

# HPE Reports Fiscal 2016 Second Quarter Results

## Highlights

### Net revenue



**\$12.7 billion**

### GAAP diluted net EPS



**\$0.18**

### Non-GAAP and adjusted non-GAAP diluted net EPS<sup>(2)</sup>



**\$0.42**

## Geography



### Americas

45% of net revenue

↑ 4% y/y

↑ 7% CC<sup>(1)</sup>

Non-US net revenue was 62% of total net revenue



### EMEA

35% of net revenue

↓ 3% y/y

↑ 1% CC<sup>(1)</sup>



### Asia Pacific

20% of net revenue

↑ 2% y/y

↑ 7% CC<sup>(1)</sup>

## Capital Allocation



### Dividend payment

**\$94 million**

\$0.055 per share



### Stock repurchase

**\$15 million**

approximately 1 million shares



### Operating company net cash<sup>(2)(3)</sup>

**\$3.7 billion**

↑ \$0.7 billion q/q

## Cash Flow



### Free Cash Flow<sup>(2)</sup>

**\$511 million**

↑ \$617 million y/y<sup>(2)</sup>



### Cash Flow from Operations

**\$1.1 billion**

↑ 101% y/y<sup>(2)</sup>



### Net Capital Expenditures<sup>(2)(3)</sup>

**\$596 million**

↓ 9% y/y<sup>(2)</sup>



## Asset Management



### Cash conversion cycle

**24 days**

↓ 7 days q/q



### Days receivables

**55 days**

↓ 1 day q/q



### Days payable

**52 days**

↑ 4 days q/q



### Days inventory

**21 days**

↓ 2 days q/q

1. Adjusted to eliminate the effects of currency

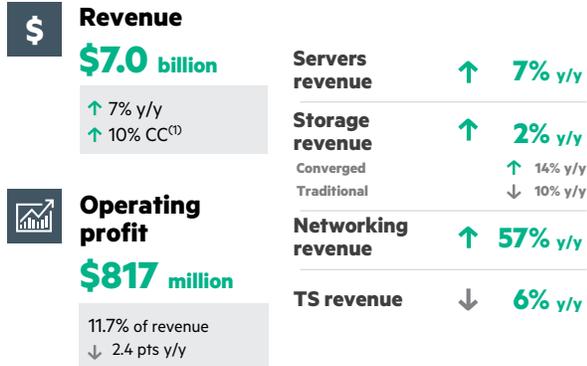
2. All non-GAAP and adjusted non-GAAP numbers have been adjusted to exclude certain items. A reconciliation of specific adjustments and basis of presentation differences to GAAP results for the current and prior periods is included as a part of Q2 '16 earnings presentation available at [www.hpe.com/investor/home](http://www.hpe.com/investor/home)

3. Operating company net cash is defined as total company net cash excluding the cash and debt associated with Financial Services

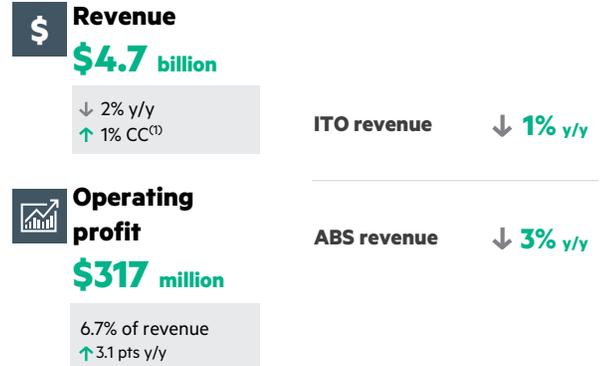
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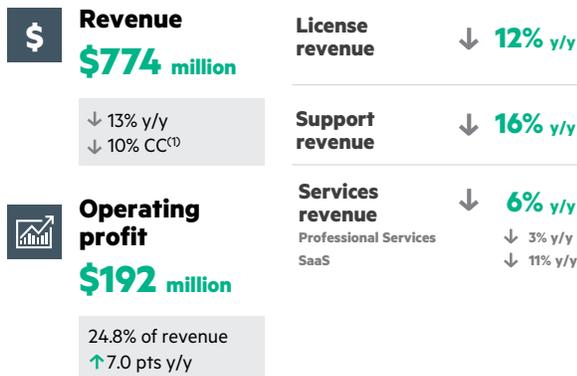
## Enterprise Group



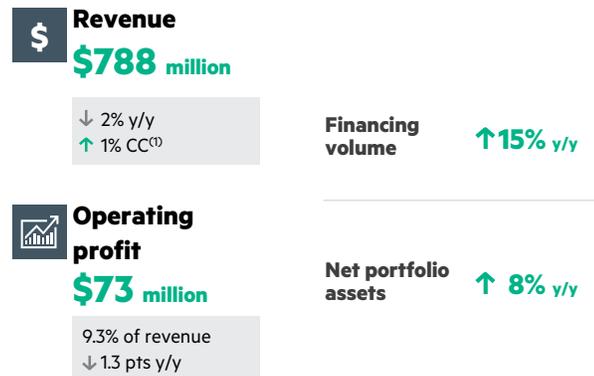
## Enterprise Services



## Software

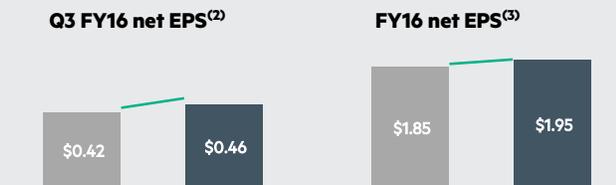


## Financial Services

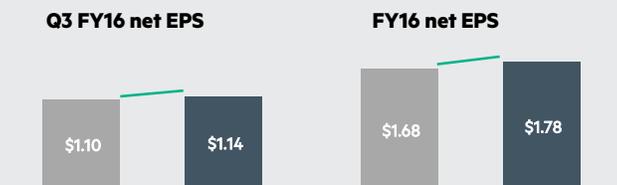


## Outlook

### Non-GAAP diluted



### GAAP diluted



1. Adjusted to eliminate the effects of currency

2. Third quarter fiscal 2016 non-GAAP diluted net EPS estimates exclude an after-tax gain on the divestiture of H3C Technologies and other of approximately \$1.06, and after-tax costs of approximately \$0.38 per share, related to restructuring charges, separation costs, amortization of intangible assets, and acquisition and other related charges

3. Full year fiscal 2016 non-GAAP diluted net EPS estimates exclude an after-tax gain on the divestiture of H3C Technologies and other of approximately \$1.06, and after-tax costs of approximately \$1.23 per share, related primarily to restructuring charges, amortization of intangible assets, separation costs, acquisition and other related charges and tax indemnification adjustments