



DXC Technology

Quarterly Update
Report Abstract

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17 pages





Who Is This Quarterly Update For?

NelsonHall's Quarterly Update on DXC Technology (DXC) provides a snapshot of developments at the company in the last quarter. It accompanies NelsonHall's more comprehensive Key Vendor Assessment program.

Both programs are designed for:

- Marketing, sales and business managers developing strategies to target service opportunities within the BPO/IT Services markets
- Sourcing managers monitoring the capabilities of existing suppliers of IT and BPO services and identifying vendor suitability for these services
- Consultants advising clients on vendor selection
- Vendor marketing, sales and business managers looking to benchmark themselves against their peers
- Financial analysts and investors specializing in the BPO/IT services sector.



Highlights

Unveils new 3-Year Plan

Progress in current plan has been mixed: very strong on cost takeout, underperformance in some of the revenue growth ambitions.

Targets for FY20-22 include:

- Revenue: 2-4% CAGR, including 1-2% inorganic growth
- Adjusted operating margin: 250-350 bps expansion
- FCF at 100%+ of net income.

Increasing emphasis in the corporate positioning on capabilities in digital.

Q3 performance: continuing story of margin expansion; topline improves after disappointing Q2

Reaffirms FY revenue and margin guidance.

Bookings improve.

Centralizes hiring for digital talent

In an effort to reduce to time to fulfill demand, which has been an impediment to growth in digital.

Announcement of Luxoft acquisition in Q1 FY20; tuck-in activity continues in FY19

Scope of the Report

The report provides a quarterly update on DXC, looking at financial performance and key developments during the period.

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Recent Contracts

Immediate Challenges

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Report Length

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