kyndryl

Fourth Quarter 2025 Earnings

May 8, 2025

Disclaimers

Forward-looking statements

This presentation contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements often contain words such as "aim," "anticipate," "believe," "could," "estimate," "expect," "forecast," "intend," "may," "objectives," "opportunity," "plan," "position," "predict," "project," "should," "seek," "target," "will," "would" and other similar words or expressions or the negative thereof or other variations thereon. All statements, other than statements of historical fact, including without limitation, statements concerning the Company's plans, objectives, goals, beliefs, business strategies, future events, business condition, results of operations, financial position, business outlook and business trends, including without limitation the outlook and financial objectives in this presentation (which does not assume any future acquisitions or divestitures), may be forward-looking statements. These statements do not guarantee future performance and speak only as of May 8, 2025, and the Company assumes no obligation to update its forward-looking statements, except as required by law. Actual outcomes or results may differ materially from those suggested by forward-looking statements as a result of risks and uncertainties which include, among others: failure to attract new customers, retain existing customers or sell additional services to customers; failure to meet growth and productivity objectives; competition; impacts of relationships with critical suppliers and partners; failure to address and adapt to technological developments and trends; inability to attract and retain key personnel and other skilled employees; impact of economic, political, public health and other conditions; damage to the Company's reputation; inability to accurately estimate the cost of services and the timeline for completion of contracts; service delivery issues; the Company's ability to successfully manage acquisitions and dispositions, including integration challenges, failure to achieve objectives, the assumption of liabilities and higher debt levels; failure of the Company's intellectual property rights to prevent competitive offerings and the failure of the Company to obtain, retain and extend necessary licenses; the impairment of our goodwill or long-lived assets; risks relating to cybersecurity, data governance and privacy; risks relating to non-compliance with legal and regulatory requirements; adverse effects from tax matters; legal proceedings and investigatory risks; impact of changes in market liquidity conditions and customer credit risk on receivables; the Company's pension plans; the impact of currency fluctuations; and risks related to the Company's common stock and the securities market; and other factors described in the "Risk Factors" section of the Company's Annual Report on Form 10-K for the fiscal year ended March 31, 2024, filed with the Securities and Exchange Commission (the "SEC") on May 30, 2024, as such factors may be updated from time to time in the Company's subsequent filings with the SEC.

Non-GAAP financial measures

Financial information contained in this presentation includes certain financial measures that are calculated and presented on the basis of methodologies other than in accordance with generally accepted accounting policies in the United States of America (GAAP), such as adjusted EBITDA, adjusted pretax income (loss), adjusted net income (loss), adjusted EPS, adjusted EBITDA margin, adjusted pretax margin, adjusted net margin, net debt, net leverage ratio, adjusted operating cash flow, adjusted free cash flow and constant currency, which include or exclude certain items from the most directly comparable GAAP financial measure. These non-GAAP measures differ from reported GAAP measures and are intended to illustrate what management believes are relevant period-over-period comparisons and are helpful to investors as an additional tool for further understanding and assessing Kyndryl's expected ongoing operating performance. Exclusion of items in our non-GAAP presentation should not be considered an inference that these items are unusual, infrequent or non-recurring. Definitions of the non-GAAP measures are included in the appendix of this presentation. A reconciliation of non-GAAP financial measures for historical periods to the most directly comparable GAAP financial measure appears in the appendix to this presentation. Any non-GAAP financial measure used in this presentation is in addition to, and not meant to be considered superior to, or a substitute for, measures prepared in accordance with GAAP. A reconciliation of forward-looking non-GAAP financial information is not included in this presentation because the Company is unable to predict with reasonable certainty some individual components of such reconciliation without unreasonable effort. These items are uncertain, depend on various factors and could have a material impact on future results computed in accordance with GAAP.

In this presentation, projections are based on exchange rates as of April 2025. Additionally, certain amounts may not add due to the use of rounded numbers; percentages presented are calculated based on the underlying amounts. Kyndryl's operations in Australia/New Zealand transitioned from Principal Markets to Strategic Markets in the quarter ended June 30, 2024; historical segment information in this presentation has been updated to reflect this change.

Speakers

Lori Chaitman, Global Head of Investor Relations

Martin Schroeter, Chairman and Chief Executive Officer

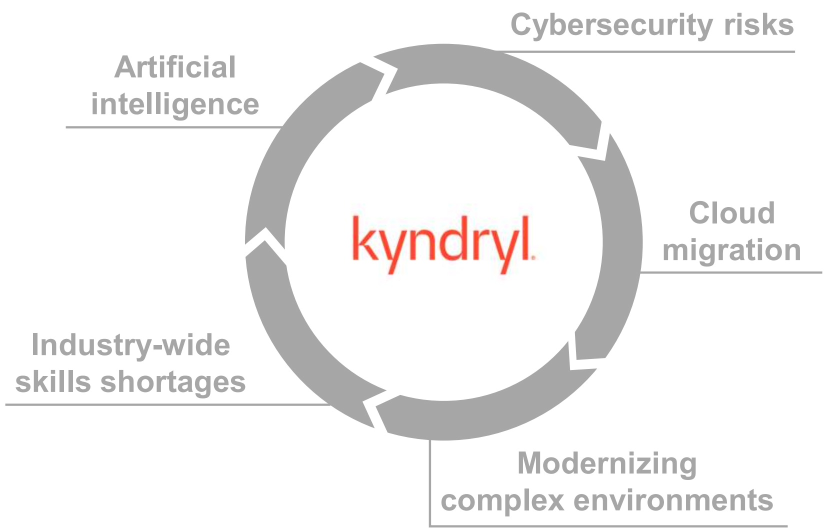
David Wyshner, Chief Financial Officer

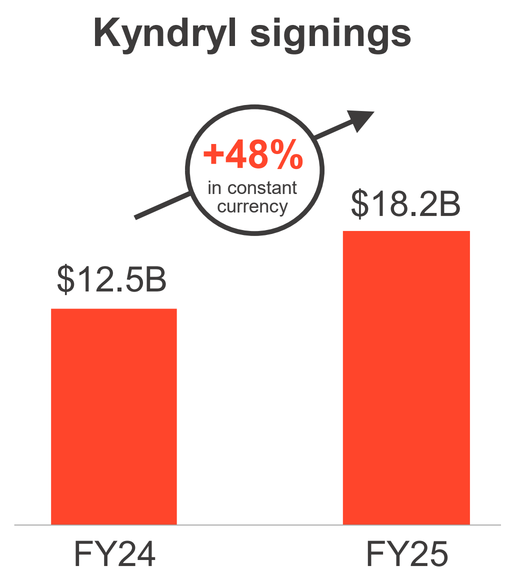
Strong execution in fiscal 2025

Progress on **our financials**	**Signings** Over $18B, up 48% year-over-year in constant currency	**Earnings** Adjusted pretax income of $482M, up $317M year-over-year	**Cash flow** Adjusted free cash flow of $446M
Progress on **our differentiation**	**Kyndryl Consult** Signings and revenue growth of more than 25% year-over-year	**Kyndryl Bridge** Delivering AI-enabled insights and resiliency to customers	
Progress on **our 3A's**	**Alliances** $1.2B hyperscaler revenue, more than double the prior year	**Advanced Delivery** $775M annualized savings in Q4, exceeding FY25 target	**Accounts** $900M annualized profit in Q4, exceeding FY25 target
Progress on **our culture**	**The Kyndryl Way** Operating 'flat, fast and focused' and published second annual Corporate Citizenship report		

Executing a strategy that is unique to us and driving profitable growth

We’re positioned at the nexus of key secular trends





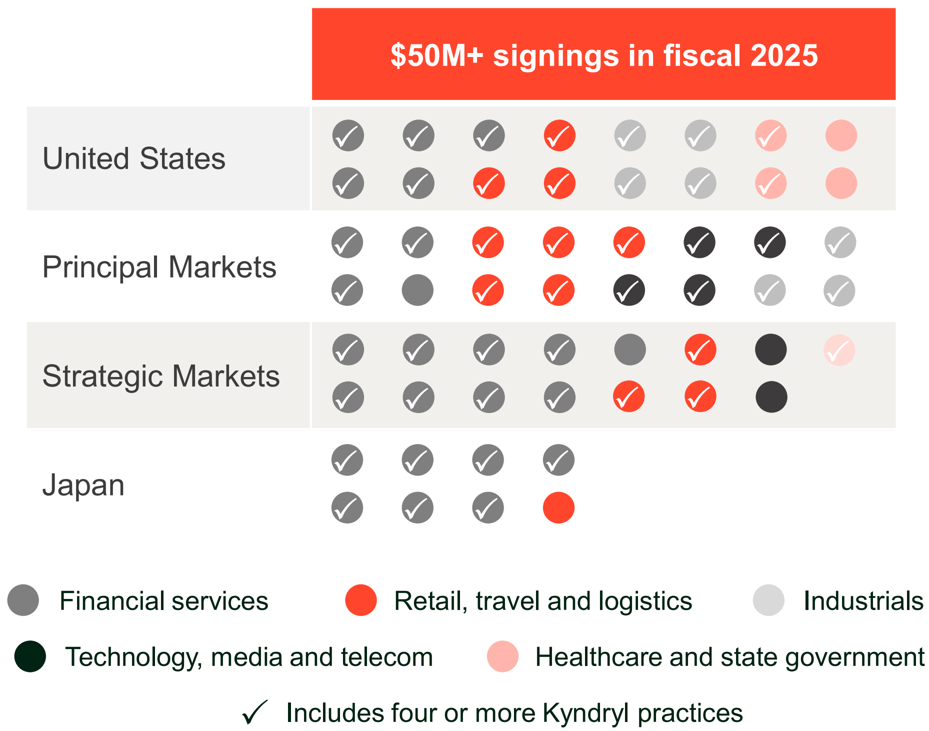
Our expanded capabilities and growing market presence are powering our signings growth

Our signings growth has been significant and broad-based

55 large contract signings
(versus 40 in fiscal 2024)

Totaling **$10 billion**

In **22** different countries



We're seeing demand across a range of geographies, verticals and practices

Each circle represents an individual signing

Example: Expanding services and growing revenue with a healthcare provider

Renewed existing relationship
Building on decades of delivery excellence

Kyndryl Consult
Modernizing hybrid IT estate, optimizing data and applications

Expanded scope
Migrating select workloads to cloud and enhancing security, resiliency, data and AI

Innovative IT partner
Increasing agility and future-proofing IT platforms

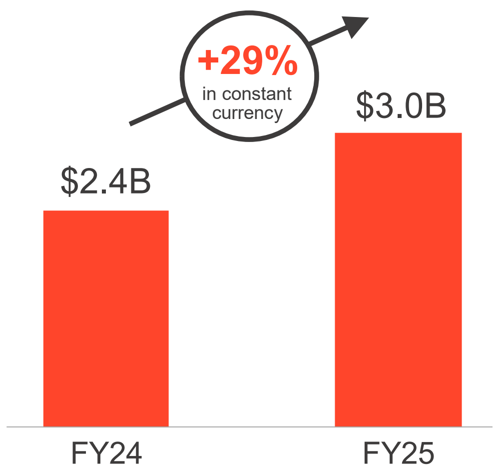
Expanded scope
33%
Annual revenue growth in new $100M+ contract

Won new scope because of our investment in innovation and capabilities

Kyndryl Consult is delivering substantial signings and revenue growth

- ‘Right workload on right platform’
- Expanding scope of customer relationships
- Key drivers: AI, applications and cybersecurity

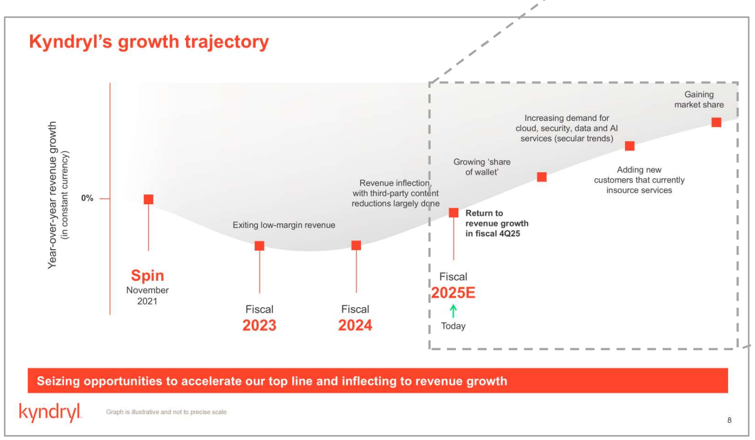
Kyndryl Consult revenue

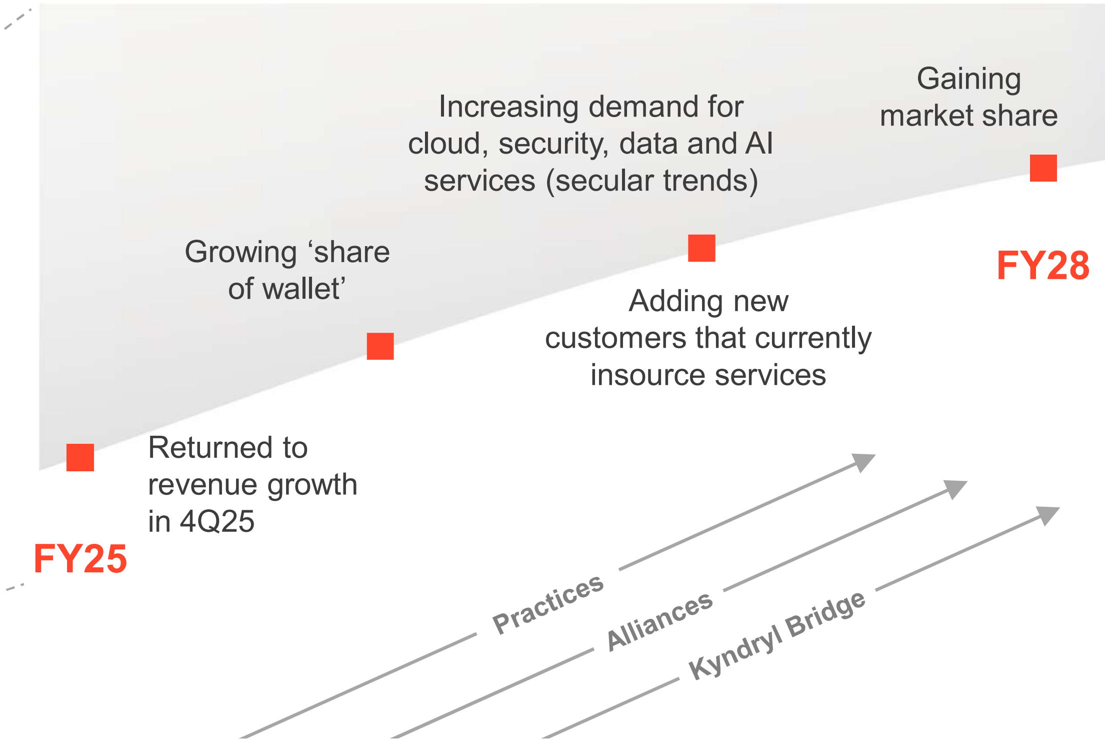


Signings up 50% in FY25 in constant currency

Through Kyndryl Consult, we’re meeting customer demand for advice and modernization

Our competitive advantages enable multiple avenues for growth

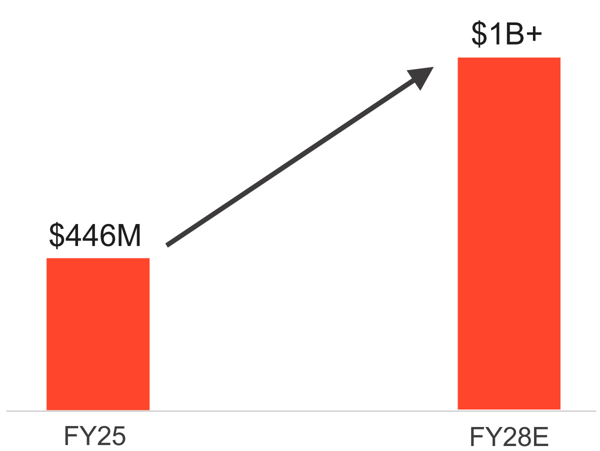




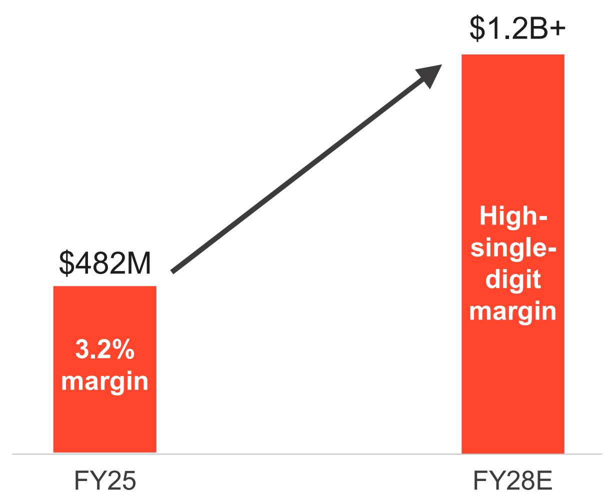
Demand for our mission-critical, innovative services is driving sustainable revenue growth

Focused on delivering an impactful ‘triple, double, single’

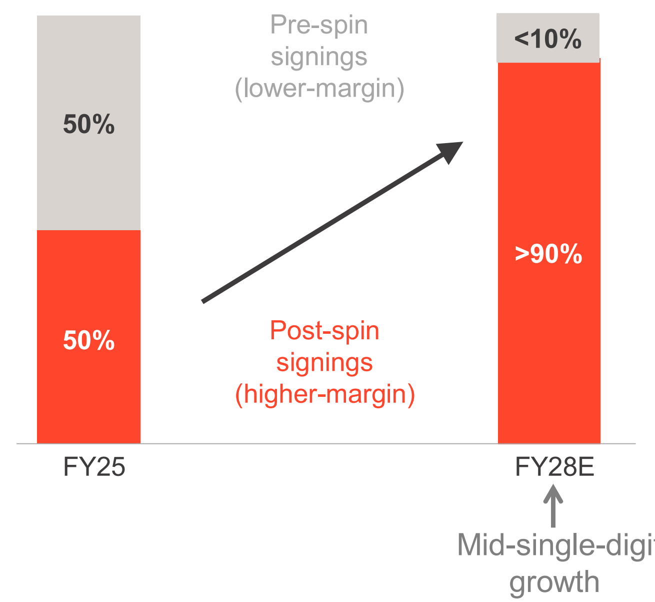
Adjusted free cash flow



Adjusted pretax income and margin



Sources of our revenue

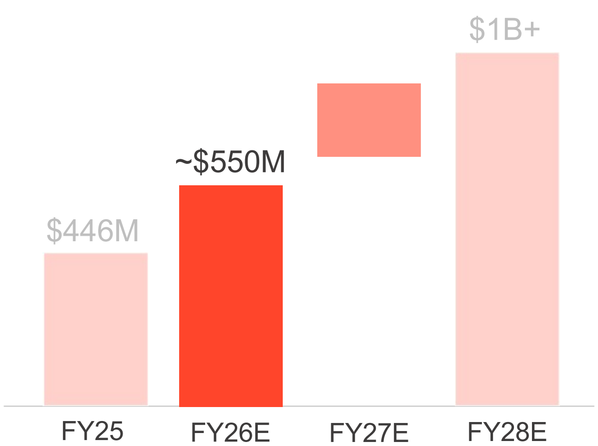


We provided our compelling intermediate-term growth objectives last November

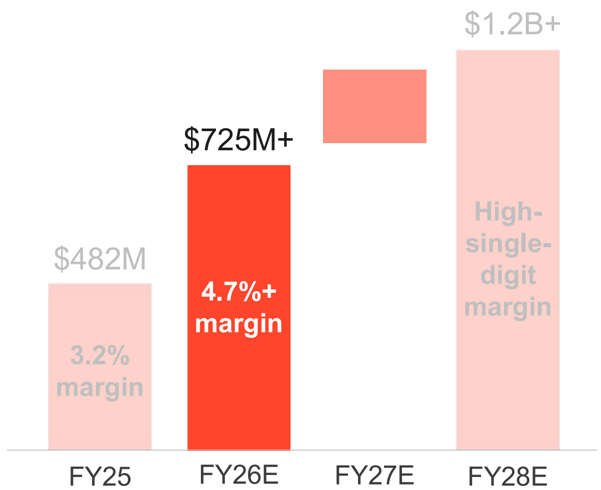
Mix of post-spin signings in our revenue are approximate

Focused on delivering an impactful ‘triple, double, single’

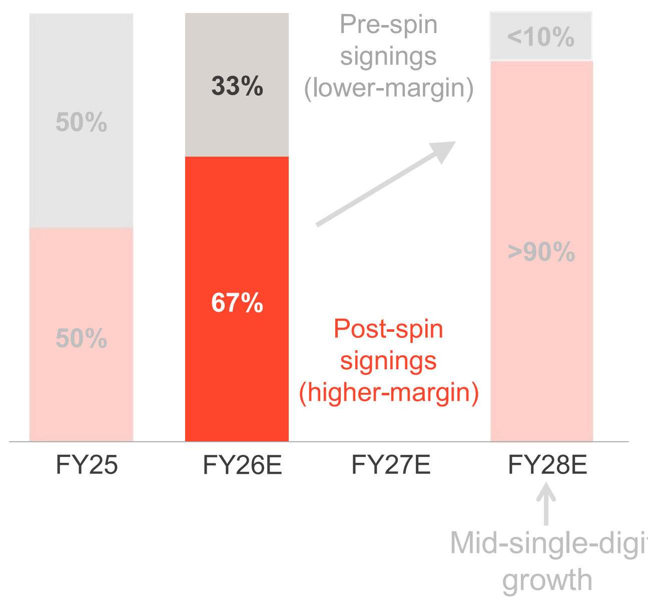
Adjusted free cash flow



Adjusted pretax income and margin



Sources of our revenue



Driving meaningful progress toward these targets in the near term

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Mix of post-spin signings in our revenue are approximate

Financial highlights

Results reflect **continued progress** and consistent execution

Strategic initiatives driving significant **margin expansion**

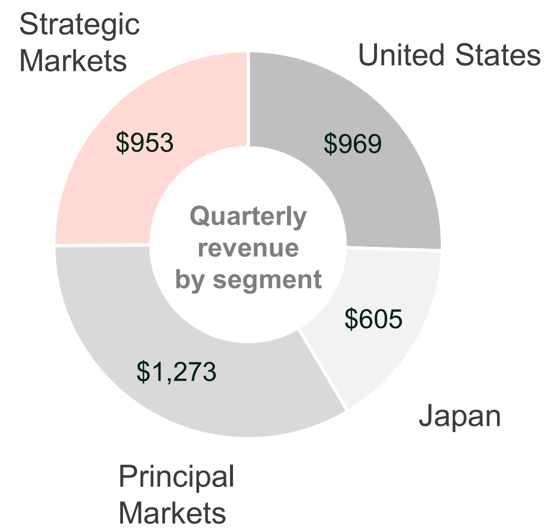
Capital returns to shareholders powered by free cash flow

Projecting substantial **earnings growth** again

We design, build, manage and modernize the mission-critical systems that the world depends on

Fiscal fourth quarter 2025 financial results

($ in millions)	Quarter ended March 31, 2025	Quarter ended March 31, 2024	
Revenue	**$3,800**	**$3,850**	
Growth, in constant currency	1%	(9%)	Up 10 pts
Adjusted EBITDA	**$698**	**$566**	
Adjusted EBITDA margin	18.4%	14.7%	Up 370 bps
Adjusted pretax income	**$185**	**$30**	
Adjusted pretax margin	4.9%	0.8%	Up 410 bps

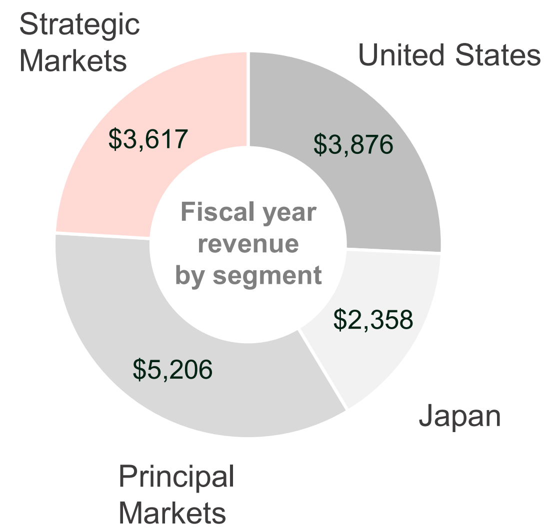


Our results reflect solid operational execution, led by our 3A's and Kyndryl Consult

Principal Markets is comprised of Kyndryl's operations in Canada, France, Germany, India, Italy, Spain/Portugal and the United Kingdom/Ireland. Strategic Markets is comprised of Kyndryl's operations in all other geographic locations.
Revenue growth (year-over-year) as reported was (1%) in the quarter ended March 31, 2025 and (10%) in the quarter ended March 31, 2024
See appendix for reconciliation of non-GAAP metrics

Fiscal year 2025 financial results

($ in millions)	Year ended March 31, 2025	Year ended March 31, 2024	
Revenue	**$15,057**	**$16,052**	
Growth, in constant currency	(4%)	(6%)	Up 2 pts
Adjusted EBITDA	**$2,516**	**$2,367**	
Adjusted EBITDA margin	16.7%	14.7%	Up 200 bps
Adjusted pretax income	**$482**	**$165**	
Adjusted pretax margin	3.2%	1.0%	Up 220 bps



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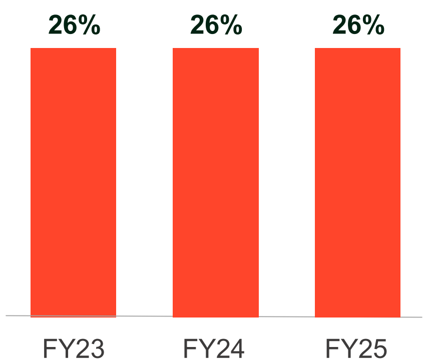
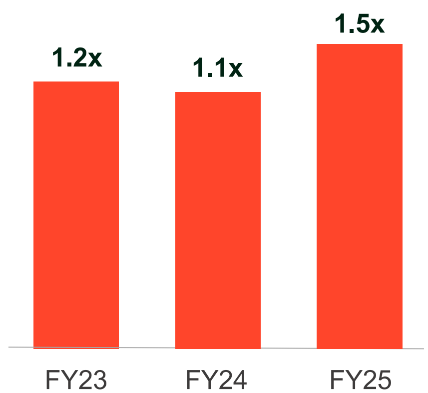
Revenue growth (year-over-year) as reported was (6%) in the year ended March 31, 2025 and (6%) in the year ended March 31, 2024
See appendix for reconciliation of non-GAAP metrics

Strong projected margins on signings support our medium-term goals

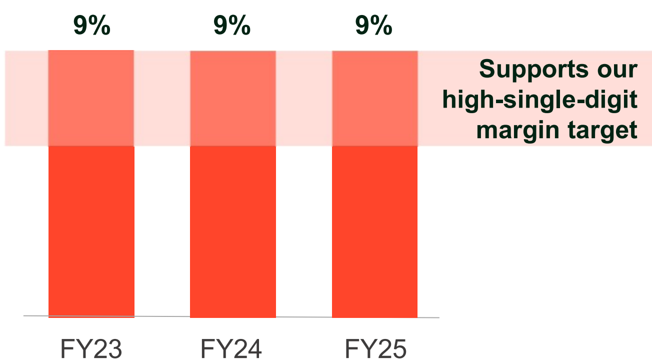
Gross margin
expected on post-spin signings



Gross profit book-to-bill [1]



Pretax margin
expected on post-spin signings



The margin profile of our post-spin signings is driving our earnings growth

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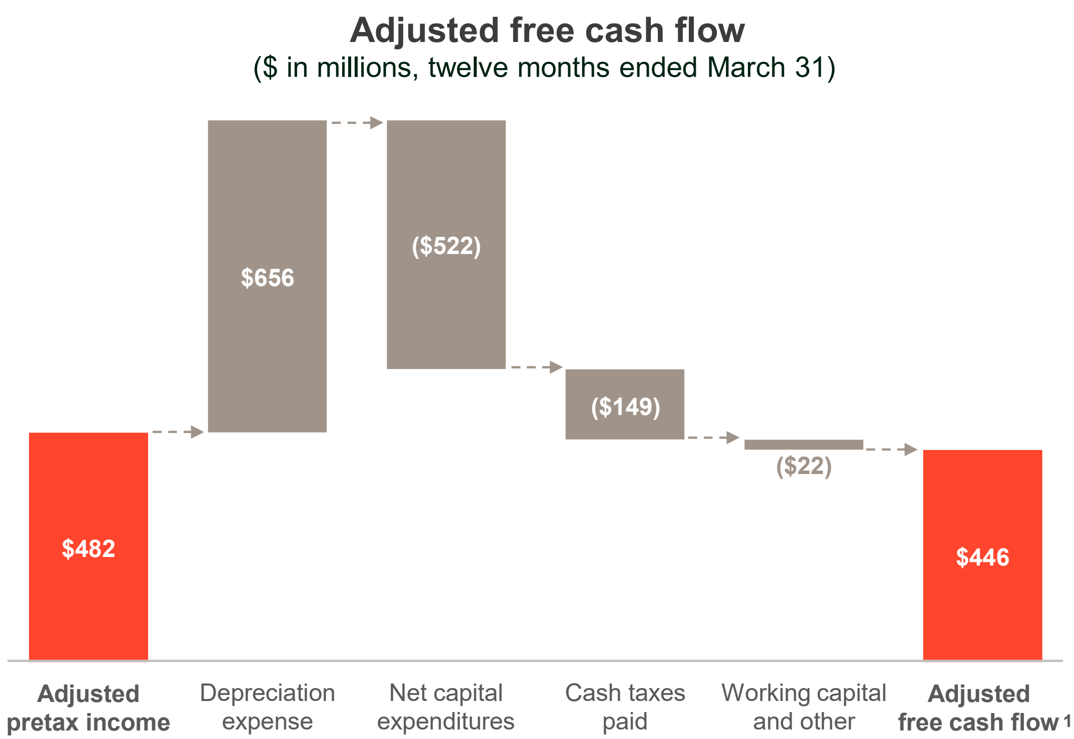
[1] Our gross profit book-to-bill is defined as our projected gross profit on signings during the trailing twelve months divided by our actual gross profit for the same period

Balance sheet and cash flow aligned to our strategy



Balance sheet and cash flow metrics

$1.8B
Cash

$3.2B
Debt

$1.4B
Net debt

$4.9B
Available liquidity[2]

$942M
Cash flow from operations
(twelve months ended March 31)

$64M
Share repurchases
(three months ended March 31)

Now returning capital to shareholders through share repurchases

[1] Adjusted free cash flow: Cash flow from operations (GAAP) $942M, less net capital expenditures $522M, plus other $26M
[2] Consists of $1.8B of cash and $3.2B of undrawn senior unsecured credit facility
See appendix for reconciliation of non-GAAP metrics

Fiscal 2026 outlook

	Fiscal 2026 outlook
Adjusted pretax income	At least $725 million, a year-over-year increase of at least $243 million
Adjusted EBITDA margin	Approximately 18%, a year-over-year increase of approximately 130 basis points
Adjusted free cash flow	Approximately $550 million, reflecting projected adjusted pretax income less cash taxes
Revenue	Earnings and cash flow outlook only assumes constant-currency revenue growth of 1%

Focused on driving innovation, expanding margins and continuing to grow revenue

Based on recent exchange rates, currency effects are expected to favorably impact revenue by ~$250M (~$40M in the first quarter).

Other outlook items: Depreciation expense ~$675M; amortization expense of transition costs and prepaid software $1.2B+; interest expense ~$100M; cash taxes ~$175M; net capital expenditures ~$675M; income tax expense (related to adjusted pretax income) ~$200M; diluted shares outstanding ~243M, excluding any share repurchases.

The November divestiture of our Securities Industry Services (SIS) platform in Canada will reduce our revenue by ~$40M in the first half of fiscal year 2026

Investment highlights

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- Leader in mission-critical enterprise technology services
- Innovative and differentiated approach to delivery with AI-powered Kyndryl Bridge
- Competitive advantage stemming from our people, data, expertise, scale and intellectual property
- Kyndryl Consult leverages our customer and partner relationships
- Global alliances and expanded capabilities enabling wallet-share gains and new-customer wins
- Annuity-like revenue streams with 95%+ customer retention
- Uniquely well-positioned to harness secular trends in cloud, security, AI and modernization
- Strong earnings and cash flow growth, propelling capital returns to shareholders

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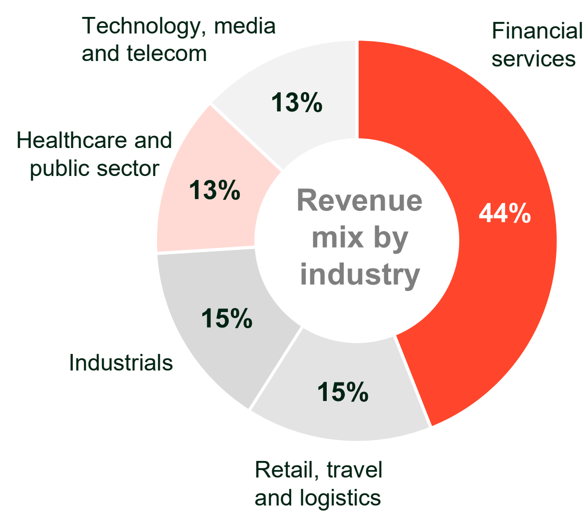
Our services

Practice	Overview	Revenue
Cloud	Delivering seamless, integrated, multicloud management in a hybrid model	34%
Security & Resiliency	Delivering full line of cybersecurity, business continuity and disaster recovery services to help customers continuously adapt to new threats and regulatory standards	14%
Network & Edge	Providing unified network services for cloud and data center connectivity	8%
Applications, Data & AI	Providing full application platform hosting and expert assistance for application modernization	7%
Digital Workplace	Enhancing user experience and work location flexibility by providing a consumer experience to employees	7%
Core Enterprise	Providing secure, unified and fault-tolerant mainframe services for our customers' core infrastructure	30%

Diversified sources of revenue



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Approximate revenue based on twelve months ended March 31, 2025
Industry revenue mix is approximate; public sector includes state, local and international governments

Recent accolades and industry recognition

IDC

A Global Leader in the IDC MarketScape: Hybrid IT Infrastructure Consulting and Integration Services 2025 Vendor Assessment*

Google Cloud

2025 Google Cloud Global Partner of the Year Award for Infrastructure Modernization

Gartner

Recognized as a Leader in the March 2025 Gartner® Magic Quadrant™ for Outsourced Digital Workplace Services, Global report

S&P Global Market Intelligence

Top 5 Cyber Resiliency Services market share leader according to 451 Research**

Everest Group PEAK MATRIX®

A Leader in Cybersecurity Services, North America (2024)

SAP Global Partner

Kyndryl designated a 'RISE with SAP' partner

Newsweek Global Most Loved Workplaces 2024

Newsweek Global Top 100 Most Loved Workplace (2024)

ISG

A Leader for Mainframe Optimization Services, U.S. (2025)

A Leader for Mainframe as a Service, U.S. (2025)

ISG

A Leader for Application Modernization Services, U.S. (2025)

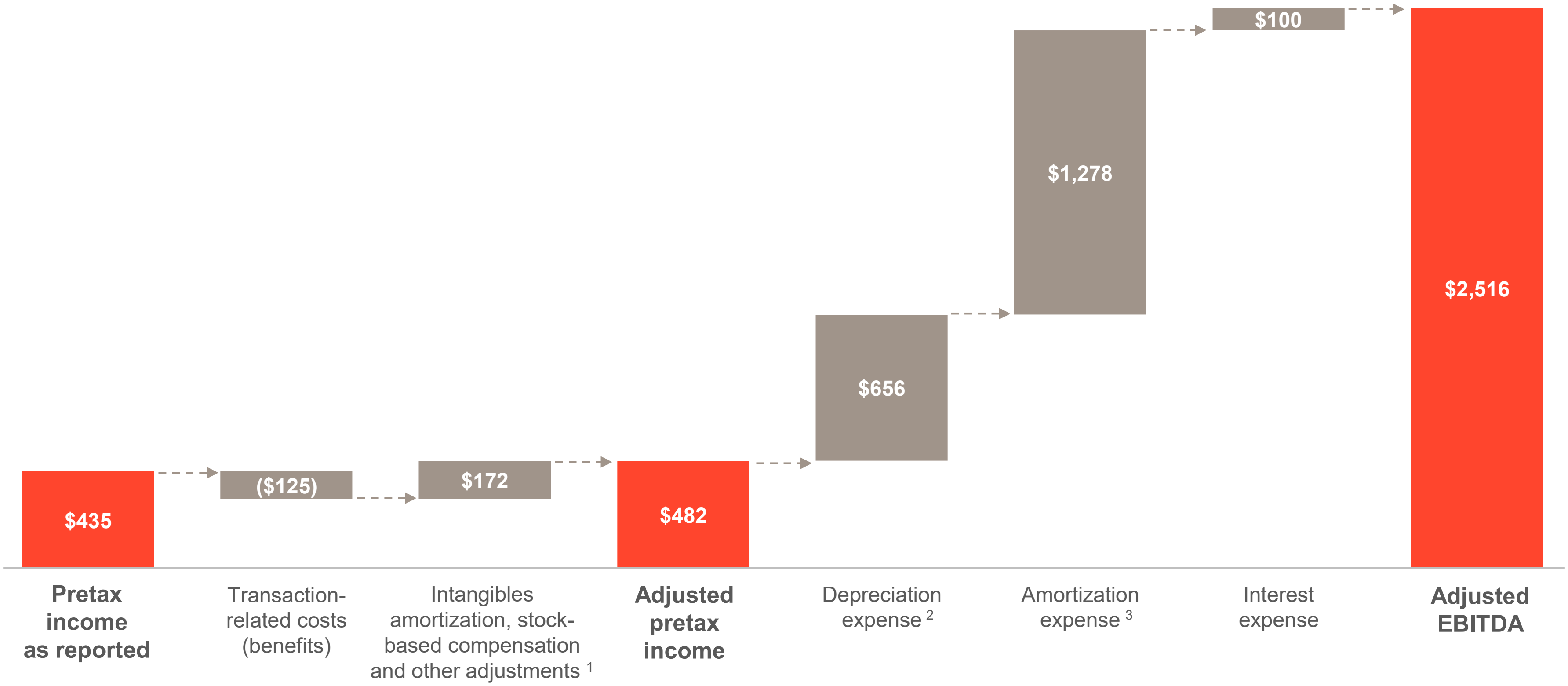
A Leader for Mainframe Operations, U.S. (2025)

*IDC doc #US50539623, April 2025

**451 Research, part of S&P Global Market Intelligence, Cyber Resiliency Services: Market Size & Position, 2024, Commissioned by Kyndryl

Fiscal year 2025 adjusted pretax income and adjusted EBITDA

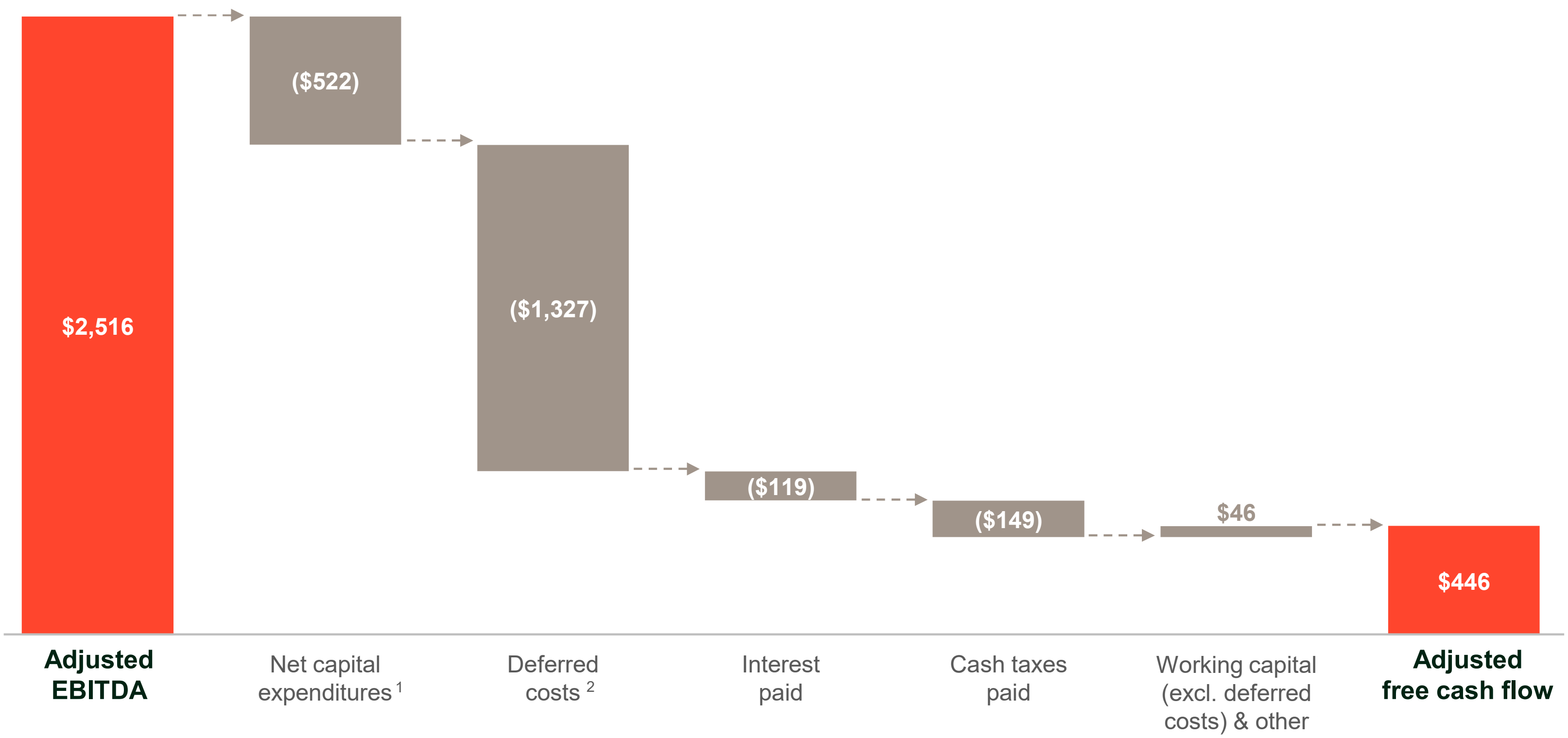
($ in millions)



[1] Effects of pension costs other than pension servicing costs and multi-employer plan costs, significant litigation costs and benefits, charges related to ceasing to use leased/fixed assets and lease terminations, and currency impacts of highly inflationary countries
[2] Includes amortization of capitalized software costs and excludes depreciation of operating right-of-use assets
[3] Amortization of transition costs and prepaid software

Fiscal year 2025 adjusted EBITDA and adjusted free cash flow

($ in millions)



[1] Net capital expenditures compare to depreciation of $656M
[2] Deferred costs offset amortization of prepaid software and transition costs of $1,278M

Additional items

IBM software

- Prior to our spin-off, IBM put in place a Kyndryl-specific, escalating structure for our IBM software licenses. Under this contract, the cost of IBM software licenses to us was structured to increase by $200M each year for three consecutive years (CY23, CY24 and CY25, with CY25 also being the first year that the set prices under the contract were replaced by a price-times-quantity calculation)
- Therefore, we expect our FY26 IBM software costs to reflect a $150M Kyndryl-specific increase, as the $50M Kyndryl-specific increase per quarter applies to the first three quarters of FY26 (i.e., through the end of CY25). Other than that, we do not anticipate outsized increases in our annual IBM software licensing costs in FY26 or the next several years, as our IBM software agreement runs through 2029 and, beginning in CY26, limits our price increase to that which IBM applies to all of its customers
- Moreover, since our spin-off, we have been building inflation-adjustment mechanisms into our customer contracts to mitigate the impact of software price increases in the market

Financial asset transfers

- We use factoring to address the extended payment terms that were initially provided to certain customers by our former parent prior to our spin-off and to limit our working capital needs
- Our balance of factored (and not yet collected) receivables declined from $1,054M at March 31, 2024 to $953M at March 31, 2025

Adjusted free cash flow

- The magnitude of adjustments[1] in our calculation of adjusted free cash flow has decreased significantly following the second anniversary of our spin-off, as anticipated, from $350M in FY24 to $26M in FY25

[1] I.e., the difference between (a) our adjusted free cash flow and (b) our cash flows from operating activities less net capital expenditures
See reconciliation of non-GAAP metrics in this appendix

Definitions and rationale for non-GAAP metrics

We present certain non-GAAP financial measures to provide useful supplemental information to investors. We provide these non-GAAP financial measures as we believe it enhances investors' visibility to management decisions and their impacts on operational performance; enables better comparison to peer companies; and allows us to provide a long-term strategic view of the business going forward.

Adjusted EBITDA and adjusted EBITDA margin
Adjusted EBITDA is defined as net income (loss) excluding net interest expense, income taxes, depreciation and amortization (excluding depreciation of right-of-use assets and amortization of capitalized contract costs), charges related to ceasing to use leased/fixed assets, charges related to lease terminations, transaction-related costs (benefits), pension costs other than pension servicing costs and multi-employer plan costs, stock-based compensation expense, workforce rebalancing charges incurred prior to March 31, 2024, impairment expense, significant litigation costs and benefits, and currency impacts of highly inflationary countries. Adjusted EBITDA margin is calculated by dividing adjusted EBITDA by revenue.

Adjusted pretax income (loss) and adjusted pretax margin
Adjusted pretax income (loss) is defined as pretax income (loss) excluding transaction-related costs (benefits), charges related to ceasing to use leased/fixed assets, charges related to lease terminations, pension costs other than pension servicing costs and multi-employer plan costs, stock-based compensation expense, amortization of acquisition-related intangible assets, workforce rebalancing charges incurred prior to March 31, 2024, impairment expense, significant litigation costs and benefits, and currency impacts of highly inflationary countries. Adjusted pretax margin is calculated by dividing adjusted pretax income (loss) by revenue.

Adjusted net income (loss), adjusted net margin and adjusted earnings per share (EPS)
Adjusted net income (loss) is defined as adjusted pretax income (loss) less the reported provision for income taxes, minus or plus the tax effect of the non-GAAP adjustments made to calculate adjusted pretax income (loss), and excluding exceptional items impacting the reported provision for income taxes. Adjusted net margin is calculated by dividing adjusted net income, as defined above, by revenue. Adjusted earnings per share (EPS) is defined as adjusted net income divided by diluted weighted average shares outstanding to reflect shares that are dilutive or anti-dilutive based on the amount of adjusted net income.

Constant-currency
Constant-currency information compares results between periods as if exchange rates had remained constant period over period. We define constant-currency revenues as total revenues excluding the impact of foreign exchange rate movements and use it to determine the constant-currency revenue growth on a year-over-year basis. Constant-currency revenues are calculated by translating current period revenues using corresponding prior-period exchange rates.

Net debt and net leverage ratio
Net debt is defined as total debt less cash and cash equivalents. Net leverage ratio is calculated by dividing net debt by the last twelve months' adjusted EBITDA. Management uses net debt and net leverage ratio to evaluate its leverage.

Adjusted free cash flow
Adjusted free cash flow is defined as cash flows from operating activities after adding back transaction-related payments, charges related to lease terminations, payments related to workforce rebalancing charges incurred prior to March 31, 2024, and significant litigation payments (collectively referred to as **adjusted operating cash flow**), less net capital expenditures. Management uses adjusted free cash flow as a measure to evaluate its operating results, plan strategic investments and assess our ability and need to incur and service debt. We believe adjusted free cash flow is a useful supplemental financial measure to aid investors in assessing our ability to pursue business opportunities and investments and to service our debt.

Signings, book-to-bill and gross profit book-to-bill
Signings are defined by Kyndryl as an initial estimate of the value of a customer's commitment under a contract. The calculation involves estimates and judgments to gauge the extent of a customer's commitment, including the type and duration of the agreement as well as the presence of termination charges or wind-down costs. Contract extensions and increases in scope are treated as signings only to the extent of the incremental new value. Signings can vary over time due to a variety of factors including, but not limited to, the timing of signing a small number of larger outsourcing contracts, as well as the length of those contracts. The conversion of signings into revenue may vary based on the types of services and solutions, customer decisions and other factors, which may include, but are not limited to, macroeconomic environment or external events. Our book-to-bill is defined as signings for the trailing twelve months divided by our revenues for the same period. Our gross profit book-to-bill is defined as our projected gross profit on signings for the trailing twelve months divided by our actual gross profit for the same period. Management uses signings, book-to-bill and gross profit book-to-bill as tools to monitor the performance of the business including the business' ability to attract new customers and sell additional scope into our existing customer base.

Reconciliation of non-GAAP metrics

($ in millions, except per-share amounts)

Reconciliation of net income (loss) to adjusted pretax income and adjusted EBITDA	Three months ended March 31, 2025	Three months ended March 31, 2024
Net income (loss) (GAAP)	**$68**	**($45)**
Plus: Provision for income taxes	50	41
Pretax income (loss) (GAAP)	**$118**	**($4)**
Non-operating adjustments (before tax)		
Workforce rebalancing charges incurred prior to March 31, 2024	–	23
Charges related to ceasing to use leased/ fixed assets and lease terminations	19	14
Transaction-related costs (benefits)	(2)	(58)
Stock-based compensation expense	22	22
Amortization of acquisition-related intangible assets	7	7
Other adjustments[1]	17	25
Adjusted pretax income (non-GAAP)	**$185**	**$30**
Adjusted pretax margin	*4.9%*	*0.8%*
Interest expense	23	29
Depreciation of property, equipment and capitalized software	186	195
Amortization of transition costs and prepaid software	304	311
Adjusted EBITDA (non-GAAP)	**$698**	**$566**
Net income (loss) margin	*1.8%*	*(1.2%)*
Adjusted EBITDA margin	*18.4%*	*14.7%*
Revenue (GAAP)	**$3,800**	**$3,850**

Reconciliation of adjusted pretax income to adjusted net income (loss) and adjusted EPS	Three months ended March 31, 2025	Three months ended March 31, 2024
Adjusted pretax income (non-GAAP)	**$185**	**$30**
Provision for income taxes (GAAP)	(50)	(41)
Tax effect of non-GAAP adjustments	(9)	9
Adjusted net income (loss) (non-GAAP)	**$126**	**($2)**
Diluted weighted average shares outstanding	241.7	230.2
Diluted earnings (loss) per share (GAAP)	$0.28	($0.20)
Adjusted EPS (non-GAAP)	**$0.52**	**($0.01)**

Reconciliation of cash flow from operations to adjusted free cash flow	Three months ended March 31, 2025	Three months ended March 31, 2024
Cash flow from operations (GAAP)	**$581**	**$145**
Plus: Transaction-related payments (benefits)	(19)	(6)
Plus: Workforce rebalancing payments related to charges incurred prior to March 31, 2024	–	34
Plus: Significant litigation payments	1	6
Adjusted operating cash flow (non-GAAP)	**$563**	**$179**
Less: Net capital expenditures	(228)	(199)
Adjusted free cash flow (non-GAAP)	**$335**	**($20)**

Reconciliation of net debt and net leverage ratio	Balance as of March 31, 2025
Short-term debt	$129
Long-term debt	3,042
Total debt	**$3,172**
Cash	**1,786**
Net debt (non-GAAP)	**$1,385**
Latest twelve months adjusted EBITDA (non-GAAP)	**$2,516**
Net leverage ratio (non-GAAP)	**0.55x**

Numbers may not add due to rounding

[1] Other adjustments represent pension costs other than pension servicing costs and multi-employer plan costs, significant litigation costs and benefits, and currency impacts of highly inflationary countries

Reconciliation of non-GAAP metrics

($ in millions, except per-share amounts)

Reconciliation of net income (loss) to adjusted pretax income and adjusted EBITDA	Twelve months ended March 31, 2025	Twelve months ended March 31, 2024
Net income (loss) (GAAP)	**$252**	**($340)**
Plus: Provision for income taxes	184	172
Pretax income (loss) (GAAP)	**$435**	**($168)**
Non-operating adjustments (before tax)		
Workforce rebalancing charges incurred prior to March 31, 2024	–	138
Charges related to ceasing to use leased/ fixed assets and lease terminations	48	39
Transaction-related costs (benefits)	(125)	(46)
Stock-based compensation expense	100	95
Amortization of acquisition-related intangible assets	30	30
Other adjustments[1]	(6)	78
Adjusted pretax income (non-GAAP)	**$482**	**$165**
Adjusted pretax margin	*3.2%*	*1.0%*
Interest expense	100	122
Depreciation of property, equipment, and capitalized software[2]	656	824
Amortization of transition costs and prepaid software	1,278	1,256
Adjusted EBITDA (non-GAAP)	**$2,516**	**$2,367**
Net income (loss) margin	*1.7%*	*(2.1%)*
Adjusted EBITDA margin	*16.7%*	*14.7%*
Revenue (GAAP)	**$15,057**	**$16,052**

Reconciliation of adjusted pretax income to adjusted net income (loss) and adjusted EPS	Twelve months ended March 31, 2025	Twelve months ended March 31, 2024
Adjusted pretax income (non-GAAP)	**$482**	**$165**
Provision for income taxes (GAAP)	(184)	(172)
Tax effect of non-GAAP adjustments	(14)	(18)
Adjusted net income (loss) (non-GAAP)	**$285**	**($25)**
Diluted weighted average shares outstanding	239.1	229.2
Diluted earnings (loss) per share (GAAP)	$1.05	($1.48)
Adjusted EPS (non-GAAP)	**$1.19**	**($0.11)**

Reconciliation of cash flow from operations to adjusted free cash flow	Twelve months ended March 31, 2025	Twelve months ended March 31, 2024
Cash flow from operations (GAAP)	**$942**	**$454**
Plus: Transaction-related payments (benefits)	(14)	106
Plus: Workforce rebalancing payments related to charges incurred prior to March 31, 2024	25	176
Plus: Significant litigation payments	15	61
Plus: Payments related to lease terminations	–	7
Adjusted operating cash flow (non-GAAP)	**$968**	**$804**
Less: Net capital expenditures	(522)	(513)
Adjusted free cash flow (non-GAAP)	**$446**	**$291**

Numbers may not add due to rounding

[1] Other adjustments represent pension costs other than pension servicing costs and multi-employer plan costs, significant litigation costs and benefits, and currency impacts of highly inflationary countries

[2] Amount for the twelve months ended March 31, 2024 excludes $10 million of expense that is included in transaction-related costs