



**HPE SECURITIES ANALYST
MEETING 2021**

AGENDA

01 **Company Vision and Strategy**

ANTONIO NERI

02 **Shareholder Value Creation**

TAREK ROBBIATI

03 **Q&A**

HPE EXECUTIVE TEAM



FORWARD-LOOKING STATEMENTS

You'll hear some forward-looking statements in today's presentation.

All statements other than statements of historical fact are statements that could be deemed forward-looking statements.

These are based on risks and assumptions that may not prove correct.

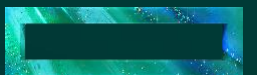
These risks and assumptions are described in our Annual Report on Form 10-K and subsequent Quarterly Reports on Form 10-Q.

Our actual results could differ materially and we assume no obligation to update.

Financial information, plans, and projections reflect estimates based on information available at the time of this presentation.

More detail can be found in your written materials.

Please see the slide designated "Forward-looking statements" in the Agenda and Disclosures presentation available.





**HPE SECURITIES ANALYST
MEETING 2021**

HPE IS WELL POSITIONED TO MAXIMIZE SHAREHOLDER VALUE

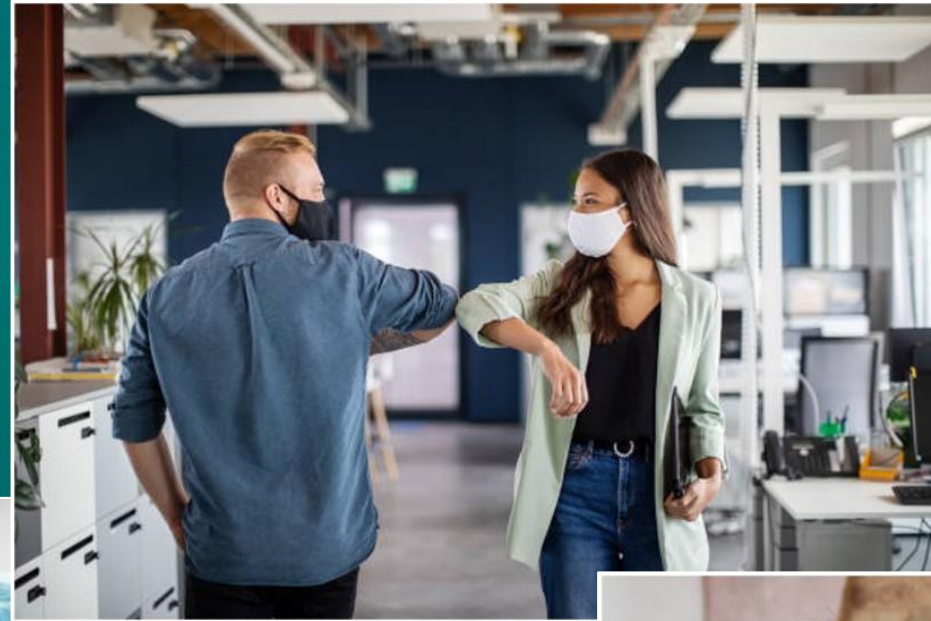
We are capitalizing on megatrends with our differentiated edge-to-cloud strategy.

We are accelerating our market leadership by winning new customers and driving strong performance in growth areas.

We are driving sustainable, profitable growth and free cash flow with our unique assets and strategic investments.



A NEW WORLD HAS EMERGED



OUR HPE STRATEGY IS AT THE NEXUS OF THREE MEGATRENDS

EDGE

NEW SOURCES OF DATA

CLOUD

NEW ARCHITECTURES

DATA

NEW INSIGHTS



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EDGE

NEW SOURCES OF DATA

CLOUD

NEW ARCHITECTURES

DATA

NEW INSIGHTS

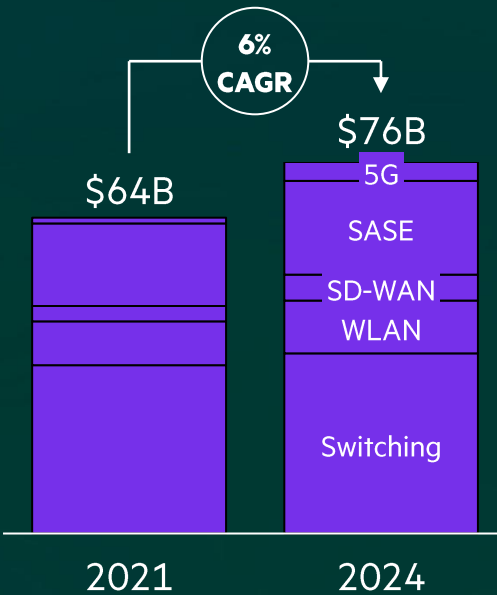
ENTERPRISES INCREASINGLY
CONSUME TECHNOLOGY AS A SERVICE



THESE ARE PROFITABLE AND GROWING MARKETS

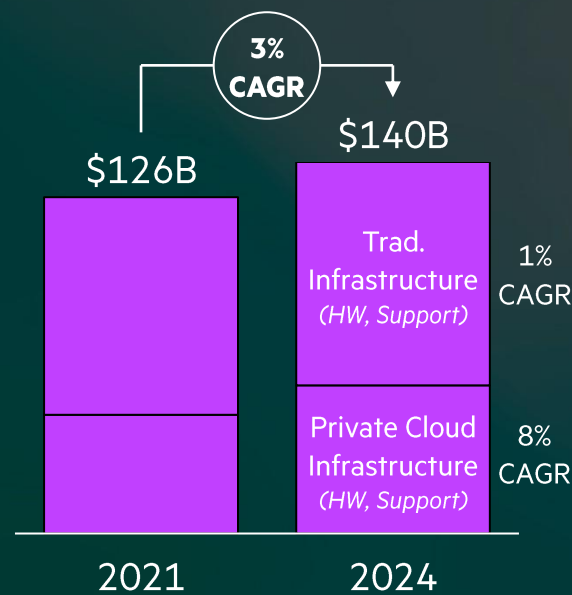
CONNECTIVITY

Cloud Connectivity
Zero Trust Security
Resilient, Distributed Architecture



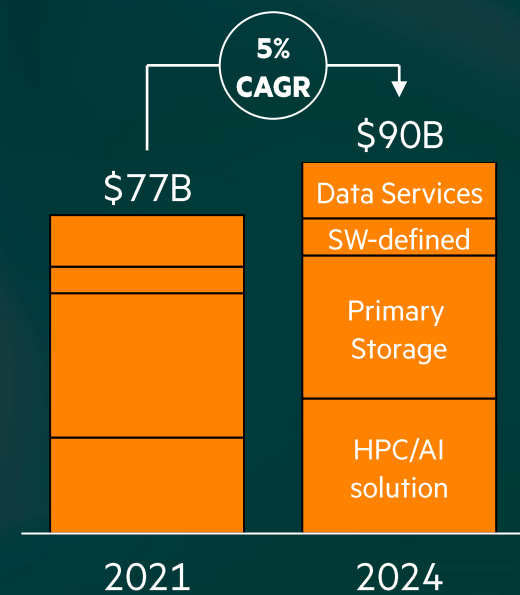
CLOUD

Cloud-native DevOps
Cloud-native DataOps
AI-powered ITOps



DATA

Privacy, Governance, Lifecycle
Real-time Decision-Making
AI at Scale



NOTE: All data are \$B worldwide and excl. T1; Switching includes DC and Campus switching; SASE includes CASB, NAC, ZTNA; 5G includes vRAN and MEC at Telco Edge + portion of Enterprise Edge; HPC/AI solution include compute, storage, networking platform SW and support; Primary Storage includes Ext Array and HCI excl. HPC storage; Data Services includes Replication and Archiving SW.

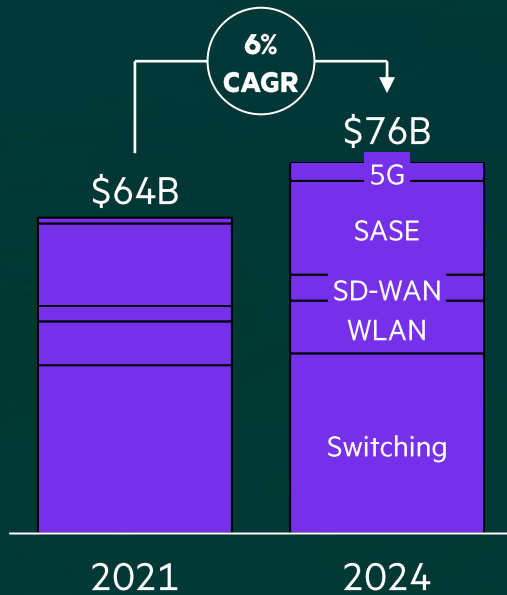
Source: IDC / Gartner / Hyperion / 650 Group / HPE internal estimates. Jul 2021.



THESE ARE PROFITABLE AND GROWING MARKETS

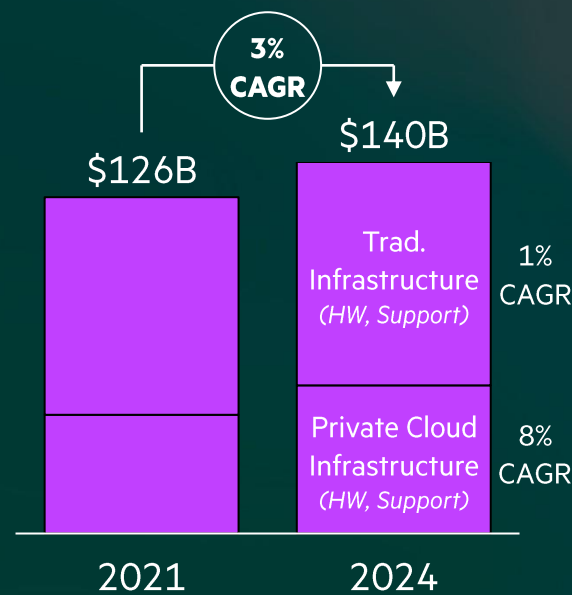
CONNECTIVITY

Cloud Connectivity
Zero Trust Security
Resilient, Distributed Architecture



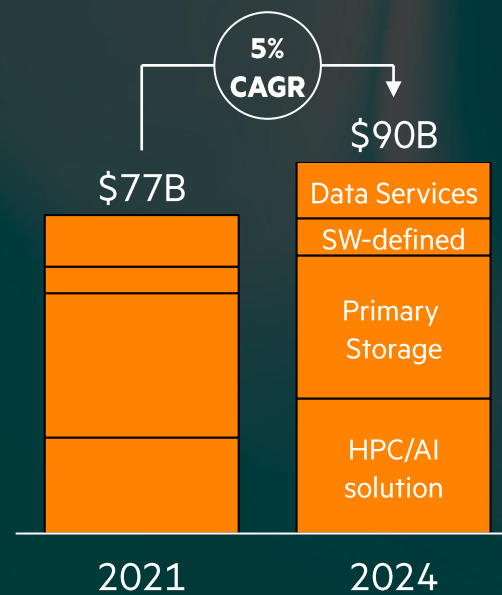
CLOUD

Cloud-native DevOps
Cloud-native DataOps
AI-powered ITOps



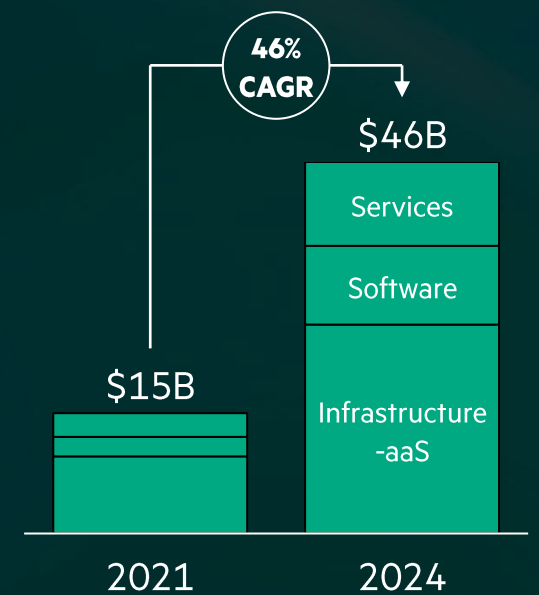
DATA

Privacy, Governance, Lifecycle
Real-time Decision-Making
AI at Scale



aaS

Multi-generation IT management
Unified hybrid services
WL-optimized solutions

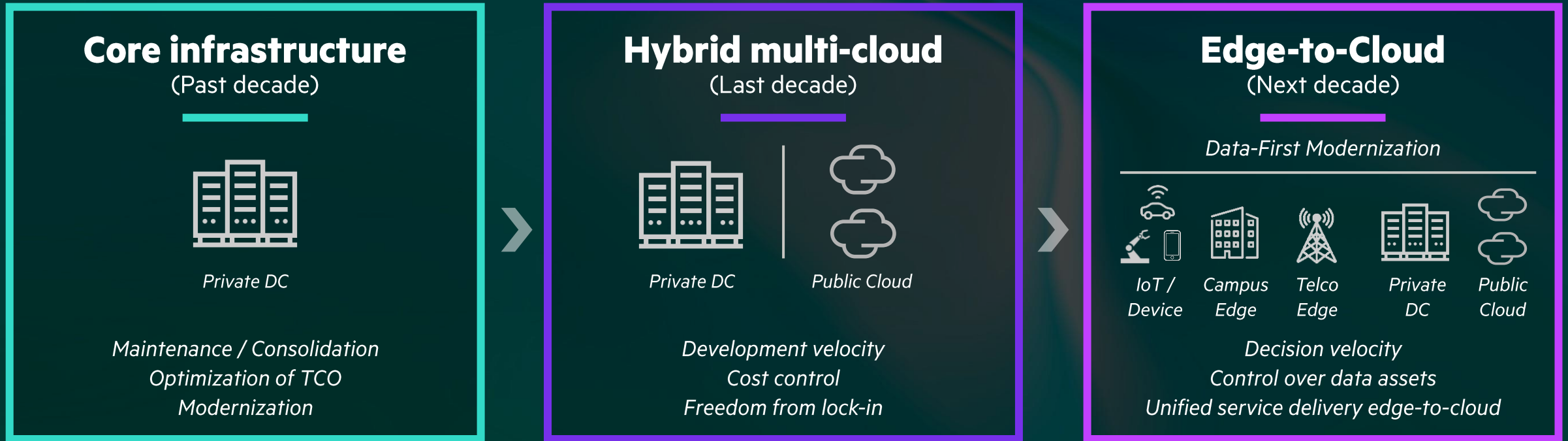


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Source: IDC / Gartner / Hyperion / 650 Group / HPE internal estimates. Jul 2021.



CUSTOMERS MUST BRIDGE THE PRESENT AND THE FUTURE...



Investment capacity for innovation

New experiences and revenue streams



...WHILE HARNESSING THE POWER OF DATA

DATA IS ESSENTIAL FOR ACTIVATING
NEXT-GEN OPERATING MODELS

Deliver Rich Experiences

Cut Through Complexity to Insights

Innovate to Anticipate the Future



DIGITAL TRANSFORMATION IS INCOMPLETE WITHOUT DATA-FIRST MODERNIZATION FROM EDGE TO CLOUD

By 2025, data will be . .

85% unstructured¹

30% real-time¹

60% generated at edge¹

DATA DISARRAY

Data remains spread in silos across a sprawl of multi-generational IT

TRAPPED VALUE

Data is trapped in critical legacy systems

EDGE VOLUMES

Volumes of new data are being created at the edge

MIGRATION CHALLENGES

Moving data to the cloud before it can be used is a roadblock



HPE GREENLAKE

EDGE-TO-CLOUD PLATFORM

**ACCELERATE
MULTI-GEN IT**

**UNIFIED CLOUD
EXPERIENCE**

**DATA ACCESS
AND CONTROL**



HPE GREENLAKE

EDGE-TO-CLOUD PLATFORM

UNIFIED CLOUD SERVICES EXPERIENCE

ANALYTICS | AI | MACHINE LEARNING

WORKLOAD ORCHESTRATION

Bare Metal | VMs | Containers

DATA MANAGEMENT SERVICES

NETWORKING

COMPUTE

STORAGE

ADVISORY
SERVICES

MANAGED
SERVICES

FINANCIAL
SERVICES

SECURITY

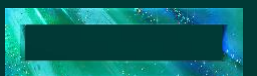
COMPLIANCE



OPEN | ELASTIC | PARTNER ENABLED



WINNING IN THE MARKET WITH OUR CUSTOMERS



INNOVATING AND DRIVING RESULTS

CONNECTIVITY

CLOUD

DATA



INNOVATING AND DRIVING RESULTS

CONNECTIVITY

LEADERSHIP

- 100K+ Aruba Central customers¹
- Leader in the last 16 Gartner Wired/Wireless MQ
- >20% of total WiFi 6 market share²
- 300+ telco customers¹
- Telco solutions for 82 carriers supporting 850M subscribers¹

CLOUD

INNOVATION

- Enhanced Aruba ESP (Edge Services Platform)
- Expanded security portfolio
- HPE GreenLake Network as a Service (NaaS)
- HPE GreenLake for 5G

DATA

RESULTS

- 19% Y/Y Intelligent Edge revenue growth³
 - Silver Peak contributed 7 points of F3Q21 Y/Y revenue growth
- 125% Y/Y Edge-aaS ARR growth^{3, 4, 5}
- 81% Y/Y CMS software revenue growth³

1. As of F3Q21. Aug 2021.

2. Dell'Oro Indoor AP 802.11ax revenue share (WWeC) for C1H21. Sep 2021.

3. YTD FY21 (first three quarters). Aug 2021.

4. See CFO section for definition of As-a-Service (AAS) orders and revenue

5. See CFO section for definition of Annualized Revenue Run-Rate ("ARR")



INNOVATING AND DRIVING RESULTS

CONNECTIVITY

CLOUD

DATA

LEADERSHIP

- Early adopter of on-prem as a service
- 1,100+ HPE GreenLake customers¹
- 95%+ HPE GreenLake customer retention rate¹
- 100,000+ HPE GreenLake reseller partners¹

INNOVATION

- Unified Private Cloud
- Workload-optimized cloud services
- Industry vertical cloud services
- HPE GreenLake Lighthouse
- Embedded security and threat detection

RESULTS

- \$5.2B HPE GreenLake total contract value^{1, 2}
- 46% Y/Y aaS order growth^{3,4}
- 33% Y/Y HPE ARR growth^{3,5}

1. As of F3Q21. Aug 2021.

2. Total Contract Value (TCV) represents the total value of one-time and recurring revenue for the period defined by the contract.

3. For F3Q21.

4. See CFO section for definition of As-a-Service (AAS) orders and revenue

5. See CFO section for definition of Annualized Revenue Run-Rate ("ARR")



INNOVATING AND DRIVING RESULTS

CONNECTIVITY

CLOUD

DATA

LEADERSHIP

- #1 HPC server revenue market share¹
- 30% share of supercomputing market¹
- 33 of Top 100 supercomputers²

INNOVATION

- HPE GreenLake for HPC
- First U.S. exascale system (Frontier), expected to be delivered this year
- HPE GreenLake for analytics
- HPE GreenLake for data protection, including disaster recovery and backup cloud services

RESULTS

- 17% Y/Y HPC & AI order growth³
- \$2.5B+ in current HPC & AI order book⁴
- 100+% Y/Y HPE Primera revenue growth³
- 140+% Y/Y dHCI revenue growth³

1. Hyperion HPC server share for C2Q21. Sep 2021.

2. Top500.org list incl. HPE, Cray. Jun 2021.

3. YTD FY21 (first three quarters). Aug 2021.

4. As of F3Q21. Aug 2021.



ACCELERATING MOMENTUM THROUGH M&A AND STRATEGIC INVESTMENTS

CONNECTIVITY

CLOUD

DATA

ACQUISITIONS



Zerto



HEWLETT PACKARD PATHFINDER INVESTMENTS

DRAGOS

MYTHIC



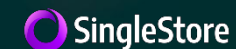
unqork



COHESITY



OpsRamp



LIGHTMATTER



OUR BUSINESS AND ESG STRATEGIES ARE INEXTRICABLY LINKED

>30% energy savings with HPE GreenLake vs. traditional capex models

Recovered 3.1 million IT assets in 2020, refurbishing 87% for a second life

Committed to becoming a net zero enterprise by 2050

Sustainability-related customer engagements contributed to ~\$847 million in 2020 net revenue

~50% of HPE's portfolio has sustainability and IT efficiency attributes

Launched the Low-Carbon Patent Pledge



INVESTING IN CULTURE AND COMMUNITIES

HUMAN CAPITAL

Highest employee engagement on record

84% ▲ +12% points over 3 years

Increased retention rate (voluntary)

95% ▲ +2% points YoY

INCLUSION AND DIVERSITY

Increased female diversity at every level WW

31.9% ▲ +.7% points YoY

Increased U.S. race and ethnicity diversity

33.6% ▲ +2% points YoY

HUMAN RIGHTS

Named among World's Most Ethical Companies and awarded Thomson Reuters Foundations' Stop Slavery Award

Launched inaugural AI Ethics Board and AI Ethical Principles

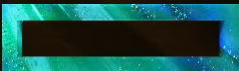
COMMUNITY INVESTMENT

Highest philanthropic giving as HPE

\$43.5M ▲ +98% YoY

HPE Accelerating Impact program positively impacted 360 million lives through support of tech non-profits

HPE management goals and executive compensation are tied to human capital factors such as talent retention and organizational diversity targets.



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EXCEEDING OUR FY21 OUTLOOK

Full year FY21 outlook	SAM 2020		Current outlook
Non-GAAP diluted net EPS ⁽¹⁾	\$1.56–\$1.76 ⁽²⁾	→ +\$0.26⁽³⁾ →	\$1.88–\$1.96 ⁽⁴⁾
Free Cash Flow ⁽¹⁾⁽⁵⁾	\$0.9–\$1.1 billion	→ +\$600M →	\$1.5–\$1.7 billion ⁽⁶⁾

1. A description of HPE's use of non-GAAP financial information is provided at the end of the presentation

2. FY21 non-GAAP diluted net EPS SAM 2020 outlook excludes after-tax impact of approximately \$1.22 per share primarily related to transformation costs, stock-based compensation and amortization of intangible assets

3. Represents increase from SAM 2020 outlook at the mid-point to current outlook at the mid-point

4. FY21 non-GAAP diluted net EPS current outlook excludes after-tax costs of approximately \$1.08 per share primarily related to transformation costs, stock-based compensation and amortization of intangible assets

5. Free cash flow = cash flow from operations less net capital expenditures; net capital expenditures = investments in property, plant and equipment less proceeds from the sale of property, plant and equipment

6. FY21 free cash flow outlook does not include \$2.35B already received from Oracle's satisfaction of the judgment in the Itanium litigation



OUR EDGE-TO-CLOUD STRATEGY IS DELIVERING REVENUE AND FREE CASH FLOW GROWTH THAT IS INCREASINGLY RECURRING AT HIGHER MARGINS

Improving growth and profit profile driven by portfolio mix-shift to higher-growth and higher-margin segments

Accelerating aaS momentum with increasing software mix drives faster ARR growth at higher margins

Capital allocation priorities balance long-term revenue and FCF growth with consistent returns to shareholders



OUR LONG-TERM MODEL DELIVERS \$6.5–7.0B OF CUMULATIVE FREE CASH FLOW OVER THE NEXT 3 YEARS

CAGR [FY21–FY24]

Revenue⁽¹⁾⁽⁵⁾

2–4%

Growth Business Mix⁽²⁾ in FY24

35%+
of Total Revenues

ARR⁽³⁾ in FY24

\$2.3B+

35–45%
CAGR [FY21–FY24]

Free Cash Flow⁽⁴⁾⁽⁵⁾

cumulative FY22–24

\$6.5–7.0B

15–20% CAGR [FY21–24]

Non-GAAP operating
profit⁽⁵⁾ growth

8–10%

Non-GAAP diluted
net EPS⁽⁵⁾ growth

7–9%

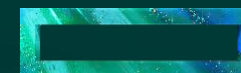
1. Revenue growth in constant currency

2. Growth business includes HPC & AI, Intelligent Edge business segments and as-a-Service (AAS) business excluding HPC&AI and Intelligent Edge components

3. Annualized Revenue Run-Rate (“ARR”) is a financial metric used to assess the growth of the Consumption Services (“CS”) offerings. ARR represents the annualized value of all recurring [net] HPE GreenLake services revenue, related financial services revenue (which includes rental income for operating leases and interest income for capital leases), and Software-as-a-Service, subscription, and other as-a-Service offerings recognized during a quarter and multiplied by four. We use ARR as a performance metric. ARR should be viewed independently of net revenue and deferred revenue and is not intended to be combined with any of these items.

4. Free cash flow = cash flow from operations less net capital expenditures; net capital expenditures = investments in property, plant and equipment less proceeds from the sale of property, plant and equipment

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WE ARE SHIFTING THE MIX OF RESOURCES IN OUR ASSET PORTFOLIO TO ACCELERATE OUR EDGE-TO-CLOUD STRATEGY

AS-A-SERVICE (ARR)

CORE (COMPUTE & STORAGE)

COMPUTE

Workload
Optimized
Solutions

ProLiant
Synergy

STORAGE

Cloud
Data
Services

Alletra, Primera
Nimble dHCI
Zerto



GENERATE CASH

GROWTH (EDGE, HPC & AI)

EDGE

Secure
Connectivity

Aruba
Silver Peak



HPC & AI⁽¹⁾

Data & Insight
Solutions

Apollo
Cray
Determined AI



DOUBLE-DOWN ON GROWTH

AAS ENABLERS (A&PS, HPEFS)

HPEFS

Asset Lifecycle
Management,
Consumption-driven
Financing



DRIVE AAS ADOPTION

A&PS

Advisory &
Professional
Services



1. HPC & AI is High Performance Computing and Artificial Intelligence



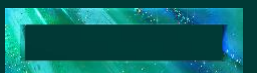
TRADITIONAL SEGMENTS ARE TRANSITIONING TO AS-A-SERVICE MODEL WHILE PROVIDING ROBUST FREE CASH FLOW

	MARKET TAM ¹ FY21-24 CAGR	EXECUTION PRIORITIES	FY24 OUTLOOK
COMPUTE	\$55B² growing at 4%	<ul style="list-style-type: none"> • Gain market share in profitable growth areas • Scale as-a-Service offerings tailored for various workloads • Leverage HPE GreenLake edge-to-cloud platform to provide cloud operating model for unified compute operations 	11-13% OP Margins
STORAGE	\$60B³ growing at 3%	<ul style="list-style-type: none"> • Accelerate transition to a cloud-native, software-defined data services business • Continue shifting portfolio to margin-rich, owned-IP offering • Integrate Zerto to capture high-growth data protections as-a-Service market 	Inline to Above Market Growth FY21-24 Revenue CAGR

1. Source: IDC / Gartner / HPE estimates for Jul 2021 – market TAM is based on FY21 estimates for WW excluding Tier 1

2. Higher growth opportunities relevant to Compute business include Private Cloud, 5G (vRAN / MEC) and aaS

3. Higher growth opportunities relevant to Storage include AFA/HCI External Storage, Data Lifecycle services (incl. DR / Replication), while traditional storage (HDD / Secondary Storage Appliance) decline



GROWTH SEGMENTS DRIVE OVERALL HPE GROWTH WITH EXPANDING PROFITABILITY

	MARKET TAM ¹ FY21-24 CAGR	EXECUTION PRIORITIES	FY21-24 REVENUE CAGR OUTLOOK
EDGE	\$48B² growing at 4%	<ul style="list-style-type: none"> • Continue to gain share in Switching, SD-WAN and WLAN • Leverage Aruba Central platform across HPE's portfolio • Expand margins w/ growing SW content (e.g. Silver Peak) • Maintain global leadership in WiFi-5G telco solutions with CMS 	Above market growth
HPC & AI	\$10B³ growing at 11%	<ul style="list-style-type: none"> • Deliver on \$2.5B+ of existing order book • Maintain #1 position in large Exascale opportunity • Capitalize on increased market demand driven by AI / Machine Learning / Big Data analytics 	Above market growth

1. Source: IDC / Gartner / HPE estimates for Jul 2021 – market TAM is based on FY21 estimates for WW excluding Tier 1.

2. Additional adjacencies of \$19B in SASE incl. CASB, ZTNA, SIEM, etc. that are increasingly being bundled with access devices

3. Hardware only view of the HPC & AI market - Full solution value, including associated high-performance N/W, parallel file system Storage and HPC-specific Platform SW is ~\$23B



KEY ENABLERS ARE CRITICAL TO DIFFERENTIATING AND GROWING EDGE-TO-CLOUD STRATEGY

EXECUTION PRIORITIES

FY24 OUTLOOK

HPE Financial Services

- Accelerate aaS pivot by creating investment capacity for customers
- Improve lease portfolio margins through further ABS financing that reduces funding costs and offset capital intensity of aaS business
- Promote circular economy and ESG with best-in-class asset lifecycle management

18%+
Return on Equity

A&PS

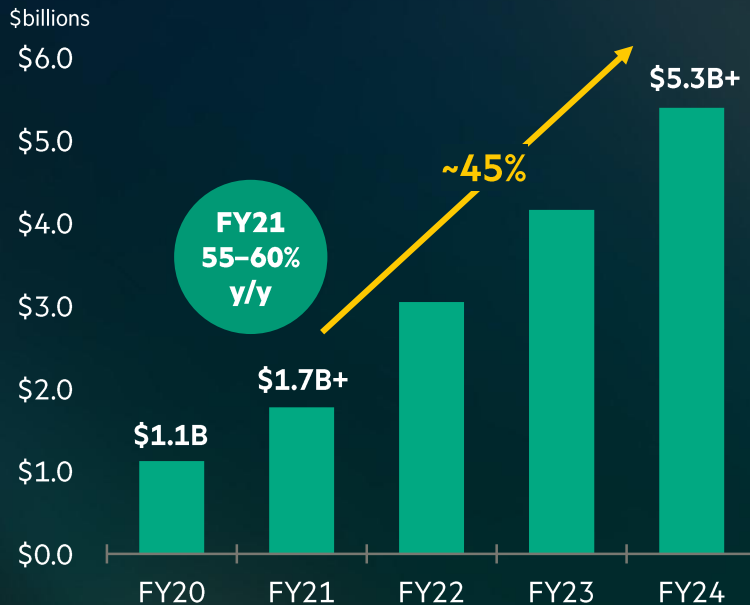
- Enable adoption of aaS models through aaS Advisory Services
- Improve productivity and chargeability rates across portfolio
- Maintain consistent levels of profitability

20%+
of HPE GreenLake Orders
from aaS advisory

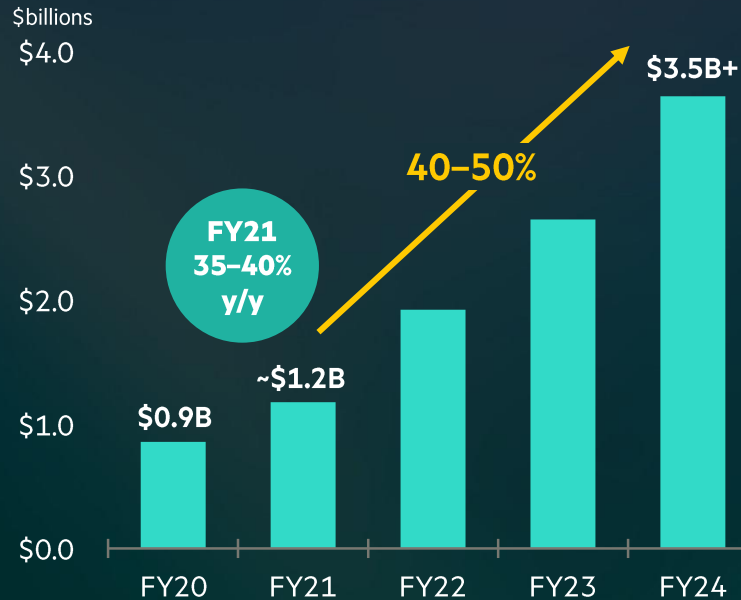


OUR PIVOT TO AAS IS ACCELERATING WITH INCREASING MARKET ADOPTION OF NEW OFFERINGS...

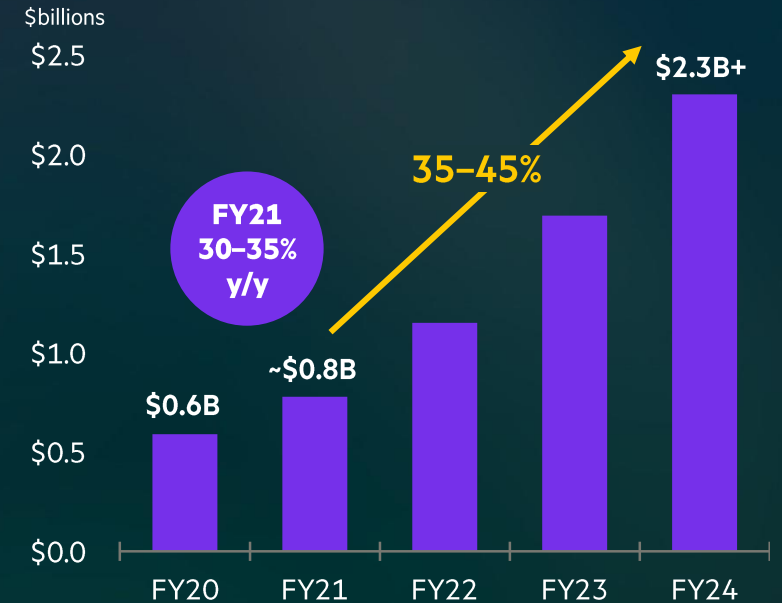
AAS Orders⁽¹⁾



AAS Revenue⁽¹⁾⁽³⁾



ARR⁽²⁾⁽³⁾



1. As-a-Service (AAS) orders and revenue are an overlay across all business segments contributing to HPE's consumption-based services (both recurring and non-recurring), and includes hardware, as well as HPE GreenLake as-a-Service, Aruba SaaS, CMS SaaS, and other Software assets.

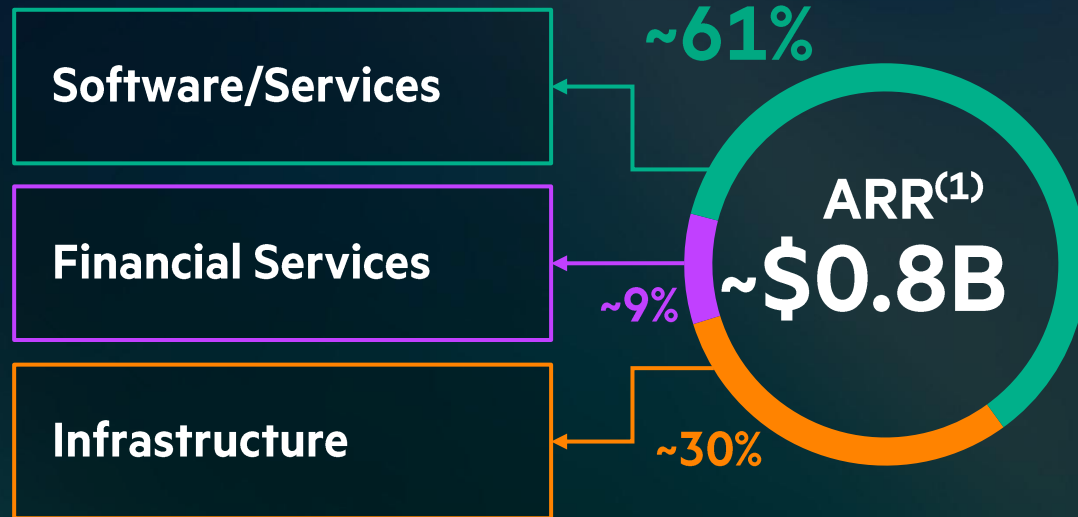
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3. We use AAS Revenue and ARR as a performance metric. AAS Revenue and ARR should be viewed independently of net revenue and deferred revenue and are not intended to be combined with any of these items.

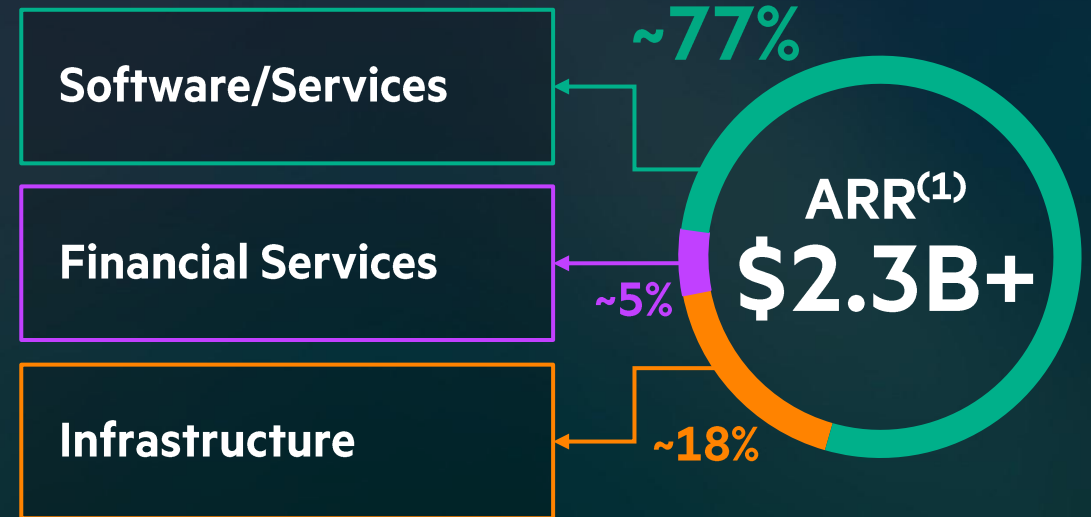


...WITH RICHER MIX OF HIGH-VALUE SOFTWARE AND SERVICES DRIVING HIGHER MARGINS

FY21 ARR⁽¹⁾ Mix



FY24 ARR⁽¹⁾ Mix



ARR gross margins are significantly above corporate average and expanding with growing mix of software content from:

Storage Data Services incl. Zerto

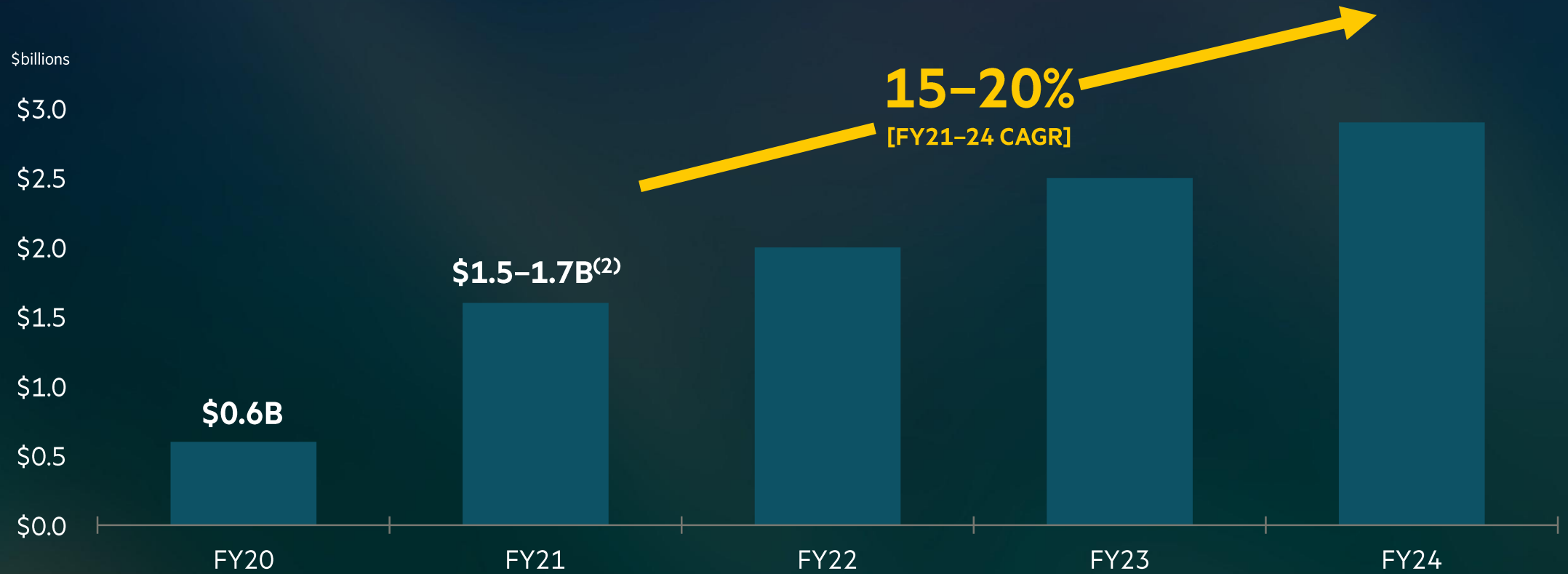
Edge aaS incl. Silver Peak

New Workload Solutions

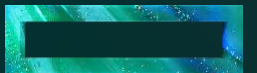
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OUR STRATEGY DELIVERS \$6.5–7.0B OF CUMULATIVE FREE CASH FLOW⁽¹⁾ OVER THE NEXT 3 YEARS



1. Free cash flow = cash flow from operations less net capital expenditures; net capital expenditures = investments in property, plant and equipment less proceeds from the sale of property, plant and equipment
2. FY21 free cash flow outlook does not include \$2.35B already received from Oracle's satisfaction of the judgment in the Itanium litigation



CAPITAL ALLOCATION BALANCES LONG-TERM REVENUE AND FCF GROWTH WITH CONSISTENT RETURNS TO SHAREHOLDERS



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Improving growth and profit profile driven by portfolio mix-shift to higher-growth and higher-margin segments

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FY22 OUTLOOK



FY22 OUTLOOK REFLECTS CONTINUED MOMENTUM EXITING FY21

Revenue growth⁽¹⁾

3–4%
(adjusted for currency)

Non-GAAP operating profit⁽¹⁾⁽²⁾ growth

10–15%

Non-GAAP diluted net EPS⁽¹⁾⁽³⁾

\$1.96–\$2.10

GAAP diluted net EPS

\$1.24–\$1.38

Free cash flow⁽¹⁾⁽⁴⁾

\$1.8–2.0B

1. A description of HPE's use of non-GAAP financial information is provided at the end of the presentation

2. FY22 non-GAAP operating profit excludes costs of approximately \$1.2B primarily related to transformation costs, stock-based compensation and amortization of intangible assets

3. FY22 non-GAAP diluted net EPS excludes after-tax costs of approximately \$0.72 per share primarily related to transformation costs, stock-based compensation and amortization of intangible assets

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We are driving sustainable, profitable growth and free cash flow with our unique assets and strategic investments.

CAGR [FY21–FY24]

Revenue⁽¹⁾

2–4%

ARR⁽²⁾

35–45%

Free Cash Flow⁽³⁾
\$6.5–7.0B

cumulative FY22–24

1. Revenue growth in constant currency

2. Annualized Revenue Run-Rate (“ARR”) is a financial metric used to assess the growth of the Consumption Services (“CS”) offerings. ARR represents the annualized value of all recurring [net] HPE GreenLake services revenue, related financial services revenue (which includes rental income for operating leases and interest income for capital leases), and Software-as-a-Service, subscription, and other as-a-Service offerings recognized during a quarter and multiplied by four. We use ARR as a performance metric. ARR should be viewed independently of net revenue and deferred revenue and is not intended to be combined with any of these items.

3. Free cash flow = cash flow from operations less net capital expenditures; net capital expenditures = investments in property, plant and equipment less proceeds from the sale of property, plant and equipment



Q&A

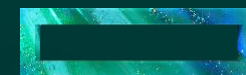


FORWARD-LOOKING STATEMENTS

This presentation contains forward-looking statements that involve risks, uncertainties, and assumptions. If the risks or uncertainties ever materialize or the assumptions prove incorrect, the results of Hewlett Packard Enterprise and its consolidated subsidiaries (“Hewlett Packard Enterprise”) may differ materially from those expressed or implied by such forward-looking statements and assumptions. The words “believe”, “expect”, “anticipate”, “optimistic”, “intend”, “aim”, “will”, “should”, and similar expressions are intended to identify such forward-looking statements. All statements other than statements of historical fact are statements that could be deemed forward-looking statements, including but not limited to the scope and duration of the novel coronavirus (“COVID-19”) pandemic and its impact on our business operations, liquidity and capital resources, employees, customers, partners, supply chain, financial results and the world economy, any projections of revenue, margins, expenses, investments, effective tax rates, interest rates, the impact of the U.S. Tax Cuts and Jobs Act of 2017 and related guidance or regulations, net earnings, net earnings per share, cash flows, liquidity and capital resources, inventory, goodwill, impairment charges, hedges and derivatives and related offsets, order backlog, benefit plan funding, deferred tax assets, share repurchases, currency exchange rates, repayments of debts including our asset-backed debt securities, or other financial items; any projections of the amount, execution, timing, and results of any transformation or impact of cost savings, restructuring plans, including estimates and assumptions related to the anticipated benefits, cost savings, or charges of implementing transformation and restructuring plans; any statements of the plans, strategies, and objectives of management for future operations, as well as the execution of corporate transactions or contemplated acquisitions, research and development expenditures, and any resulting benefit, cost savings, charges, or revenue or profitability improvements; any statements concerning the expected development, performance, market share or competitive performance relating to products or services; any statements regarding current or future macroeconomic trends or events and the impact of those trends and events on Hewlett Packard Enterprise and its financial performance; any statements regarding pending investigations, claims or disputes; any statements of expectation or belief; and any statements of assumptions underlying any of the foregoing.

Risks, uncertainties, and assumptions include the need to address the many challenges facing Hewlett Packard Enterprise’s businesses; the competitive pressures faced by Hewlett Packard Enterprise’s businesses; risks associated with executing Hewlett Packard Enterprise’s strategy; the impact of macroeconomic and geopolitical trends and events; the need to manage third-party suppliers, the distribution of Hewlett Packard Enterprise’s products, and the delivery of Hewlett Packard Enterprise’s services effectively; the protection of Hewlett Packard Enterprise’s intellectual property assets, including intellectual property licensed from third parties and intellectual property shared with its former Parent; risks associated with Hewlett Packard Enterprise’s international operations (including pandemics and public health problems, such as the outbreak of COVID-19); the development and transition of new products and services and the enhancement of existing products and services to meet customer needs and respond to emerging technological trends; the execution and performance of contracts by Hewlett Packard Enterprise and its suppliers, customers, clients, and partners, including any impact thereon resulting from events such as the COVID-19 pandemic; the hiring and retention of key employees; the execution, integration, and other risks associated with business combination and investment transactions; and the impact of changes to environmental, global trade, and other governmental regulations; changes in our product, lease, intellectual property, or real estate portfolio; the payment or non-payment of a dividend for any period; the efficacy of using non-GAAP, rather than GAAP, financial measures in business projections and planning; the judgments required in connection with determining revenue recognition; impact of company policies and related compliance; utility of segment realignments; allowances for recovery of receivables and warranty obligations; provisions for, and resolution of pending investigations, claims, and disputes; and other risks that are described in Hewlett Packard Enterprise’s Annual Report on Form 10-K for the fiscal year ended October 31, 2020, subsequent Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and in other filings made by Hewlett Packard Enterprise from time to time with the Securities and Exchange Commission.

As in prior periods, the financial information set forth in this press release, including tax-related items, reflects estimates based on information available at this time. While Hewlett Packard Enterprise believes these estimates to be reasonable, these amounts could differ materially from reported amounts in the Hewlett Packard Enterprise Annual Report on Form 10-K for the fiscal year ended October 31, 2021. Hewlett Packard Enterprise assumes no obligation and does not intend to update these forward-looking statements, except as required by applicable law.



USE OF NON-GAAP FINANCIAL INFORMATION

Hewlett Packard Enterprise (HPE) has included non-GAAP financial measures in this presentation to supplement HPE's condensed consolidated financial statements presented on a GAAP basis. Definitions of these non-GAAP financial measures and reconciliations of these non-GAAP financial measures to the most directly comparable GAAP financial measures are included elsewhere in this presentation.

HPE's management uses net revenue on a constant currency basis, non-GAAP gross profit, non-GAAP gross profit margin, non-GAAP operating profit, non-GAAP operating profit margin, non-GAAP income tax rate, non-GAAP net earnings, and non-GAAP diluted net earnings per share, to evaluate and forecast HPE's performance before gains, losses or other charges that are considered by HPE's management to be outside of HPE's business segment operating results. Gross cash, net cash, and free cash flow are liquidity measures that provide useful information to management about the amount of cash available for investment in HPE's businesses, funding acquisitions, repurchasing stock and other purposes. Net cash and net debt provide useful information to management about the state of HPE's condensed consolidated balance sheet. Operating company net cash and operating company net debt provide additional useful information to management about the state of HPE's condensed consolidated balance sheet by providing more transparency into the financial components of the operating company separate from HPE's financing business, which has different capital structure requirements and requires much greater leverage to run effectively.

These non-GAAP financial measures may have limitations as analytical tools, and these measures should not be considered in isolation or as a substitute for analysis of HPE's results as reported under GAAP. For example, items such as amortization of intangible assets, though not directly affecting HPE's cash position, represent the loss in value of intangible assets over time. The expense associated with this loss in value is not included in non-GAAP operating profit, non-GAAP operating profit as percentage of revenue (non-GAAP operating profit margin), non-GAAP income tax rate, non-GAAP net earnings, or non-GAAP diluted net earnings per share, and therefore does not reflect the full economic effect of the loss in value of those intangible assets. In addition, items such as transformation costs, restructuring charges, disaster charges, amortization of initial direct costs, stock-based compensation expenses, and acquisition, disposition and other related charges that are excluded from non-GAAP gross profit, non-GAAP gross profit margin, non-GAAP operating profit, non-GAAP operating profit as percentage of revenue (non-GAAP operating profit margin), non-GAAP tax rate, non-GAAP net earnings, and non-GAAP diluted net earnings per share can have a material impact on the equivalent GAAP earnings measures and cash flow. Items such as tax indemnification and related adjustments; adjustment to earnings from equity interests and non-service net periodic benefit credits that are excluded from non-GAAP net earnings and non-GAAP diluted net earnings per share can have a material impact on the equivalent GAAP earnings measure and cash flows. Items such as tax indemnification and related adjustments, income tax valuation allowances and separation taxes, the impact of U.S. tax reform, excess tax benefits from stock-based compensation, structural rate adjustment and the related tax impact from other non-GAAP measures that are excluded from the non-GAAP tax rate, non-GAAP net earnings, and non-GAAP diluted net earnings per share can also have a material impact on the equivalent GAAP earnings measures and cash flow. HPE may not be able to liquidate the short-term and long-term investments included in gross cash immediately, which may limit the usefulness of gross cash as a liquidity measure. In addition, free cash flow does not represent the total increase or decrease in cash for the period. The non-GAAP financial information that we provide also may differ from the non-GAAP information provided by other companies.

We compensate for the limitations on our use of these non-GAAP financial measures by relying primarily on our GAAP financial statements and using non-GAAP financial measures only supplementally. We also provide robust and detailed reconciliations of each non-GAAP financial measure to the most directly comparable GAAP measure, and we encourage investors to carefully review those reconciliations.

We believe that providing these non-GAAP financial measures, in addition to the related GAAP measures, provides investors with greater transparency to the information used by HPE's management in its financial and operational decision-making and allows investors to see HPE's results "through the eyes" of management. We further believe that providing this information better enables investors to understand HPE's operating performance and financial condition and to evaluate the efficacy of the methodology and information used by management to evaluate and measure such performance and financial condition.





HPE SECURITIES ANALYST MEETING 2021