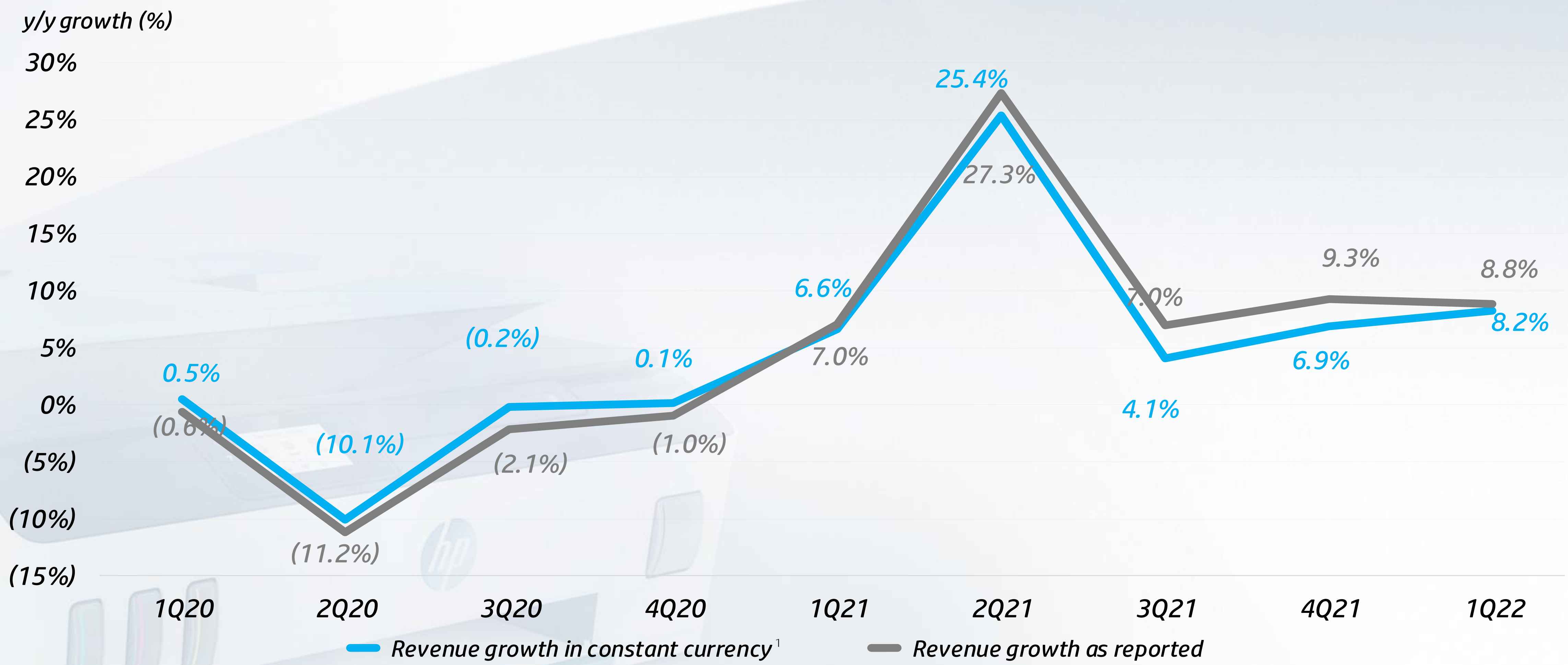
1. Revenue mix calculated based on total segment revenue, which does not include corporate investments and other
2. A reconciliation of specific adjustments to GAAP results for the current period is included on slide 15 and in the GAAP to non-GAAP slides that appear as part of the supplemental slides 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 exchange rates from the comparative period and excluding any hedging impact recognized in the current period

Revenue and non-GAAP diluted net EPS[1] performance



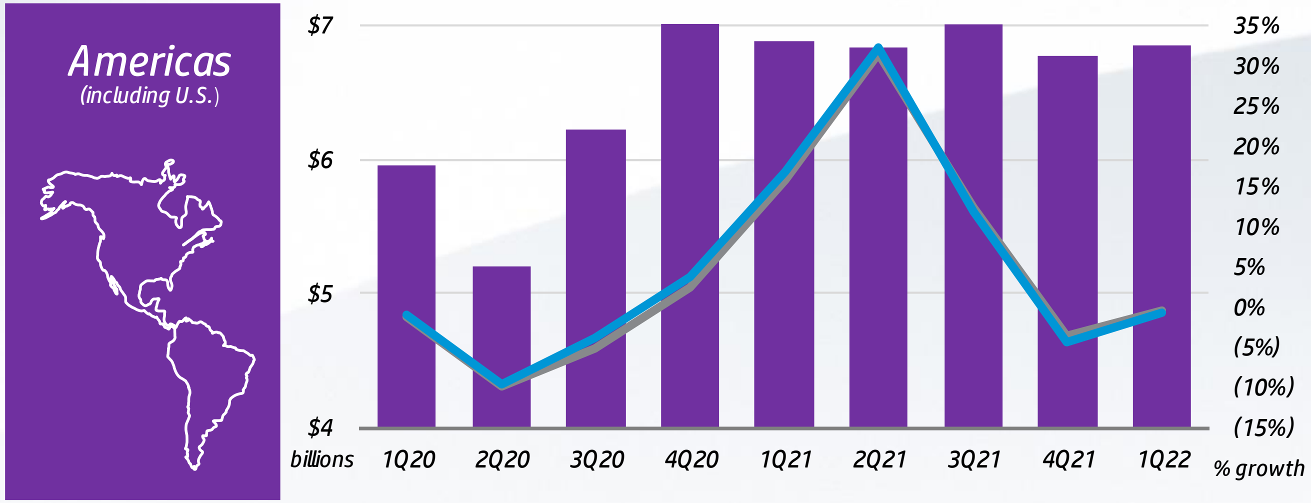
1. A reconciliation of specific adjustments to GAAP results for the current period is included on slide 15 and in the GAAP to non-GAAP slides that appear as part of the supplemental slides of this presentation. A description of HP's use of non-GAAP information is provided on slide 3 under "Use of non-GAAP financial information"

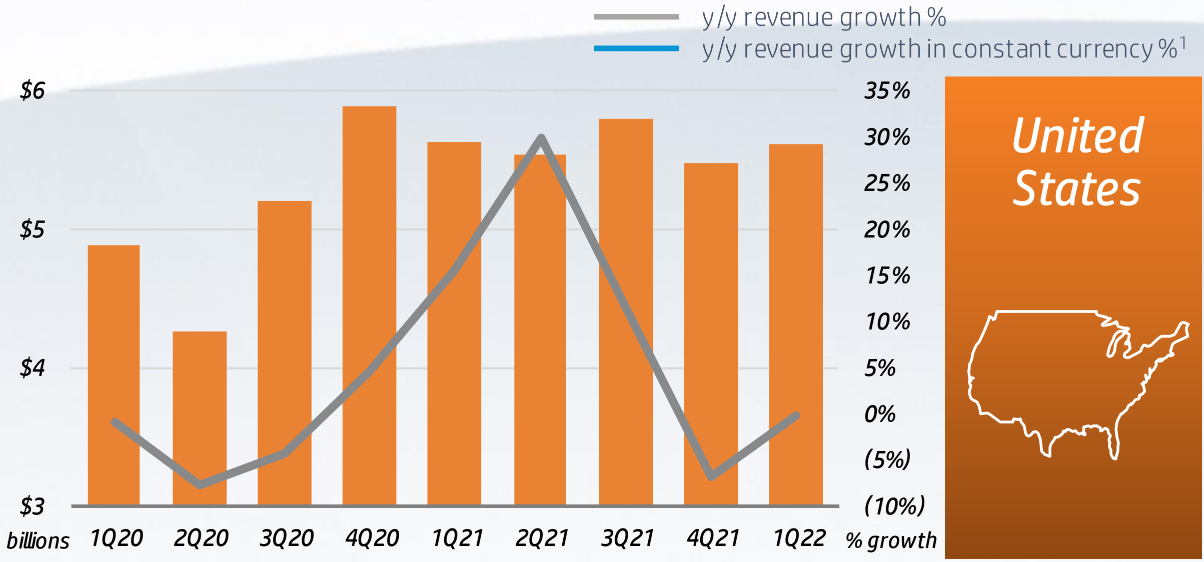
Revenue growth

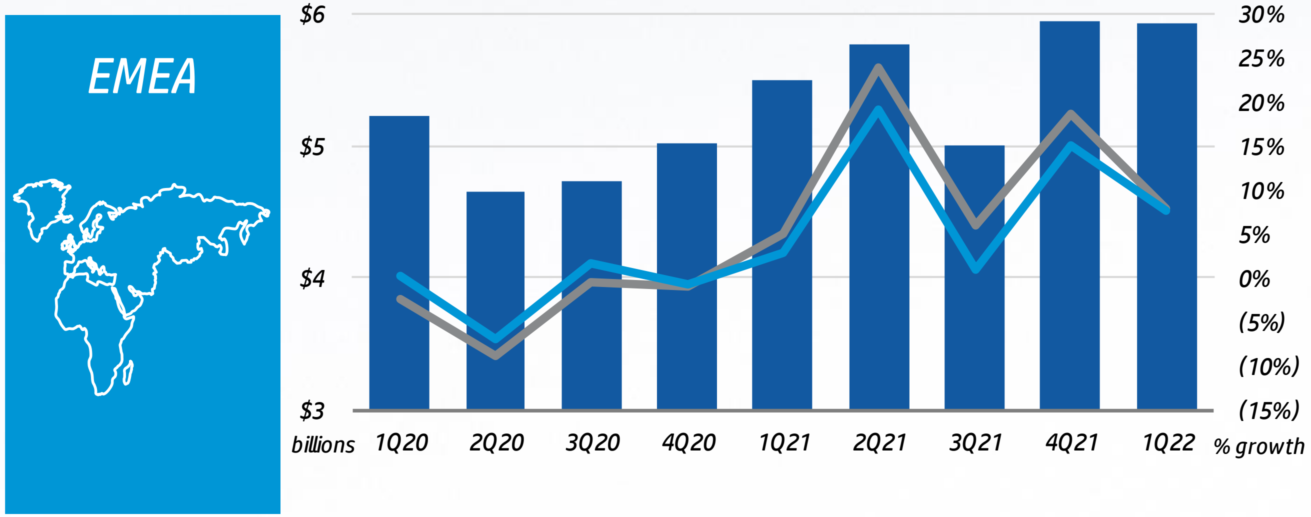


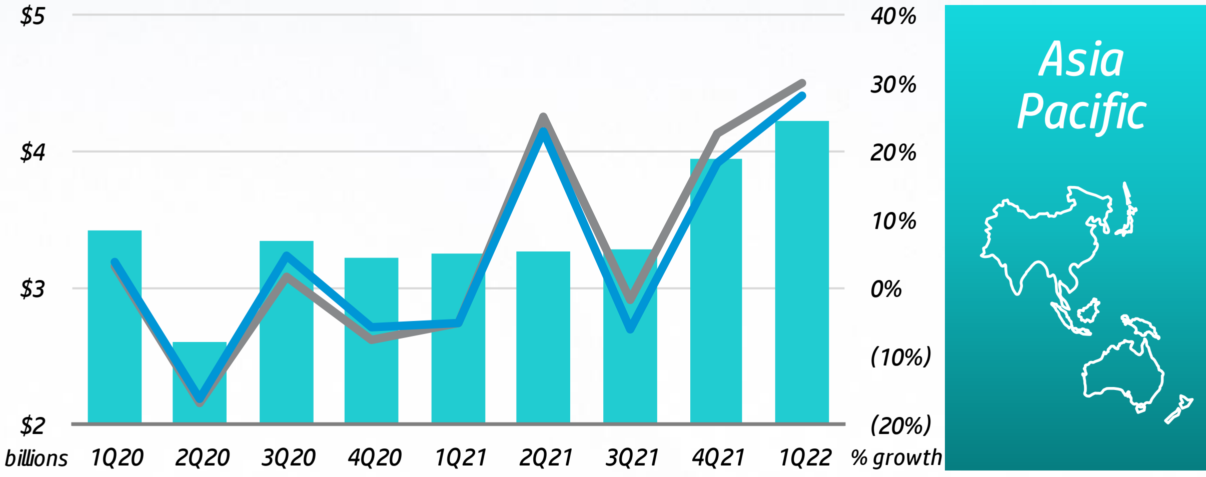
1. Adjusted to exclude the effect of foreign currency exchange fluctuations calculated by translating current period revenues using monthly exchange rates from the comparative period and excluding any hedging impact recognized in the current period

Regional revenue trends









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

Personal Systems

Q1 FY22

Revenue

$12.2 billion

↑ 15% y/y ↑ 14% CC[1]

Operating profit

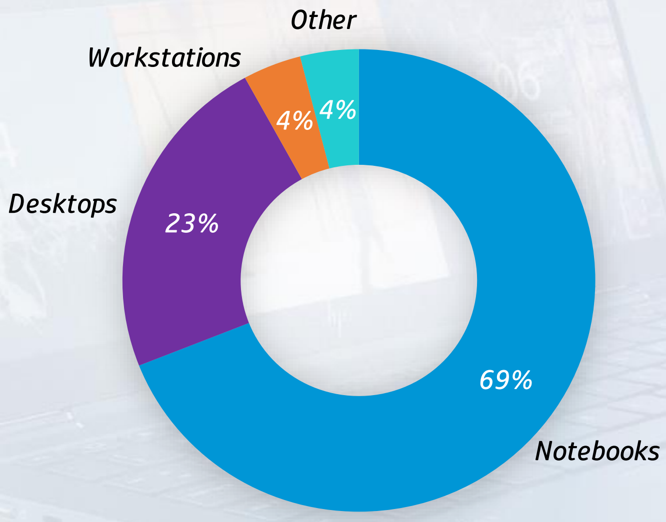
$957 million

7.8% of revenue

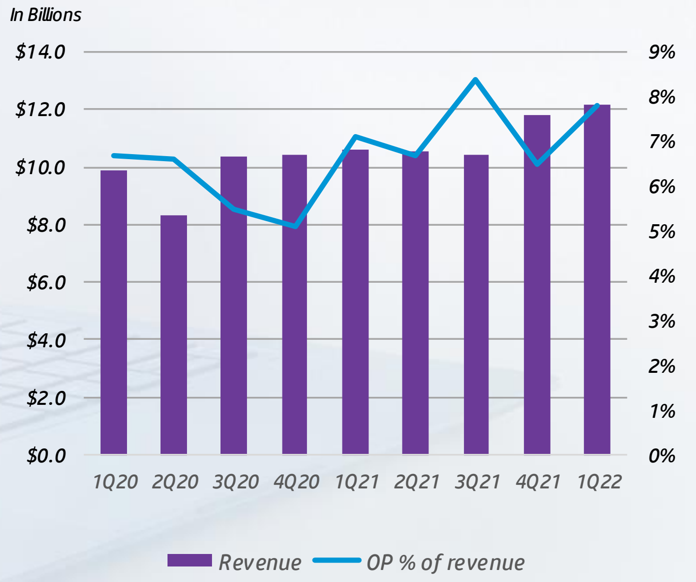
Key messages

- Record revenue and operating profit since separation
- Commercial revenue up 26% with strong double-digit ASPs and Windows units growth
- Double-digit revenue growth in high value categories, including gaming, premium, workstations, peripherals and DaaS
- Innovation: Launched nearly 50 new devices at CES focused on improving digital experiences for customers; HP received 73 CES Awards

Revenue breakdown



Revenue and OP % trend



Key metrics

Total units down 6% y/y

Notebooks revenue up 14% y/y, units down 9% y/y

Desktops revenue up 17% y/y, units up 3% y/y

Commercial revenue up 26% y/y

Consumer revenue down 1% y/y

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

Printing
Q1 FY22

Revenue

$4.8 billion

↓ 4% y/y ↓ 5% CC[1]

Operating profit

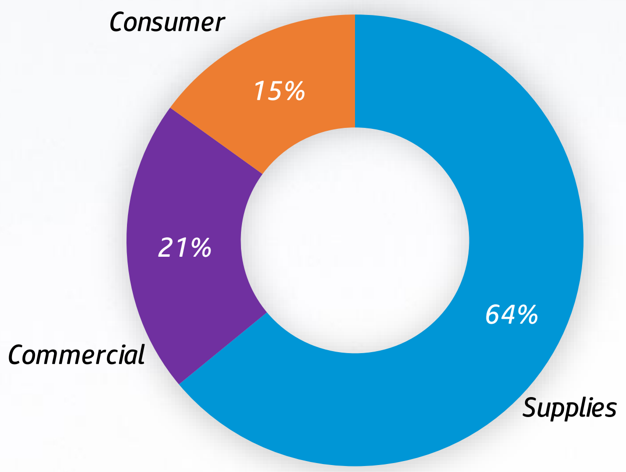
$879 million

18.2% of revenue

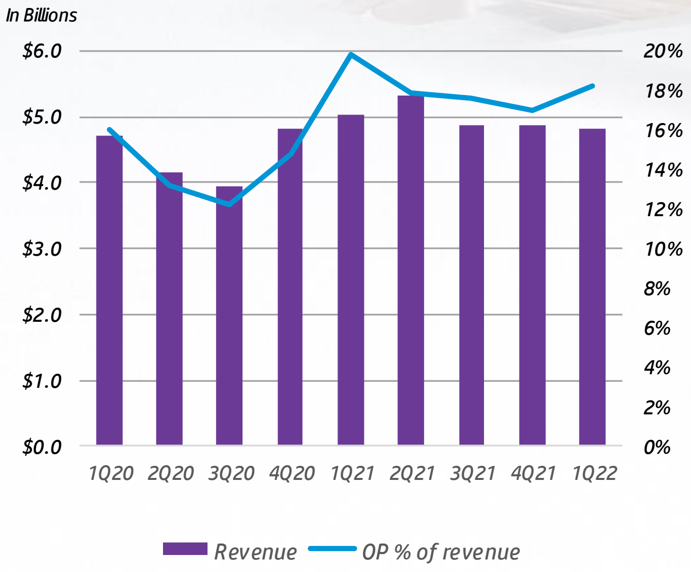
Key messages

- Consumer: Strong customer demand with Home Hardware ASPs up 10% y/y and backlog increasing q/q
- Commercial: Ongoing recovery in Office print with q/q increases in share and backlog
- Innovation: HP+ continues to drive adoption of Instant Ink, with an expanded line-up, including Envy Inspire 7000 series – HP's best and most versatile home printer and new global launch of LaserJet 100 series

Revenue breakdown



Revenue and OP % trend



Key metrics

Supplies revenue down 2%, (down 3% CC[1]) y/y

Total Hardware units down 28% y/y

Commercial[2] revenue up 9% y/y

Consumer[2] revenue down 23% y/y

1. CC = constant currency; adjusted to exclude the effect of foreign currency exchange fluctuations calculated by translating current period revenues using monthly 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

Accelerating our ESG impact

Our ambition is to become the world's most sustainable and just technology company by 2030

Climate Action

- Achieved goal to reduce HP product use GHG emissions intensity by ***30%***[1]
- Procured and generated ***51%*** renewable electricity in global operations
- Reached ***41%*** product and packaging circularity by weight[2]
- ***2.86 million pounds*** of ocean-bound plastic used in HP products since 2016[3]
- ***19%*** reduction in single-use plastic packaging[4]

Human Rights

- Overall economic impact from HP's supplier diversity program was ***$1 billion*** in 2020—up 43% from 2019[5]
- ***312,000*** factory workers have participated in empowerment programs since 2015—62% of the way to our goal
- Factory participation in supply chain sustainability programs increased by ***13%*** compared to our 2015 baseline
- Completion rate for Integrity at HP—our annual employee training—was ***99.1%***[6]

Digital Equity

- ***50+ million*** students and adult learners have benefited from HP's education programs and solutions since the beginning of 2015
- ***210%*** increase in enrollments in HP LIFE from 2019
- ***127,000 volunteer hours*** were contributed by ***6,650 HP employees*** in 2020 alone
- Total charitable contributions by HP, our employees and the HP Foundation exceeded ***$30 million*** in 2020

Continued leadership

CDP
DISCLOSURE INSIGHT ACTION
A LIST
2021
CLIMATE WATER FORESTS

Member of
Dow Jones
Sustainability Indices
Powered by the S&P Global CSA

AMERICA'S MOST RESPONSIBLE COMPANIES 2022
Newsweek
statista

AMERICA'S MOST JUST COMPANIES
CNBC
2022

Competitive advantage

$3.5 billion

New sales in FY21 where sustainability was an influencing factor[7]

$1 billion

Sustainability notes to empower ESG investors in 2021

51,000

Employees now able to set a Sustainable Impact goal

Note: Information is as of October 31, 2020, unless otherwise stated. Please refer to Slide 20 for footnote references.

Non-GAAP[1] financial information

$ in millions, except per share amounts	Q1 FY22		Q4 FY21[2]		Q1 FY21	
Revenue	$17,028		$16,675		$15,646	
Cost of revenue	13,643	80.1%	13,410	80.4%	12,322	78.8%
Total OpEx	1,886	11.1%	1,919	11.5%	1,847	11.8%
Operating profit	$1,499	8.8%	$1,346	8.1%	$1,477	9.4%
Interest and other, net	(66)		(64)		(63)	
Pre-tax earnings	1,433	8.4%	1,282	7.7%	1,414	9.0%
Income tax	(230)		(206)		(226)	
Net earnings	1,203	7.1%	1,076	6.5%	1,188	7.6%
Diluted net earnings per share	$1.10		$0.94		$0.92	

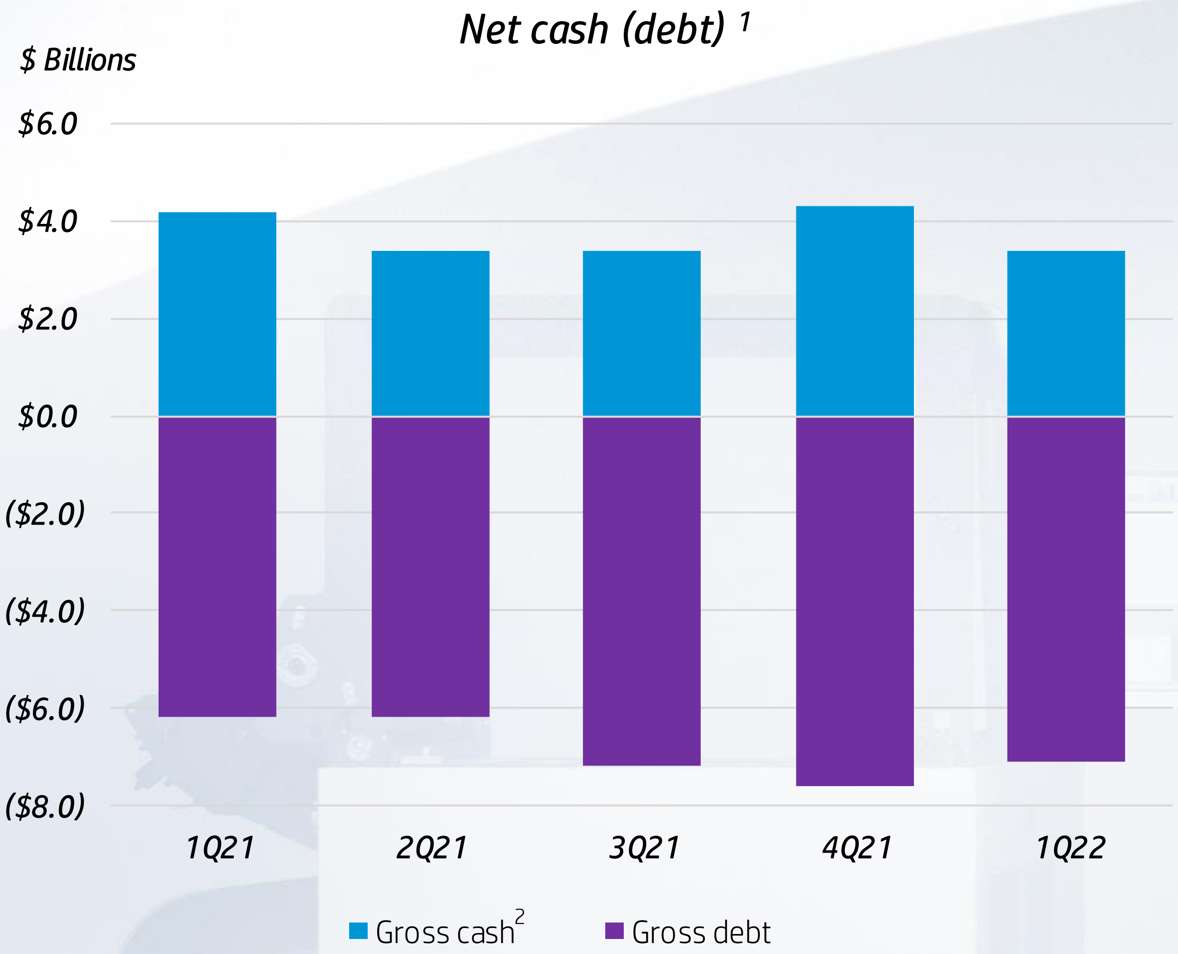
1. A reconciliation of specific adjustments to GAAP results for the current period is included on slide 15 and in the GAAP to non-GAAP slides that appear as part of the supplemental slides of this presentation. A description of HP's use of non-GAAP information is provided on slide 3 under "Use of non-GAAP financial information"
2. Q4FY21 Non-GAAP net earnings and diluted net earnings per share excludes an impact of $1,771 million and $1.55 respectively for one-time Oracle Corporation ("Oracle") litigation proceeds.

Q1 FY22 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	*$17,028*						*$17,028*
Cost of revenue	*13,643*						*13,643*
Total OpEx	*2,026*	(52)	(68)	(20)			*1,886*
Operating profit	*1,359*	52	68	20			*1,499*
Interest and other, net	*(32)*					(34)	*(66)*
Pre-tax earnings	*1,327*	52	68	20		(34)	*1,433*
Income tax	*(241)*	(10)	(12)	(3)	30	6	*(230)*
Tax rate	*18.2%*						*16.0%*
Net earnings	*$1,086*	42	56	17	30	(28)	*$1,203*
Diluted net earnings per share	*$0.99*						*$1.10*

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

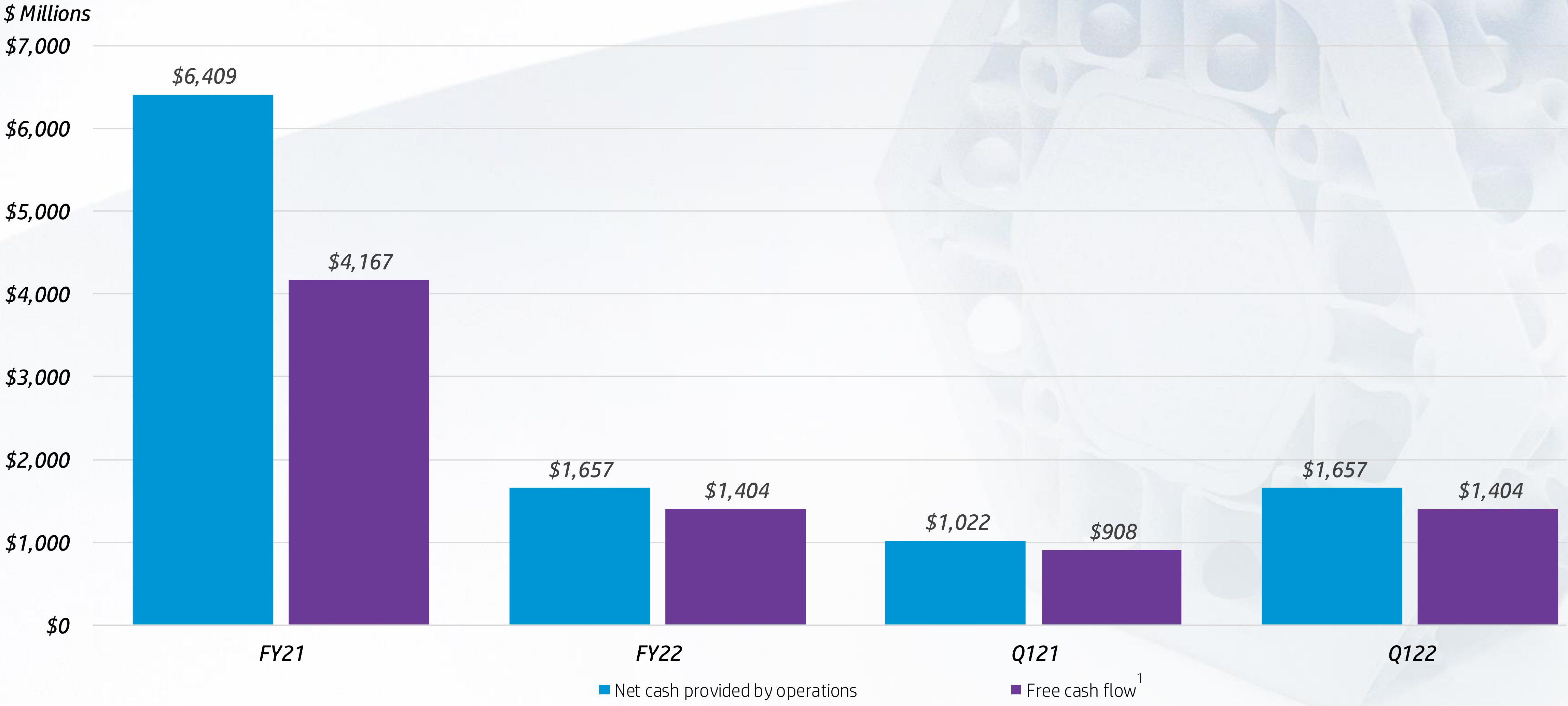
Select cash and debt balances



$ Billions	1Q21	2Q21	3Q21	4Q21	1Q22
Gross cash[2]	4.2	3.4	3.4	4.3	3.4
Gross debt	6.2	6.2	7.2	7.6	7.1
Net cash (debt)[1,3]	(2.1)	(2.8)	(3.7)	(3.3)	(3.7)

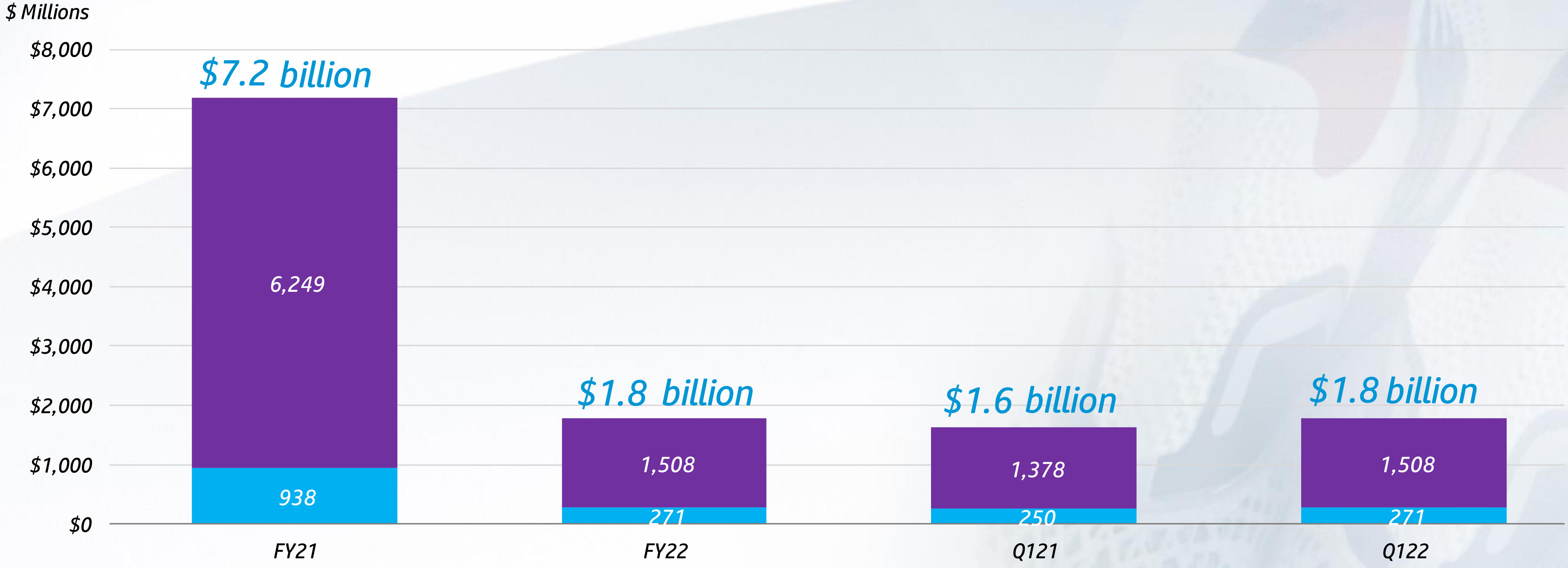
1. Net cash (debt) is defined as gross cash less gross debt after adjusting the effect of unamortized premium/discount on debt issuance, debt issuance costs and gains/losses on interest rate swaps
2. Gross cash includes cash and cash equivalents, short-term investments, and certain liquid long-term investments
3. Numbers may not foot due to rounding

Cash flow



1. Free cash flow includes net cash provided by operating activities adjusted for net investments in leases, net investments in property, plant and equipment and the net impact of the one-time Oracle litigation proceeds received during the fourth quarter of fiscal 2021

Shareholder return



	FY21	FY22	Q121	Q122
Shares repurchased	224.3 million	42.6 million	60.2 million	42.6 million
Dividend per share	$0.7752	$0.2500	$0.1938	$0.2500

■ Dividend payment ■ Share repurchase

Outlook

Q2 FY22 net EPS guidance	
GAAP diluted net EPS	$0.95 – $1.01
Non-GAAP diluted net EPS[1]	$1.02 – $1.08

FY22 net EPS guidance	
GAAP diluted net EPS	$3.87 – $4.07
Non-GAAP diluted net EPS[1]	$4.18 – $4.38

FY22 Free Cash Flow Guidance	
Free Cash Flow[2]	At least $4.5 Billion

1. Second quarter and fiscal 2022 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. Free cash flow = Net cash provided by operations adjusted for net investment in leases and net investment in property, plant, and equipment

Accelerating our ESG impact (Footnotes for Slide 13)

[1] Product use GHG emissions intensity describes the performance of our portfolio, taking into account changes to product mix and business growth. HP product use GHG emissions intensity measures per unit GHG emissions during anticipated product lifetime use. These values are then weighted by contribution of personal systems and printing products to overall revenue in the current year. These emissions represent more than 99% of HP product units shipped each year, including notebooks, tablets, desktops, mobile computing devices, workstations, displays, and digital signage; HP inkjet, LaserJet, DesignJet, Indigo, Scitex, and Jet Fusion 3D printers; and scanners.

[2] Percentage of HP's total annual product and packaging content, by weight, that comes from recycled and renewable materials and reused products and parts. 2020 data does not include the following products or packaging for these products: commercial, industrial, or 3D printing products; scanners; personal systems accessories sold separately; spare parts; or the weight of ink and toner in cartridges.

[3] As of Q4 FY21.

[4] Reached 19% reduction in 2020 from average of 221 grams/unit in 2018 to 180 grams/unit in 2020, toward goal to eliminate 75% of single-use plastic packaging by 2025, compared to 2018. Calculated as the percentage of primary plastic packaging (by weight) reduced per unit shipped. Excludes secondary and tertiary packaging components. Includes HP personal systems and printer hardware packaging. Does not include packaging for the following: Graphics Solutions hardware other than PageWide XL and DesignJet printers; 3D printing hardware; print supplies; refurbished products; and accessories such as third-party options, drop in box, and aftermarket options.

[5] Goods and services produced by HP's diverse suppliers and their supply chains.

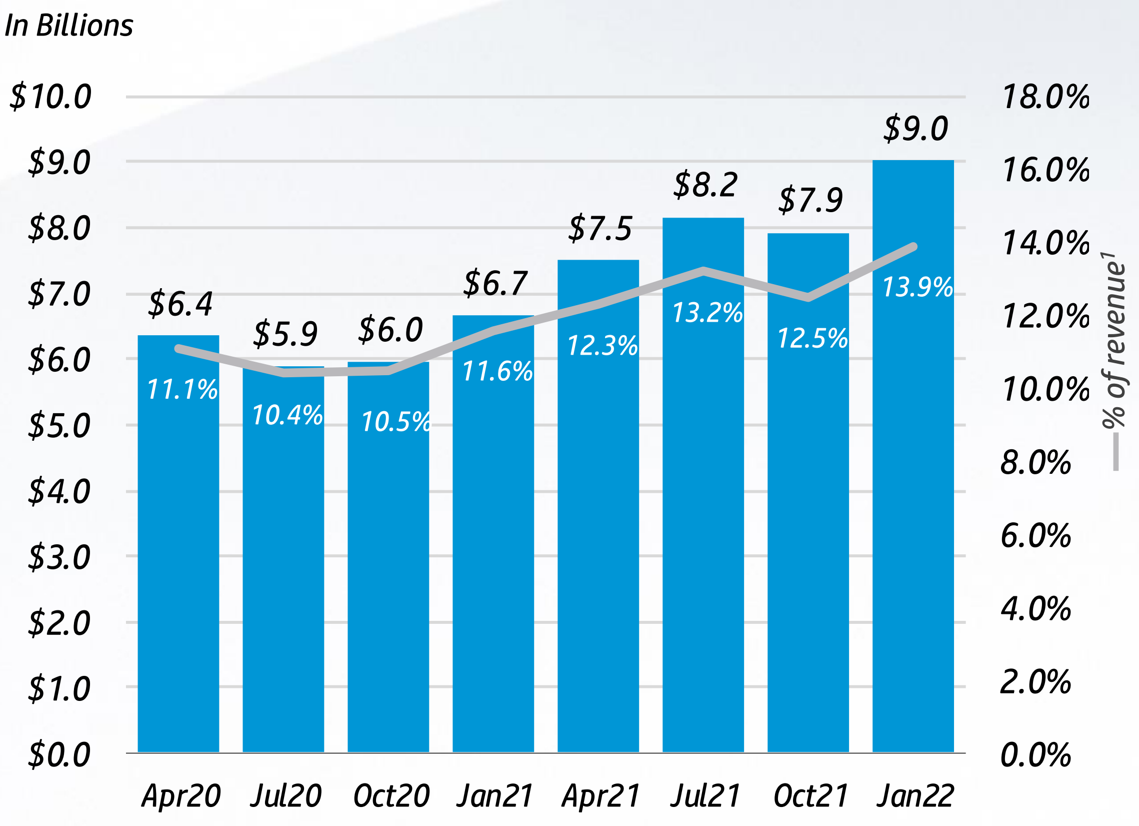
[6] Excludes new hires joining HP after April 1, 2020 (although all new hires are given 30 days to complete Integrity at HP New Hire training as part of their mandatory onboarding process).

[7] In 2021, we tracked over $3.5 billion in new sales (total contract value) in which sustainability criteria were a known consideration and were supported actively by HP's Sustainability and Compliance organization and Commercial organization.

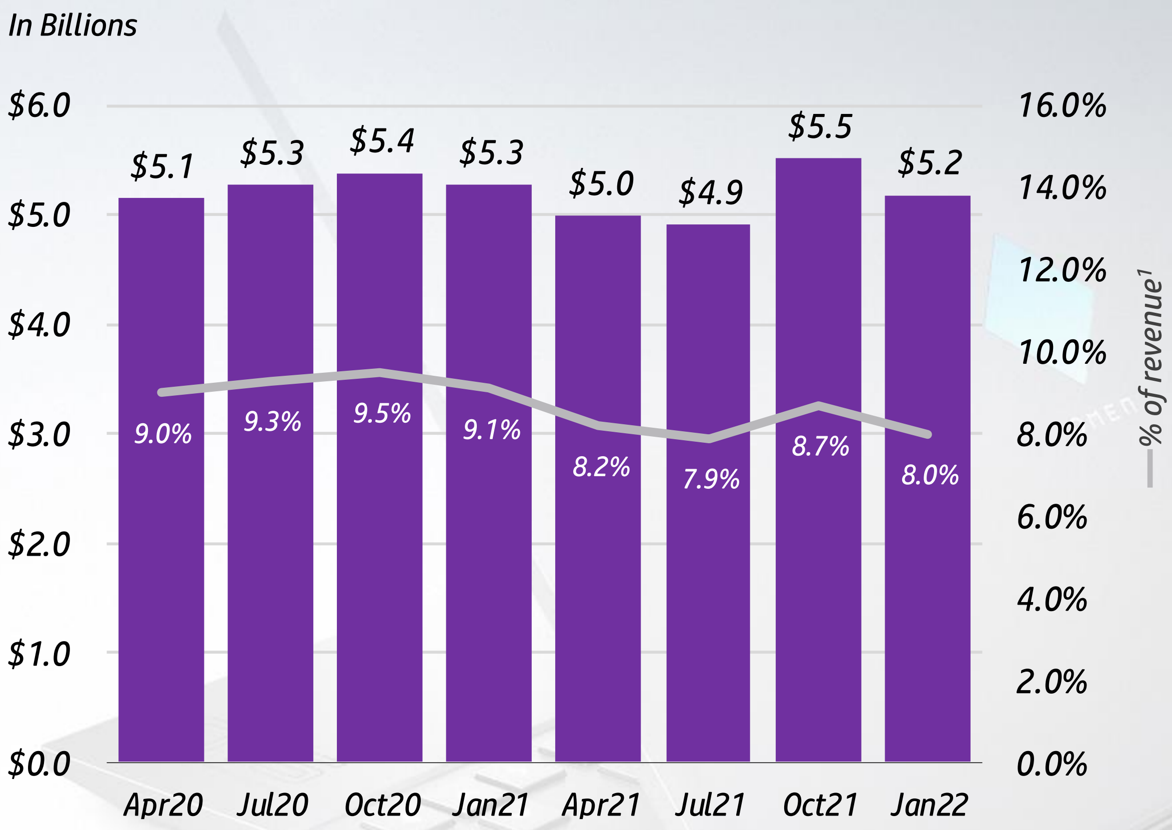
Supplemental slides

Inventory and accounts receivable

Inventory

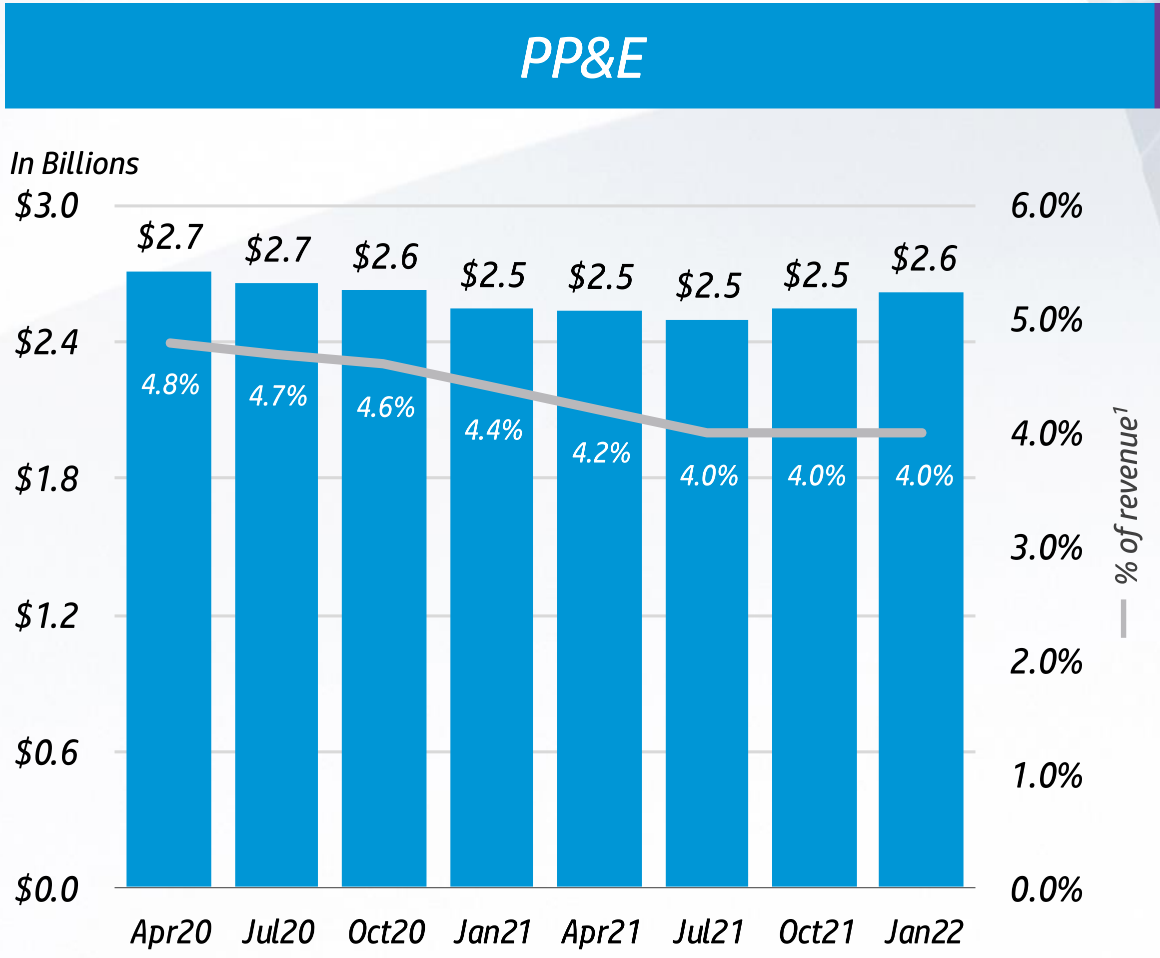


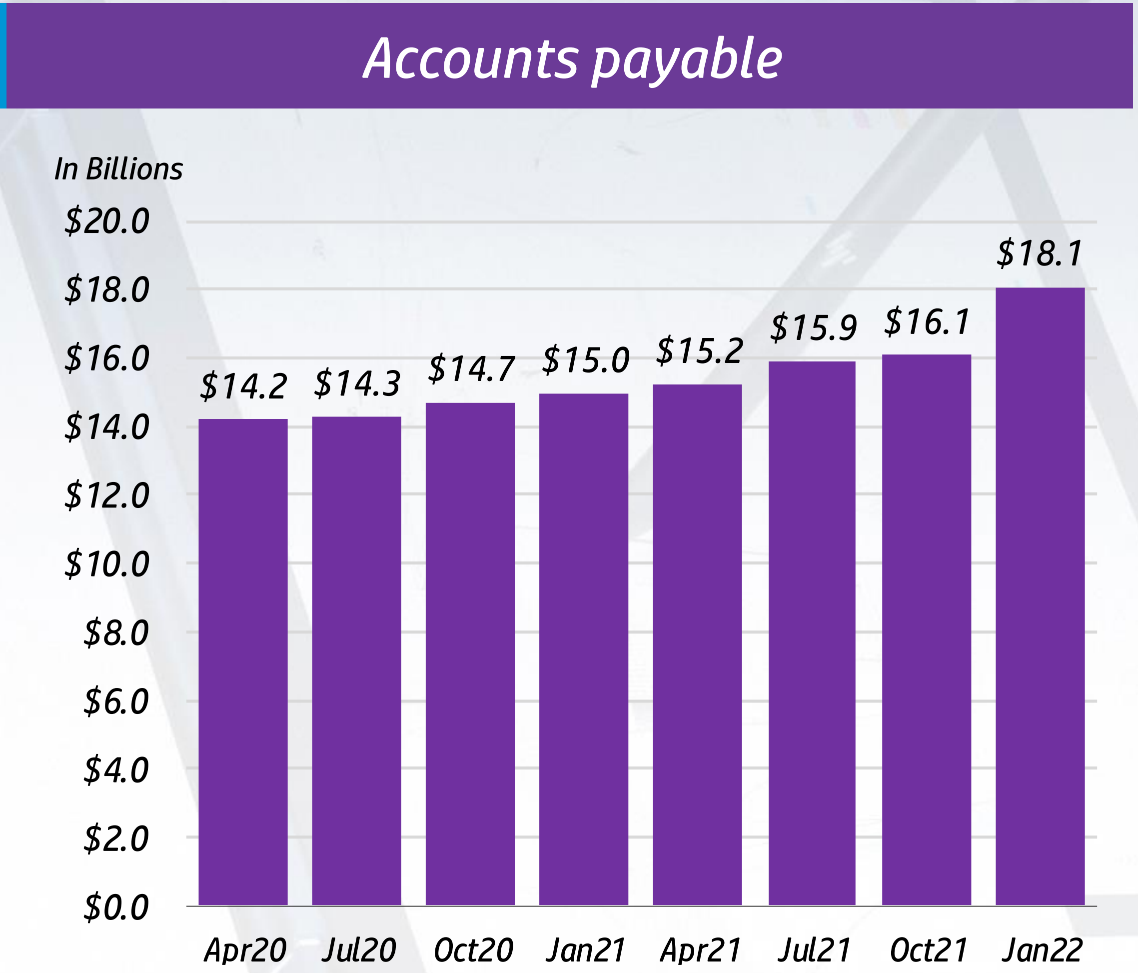
Accounts receivable



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

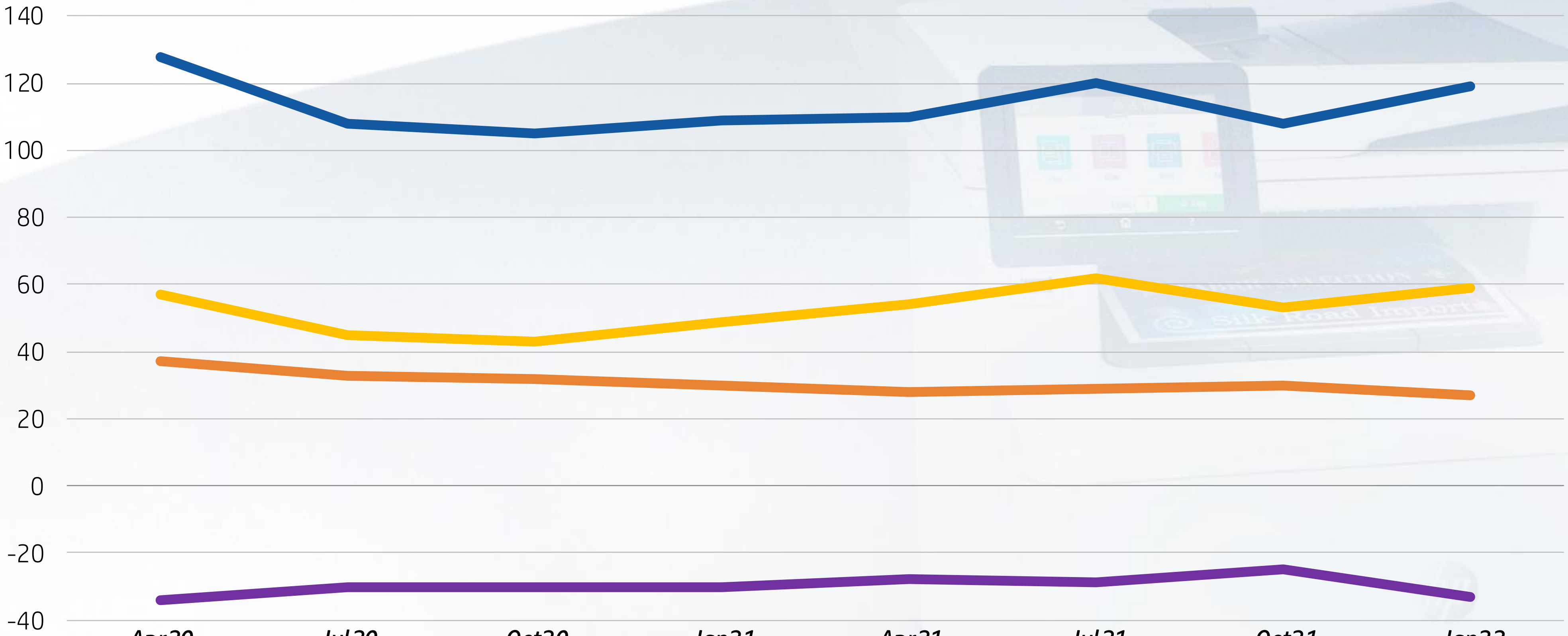
PP&E and accounts payable





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

Working capital metrics



	Apr20	Jul20	Oct20	Jan21	Apr21	Jul21	Oct21	Jan22
Days receivables	*37*	*33*	*32*	*30*	*28*	*29*	*30*	*27*
Days inventory	*57*	*45*	*43*	*49*	*54*	*62*	*53*	*59*
Days payable	*128*	*108*	*105*	*109*	*110*	*120*	*108*	*119*
Cash conversion cycle[1]	*-34*	*-30*	*-30*	*-30*	*-28*	*-29*	*-25*	*-33*

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

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	Defined benefit plan settlement (gains)/ charges	Tax adjustments	Oracle litigation proceeds	Non-operating retirement related (credits) / charges	Non-GAAP
Revenue	$63,487									$63,487
Cost of revenue	50,070									50,070
Total OpEx	8,115	(154)	(245)	(68)						7,648
Operating profit	5,302	154	245	68						5,769
Interest and other, net	2,209				16	(37)		(2,304)	(153)	(269)
Pre-tax earnings	7,511	154	245	68	16	(37)		(2,304)	(153)	5,500
Income tax	(1,008)	(29)	(50)	(11)	(3)	6	(326)	533	8	(880)
Tax rate	13.4%									16.0%
Net earnings	$6,503	125	195	57	13	(31)	(326)	(1,771)	(145)	$4,620
Diluted net earnings per share	$5.33									$3.79

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

Q4 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	Defined benefit plan settlement (gains)/ charges	Tax adjustments	Oracle litigation proceeds	Non-operating retirement related (credits) / charges	Non-GAAP
Revenue	$16,675								$16,675
Cost of revenue	13,410								13,410
Total OpEx	2,027	(51)	(29)	(28)					1,919
Operating profit	1,238	51	29	28					1,346
Interest and other, net	2,315				(37)		(2,304)	(38)	(64)
Pre-tax earnings	3,553	51	29	28	(37)		(2,304)	(38)	1,282
Income tax	(454)	(9)	(5)	(5)	6	(279)	533	7	(206)
Tax rate	12.8%								16.0%
Net earnings	$3,099	42	24	23	(31)	(279)	(1,771)	(31)	$1,076
Diluted net earnings per share	$2.71								$0.94

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"

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*

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

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

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

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

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

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

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

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"

Thank you