Hewlett Packard Enterprise

HPE Reports Fiscal 2016 Results

**Highlights**

- **Net revenue**
  - FY15: $52.1B, FY16: $50.1B (4% adj.)

- **GAAP diluted net EPS**
  - FY15: $1.34, FY16: $1.82 (36% adj.)

- **Non-GAAP and adjusted non-GAAP diluted net EPS(2)**
  - FY15: $1.84, FY16: $1.92 (4% adj.)

**Geography**

- **Americas**
  - 47% of net revenue
  - 0% y/y, 3% adj.(1)

- **EMEA**
  - 35% of net revenue
  - 6% y/y, 1% adj.(1)

- **Asia Pacific**
  - 18% of net revenue
  - 8% y/y, 3% adj.(1)

- **Non-US net revenue was 61% of total net revenue**

**Capital Allocation**

- **Dividend payment**
  - $373 million ($0.22 per share)

- **Stock repurchase**
  - $2.7 billion (158 million shares)

- **Operating company net cash(2)(3)**
  - $7.6 billion (+$3.2 billion y/y)

**Cash Flow**

- **Free Cash Flow(2)**
  - $2.1 billion (+$1.1 billion y/y(2))

- **Cash Flow from Operations**
  - $5.0 billion (+27% y/y(2))

- **Net Capital Expenditures(2)**
  - $2.9 billion (flat y/y(2))

**Asset Management**

- **Cash conversion cycle**
  - 6 days

- **Days receivables**
  - 50 days

- **Days payable**
  - 62 days

- **Days inventory**
  - 18 days

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1. Adjusted to eliminate the effects of divestitures and 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 Q4 '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
Hewlett Packard Enterprise

HPE Reports Fiscal 2016 Results

### Enterprise Group

<table>
<thead>
<tr>
<th>Revenue</th>
<th>Operating profit</th>
</tr>
</thead>
<tbody>
<tr>
<td>$27.2 billion</td>
<td>$3.5 billion</td>
</tr>
</tbody>
</table>

- **Servers revenue**: $19.9 billion, 1% y/y, 12.7% of revenue, 11 pts y/y
- **Storage revenue**: $4 billion, 4% y/y, 5% of revenue
- **Converged Traditional**: $3.2 billion, 5% y/y, 12% y/y
- **Networking revenue**: $1.1 billion, 5% y/y
- **TS revenue**: $2.2 billion, 7% y/y

### Enterprise Services

<table>
<thead>
<tr>
<th>Revenue</th>
<th>Operating profit</th>
</tr>
</thead>
<tbody>
<tr>
<td>$18.9 billion</td>
<td>$1.5 billion</td>
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</tbody>
</table>

- **ITO revenue**: $13.8 billion, 6% y/y
- **ABS revenue**: $1.8 billion, 3% y/y

### Software

<table>
<thead>
<tr>
<th>Revenue</th>
<th>Operating profit</th>
</tr>
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<tbody>
<tr>
<td>$3.2 billion</td>
<td>$749 million</td>
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</table>

- **License revenue**: $312 million, 12% y/y
- **Support revenue**: $1.1 billion, 14% y/y
- **Services revenue**: $985 million, 6% y/y
- **Professional Services SaaS**: $240 million, 6% y/y

### Financial Services

<table>
<thead>
<tr>
<th>Revenue</th>
<th>Operating profit</th>
</tr>
</thead>
<tbody>
<tr>
<td>$3.2 billion</td>
<td>$336 million</td>
</tr>
</tbody>
</table>

- **Financing volume**: $2.1 billion, 0% y/y
- **Net portfolio assets**: $6.4 billion, 4% y/y

### Outlook

<table>
<thead>
<tr>
<th>Non-GAAP diluted</th>
<th>GAAP diluted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 FY17 net EPS</td>
<td>Q1 FY17 net EPS</td>
</tr>
<tr>
<td>$0.42</td>
<td>$0.72</td>
</tr>
<tr>
<td>FY17 net EPS</td>
<td>FY17 net EPS</td>
</tr>
<tr>
<td>$2.00</td>
<td>$0.03</td>
</tr>
<tr>
<td>$2.10</td>
<td>$0.07</td>
</tr>
</tbody>
</table>

1. Adjusted to eliminate the effects of divestitures and currency
2. First quarter fiscal 2017 non-GAAP diluted net EPS estimates exclude after-tax costs of approximately $0.39 per share, related primarily to separation costs, restructuring charges and amortization of intangible assets
3. Full year fiscal 2017 non-GAAP diluted net EPS estimates exclude after-tax costs of approximately $1.28 per share, related primarily to separation costs, restructuring charges and amortization of intangible assets