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HP INC

FORM 10-Q

(Quarterly Report)

Filed 09/11/23 for the Period Ending 07/31/23

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Part I. Financial Information

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended
July 31, 2023
Or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to
Commission file number
1-4423

HP INC.
(Exact name of registrant as specified in its charter)

Delaware	**94-1081436**
(State or other jurisdiction of incorporation or organization)	(I.R.S. employer identification no.)
1501 Page Mill Road	**94304**
Palo Alto, California	(Zip code)
(Address of principal executive offices)	

(650) 857-1501
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Securities Exchange Act of 1934:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, par value $0.01 per share	HPQ	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 (the "Exchange Act") during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒ Accelerated filer ☐
Non-accelerated filer ☐ Smaller reporting company ☐
Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes☐ No ☒

The number of shares of HP Inc. common stock outstanding as of July 31, 2023 was 988,268,771 shares.

HP INC. AND SUBSIDIARIES

Form 10-Q

For the Quarterly Period ended July 31, 2023

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In this report on Form 10-Q, for all periods presented, “we”, “us”, “our”, the “company”, the “Company”, “HP” and “HP Inc.” refer to HP Inc. (formerly Hewlett-Packard Company) and its consolidated subsidiaries. Certain financial statement numbers presented in this document may differ from those presented in our third quarter fiscal 2023 earnings release and Form 8-K filing (dated August 29, 2023) as a result of immaterial rounding adjustments.

Forward-Looking Statements

This Quarterly Report on Form 10-Q, including "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Item 2 of Part I, 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, they could affect the business and results of operations of HP Inc. and its consolidated subsidiaries ("HP") which 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 impact of the COVID-19 pandemic; 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 (including the Fiscal 2023 Plan (as defined below)), 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 as to the timing and expected benefits of acquisitions and other business combination and investment transactions (including the recent acquisition of Plantronics, Inc. ("Poly")); 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 that could affect our business and results of operations include factors relating to the impact of macroeconomic and geopolitical trends, changes and events, including the Russian invasion of Ukraine and tension across the Taiwan Strait and the regional and global ramifications of these events; recent volatility in global capital markets, increases in benchmark interest rates, the effects of inflation and instability of financial institutions; risks associated with HP's international operations; the effects of the COVID-19 pandemic; 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; 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 plans, 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 our restructuring plans (including the Fiscal 2023 Plan), including estimates and assumptions related to the cost (including any possible disruption of HP's business) and the anticipated benefits of our restructuring plans; the protection of HP's intellectual property assets, including intellectual property licensed from third parties; the hiring and retention of key employees; 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; our aspirations related to environmental, social and governance matters; potential impacts, liabilities and costs from pending or potential investigations, claims and disputes; the effectiveness of our internal control over financial reporting; and other risks that are described herein, including but not limited to the items discussed in "Risk Factors" in Item 1A of Part II of this report as well as the risks discussed in Item 1A "Risk Factors" of Part I in our Annual Report on Form 10-K for the fiscal year ended October 31, 2022 and that are otherwise described or updated from time to time in HP's other filings with the Securities and Exchange Commission (the "SEC"). The forward-looking statements in this report are made as of the date of this filing and HP assumes no obligation and does not intend to update these forward-looking statements.

Part I. Financial Information

ITEM 1. Financial Statements and Supplementary Data.

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HP INC. AND SUBSIDIARIES
Consolidated Condensed Statements of Earnings
(Unaudited)

	Three months ended July 31		Nine months ended July 31	
	2023	**2022**	**2023**	**2022**
	In millions, except per share amounts			
Net revenue	$ 13,196	$ 14,648	$ 39,901	$ 48,136
Costs and expenses:				
Cost of revenue	10,374	11,764	31,378	38,564
Research and development	354	368	1,167	1,271
Selling, general and administrative	1,302	1,143	4,031	4,075
Restructuring and other charges	75	13	416	148
Acquisition and divestiture charges	48	31	205	83
Amortization of intangible assets	91	50	262	154
Russia exit charges	—	23	—	23
Total costs and expenses	12,244	13,392	37,459	44,318
Earnings from operations	952	1,256	2,442	3,818
Interest and other, net	(16)	(70)	(357)	(141)
Earnings before taxes	936	1,186	2,085	3,677
(Provision for) benefit from taxes	(170)	(64)	204	(522)
Net earnings	$ 766	$ 1,122	$ 2,289	$ 3,155
Net earnings per share:				
Basic	$ 0.77	$ 1.10	$ 2.31	$ 3.00
Diluted	$ 0.76	$ 1.08	$ 2.29	$ 2.97
Weighted-average shares used to compute net earnings per share:				
Basic	993	1,024	991	1,052
Diluted	1,002	1,035	999	1,064

The accompanying notes are an integral part of these Consolidated Condensed Financial Statements.

HP INC. AND SUBSIDIARIES
Consolidated Condensed Statements of Comprehensive Income
(Unaudited)

	Three months ended July 31		Nine months ended July 31	
	2023	2022	2023	2022
	In millions			
Net earnings	$ 766	$ 1,122	$ 2,289	$ 3,155
Other comprehensive income (loss) before taxes:				
Change in unrealized components of available-for-sale debt securities:				
Unrealized gains (losses) arising during the period	1	(1)	5	(7)
Change in unrealized components of cash flow hedges:				
Unrealized (losses) gains arising during the period	(68)	280	(757)	1,182
Losses (gains) reclassified into earnings	68	(327)	(104)	(491)
	—	(47)	(861)	691
Change in unrealized components of defined benefit plans:				
Gains arising during the period	—	10	5	12
Amortization of actuarial loss and prior service benefit	—	5	—	16
Curtailments, settlements and other	—	(1)	—	(1)
	—	14	5	27
Change in cumulative translation adjustment	10	(14)	48	(56)
Other comprehensive income (loss) before taxes	11	(48)	(803)	655
Benefit from (provision for) taxes	3	(62)	164	(172)
Other comprehensive income (loss), net of taxes	14	(110)	(639)	483
Comprehensive income	$ 780	$ 1,012	$ 1,650	$ 3,638

The accompanying notes are an integral part of these Consolidated Condensed Financial Statements.

HP INC. AND SUBSIDIARIES
Consolidated Condensed Balance Sheets
(Unaudited)

	As of	
	July 31, 2023	October 31, 2022
	In millions, except par value	
ASSETS		
Current assets:		
Cash, cash equivalents and restricted cash	$ 1,718	$ 3,145
Accounts receivable, net of allowance for credit losses of $91 and $107, respectively	4,367	4,546
Inventory	7,197	7,614
Other current assets	4,181	4,431
Total current assets	17,463	19,736
Property, plant and equipment, net	2,783	2,774
Goodwill	8,614	8,541
Other non-current assets	7,772	7,443
Total assets	$ 36,632	$ 38,494
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities:		
Notes payable and short-term borrowings	$ 443	$ 218
Accounts payable	14,123	15,303
Other current liabilities	10,624	10,668
Total current liabilities	25,190	26,189
Long-term debt	9,236	10,796
Other non-current liabilities	4,451	4,534
Stockholders' deficit:		
Preferred stock, $0.01 par value (300 shares authorized; none issued)	—	—
Common stock, $0.01 par value (9,600 shares authorized; 988 and 980 shares issued and outstanding at July 31, 2023 and October 31, 2022, respectively)	10	10
Additional paid-in capital	1,435	1,172
Accumulated deficit	(3,336)	(4,492)
Accumulated other comprehensive (loss) income	(354)	285
Total stockholders' deficit	(2,245)	(3,025)
Total liabilities and stockholders' deficit	$ 36,632	$ 38,494

The accompanying notes are an integral part of these Consolidated Condensed Financial Statements.

HP INC. AND SUBSIDIARIES
Consolidated Condensed Statements of Cash Flows
(Unaudited)

	Nine months ended July 31	
	2023	**2022**
	In millions	
Cash flows from operating activities:		
Net earnings	$ 2,289	$ 3,155
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	638	571
Stock-based compensation expense	353	273
Restructuring and other charges	416	148
Deferred taxes on earnings	(774)	51
Other, net	(61)	361
Changes in operating assets and liabilities, net of acquisitions:		
Accounts receivable	180	1,101
Inventory	364	(570)
Accounts payable	(1,133)	(491)
Net investment in leases	(82)	(94)
Taxes on earnings	354	(165)
Restructuring and other	(244)	(185)
Other assets and liabilities	(704)	(1,596)
Net cash provided by operating activities	1,596	2,559
Cash flows from investing activities:		
Investment in property, plant and equipment	(459)	(647)
Proceeds from sale of property, plant and equipment	—	26
Purchases of available-for-sale securities and other investments	(6)	(50)
Maturities and sales of available-for-sale securities and other investments	18	8
Collateral (posted) returned for derivative instruments	(118)	14
Payment made in connection with business acquisitions, net of cash acquired	(5)	(24)
Net cash used in investing activities	(570)	(673)
Cash flows from financing activities:		
Proceeds from (payment of) short-term borrowings with original maturities less than 90 days, net	190	(400)
Proceeds from debt, net of issuance costs	177	4,086
Payment of debt and associated costs	(1,654)	(141)
Stock-based award activities and others	(86)	(88)
Repurchase of common stock	(100)	(3,547)
Cash dividends paid	(777)	(788)
Collateral returned for derivative instruments	(200)	—
Settlement of cash flow hedges	(3)	79
Net cash used in financing activities	(2,453)	(799)
(Decrease) increase in cash, cash equivalents and restricted cash	(1,427)	1,087
Cash, cash equivalents and restricted cash at beginning of period	3,145	4,299
Cash, cash equivalents and restricted cash at end of period	$ 1,718	$ 5,386

The accompanying notes are an integral part of these Consolidated Condensed Financial Statements.

HP INC. AND SUBSIDIARIES
Consolidated Condensed Statements of Stockholders' Deficit
(Unaudited)

	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Deficit
	Number of Shares	Par Value				
	In millions, except number of shares in thousands					
Balance at April 30, 2022	1,033,392	$ 10	$ 1,081	$ (3,399)	$ 348	$ (1,960)
Net earnings				1,122		1,122
Other comprehensive loss, net of taxes					(110)	(110)
Comprehensive income						1,012
Issuance of common stock in connection with employee stock plans and other	1,068		9			9
Repurchases of common stock (Note 10)	(28,522)		(30)	(971)		(1,001)
Cash dividends ($0.50 per common share)				(506)		(506)
Stock-based compensation expense			70			70
Balance at July 31, 2022	1,005,938	$ 10	$ 1,130	$ (3,754)	$ 238	$ (2,376)
Balance at April 30, 2023	985,876	$ 10	$ 1,344	$ (3,579)	$ (368)	$ (2,593)
Net earnings				766		766
Other comprehensive income, net of taxes					14	14
Comprehensive income						780
Issuance of common stock in connection with employee stock plans and other	2,344		—			—
Cash dividends ($0.52 per common share)				(523)		(523)
Stock-based compensation expense			91			91
Balance at July 31, 2023	988,220	$ 10	$ 1,435	$ (3,336)	$ (354)	$ (2,245)

	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Deficit
	Number of Shares	Par Value				
	In millions, except number of shares in thousands					
Balance at October 31, 2021	1,092,205	$ 11	$ 1,060	$ (2,470)	$ (245)	$ (1,644)
Net earnings				3,155		3,155
Other comprehensive income, net of taxes					483	483
Comprehensive income						3,638
Issuance of common stock in connection with employee stock plans and other	11,452		(104)			(104)
Repurchases of common stock (Note 10)	(97,719)	(1)	(99)	(3,399)		(3,499)
Cash dividends ($1.00 per common share)				(1,040)		(1,040)
Stock-based compensation expense			273			273
Balance at July 31, 2022	1,005,938	$ 10	$ 1,130	$ (3,754)	$ 238	$ (2,376)
Balance at October 31, 2022	979,869	$ 10	$ 1,172	$ (4,492)	$ 285	$ (3,025)
Net earnings				2,289		2,289
Other comprehensive loss, net of taxes					(639)	(639)
Comprehensive income						1,650
Issuance of common stock in connection with employee stock plans and other	11,975		(86)			(86)
Repurchases of common stock (Note 10)	(3,624)		(4)	(96)		(100)
Cash dividends ($1.05 per common share)				(1,037)		(1,037)
Stock-based compensation expense			353			353
Balance at July 31, 2023	988,220	$ 10	$ 1,435	$ (3,336)	$ (354)	$ (2,245)

The accompanying notes are an integral part of these Consolidated Condensed Financial Statements.

HP INC. AND SUBSIDIARIES
Notes to Consolidated Condensed Financial Statements
(Unaudited)

Note 1: Basis of Presentation

Basis of Presentation

The accompanying Consolidated Condensed Financial Statements of HP and its wholly-owned subsidiaries are prepared in conformity with United States ("U.S.") generally accepted accounting principles ("GAAP"). The interim financial information is unaudited but reflects all normal adjustments that are necessary to provide a fair statement of results for the interim periods presented. This interim information should be read in conjunction with the Consolidated Financial Statements for the fiscal year ended October 31, 2022 in HP's Annual Report on Form 10-K, filed on December 6, 2022. The Consolidated Condensed Balance Sheet for October 31, 2022 was derived from audited financial statements.

Principles of Consolidation

The Consolidated Condensed Financial Statements include the accounts of HP and its subsidiaries and affiliates in which HP has a controlling financial interest or is the primary beneficiary. All intercompany balances and transactions have been eliminated.

Revision of Prior Period Financial Statements

In connection with the preparation of HP's Consolidated Condensed Financial Statements for the three and nine months ended July 31, 2023, the Company identified an accounting error related to a revenue contract in the Personal Systems segment. HP has revised its prior period financial statements to correct this error, as well as other immaterial errors, which impacted the last quarter and annual period of fiscal year 2020 and all the subsequent periods through the second quarter of fiscal year 2023. The Company evaluated the error and determined that the related impacts were not material to its financial statements for the annual periods when they occurred, but that correcting the error would be material to the Company's results of operations for the three and nine months ended July 31, 2023. The Company has corrected these errors in the Consolidated Condensed Financial Statements for all prior periods presented herein. Revisions to the Company's previously reported disclosures have been reflected in Note 2, "Segment Information"; Note 3, "Restructuring and Other Charges"; Note 5, "Taxes on Earnings"; Note 6, "Supplementary Financial Information"; Note 10, "Stockholders' Deficit"; and Note 11, "Net Earnings Per Share". A summary of the revisions to the Company's previously reported financial statements is provided in Note 14, "Revision of Prior Period Financial Statements".

Use of Estimates

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in HP's Consolidated Condensed Financial Statements and accompanying notes. Actual results may differ materially from those estimates. As of July 31, 2023, the extent to which the current macroeconomic factors will impact our business going forward depends on numerous dynamic factors which we cannot reliably predict. As a result, many of our estimates and assumptions required increased judgment and may carry a higher degree of variability and volatility. As the events continue to evolve with respect to the ongoing macroeconomic factors, our estimates may materially change in future periods.

Recently Issued Accounting Pronouncements Not Yet Adopted

In November 2021, the FASB issued guidance that enhances the transparency of government assistance by requiring annual disclosure of the types of assistance received, an entity's accounting for the assistance, and the effect of the assistance on the entity's financial statements. HP is required to adopt the guidance for its annual period ending on October 31, 2023. Early adoption is permitted. HP is currently evaluating the impact of this guidance on its disclosures.

In September 2022, the FASB issued guidance that enhances the transparency about the use of supplier finance programs. Under the new guidance, companies that use a supplier finance program in connection with the purchase of goods or services will be required to disclose information about the program to allow users of financial statements to understand the program's nature, activity during the period, changes from period to period, and potential magnitude. HP is required to adopt the guidance in the first quarter of fiscal year 2024, except for the amendment on roll forward information which is effective one year later. Early adoption is permitted. HP is currently evaluating the impact of this guidance on its disclosures.

Note 2: Segment Information

HP is a leading global provider of personal computing and other access devices, imaging and printing products, and related technologies, solutions and services. HP sells to individual consumers, small- and medium-sized businesses ("SMBs") and large enterprises, including customers in the government, health and education sectors. HP goes to market through its extensive channel network and direct sales.

HP's operations are organized into three reportable segments: Personal Systems, Printing, and Corporate Investments. HP's organizational structure is based on many factors that the chief operating decision maker ("CODM") uses to evaluate, view and run the business operations, which include, but are not limited to, customer base and homogeneity of products and technology. The segments are based on this organizational structure and information reviewed by HP's CODM to evaluate segment results. The CODM uses several metrics to evaluate the performance of the overall business, including earnings from operations, and uses these results to allocate resources to each of the segments.

A summary description of each segment is as follows:

Personal Systems offers commercial and consumer customers desktops and notebooks, workstations, thin clients, commercial mobility devices, retail point-of-sale ("POS") systems, displays, hybrid systems (includes video conferencing solutions, cameras, headsets, voice, and related software capabilities including all products and solutions acquired from Poly), software, support and services. HP groups commercial notebooks, commercial desktops, commercial services, commercial mobility devices, commercial detachables and convertibles, workstations, retail POS systems and thin clients into commercial ("Commercial PS"), and consumer notebooks, consumer desktops, consumer services and consumer detachables into consumer ("Consumer PS") when describing performance in these markets. Commercial and Consumer services include support and deployment, configurations and extended warranty services.

Personal Systems groups its global business capabilities into the following business units when reporting business performance:

- *Commercial PS* consist of endpoint computing devices and hybrid systems, for use by enterprise, public sector (which includes education), and SMB customers, with a focus on robust designs, security, serviceability, connectivity, reliability and manageability in the customer's environment. Additionally, HP offers a range of services and solutions to enterprise, public sector (which includes education), and SMB customers to help them manage the lifecycle of their personal computers ("PCs") and mobility installed base.
- *Consumer PS* consist of devices, accessories and services which are optimized for consumer usage, focusing on gaming, learning and working remotely, consuming multi-media for entertainment, managing personal life activities, staying connected, sharing information, getting things done for work including creating content and staying informed and secure.

Printing provides consumer and commercial printer hardware, supplies, services and solutions. Printing is also focused on imaging solutions in the commercial and industrial markets. Described below are HP's global business capabilities within Printing.

- *Office Printing Solutions* delivers HP's office printers, supplies, services and solutions to SMBs and large enterprises. It also includes OEM hardware and solutions.
- *Home Printing Solutions* delivers innovative printing products, supplies, services and solutions for the home, home business and micro business customers utilizing both HP's Ink and Laser technologies.
- *Graphics Solutions* delivers large-format, commercial and industrial solutions and supplies to print service providers and packaging converters through a wide portfolio of printers and presses (HP DesignJet, HP Latex, HP Indigo and HP PageWide Web Presses).
- *3D Printing & Digital Manufacturing* offers a portfolio of additive manufacturing solutions and supplies to help customers succeed in their additive and digital manufacturing journey. HP offers complete solutions in collaboration with an ecosystem of partners.

Note 2: Segment Information (Continued)

Printing groups its global business capabilities into the following business units when reporting business performance:

- *Commercial Printing* consists of office printing solutions, graphics solutions and 3D printing and digital manufacturing, excluding supplies;
- *Consumer Printing* consists of home printing solutions, excluding supplies; and
- *Supplies* comprises a set of highly innovative consumable products, ranging from ink and laser cartridges to media, graphics supplies, and 3D printing and digital manufacturing supplies, for recurring use in consumer and commercial hardware.

Corporate Investments includes certain business incubation and investment projects.

The accounting policies HP uses to derive segment results are substantially the same as those used by HP in preparing these financial statements. HP derives the results of the business segments directly from its internal management reporting system.

HP does not allocate certain operating expenses, which it manages at the corporate level, to its segments. These unallocated amounts include expenses such as certain corporate governance costs and infrastructure investments, stock-based compensation expense, restructuring and other charges, acquisition and divestiture charges, amortization of intangible assets and Russia exit charges.

Realignment

Effective the first quarter of fiscal 2023, HP realigned the Personal Systems business units reporting structure into Commercial PS and Consumer PS to align with its customer market segmentation. Additionally, in connection with certain other organizational realignments, some costs which were earlier reflected under “Corporate and unallocated cost and other” have now been reclassified to the Personal Systems and Printing segments.

HP has reflected these changes to its prior reporting periods on an as-if basis. The realignment change had no impact to previously reported segment net revenue, consolidated net revenue, net earnings or net earnings per share (“EPS”).

HP INC. AND SUBSIDIARIES

Notes to Consolidated Condensed Financial Statements (Continued)

(Unaudited)

Note 2: Segment Information (Continued)

Segment Operating Results from Operations and the reconciliation to HP consolidated results were as follows:

	Three months ended July 31		Nine months ended July 31	
	2023	2022	2023	2022
	In millions			
Net revenue:				
Commercial PS	$ 6,201	$ 6,956	$ 18,499	$ 22,600
Consumer PS	2,731	3,117	7,787	11,171
Personal Systems	8,932	10,073	26,286	33,771
Supplies	2,768	2,814	8,631	9,013
Commercial Printing	974	1,036	3,119	3,117
Consumer Printing	521	725	1,861	2,239
Printing	4,263	4,575	13,611	14,369
Corporate Investments	1	—	5	1
Total segment net revenue	13,196	14,648	39,902	48,141
Other	—	—	(1)	(5)
Total net revenue	$ 13,196	$ 14,648	$ 39,901	$ 48,136
Earnings before taxes:				
Personal Systems	$ 592	$ 673	$ 1,498	$ 2,331
Printing	794	904	2,563	2,725
Corporate Investments	(32)	(58)	(103)	(184)
Total segment earnings from operations	1,354	1,519	3,958	4,872
Corporate and unallocated costs and other	(97)	(76)	(279)	(373)
Stock-based compensation expense	(91)	(70)	(353)	(273)
Restructuring and other charges	(75)	(13)	(416)	(148)
Acquisition and divestiture charges	(48)	(31)	(206)	(83)
Amortization of intangible assets	(91)	(50)	(262)	(154)
Russia exit charges	—	(23)	—	(23)
Interest and other, net	(16)	(70)	(357)	(141)
Total earnings before taxes	$ 936	$ 1,186	$ 2,085	$ 3,677

Note 3: Restructuring and Other Charges

Summary of Restructuring Plans

HP’s restructuring activities for the nine months ended July 31, 2023 and 2022 summarized by plan were as follows:

	Fiscal 2023 Plan			
	Severance and EER	Non-labor	Other prior-year plans[1]	Total
	In millions			
Accrued balance as of October 31, 2022	$ —	$ —	$ 32	$ 32
Charges	318	38	3	359
Cash payments	(135)	(15)	(37)	(187)
Non-cash and other adjustments	(141) [2]	(5)	3	(143)
Accrued balance as of July 31, 2023	$ 42	$ 18	$ 1	$ 61
Total costs incurred to date as of July 31, 2023	$ 318	$ 38	$ 868	$ 1,224
Reflected in Consolidated Condensed Balance Sheets				
Other current liabilities	$ 42	$ 6	$ 1	$ 49
Other non-current liabilities	$ —	$ 12	$ —	$ 12
Accrued balance as of October 31, 2021	$ —	$ —	$ 90	$ 90
Charges	—	—	136	136
Cash payments	—	—	(170)	(170)
Non-cash and other adjustments	—	—	(36)	(36)
Accrued balance as of July 31, 2022	$ —	$ —	$ 20	$ 20

HP’s restructuring charges for the three months ended July 31, 2023 summarized by the plans outlined below were as follows:

	Fiscal 2023 Plan			
	Severance and EER	Non-labor	Other prior-year plans[1]	Total
	In millions			
For the three months ended July 31, 2023	$ 24	$ 25	$ 1	$ 50

(1) Primarily includes the fiscal 2020 plan along with other legacy plans, all of which are substantially complete. HP does not expect any further material activity associated with these plans.

(2) Includes reclassification of liability related to the Enhanced Early Retirement (“EER”) program of $139 million for pension and post-retirement plan special termination benefits. See Note 4 “Retirement and Post-Retirement Benefit Plans” for further information.

Fiscal 2023 Plan

On November 18, 2022, HP’s Board of Directors approved the Future Ready Plan (the “Fiscal 2023 Plan”) intended to enable digital transformation, portfolio optimization and operational efficiency which HP expects will be implemented through fiscal 2025. HP expects to reduce global headcount by approximately 4,000 to 6,000 employees. HP estimates that it will incur pre-tax charges of approximately $1.0 billion relating to labor and non-labor actions. HP expects to incur approximately $0.7 billion primarily in labor costs related to workforce reductions and the remaining costs will relate to non-labor actions and other charges.

Other charges

Other charges include non-recurring costs, including those as a result of information technology rationalization efforts and transformation program management costs, and are distinct from ongoing operational costs. These costs primarily relate to third-party professional services and other costs. For the three and nine months ended July 31, 2023, HP incurred $25 million and $57 million of other charges, respectively. For the three and nine months ended July 31, 2022, HP incurred $7 million and $12 million of other charges, respectively.

Note 4: Retirement and Post-Retirement Benefit Plans

The components of HP's pension and post-retirement benefit (credit) cost recognized in the Consolidated Condensed Statements of Earnings were as follows:

	Three months ended July 31					
	U.S. Defined Benefit Plans		Non-U.S. Defined Benefit Plans		Post-Retirement Benefit Plans	
	2023	2022	2023	2022	2023	2022
	In millions					
Service cost	$ —	$ —	$ 10	$ 14	$ 1	$ 1
Interest cost	54	41	10	5	4	2
Expected return on plan assets	(65)	(72)	(13)	(12)	(4)	(2)
Amortization and deferrals:						
Actuarial loss (gain)	4	1	1	9	(4)	(4)
Prior service cost (credit)	—	—	1	1	(2)	(2)
Net periodic benefit (credit) cost	(7)	(30)	9	17	(5)	(5)
Settlement gain	—	—	—	(1)	—	—
Total periodic benefit (credit) cost	$ (7)	$ (30)	$ 9	$ 16	$ (5)	$ (5)

	Nine months ended July 31					
	U.S. Defined Benefit Plans		Non-U.S. Defined Benefit Plans		Post- Retirement Benefit Plans	
	2023	2022	2023	2022	2023	2022
	In millions					
Service cost	$ —	$ —	$ 30	$ 42	$ 1	$ 1
Interest cost	163	121	30	16	11	6
Expected return on plan assets	(194)	(221)	(39)	(37)	(10)	(6)
Amortization and deferrals:						
Actuarial loss (gain)	13	4	3	28	(12)	(12)
Prior service cost (credit)	—	—	4	4	(8)	(8)
Net periodic benefit (credit) cost	(18)	(96)	28	53	(18)	(19)
Settlement gain	—	—	—	(1)	—	—
Special termination benefit cost	105	—	—	—	34	—
Total periodic benefit (credit) cost	$ 87	$ (96)	$ 28	$ 52	$ 16	$ (19)

Employer Contributions and Funding Policy

HP's policy is to fund its pension plans so that it makes at least the minimum contribution required by local government, funding and taxing authorities.

During fiscal year 2023, HP anticipates making contributions of approximately $36 million to its non-U.S. pension plans, approximately $32 million to its U.S. non-qualified plan participants and approximately $4 million to cover benefit claims under HP's post-retirement benefit plans. During the nine months ended July 31, 2023, HP contributed $27 million to its non-U.S. pension plans, paid $20 million to cover benefit payments to U.S. non-qualified plan participants and paid $4 million to cover benefit claims under HP's post-retirement benefit plans.

HP's pension and other post-retirement benefit costs and obligations depend on various assumptions. Differences between expected and actual returns on investments and changes in discount rates and other actuarial assumptions are reflected as unrecognized gains or losses, and such gains or losses are amortized to earnings in future periods. A deterioration in the funded status of a plan could result in a need for additional contributions or an increase in net pension and post-retirement benefit costs in future periods. Actuarial gains or losses are determined at the measurement date and amortized over the remaining service life for active plans or the life expectancy of plan participants for frozen plans.

Retirement Incentive Program

As part of the Fiscal 2023 Plan, HP announced a voluntary EER program for its U.S. employees in January 2023. Voluntary participation in the EER program was limited to employees at least 55 years old with 10 or more years of service at HP. Employees accepted into the EER program are leaving HP on dates ranging from March 15, 2023 to October 31, 2023. The U.S. defined benefit pension plan was amended to provide that the EER benefit will be paid from the plan for eligible electing EER participants. The retirement incentive benefit is calculated as a lump sum based on years of service at HP at the time of retirement, ranging from 20 to 52 weeks of pay. As a result of this retirement incentive, HP recognized a special termination benefit (“STB”) expense of $105 million for the nine months ended July 31, 2023 as a restructuring charge. This expense is the present value of all additional benefits that HP will distribute from the pension plan assets.

All employees participating in the EER program were offered the opportunity to continue health care coverage at the active employee contribution rates for up to 36 months following retirement, but not beyond age 65 when Medicare is available. In addition, HP is providing up to $12,000 in employer credits under the Retirement Medical Savings Account program. HP recognized an additional STB expense of $34 million as restructuring and other charges for the nine months ended July 31, 2023 for the health care incentives.

Note 5: Taxes on Earnings

Provision for Taxes

HP’s effective tax rate was 18.2% and 5.4% for the three months ended July 31, 2023 and 2022, respectively, and (9.8)% and 14.2% for the nine months ended July 31, 2023 and 2022, respectively. The difference between the U.S. federal statutory tax rate of 21% and HP’s effective tax rate for the three months ended July 31, 2023 was primarily due to favorable tax rates associated with certain earnings from HP’s operations in lower-tax jurisdictions throughout the world. For the nine months ended July 31, 2023, the difference was primarily due to tax effects of internal reorganization. The difference between the U.S. federal statutory tax rate of 21% and HP’s effective tax rate for the three and nine months ended July 31, 2022 was primarily due to tax effects of internal reorganization and favorable tax rates associated with certain earnings from HP’s operations in lower-tax jurisdictions throughout the world.

During the three and nine months ended July 31, 2023, HP recorded $32 million and $724 million, respectively, of net income tax benefits related to discrete items in the provision for taxes. The nine months ended July 31, 2023 included benefits of $697 million related to tax effects of internal reorganization. The three and nine months ended July 31, 2023 also included benefits of $16 million and $82 million related to restructuring charges, $51 million and $15 million related to the filing of tax returns in various jurisdictions, and $10 million and $37 million related to acquisition and divestiture charges, respectively. These benefits were partially offset by income tax charges of $2 million and $60 million related to audit settlements in various jurisdictions, $17 million and $32 million of uncertain tax position charges, and $27 million and $25 million related to extinguishment of debt for the three and nine months ended July 31, 2023, respectively. During the three and nine months ended July 31, 2023, discrete items in the provision for taxes and excess tax benefits associated with stock options, restricted stock units and performance-adjusted restricted stock units were immaterial.

During the three and nine months ended July 31, 2022, HP recorded $150 million and $111 million, respectively, of net income tax benefits related to discrete items in the provision for taxes. These amounts included income tax benefits of $167 million and $150 million related to the filing of tax returns in various jurisdictions for the three and nine months ended July 31, 2022 and $3 million and $31 million related to restructuring charges for the three and nine months ended July 31, 2022, respectively. The three and nine months ended July 31, 2022 also included $87 million of tax benefits related to internal reorganization. These benefits were partially offset by income tax charges of $98 million and $93 million related to uncertain tax positions and $10 million and $19 million related to audit settlements in various jurisdictions for the three and nine months ended July 31, 2022, respectively. The nine months ended July 31, 2022 also included tax charges of $55 million related to withholding taxes on undistributed foreign earnings. In addition to the discrete items mentioned above, HP recorded excess tax benefits of $32 million associated with stock options, restricted stock units and performance-adjusted restricted stock units for the nine months ended July 31, 2022.

Uncertain Tax Positions

As of July 31, 2023, the amount of gross unrecognized tax benefits was $1.2 billion, of which up to $861 million would affect HP’s effective tax rate if realized. Total gross unrecognized tax benefits increased by $106 million for the nine months ended July 31, 2023. HP recognizes interest income from favorable settlements and interest expense and penalties accrued on unrecognized tax benefits in the provision for taxes in the Consolidated Condensed Statements of Earnings. As of July 31, 2023 and 2022, HP had accrued $98 million and $76 million, respectively, for interest and penalties.

HP engages in continuous discussions and negotiations with taxing authorities regarding tax matters in various jurisdictions. HP expects complete resolution of certain tax years with various tax authorities within the next 12 months. HP believes it is reasonably possible that its existing gross unrecognized tax benefits may be reduced by $44 million within the next 12 months, affecting HP’s effective tax rate if realized.

HP is subject to income tax in the United States and approximately 60 other countries and is subject to routine corporate income tax audits in many of these jurisdictions. In addition, HP is subject to numerous ongoing audits by federal, state and foreign tax authorities. The Internal Revenue Service (“IRS”) is conducting an audit of HP’s 2018 and 2019 income tax returns.

HP INC. AND SUBSIDIARIES
Consolidated Condensed Statements of Earnings (Continued)
(Unaudited)

Note 6: Supplementary Financial Information

Cash, cash equivalents and restricted cash

	As of	
	July 31, 2023	October 31, 2022
	In millions	
Cash and cash equivalents	$ 1,673	$ 3,145
Restricted cash[1]	45	—
	$ 1,718	$ 3,145

[1] Restricted Cash is related to amounts collected and held on behalf of a third party for trade receivables previously sold.

Accounts Receivable

The allowance for credit losses related to accounts receivable and changes were as follows:

	Nine months ended July 31, 2023
	In millions
Balance at beginning of period	$ 107
Benefit of allowance for credit losses	(7)
Deductions, net of recoveries	(9)
Balance at end of period	$ 91

HP utilizes certain third-party arrangements in the normal course of business as part of HPs cash and liquidity management and also to provide liquidity to certain partners to facilitate their working capital requirements. These financing arrangements, which in certain circumstances may contain partial recourse, result in a transfer of HP's receivables and risk to the third-party. As these transfers qualify as true sales under the applicable accounting guidance, the receivables are de-recognized from the Consolidated Condensed Balance Sheets upon transfer, and HP receives a payment for the receivables from the third-party within a mutually agreed upon time period. For arrangements involving an element of recourse, the recourse obligation is measured using market data from similar transactions and reported as a current liability in the Consolidated Condensed Balance Sheets. The recourse obligations as of July 31, 2023 and October 31, 2022 were not material.

The following is a summary of the activity under these arrangements:

	Three months ended July 31		Nine months ended July 31	
	2023	2022	2023	2022
	In millions			
Balance at beginning of period[1]	$ 174	$ 173	$ 185	$ 131
Trade receivables sold	3,383	2,918	10,241	8,887
Cash receipts	(3,398)	(2,897)	(10,286)	(8,811)
Foreign currency and other	—	(5)	19	(18)
Balance at end of period[1]	$ 159	$ 189	$ 159	$ 189

[1] Amounts outstanding from third parties reported in Accounts receivable in the Consolidated Condensed Balance Sheets.

HP INC. AND SUBSIDIARIES
Notes to Consolidated Condensed Financial Statements (Continued)
(Unaudited)

Note 6: Supplementary Financial Information (Continued)

Inventory

	As of	
	July 31, 2023	October 31, 2022
	In millions	
Finished goods	$ 4,171	$ 4,885
Purchased parts and fabricated assemblies	3,026	2,729
	$ 7,197	$ 7,614

Other Current Assets

	As of	
	July 31, 2023	October 31, 2022
	In millions	
Supplier and other receivables	1,868	1,377
Prepaid and other current assets	1,451	2,086
Value-added taxes receivable	862	968
	$ 4,181	$ 4,431

Property, Plant and Equipment, net

	As of	
	July 31, 2023	October 31, 2022
	In millions	
Land, buildings and leasehold improvements	$ 2,305	$ 2,255
Machinery and equipment, including equipment held for lease	5,385	5,337
	7,690	7,592
Accumulated depreciation	(4,907)	(4,818)
	$ 2,783	$ 2,774

Other Non-Current Assets

	As of	
	July 31, 2023	October 31, 2022
	In millions	
Deferred tax assets	$ 3,054	$ 2,167
Intangible assets	1,690	1,933
Right-of-use assets	1,171	1,236
Prepaid pension and post-retirement benefit assets	559	642
Deposits and prepaids	470	474
Other	828	991
	$ 7,772	$ 7,443

HP INC. AND SUBSIDIARIES
Notes to Consolidated Condensed Financial Statements (Continued)
(Unaudited)

Note 6: Supplementary Financial Information (Continued)

Other Current Liabilities

	As of	
	July 31, 2023	October 31, 2022
	In millions	
Sales and marketing programs	$ 3,031	$ 2,984
Deferred revenue	1,379	1,393
Other accrued taxes	1,014	1,064
Employee compensation and benefit	905	954
Warranty	584	619
Operating lease liabilities	439	405
Tax liability	366	286
Other	2,906	2,963
	$ 10,624	$ 10,668

Other Non-Current Liabilities

	As of	
	July 31, 2023	October 31, 2022
	In millions	
Deferred revenue	$ 1,271	$ 1,171
Tax liability	957	911
Operating lease liability	829	875
Pension, post-retirement, and post-employment liabilities	595	600
Deferred tax liability	25	121
Other	774	856
	$ 4,451	$ 4,534

Interest and other, net

	Three months ended July 31		Nine months ended July 31	
	2023	2022	2023	2022
	In millions			
Interest expense on borrowings	$ (134)	$ (96)	$ (429)	$ (229)
Net gain on debt extinguishment	115	—	107	—
Non-operating retirement-related credits	14	38	40	110
Factoring costs[1]	(37)	—	(99)	—
Other, net	26	(12)	24	(22)
	$ (16)	$ (70)	$ (357)	$ (141)

[1] For the three and nine months ended July 31, 2022, Factoring costs were included in Selling, general and administrative and were not material.

Note 6: Supplementary Financial Information (Continued)

Net revenue by region

	Three months ended July 31		Nine months ended July 31	
	2023	2022	2023	2022
	In millions			
Americas	$ 5,880	$ 6,379	$ 17,052	$ 20,111
Europe, Middle East and Africa	4,285	4,712	13,330	16,670
Asia-Pacific and Japan	3,031	3,557	9,519	11,355
Total net revenue	$ 13,196	$ 14,648	$ 39,901	$ 48,136

Value of Remaining Performance Obligations

As of July 31, 2023, the estimated value of transaction price allocated to remaining performance obligations was $3.7 billion. HP expects to recognize approximately $1.7 billion of the unearned amount in next 12 months and $2.0 billion thereafter.

HP has elected the practical expedients and accordingly does not disclose the aggregate amount of the transaction price allocated to remaining performance obligations if:

- the contract has an original expected duration of one year or less; or
- the revenue from the performance obligation is recognized over time on an as-invoiced basis when the amount corresponds directly with the value to the customer; or
- the portion of the transaction price that is variable in nature is allocated entirely to a wholly unsatisfied performance obligation.

The remaining performance obligations are subject to change and may be affected by various factors, such as termination of contracts, contract modifications and adjustment for currency.

Contract Liabilities

As of July 31, 2023 and October 31, 2022, HP's contract liabilities balances were $2.6 billion and $2.5 billion, respectively, included in Other current liabilities and Other non-current liabilities in the Consolidated Condensed Balance Sheets.

The increase in the contract liabilities balance for the nine months ended July 31, 2023, was primarily driven by sales of fixed-price support and maintenance services, partially offset by $1.0 billion of revenue recognized that was included in the contract liabilities balance as of October 31, 2022.

Note 7: Fair Value

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants at the measurement date.

Fair Value Hierarchy

HP uses valuation techniques that are based upon observable and unobservable inputs. Observable inputs are developed using market data such as publicly available information and reflect the assumptions market participants would use, while unobservable inputs are developed using the best information available about the assumptions market participants would use. Assets and liabilities are classified in the fair value hierarchy based on the lowest level input that is significant to the fair value measurement:

Level 1—Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2—Quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability and market-corroborated inputs.

Level 3—Unobservable inputs for the asset or liability.

The fair value hierarchy gives the highest priority to observable inputs and lowest priority to unobservable inputs.

The following table presents HP's assets and liabilities that are measured at fair value on a recurring basis:

	As of July 31, 2023				As of October 31, 2022			
	Fair Value Measured Using				Fair Value Measured Using			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	In millions							
Assets:								
Cash Equivalents:								
Corporate debt	$ —	$ 460	$ —	$ 460	$ —	$ 904	$ —	$ 904
Government debt[(1)]	362	—	—	362	1,289	—	—	1,289
Available-for-Sale Investments:								
Financial institution instruments	—	3	—	3	—	5	—	5
Marketable securities and mutual funds	28	48	—	76	17	41	—	58
Derivative Instruments:								
Foreign currency contracts	—	248	—	248	—	1,088	—	1,088
Other derivatives	—	6	—	6	—	2	—	2
Total assets	$ 390	$ 765	$ —	$ 1,155	$ 1,306	$ 2,040	$ —	$ 3,346
Liabilities:								
Derivative Instruments:								
Interest rate contracts	$ —	$ 63	$ —	$ 63	$ —	$ 78	$ —	$ 78
Foreign currency contracts	—	341	—	341	—	295	—	295
Other derivatives	—	—	—	—	—	1	—	1
Total liabilities	$ —	$ 404	$ —	$ 404	$ —	$ 374	$ —	$ 374

(1) Government debt includes instruments such as U.S. treasury notes, U.S. agency securities and non-U.S. government bonds. Money market funds invested in government debt and traded in active markets are included in Level 1.

Note 7: Fair Value (Continued)

Valuation Techniques

Cash Equivalents and Investments: HP holds time deposits, money market funds, mutual funds, other debt securities primarily consisting of corporate and foreign government notes and bonds, and common stock and equivalents. HP values cash equivalents and equity investments using quoted market prices, alternative pricing sources, including net asset value, or models utilizing market observable inputs. The fair value of debt investments is based on quoted market prices or model-driven valuations using inputs primarily derived from or corroborated by observable market data, and, in certain instances, valuation models that utilize assumptions which cannot be corroborated with observable market data.

Derivative Instruments: HP uses industry standard valuation models to measure fair value. Where applicable, these models project future cash flows and discount the future amounts to present value using market-based observable inputs, including interest rate curves, HP and counterparty credit risk, foreign exchange rates, and forward and spot prices for currencies and interest rates. See Note 8, “Financial Instruments” for a further discussion of HP’s use of derivative instruments.

Other Fair Value Disclosures

Short- and Long-Term Debt: HP estimates the fair value of its debt primarily using an expected present value technique, which is based on observable market inputs using interest rates currently available to companies of similar credit standing for similar terms and remaining maturities and considering its own credit risk. The portion of HP’s debt that is hedged is reflected in the Consolidated Condensed Balance Sheets as an amount equal to the debt’s carrying amount and a fair value adjustment representing changes in the fair value of the hedged debt obligations arising from movements in benchmark interest rates. The fair value of HP’s short- and long-term debt was $9.1 billion as compared to its carrying amount of $9.7 billion at July 31, 2023. The fair value of HP’s short- and long-term debt was $9.6 billion as compared to its carrying value of $11.0 billion at October 31, 2022. If measured at fair value in the Consolidated Condensed Balance Sheets, short- and long-term debt would be classified in Level 2 of the fair value hierarchy.

Other Financial Instruments: For the balance of HP’s financial instruments, primarily accounts receivable, accounts payable and financial liabilities included in Other current liabilities on the Consolidated Condensed Balance Sheets, the carrying amounts approximate fair value due to their short maturities. If measured at fair value in the Consolidated Condensed Balance Sheets, these other financial instruments would be classified as Level 2 or Level 3 of the fair value hierarchy.

Non-Marketable Equity Investments and Non-Financial Assets: HP’s non-marketable equity investments are measured at cost less impairment, adjusted for observable price changes. HP’s non-financial assets, such as intangible assets, goodwill and property, plant and equipment, are recorded at fair value in the period an impairment charge is recognized. If measured at fair value in the Consolidated Condensed Balance Sheets these would generally be classified within Level 3 of the fair value hierarchy.

Note 8: Financial Instruments

Cash Equivalents and Available-for-Sale Investments

	As of July 31, 2023				As of October 31, 2022			
	Cost	Gross Unrealized Gain	Gross Unrealized Loss	Fair Value	Cost	Gross Unrealized Gain	Gross Unrealized Loss	Fair Value
	In millions							
Cash Equivalents:								
Corporate debt	$ 460	$ —	$ —	$ 460	$ 904	$ —	$ —	$ 904
Government debt	362	—	—	362	1,289	—	—	1,289
Total cash equivalents	822	—	—	822	2,193	—	—	2,193
Available-for-Sale Investments:								
Financial institution instruments	3	—	—	3	5	—	—	5
Marketable securities and mutual funds	41	35	—	76	50	8	—	58
Total available-for-sale investments	44	35	—	79	55	8	—	63
Total cash equivalents and available-for-sale investments	$ 866	$ 35	$ —	$ 901	$ 2,248	$ 8	$ —	$ 2,256

All highly liquid investments with original maturities of three months or less at the date of acquisition are considered cash equivalents. As of July 31, 2023 and October 31, 2022, the carrying amount of cash equivalents approximated fair value due to the short period of time to maturity. The estimated fair value of the available-for-sale investments may not be representative of values that will be realized in the future.

Contractual maturities of investments in available-for-sale debt securities were as follows:

	As of July 31, 2023	
	Amortized Cost	Fair Value
	In millions	
Due in one year	$ 3	$ 3

Non-marketable equity securities in privately held companies are included in Other non-current assets in the Consolidated Condensed Balance Sheets. These amounted to $112 million and $110 million as of July 31, 2023 and October 31, 2022, respectively.

HP determines credit losses on cash equivalents and available-for-sale debt securities at the individual security level. All instruments are considered investment grade. No credit-related or noncredit-related impairment losses were recorded for the three and nine months ended July 31, 2023.

Derivative Instruments

HP uses derivative instruments, primarily forward contracts, interest rate swaps, total return swaps, treasury rate locks, forward starting swaps and option contracts to offset business exposure to foreign currency and interest rate risk on expected future cash flows and on certain existing assets and liabilities. HP may designate its derivative contracts as fair value hedges or cash flow hedges and classifies the cash flows with the activities that correspond to the underlying hedged items. Additionally, for derivatives not designated as hedging instruments, HP categorizes those economic hedges as other derivatives. HP recognizes all derivative instruments at fair value in the Consolidated Condensed Balance Sheets.

As a result of its use of derivative instruments, HP is exposed to the risk that its counterparties will fail to meet their contractual obligations. Master netting agreements mitigate credit exposure to counterparties by permitting HP to net amounts due from HP to counterparty against amounts due to HP from the same counterparty under certain conditions. To further limit credit risk, HP has collateral security agreements that allow HP's custodian to hold collateral from, or require HP to post collateral to, counterparties when aggregate derivative fair values exceed contractually established thresholds which are

Note 8: Financial Instruments (Continued)

generally based on the credit ratings of HP and its counterparties. If HP's or the counterparty's credit rating falls below a specified credit rating, either party has the right to request full collateralization of the derivatives' net liability position. The Company includes gross collateral posted and received in other current assets and other current liabilities in the Consolidated Condensed Balance Sheets, respectively. The fair value of derivatives with credit contingent features in a net liability position was $174 million and $82 million as of July 31, 2023 and October 31, 2022, respectively, all of which were fully collateralized within two business days.

Under HP's derivative contracts, the counterparty can terminate all outstanding trades following a covered change of control event affecting HP that results in the surviving entity being rated below a specified credit rating. This credit contingent provision did not affect HP's financial position or cash flows as of July 31, 2023 and October 31, 2022.

Fair Value Hedges

HP enters into fair value hedges, such as interest rate swaps, to reduce the exposure of its debt portfolio to changes in fair value resulting from changes in benchmark interest rates on HP's future interest payments.

For derivative instruments that are designated and qualify as fair value hedges, HP recognizes the change in fair value of the derivative instrument, as well as the offsetting change in the fair value of the hedged item, in Interest and other, net in the Consolidated Condensed Statements of Earnings in the period of change.

Cash Flow Hedges

HP uses forward contracts, option contracts, treasury rate locks and forward starting swaps designated as cash flow hedges to protect against the foreign currency exchange and interest rate risks inherent in its forecasted net revenue, cost of revenue, operating expenses and debt issuance. HP's foreign currency cash flow hedges mature predominantly within twelve months; however, hedges related to long-term procurement arrangements extend several years.

For derivative instruments that are designated and qualify as cash flow hedges, HP initially records changes in fair value of the derivative instrument in Accumulated other comprehensive loss as a separate component of Stockholders' deficit in the Consolidated Condensed Balance Sheets and subsequently reclassifies these amounts into earnings in the period during which the hedged transaction is recognized in earnings. HP reports the changes in the fair value of the derivative instrument in the same financial statement line item as changes in the fair value of the hedged item.

Other Derivatives

Other derivatives not designated as hedging instruments consist primarily of forward contracts used to hedge foreign currency-denominated balance sheet exposures. HP also uses total return swaps to hedge its executive deferred compensation plan liability.

For derivative instruments not designated as hedging instruments, HP recognizes changes in fair value of the derivative instrument, as well as the offsetting change in the fair value of the hedged item, in Interest and other, net in the Consolidated Condensed Statements of Earnings in the period of change.

Hedge Effectiveness

For interest rate swaps designated as fair value hedges, HP measures hedge effectiveness by offsetting the change in fair value of the hedged item with the change in fair value of the derivative. For foreign currency options, forward contracts and forward starting swaps designated as cash flow hedges, HP measures hedge effectiveness by comparing the cumulative change in fair value of the hedge contract with the cumulative change in fair value of the hedged item, both of which are based on forward rates.

During the three and nine months ended July 31, 2023 and 2022, no portion of the hedging instruments' gain or loss was excluded from the assessment of effectiveness for fair value and cash flow hedges.

Fair Value of Derivative Instruments in the Consolidated Condensed Balance Sheets

The gross notional and fair value of derivative instruments in the Consolidated Condensed Balance Sheets were as follows:

Note 8: Financial Instruments (Continued)

	As of July 31, 2023					As of October 31, 2022				
	Outstanding Gross Notional	Other Current Assets	Other Non-Current Assets	Other Current Liabilities	Other Non-Current Liabilities	Outstanding Gross Notional	Other Current Assets	Other Non-Current Assets	Other Current Liabilities	Other Non-Current Liabilities
	In millions									
Derivatives designated as hedging instruments										
Fair value hedges:										
Interest rate contracts	$ 750	$ —	$ —	$ —	$ 63	$ 750	$ —	$ —	$ —	$ 78
Cash flow hedges:										
Foreign currency contracts	15,492	208	31	251	75	16,014	820	256	206	72
Total derivatives designated as hedging instruments	16,242	208	31	251	138	16,764	820	256	206	150
Derivatives not designated as hedging instruments										
Foreign currency contracts	4,309	9	—	15	—	4,554	12	—	17	—
Other derivatives	137	6	—	—	—	122	2	—	1	—
Total derivatives not designated as hedging instruments	4,446	15	—	15	—	4,676	14	—	18	—
Total derivatives	$ 20,688	$ 223	$ 31	$ 266	$ 138	$ 21,440	$ 834	$ 256	$ 224	$ 150

Offsetting of Derivative Instruments

HP recognizes all derivative instruments on a gross basis in the Consolidated Condensed Balance Sheets. HP does not offset the fair value of its derivative instruments against the fair value of cash collateral posted under its collateral security agreements. As of July 31, 2023 and October 31, 2022, information related to the potential effect of HP's master netting agreements and collateral security agreements was as follows:

	In the Consolidated Condensed Balance Sheets					
	(i)	(ii)	(iii) = (i)–(ii)	(iv)	(v)	(vi) = (iii)–(iv)–(v)
				Gross Amounts Not Offset		
	Gross Amount Recognized	Gross Amount Offset	Net Amount Presented	Derivatives	Financial Collateral	Net Amount
	In millions					
As of July 31, 2023						
Derivative assets	$ 254	$ —	$ 254	$ 222	$ 31 (1)	$ 1
Derivative liabilities	$ 404	$ —	$ 404	$ 222	$ 149 (2)	$ 33
As of October 31, 2022						
Derivative assets	$ 1,090	$ —	$ 1,090	$ 290	$ 616 (1)	$ 184
Derivative liabilities	$ 374	$ —	$ 374	$ 290	$ 86 (2)	$ (2)

(1) Represents the cash collateral posted by counterparties as of the respective reporting date for HP's asset position, net of derivative amounts that could be offset, as of, generally, two business days prior to the respective reporting date.

(2) Represents the collateral posted by HP including any re-use of counterparty cash collateral as of the respective reporting date for HP's liability position, net of derivative amounts that could be offset, as of, generally, two business days prior to the respective reporting date.

Note 8: Financial Instruments (Continued)

Effect of Derivative Instruments in the Consolidated Condensed Statements of Earnings

The pre-tax effect of derivative instruments and related hedged items in a fair value hedging relationship were as follows:

Derivative Instrument	Hedged Item	Location	Year	Total amounts of income/(expense) line items in the statement of financial performance in which the effects of fair value hedges are recorded	Gain/(loss) recognized in earnings on derivative instruments	Gain/(loss) recognized in earnings on hedged item
				In millions		
Three months ended July 31						
Interest rate contract	Fixed-rate debt	Interest and other, net	2023	$ (16)	$ (6)	$ 6
			2022	$ (70)	$ 8	$ (8)
Nine months ended July 31						
Interest rate contract	Fixed-rate debt	Interest and other, net	2023	$ (357)	$ 15	$ (15)
			2022	$ (141)	$ (34)	$ 34

The pre-tax effect of derivative instruments in cash flow hedging relationships included in Accumulated other comprehensive (loss) income was as follows:

	Three months ended July 31		Nine months ended July 31	
	2023	2022	2023	2022
	In millions			
(Loss)/gain recognized in Accumulated other comprehensive (loss) income on derivatives:				
Foreign currency contracts	$ (68)	$ 264	$ (757)	$ 1,097
Interest rate contracts	$ —	$ 16	$ —	$ 85

The pre-tax effect of derivative instruments in cash flow hedging relationships included in earnings were as follows:

	Total amounts of income/(expense) line items in the statement of financial performance in which the effects of cash flow hedges are recorded				Gain/(loss) reclassified from Accumulated other comprehensive (loss) income into earnings			
	Three months ended July 31		Nine months ended July 31		Three months ended July 31		Nine months ended July 31	
	2023	2022	2023	2022	2023	2022	2023	2022
	In millions							
Net revenue	$ 13,196	$ 14,648	$ 39,901	$ 48,136	$ (37)	$ 349	$ 240	$ 548
Cost of revenue	(10,374)	(11,764)	(31,378)	(38,564)	(33)	(23)	(142)	(58)
Other operating expenses	(1,870)	(1,628)	(6,081)	(5,754)	(1)	(1)	(3)	—
Interest and other, net	(16)	(70)	(357)	(141)	3	2	9	1
Total					$ (68)	$ 327	$ 104	$ 491

As of July 31, 2023, HP expects to reclassify an estimated accumulated other comprehensive loss of $49 million, net of taxes, to earnings within the next twelve months associated with cash flow hedges along with the earnings effects of the related forecasted transactions. The amounts ultimately reclassified into earnings could be different from the amounts previously included in Accumulated other comprehensive (loss) income based on the change of market rate, and therefore could have different impact on earnings.

Note 8: Financial Instruments (Continued)

The pre-tax effect of derivative instruments not designated as hedging instruments recognized in Interest and other, net in the Consolidated Condensed Statements of Earnings for the three and nine months ended July 31, 2023 and 2022 was as follows:

	Gain/(loss) recognized in earnings on derivative instrument				
		Three months ended July 31		Nine months ended July 31	
	Location	2023	2022	2023	2022
		In millions			
Foreign currency contracts	Interest and other, net	$ (37)	$ 8	$ (76)	$ 3
Other derivatives	Interest and other, net	5	14	5	2
Total		$ (32)	$ 22	$ (71)	$ 5

HP INC. AND SUBSIDIARIES
Consolidated Condensed Statements of Earnings (Continued)
(Unaudited)

Note 9: Borrowings

Notes Payable and Short-Term Borrowings

	As of July 31, 2023		As of October 31, 2022	
	Amount Outstanding	Weighted-Average Interest Rate	Amount Outstanding	Weighted-Average Interest Rate
	In millions			
Commercial Paper	$ 200	5.5 %	$ —	— %
Current portion of long-term debt	178	6.1 %	165	5.4 %
Notes payable to banks, lines of credit and other	65	1.4 %	53	0.6 %
	$ 443		$ 218	

Long-Term Debt

	As of	
	July 31, 2023	October 31, 2022
	In millions	
U.S. Dollar Global Notes[(1)]		
$1,200 issued at discount to par at a price of 99.863% at 6.00%, due September 2041	$ 1,199	$ 1,199
$1,150 issued at discount to par at a price of 99.769% at 2.2%, due June 2025	1,149	1,149
$1,000 issued at discount to par at a price of 99.718% at 3.0%, due June 2027	998	997
$850 issued at discount to par at a price of 99.790% at 3.4%, due June 2030[(4)]	503	848
$1,000 issued at discount to par at a price of 99.808% at 1.45%, due June 2026[(4)]	521	999
$1,000 issued at discount to par at a price of 99.573% at 2.65%, due June 2031[(2)]	997	996
$1,000 issued at discount to par at a price of 99.767% at 4.00%, due April 2029	999	999
$1,000 issued at discount to par at a price of 99.966% at 4.20%, due April 2032[(4)]	676	1,000
$900 issued at discount to par at a price of 99.841% at 4.75%, due January 2028	899	899
$1,100 issued at discount to par at a price of 99.725% at 5.50%, due January 2033	1,097	1,097
$500 issued at par at a price of 100% at 4.75%, due March 2029[(3)]	3	500
	9,041	10,683
Other borrowings at 1.58%-8.30%, due in calendar years 2023-2030	496	436
Fair value adjustment related to hedged debt	(63)	(78)
Unamortized debt issuance cost	(60)	(80)
Current portion of long-term debt	(178)	(165)
Total long-term debt	$ 9,236	$ 10,796

(1) HP may redeem some or all of the fixed-rate U.S. Dollar Global Notes at any time in accordance with the terms thereof. The U.S. Dollar Global Notes are senior unsecured debt.

(2) HP allocated an amount equal to the net proceeds to finance or refinance, in whole or in part, environmentally and socially responsible eligible projects in the following eight areas: renewable energy; green buildings; energy efficiency; clean transportation; pollution prevention and control; eco-efficient and/or circular economy products, production technologies and processes; environmentally sustainable management of living natural resources and land use; and socioeconomic advancement and empowerment.

(3) During the nine months ended July 31, 2023, HP repurchased or redeemed and settled $497 million of the March 2029 Notes related to the August 2022 Poly acquisition

(4) During the nine months ended July 31, 2023, HP repurchased and settled $1.15 billion in aggregate principal amount of various Global Notes.

As disclosed in Note 8, “Financial Instruments”, HP uses interest rate swaps to mitigate some of the exposure of its debt portfolio to changes in fair value resulting from changes in benchmark interest rates. Interest rates shown in the table of long-term debt have not been adjusted to reflect the impact of any interest rate swaps.

Extinguishment of Debt

In July 2023, HP commenced and completed a tender offer to purchase approximately $1.15 billion in aggregate principal amount of its outstanding US Dollar 1.45% Global Notes due June 17, 2026, 3.40% Global Notes due June 17, 2030 and 4.20%

HP INC. AND SUBSIDIARIES

Notes to Consolidated Condensed Financial Statements (Continued)

(Unaudited)

Note 9: Borrowings (Continued)

Global Notes due April 15, 2032**.** This extinguishment of debt resulted in a net gain of $115 million, which was recorded within Interest and other, net on the Consolidated Condensed Statements of Earnings.

Commercial Paper

As of July 31, 2023, HP maintained a U.S. commercial paper program for the issuance of U.S. dollar-denominated commercial paper up to a maximum aggregate principal amount of $6.0 billion. The principal amount outstanding under this program and certain short-term borrowings at any time cannot exceed a $6.0 billion authorization by HP’s Board of Directors.

Credit Facilities

As of July 31, 2023, HP maintained a $5.0 billion sustainability-linked senior unsecured committed revolving credit facility, which HP entered into in May 2021, and a $1.0 billion senior unsecured committed 364-day revolving credit facility, which HP entered into in March 2023. Commitments under the $5.0 billion revolving credit facility will be available until May 26, 2026 and commitments under the $1.0 billion 364-day revolving credit facility will be available until March 19, 2024. Commitment fees, interest rates and other terms of borrowing under the revolving credit facilities vary based on HP’s external credit ratings and, for the $5.0 billion facility, certain sustainability metrics. Funds borrowed under the revolving credit facilities may be used for general corporate purposes.

As of July 31, 2023, HP was in compliance with the covenants in the credit agreements governing the revolving credit facilities.

Available Borrowing Resources

As of July 31, 2023, HP had available borrowing resources of $1.2 billion from uncommitted lines of credit in addition to the revolving credit facilities.

Note 10: Stockholders’ Deficit

Share Repurchase Program

HP’s share repurchase program authorizes both open market and private repurchase transactions. There wereno share repurchases during the three months ended July 31, 2023. During the nine months ended July 31, 2023, HP executed share repurchases of 3.6 million shares and settled total shares for $0.1 billion. During the three and nine months ended July 31, 2022, HP executed share repurchases of 29 million shares and 98 million shares and settled total shares for $1.0 billion and $3.5 billion respectively.

The shares repurchased during the nine months ended July 31, 2023 and 2022 were all open market repurchase transactions. As of July 31, 2023, HP had approximately $2.0 billion remaining under the share repurchase authorizations approved by HP’s Board of Directors.

Note 10: Stockholders' Deficit (Continued)

Tax effects related to Other Comprehensive Income (Loss)

	Three months ended July 31		Nine months ended July 31	
	2023	2022	2023	2022
	In millions			
Tax effect on change in unrealized components of available-for-sale debt securities:				
Tax benefit (provision) on unrealized (losses) gains arising during the period	$ —	$ 1	$ (1)	$ 2
Tax effect on change in unrealized components of cash flow hedges:				
Tax benefit (provision) on unrealized (losses) gains arising during the period	18	(159)	144	(305)
Tax (benefit) provision on losses (gains) reclassified into earnings	(15)	99	22	135
	3	(60)	166	(170)
Tax effect on change in unrealized components of defined benefit plans:				
Tax benefit (provision) on gains (losses) arising during the period	—	—	(1)	—
Tax benefit on amortization of actuarial loss and prior service benefit	—	(3)	—	(5)
Tax provision on curtailments, settlements and other	—	—	—	(1)
	—	(3)	(1)	(6)
Tax effect on change in cumulative translation adjustment	—	—	—	2
Tax benefit (provision) on other comprehensive income (loss)	$ 3	$ (62)	$ 164	$ (172)

Note 10: Stockholders' Deficit (Continued)

Changes and reclassifications related to Other Comprehensive Income (Loss), net of taxes

	Three months ended July 31		Nine months ended July 31	
	2023	2022	2023	2022
	In millions			
Other comprehensive income (loss), net of taxes:				
Change in unrealized components of available-for-sale debt securities:				
Unrealized gains (losses) arising during the period	$ 1	$ —	$ 4	$ (5)
Change in unrealized components of cash flow hedges:				
Unrealized (losses) gains arising during the period	(50)	121	(613)	877
Losses (gains) reclassified into earnings	53	(228)	(82)	(356)
	3	(107)	(695)	521
Change in unrealized components of defined benefit plans:				
Gains (losses) arising during the period	—	10	4	12
Amortization of actuarial loss and prior service benefit(1)	—	2	—	11
Curtailments, settlements and other	—	(1)	—	(2)
	—	11	4	21
Change in cumulative translation adjustment	10	(14)	48	(54)
Other comprehensive income (loss), net of taxes	$ 14	$ (110)	$ (639)	$ 483

(1) These components are included in the computation of net pension and post-retirement benefit (credit) charges in Note 4, "Retirement and Post-Retirement Benefit Plans".

The components of Accumulated other comprehensive income (loss), net of taxes and changes were as follows:

	Nine months ended July 31, 2023				
	Net unrealized gains (losses) on available-for-sale debt securities	Net unrealized gains (losses) on cash flow hedges	Unrealized components of defined benefit plans	Change in cumulative translation adjustment	Accumulated other comprehensive income (loss)
	In millions				
Balance at beginning of period	$ 6	$ 648	$ (323)	$ (46)	$ 285
Other comprehensive gain (loss) before reclassifications	4	(613)	4	48	(557)
Reclassifications of gain into earnings	—	(82)	—	—	(82)
Balance at end of period	$ 10	$ (47)	$ (319)	$ 2	$ (354)

Note 11: Net Earnings Per Share

HP calculates basic net EPS using net earnings and the weighted-average number of shares outstanding during the reporting period. Diluted net EPS includes any dilutive effect of restricted stock units, stock options, performance-based awards and shares purchased under the 2021 employee stock purchase plan.

A reconciliation of the number of shares used for basic and diluted net EPS calculations is as follows:

	Three months ended July 31		Nine months ended July 31	
	2023	2022	2023	2022
	In millions, except per share amounts			
Numerator:				
Net earnings	$ 766	$ 1,122	$ 2,289	$ 3,155
Denominator:				
Weighted-average shares used to compute basic net EPS	993	1,024	991	1,052
Dilutive effect of employee stock plans	9	11	8	12
Weighted-average shares used to compute diluted net EPS	1,002	1,035	999	1,064
Net earnings per share:				
Basic	$ 0.77	$ 1.10	$ 2.31	$ 3.00
Diluted	$ 0.76	$ 1.08	$ 2.29	$ 2.97
Anti-dilutive weighted-average stock-based compensation awards[1]	3	5	5	4

(1) HP excludes from the calculation of diluted net EPS stock options and restricted stock units where the assumed proceeds exceed the average market price, because their effect would be anti-dilutive. The assumed proceeds of a stock option include the sum of its exercise price, and average unrecognized compensation cost. The assumed proceeds of a restricted stock unit represent unrecognized compensation cost.

Note 12: Litigation and Contingencies

HP is involved in lawsuits, claims, investigations and proceedings, including those identified below, consisting of IP, commercial, securities, employment, employee benefits and environmental matters that arise in the ordinary course of business. HP accrues a liability when management believes that it is both probable that a liability has been incurred and the amount of loss can be reasonably estimated. HP believes it has recorded adequate provisions for any such matters and, as of July 31, 2023, it was not reasonably possible that a material loss had been incurred in excess of the amounts recognized in HP's financial statements. HP reviews these matters at least quarterly and adjusts its accruals to reflect the impact of negotiations, settlements, rulings, advice of legal counsel, and other information and events pertaining to a particular case. Pursuant to the separation and distribution agreement entered into with Hewlett Packard Enterprise Company ("Hewlett Packard Enterprise"), HP shares responsibility with Hewlett Packard Enterprise for certain matters, as indicated below, and Hewlett Packard Enterprise has agreed to indemnify HP in whole or in part with respect to certain matters. Based on its experience, HP believes that any damage amounts claimed in the specific matters discussed below are not a meaningful indicator of HP's potential liability. Litigation is inherently unpredictable. However, HP believes it has valid defenses with respect to legal matters pending against it. Nevertheless, cash flows or results of operations could be materially affected in any particular period by the resolution of one or more of these contingencies.

Litigation, Proceedings and Investigations

Copyright Levies. Proceedings are ongoing or have been concluded involving HP in certain European countries, challenging the imposition or the modification of levies regimes upon IT equipment (such as PCs or printers) or the restrictions to exonerate the application of private copying levies on devices purchased by business users. The levies are generally based upon the number of products sold and the per-product amounts of the levies, which vary. Some European countries are expected to implement legislation to introduce or extend existing levy schemes to digital devices. HP, other companies and various industry associations have opposed the extension of levies to the digital product and certain requirements for business sales exemptions, and have advocated alternative models of compensation to rights holders. Based on the exemption of levies on business sales and industry opposition to increasing levies to digital products, HP's assessments of the merits of various proceedings and HP's estimates of the number of units impacted and the amounts of the levies, HP has accrued amounts that it believes are adequate to address the ongoing disputes.

Note 12: Litigation and Contingencies (Continued)

Forsyth, et al. v. HP Inc. and Hewlett Packard Enterprise. This is a purported class and collective action filed on August 18, 2016 in the United States District Court, Northern District of California, against HP and Hewlett Packard Enterprise ("HPE") alleging the defendants violated federal and state law by terminating older workers and replacing them with younger workers. In their most recent complaint, plaintiffs seek to represent (1) a putative nationwide federal Age Discrimination in Employment Act (ADEA) collective comprised of all former HP Inc. employees 40 years of age and older who had their employment terminated under a WFR plan in or after 2014 or 2015, depending on state law; and (2) a putative Rule 23 class under California law comprised of all former HP Inc. employees 40 years of age and older who had their employment terminated in California under a WFR plan in or after 2012. Excluded from the putative collective and class are employees who (a) signed a Waiver and General Release Agreement at termination, or (b) signed an Agreement to Arbitrate Claims. Similar claims are pending against HPE. Because the court granted plaintiffs' motion for preliminary certification of the putative nationwide ADEA collectives, a third-party administrator notified eligible former employees of their right to opt into the ADEA collective. This opt-in period closed on February 15, 2022. Plaintiffs seek monetary damages, punitive damages, and other relief. In June 2023, the parties reached an agreement in principle to resolve this matter. The parties are negotiating a formal settlement agreement that, if finalized, would be submitted to the District Court for approval. The case is presently stayed until a hearing for preliminary approval of the settlement set for October 26, 2023.

India Directorate of Revenue Intelligence Proceedings. On April 30 and May 10, 2010, the India Directorate of Revenue Intelligence (the "DRI") issued show cause notices to Hewlett-Packard India Sales Private Limited ("HP India"), a subsidiary of HP, seven HP India employees and one former HP India employee alleging that HP India underpaid customs duties while importing products and spare parts into India and seeking to recover an aggregate of approximately $370 million, plus penalties and interest. Prior to the issuance of the notices, HP India deposited approximately $16 million with the DRI and agreed to post a provisional bond in exchange for the DRI's agreement to not seize HP India products and spare parts or interrupt business by HP India.

On April 11, 2012, the Bangalore Commissioner of Customs issued an order on the products-related notice affirming certain duties and penalties against HP India and the named individuals of approximately $386 million, of which HP India had already deposited $9 million. On December 11, 2012, HP India voluntarily deposited an additional $10 million in connection with the products-related notice. The differential duty demand is subject to interest. On April 20, 2012, the Commissioner issued an order on the parts-related notice affirming certain duties and penalties against HP India and certain of the named individuals of approximately $17 million, of which HP India had already deposited $7 million. After the order, HP India deposited an additional $3 million in connection with the parts-related notice so as to avoid certain penalties.

HP India filed appeals of the Commissioner's orders before the Customs, Excise and Service Tax Appellate Tribunal (the "Customs Tribunal") along with applications for waiver of the pre-deposit of remaining demand amounts as a condition for hearing the appeals. The Customs Department has also filed cross-appeals before the Customs Tribunal. On January 24, 2013, the Customs Tribunal ordered HP India to deposit an additional $24 million against the products order, which HP India deposited in March 2013. On February 7, 2014, the Customs Tribunal granted HP India's application for extension of the stay of deposit until disposal of the appeals. On October 27, 2014, the Customs Tribunal commenced hearings on the cross-appeals of the Commissioner's orders and rejected HP India's request to remand the matter to the Commissioner on procedural grounds. The Customs Tribunal cancelled hearings to reconvene in 2015, 2016 and January 2019. On January 20, 2021, the Customs Tribunal held a virtual hearing during which the judge allowed HP's application for a physical hearing on the merits as soon as practicable, which will be scheduled when physical hearings resume at court. Pursuant to the separation and distribution agreement, Hewlett Packard Enterprise has agreed to indemnify HP in part, based on the extent to which any liability arises from the products and spare parts of Hewlett Packard Enterprise's businesses.

Philips Patent Litigation. In September 2020, Koninklijke Philips N.V. and Philips North America LLC (collectively, "Philips") filed a complaint against HP for patent infringement in federal court for the District of Delaware and filed a companion complaint with the U.S. International Trade Commission ("ITC") pursuant to Section 337 of the Tariff Act against HP and 8 other sets of respondents. Both complaints allege that certain digital video-capable devices and components thereof infringe four of Philips' patents. In October 2020, the ITC instituted an investigation, and Philips later withdrew two of the four patents. On March 23, 2022, the ITC rendered a final determination that no violation of Section 337 has occurred. Philips did not appeal and elected to resume litigation with its case in federal court. Philips seeks unspecified damages and an injunction against HP, and the prior stay has been lifted.

Caltech Patent Litigation. On November 11, 2020, the California Institute of Technology ("Caltech") filed a complaint against HP for patent infringement in the federal court for the Western District of Texas. On March 19, 2021, Caltech filed an amendment to this same complaint. The complaint as amended alleges infringement of five of Caltech's patents, U.S. Patent Nos. 7,116,710; 7,421,032; 7,716,552; 7,916,781; and 8,284,833. The accused products are HP commercial and consumer PCs

Note 12: Litigation and Contingencies (Continued)

as well as wireless printers that comply with the IEEE 802.11n, 802.11ac, and/or 802.11ax standards. Caltech seeks unspecified damages and other relief. In August 2021, the court stayed the case pending the decision by the U.S. Court of Appeals for the Federal Circuit in *The California Inst. of Tech. v. Broadcom Ltd et al.*, Case No. 2020-2222, which was issued on February 4, 2022, and a request for further review of that decision by the Supreme Court was denied. On August 16, 2023, the parties informed the court that the stay should be lifted on September 5, 2023.

In re HP Inc. Securities Litigation (Electrical Workers Pension Fund, Local 103, I.B.E.W. v. HP Inc., et al.). On February 19, 2020, Electrical Workers Pension Fund, Local 103, I.B.E.W. filed a putative class action complaint against HP, Dion Weisler, Catherine Lesjak, and Steven Fieler in U.S. District Court in the Northern District of California. The court appointed the State of Rhode Island, Office of the General Treasurer, on behalf of the Employees' Retirement System of Rhode Island and Iron Workers Local 580 Joint Funds as Lead Plaintiffs. Lead Plaintiffs filed an amended complaint, which additionally named as defendants Enrique Lores and Christoph Schell. HP and the named officers filed a motion to dismiss the complaint for failure to state a claim upon which relief can be granted. The court granted HP's motion to dismiss and granted plaintiffs leave to amend the complaint. Plaintiffs' second amended complaint, which no longer names Christoph Schell as a defendant, alleges, among other things, that from February 23, 2017 to October 3, 2019, HP and the named officers violated Sections 10(b) and 20(a) of the Exchange Act by making false or misleading statements about HP's printing supplies business. It further alleges that Dion Weisler and Enrique Lores violated Sections 10(b) and 20A of the Exchange Act by allegedly selling shares of HP common stock during this period while in possession of material, non-public adverse information about HP's printing supplies business. Plaintiffs seek compensatory damages and other relief. HP and the named officers filed a motion to dismiss the second amended complaint for failure to state a claim upon which relief can be granted. On September 15, 2021, the court granted HP's motion. Plaintiffs appealed the decision. The parties settled and the motion for preliminary approval of settlement was filed on March 3, 2023. Under the terms of the settlement, HP agreed to pay an amount that is immaterial to HP. The district court granted preliminary approval of the settlement on April 7, 2023. On September 6, 2023, the court issued an order approving the settlement and directing entry of final judgment.

York County on behalf of the County of York Retirement Fund v. HP Inc., et al., and related proceedings. On November 5, 2020, York County, on behalf of the County of York Retirement Fund, filed a putative class action complaint against HP, Dion Weisler, and Catherine Lesjak in federal court in the Northern District of California. The court appointed Maryland Electrical Industry Pension Fund as Lead Plaintiff. Lead Plaintiff filed a consolidated complaint, which additionally names as defendants Enrique Lores and Richard Bailey. The complaint alleges, among other things, that from November 5, 2015 to June 21, 2016, HP and the named current and former officers violated Sections 10(b) and 20(a) of the Exchange Act by concealing material information and making false statements about HP's printing supplies business. Plaintiffs seek compensatory damages and other relief. HP and the named officers filed a motion to dismiss the complaint for failure to state a claim upon which relief can be granted. On March 3, 2022, the court granted the motion to dismiss with prejudice. Plaintiffs appealed the decision. On April 11, 2023, the appellate court reversed the district court's decision and remanded the case to the district court for further proceedings consistent with the appellate opinion, including consideration of HP's other arguments for dismissal. On June 27, 2023, the district court issued an order setting the briefing schedule for a renewed motion to dismiss. On May 17, 2021, stockholder Scott Franklin filed a derivative complaint against certain current and former officers and directors in federal court in the District of Delaware. Plaintiff purports to bring the action on behalf of HP, which he has named as a nominal defendant, and he makes substantially the same factual allegations as in the York County securities complaint, bringing claims for breach of fiduciary duty and violations of securities laws. The derivative plaintiff seeks compensatory damages, governance reforms, and other relief. By court order following stipulations by the parties, the case was transferred to the Northern District of California, and the case was stayed pending a ruling on the motion to dismiss in York County and exhaustion of all related appeals. On January 13, 2022, stockholder Gerald Lovoi filed a derivative complaint in federal court in the Northern District of California against the same current and former officers and directors named in the Franklin action. The complaint alleges the same basic claims based on the same alleged conduct as the Franklin action and seeks similar relief. By stipulation of the parties, the Lovoi action was stayed pending a ruling on the motion to dismiss in York County and exhaustion of all related appeals. Both derivative actions will remain stayed while the district court considers on remand HP's other arguments for dismissal.

Note 12: Litigation and Contingencies (Continued)

Legal Proceedings re Authentication of Supplies. Since 2016, HP has from time to time been named in civil litigation, or been the subject of government investigations, involving supplies authentication protocols used in certain HP printers in multiple geographies, including but not limited to the United States, Italy, Israel, the Netherlands, Australia and New Zealand. The supplies authentication protocols are often referred to as Dynamic Security. The core allegations in these proceedings claim misleading or inadequate consumer notifications and permissions pertaining to the use of Dynamic Security, the installation of firmware updates, or the potential inability of cartridges with clone chips or circuitry to work in HP printers with Dynamic Security. Plaintiffs base or have based their claims on various legal theories, including but not limited to unfair competition, computer trespass, and similar statutory claims. Among other relief, Plaintiffs have sought or seek money damages and in certain cases have or may seek injunctive relief against the use or operation of Dynamic Security or relief requiring interoperability. If HP is not successful in its defense of these cases or investigations, it could be subject to damages, penalties, significant settlement demands, or injunctive relief that may be costly or may disrupt operations.

Certain of these proceedings in Italy, the Netherlands, Israel, Australia and New Zealand have been resolved, have concluded, or have concluded subject only to HP’s pending appeal. Civil litigation filed by Digital Revolution B.V. (trading as 123Inkt) against HP Nederlands B.V., et al. (Netherlands) in March 2020, including its competition claim, remains pending. Both parties have appealed.

In addition, two putative class actions have been filed against HP in federal court in California, in December 2020 and April 2022, arising out of the use of Dynamic Security firmware updates in HP Laserjet printers and HP Inkjet printers, respectively. Plaintiffs in both cases seek compensatory damages, restitution, injunctive relief against alleged unfair business practices, and other relief. In the case directed to Laserjet printers, plaintiffs have filed a motion for class certification. The case involving Inkjet printers remains in its early stages.

Autonomy-Related Legal Matters

Investigations. As a result of the findings of an internal investigation, HP provided information to government authorities, including the U.S. Department of Justice (“DOJ”) related to accounting improprieties, disclosure failures and misrepresentations at Autonomy that occurred before and in connection with HP’s 2011 acquisition of Autonomy. In November 2016, a federal grand jury indicted Sushovan Hussain, former CFO of Autonomy on charges of conspiracy to commit wire fraud, securities fraud, and multiple counts of wire fraud. The indictment alleged that Mr. Hussain engaged in a scheme to defraud purchasers and sellers of securities of Autonomy and HP about Autonomy’s true financial performance and condition. On April 30, 2018, a jury found Mr. Hussain guilty of all charges against him, and that judgment was affirmed on appeal in August 2020. In November 2018, a federal grand jury indicted Michael Lynch, former CEO of Autonomy, and Stephen Chamberlain, former VP of Finance of Autonomy. The indictment charged Mr. Lynch and Mr. Chamberlain with conspiracy to commit wire fraud and multiple counts of wire fraud. On January 28, 2022, the U.K. Home Office approved U.S. demands to have Mr. Lynch extradited to face the charges. Mr. Lynch’s request for permission to appeal this decision was denied on April 21, 2023, and Mr. Lynch has been extradited to the United States. Trial on the charges against Mr. Lynch and Mr. Chamberlain is set to begin on March 18, 2024, in federal court in the Northern District of California. HP is continuing to cooperate with the ongoing enforcement actions.

Autonomy Corporation Limited v. Michael Lynch and Sushovan Hussain. On April 17, 2015, four former HP subsidiaries that became subsidiaries of Hewlett Packard Enterprise at the time of the Separation (Autonomy Corporation Limited, Hewlett Packard Vision BV, Autonomy Systems, Limited, and Autonomy, Inc.) initiated civil proceedings in the U.K. High Court of Justice against two members of Autonomy’s former management, Michael Lynch and Sushovan Hussain. The Particulars of Claim seek damages in excess of $5 billion from Messrs. Lynch and Hussain for breach of their fiduciary duties by causing Autonomy group companies to engage in improper transactions and accounting practices. On October 1, 2015, Messrs. Lynch and Hussain filed their defenses. Mr. Lynch also filed a counterclaim against Autonomy Corporation Limited seeking $160 million in damages, among other things, for alleged misstatements regarding Lynch. Trial was completed in January 2020. On May 17, 2022, the court issued its final judgment, memorializing its findings that HP succeeded in substantially all of its claims and that Messrs. Lynch and Hussein engaged in fraud, and dismissing Mr. Lynch’s counterclaim. The court deferred its assessment of damages to a later, separate judgment to be issued after further submissions, but it has indicated that damages awarded may be substantially less than is claimed. Litigation is unpredictable, and there can be no assurance that HP will recover damages or as to how any award of damages will compare with the amount claimed. The amount ultimately awarded, if any, would be recorded in the period received. No adjustment has been recorded in the financial statements in relation to this potential award. Pursuant to the terms of the separation and distribution agreement, HP and Hewlett Packard Enterprise will share equally in any recovery.

Note 12: Litigation and Contingencies (Continued)

Environmental

HP is, and may become a party to, proceedings brought by U.S., state, or other governmental entities or private third parties under federal, state, local, or foreign environmental laws, including the Comprehensive Environmental Response, Compensation and Liability Act (“CERCLA”), known as “Superfund,” or state laws similar to CERCLA. HP is also conducting environmental investigations or remediation at several current or former operating sites and former disposal sites pursuant to administrative orders or consent agreements with environmental agencies.

Note 13: Guarantees, Indemnifications and Warranties

Guarantees

In the ordinary course of business, HP may issue performance guarantees to certain of its clients, customers and other parties pursuant to which HP has guaranteed the performance obligations of third parties. Some of those guarantees may be backed by standby letters of credit or surety bonds. In general, HP would be obligated to perform over the term of the guarantee in the event a specified triggering event occurs as defined by the guarantee. HP believes the likelihood of having to perform under a material guarantee is remote.

Cross-Indemnifications with Hewlett Packard Enterprise

On November 1, 2015, Hewlett-Packard Company completed the separation of Hewlett Packard Enterprise, Hewlett-Packard Company's former enterprise technology infrastructure, software, services and financing businesses. The separation and distribution agreement provides for cross-indemnities between HP and Hewlett Packard Enterprise for liabilities allocated to the respective party pursuant to the terms of such agreement. For information on cross-indemnifications with Hewlett Packard Enterprise for litigation matters, see Note 12, "Litigation and Contingencies".

Indemnifications

In the ordinary course of business, HP enters into contractual arrangements under which HP may agree to indemnify a third-party to such arrangement from any losses incurred relating to the services they perform on behalf of HP or for losses arising from certain events as defined within the particular contract, which may include, for example, litigation or claims relating to past performance. HP also provides indemnifications to certain vendors and customers against claims of intellectual property infringement made by third parties arising from the vendors' and customers' use of HP's software products and services and certain other matters. Some indemnifications may not be subject to maximum loss clauses. Historically, payments made related to these indemnifications have been immaterial.

HP records tax indemnification receivables from various third parties for certain tax liabilities that HP is jointly and severally liable for, but for which it is indemnified by those same third parties under existing legal agreements. HP records a tax indemnification payable to various third parties under these agreements when management believes that it is both probable that a liability has been incurred and the amount can be reasonably estimated. The actual amount that the third parties pay or may be obligated to pay HP could vary depending on the outcome of certain unresolved tax matters, which may not be resolved for several years.

Warranties

HP accrues the estimated cost of product warranties at the time it recognizes revenue. HP engages in extensive product quality programs and processes, including actively monitoring and evaluating the quality of its component suppliers; however, contractual warranty terms, repair costs, product call rates, average cost per call, current period product shipments and ongoing product failure rates, as well as specific product class failures outside of HP's baseline experience, affect the estimated warranty obligation.

HP's aggregate product warranty liabilities and changes were as follows:

	Nine months ended July 31, 2023
	In millions
Balance at beginning of period	$ 876
Accruals for warranties issued	513
Adjustments related to pre-existing warranties (including changes in estimates)	24
Settlements made (in cash or in kind)	(660)
Balance at end of period	$ 753

Note 14: Revision of Prior Period Financial Statements

The Company has revised certain prior period financial statements to correct for an accounting error related to a revenue contract as well as other immaterial errors. See Note 1, "Basis of Presentation" for further information. A summary of revisions to the Company's previously reported financial statements is presented below.

Revised Consolidated Condensed Statements of Earnings

	For the three months ended January 31, 2023			For the three months ended January 31, 2022		
	As reported	Adjustment	As revised	As reported	Adjustment	As revised
	In millions, except per share amounts					
Net revenue	$ 13,828	$ (30)	$ 13,798	$ 17,028	$ (15)	$ 17,013
Cost of revenue	$ 11,019	$ (8)	$ 11,011	$ 13,643	$ (21)	$ 13,622
Research and development	$ 403	$ —	$ 403	$ 418	$ 60	$ 478
Total costs and expenses	$ 13,063	$ (8)	$ 13,055	$ 15,669	$ 39	$ 15,708
Earnings from operations	$ 765	$ (22)	$ 743	$ 1,359	$ (54)	$ 1,305
Interest and other, net	$ (181)	$ —	$ (181)	$ (32)	$ 2	$ (30)
Earnings before taxes	$ 584	$ (22)	$ 562	$ 1,327	$ (52)	$ 1,275
Provision for taxes	$ (97)	$ 4	$ (93)	$ (241)	$ 18	$ (223)
Net earnings	$ 487	$ (18)	$ 469	$ 1,086	$ (34)	$ 1,052
Basic earnings per share	$ 0.49	$ (0.02)	$ 0.47	$ 1.00	$ (0.03)	$ 0.97
Diluted earnings per share	$ 0.49	$ (0.02)	$ 0.47	$ 0.99	$ (0.03)	$ 0.96

	For the three months ended April 30, 2023			For the six months ended April 30, 2023		
	As reported	Adjustment	As revised	As reported	Adjustment	As revised
	In millions, except per share amounts					
Net revenue	$ 12,913	$ (6)	$ 12,907	$ 26,741	$ (36)	$ 26,705
Cost of revenue	$ 9,984	$ 9	$ 9,993	$ 21,003	$ 1	$ 21,004
Total costs and expenses	$ 12,151	$ 9	$ 12,160	$ 25,214	$ 1	$ 25,215
Earnings from operations	$ 762	$ (15)	$ 747	$ 1,527	$ (37)	$ 1,490
Earnings before taxes	$ 602	$ (15)	$ 587	$ 1,186	$ (37)	$ 1,149
Benefit from taxes	$ 464	$ 3	$ 467	$ 367	$ 7	$ 374
Net earnings	$ 1,066	$ (12)	$ 1,054	$ 1,553	$ (30)	$ 1,523
Basic earnings per share	$ 1.08	$ (0.02)	$ 1.06	$ 1.57	$ (0.03)	$ 1.54
Diluted earnings per share	$ 1.07	$ (0.01)	$ 1.06	$ 1.56	$ (0.03)	$ 1.53

HP INC. AND SUBSIDIARIES
Notes to Consolidated Condensed Financial Statements (Continued)
(Unaudited)

	For the three months ended April 30, 2022			For the six months ended April 30, 2022		
	As reported	Adjustment	As revised	As reported	Adjustment	As revised
	In millions, except per share amounts					
Net revenue	$ 16,490	$ (15)	$ 16,475	$ 33,518	$ (30)	$ 33,488
Cost of revenue	$ 13,157	$ 21	$ 13,178	$ 26,800	$ —	$ 26,800
Research and development	$ 425	$ —	$ 425	$ 843	$ 60	$ 903
Restructuring and other charges	$ 82	$ (15)	$ 67	$ 150	$ (15)	$ 135
Total costs and expenses	$ 15,212	$ 6	$ 15,218	$ 30,881	$ 45	$ 30,926
Earnings from operations	$ 1,278	$ (21)	$ 1,257	$ 2,637	$ (75)	$ 2,562
Interest and other, net	$ (39)	$ (2)	$ (41)	$ (71)	$ —	$ (71)
Earnings before taxes	$ 1,239	$ (23)	$ 1,216	$ 2,566	$ (75)	$ 2,491
Provision for taxes	$ (239)	$ 4	$ (235)	$ (480)	$ 22	$ (458)
Net earnings	$ 1,000	$ (19)	$ 981	$ 2,086	$ (53)	$ 2,033
Basic earnings per share	$ 0.95	$ (0.02)	$ 0.93	$ 1.96	$ (0.05)	$ 1.91
Diluted earnings per share	$ 0.94	$ (0.02)	$ 0.92	$ 1.94	$ (0.05)	$ 1.89

	For the three months ended July 31, 2022			For the nine months ended July 31, 2022		
	As reported	Adjustment	As revised	As reported	Adjustment	As revised
	In millions, except per share amounts					
Net revenue	$ 14,664	$ (16)	$ 14,648	$ 48,182	$ (46)	$ 48,136
Research and development	$ 368	$ —	$ 368	$ 1,211	$ 60	$ 1,271
Restructuring and other charges	$ 13	$ —	$ 13	$ 163	$ (15)	$ 148
Total costs and expenses	$ 13,392	$ —	$ 13,392	$ 44,273	$ 45	$ 44,318
Earnings from operations	$ 1,272	$ (16)	$ 1,256	$ 3,909	$ (91)	$ 3,818
Earnings before taxes	$ 1,202	$ (16)	$ 1,186	$ 3,768	$ (91)	$ 3,677
Provision for taxes	$ (83)	$ 19	$ (64)	$ (563)	$ 41	$ (522)
Net earnings	$ 1,119	$ 3	$ 1,122	$ 3,205	$ (50)	$ 3,155
Basic earnings per share	$ 1.09	$ 0.01	$ 1.10	$ 3.05	$ (0.05)	$ 3.00
Diluted earnings per share	$ 1.08	$ —	$ 1.08	$ 3.01	$ (0.04)	$ 2.97

Revised Consolidated *Condensed Statements of Comprehensive Income (Loss)*

	For the three months ended January 31, 2023			For the three months ended January 31, 2022		
	As reported	Adjustment	As revised	As reported	Adjustment	As revised
	In millions					
Net earnings	$ 487	$ (18)	$ 469	$ 1,086	$ (34)	$ 1,052
(Losses) gains on unrealized components of defined benefit plans	$ (38)	$ 37	$ (1)	$ 21	$ (20)	$ 1
Other comprehensive (loss) income before taxes	$ (961)	$ 37	$ (924)	$ 270	$ (20)	$ 250
Benefit from (provision for) taxes	$ 192	$ (9)	$ 183	$ (26)	$ 6	$ (20)
Other comprehensive (loss) income, net of taxes	$ (769)	$ 28	$ (741)	$ 244	$ (14)	$ 230
Comprehensive (loss) income	$ (282)	$ 10	$ (272)	$ 1,330	$ (48)	$ 1,282

	For the three months ended April 30, 2023			For the six months ended April 30, 2023		
	As reported	Adjustment	As revised	As reported	Adjustment	As revised
	In millions					
Net earnings	$ 1,066	$ (12)	$ 1,054	$ 1,553	$ (30)	$ 1,523
Gains (losses) on unrealized components of defined benefit plans	$ 6	$ —	$ 6	$ (32)	$ 37	$ 5
Other comprehensive income (loss) before taxes	$ 110	$ —	$ 110	$ (851)	$ 37	$ (814)
(Provision for) benefit from taxes	$ (22)	$ —	$ (22)	$ 170	$ (9)	$ 161
Other comprehensive income (loss), net of taxes	$ 88	$ —	$ 88	$ (681)	$ 28	$ (653)
Comprehensive income	$ 1,154	$ (12)	$ 1,142	$ 872	$ (2)	$ 870

	For the three months ended April 30, 2022			For the six months ended April 30, 2022		
	As reported	Adjustment	As revised	As reported	Adjustment	As revised
	In millions					
Net earnings	$ 1,000	$ (19)	$ 981	$ 2,086	$ (53)	$ 2,033
Gains on unrealized components of defined benefit plans	$ 1	$ —	$ 1	$ 22	$ (20)	$ 2
Other comprehensive income before taxes	$ 453	$ —	$ 453	$ 723	$ (20)	$ 703
Provision for taxes	$ (90)	$ —	$ (90)	$ (116)	$ 6	$ (110)
Other comprehensive income, net of taxes	$ 363	$ —	$ 363	$ 607	$ (14)	$ 593
Comprehensive income	$ 1,363	$ (19)	$ 1,344	$ 2,693	$ (67)	$ 2,626

	For the three months ended July 31, 2022			For the nine months ended July 31, 2022		
	As reported	Adjustment	As revised	As reported	Adjustment	As revised
	In millions					
Net earnings	$ 1,119	$ 3	$ 1,122	$ 3,205	$ (50)	$ 3,155
Gains on unrealized components of defined benefit plans	$ 10	$ —	$ 10	$ 32	$ (20)	$ 12
Other comprehensive (loss) income before taxes	$ (48)	$ —	$ (48)	$ 675	$ (20)	$ 655
Provision for taxes	$ (62)	$ —	$ (62)	$ (178)	$ 6	$ (172)
Other comprehensive (loss) income, net of taxes	$ (110)	$ —	$ (110)	$ 497	$ (14)	$ 483
Comprehensive income	$ 1,009	$ 3	$ 1,012	$ 3,702	$ (64)	$ 3,638

HP INC. AND SUBSIDIARIES
Notes to Consolidated Condensed Financial Statements (Continued)
(Unaudited)

Revised Consolidated Condensed Balance Sheets

	For the fiscal years ended October 31		
	2022		
	As reported	Adjustment	As revised
	In millions		
Inventory	$ 7,595	$ 19	$ 7,614
Other current assets	$ 4,515	$ (84)	$ 4,431
Total current assets	$ 19,801	$ (65)	$ 19,736
Other non-current assets	$ 7,471	$ (28)	$ 7,443
Total assets	$ 38,587	$ (93)	$ 38,494
Accounts payable	$ 15,284	$ 19	$ 15,303
Other current liabilities	$ 10,651	$ 17	$ 10,668
Total current liabilities	$ 26,153	$ 36	$ 26,189
Other non-current liabilities	$ 4,556	$ (22)	$ 4,534
Accumulated deficit	$ (4,413)	$ (79)	$ (4,492)
Accumulated other comprehensive income	$ 313	$ (28)	$ 285
Total stockholders' deficit	$ (2,918)	$ (107)	$ (3,025)
Total liabilities and stockholders' deficit	$ 38,587	$ (93)	$ 38,494

Revised Consolidated Condensed Statements of Cash Flows

	For the three months ended January 31, 2023			For the three months ended January 31, 2022		
	As reported	Adjustment	As revised	As reported	Adjustment	As revised
	In millions					
Cash flows from operating activities:						
Net earnings	$ 487	$ (18)	$ 469	$ 1,086	$ (34)	$ 1,052
Deferred taxes on earnings	$ (136)	$ (4)	$ (140)	$ 5	$ —	$ 5
Accounts receivable	$ 244	$ —	$ 244	$ 337	$ 25	$ 362
Inventory	$ 218	$ 12	$ 230	$ (1,277)	$ —	$ (1,277)
Accounts payable	$ (1,712)	$ (19)	$ (1,731)	$ 2,035	$ —	$ 2,035
Taxes on earnings	$ 220	$ —	$ 220	$ (6)	$ (17)	$ (23)
Other assets and liabilities	$ 250	$ 29	$ 279	$ (988)	$ 26	$ (962)
Net cash (used in) provided by operating activities	$ (16)	$ —	$ (16)	$ 1,657	$ —	$ 1,657

HP INC. AND SUBSIDIARIES
Notes to Consolidated Condensed Financial Statements (Continued)
(Unaudited)

	For the six months ended April 30, 2023			For the six months ended April 30, 2022		
	As reported	Adjustment	As revised	As reported	Adjustment	As revised
	In millions					
Cash flows from operating activities:						
Net earnings	$ 1,553	$ (30)	$ 1,523	$ 2,086	$ (53)	$ 2,033
Restructuring and other charges	$ 341	$ —	$ 341	$ 150	$ (15)	$ 135
Deferred taxes on earnings	$ (817)	$ (8)	$ (825)	$ (5)	$ 4	$ (1)
Accounts receivable	$ 426	$ —	$ 426	$ 91	$ 25	$ 116
Inventory	$ 354	$ 20	$ 374	$ (1,270)	$ —	$ (1,270)
Accounts payable	$ (1,914)	$ (19)	$ (1,933)	$ 981	$ —	$ 981
Taxes on earnings	$ 329	$ 1	$ 330	$ (23)	$ (25)	$ (48)
Other assets and liabilities	$ (153)	$ 36	$ (117)	$ (555)	$ 64	$ (491)
Net cash provided by operating activities	$ 620	$ —	$ 620	$ 2,165	$ —	$ 2,165

	For the nine months ended July 31, 2022		
	As reported	Adjustment	As revised
	In millions		
Cash flows from operating activities:			
Net earnings	$ 3,205	$ (50)	$ 3,155
Restructuring and other charges	$ 163	$ (15)	$ 148
Deferred taxes on earnings	$ 47	$ 4	$ 51
Accounts receivable	$ 1,076	$ 25	$ 1,101
Taxes on earnings	$ (120)	$ (45)	$ (165)
Other assets and liabilities	$ (1,677)	$ 81	$ (1,596)
Net cash provided by operating activities	$ 2,559	$ —	$ 2,559

Revised Segment Information

The Personal Systems segment results were revised for these corrections within Note 2, “Segment Information”, which resulted in a decrease in segment net revenue and segment earnings from operations of $16 million for the three months ended July 31, 2022 and decrease in segment net revenue and segment earnings from operations of $46 million and $106 million, respectively, for the nine months ended July 31, 2022.

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations.

HP INC. AND SUBSIDIARIES
Management’s Discussion and Analysis of
Financial Condition and Results of Operations

This Management’s Discussion and Analysis of Financial Condition and Results of Operations (“MD&A”) is organized as follows:

- *Overview.* A discussion of our business and other highlights affecting the Company to provide context for the remainder of this MD&A.
- *Critical Accounting Policies and Estimates.* A discussion of accounting policies and estimates that we believe are important to understanding the assumptions and judgments incorporated in our reported financial results.
- *Results of Operations.* An analysis of our financial results comparing the three and nine months ended July 31, 2023 to the prior-year period. A discussion of the results of operations is followed by a more detailed discussion of the results of operations by segment.
- *Liquidity and Capital Resources.* An analysis of changes in our cash flows and a discussion of our liquidity and financial condition.
- *Contractual and Other Obligations.* An overview of contractual obligations, retirement and post-retirement benefit plan contributions, cost-saving plans, uncertain tax positions and off-balance sheet arrangements of our operations.

The discussion of financial condition and results of our operations that follows provides information that will assist the reader in understanding our Consolidated Condensed Financial Statements, the changes in certain key items in those financial statements from year to year, and the primary factors that accounted for those changes, as well as how certain accounting principles, policies and estimates affect our Consolidated Condensed Financial Statements. This discussion should be read in conjunction with our Consolidated Condensed Financial Statements and the related notes that appear elsewhere in this document. Our prior period financial statements have been revised to reflect the correction of immaterial errors as described in Note 1, “Basis of Presentation” and Note 14, “Revision of Prior Period Financial Statements”, to the Consolidated Condensed Financial Statement in Item 1 of Part I of this report, which is incorporated herein by reference.

OVERVIEW

We are a leading global provider of personal computing and other access devices, imaging and printing products, and related technologies, solutions, and services. We sell to individual consumers, SMBs and large enterprises, including customers in the government, health, and education sectors. We have three reportable segments: Personal Systems, Printing, and Corporate Investments. The Personal Systems segment offers commercial and consumer desktops and notebooks, workstations, thin clients, commercial mobility devices, retail POS systems, displays, hybrid systems (includes video conferencing solutions, cameras, headsets, voice, and related software capabilities), software, support, and services. The Printing segment provides consumer and commercial printer hardware, supplies, solutions and services. Corporate Investments include certain business incubation and investment projects.

- In Personal Systems, our long-term strategic focus is on:
    - profitable growth through innovation, market segmentation and simplification of our portfolio
    - enhanced innovation in multi-operating systems, multi-architecture, geography, customer segments and other key attributes;
    - investing in endpoint services and solutions. We are focused on services, including Device as a Service, as the market begins to shift to contractual solutions, and accelerating in attractive adjacencies such as hybrid systems; and
    - driving innovation to enable productivity and collaboration with the PCs becoming essential for hybrid work, learn and play.

We believe that we are well positioned due to our competitive product lineup along with our recent acquisitions enhancing our portfolio of hybrid systems and remote-computing solutions.

- In Printing, our long-term strategic focus is on:
    - offering innovative printing solutions and contractual solutions to serve consumers, SMBs and large enterprises through our Instant Ink Services, HP+ and Managed Print Services solutions;
    - providing digital printing solutions for graphics segments and applications including commercial publishing, labels, packaging, and textiles; and
    - expanding our footprint in 3D printing across digital manufacturing and strategic applications.

In addition to growing our subscription business, we are also focused on rebalancing system profitability through our product offerings including HP+ and profit upfront Big Tank.

We are committed to growing our hybrid systems, gaming, workforce services and solutions, consumer subscriptions, 3D and industrial graphics businesses at a rate faster than our core business with accretive margins in the longer term. We believe our ability to innovate will help us gain momentum in growth areas like hybrid systems and gaming, and we see significant opportunities to drive greater recurring revenues across Personal Systems and Printing. Our acquisition of Poly adds to our growth portfolio by bringing industry-leading video conferencing solutions, cameras, headsets, voice and software capabilities. To drive more integration across our commercial services, software and security portfolio, we have created a new Workforce Services and Solutions organization. We continue to build on strong portfolios like Instant Ink to grow our Consumer Subscription business. In Industrial Graphics, we are driving the shift from analog to digital in segments like labels and packaging. In 3D and Personalization, we are creating end-to-end solutions that can capture more value with our differentiated technology.

We continue to experience challenges that are representative of the trends and uncertainties that may affect our industry, generally, and our business and financial results, specifically, and we expect these challenges to continue in the short-term. One set of challenges relates to the current macroeconomic environment and the adverse impact on demand for certain of our products. A second set of challenges relates to changes in the competitive landscape. Our primary competitors are exerting competitive pressure in targeted areas and are entering new markets, our emerging competitors are introducing new technologies and business models, and our alliance partners in some businesses are increasingly becoming our competitors in others. A third set of challenges relates to business model changes and our go-to-market execution in an evolving distribution and reseller landscape, with increasing online and omnichannel presence. Additional challenges we face at the segment level, and that we expect to continue facing in the short-term, are set forth below.

- In Personal Systems, we face challenges with decline in Personal Systems market due to the competitive pricing environment and demand softness.

- In Printing, we face challenges from non-original supplies (which includes imitation, refill, or remanufactured alternatives) and competitors with a favorable foreign currency environment. We also obtain many Printing components from single source due to technology, availability, price, quality, or other considerations. For instance, we source the majority of our A4 and a portion of our A3 portfolio of laser printer engines and laser toner cartridges from Canon. Any decision by either party to not renew our agreement with Canon or to limit or reduce the scope of the agreement could adversely affect our net revenue from LaserJet products; however, we have a long-standing business relationship with Canon and anticipate renewal of this agreement.

To address these challenges, we continue to pursue innovation with a view towards developing new products and services aligned with generating market demand and meeting the needs of our customers and partners. In addition, we continue to work on improving our operations and adapting our business models, with a particular focus on enhancing our end-to-end processes, analytics, efficiencies and simplification of our product portfolio. We also continue to work on optimizing our sales coverage models, aligning our sales incentives with our strategic goals, improving channel execution and inventory, production and backlog management, strengthening our capabilities in our areas of strategic focus, effective cost management, strengthening our pricing strategy, and developing and capitalizing on market opportunities.

Macroeconomic Environment

Our business and financial performance also depend significantly on worldwide economic conditions. We face global macroeconomic challenges, particularly in light of the effects of the ongoing geopolitical conflicts in Ukraine, tensions across the Taiwan Strait, tariff-driven headwinds, uncertainty in the markets, volatility in exchange rates, inflationary trends and evolving dynamics in the global trade environment. During the nine months ended July 31, 2023, we observed continued market uncertainty, cautious spending by large enterprise on information technology hardware, lower discretionary consumer spending, inflationary pressures, and foreign currency fluctuations. These market pressures, which we expect to continue in the short-term, have created new and different demand dynamics and have had significant impacts on our financial results. Geographically, we observed these macroeconomic dynamics negatively impacting certain markets, particularly China. However, in the third quarter of fiscal 2023 we also observed uneven recovery in other markets.

During the nine months ended July 31, 2023, we continued to experience overall demand weakness and elevated industry wide reseller inventory due to a challenging macroeconomic environment. The decline in Personal Systems revenue is in line with market trends and we expect this to continue in the short-term. In Printing, we continued to see gradual and uneven recovery in Commercial Printing, driven by the slow return of workers to the office. In the short term, we continued to experience a competitive pricing environment across Personal Systems and Printing. These markets declined in the first nine months of fiscal 2023 compared to the corresponding fiscal 2022 period, and we expect this to be the case for the full fiscal year 2023 compared to fiscal 2022.

We are exposed to fluctuations in foreign currency exchange rates. We have a large global presence, with approximately 65% of our net revenue coming from outside the United States. As a result, our financial results can be, and particularly in recent periods have been, impacted by fluctuations in foreign currency exchange rates. We expect foreign currency fluctuations to continue to negatively impact our financial results in fiscal 2023.

On May 31, 2022, we announced our decision to wind down business operations in Russia having already suspended all new shipments and paused our marketing and advertising activities in February 2022. In the third quarter of fiscal 2022, we recognized a charge of $23 million towards severance, cancellation of contracts, inventory write-downs and other one-time exit charges related to our decision.

We typically experience higher net revenues in our fourth fiscal quarter compared to other quarters in our fiscal year due, in part, to seasonal holiday demand. Historical seasonal patterns may not continue in the future and have been impacted by supply constraints, shifts in customer behavior, continuing impacts of the macroeconomic challenges and different demand dynamics.

For a further discussion of trends, uncertainties and other factors that could impact our operating results, see the section entitled “Risk Factors” in Item 1A of Part II of this report as well as in Item 1A of Part I in our Annual Report on Form 10-K for the fiscal year ended October 31 2022.

Transformation Update

In November 2022, we announced our Future Ready Plan (the “Fiscal 2023 Plan”) to become a more digitally enabled company, focus investments on key growth opportunities and simplify our operating model. The new Fiscal 2023 plan is expected to run for three years through end of fiscal 2025. The three key elements of our Fiscal 2023 plan are digital transformation, portfolio optimization, and operational efficiency. We expect to invest some of the savings from these efforts across our businesses to be more efficient and advance our positions in Personal Systems and Printing, while also disrupting new industries where we see attractive growth opportunities. We also plan to use some of these savings to partially offset headwinds we expect to continue to see across our businesses in fiscal 2023 as a result of macroeconomic factors.

We are on-track to achieve our targeted gross annual run-rate structural cost savings by the end of fiscal 2023. We continue to leverage artificial intelligence ("AI") to positively impact both our products and solutions. During the nine months ended July 31, 2023, we enhanced our digital capabilities in Workforce Services and Solutions. Additionally, we are reducing portfolio complexity, improving continuity of supply, and increasing our forecast accuracy across Personal Systems and Printing to drive reduction in our cost of sales and operating expenses. We also continued to reduce our structural cost through headcount reductions and executed a significant portion of the early retirement program in second quarter of fiscal 2023 and are on track to achieve our overall headcount reduction goal.

For more information on our Fiscal 2023 Plan, see Note 3, "Restructuring and Other Charges," and Note 4, "Retirement and Post-Retirement Benefit Plans," to the Consolidated Condensed Financial Statements in Item 1 of Part I of this report, which is incorporated herein by reference.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

MD&A is based on our Consolidated Condensed Financial Statements, which have been prepared in accordance with U.S. GAAP. The preparation of these financial statements requires management to make estimates, judgments and assumptions that affect the reported amounts of assets, liabilities, net revenue and expenses, and the disclosure of contingent liabilities. As of July 31, 2023, the impact of current macroeconomic factors on our business continued to unfold. As a result, many of our estimates and assumptions required increased judgment and may carry a higher degree of variability and volatility. As events continue to evolve and additional information becomes available, our estimates may change in future periods. Management believes that there have been no significant changes during the nine months ended July 31, 2023 to the items that we disclosed as our critical accounting policies and estimates in MD&A in our Annual Report on Form 10-K for the fiscal year ended October 31, 2022, except as mentioned in Note 1, "Basis of Presentation".

ACCOUNTING PRONOUNCEMENTS

For a summary of recent accounting pronouncements applicable to our Consolidated Condensed Financial Statements see Note 1, "Basis of Presentation", to the Consolidated Condensed Financial Statements in Item 1 of Part I of this report, which is incorporated herein by reference.

RESULTS OF OPERATIONS

Revenue from our international operations has historically represented, and we expect will continue to represent, a majority of our overall net revenue. As a result, our net revenue growth has been impacted, and we expect it will continue to be impacted, by fluctuations in foreign currency exchange rates. In order to provide a framework for assessing performance excluding the impact of foreign currency fluctuations, we supplement the year-over-year percentage change in net revenue with the year-over-year percentage change in net revenue on a constant currency basis, which excludes 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, and without adjusting for any repricing or demand impacts from changes in foreign currency exchange rates. This information is provided so that net revenue can be viewed with and without the effect of fluctuations in foreign currency exchange rates, which is consistent with how management evaluates our net revenue results and trends, as management does not believe that the excluded items are reflective of ongoing operating results. The constant currency measures are provided in addition to, and not as a substitute for, the year-over-year percentage change in net revenue on a GAAP basis. Other companies may calculate and define similarly labeled items differently, which may limit the usefulness of this measure for comparative purposes.

Results of operations in dollars and as a percentage of net revenue were as follows:

	Three months ended July 31				Nine months ended July 31			
	2023		2022		2023		2022	
	Dollars	% of Net Revenue	Dollars	% of Net Revenue	Dollars	% of Net Revenue	Dollars	% of Net Revenue
	Dollars in millions							
Net revenue	$ 13,196	100.0 %	$ 14,648	100.0 %	$ 39,901	100.0 %	$ 48,136	100.0 %
Cost of revenue	10,374	78.6 %	11,764	80.3 %	31,378	78.6 %	38,564	80.1 %
Gross profit	2,822	21.4 %	2,884	19.7 %	8,523	21.4 %	9,572	19.9 %
Research and development	354	2.7 %	368	2.5 %	1,167	2.9 %	1,271	2.6 %
Selling, general and administrative	1,302	9.9 %	1,143	7.8 %	4,031	10.2 %	4,075	8.5 %
Restructuring and other charges	75	0.5 %	13	0.1 %	416	1.0 %	148	0.4 %
Acquisition and divestiture charges	48	0.4 %	31	0.2 %	205	0.5 %	83	0.2 %
Amortization of intangible assets	91	0.7 %	50	0.3 %	262	0.7 %	154	0.3 %
Russia exit charges	—	— %	23	0.2 %	—	— %	23	— %
Earnings from operations	952	7.2 %	1,256	8.6 %	2,442	6.1 %	3,818	7.9 %
Interest and other, net	(16)	(0.1)%	(70)	(0.5)%	(357)	(0.9)%	(141)	(0.3)%
Earnings before taxes	936	7.1 %	1,186	8.1 %	2,085	5.2 %	3,677	7.6 %
(Provision for) benefit from taxes	(170)	(1.3)%	(64)	(0.4)%	204	0.5 %	(522)	(1.0)%
Net earnings	$ 766	5.8 %	$ 1,122	7.7 %	$ 2,289	5.7 %	$ 3,155	6.6 %

Net Revenue

For the three months ended July 31, 2023, net revenue decreased 9.9% (decreased 7.4% on a constant currency basis) as compared to the prior-year period. U.S. net revenue decreased 6.7% to $4.8 billion, and net revenue from international operations decreased 11.7% to $8.4 billion. The decrease in net revenue was primarily driven by lower average selling prices ("ASPs") in Personal Systems and Printing as well as foreign currency impacts.

For the nine months ended July 31, 2023, total net revenue decreased 17.1% (decreased 13.6% on a constant currency basis) as compared to the prior-year period. U.S. net revenue decreased 15.0% to $13.9 billion, and net revenue from international operations decreased 18.2% to $26.0 billion. The decrease in net revenue was primarily driven by demand softness and lower ASPs in both Personal Systems and Printing as well as foreign currency impacts.

A detailed discussion of the factors contributing to the changes in segment net revenue is included in "Segment Information" below.

Gross Margin

For the three months ended July 31, 2023, gross margin increased by 1.7 percentage points, primarily driven by lower commodity and logistics cost in Personal Systems and mix shift towards Printing, partially offset by competitive pricing and foreign currency impacts.

For the nine months ended July 31, 2023, gross margin increased by 1.5 percentage points, primarily driven by mix shift towards Printing, and lower commodity and logistics cost in Personal Systems, partially offset by foreign currency impacts and competitive pricing in Personal Systems.

A detailed discussion of the factors contributing to the changes in segment gross margins is included under "Segment Information" below.

Operating Expenses

Research and Development ("R&D")

R&D expense decreased 3.8% for the three months ended July 31, 2023, primarily due to disciplined cost management, partially offset by the Poly acquisition.

R&D expense decreased 8.2% for the nine months ended July 31, 2023, primarily due to disciplined cost management, and lower variable compensation, partially offset by the Poly acquisition.

Selling, General and Administrative ("SG&A")

SG&A expense increased 13.9% for the three months ended July 31, 2023, primarily due to the Poly acquisition.

SG&A expense decreased 1.1% for the nine months ended July 31, 2023, primarily due to disciplined cost management including Future Ready transformation savings, and variable compensation, partially offset by the Poly acquisition.

Restructuring and Other Charges

Restructuring and other charges for the three and nine months ended July 31, 2023 relate primarily to the Fiscal 2023 Plan. For more information, see Note 3, "Restructuring and other charges", to the Consolidated Condensed Financial Statements in Item 1 of Part I of this report, which is incorporated herein by reference.

Acquisition and Divestiture Charges

Acquisition and divestiture charges primarily include direct third-party professional and legal fees, integration and divestiture-related costs, non-cash adjustments to the fair value of certain acquired assets, such as inventory, and certain compensation charges related to cash settlement of restricted stock units and performance-based restricted stock units from acquisitions. Acquisition and divestiture charges for the three and nine months ended July 31, 2023 increased by $17 million and $122 million, respectively, primarily due to the Poly acquisition.

Amortization of Intangible Assets

Amortization of intangible assets for the three and nine months ended July 31, 2023 relates primarily to intangible assets resulting from prior acquisitions. Amortization of intangible assets increased by $41 million and $108 million for the three and nine months ended July 31, 2023, respectively, primarily due to the Poly acquisition.

Interest and Other, Net

Interest and other, net expense decreased $54 million for the three months ended July 31, 2023, primarily due to the net gain on extinguishment of debt, partially offset by higher interest expense on debt and factoring costs.

Interest and other, net expense increased $216 million for the nine months ended July 31, 2023, primarily due to higher interest expense on debt and factoring costs, partially offset by the net gain on extinguishment of debt.

Provision for taxes

Our effective tax rate was 18.2% for the three months ended July 31, 2023 and (9.8)% for the nine months ended July 31, 2023. The difference between the U.S. federal statutory tax rate of 21% and our effective tax rate for the three months ended July 31, 2023 was primarily due to favorable tax rates associated with certain earnings from our operations in lower-tax jurisdictions throughout the world. For the nine months ended July 31, 2023, the difference was primarily due to tax effects of internal reorganization.

During the three and nine months ended July 31, 2023, we recorded $32 million and $724 million, respectively, of net income tax benefits related to discrete items in the provision for taxes. The nine months ended July 31, 2023 included benefits of $697 million related to tax effects of internal reorganization, The three and nine months ended July 31, 2023 also included benefits of $16 million and $82 million related to restructuring charges, $51 million and $15 million related to the filing of tax returns in various jurisdictions, and $10 million and $37 million related to acquisition and divestiture charges, respectively. These benefits were partially offset by income tax charges of $2 million and $60 million related to audit settlements in various jurisdictions, $17 million and $32 million of uncertain tax position charges, and $27 million and $25 million related to extinguishment of debt for the three and nine months ended July 31, 2023, respectively. During the three and nine months ended July 31, 2023, discrete items in the provision for taxes and excess tax benefits associated with stock options, restricted stock units and performance-adjusted restricted stock units were immaterial.

Segment Information

A description of the products and services for each segment can be found in Note 2, "Segment Information" to the Consolidated Condensed Financial Statements in Item 1 of Part I of this report, which is incorporated herein by reference. Future changes to this organizational structure may result in changes to the segments disclosed.

Personal Systems

	Three months ended July 31			Nine months ended July 31		
	2023	2022	% Change	2023	2022	% Change
	Dollars in millions					
Net revenue	$ 8,932	$ 10,073	(11.3)%	$ 26,286	$ 33,771	(22.2)%
Earnings from operations	$ 592	$ 673	(12.0)%	$ 1,498	$ 2,331	(35.7)%
Earnings from operations as a % of net revenue	6.6 %	6.7 %		5.7 %	6.9 %	

The components of net revenue and the weighted net revenue change by business unit were as follows:

	Three months ended July 31			Nine months ended July 31		
	Net Revenue		Weighted Net Revenue Change[(1)]	Net Revenue		Weighted Net Revenue Change[(1)]
	2023	2022		2023	2022	
	Dollars in millions		Percentage Points	Dollars in millions		Percentage Points
Commercial PS	$ 6,201	$ 6,956	(7.5)	$ 18,499	$ 22,600	(12.2)
Consumer PS	2,731	3,117	(3.8)	7,787	11,171	(10.0)
Total Personal Systems	$ 8,932	$ 10,073	(11.3)	$ 26,286	$ 33,771	(22.2)

(1) Weighted Net Revenue Change Percentage Points measures contribution of each business unit towards overall segment revenue growth. It is calculated by dividing the change in revenue of each business unit from the prior-year period by total segment revenue for the prior-year period.

Three months ended July 31, 2023 compared with three months ended July 31, 2022

Personal Systems net revenue decreased 11.3% (decreased 8.3% on a constant currency basis) for the three months ended July 31, 2023. The net revenue decrease was primarily due to decline in average selling prices ("ASPs") by 16.8%, partially offset by an increase in revenue driven by the Poly acquisition and 3.0% increase in PCs unit volume primarily driven by higher consumer notebooks. The decline in ASPs was primarily due to competitive pricing, unfavorable mix shift and foreign currency impacts.

Commercial PS net revenue decreased 10.9% primarily driven by lower ASPs, partially offset by an increase in hybrid systems revenue driven by the Poly acquisition. The lower ASPs were driven by unfavorable mix shift and foreign currency impacts.

Consumer PS net revenue decreased 12.4% driven by lower ASPs, partially offset by unit increase in notebooks. The lower ASPs were driven by competitive pricing and foreign currency impacts.

Personal Systems earnings from operations as a percentage of net revenue decreased by 0.1 percentage points. The decrease was driven by an increase in operating expenses as a percentage of revenue, partially offset by an increase in gross margin. Gross margin increased primarily due to lower commodity and logistics cost, partially offset by foreign currency impacts and competitive pricing. Operating expenses as a percentage of revenue increased primarily driven by the acquisition of Poly, partially offset by disciplined cost management including Future Ready transformation savings.

Nine months ended July 31, 2023 compared with nine months ended July 31, 2022

Personal Systems net revenue decreased 22.2% (decreased 18.1% on a constant currency basis) for the nine months ended July 31, 2023. The net revenue decrease was primarily due to a 18.9% decrease in commercial and consumer client PCs unit volume and a decline in ASPs by 7.8%, partially offset by an increase in revenue driven by the Poly acquisition. The decline in unit volume was due to demand softness and elevated industry-wide reseller inventory. The decline in ASPs was primarily due to foreign currency impacts, unfavorable mix shift and competitive pricing.

Commercial PS net revenue decreased 18.1% primarily driven by unit decline due to demand softness and lower ASPs, partially offset by an increase in hybrid systems revenue driven by the Poly acquisition. The lower ASPs were driven by unfavorable mix shift and foreign currency impacts.

Consumer PS net revenue decreased 30.3% driven by unit decline due to demand softness and lower ASPs. The lower ASPs were driven by competitive pricing and foreign currency impacts, partially offset by favorable mix shifts.

Personal Systems earnings from operations as a percentage of net revenue decreased by 1.2 percentage points. The decrease was driven by an increase in operating expenses as a percentage of revenue, partially offset by an increase in gross margin. Gross margin increased primarily due to lower commodity and logistics cost and favorable mix shift, partially offset by foreign currency impacts and competitive pricing. Operating expenses as a percentage of revenue increased primarily driven by the acquisition of Poly, partially offset by disciplined cost management including Future Ready transformation savings and lower variable compensation.

Printing

	Three months ended July 31			Nine months ended July 31		
	2023	2022	% Change	2023	2022	% Change
	Dollars in millions					
Net revenue	$ 4,263	$ 4,575	(6.8)%	$ 13,611	$ 14,369	(5.3)%
Earnings from operations	$ 794	$ 904	(12.2)%	$ 2,563	$ 2,725	(5.9)%
Earnings from operations as a % of net revenue	18.6 %	19.8 %		18.8 %	19.0 %	

The components of net revenue and the weighted net revenue change by business unit were as follows:

	Three Months Ended July 31			Nine months ended July 31		
	Net Revenue		Weighted Net Revenue Change[(1)]	Net Revenue		Weighted Net Revenue Change[(1)]
	2023	2022		2023	2022	
	Dollars in millions		Percentage Points	Dollars in millions		Percentage Points
Supplies	$ 2,768	$ 2,814	(1.0)	$ 8,631	$ 9,013	(2.7)
Commercial	974	1,036	(1.3)	3,119	3,117	—
Consumer	521	725	(4.5)	1,861	2,239	(2.6)
Total Printing	$ 4,263	$ 4,575	(6.8)	$ 13,611	$ 14,369	(5.3)

(1) Weighted Net Revenue Change Percentage Points measures contribution of each business unit towards overall segment revenue growth. It is calculated by dividing the change in revenue of each business unit from the prior-year period by total segment revenue for the prior-year period.

Three months ended July 31, 2023 compared with three months ended July 31, 2022

Printing net revenue decreased 6.8% (decreased 5.4% on a constant currency basis) for the three months endedJuly 31, 2023. The decrease in net revenue was driven by Consumer Printing, Commercial Printing and Supplies as well as foreign currency impacts. Net revenue for Supplies decreased 1.6%, primarily due to decline in the installed base and usage. Printer unit volume decreased 18.7% and hardware ASPs decreased 2.4%. The decrease in printer unit volume was primarily driven by overall demand weakness. Print hardware ASPs decreased primarily due to competitive pricing and foreign currency impacts, partially offset by mix shift.

Net revenue for Commercial Printing decreased 6.0%, primarily due to 8.0% decrease in printer unit volume and 4.4% decrease in ASPs. The decrease in ASPs was primarily driven by competitive pricing and foreign currency impacts, partially offset by mix shift.

Net revenue for Consumer Printing decreased 28.1%, primarily due to 20.3% decrease in printer unit volume and 10.3% decrease in ASPs. The decrease in ASPs was primarily driven by competitive pricing and foreign currency impacts, partially offset by mix shift.

Printing earnings from operations as a percentage of net revenue decreased by 1.2 percentage points, primarily due to a decline in gross margin and higher operating expenses as a percentage of revenue. The decrease in gross margin was primarily due to pricing pressure and foreign currency impacts, partially offset by favorable mix shift. Operating expenses as a percentage of revenue increased primarily due to lower net revenue.

Nine months ended July 31, 2023 compared with nine months ended July 31, 2022

Printing net revenue decreased 5.3% (decreased 3.3% on a constant currency basis) for the nine months endedJuly 31, 2023. The decrease in net revenue was driven by Consumer Printing, Supplies as well as foreign currency impacts, partially offset by Commercial Printing. Net revenue for Supplies decreased 4.2%, primarily due to decline in the installed base and usage. Printer unit volume decreased 7.2% and hardware ASPs decreased 1.5%. The decrease in printer unit volume was primarily driven by overall demand weakness. Print hardware ASPs decreased primarily due to foreign currency impacts, partially offset by pricing optimization in Commercial Printing and mix shifts.

Net revenue for Commercial Printing increased by 0.1%, primarily due to 6.4% increase in ASPs, partially offset by 5.3% decrease in printer unit volume. The increase in ASPs was primarily driven by mix shift and pricing optimization, partially offset by foreign currency impacts.

Net revenue for Consumer Printing decreased 16.9%, primarily due to 7.6% decrease in printer unit volume and 10.2% decrease in ASPs. The decrease in ASPs was primarily driven by competitive pricing and foreign currency impacts, partially offset by mix shift.

Printing earnings from operations as a percentage of net revenue decreased by 0.2 percentage points. The decrease was driven by decline in gross margin, partially offset by lower operating expenses as a percentage of revenue. The decline in gross margin was primarily driven by pricing pressure, and foreign currency impacts, partially offset by favorable mix shift. Operating expenses as a percentage of revenue decreased primarily due to lower variable compensation and disciplined cost management including Future Ready transformation savings.

Corporate Investments

The loss from operations in Corporate Investments for the three and nine months ended July 31, 2023 was primarily due to expenses associated with our incubation projects and investments in digital enablement.

LIQUIDITY AND CAPITAL RESOURCES

We use cash generated by operations as our primary source of liquidity. We believe that current cash, cash flow from operating activities, new borrowings, available commercial paper authorization and the credit facilities will be sufficient to meet HP’s operating cash requirements, planned capital expenditures, interest and principal payments on all borrowings, pension and post-retirement funding requirements, authorized share repurchases and annual dividend payments for the foreseeable future. Additionally, if suitable acquisition opportunities arise, the Company may obtain all or a portion of the required financing through additional borrowings. While our access to capital markets may be constrained and our cost of borrowing may increase under certain business, market and economic conditions, our access to a variety of funding sources to meet our liquidity needs is designed to facilitate continued access to capital resources under all such conditions. Our liquidity is subject to various risks including the risks identified in the section entitled “Risk Factors” in Item 1A of Part II of this report as well as Item 1A of Part I in our Annual Report on Form 10-K for the fiscal year ended October 31, 2022 and the market risks identified in the section entitled “Quantitative and Qualitative Disclosures about Market Risk” in Item 3 of Part I of this report.

Amounts held outside of the U.S. are generally utilized to support non-U.S. liquidity needs and may from time to time be distributed to the U.S. Repatriations of amounts held outside the U.S. generally will not be taxable from a U.S. federal tax perspective but may be subject to state income or foreign withholding tax upon repatriation. As we evaluate the future cash needs of our operations, we may revise the amount of foreign earnings considered to be permanently reinvested in our foreign subsidiaries and how to utilize such funds, including reducing our gross debt level, or other uses.

Liquidity

Our cash, cash equivalents and restricted cash and total debt were as follows:

	As of	
	July 31, 2023	October 31, 2022
	In millions	
Cash and cash equivalents	$ 1,673	$ 3,145
Restricted cash	$ 45	$ —
Total debt	$ 9,679	$ 11,014

Our key cash flow metrics were as follows:

	Nine months ended July 31	
	2023	2022
	In millions	
Net cash provided by operating activities	$ 1,596	$ 2,559
Net cash used in investing activities	(570)	(673)
Net cash used in financing activities	(2,453)	(799)
Net (decrease) increase in cash, cash equivalents and restricted cash	$ (1,427)	$ 1,087

Operating Activities

Compared to the corresponding period in fiscal year 2022, net cash provided by operating activities decreased by $1.0 billion for the nine months ended July 31, 2023, primarily due to lower net earnings and working capital movements including changes in receivables from contract manufacturers, partially offset by lower variable compensation and changes in sales and marketing program liabilities.

Key Working Capital Metrics

Management utilizes current cash conversion cycle information to manage our working capital level. Our working capital metrics and cash conversion cycle impacts were as follows:

	As of			As of			
	July 31, 2023	October 31, 2022	Change	July 31, 2022	October 31, 2021	Change	Y/Y Change
Days of sales outstanding in accounts receivable ("DSO")	30	28	2	27	30	(3)	3
Days of supply in inventory ("DOS")	62	57	5	63	53	10	(1)
Days of purchases outstanding in accounts payable ("DPO")	(123)	(114)	(9)	(119)	(108)	(11)	(4)
Cash conversion cycle	(31)	(29)	(2)	(29)	(25)	(4)	(2)

July 31, 2023 as compared to July 31, 2022

The cash conversion cycle is the sum of days of DSO and DOS less DPO. Items which may cause the cash conversion cycle in a particular period to differ from historical trends include, but are not limited to, changes in business mix, changes in payment terms and timing, timing and extent of receivables factoring, seasonal trends and the timing of revenue recognition and inventory purchases within the period.

DSO measures the average number of days our receivables are outstanding. DSO is calculated by dividing ending accounts receivable, net of allowance for credit losses, by a 90-day average net revenue. The increase in DSO was primarily due to unfavorable revenue linearity and a marginal increase in extended payment terms.

DOS measures the average number of days from procurement to sale of our product. DOS is calculated by dividing ending inventory by a 90-day average cost of goods sold. The decrease in DOS was primarily due to supply chain improvements in Printing.

DPO measures the average number of days our accounts payable balances are outstanding. DPO is calculated by dividing ending accounts payable by a 90-day average cost of goods sold. The increase in DPO was primarily driven by sequentially higher manufacturing volumes in Personal Systems in the current period as compared to a decline in the prior year period.

Investing Activities

Compared to the corresponding period in fiscal year 2022, net cash used in investing activities decreased by $0.1 billion for the nine months ended July 31, 2023, primarily due to a decrease in net investment in property, plant and equipment of $0.2 billion, partially offset by higher collateral posted for derivative instruments of $0.1 billion.

Financing Activities

Compared to the corresponding period in fiscal year 2022, net cash used in financing activities increased by $1.7 billion for the nine months ended July 31, 2023, primarily due to net debt repayment of $0.9 billion and $0.2 billion of collateral posted for derivative instruments in the current year period, compared to issuance of senior unsecured notes of $3.9 billion and share repurchases of $3.4 billion in the prior year period.

Share Repurchases and Dividends

During the nine months ended July 31, 2023, HP returned $0.9 billion to shareholders in the form of cash dividends of $0.8 billion and share repurchases of $0.1 billion. As of July 31, 2023, HP had approximately $2.0 billion remaining under the share repurchase authorizations approved by HP’s Board of Directors.

For more information on our share repurchases, see Note 10, “Stockholders’ Deficit”, to the Consolidated Condensed Financial Statements in Item 1 of Part I of this report, which is incorporated herein by reference.

Capital Resources

Debt Levels

We maintain debt levels that we establish through consideration of a number of factors, including cash flow expectations, cash requirements for operations, investment plans (including acquisitions), share repurchase activities, our cost of capital and targeted capital structure as well as credit rating considerations. Depending on these factors, we may, from time to time, incur additional indebtedness or repay or refinance existing indebtedness. Outstanding borrowings decreased to $9.7 billion as of July 31, 2023 as compared to $11.0 billion as of October 31, 2022, bearing weighted-average interest rates of 4.2% and 3.7% for July 31, 2023 and October 31, 2022, respectively.

Our weighted-average interest rate reflects the effective rate on our borrowings prevailing during the period and reflects the effect of interest rate swaps. For more information on our interest rate swaps, see Note 8, “Financial Instruments”, to the Consolidated Condensed Financial Statements in Item 1 of Part I of this report, which is incorporated herein by reference.

As of July 31, 2023, we maintained a 5-year sustainability-linked senior unsecured committed revolving credit facility with aggregate lending commitments of $5.0 billion which will be available until May 26, 2026. In March 2023, we also entered into a $1.0 billion senior unsecured committed revolving credit facility with a 364-day maturity. Funds borrowed under the revolving credit facilities may be used for general corporate purposes.

Available Borrowing Resources

As of July 31, 2023, we had available borrowing resources of $1.2 billion from uncommitted lines of credit in addition to the revolving credit facilities.

In December 2022, we filed a non-automatic shelf registration statement (the “2022 Shelf Registration Statement”) with the SEC. The 2022 Shelf Registration Statement was declared effective by the SEC on March 1, 2023 and enables us to offer for sale, from time to time, in one or more offerings, up to $3.0 billion, in the aggregate, of debt securities, common stock, preferred stock, depository shares and warrants.

For more information on our borrowings, see Note 9, “Borrowings”, to the Consolidated Condensed Financial Statements in Item 1 of Part I of this report, which is incorporated herein by reference.

Credit Ratings

Our credit risk is evaluated by major independent rating agencies based upon publicly available information as well as information they obtain during our ongoing discussions. While we currently do not have any rating downgrade triggers that would accelerate the maturity of a material amount of our debt, a downgrade from our current credit rating may increase the cost of borrowing under our credit facility, reduce market capacity for our commercial paper, require the posting of additional collateral under some of our derivative contracts and may have a negative impact on our liquidity and capital position and our contractual business going forward, depending on the extent of such downgrade. We can access alternative sources of funding, including drawdowns under our credit facilities, if necessary, to offset potential reductions in the market capacity for our commercial paper.

CONTRACTUAL AND OTHER OBLIGATIONS

Retirement and Post-Retirement Benefit Plan Contributions

As of July 31, 2023, we anticipate making contributions for the remainder of fiscal year 2023 of approximately $9 million to our non-U.S. pension plans and $12 million to cover benefit payments to U.S. non-qualified pension plan participants. Our policy is to fund our pension plans so that we meet the minimum contribution required by local government, funding and taxing authorities. For more information on our retirement and post-retirement benefit plans, see Note 4, “Retirement and Post-

Retirement Benefit Plans”, to the Consolidated Condensed Financial Statements in Item 1 of Part I of this report, which is incorporated herein by reference.

Cost Savings Plan

As a result of our approved restructuring plans, we expect to make future cash payments of approximately $0.6 billion. We expect to make future cash payments of $0.1 billion in fiscal year 2023 with remaining cash payments through fiscal year 2025. For more information on our restructuring activities that are part of our cost improvements, see Note 3, “Restructuring and Other Charges”, to the Consolidated Condensed Financial Statements in Item 1 of Part I of this report, which is incorporated herein by reference.

Uncertain Tax Positions

As of July 31, 2023, we had approximately $938 million of recorded liabilities and related interest and penalties pertaining to uncertain tax positions. We are unable to make a reasonable estimate as to when cash settlement with the tax authorities might occur due to the uncertainties related to these tax matters. Payments of these obligations would result from settlements with taxing authorities. For more information on our uncertain tax positions, see Note 5, “Taxes on Earnings”, to the Consolidated Condensed Financial Statements in Item 1 of Part I of this report, which is incorporated herein by reference.

Off-balance sheet arrangements

As part of our ongoing business, we have not participated in transactions that generate material relationships with unconsolidated entities or financial partnerships, such as entities often referred to as structured finance or special purpose entities, which would have been established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes.

HP utilizes certain third-party arrangements in the normal course of business as part of HPs cash and liquidity management and also to provide liquidity to certain partners to facilitate their working capital requirements. For more information on our third-party short-term financing arrangements, see Note 6, “Supplementary Financial Information”, to the Consolidated Condensed Financial Statements in Item 1 of Part I of this report, which is incorporated herein by reference.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

For quantitative and qualitative disclosures about market risk affecting HP, see “Quantitative and Qualitative Disclosures About Market Risk” in Item 7A of Part II of our Annual Report on Form 10-K for the fiscal year ended October 31, 2022. Our exposure to market risk has not changed materially since October 31, 2022.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation of any changes in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during our most recently completed fiscal quarter. Based on that evaluation, our principal executive officer and principal financial officer concluded that, as of such date, our disclosure controls and procedures were not effective due to material weaknesses in internal control over financial reporting described below.

Material Weaknesses in Internal Control Over Financial Reporting

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company’s annual or interim financial statements will not be prevented or detected on a timely basis.

We identified material weaknesses in internal control over financial reporting due to design deficiencies involving (i) recognition of revenue for a Personal Systems customer’s transactions involving third-party financing and (ii) undue reliance on a payment application for certain sales incentive programs in EMEA, associated with variable consideration of approximately 4% of total consolidated revenues, for which management did not receive the System and Organization Controls Type 1 (SOC-1) Report timely and did not have effective complementary user entity controls.

The material weakness described in clause (i) resulted in an error related to a revenue contract in our Personal Systems segment that comprises less than 1% of total consolidated revenues for the impacted periods. As a result, we revised our prior period financial statements for this error and other previously identified errors, the impact of which was not material to our previously filed financial statements. The error was identified by management as part of the financial statement close process for the period ended July 31, 2023. The material weakness described in clause (ii) above did not result in any errors. While these material weaknesses did not result in a material misstatement of our previously filed financial statements, there is a reasonable possibility that these control deficiencies could have resulted in a material misstatement in the Company's annual or interim consolidated financial statements that would not be detected. Accordingly, we have determined that these control deficiencies constitute material weaknesses.

Remediation Plan for the Material Weaknesses

The Company’s management, under the oversight of the Audit Committee, is in the process of designing prevent and detect controls specific to the impacted business activity.

The Company’s management is also enhancing its processes and controls to help ensure the timely review of the SOC-1 report in conjunction with designing and implementing related, effective complementary user entity controls associated with the sales incentive payment processing application.

While we have taken steps to implement our remediation plan, the material weaknesses will not be considered remediated until the enhanced controls operate for a sufficient period of time and management has concluded, through testing, that the related controls are effective. The Company will monitor the effectiveness of its remediation plan and refine its remediation plan as appropriate.

Changes in Internal Control over Financial Reporting

As described above, we are taking steps to remediate the material weaknesses in our internal control over financial reporting. Other than in connection with the remediation process described above, no change in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) occurred during the quarter ended July 31, 2023 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings.

Information with respect to this item may be found in Note 12, “Litigation and Contingencies” to the Consolidated Condensed Financial Statements in Item 1 of Part I of this report, which is incorporated herein by reference.

Item 1A. Risk Factors.

Our operations and financial results are subject to various risks and uncertainties, including those described in Part I, Item 1A, “Risk Factors” in our Annual Report on Form 10-K for the fiscal year ended October 31, 2022, which could adversely affect our business, financial condition, results of operations, cash flows, and the trading price of our common and capital stock. Other than the risk factors set forth below, there have been no material changes in our risk factors since our Annual Report on Form 10-K for the fiscal year ended October 31, 2022.

We have identified material weaknesses in our internal control over financial reporting that could, if not remediated, result in material misstatements in our financial statements and cause us to fail to meet our reporting and financial obligations.

As more fully disclosed in Item 4, “Controls and Procedures,” under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures and internal control over financial reporting. Based on that evaluation, we have concluded that our disclosure controls and procedures were not effective as of July 31, 2023 and October 31, 2022 due to material weaknesses in internal control over financial reporting. A material weakness is a deficiency, or a combination of deficiencies, in our internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company’s annual or interim financial statements will not be prevented or detected on a timely basis.

We identified material weaknesses in internal control over financial reporting due to design deficiencies involving (i) recognition of revenue for a Personal Systems customer’s transactions involving third-party financing and (ii) undue reliance on a payment application for certain sales incentive programs in EMEA, associated with variable consideration of approximately 4% of total consolidated revenues, for which management did not receive the System and Organization Controls Type 1 (SOC-1) Report timely and did not have effective complementary user entity controls. The material weakness described in clause (i) resulted in an error related to a revenue contract in our Personal Systems segment that comprises less than 1% of total consolidated revenues for the impacted periods. As a result, we revised our prior period financial statements for this error and other previously identified errors, the impact of which was not material to our previously filed financial statements. The error was identified by management as part of the financial statement close process for the period ended July 31, 2023. The material weakness described in clause (ii) above did not result in any errors. While these material weaknesses did not result in a material misstatement of our previously filed financial statements, there is a reasonable possibility that these control deficiencies could have resulted in a material misstatement in the Company's annual or interim consolidated financial statements that would not be detected. Accordingly, we have determined that these control deficiencies constitute material weaknesses.

The Company’s management, under the oversight of the Audit Committee, is in the process of designing prevent and detect controls specific to the impacted business activity. The Company’s management is also enhancing its processes and controls to help ensure the timely review of the SOC-1 report in conjunction with designing and implementing related, effective complementary user entity controls associated with the sales incentive payment processing application. However, we can give no assurance that the measures we take will remediate the material weaknesses or that additional material weaknesses will not arise in the future. Any failure to remediate the material weaknesses, or the development of new material weaknesses in our internal control over financial reporting, could result in material misstatements in our financial statements and cause us to fail to meet our reporting and financial obligations, which in turn could have a negative impact on our financial condition, results of operations or cash flows, restrict our ability to access the capital markets, require significant resources to correct the material weaknesses or deficiencies, subject us to fines, penalties or judgments, harm our reputation or otherwise cause a decline in investor confidence and cause a decline in the market price of our stock.

Ineffective internal controls could impact our business and operating results.

Our internal control over financial reporting may not prevent or detect misstatements because of its inherent limitations, including the possibility of human error, failure or interruption of information technology systems, the circumvention or overriding of controls, or fraud. Even effective internal controls can provide only reasonable assurance with respect to the preparation and fair presentation of financial statements. If we fail to maintain the adequacy of our internal controls, including any failure to implement required new or improved controls, or if we experience difficulties in their implementation, our business and operating results could be harmed and the company could fail to meet its financial reporting obligations.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Recent Sales of Unregistered Securities

There were no unregistered sales of equity securities during the period covered by this report.

Issuer Purchases of Equity Securities

The table below provides information regarding the Company's share repurchases during the three months ended July 31, 2023.

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet Be Purchased under the Plans or Programs
	In thousands, except per share amounts			
May 2023	—	$ —	—	2,034,564
June 2023	—	$ —	—	2,034,564
July 2023	—	$ —	—	2,034,564
Total	—		—	

The Company's share repurchase program, which does not have a specific expiration date, authorizes repurchases in the open market or in private transactions. On February 22, 2020, HP's Board of Directors increased HP's remaining share repurchase authorization to $15.0 billion in total. As of July 31, 2023, HP had approximately $2.0 billion remaining under the share repurchase authorizations. From time-to-time HP may repurchase shares opportunistically and to offset the dilution created by shares issued under employee stock plans.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

Our directors and officers (as defined in Exchange Act Rule 16a-1(f)) may from time to time enter into plans or other arrangements for the purchase or sale of our shares that are intended to satisfy the affirmative defense conditions of Rule 10b5–1(c) or may represent a non-Rule 10b5-1 trading arrangement under the Exchange Act. During the quarter ended July 31, 2023, no such plans or other arrangements were adopted or terminated.

Item 6. Exhibits.

The Exhibit Index beginning on page 61 of this report sets forth a list of exhibits.

HP INC. AND SUBSIDIARIES
EXHIBIT INDEX

Exhibit Number	Exhibit Description	Incorporated by Reference			
		Form	File No.	Exhibit(s)	Filing Date
2(a)	Separation and Distribution Agreement, dated as of October 31, 2015, by and among Hewlett-Packard Company, Hewlett Packard Enterprise Company and the Other Parties Thereto.**	8-K	001-04423	2.1	November 5, 2015
2(b)	Transition Services Agreement, dated as of November 1, 2015, by and between Hewlett-Packard Company and Hewlett Packard Enterprise Company.**	8-K	001-04423	2.2	November 5, 2015
2(c)	Employee Matters Agreement, dated as of October 31, 2015, by and between Hewlett-Packard Company and Hewlett Packard Enterprise Company.**	8-K	001-04423	2.4	November 5, 2015
3(a)	Registrant's Certificate of Incorporation.	10-Q	001-04423	3(a)	June 12, 1998
3(b)	Registrant's Amendment to the Certificate of Incorporation.	10-Q	001-04423	3(b)	March 16, 2001

Exhibit Number	Exhibit Description	Incorporated by Reference			
		Form	File No.	Exhibit(s)	Filing Date
3(c)	Registrant's Certificate of Amendment to the Certificate of Incorporation.	8-K	001-04423	3.2	October 22, 2015
3(d)	Registrant's Certificate of Amendment to the Certificate of Incorporation.	8-K	001-04423	3.1	April 7, 2016
3(e)	Registrant's Amended and Restated Bylaws.	8-K	001-04423	3.1	June 23, 2023
3(f)	Certificate of Designations of Series A Junior Participating Preferred Stock of HP Inc.	8-K	001-04423	3.1	February 20, 2020
4(a)	Form of Senior Indenture	S-3	333-215116	4.1	December 15, 2016
4(b)	Form of Subordinated Indenture.	S-3	333-215116	4.2	December 15, 2016
4(c)	Form of Registrant's 4.375% Global Note due September 15, 2021 and 6.000% Global Note due September 15, 2041 and form of related Officers' Certificate.	8-K	001-04423	4.4, 4.5 and 4.6	September 19, 2011
4(d)	Form of Registrant's 4.650% Global Note due December 9, 2021 and related Officers' Certificate.	8-K	001-04423	4.3 and 4.4	December 12, 2011
4(e)	Form of Registrant's 4.050% Global Note due September 15, 2022 and related Officers' Certificate.	8-K	001-04423	4.2 and 4.3	March 12, 2012
4(f)	Specimen certificate for the Registrant's common stock.	8-A/A	001-04423	4.1	June 23, 2006
4(g)	First Supplemental Indenture, dated as of March 26, 2018, to the Indenture, dated as of June 1, 2000, by and between the Registrant and The Bank of New York Mellon Trust Company, N.A.	10-Q	001-04423	4(j)	June 5, 2018
4(h)	Description of HP Inc.'s securities.	10-K	001-04423	4(j)	December 12, 2019
4(i)	Indenture, dated as of June 17, 2020, between HP Inc. and The Bank of New York Mellon Trust Company, N.A., as trustee.	8-K	001-04423	4.1	June 17, 2020
4(j)	Form of 2.200% notes due 2025 and related Officers' Certificate.	8-K	001-04423	4.2 and 4.5	June 17, 2020
4(k)	Form of 3.000% notes due 2027 and related Officers' Certificate.	8-K	001-04423	4.3 and 4.5	June 17, 2020
4(l)	Form of 3.400% notes due 2030 and related Officers' Certificate.	8-K	001-04423	4.4 and 4.5	June 17, 2020
4(m)	First Supplemental Indenture, dated as of June 16, 2021, between the Registrant and The Bank of New York Mellon Trust Company, N.A., as Trustee.	8-K	001-04423	4.2	June 21, 2021
4(n)	Registration Rights Agreement, dated as of June 16, 2021, by and among the Registrant and Goldman Sachs & Co. LLC, J.P. Morgan Securities LLC and Wells Fargo Securities, LLC, as representatives of the Initial Purchasers of the Notes.	8-K	001-04423	4.3	June 21, 2021
4(o)	Form of 4.000% notes due 2029 and related Officers' Certificate.	8-K	001-04423	4.2 and 4.4	March 31, 2022
4(p)	Form of 4.200% notes due 2032 and related Officers' Certificate.	8-K	001-04423	4.3 and 4.4	March 31, 2022
4(q)	Form of 4.750% notes due 2028 and related Officers' Certificate.	8-K	001-04423	4.2 and 4.4	June 21, 2022
4(r)	Form of 5.500% notes due 2033 and related Officers' Certificate.	8-K	001-04423	4.3 and 4.4	June 21, 2022
4(s)	Second Supplemental Indenture, dated as of September 1, 2022, between HP Inc. and The Bank of New York Mellon Trust Company, N.A., as Trustee.	8-K	001-04423	4.2	September 7, 2022

Exhibit Number	Exhibit Description	Incorporated by Reference			
		Form	File No.	Exhibit(s)	Filing Date
10(a)	Registrant's 2004 Stock Incentive Plan.*	S-8	333-114253	4.1	April 7, 2004
10(b)	Registrant's Excess Benefit Retirement Plan, amended and restated as of January 1, 2006.*	8-K	001-04423	10.2	September 21, 2006
10(c)	Hewlett-Packard Company Cash Account Restoration Plan, amended and restated as of January 1, 2005.*	8-K	001-04423	99.3	November 23, 2005
10(d)	Form of Agreement Regarding Confidential Information and Proprietary Developments (California).*	8-K	001-04423	10.2	January 24, 2008
10(e)	Form of Agreement Regarding Confidential Information and Proprietary Developments (Texas).*	10-Q	001-04423	10(o)(o)	March 10, 2008
10(f)	Form of Stock Option Agreement for Registrant's 2004 Stock Incentive Plan.*	10-Q	001-04423	10(p)(p)	March 10, 2008
10(g)	Form of Common Stock Payment Agreement for Registrant's 2000 Stock Plan.*	10-Q	001-04423	10(u)(u)	June 6, 2008
10(h)	First Amendment to the Hewlett-Packard Company Excess Benefit Retirement Plan.*	10-Q	001-04423	10(b)(b)(b)	March 10, 2009
10(i)	Form of Stock Notification and Award Agreement for awards of non-qualified stock options.*	10-K	001-04423	10(i)(i)(i)	December 15, 2010
10(j)	Form of Agreement Regarding Confidential Information and Proprietary Developments (California—new hires).*	10-K	001-04423	10(j)(j)(j)	December 15, 2010
10(k)	Form of Agreement Regarding Confidential Information and Proprietary Developments (California—current employees).*	10-K	001-04423	10(k)(k)(k)	December 15, 2010
10(1)	Second Amended and Restated Hewlett-Packard Company 2004 Stock Incentive Plan, as amended effective February 28, 2013.*	8-K	001-04423	10.2	March 21, 2013
10(m)	Form of Stock Notification and Award Agreement for awards of foreign stock appreciation rights.*	10-Q	001-04423	10(v)(v)	March 11, 2014
10(n)	Form of Stock Notification and Award Agreement for long-term cash awards.*	10-Q	001-04423	10(w)(w)	March 11, 2014
10(o)	Form of Stock Notification and Award Agreement for awards of non-qualified stock options.*	10-Q	001-04423	10(x)(x)	March 11, 2014
10(p)	Form of Stock Notification and Award Agreement for awards of performance-contingent non-qualified stock options.*	10-Q	001-04423	10(a)(a)(a)	March 11, 2014
10(q)	Form of Grant Agreement for grants of performance-contingent non-qualified stock options.*	10-Q	001-04423	10(b)(b)(b)	March 11, 2014
10(r)	Form of Grant Agreement for grants of long-term cash awards.*	10-Q	001-04423	10(e)(e)(e)	March 11, 2015
10(s)	Form of Grant Agreement for grants of non-qualified stock options.*	10-Q	001-04423	10(f)(f)(f)	March 11, 2015
10(t)	Form of Grant Agreement for grants of performance-contingent non-qualified stock options.*	10-Q	001-04423	10(i)(i)(i)	March 11, 2015
10(u)	Form of Grant Agreement for grants of foreign stock appreciation rights.*	10-K	001-04423	10(e)(e)(e)	December 16, 2015
10(v)	Form of Grant Agreement for grants of performance-contingent non-qualified stock options.*	10-K	001-04423	10(f)(f)(f)	December 16, 2015
10(w)	Form of Grant Agreement for grants of non-qualified stock options.*	10-K	001-04423	10(g)(g)(g)	December 16, 2015

Exhibit Number	Exhibit Description	Incorporated by Reference			
		Form	File No.	Exhibit(s)	Filing Date
10(x)	Registrant's 2005 Executive Deferred Compensation Plan, amended and restated effective November 1, 2017.*	10-K/A	001-04423	10(n)(n)	December 15, 2017
10(y)	Registrant's Severance and Long-Term Incentive Change in Control Plan for Executive Officers, amended and restated effective February 28, 2020.*	10-Q	001-04423	10(p)(p)	March 5, 2020
10(z)	Form of Stock Notification and Award Agreement for awards of performance-contingent non-qualified stock options (launch grant).*	10-Q	001-04423	10(p)(p)	March 3, 2016
10(a)(a)	2017 Amendment to the Hewlett-Packard Company Cash Account Restoration Plan.*	10-Q	001-04423	10(w)(w)	March 2, 2017
10(b)(b)	Second Amendment to the Hewlett-Packard Company Excess Benefit Retirement Plan.*	10-Q	001-04423	10(x)(x)	March 2, 2017
10(c)(c)	Second Amended and Restated HP Inc. 2004 Stock Incentive Plan, as amended and restated effective January 23, 2017.*	10-Q	001-04423	10(y)(y)	March 2, 2017
10(d)(d)	Second Amended and Restated HP Inc. 2004 Stock Incentive Plan (as amended effective January 29, 2018).*	10-Q	001-04423	10(b)(b)(b)	March 1, 2018
10(e)(e)	Form of Grant Agreement for grants of restricted stock units (for use from November 1, 2017).*	10-Q	001-04423	10(c)(c)(c)	March 1, 2018
10(f)(f)	Form of Grant Agreement for grants of restricted stock units for directors (for use from November 1, 2017).*	10-Q	001-04423	10(e)(e)(e)	March 1, 2018
10(g)(g)	Form of Grant Agreement for grants of stock options for directors (for use from November 1, 2017).*	10-Q	001-04423	10(f)(f)(f)	March 1, 2018
10(h)(h)	Form of Grant Agreement for grants of restricted stock units (for use from November 1, 2018).*	10-K	001-04423	10(g)(g)(g)	December 13, 2018
10(i)(i)	Form of Grant Agreement for grants of performance-adjusted restricted stock units (for use from November 1, 2018).*	10-K	001-04423	10(h)(h)(h)	December 13, 2018
10(j)(j)	Form of Grant Agreement for grants of stock options for directors (for use from November 1, 2018).*	10-Q	001-04423	10(j)(j)(j)	March 5, 2019
10(k)(k)	Form of Grant Agreement for grants of restricted stock units for directors (for use from November 1, 2018).*	10-Q	001-04423	10(k)(k)(k)	March 5, 2019
10(l)(l)	Form of Grant Agreement for grants of restricted stock units (for use from July 1, 2019).*	10-Q	001-04423	10(l)(l)(l)	August 29, 2019
10(m)(m)	Form of Grant Agreement for grants of non-qualified stock options.*	10-K	001-04423	10(m)(m)(m)	December 12, 2019
10(n)(n)	Form of Retention Grant Agreement for grants of non-qualified stock options.*	10-K	001-04423	10(n)(n)(n)	December 12, 2019

Exhibit Number	Exhibit Description	Incorporated by Reference			
		Form	File No.	Exhibit(s)	Filing Date
10(o)(o)	Form of Grant Agreement for grants of stock options for directors (for use from January 15, 2020).*	10-Q	001-04423	10(m)(m)(m)	March 5, 2020
10(p)(p)	Form of Grant Agreement for grants of restricted stock units for directors (for use from January 15, 2020).*	10-Q	001-04423	10(n)(n)(n)	March 5, 2020
10(q)(q)	Form of Retention Grant Agreement for grants of restricted stock units (for use from November 1, 2019).*	10-Q	001-04423	10(o)(o)(o)	March 5, 2020
10(r)(r)	Form of Grant Agreement for grants of restricted stock units (for use from November 1, 2019).*	10-Q	001-04423	10(p)(p)(p)	March 5, 2020
10(s)(s)	Form of Grant Agreement for grants of performance-adjusted restricted stock units (for use from November 1, 2019).*	10-Q	001-04423	10(q)(q)(q)	March 5, 2020
10(t)(t)	Amendment Number One to Second Amended and Restated HP Inc. 2004 Stock Incentive Plan (as amended effective February 28, 2020).*	10-Q	001-04423	10(r)(r)(r)	June 5, 2020
10(u)(u)	Amendment Number One to Registrant’s 2005 Executive Deferred Compensation Plan (as amended effective February 28, 2020).*	10-Q	001-04423	10(s)(s)(s)	June 5, 2020
10(v)(v)	HP Inc. 2021 Employee Stock Purchase Plan.*	10-Q	001-04423	10(t)(t)(t)	June 5, 2020
10(w)(w)	Amendment Number Two to Second Amended and Restated HP Inc. 2004 Stock Incentive Plan (as amended effective September 21, 2020.*	10-K	001-04423	10(x)(x)(x)	December 10, 2020
10(x)(x)	Amendment Number Two to Registrant's 2005 Executive Deferred Compensation Plan (as amended effective September 21, 2020).*	10-K	001-04423	10(y)(y)(y)	December 10, 2020
10(y)(y)	Form of Grant Agreement for grants of restricted stock units (for use from November 17, 2020).*	10-Q	001-04423	10(x)(x)(x)	March 5, 2021
10(z)(z)	Form of Retention Grant Agreement for grants of restricted stock units (for use from November 17, 2020).*	10-Q	001-04423	10(y)(y)(y)	March 5, 2021
10(a)(a)(a)	Form of Grant Agreement for grants of non-qualified stock options.*	10-Q	001-04423	10(z)(z)(z)	March 5, 2021
10(b)(b)(b)	Form of Retention Grant Agreement for grants of non-qualified stock options.*	10-Q	001-04423	10(a)(a)(a)(a)	March 5, 2021
10(c)(c)(c)	Form of Grant Agreement for grants of performance-adjusted restricted stock units (for use from November 17, 2020).*	10-Q	001-04423	10(b)(b)(b)(b)	March 5, 2021
10(d)(d)(d)	Form of Grant Agreement for grants of performance-contingent non-qualified stock options.*	10-Q	001-04423	10(c)(c)(c)(c)	March 5, 2021
10(e)(e)(e)	Form of Grant Agreement for grants of restricted stock units for directors.*	10-Q	001-04423	10(d)(d)(d)(d)	March 5, 2021
10(f)(f)(f)	First Amendment to the Registrant’s Severance and Long-Term Incentive Change in Control Plan for Executive Officers, as amended and restated effective February 28, 2020 (as amended effective December 7, 2020)*	10-Q	001-04423	10(e)(e)(e)(e)	March 5, 2021

Exhibit Number	Exhibit Description	Incorporated by Reference Form	File No.	Exhibit(s)	Filing Date
10(g)(g)(g)	Amendment Number Three to Registrant's 2005 Executive Deferred Compensation Plan (as amended effective November 17, 2020).*	10-Q	001-04423	10(f)(f)(f)(f)	March 5, 2021
10(h)(h)(h)	Five-Year Credit Agreement, dated as of May 26, 2021, among the Registrant, the lenders named therein and JPMorgan Chase Bank, N.A., as administrative agent.	8-K	001-04423	10.1	June 1, 2021
10(i)(i)(i)	Amendment Number Four to Registrant's 2005 Executive Deferred Compensation Plan (as amended effective as of April 1, 2021 and December 31, 2021).*	10-Q	001-04423	10(j)(j)(j)	September 3, 2021
10(j)(j)(j)	Form of Grant Agreement for grants of restricted stock units (for use from November 16, 2021).*	10-Q	001-04423	10(j)(j)(j)	March 7, 2022
10(k)(k)(k)	Form of Retention Grant Agreement for grants of restricted stock units (for use from November 16, 2021).*	10-Q	001-04423	10(k)(k)(k)	March 7, 2022
10(l)(l)(l)	Form of Grant Agreement for grants of non-qualified stock options.*	10-Q	001-04423	10(l)(l)(l)	March 7, 2022
10(m)(m)(m)	Form of Retention Grant Agreement for grants of non-qualified stock options.*	10-Q	001-04423	10(m)(m)(m)	March 7, 2022
10(n)(n)(n)	Form of Grant Agreement for grants of performance-adjusted restricted stock units (for use from November 16, 2021).*	10-Q	001-04423	10(n)(n)(n)	March 7, 2022
10(o)(o)(o)	Form of Grant Agreement for grants of performance-contingent non-qualified stock options.*	10-Q	001-04423	10(o)(o)(o)	March 7, 2022
10(p)(p)(p)	Third Amended and Restated HP Inc. 2004 Stock Incentive Plan.*	8-K	001-04423	10.1	April 22, 2022
10(q)(q)(q)	Amendment Agreement, dated August 23, 2022 to the Five-Year Credit Agreement dated May 26, 2021, by and among HP Inc., the lenders party thereto and JPMorgan Chase Bank, N.A., as administrative agent.	8-K	001-04423	10.1	August 26, 2022
10(r)(r)(r)	Plantronics, Inc. 2003 Stock Plan, as amended and restated.*	S-8	333-267151	4.4	August 29, 2022
10(s)(s)(s)	Amendment Number One to the Plantronics, Inc. 2003 Stock Plan, as amended and restated.*	S-8	333-267151	4.5	August 29, 2022
10(t)(t)(t)	Amendment Number Five to Registrant's 2005 Executive Deferred Compensation Plan.*	10-K	001-04423	10(t)(t)(t)	December 6, 2022
10(u)(u)(u)	Form of Grant Agreement for grants of restricted stock units (for use from November 1, 2022).*	10-Q	001-04423	10(u)(u)(u)	March 1, 2023
10(v)(v)(v)	Form of Retention Grant Agreement for grants of restricted stock units (for use from November 1, 2022).*	10-Q	001-04423	10(v)(v)(v)	March 1, 2023
10(w)(w)(w)	Form of Grant Agreement for grants of non-qualified stock options (for use from November 1, 2022).*	10-Q	001-04423	10(w)(w)(w)	March 1, 2023
10(x)(x)(x)	Form of Retention Grant Agreement for grants of non-qualified stock options (for use from November 1, 2022).*	10-Q	001-04423	10(x)(x)(x)	March 1, 2023
10(y)(y)(y)	Form of Grant Agreement for grants of performance-adjusted restricted stock units (for use from November 1, 2022).*	10-Q	001-04423	10(y)(y)(y)	March 1, 2023
10(z)(z)(z)	Form of Grant Agreement for grants of performance-contingent non-qualified stock options (for use from November 1, 2022).*	10-Q	001-04423	10(z)(z)(z)	March 1, 2023

10(a)(a)(a)(a)	Second Amendment to Registrant's Severance and Long-Term Incentive Change in Control Plan for Executive Officers, as amended and restated effective February 28, 2020, for Performance-Contingent Stock Options generally granted on or after December 7, 2022.*	10-Q	001-04423	10(a)(a)(a)(a)	March 1, 2023
10(b)(b)(b)(b)	Form of Grant Agreement for grants of restricted stock units (for Plantronics, Inc. plan).*	10-Q	001-04423	10(b)(b)(b)(b)	March 1, 2023
10(c)(c)(c)(c)	Form of Retention Grant Agreement for grants of restricted stock units (for Plantronics, Inc. plan).*	10-Q	001-04423	10(c)(c)(c)(c)	March 1, 2023
10(d)(d)(d)(d)	2023 Amendment to the HP Inc. Cash Account Restoration Plan.*	10-Q	001-04423	10(d)(d)(d)(d)	May 31, 2023
10(e)(e)(e)(e)	Third Amendment to the HP Inc. Excess Benefit Plan.*	10-Q	001-04423	10(e)(e)(e)(e)	May 31, 2023
31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a) of the Securities Exchange Act of 1934, as amended.†				
31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a) of the Securities Exchange Act of 1934, as amended.†				
32	Certification of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.††				
101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.†				
101.SCH	Inline XBRL Taxonomy Extension Schema Document.†				
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.†				
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.†				
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.†				
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.†				
104	The cover page from the Company's Quarterly Report on Form 10-Q for the quarter ended July 31, 2023, formatted in Inline XBRL (included within the Exhibit 101 attachments).†				

* Indicates management contract or compensatory plan, contract or arrangement.

** Certain schedules and exhibits to this agreement have been omitted pursuant to Item 601(a)(5) of Registration S-K. A copy of any omitted schedule and/or exhibit will be furnished supplementally to the SEC upon request.

† Filed herewith.

†† Furnished herewith.

The registrant agrees to furnish to the Commission supplementally upon request a copy of (1) any instrument with respect to long-term debt not filed herewith as to which the total amount of securities authorized thereunder does not exceed 10% of the total assets of the registrant and its subsidiaries on a consolidated basis and (2) any omitted schedules to any material agreements set forth above.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

HP INC.

/s/ MARIE MYERS

Marie Myers
Chief Financial Officer
(Principal Financial Officer and Authorized Signatory)

Date: September 11, 2023