HP Inc. Reports FY20 Second Quarter Results

**Highlights**

- **Net revenue**: $12.5 billion (Q2 FY20) vs. $14.0B (Q2 FY19), down 10% CC(2)
- **GAAP diluted net EPS**: $0.53 (Q2 FY20) vs. $0.51 (Q2 FY19), up 4%
- **Non-GAAP(1) diluted net EPS**: $0.51 (Q2 FY20) vs. $0.53 (Q2 FY19), down 4%
- **Cash provided by (used in) operations**: $(0.5B) billion (Q2 FY20) vs. $0.9B (Q2 FY19)

**Geography**

- **Americas**: 42% of net revenue, down 10% y/y, down 10% CC(2)
- **EMEA**: 37% of net revenue, down 9% y/y, down 7% CC(2)
- **Asia Pacific**: 21% of net revenue, down 17% y/y, down 16% CC(2)

**Personal Systems**

- **Net revenue**: $8.3 billion (Q2 FY20) vs. $8.3 billion (Q2 FY19), down 7% y/y, down 6% CC(2)
- **Operating profit**: $552 million (Q2 FY20) vs. $548 million (Q2 FY19), up 6.6% of net revenue

**Printing**

- **Net revenue**: $4.2 billion (Q2 FY20) vs. $4.2 billion (Q2 FY19), up 19% y/y, up 18% CC(2)
- **Operating profit**: $548 million (Q2 FY20) vs. $548 million (Q2 FY19), up 13.2% of net revenue

**Notes**

1. All non-GAAP numbers have been adjusted to exclude certain items. A reconciliation of specific adjustments to GAAP results for the current and prior periods is included as a part of a Q2 FY20 Results Presentation available at www.hp.com/investor/home.
2. CC = constant currency; Adjusted to exclude the effects of foreign currency 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.
3. Commercial hardware includes Office Printing Solutions including commercial products and OEM hardware, Graphics Solutions and 3D Printing and digital manufacturing, excluding supplies. Consumer hardware includes Home Printing Solutions, excluding supplies.

*NOTE: Arrows represent the mathematical direction of the amount the arrow is associated with. NM – Not meaningful.
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Capital Allocation

- **Dividend payment**: $252 million ($0.1762 per share)
- **Stock repurchase**: $123 million (approximately 5.6 million shares)
- **Net debt\(^1\)**: $1.4 billion

Net 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.

Asset Management

- **Cash conversion cycle**: 34 days (4 days q/q)
- **Days receivables**: 37 days (7 day q/q)
- **Days payable**: 128 days (30 days q/q)
- **Days inventory**: 57 days (19 day q/q)

NOTE: Arrows represent the mathematical direction of the amount the arrow is associated with.