



HP INC. Q4 FY19

EARNINGS ANNOUNCEMENT

November 26, 2019
<http://investor.hp.com>



Forward-looking statements

This presentation contains forward-looking statements that involve risks, uncertainties and assumptions. 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 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; any statements of the plans, strategies and objectives of management for future operations, including, but not limited to, our business model and digital transformation, our sustainability goals, our go-to-market strategy, the execution of restructuring plans and any resulting cost savings, net revenue or profitability improvements; 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.

Risks, uncertainties and assumptions include 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, business model changes and digital 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; successfully competing and maintaining the value proposition of HP’s products, including supplies; the impact of macroeconomic and geopolitical trends and events; the need to manage third-party suppliers, 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; the protection of HP’s intellectual property assets, including intellectual property licensed from third parties; risks associated with HP’s international operations; 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; the execution and performance of contracts by HP and its suppliers, customers, clients and partners; the hiring and retention of key employees; 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 impact of changes in tax laws, including uncertainties related to the interpretation and application of the Tax Cuts and Jobs Act of 2017 on HP’s tax obligations and effective tax rate; the resolution of pending 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, 2018 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 Reports on Form 10-K for the fiscal years ended October 31, 2019 and October 31, 2020, Quarterly Report on Form 10-Q for the fiscal quarter ended January 31, 2020 and HP’s other filings with the Securities and Exchange Commission. HP assumes no obligation and does not intend to update these forward-looking statements. HP’s Investor Relations website at <http://www.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 news release or in any other report or document we file 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 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 expense, 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 net capital expenditures, 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 <http://www.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.

Q4 FY19 highlights

- Net revenue of **\$15.4 billion**, up 0.3% from the prior-year period and up 1.8% in constant currency¹
- Non-GAAP diluted net earnings per share² of **\$0.60**, above the previously provided outlook of \$0.55 to \$0.59 per share
- GAAP diluted net earnings per share of **\$0.26**, below the previously provided outlook of \$0.51 to \$0.55 per share
- Free cash flow of **\$0.4 billion**^{2,3}
- Returned **\$0.7 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 16 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 operations of \$588 million less net investments in and proceeds from sales of property, plant and equipment of \$196 million

FY19 highlights

- Net revenue of **\$58.8 billion**, up 0.5% from the prior-year period and up 2.0% in constant currency¹
- Non-GAAP diluted net earnings per share² of **\$2.24**, above the previously provided outlook of \$2.18 to \$2.22 per share
- GAAP diluted net earnings per share of **\$2.07**, below the previously provided outlook of \$2.31 to \$2.35 per share
- Free cash flow of **\$4.0 billion**^{2,3}
- Returned **\$3.4 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

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3. Free cash flow includes net cash provided by operations of \$4,654 million and net investments in and proceeds from sales of property, plant and equipment of \$671 million

Q4 FY19 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	\$4,982	(6.0)%	(5.1)%	\$777	15.6%	(\$72)	(0.4) pts
Personal Systems	\$10,426	3.6%	5.4%	\$556	5.3%	\$180	1.6 pts
Corp investments / Other	\$(1)	nm ²	nm ²	(\$203)	nm ²	(\$58)	nm ²
Total HP	\$15,407	0.3%	1.8%	\$1,130	7.3%	\$50	0.3 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 16 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"

FY19 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	\$20,066	(3.6)%	(3.0)%	\$3,202	16.0%	\$(112)	0.1 pts
Personal Systems	\$38,694	2.7%	4.9%	\$1,898	4.9%	\$496	1.2 pts
Corp investments / Other	\$(4)	nm ²	nm ²	(\$797)	nm ²	(\$247)	nm ²
Total HP	\$58,756	0.5%	2.0%	\$4,303	7.3%	\$137	0.2 pts

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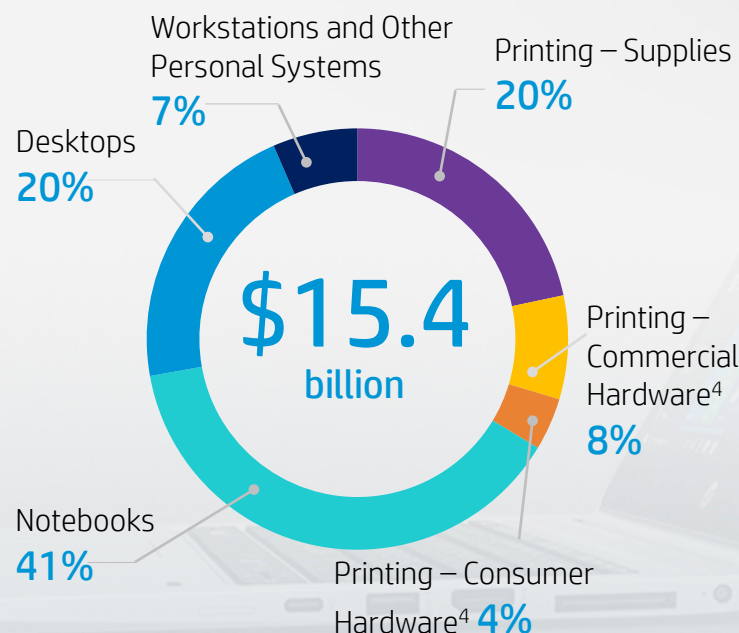
2. Not meaningful

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Q4 FY19 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

\$1.3 billion

Printing
58% of total

15.6%
OP margin

Personal Systems
42% of total

5.3%
OP margin

Net revenue by region



Americas
44%

US: 37%
Canada / LA: 7%

↔ flat y/y

↑ 1% y/y CC⁵

EMEA
33%

↓ 3% y/y

↔ flat y/y CC⁵

APJ
23%

↑ 5% y/y

↑ 7% y/y CC⁵

Non-US net revenue = **63%** of total net revenue

1. Revenue mix calculated based on total segment revenue, which does not include corporate investments and other

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3. Operating profit mix calculated based on total segment operating profit, which does not include corporate investments and other

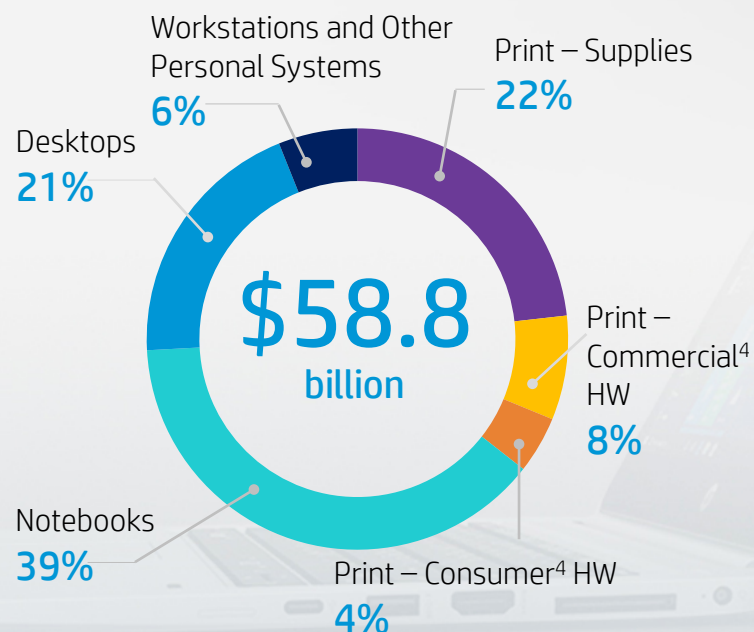
4. Commercial hardware includes Office Printing Solutions including Samsung-branded commercial products and OEM hardware, Graphics Solutions and 3D Printing and digital manufacturing, excluding supplies. Consumer hardware includes Home Printing Solutions including Samsung-branded consumer products, excluding 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

FY19 mix by segment and region

Net revenue

By key segment and business unit¹



Personal Systems = 66%
Printing = 34%

Non-GAAP operating profit²

By key segment³

\$5.1 billion

Printing
63% of total

16.0%
OP margin

Personal Systems
37% of total

4.9%
OP margin

Net revenue by region



Americas
42%

US: 35%
Canada / LA: 7%

↓ 2% y/y
↓ 1% y/y CC⁵

EMEA
35%

↓ 1% y/y
↑ 1% y/y CC⁵

APJ
23%

↑ 7% y/y
↑ 10% y/y CC⁵

Non-US net revenue = **65%** of total net revenue

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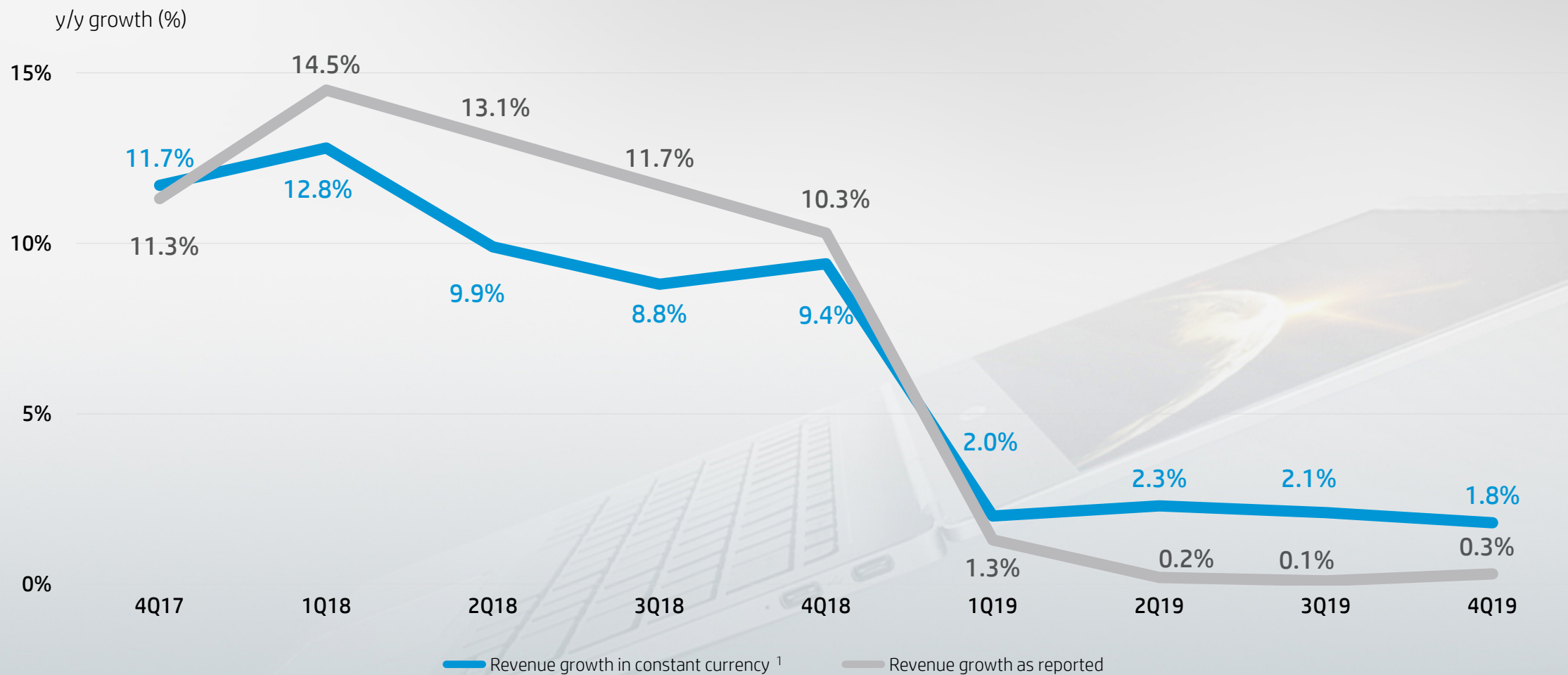
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Revenue and non-GAAP diluted net EPS¹ performance



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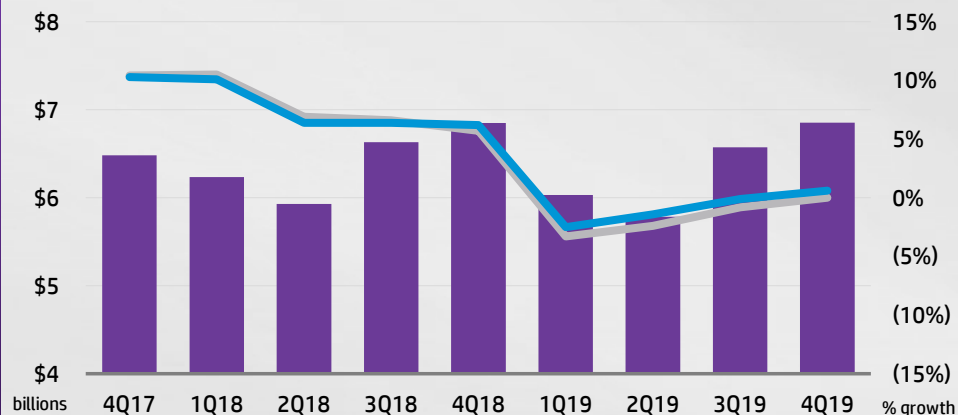
Revenue growth



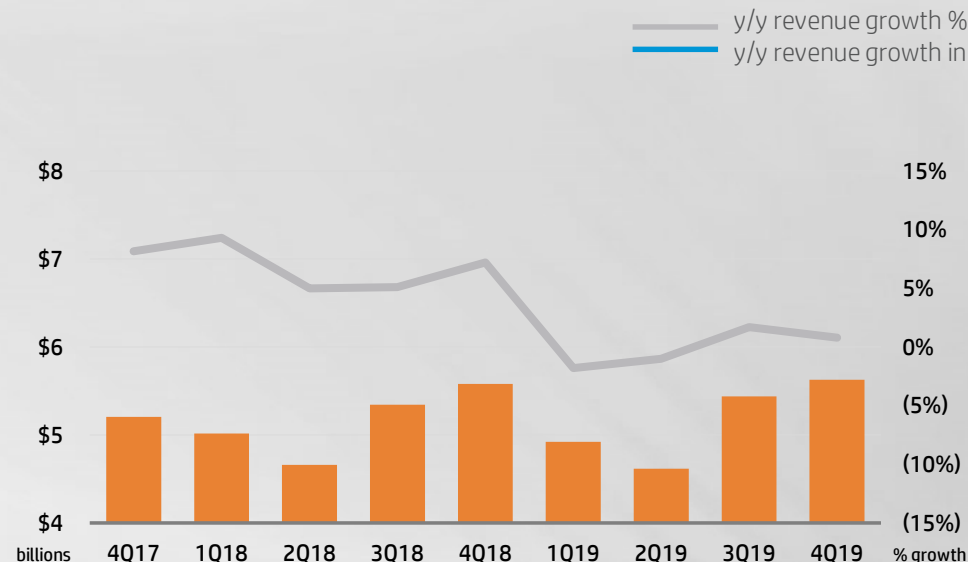
1. Adjusted to exclude the effect of foreign currency exchange fluctuations calculated by translating current period revenues using monthly average exchange rates from the comparative period and excluding any hedging impact recognized in the current period

Regional revenue trends

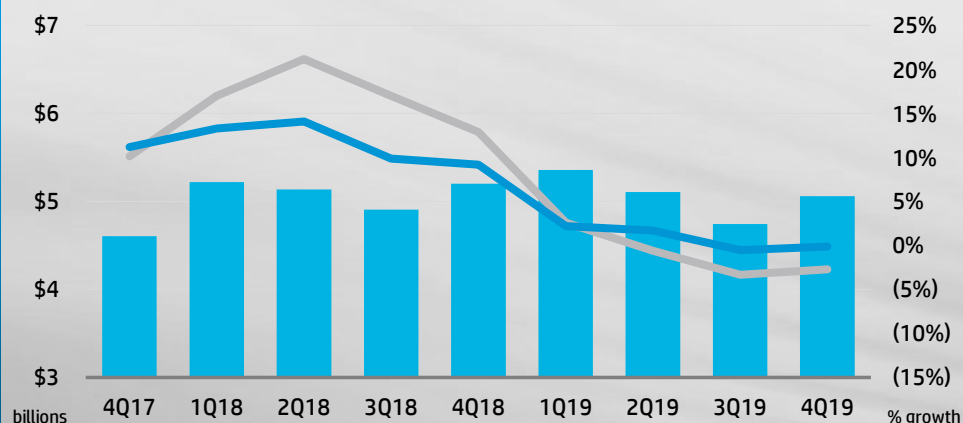
Americas (including U.S.)



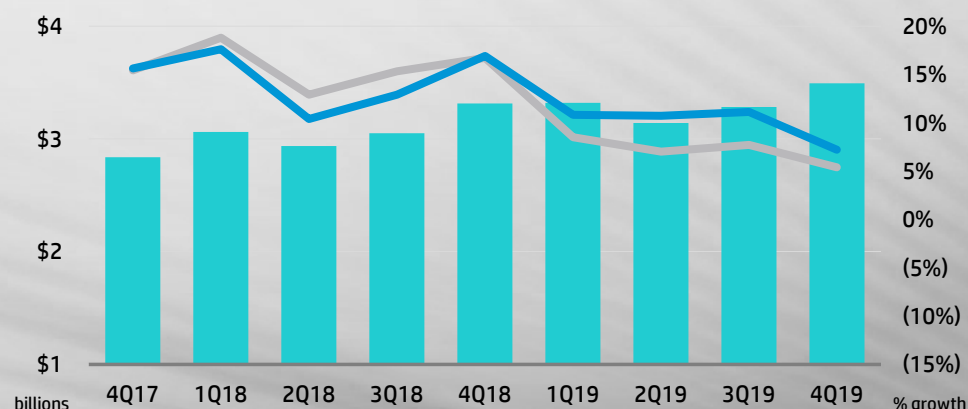
United States



EMEA



Asia Pacific



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

Q4 FY19



Revenue

\$10.4 billion

↑ 4% y/y ↑ 5% CC¹

Operating profit

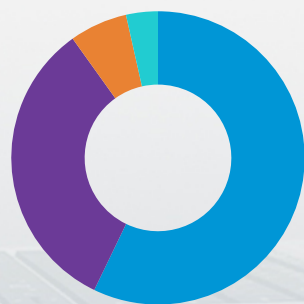
\$556 million

5.3% of revenue

Key messages

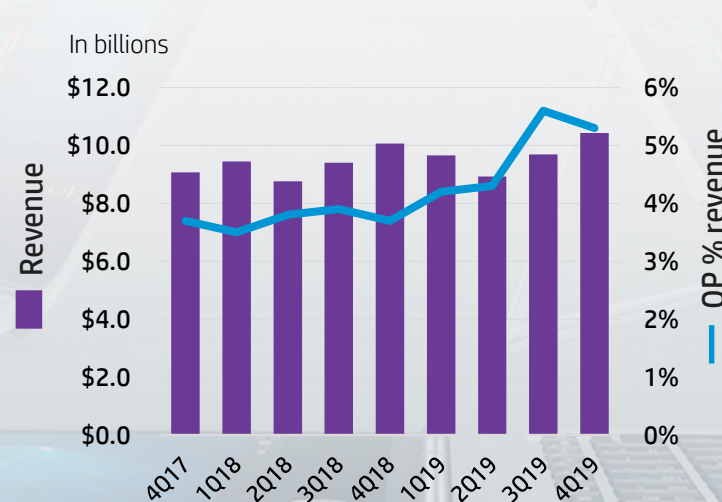
- Continued y/y revenue growth driven by commercial, with a focus on innovation across the portfolio
- Consistent operational execution
- Innovation: Launched new products which include the new HP Elite Dragonfly² - the world's lightest compact business convertible made from Ocean-bound plastics, the Spectre x360 13 and the new HPEliteDesk 705 G5 Desktop Mini PC.

Revenue breakdown



Notebooks	60%
Desktops	30%
Workstations	6%
Other	4%

Revenue and OP % trend



Key metrics

Total units up **8%** y/y

Notebooks revenue up **2%** y/y,
units up **9%** y/y

Desktops revenue up **5%** y/y,
units up **5%** y/y

Commercial revenue up **8%** y/y

Consumer revenue down **4%** 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

2. Based on compact business convertibles with 8th Gen Intel® Core™ vPro® U series processor, Windows Pro OS, vPro™ and a convertible non-detachable under 59 cubic inches as of August 2019. Notebook speaker enclosure component made with 5% ocean-bound plastic as of August 2019

Printing

Q4 FY19



Revenue

\$5.0 billion

↓6% y/y ↓5% CC¹

Operating profit

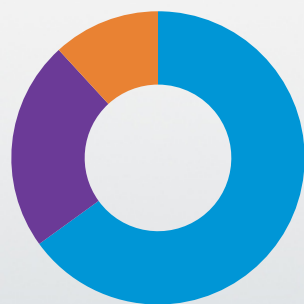
\$777 million

15.6% of revenue

Key
messages

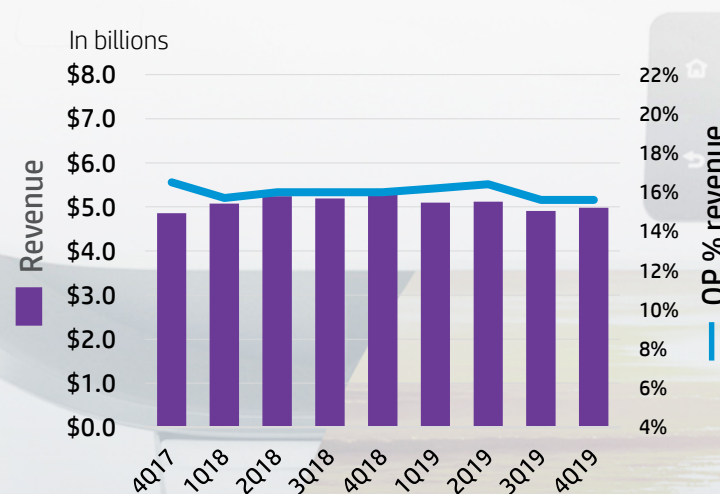
- Continued revenue growth in contractual businesses including Instant Ink and MPS
- 3D ecosystem continues to expand; continued good market acceptance of JetFusion 5200 series
- Innovation: Began shipment of the new LaserJet Pro M300 series

Revenue breakdown



■ Supplies	63%
■ Commercial Hardware ²	24%
■ Consumer Hardware ²	13%

Revenue and OP % trend



Key metrics

- Supplies revenue down **7%** (-7% CC¹) y/y
- Total Hardware units down **9%** y/y
- Commercial Hardware² units down **1%** y/y
- Consumer Hardware² units down **10%** y/y

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2. Commercial hardware includes Office Printing Solutions including Samsung-branded commercial products and OEM hardware, Graphics Solutions and 3D Printing and digital manufacturing, excluding supplies. Consumer hardware includes Home Printing Solutions including Samsung-branded consumer products, excluding supplies

Non-GAAP¹ financial information

\$ in millions, except per share amounts	Q4 FY19		Q3 FY19		Q4 FY18	
Revenue	\$15,407		\$14,603		\$15,366	
Cost of revenue	12,483	81.0%	11,698	80.1%	12,669	82.4%
Total OpEx	1,794	11.7%	1,789	12.3%	1,617	10.6%
Operating profit	\$1,130	7.3%	\$1,116	7.6%	\$1,080	7.0%
Interest and other, net	(60)		(68)		(50)	
Pre-tax earnings	1,070	6.9%	1,048	7.2%	1,030	6.7%
Income tax	(171)		(168)		(165)	
Net earnings	899	5.8%	880	6.0%	865	5.6%
Diluted net earnings per share	\$0.60		\$0.58		\$0.54	

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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"

FY19 GAAP to non-GAAP bridge

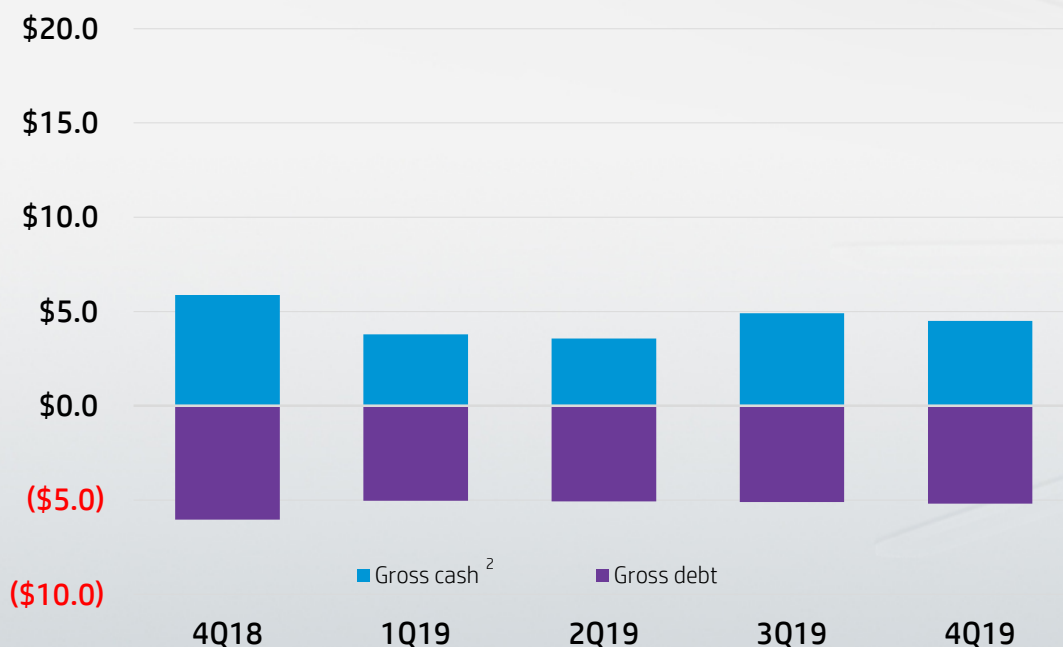
\$ in millions, except tax rate and per share amounts	GAAP	Amortization of intangible assets	Restructuring and other charges	Acquisition-related charges	Tax adjustments	Non-operating retirement related credits / (charges)	Non-GAAP
Revenue	\$58,756						\$58,756
Cost of revenue	47,586						47,586
Total 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"

Select cash and debt balances

Net cash (debt)¹

In billions



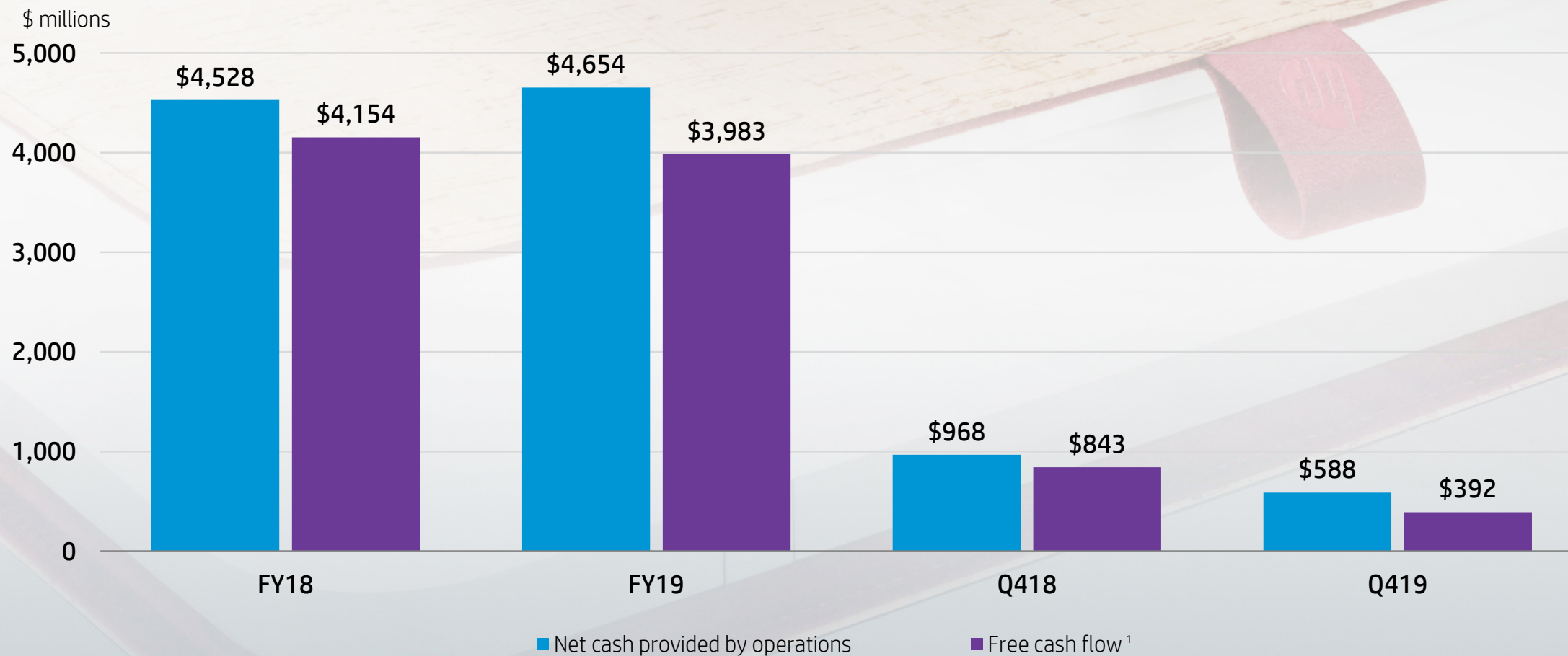
\$ in billions	4Q18	1Q19	2Q19	3Q19	4Q19
Gross cash ²	5.9	3.8	3.6	4.9	4.5
Gross debt	6.0	5.0	5.1	5.1	5.2
Net cash (debt) ^{1,3}	(0.2)	(1.2)	(1.5)	(0.2)	(0.6)

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 unrealized gains / losses on fair value hedges and interest rate swaps

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

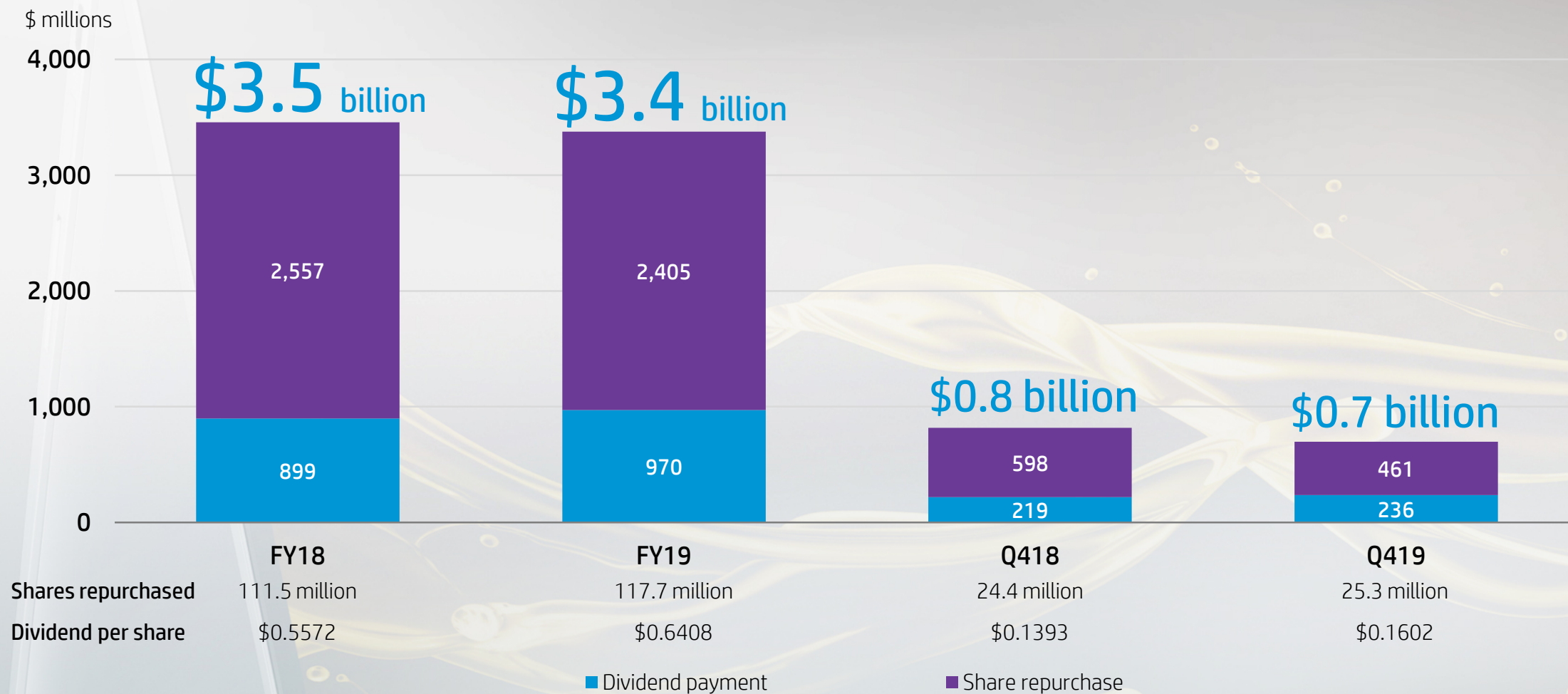
3. Numbers may not foot due to rounding

Cash flow



1. Free cash flow = Net cash provided by operations less the net of investments in and proceeds from sales of property, plant, and equipment

Shareholder return



Outlook

Q1 FY20 net EPS guidance

GAAP diluted net EPS	\$0.39 – \$0.42
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Non-GAAP diluted net EPS ¹	\$0.53 – \$0.56
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Full year FY20 net EPS guidance

GAAP diluted net EPS	\$2.00– \$2.10
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Non-GAAP diluted net EPS ²	\$2.24 – \$2.32
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Full year FY20 free cash flow

Free cash flow	At least \$3.0B
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1. First quarter fiscal 2020 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

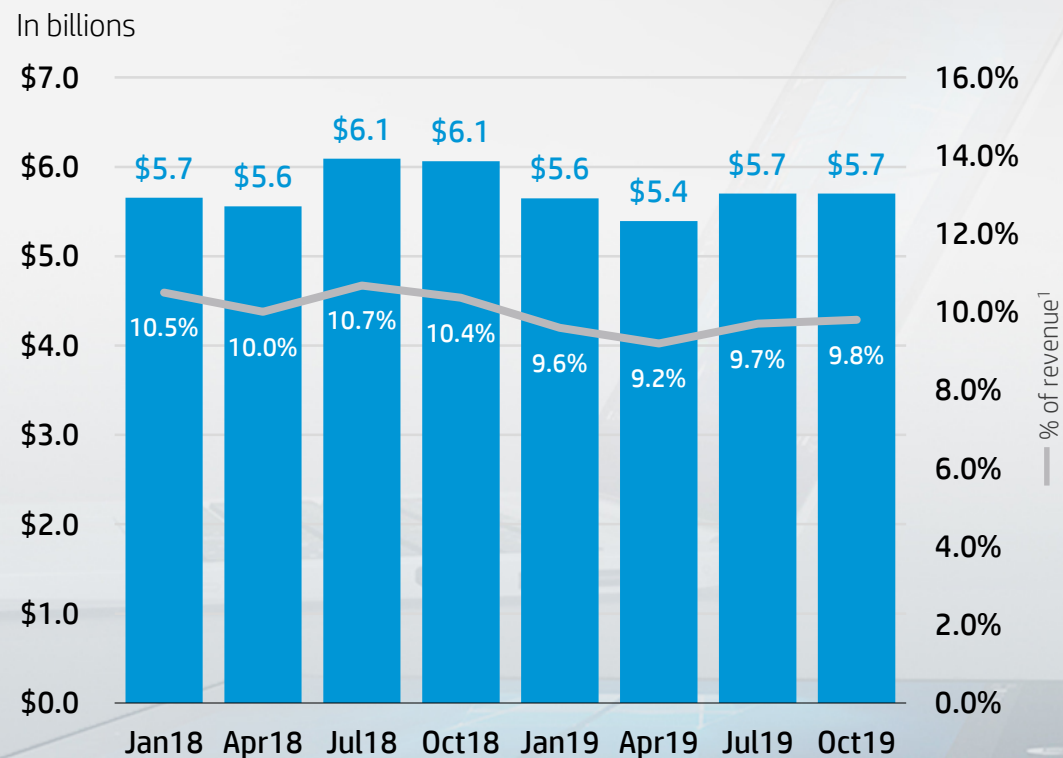
2. Full year fiscal 2020 non-GAAP diluted net EPS estimates exclude restructuring and other charges, acquisition-related charges, defined benefit plan settlement charges, amortization of intangible assets, non-operating retirement-related credits / (charges), tax adjustments, and the related tax impact on these items

SUPPLEMENTAL SLIDES

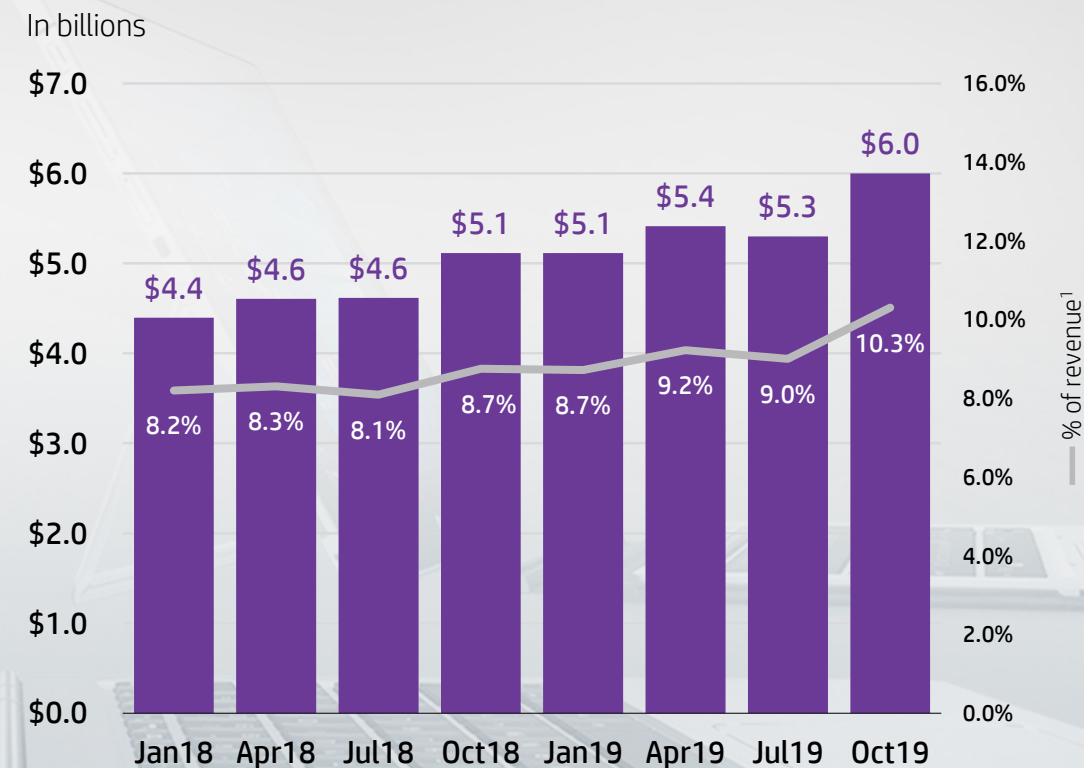


Inventory and accounts receivable

Inventory



Account receivable

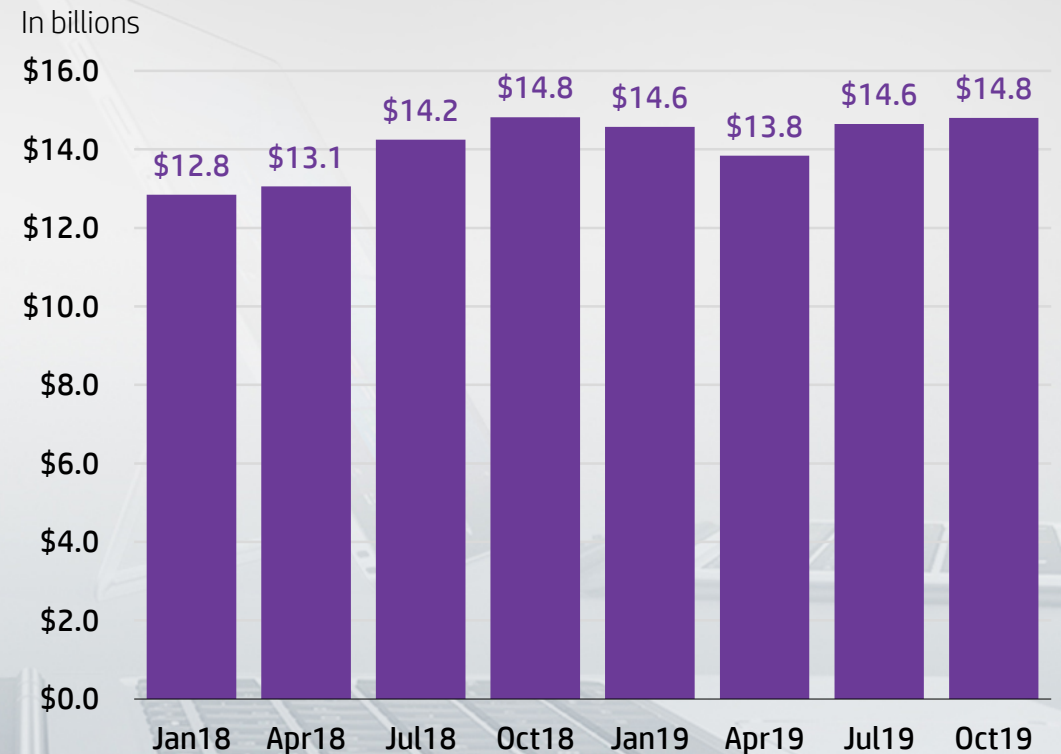
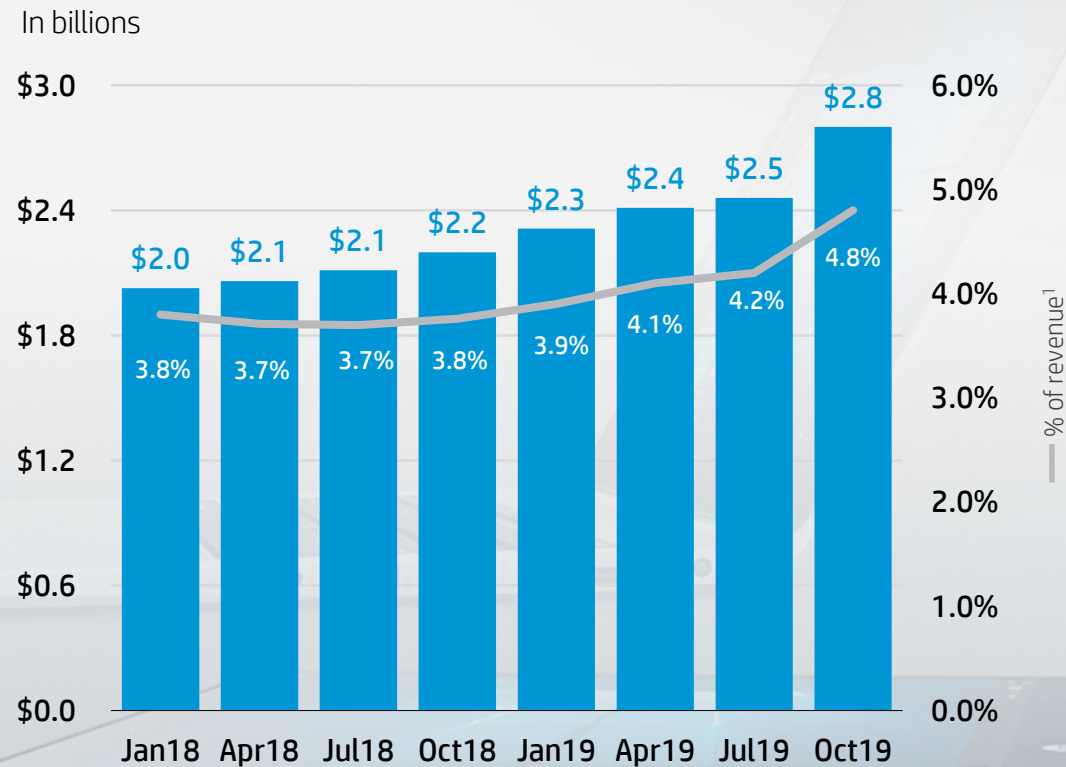


1. % of revenue calculations based on trailing 4-quarter net revenue

PP&E and accounts payable

PP&E

Accounts payable

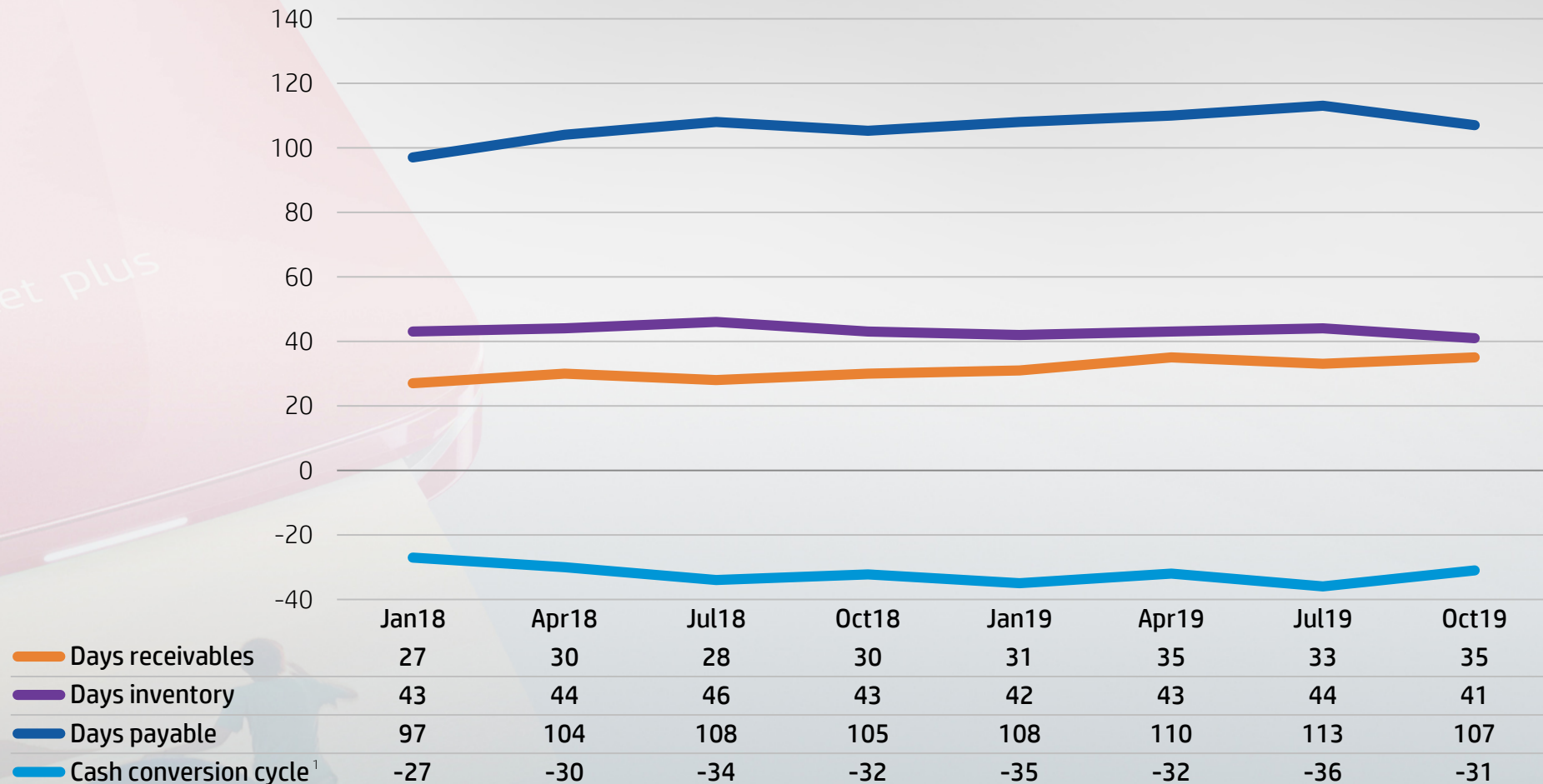


1. % of revenue calculations based on trailing 4-quarter net revenue

Working capital metrics



sprocket plus



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



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"

1. Not Meaningful

Q2 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	\$14,036						\$14,036
Cost of revenue	11,307						11,307
Total OpEx	1,801	(29)	(69)	(11)			1,692
Operating profit	928	29	69	11			1,037
Interest and other, net	(45)				(5)	(10)	(60)
Pre-tax earnings	883	29	69	11	(5)	(10)	977
Income tax	(101)	(5)	(14)	(2)	(33)	(1)	(156)
Tax rate	11.4%						16.0%
Net earnings	\$782	24	55	9	(38)	(11)	\$821
Diluted net earnings per share	\$0.51						\$0.53

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

Q1 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	\$14,710						\$14,710
Cost of revenue	12,098						12,098
Total OpEx	1,686	(29)	(55)	(10)			1,592
Operating profit	926	29	55	10			1,020
Interest and other, net	(26)				(19)	(12)	(57)
Pre-tax earnings	900	29	55	10	(19)	(12)	963
Income tax	(97)	(6)	(12)	(2)	(36)	(1)	(154)
Tax rate	10.8%						16.0%
Net earnings	\$803	23	43	8	(55)	(13)	\$809
Diluted net earnings per share	\$0.51						\$0.52

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

FY18 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	Debt extinguishment costs	Tax adjustments	Non-operating retirement related (credits) / charges	Non-GAAP
Revenue	\$58,472								\$58,472
Cost of revenue	47,803								47,803
Total OpEx	6,838	(80)	(132)	(123)					6,503
Operating profit	3,831	80	132	123					4,166
Interest and other, net	(818)				7	126	662	(219)	(242)
Pre-tax earnings	3,013	80	132	123	7	126	662	(219)	3,924
Income tax	2,314	(20)	(37)	(20)		(33)	(2,825)	3	(618)
Tax rate	nm ¹								15.7%
Net earnings	5,327	60	95	103	7	93	(2,163)	(216)	\$3,306
Diluted net earnings per share	\$3.26								\$2.02

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

1. Not meaningful

Q4 FY18 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	Debt extinguishment costs	Tax adjustments	Non-operating retirement related (credits) / charges	Non-GAAP
Revenue	\$15,366								\$15,366
Cost of revenue	12,669								12,669
Total OpEx	1,703	(20)	(40)	(26)					1,617
Operating profit	994	20	40	26					1,080
Interest and other, net	13				5		(14)	(54)	(50)
Pre-tax earnings	1,007	20	40	26	5		(14)	(54)	1,030
Income tax	444	(5)	(9)	(6)			(583)	(6)	(165)
Tax rate	nm ¹								16.0%
Net earnings	1,451	15	31	20	5		(597)	(60)	\$865
Diluted net earnings per share	\$0.91								\$0.54

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

1. Not meaningful

Q3 FY18 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	Debt extinguishment costs	Tax adjustments	Non-operating retirement related (credits) / charges	Non-GAAP
Revenue	\$14,586								\$14,586
Cost of revenue	11,898								11,898
Total OpEx	1,670	(20)	(4)	(10)					1,636
Operating profit	1,018	20	4	10					1,052
Interest and other, net	0				1		3	(56)	(52)
Pre-tax earnings	1,018	20	4	10	1		3	(56)	1,000
Income tax	(138)	(5)	(7)	(13)				3	(160)
Tax rate	13.6%								16.0%
Net earnings	880	15	(3)	(3)	1		3	(53)	\$840
Diluted net earnings per share	\$0.54								\$0.52

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

Q2 FY18 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	Debt extinguishment costs	Tax adjustments	Non-operating retirement related (credits) / charges	Non-GAAP
Revenue	\$14,003								\$14,003
Cost of revenue	11,301								11,301
Total OpEx	1,796	(20)	(57)	(45)					1,674
Operating profit	906	20	57	45					1,028
Interest and other, net	(823)					126	671	(53)	(79)
Pre-tax earnings	83	20	57	45		126	671	(53)	949
Income tax	975	(5)	(13)	17		(33)	(1,095)	3	(151)
Tax rate	nm ¹								15.9%
Net earnings	1,058	15	44	62		93	(424)	(50)	\$798
Diluted net earnings per share	\$0.64								\$0.48

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

1. Not meaningful

Q1 FY18 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 indemnification	US tax reform adjustment	Non-operating retirement related (credits) / charges	Non-GAAP
Revenue	\$14,517								\$14,517
Cost of revenue	11,935								11,935
Total OpEx	1,669	(20)	(31)	(42)					1,576
Operating profit	913	20	31	42					1,006
Interest and other, net	(8)				1	2		(56)	(61)
Pre-tax earnings	905	20	31	42	1	2		(56)	945
Income tax	1,033	(5)	(8)	(18)		(2)	(1,145)	3	(142)
Tax rate	nm ¹								15.0%
Net earnings	1,938	15	23	24	1		(1,145)	(53)	\$803
Diluted net earnings per share	\$1.16								\$0.48

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

1. Not meaningful

FY17 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 indemnification	Valuation allowances, net and separation taxes and adjustments	Non-operating retirement related (credits) / charges	Discontinued operations	Non-GAAP
Revenue	\$52,056									\$52,056
Cost of revenue	42,478									42,478
Total OpEx	6,210	(1)	(362)	(125)						5,722
Operating profit	3,368	1	362	125						3,856
Interest and other, net	(92)				5	(47)		(135)		(269)
Pre-tax earnings	3,276	1	362	125	5	(47)		(135)		3,587
Income tax	(750)		(82)	(44)		50		54		(772)
Tax rate	22.9%									21.5%
Net earnings	\$2,526	1	280	81	5	3		(81)		\$2,815
Diluted net earnings per share	\$1.48									\$1.65

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

Q4 FY17 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 indemnification	Valuation allowances, net and separation taxes and adjustments	Non-operating retirement related (credits) / charges	Discontinued operations	Non-GAAP
Revenue	\$13,927									\$13,927
Cost of revenue	11,407									11,407
Total OpEx	1,668		(113)	(49)						1,506
Operating profit	852		113	49						1,014
Interest and other, net	(4)				1	(23)		(34)		(60)
Pre-tax earnings	848		113	49	1	(23)		(34)		954
Income tax	(188)		(37)	(16)		23		13		(205)
Tax rate	22.2%									21.5%
Net earnings	\$660		76	33	1			(21)		\$749
Diluted net earnings per share	\$0.39									\$0.44

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

THANK YOU

