

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K

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

Date of Report: May 30, 2018  
(Date of earliest event reported)

**CA, Inc.**

(Exact name of registrant as specified in its charter)

**Delaware**

(State or other jurisdiction of incorporation)

**1-9247**

(Commission File Number)

**13-2857434**

(IRS Employer Identification No.)

**520 Madison Avenue**

**New York, New York**

(Address of principal executive offices)

**10022**

(Zip Code)

**(800) 225-5224**

(Registrant's telephone number, including area code)

**Not applicable**

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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.

**Item 7.01 Regulation FD Disclosure.**

As previously announced, CA, Inc. ("CA") will host an Investor Day for research analysts and institutional investors at 10:30 a.m. Eastern Daylight Time today. CA will be using the presentation materials attached as Exhibit 99.1 to this Form 8-K. The presentation materials are available on CA's website at <http://investor.ca.com>. The information set forth in these materials speaks only as of May 30, 2018. In addition, a webcast of the event will be available on CA's website at <http://investor.ca.com>.

In accordance with General Instruction B.2. of Form 8-K, the information in this Current Report on Form 8-K furnished pursuant to Item 7.01, including Exhibit 99.1, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liability of that section, and it shall not be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such a filing.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
<a href="#">99.1</a>	<a href="#">Financial Analyst Meeting Presentation.</a>

## SIGNATURES

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 hereunto duly authorized.

CA, Inc.

Date: May 30, 2018

By: /s/ Ava M. Hahn

Ava M. Hahn

Executive Vice President, General Counsel, Corporate Secretary and Chief  
Ethics and Compliance Officer

### Exhibit Index

<u>Exhibit No.</u>	<u>Description</u>
<a href="#">99.1</a>	<a href="#">Financial Analyst Meeting Presentation.</a>



# CA Technologies Analyst Day

May 30, 2018

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# Welcome



# Cautionary Statement Regarding Forward Looking Statements

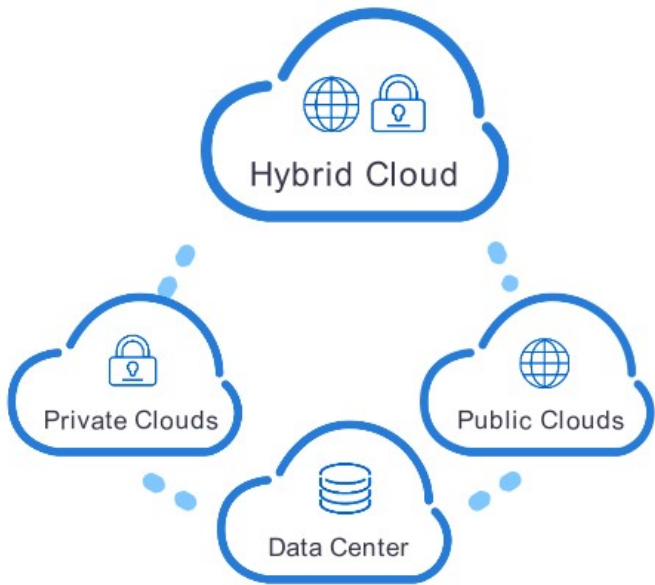
Certain statements in this communication (such as statements containing the words "believes," "plans," "anticipates," "expects," "estimates," "targets" and similar expressions relating to the future) constitute "forward-looking statements" that are based upon the beliefs of, and assumptions made by, the Company's management, as well as information currently available to management. These forward-looking statements reflect the Company's current views with respect to future events and are subject to certain risks, uncertainties, and assumptions. A number of important factors could cause actual results or events to differ materially from those indicated by such forward-looking statements, including: the ability to achieve success in the Company's business strategy by, among other things, ensuring that any new offerings address the needs of a rapidly changing market while not adversely affecting the demand for the Company's traditional products or the Company's profitability to an extent greater than anticipated, enabling the Company's sales force to execute renewals within the Company's existing customer base at acceptable renewal rates, enabling the Company's sales force to expand relationships with the Company's global customer base and address opportunities with new customers (for example, in geographic regions where the Company has underserved, or with chief information security officers and chief development officers, who have not been traditional customers) at levels sufficient to offset any decline in revenue in the Company's Mainframe Solutions segment and in certain mature product lines in the Company's Enterprise Solutions segment, effectively managing the strategic shift in the Company's business model to increase sales through digital sales forces and indirectly through the Company's partners, as well as provide additional Software as a Service offerings, offer try-and-buy models and refocus the Company's professional services and education engagements on those engagements that are connected to new product sales, without affecting the Company's financial performance to an extent greater than anticipated, and effectively managing the Company's pricing and other go-to-market strategies, as well as improving the Company's brand, technology and innovation awareness in the marketplace; the failure to innovate or adapt to technological changes or develop and introduce new software products and services in a timely and market-accepted manner; competition in product and service offerings and pricing; the ability of the Company's products to remain compatible with ever-changing operating environments, platforms or third party products; global economic factors or political events beyond the Company's control and other business and legal risks associated with global operations; the failure to sell and renew license agreement on a satisfactory basis; the failure to expand partner programs and failure by the Company's partners to leverage their sales channels to drive revenue growth; the ability to retain and attract qualified professionals; changes in generally accepted accounting principles, which includes adoption of revenue recognition requirements under Accounting Standards Codification Topic 606; the ability to successfully integrate acquired companies and products into the Company's existing business; hacking or other cybersecurity attacks on the Company's data center, network and software products, or the IT environments of the Company's business partners and customers; the ability to adequately manage, evolve and protect the Company's information systems, infrastructure and processes; general economic conditions and credit constraints, or unfavorable economic conditions in a particular region, business or industry sector; risks associated with sales to government customers; fluctuations in foreign exchange rates; discovery of errors or omissions in the Company's software products; the failure to protect the Company's intellectual property rights and source code; access to software licensed from third parties; risks associated with the use of software from open source code sources; third-party claims of intellectual property infringement and/or royalty payments; fluctuations in the number, terms and duration of the Company's license agreements, as well as the timing of orders from customers and partners; potential tax liabilities; changes in market conditions or the Company's credit ratings; events or circumstances that would require the Company to record an impairment charge relating to the Company's goodwill or capitalized software and other intangible assets balances; the failure to effectively execute on the Company's announced restructuring plans; successful and secure outsourcing of various functions to third parties; the continued payment of dividends and repurchasing of shares of the Company's common stock; and other factors described more fully in the Company's filings with the Securities and Exchange Commission, including those described on pages 11-20 of our fiscal year 2018 Annual Report on Form 10-K, filed on May 9, 2018. Should one or more of these risks or uncertainties occur, or should the Company's assumptions prove incorrect, actual results may vary materially from the forward-looking information described herein as believed, planned, anticipated, expected, estimated, targeted or similarly identified. We do not intend to update these forward-looking statements, except as otherwise required by law. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof.



# Agenda

- 1 Introduction and Strategy [Mike Gregoire, CEO](#)
- 2 Portfolio Overview [Ayman Sayed, Chief Product Officer](#)
- 3 Evolving Technology & Business Model [Otto Berkes, CTO](#)
- 4 Customer Success [Dayton Semerjian, GM, Global Customer Success](#)
- 5 Finance Update [Kieran McGrath, Chief Financial Officer](#)
- 6 Q&A

# Hybrid Multi-Cloud Environments are the New Normal — And Drive Complexity



# 80%

of enterprises will use three or more clouds by 2020

# Digital Transformation Requirements



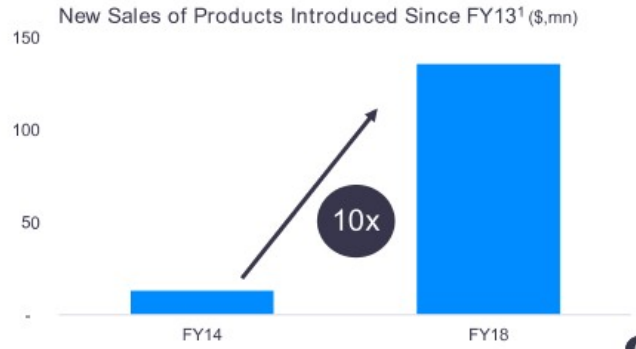
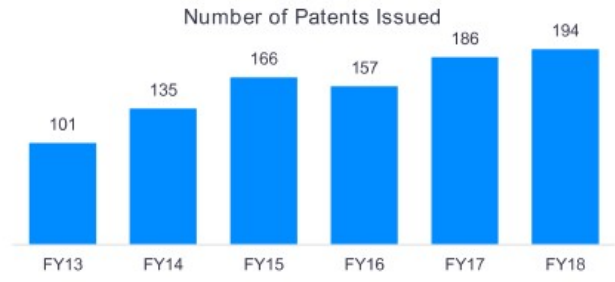
# CA enables the DevOps journey with Analytics



# Customers Around the World, Across Every Industry Use CA to Make DevOps a Reality



We have made marked progress bringing innovative and organically built solutions to market.

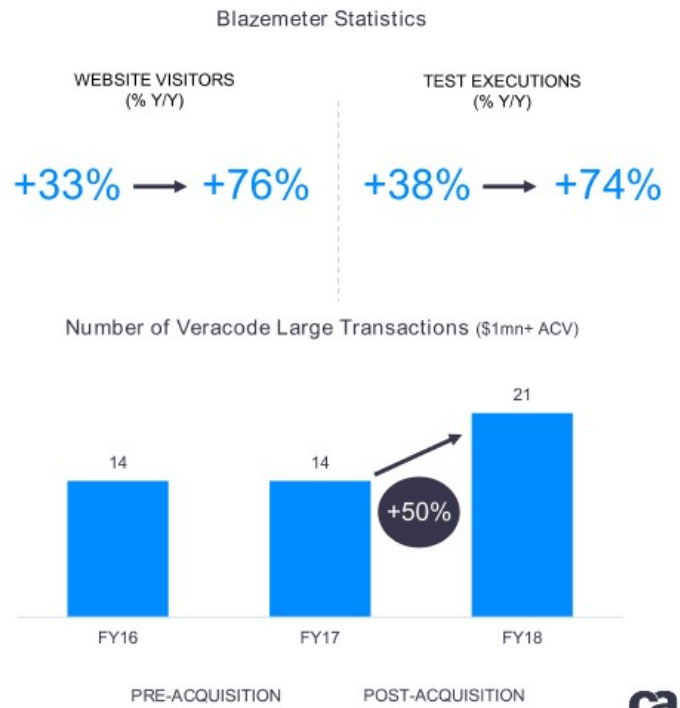


Note: Please refer to appendix for definition of New Sales

[1] Includes organically developed and small, tuck-in acquisitions



Our acquisitions are complementary to our strategy. Our acquisitions benefit from our scale and global reach.



# Third-Party Validation

20+ products recognized in leadership categories

Gartner	Forrester	IDC
<ol style="list-style-type: none"><li>1. API Management</li><li>2. Project and Portfolio Management</li><li>3. Application Release Automation</li><li>4. IT Portfolio Analysis Applications</li><li>5. Identity Governance and Administration</li><li>6. Enterprise Agile Planning Tools</li><li>7. Access Management</li><li>8. Application Security Testing</li><li>9. Application Performance Monitoring Suites</li></ol>	<ol style="list-style-type: none"><li>1. API Management</li><li>2. APM</li><li>3. Continuous Delivery &amp; Release Automation</li><li>4. Static Application Security Testing</li></ol>	<ol style="list-style-type: none"><li>1. Agile Project Management</li><li>2. ASQ</li><li>3. Cloud Testing and ASQ SaaS</li><li>4. Quality w/ Security for DevSecOps</li></ol>
	Ovum	KuppingerCole
	<ol style="list-style-type: none"><li>1. API Management</li><li>2. Privileged Identity Management</li><li>3. Agile PPM</li></ol>	<ol style="list-style-type: none"><li>1. Privileged Mgmt</li><li>2. IDaaS, Single Sign-On</li><li>3. Access Management/ Federation</li><li>4. Adaptive Authentication</li><li>5. Identity Provisioning</li><li>6. Access Governance</li></ol>

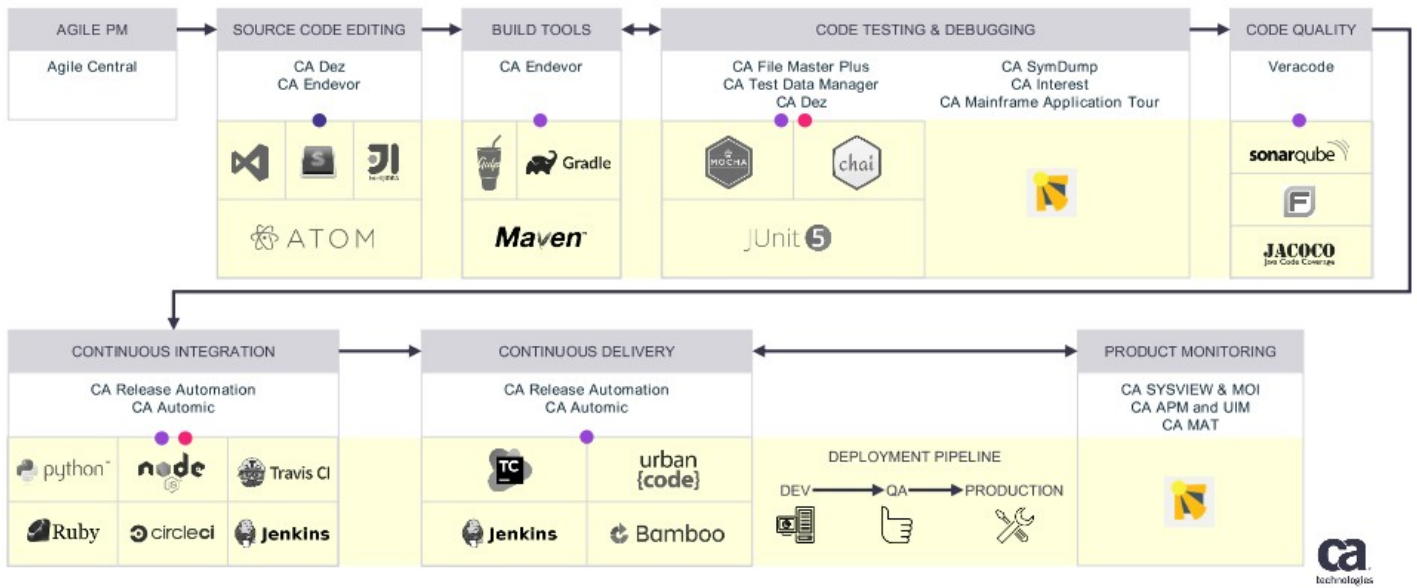


Please refer to appendix for sourcing information

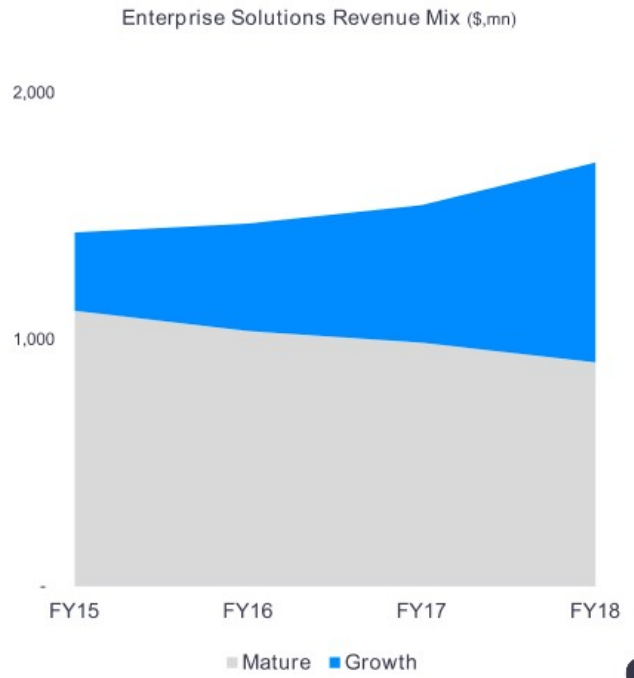
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# CA Brightside Brings Modern Development Tools and DevOps to the Mainframe

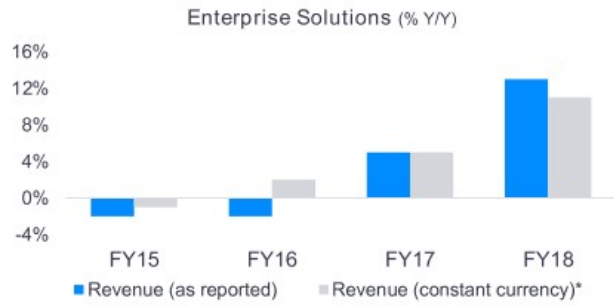
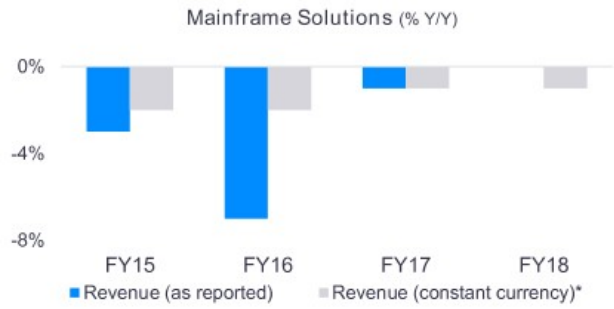
- WITH THE HELP OF BRIGHTSIDE
-  Add your favorite IDE
  -  Use your preferred tool
  -  Build IDE Plugins



Within Enterprise Solutions, our growth products are expected to become larger than our more mature offerings in FY19.

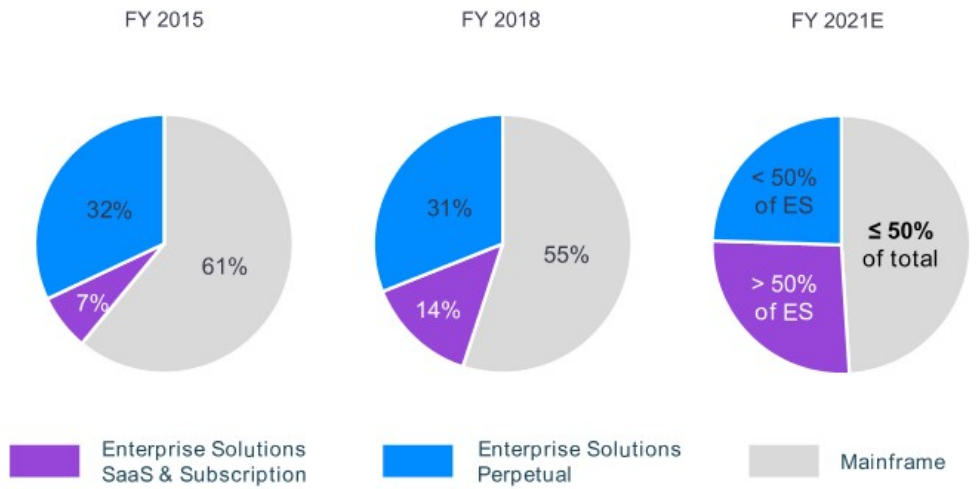


We now believe we have a path to flat Mainframe Solutions growth, assuming the current state of the mainframe market continues



Note: Please refer to appendix for definition of constant currency metrics

# Shifting to SaaS and subscription revenue streams



Note: Represents product revenue under ASC 605



# Product Update

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# Today's Market Needs



## The Modern Software Factory

A blueprint for building a digital operating model, translating technology into business insight.

...uses four key principles to succeed for adaptability and responsiveness...

Business Agility

Automation

Insights

Security

...that leverage new technologies...

Modern Application Architectures

Continuous Everything

Predictive Analytics

Machine Learning & Artificial Intelligence

Blockchain

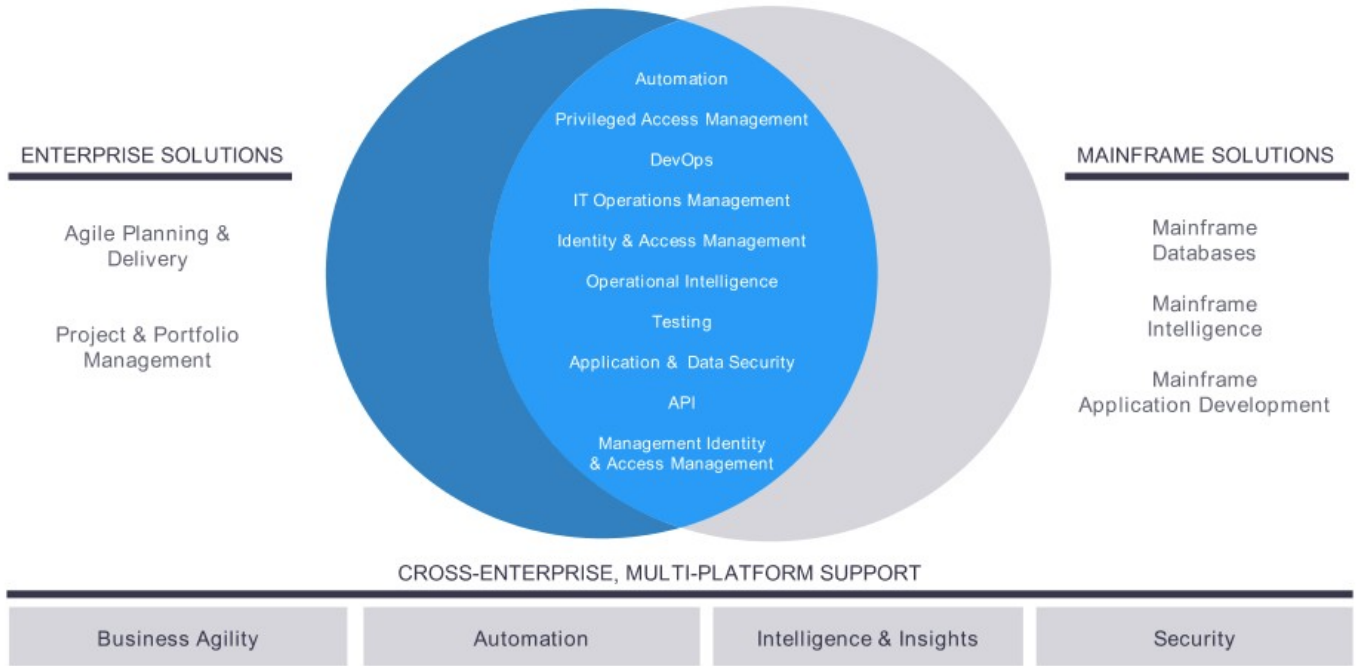
On any platform: On Premise, Public / Private / Hybrid / Multi-Cloud - Mobile and Mainframe



# Portfolio to Support Modern Software

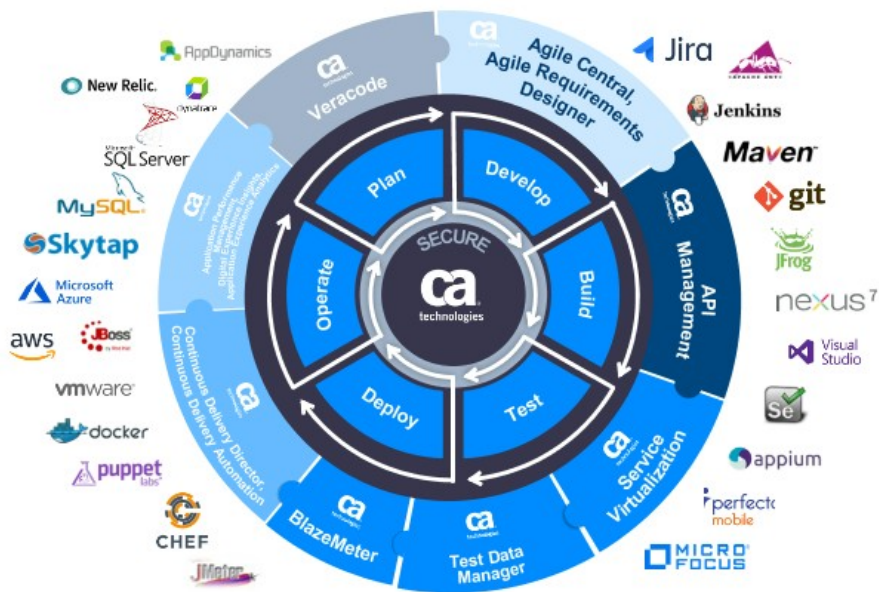


# Enterprise & Mainframe Solutions



# Enabling DevSecOps in an Open Ecosystem

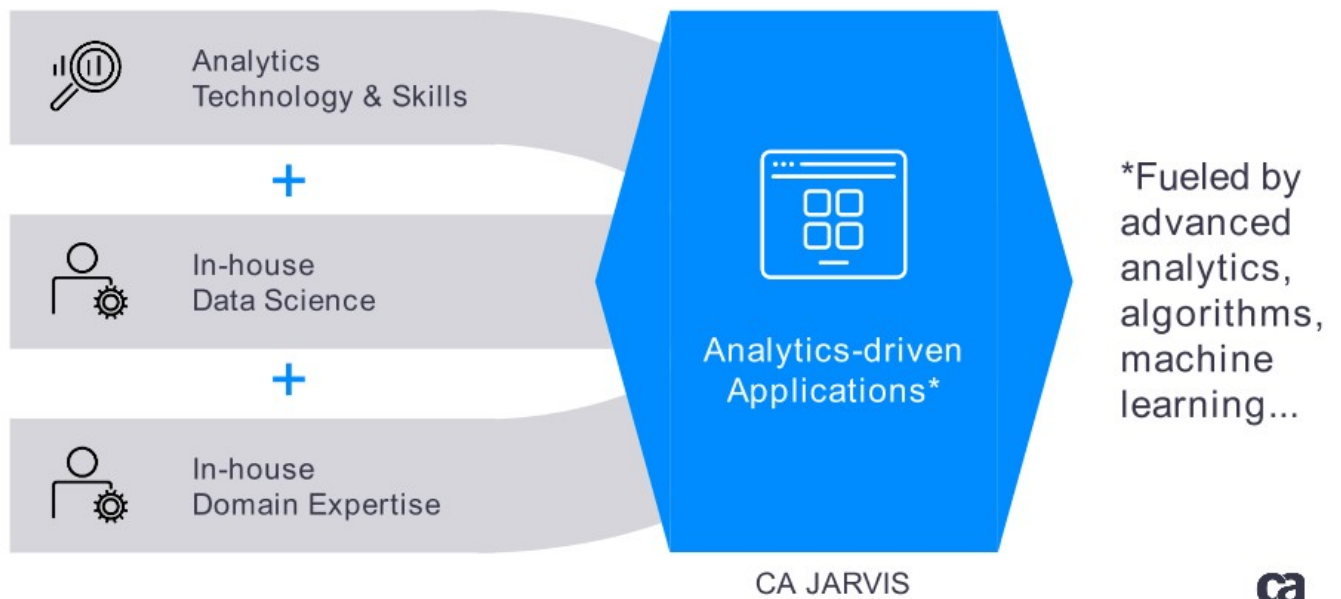
Across all platforms: mobile, multi- and hybrid cloud, distributed systems, mainframe



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# Analytics-driven Applications with CA Jarvis



# An Integral Portfolio Capability

*...across Agile, DevOps, Security and Mainframe*



CA Agile Central

Dependency Management and Predictive Planning with AI



CA DXI

Analytics across end-user analytics, app performance and infra monitoring



CA RAN

Real-time behavioral analytics and automated risk mitigation



CA Threat Analytics for PAM

Advanced Analytics for Behavioral Monitoring and Automated mitigation



CA OI

Embedded operational intelligence with machine learning

# Applying Advanced Analytic, Machine-Learning and AI: CA Risk Analytics Network



## Real-Time Behavioral Analytics

Across technologies including device fingerprinting, transaction velocity, cross-merchant linking and others.



## AI and ML Technology

Power and storage for high volumes of transactions.



## Dynamic Field Programmable Rules

Neural network models with flexible rules engines to adjust to risk profiles.



## Experience and Knowledge in Multiple Domains

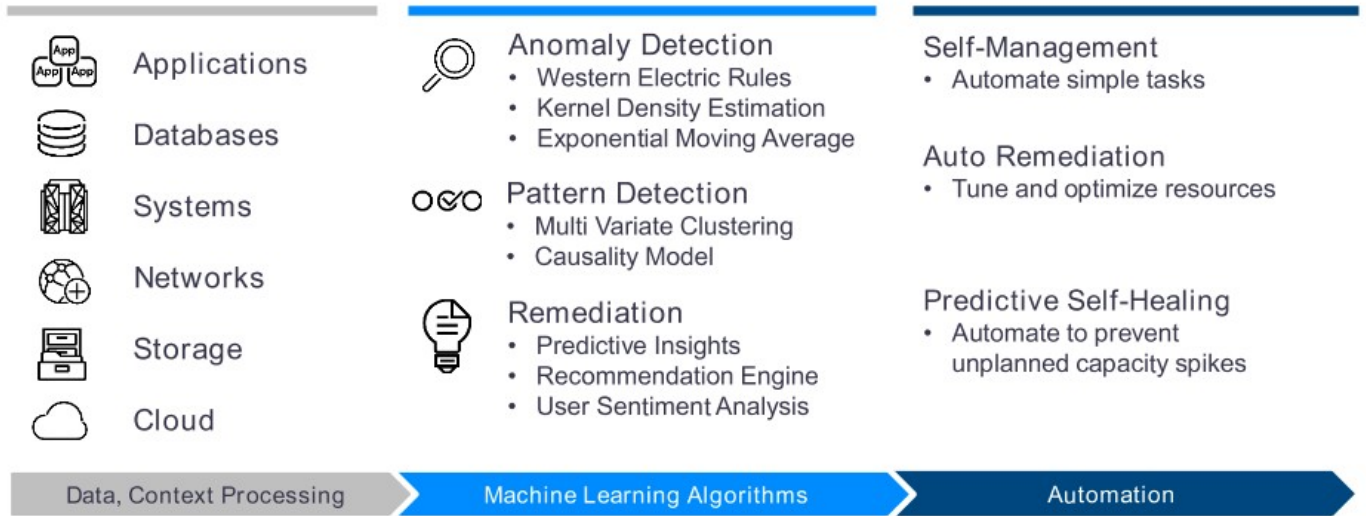
Continual refinement from experts to keep pace with evolving sophistication of threats.



## Real-Time Fraud and Risk Data Consortium

Incorporation and leverage of multiple data streams.

# AI-Driven Autonomous Operations



# Subscription Model

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# Tensor: CA's Corporate Initiative to Build a Foundation for SaaS and Subscription



# Operation Tensor

- Laying the Foundation
- The Subscription Team
- Optimization at Scale

Note: Please refer to appendix for definition of ARR

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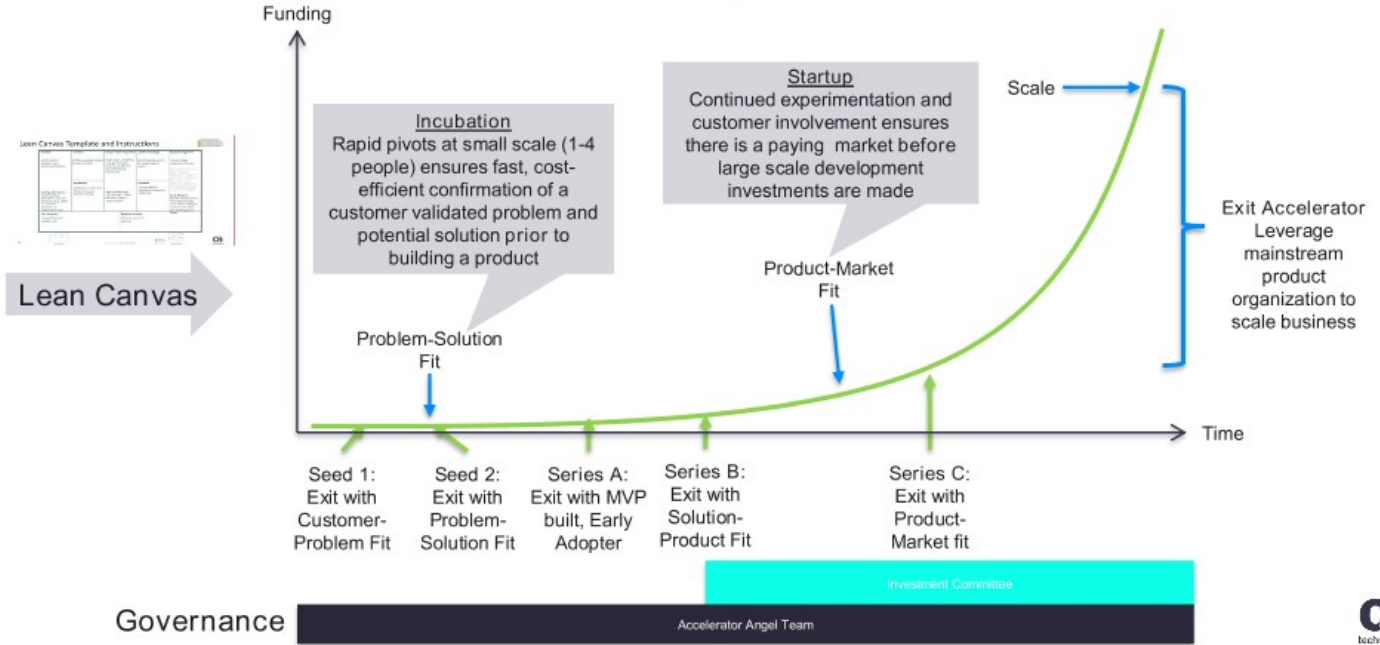


# CA Accelerator

- Maniacal **customer focus**
- Small, **incremental investments**
- **Rapid** experimentation and iteration
- **Learn** and pivot quickly
- Staged **evaluation** and **disciplined governance** following **lean** principles
  - Monthly “Pivot, Pause, Persist” reviews
  - Minimize cost
  - Drive focus
  - Increase odds of success

# CA Accelerator

## A Framework for Continuous Innovation





# CA Strategic Research: Looking at What's Next



The real magic of our digital world rests in that connection between an elegant and simple human interface and the vast array of complexities – data governance, policies, and layers of code – that underpin it.

– Otto Berkes, CA Executive Vice President & Chief  
Technology Officer

# Customer Success

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# A company's Net Promoter Score is a good indicator of its future growth.

Strong link between customer loyalty, organic growth and a company's score

Industry's NPS leaders outgrew competitors by >2x.

Promoters vs. Detractors

**3x** plan to purchase more

**6x** more willing to try a new offering

**6x** more likely to forgive



Customer promoters drive real value:

- Buy more
- Stay longer
- Refer friends
- Provide feedback and ideas

Source: Bain and Company, Temkin Group



# A Great Plan

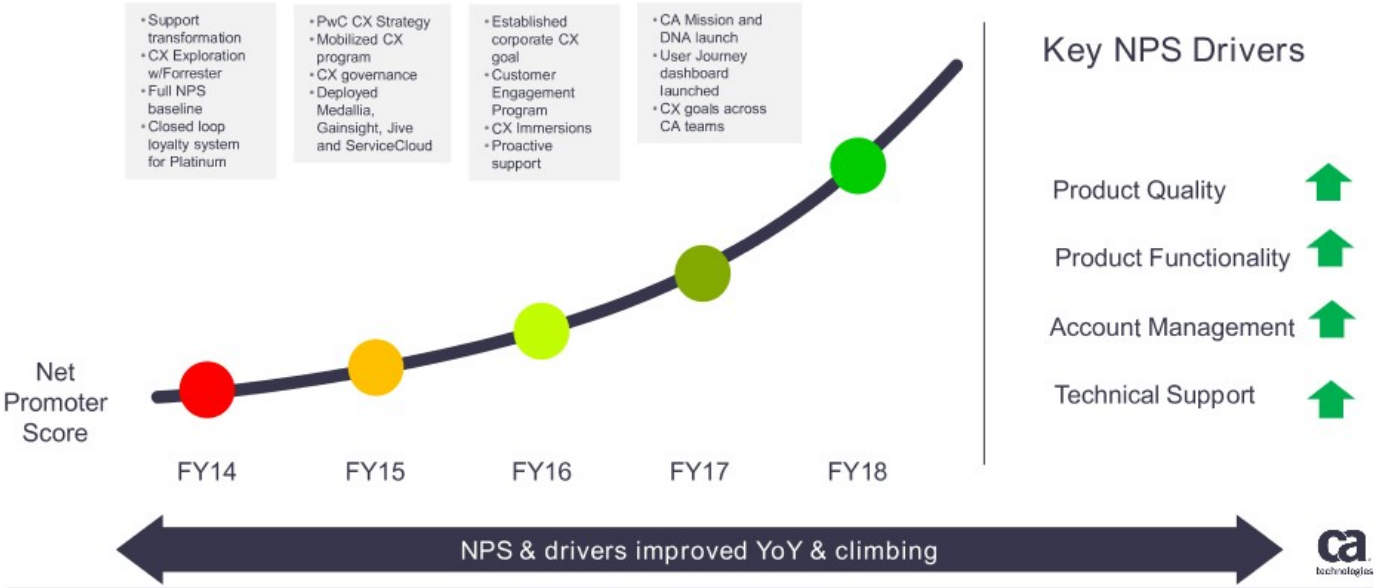
## CX & NPS Best Practices



## Companies



# CA has improved customer sentiment



# Customer Support transformation results continue to improve

Day One Closure Rate

Leader-level and growing

FY18	41%
FY17	42%
FY16	36%
FY15	33%
FY14	22%

Reduction % Mean Time to Resolution

FY18	3%
FY17	17%
FY16	14%
FY15	17%
FY14	25%

Improved by 57% since FY13

Support Satisfaction (0-10 scale)

Leader-level and growing

FY18	9.4
FY17	9.4
FY16	9.4
FY15	9.2
FY14	9.1

...along with Product NPS

Across the board NPS improvement

Product	FY16 to FY18
Mainframe	Up 9
Dev Products	Up 27
CD	Up 16
Agile Ops	Up 16
Security	Up 43



WE ELIMINATE BARRIERS  
BETWEEN IDEAS AND  
OUTCOMES.

## Mission

### SELF-AWARE

We know who we are, we know our strengths, and we know our weaknesses—and we own them.

### AUTHENTIC

We speak our truth, we are who we are, and we own it. We are not afraid to be vulnerable.

### CUSTOMER-CENTRAL

We put our customer at the center of all we do, and we own it. We are not afraid to be vulnerable.

### CREATIVE

We think outside the box, we are not afraid to try new things, and we own it. We are not afraid to be vulnerable.

### AGILE

We move fast, we are not afraid to change, and we own it. We are not afraid to be vulnerable.

## DNA



### RESILIENT

We push through anything that comes our way, and we own it. We are not afraid to be vulnerable.

### RESULTS-ORIENTED

We focus on the bottom line, we are not afraid to get our hands dirty, and we own it. We are not afraid to be vulnerable.

### COLLABOR

We work together, we are not afraid to ask for help, and we own it. We are not afraid to be vulnerable.

## Our customer promise...

To consistently deliver a superior experience by putting your organization at the center of all we do. The ultimate measure of our success is through your success and earning your trust as a strategic partner.



Invest to build long-term relationships



Deliver innovative business outcomes



Commit to each customer's success




## Promise



# What's Next? CX 2020

Inspired employees, delivering business outcomes, via superior CX

Culture	Code	CX
<p>Foster a purpose-driven, high performance culture that inspires people</p> <ul style="list-style-type: none"><li>• Mission/DNA/Promise</li><li>• Mindset &amp; Behaviors</li><li>• Employee Experience (EX)</li><li>• Empowerment &amp; Engagement</li></ul>	<p>Build quality products that solve modern problems</p> <ul style="list-style-type: none"><li>• Leading Product Portfolio</li><li>• UX/Telemetry/Integration</li><li>• Ideation &amp; Roadmaps</li><li>• Agile Development</li></ul>	<p>Wrap in a purposefully delightful and caring CX</p> <ul style="list-style-type: none"><li>• Customer Outcome Optimization</li><li>• Proactive Omni-Channel Support</li><li>• Digital Experience (DX)</li><li>• Lean/Design Thinking</li></ul>

 <p>GOAL: High employee engagement as measured by EoS Survey</p>	 <p>GOAL: Strategic partnerships with customers as measured by NPS</p>	 <p>GOAL: Customers recommend CA as measured by NPS</p>	 <p>GOAL: Organic profitable growth &gt; market and strong renewal rates</p>
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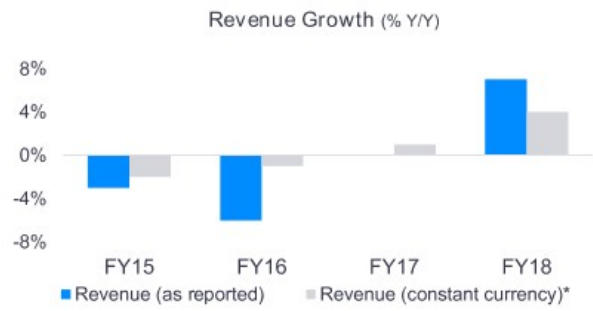
## CA CX: The Source of Sustainable Competitive Advantage



# Finance Update

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We have improved our revenue growth while maintaining our strong cash flow profile



\*Note: Please refer to appendix for definition of constant currency metrics

1

Improve Mainframe  
Growth Trajectory

2

Accelerate Enterprise  
Solutions Growth

3

Gain Operational  
Efficiencies

4

Enhance Capital  
Allocation

Going forward,  
we expect to  
deliver sustainable  
growth and improving  
shareholder returns



# Improve Mainframe Growth Trajectory

Largest customers are growing MIPS usage and revenue

CA is ranked #1 or #2 across every mainframe segment we participate in and we are gaining share in those markets\*

Opportunity to capture smaller customers with zCloud

CA is innovating and bringing new solutions to market that tap into new buyers and adjacent markets (i.e. DCD)

\*Source: CA Strategy, derived from IDC Market Data

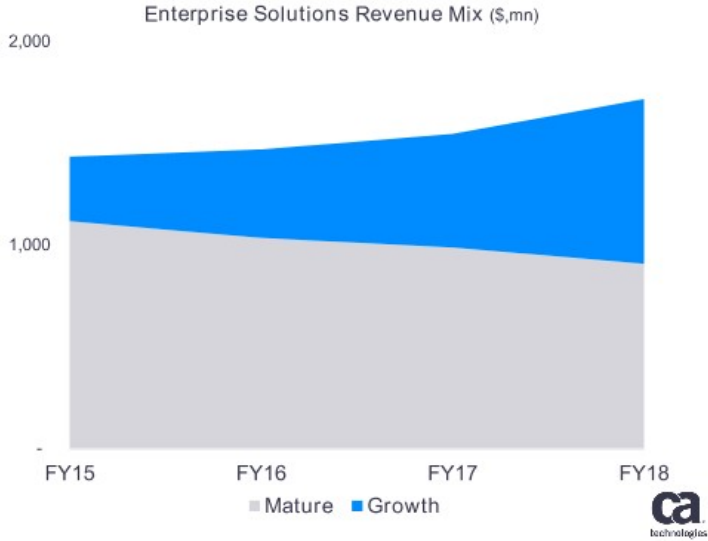
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2

# Accelerate Enterprise Solutions Growth

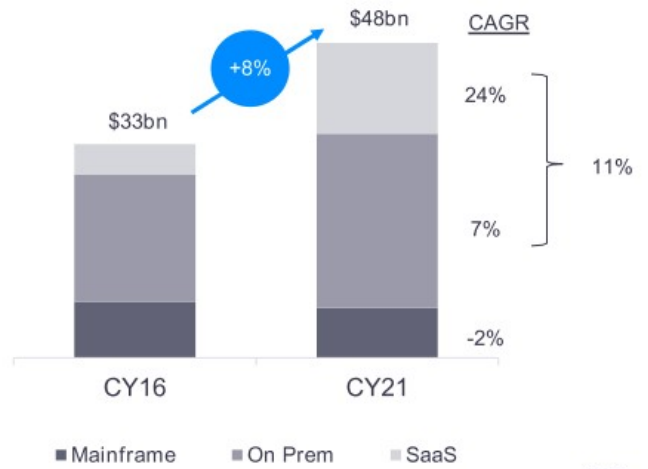
- The acquisitions of Automic and Veracode have accelerated the repositioning of our Enterprise Solutions product portfolio
- We expect our growing products within Enterprise Solutions will become larger than our more mature offerings exiting FY19
- As our growth products become larger, our Enterprise Solutions growth should be sustainable



2

# Accelerate Enterprise Solutions Growth

- The markets in which we participate are sizeable and growing rapidly
- SaaS and Subscription-based offerings have been the predominant drivers of growth within our end markets
- While we've improved the alignment of our solutions to better address these secular trends, we will accelerate our efforts going forward



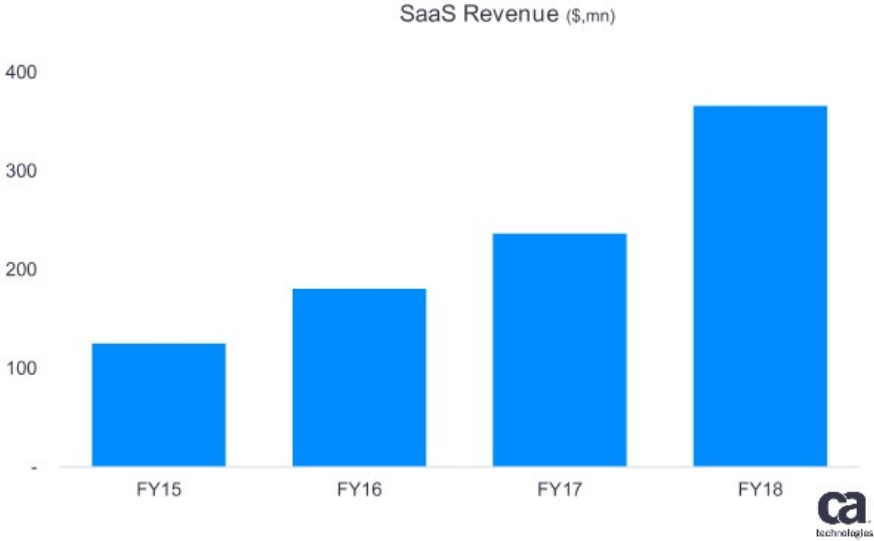
Source: CA Served Available Market, Corporate Strategy. For markets where SaaS segmentation is not available, the market opportunity has been allocated to on premise





# Accelerate Enterprise Solutions Growth

Through our organic and inorganic investments, SaaS has become a larger percentage of our overall product revenue mix





## Gain Operational Efficiencies

### Sources of Cost Savings

Operational efficiencies gained through streamlined organizational model and business processes, including:

- Reducing management layers
- Operational consolidation
- Rebalancing some of our workforce to lower cost regions

### Reinvestment Opportunities

Our actions will result in higher returns and generate capacity for reinvestment, including:

- Accelerating our shift to a more modern GTM model, inclusive of sales, marketing & support
- Embedding machine learning and artificial intelligence across our portfolio
- Improving integrations across our products and business units

**~\$120mn** Annualized cost savings created for reinvestment initiatives



4

# Enhance Capital Allocation

## Capital Allocation Plan

On average, we expect to return approximately **two-thirds of our annual \*Non-GAAP free cash flow through dividends and share repurchases**

Dividend

- \$1.02 per share
- Approx. 3% div yield (as of 5.29.18)
- Approx. \$400mn per annum

Share Repurchases

- Annual 1-2% share count reduction
- Approx. \$300mn per annum (approx. double the rate of FY18 level of share repurchases)

M&A

- Dependent on strategic opportunity
- \$300mn to \$500mn annually, on average

\*Note: Please refer to appendix for definition of Non-GAAP free cash flow



# Recap of FY19 Guidance

Revenue (% Y/Y)	\$4,250mn to \$4,290mn As reported: 0 to 1%   Constant Currency: -1 to 0%
Operating Margin	GAAP: 24% to 26% Non-GAAP: 37%
GAAP EPS (% Y/Y)	\$1.78 to \$1.87 As reported: 58% to 65%   Constant Currency: 50% to 58%
Non-GAAP EPS (% Y/Y)	\$2.75 to \$2.81 As reported: 6% to 8%   Constant Currency: 2% to 4%
CFFO	\$1,140mn to \$1,180mn As reported: -5% to -1%   Constant Currency: -7% to -3%

Note: Please refer to appendix for definition and reconciliation of Non-GAAP metrics. The outlook for fiscal 2019 is based upon exchange rates on the last day of the preceding quarter, which was March 31, 2018, and is under the ASC 605 Revenue Standard. It assumes no material acquisitions and contains "forward-looking statements" (as defined previously). As the Company implements the ASC 606 Revenue Standard for fiscal 2019, we will be reporting results under both the ASC 605 and ASC 606 Revenue Standards during fiscal 2019 but will be providing guidance that primarily messages the business to ASC 605 results for comparability purposes.

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**ASC 606**

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# New Revenue Recognition Standard

## Objectives:

Streamline & simplify: single framework replacing existing industry and transaction specific US GAAP

Global and cross-industry consistency and comparability: enable financial statement users and preparers to compare companies in different industries regardless of accounting standards used

Increase transparency: provide financial statement users with more extensive disclosures

## Impact to CA

What does it mean for CA?	Requirement to recognize revenue upon the transfer of product to customers regardless of whether it is a subscription or perpetual license
When is it effective?	Standard is effective for CA as of April 1, 2018 (Q1 FY19). Under Modified Retrospective transition method, CA will be required to perform reporting for one year under both ASC 605 and 606.
Primary Impact	Increases the portion of revenue CA will recognize as point-in-time rather than over-time, creating variability in operating margin, earnings, CFFO (cash taxes) and segment margins

# What Does & Does Not Change

## What **DOES** change

- Increased point-in-time recognition of on-premise revenue for new/renewal bookings
- Increased income statement volatility
- Backlog and deferred revenue decrease
- Timing of cash tax payments; liability from deferred taxes
- Renewals recognized only at expiration date of prior agreement
- Commissions capitalized and amortized over three to seven years

## What **DOES NOT** change

- Economic value of contracts with customers
- Billings and cash collection from customers
- Ratable nature of SaaS and Maintenance, limited impact to Professional Services

# Impact to CA

Line of Business	ASC 605	ASC 606	Impact
Mainframe	Ratable over contract term	Upfront license; Ratable maintenance	Significant
Enterprise			
Perpetual License			
- Stand-alone	Upfront license; Ratable maintenance	Upfront license; Ratable maintenance	None
- Bundled	Ratable over contract term	Upfront license; Ratable maintenance	Significant
Maintenance	Ratable over contract term	Ratable over contract term	None
Subscription	Ratable over contract term	Upfront license; Ratable maintenance	Significant
SaaS	Ratable over contract term	Ratable over contract term	Minimal
Services	As rendered	As rendered	Minimal



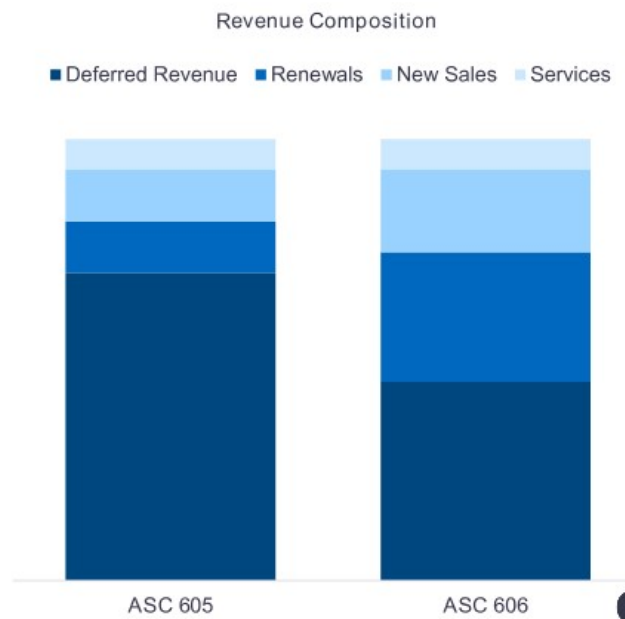
# Revenue Composition

## Backlog

- Under ASC 606, we expect our total revenue backlog to be reduced in the range of 35% to 45%

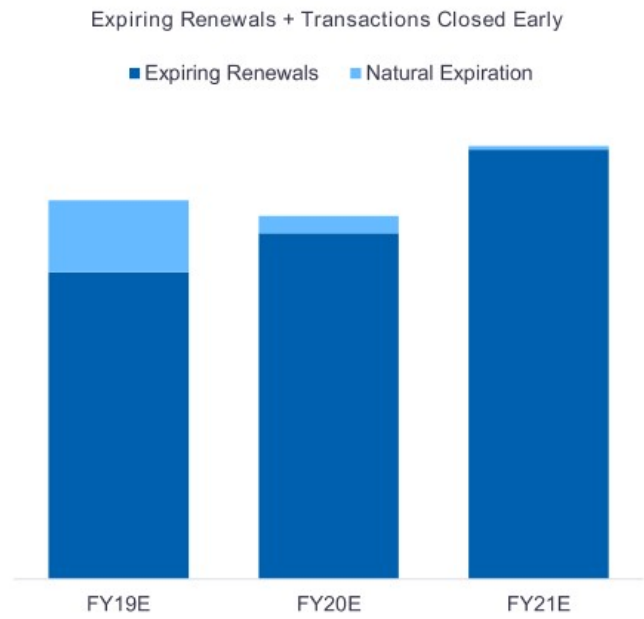
## Annual Revenue

- On an annual basis, we expect 45% to 50% of revenue will come from the balance sheet under ASC 606 versus roughly 70% under ASC 605
- Depending on the level of renewal bookings, this headwind is expected to be largely mitigated by increased point-in-time revenue recognition from transactions within the fiscal year



# Renewal Expirations

- The dynamics of the renewal portfolio will have an outsized impact on revenue and revenue growth and in any given period
- However, renewal transactions can, and often do move in/out of fiscal years. Under ASC 606, revenue from renewals will be recognized at the natural expiration date
- As such, renewal bookings, will not necessarily reflect renewal-related revenue in any given period



# ARR: The Key Topline Indicator

Business Type	ARR (Y/N)
On-Premise Subscription	Y
Perpetual Maintenance	Y
SaaS	Y
Perpetual License	N
Services	N



Approximately 85% of product, and 80% of FY18 revenue can be classified as ARR

## Why ARR?

ARR measures the health of CA's installed base (recurring revenue) and normalizes for point-in-time recognition of subscription business. ARR is a holistic representation of recurring business that is influenced by both New Sales and Renewals

Note: Please refer to appendix for definition of ARR and New Sales



# Modeled Product Bookings

\$'s in millions



# Modeled Product Bookings & Revenue

\$'s in millions



# Modeled Product Bookings & Revenue

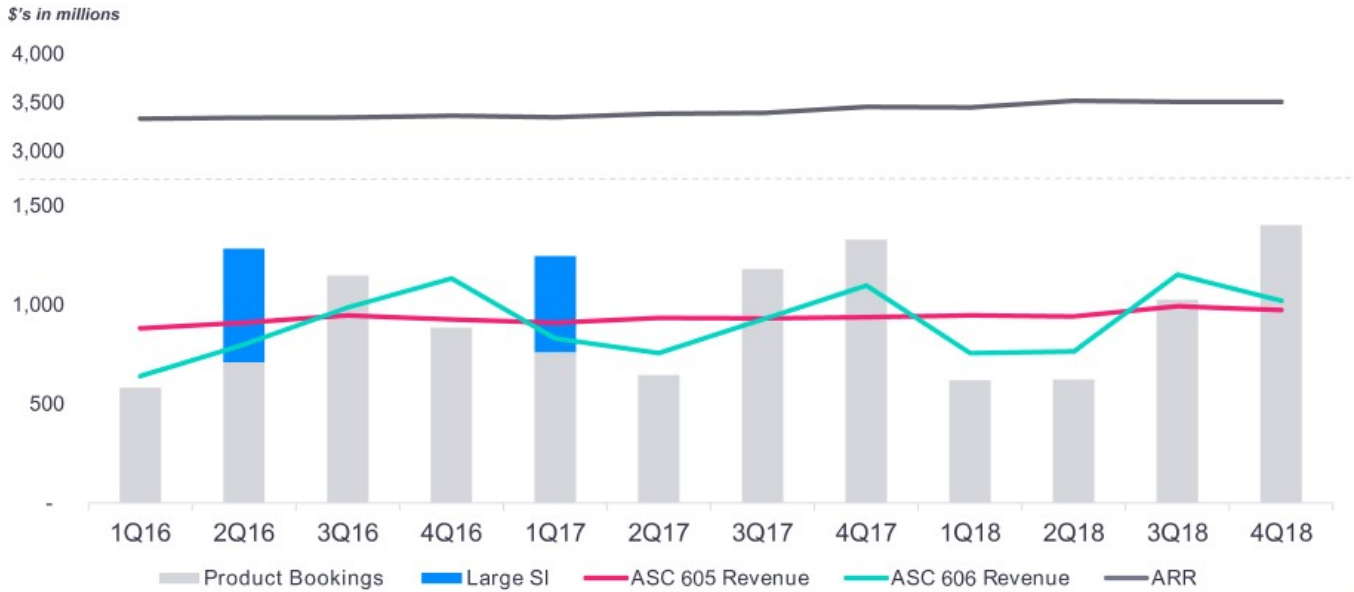
\$'s in millions



Note: ASC 606 revenue is unaudited and modeled, for illustrative purposes only



# Modeled Product Bookings, Revenue & ARR



Note: ARR and ASC 606 revenue is unaudited and modeled, for illustrative purposes only, please refer to appendix for ARR definition



# Changes to Our Metrics

	Prior	FY19 & Beyond
KPI's	<ul style="list-style-type: none"> <li>▪ New Sales Growth   Mainframe, ES, Total</li> <li>▪ Quarterly Renewal Yield</li> <li>▪ Quarterly Weighted Avg. Subs/Maint Duration</li> <li>▪ CFFO</li> </ul>	<ul style="list-style-type: none"> <li>▪ ARR   Mainframe, ES, SaaS, Total</li> <li>▪ Annual Renewal Rate</li> <li>▪ Annual Average Duration</li> <li>▪ CFFO</li> </ul>
Revenue	<ul style="list-style-type: none"> <li>▪ Subscription &amp; Maintenance, Software Fees &amp; Other</li> <li>▪ Mainframe, Enterprise Solutions, Services</li> <li>▪ US, EMEA &amp; Other</li> </ul>	<ul style="list-style-type: none"> <li>▪ Perpetual License, Term License, Maintenance, SaaS</li> <li>▪ Mainframe, Enterprise Solutions, Services</li> <li>▪ US, EMEA &amp; Other</li> <li>▪ Point-in-time, Over-time</li> </ul>
Other Metrics	<ul style="list-style-type: none"> <li>▪ Bookings</li> <li>▪ Billings</li> <li>▪ Billings Backlog</li> <li>▪ Expected Future Cash Collections</li> </ul>	<ul style="list-style-type: none"> <li>▪ Bookings</li> <li>▪ Billings</li> </ul>

Note: Please refer to appendix for definition of ARR, Annual Renewal Rate, Annual Average Duration



## Financial Outlook for FY19

ARR (% Y/Y)	1% to 2%
Revenue (% Y/Y)	<b>\$4,250mn to \$4,290mn</b> As reported: 0 to 1%   Constant Currency: -1 to 0%
Operating Margin	GAAP: 24% to 26% Non-GAAP: 37%
GAAP EPS (% Y/Y)	<b>\$1.78 to \$1.87</b> As reported: 58% to 65%   Constant Currency: 50% to 58%
Non-GAAP EPS (% Y/Y)	<b>\$2.75 to \$2.81</b> As reported: 6% to 8%   Constant Currency: 2% to 4%
CFFO	<b>\$1,140mn to \$1,180mn</b> As reported: -5% to -1%   Constant Currency: -7% to -3%

Note: Please refer to appendix for definition and reconciliation of Non-GAAP metrics. The outlook for fiscal 2019 is based upon exchange rates on the last day of the preceding quarter, which was March 31, 2018, and is under the ASC 605 Revenue Standard. It assumes no material acquisitions and contains "forward-looking statements" (as defined previously). As the Company implements the ASC 606 Revenue Standard for fiscal 2019, we will be reporting results under both the ASC 605 and ASC 606 Revenue Standards during fiscal 2019 but will be providing guidance that primarily messages the business to ASC 605 results for comparability purposes.

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## Where do we go from here?

Longer-Term Financial Model (3 to 5 years)	ARR (% CAGR)	3% to 5%
	CFFO (% CAGR)	3% to 5%
Business Model	Evolve from a sales driven to a product and customer driven culture	
Capital Allocation	Expand shareholder-friendly capital allocation philosophy	

Note: Please refer to appendix for definition of ARR

## How do we get there?

- 1 Improve Mainframe Growth Trajectory
- 2 Accelerate Enterprise Solutions Growth
- 3 Gain Operational Efficiencies
- 4 Enhance Capital Allocation

# Q&A

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# Appendix

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# Definitions

**Annual Recurring Revenue (ARR):** We define ARR as the annual value of all recurring revenue related to contracts in place at the end of the period. ARR should be viewed independently of revenue and deferred revenue as ARR is a performance metric and is not intended to be combined with any of these items. Recurring Revenue, a component of ARR, is calculated by dividing the sum of all revenue recognized from term software licenses, content subscriptions, managed services, cloud-based subscriptions and maintenance and support by total revenue in the quarter

**Annual Renewal Rate:** We define Annual Renewal Rate as the ending ARR, excluding any new arrangements, divided by the beginning period ARR. Renewals reflects the annualized value of the renewable components of contracts expiring in the period net of the annualized renewed value. Contracts that do not renew upon natural expiration are reflected as lost in the period of natural expiration. Annualized value of contracts that renew after natural expiration are reflected in the period in which the contract renews. Renewal activity from contracts that renew prior to the natural expiration are reflected in results in the period of natural expiration.

**Free Cash Flow:** We define free cash flow as cash provided by operating activities reduced by purchases of property and equipment

**Annual Average Duration:** We define Annual Average Duration as the average contract term entered into with customers during a period.

**New Sales:** We define New Sales as sales of mainframe and enterprise solutions products and mainframe solutions capacity that are new or in addition to sales of products or mainframe solutions capacity previously contracted for by a customer.

# Non-GAAP Metrics

This communication includes certain financial measures that exclude the impact of certain items and therefore have not been calculated in accordance with U.S. generally accepted accounting principles (GAAP). Non-GAAP metrics for operating expenses, operating income, operating margin, net income, and diluted earnings per share exclude the following items: non-cash amortization of purchased software, internally developed software and other intangible assets; share-based compensation expense; charges relating to restructuring and rebalancing initiatives that are large enough to require approval from the Company's Board of Directors and certain other gains and losses. The effective tax rate on GAAP and non-GAAP income from operations is the Company's provision for income taxes expressed as a percentage of pre-tax GAAP and non-GAAP income from operations, respectively. These tax rates are determined based on an estimated effective full year tax rate, with the effective tax rate for GAAP including the impact of discrete items in the period in which such items arise and the effective tax rate for non-GAAP generally allocating the impact of discrete items pro rata to the fiscal year's remaining reporting periods. The non-GAAP effective tax rate is typically equal to the full year GAAP effective tax rate, therefore no adjustment is required on an annual basis. However, to minimize certain distortions that otherwise would have resulted from applying this methodology to the significant non-recurring impact on the Company's tax expense from enactment of the US Tax Reform in the third quarter of fiscal 2018, such impact was recorded as a discrete item in fiscal 2018 only for purposes of the GAAP effective tax rate, but excluded from the non-GAAP effective tax rate, which also yields different full-year effective tax rates for the Company's GAAP and non-GAAP results in fiscal 2018. Non-GAAP diluted earnings per share also excludes the impact of the US Tax Reform. Non-GAAP free cash flow excludes purchases of property and equipment. The Company presents constant currency information to provide a framework for assessing how the Company's underlying businesses performed excluding the effect of foreign currency rate fluctuations. To present this information, current and comparative prior period results for entities reporting in currencies other than U.S. dollars are converted into U.S. dollars at the exchange rate in effect on the last day of the Company's prior fiscal year (i.e., March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014 respectively). Constant currency excludes the impacts from the Company's hedging program. The constant currency calculation for annualized subscription and maintenance bookings is calculated by dividing the subscription and maintenance bookings in constant currency by the weighted average subscription and maintenance duration in years. These non-GAAP financial measures may be different from non-GAAP financial measures used by other companies. Non-GAAP financial measures should not be considered as a substitute for, or superior to, measures of financial performance prepared in accordance with GAAP. By excluding these items, non-GAAP financial measures facilitate management's internal comparisons to the Company's historical operating results and cash flows, to competitors' operating results and cash flows, and to estimates made by securities analysts. Management uses these non-GAAP financial measures internally to evaluate its performance and they are key variables in determining management incentive compensation. The Company believes these non-GAAP financial measures are useful to investors in allowing for greater transparency of supplemental information used by management in its financial and operational decision-making. In addition, the Company has historically reported similar non-GAAP financial measures to its investors and believes that the inclusion of comparative numbers provides consistency in its financial reporting. Investors are encouraged to review the reconciliation of the non-GAAP financial measures used in this communication to their most directly comparable GAAP financial measures, which are included in this communication.



## Reconciliation of GAAP Measures to Non-GAAP Measures

<u>Projected Diluted EPS</u>	Fiscal Year Ending <u>March 31, 2019</u>		
Projected GAAP diluted EPS range	\$ 1.78	to	\$ 1.87
Non-GAAP adjustments:			
Purchased software amortization	0.46		0.46
Other intangibles amortization	0.09		0.09
Internally developed software products amortization	0.02		0.02
Share-based compensation	0.29		0.29
Restructuring expense	0.38		0.33
Tax effect of non-GAAP adjustments	(0.27)		(0.25)
Total non-GAAP adjustment	<u>\$ 0.97</u>		<u>\$ 0.94</u>
Projected non-GAAP diluted EPS range	<u>\$ 2.75</u>	to	<u>\$ 2.81</u>

### Projected Operating Margin

Projected GAAP operating margin range	24%	to	26%
Non-GAAP operating adjustments:			
Purchased software amortization	4%		4%
Other intangibles amortization	1%		1%
Internally developed software products amortization	0%		0%
Share-based compensation	3%		3%
Restructuring expense	5%		3%
Total non-GAAP operating adjustment	<u>13%</u>		<u>11%</u>
Projected non-GAAP operating margin	<u>37%</u>	to	<u>37%</u>



## Constant Currency Summary

Segment Reporting	FY 2015	FY 2016	FY 2017	FY 2018
Mainframe Solutions	\$ 2,392	\$ 2,215	\$ 2,182	\$ 2,176
% Y/Y	-3%	-7%	-1%	0%
% Y/Y in constant currency	-2%	-2%	-1%	-1%
Enterprise Solutions	\$ 1,519	\$ 1,484	\$ 1,553	\$ 1,748
% Y/Y	-2%	-2%	5%	13%
% Y/Y in constant currency	-1%	2%	5%	11%
Services	\$ 351	\$ 326	\$ 301	\$ 311
% Y/Y	-7%	-7%	-8%	3%
% Y/Y in constant currency	-6%	-3%	-7%	2%
Total Revenue	\$ 4,262	\$ 4,025	\$ 4,036	\$ 4,235
% Y/Y	-3%	-6%	0%	5%
% Y/Y in constant currency	-2%	-1%	1%	4%

Note: Please refer to the definition of constant currency metrics within this appendix



# Third Party Sourcing

Gartner Magic Quadrant for Full Life Cycle API Management, Paolo Maliverno and Mark O'Neill, April 30, 2018  
Gartner Magic Quadrant for IT Project and Portfolio Management Worldwide, Daniel B Stang, Matt Light, Teresa Jones, May 25, 2017  
Gartner Magic Quadrant for Application Release Automation, Colin Fletcher, Laurie Wurtsor, September 27, 2017  
Gartner Magic Quadrant for Integrated IT Portfolio Analysis Applications, 2017, Daniel B. Stang and Stefan Van Der Zijden, November 27, 2017  
Gartner Magic Quadrant for Identity Governance and Administration, Felix Gaehtgens, Brian Iverson, Kevin Kampman, February 21, 2018  
Gartner Magic Quadrant for Enterprise Agile Planning Tools, Thomas E Murphy, Mike West, Keith James Mann, April 23, 2018  
Gartner Magic Quadrant for Access Management Worldwide, Gregg Kreizman, Anmol Singh, June 7, 2017  
Gartner Magic Quadrant for Application Security Testing Dionizio Zumerela, Ayal Tirosh, Mark Horvath, March 19, 2018  
Gartner Magic Quadrant for Application Performance Monitoring Suites, Will Cappelli, Sanjit Ganguli, Federico DeSilva, March 19, 2018  
Gartner does not endorse any vendor, product or service depicted in its research publications, and does not advise technology users to select only those vendors with the highest ratings or other designation. Gartner research publications consist of the opinions of Gartner's research organization and should not be construed as statements of fact. Gartner disclaims all warranties, expressed or implied, with respect to this research, including any warranties of merchantability or fitness for a particular purpose.  
IDC MarketScape: Worldwide Agile PPM 2017 Vendor Assessment — Enabling Adaptive Planning for Emerging Markets, DevOps, and IoT, July 31, 2017  
IDC MarketScape: Worldwide Cloud Testing and ASO SaaS 2017-2018 Vendor Assessment  
IDC MarketScape: Worldwide Software Quality Analysis and Measurement 2017-2018 Vendor Assessment  
IDC MarketScape: Worldwide Enterprise Automated Software Quality 2017-2018 Vendor Assessment  
Ovum Decision Matrix: Ovum Decision Matrix: Selecting an API Management Solution 2016-2017  
Ovum Decision Matrix: Selecting a Privileged Identity Management Solution, 2015-2016  
Ovum Decision Matrix: Selecting an Agile Project Management Solution, 2016-2017  
KuppingerCole Leadership Compass: Privilege Management, June 2017  
KuppingerCole Leadership Compass: Identity as a Service: Single Sign-On to the Cloud (IDaaS SSO), June 2017  
KuppingerCole Leadership Compass: Access Management and Federation, 2016  
KuppingerCole Leadership Compass Adaptive Authentication, February 2017  
KuppingerCole Leadership Compass: Identity Provisioning, November 2017  
KuppingerCole Leadership Compass Access Governance, May 2018  
Forrester Research Inc., The Forrester Wave™: Continuous Delivery And Release Automation, Q3 2017, August 30, 2017  
Forrester Research Inc., The Forrester Wave™: Static Application Security Testing, Q4 2017, December 12, 2017.  
Forrester Research Inc., The Forrester Wave™: API Management Solutions, Q4 2016, November 14, 2016.  
Forrester Research Inc., The Forrester Wave™: Application Performance Management, Q3 2016.



# Financial Data Sheet

Note: For reconciliations of non-GAAP metrics to their comparable GAAP metric please see the tables accompanying the fourth quarter fiscal 2016 earnings release dated May 11, 2016, the first quarter fiscal 2017 earnings release dated July 27, 2016, the second quarter fiscal 2017 earnings release dated October 27, 2016, the third quarter fiscal 2017 earnings release dated January 24, 2017, the fourth quarter fiscal 2017 earnings release dated May 11, 2017, the first quarter fiscal 2018 earnings release dated August 2, 2017, the second quarter fiscal 2018 earnings release dated October 25, 2017, the third quarter fiscal 2018 earnings release dated January 30, 2018, and the fourth quarter fiscal 2018 earnings release dated May 8, 2018 all of which are available on our website (<http://ca.com/invest>).

[1] Please refer to the definition of ARR within this appendix.  
 [2] Please refer to the definition of constant currency metrics within this appendix.

		(in millions, except per share amounts and where otherwise noted)											
		Description	FY 2016	1Q17	2Q17	3Q17	4Q17	FY 2017	1Q18	2Q18	3Q18	4Q18	FY 2018
<b>ASC 606</b>													
Revenue by Type	License	Historical Data Not Available											
	Maintenance	Historical Data Not Available											
ARR <sup>1</sup>	SaaS	Historical Data Not Available											
	Professional Services	Historical Data Not Available											
Bookings & Billings	Total Revenue	Historical Data Not Available											
	Total Bookings	Historical Data Not Available											
EPS	GAAP EPS	Historical Data Not Available											
	Non-GAAP EPS	Historical Data Not Available											
Cash Flow from Operations	Product Bookings	3,524	1,207	655	1,178	1,325	4,426	622	637	1,044	1,433	3,736	
	Professional Services Bookings	323	86	74	80	97	337	81	83	84	90	338	
	Total Bookings	4,247	1,393	729	1,258	1,423	4,763	703	720	1,128	1,523	4,074	
	Total Billings	3,916	764	683	1,229	1,367	4,043	857	737	1,219	1,447	4,260	
	GAAP EPS	1,068	194	(53)	517	420	1,078	296	37	315	548	1,195	
Cash Flow from Operations	Non-GAAP EPS	369	62	140	72	110	384	47	109	75	110	350	
	CFFO	7	1	1	1	1	4	1	1	-	2	4	
	Adjustments:	1,438	257	88	590	531	1,496	346	147	390	669	1,552	
	Restructuring	421	23	59	231	176	489	194	80	36	176	489	
	Adjusted Pre-Tax CFFO	Historical Data Not Available											
ASC 605	Single Installment Cash Collections	Historical Data Not Available											
	ASC 605 Revenue	2,215	561	550	548	535	2,182	538	539	552	549	2,176	
ASC 605 Revenue	Mainframe	1,484	371	393	389	400	1,553	414	420	461	453	1,745	
	Enterprise Solutions	326	77	75	72	77	301	75	75	80	81	311	
ASC 605 Revenue	Professional Services	4,025	869	1,018	1,007	1,012	4,036	1,025	1,034	1,093	1,063	4,235	
	Total Revenue	61%	62%	62%	61%	59%	61%	60%	60%	64%	61%	64%	
ASC 605 Segment Margin	Mainframe	10%	13%	18%	14%	1%	11%	8%	10%	11%	8%	9%	
	Enterprise Solutions	7%	3%	3%	-4%	-3%	0%	1%	1%	3%	8%	3%	
ASC 605 Segment Margin	Professional Services	28%	29%	31%	31%	21%	28%	29%	27%	28%	25%	26%	
	GAAP Operating Margin %	38%	39%	40%	38%	32%	37%	37%	38%	38%	34%	37%	
ASC 605 Operating Margin	Non-GAAP Operating Margin %	1.78	0.47	0.50	0.50	0.38	1.85	0.42	0.44	(0.23)	0.49	1.13	
	GAAP EPS	2.43	0.64	0.67	0.63	0.54	2.48	0.61	0.62	0.75	0.62	2.59	
ASC 605 Operating Margin	Non-GAAP EPS	(% YYY)	Historical Data Not Available										
	GAAP EPS	-7%	-2%	-1%	-1%	-2%	-1%	-3%	-2%	1%	3%	0%	
ASC 605 Revenue	Mainframe	-2%	10%	7%	-2%	5%	5%	12%	7%	19%	13%	13%	
	Enterprise Solutions	-7%	-3%	-10%	-12%	-6%	-8%	-3%	0%	11%	5%	3%	
ASC 605 Revenue	Professional Services	-6%	2%	1%	-3%	0%	0%	3%	2%	9%	7%	5%	
	Total Revenue	-2%	0%	28%	-4%	-7%	4%	-11%	-12%	-14%	2%	-39%	
ASC 605 EPS	GAAP EPS	-4%	0%	20%	0%	-10%	2%	-5%	-7%	19%	15%	4%	
	Non-GAAP EPS	0%	-10%	-210%	55%	-11%	1%	54%	170%	-39%	30%	11%	
CFFO	CFFO	-7%	9%	-45%	46%	-17%	2%	35%	67%	-34%	26%	6%	
	Adjusted Pre-Tax CFFO	Historical Data Not Available											
ASC 605 Revenue	Mainframe	-2%	-1%	-1%	-1%	-1%	-1%	-2%	-3%	0%	-1%	-1%	
	Enterprise Solutions	2%	10%	8%	-2%	6%	5%	12%	6%	16%	10%	11%	
ASC 605 Revenue	Professional Services	-3%	-2%	-9%	-12%	-5%	-7%	-2%	0%	9%	1%	2%	
	Total Revenue	-1%	3%	2%	-2%	1%	1%	4%	1%	7%	4%	4%	
ASC 605 EPS	GAAP EPS	13%	-4%	31%	-6%	-7%	2%	-4%	-10%	-14%	2%	-38%	
	Non-GAAP EPS	6%	-2%	18%	-2%	-12%	1%	-3%	-6%	16%	17%	6%	
CFFO	CFFO	9%	-6%	-220%	57%	-11%	3%	52%	154%	-41%	29%	8%	
	Adjusted Pre-Tax CFFO	Historical Data Not Available											

