HPE to Acquire SimpliVity

January 17, 2017

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Forward Looking Statements

Information set forth in this communication 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 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 projections of revenue, margins, expenses, effective tax rates, net earnings, net earnings per share, cash flows, benefit plan funding, share repurchases, currency exchange rates or other financial items; any projections of the amount, timing or impact of cost savings or restructuring charges; any statements of the plans, strategies and objectives of management for future operations, including acquisition of SimpliVity and the recently announced divestiture transactions, the execution of restructuring plans and any resulting cost savings 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 or assumptions underlying any of the foregoing.

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Transaction Highlights

HPE will acquire SimpliVity in an all-cash transaction valued at $650 million

The acquisition accelerates HPE’s ability to capture the $2.4 billion hyperconverged market, which is expected to grow at a 25% CAGR and reach nearly $6 billion in 2020*

HPE expects the acquisition to be accretive to earnings in the first full fiscal year following close

The transaction is expected to close in the second quarter of fiscal 2017, subject to regulatory review and approval, as well as other customary closing conditions and adjustments

*IDC WW Quarterly Converged Systems Tracker, 2016Q3 Forecast Release, January 10, 2017
About SimpliVity

Founded in 2009, SimpliVity is a software-defined hyperconverged infrastructure leader, headquartered in Westborough, MA

- **6,000** Shipped systems
- **~1,300** Customers
- **4.9** out of 5 in Gartner Peer Insights*

Designed to address IT challenges and purpose built

- IT Operations
- DevOps
- Data Protection & Security
- Enterprise Storage & Backup
- DC Consolidation
- VDI for ROBO
- Industry-specific solutions

Set up for success

**SimpliVity’s portfolio**
- Software-defined data management platform simplifies IT operations and provides developers with a rich set of data management services
- Can be deployed as a pre-integrated appliance or as software on servers
- Offered through a global reseller network of partners in over 40 countries

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Strategic Rationale

1. Expands HPE’s leadership in the growing Hybrid IT industry
2. Advances HPE’s strategy in the fast-growing, high-margin hyperconverged market
3. Establishes the most complete, enterprise-class hyperconverged infrastructure offering for customers
4. Accelerates performance of the combined business by leveraging HPE’s expansive go-to-market capability, partner ecosystem, and consumption model offerings
SimpliVity Accelerates our Strategy of Making Hybrid IT Simple

Be the industry’s leading provider of **Hybrid IT**, built on the secure, next-generation, **software-defined infrastructure** that will run customers’ data centers today, bridge to multi-cloud environments tomorrow, and power the emerging **intelligent edge** that will run **campus, branch, and Industrial IoT** applications for decades to come. All delivered through a world-class **services** capability.

- **We make Hybrid IT** simple
  - Traditional Data Center
  - Software-defined Infrastructure and Private Cloud
  - Multi-cloud Partnerships

- **We power the Intelligent Edge**
  - Campus & Branch
  - Industrial Internet of Things

- **We have the Expertise** to make it happen
  - Advisory & Professional Services
  - Technical Services
  - IT Consumption Models
Industry’s Only Enterprise-Grade Hyperconverged Offering
Combining the Best User Experience with Rich Data Services

**HPE HC 380**
- Intuitive user experience
- Self-service VM vending
- Deploy at cloud speeds
- Operate with cloud efficiency
- #1 in CRN usability

**SimpliVity**
- Built-in enterprise data protection and resiliency
- Automated storage utilization and efficiency
- Always-on compression and deduplication
- Policy-based VM-centric management
- Scores 4.9 out of 5 in Gartner Peer Insights

**Built on**
- HPE worldwide support
- Industry-leading ProLiant compute
- Flexible financing options including Flexible Capacity
- Unmatched partner ecosystem
Thank You