



Hewlett Packard
Enterprise

Securities Analyst Meeting

2016

Meg Whitman
CEO

Challenges faced in FY11

Industry **Disruptions**
Across All Major
Lines of Business

Unfavorable
Portfolio Mix

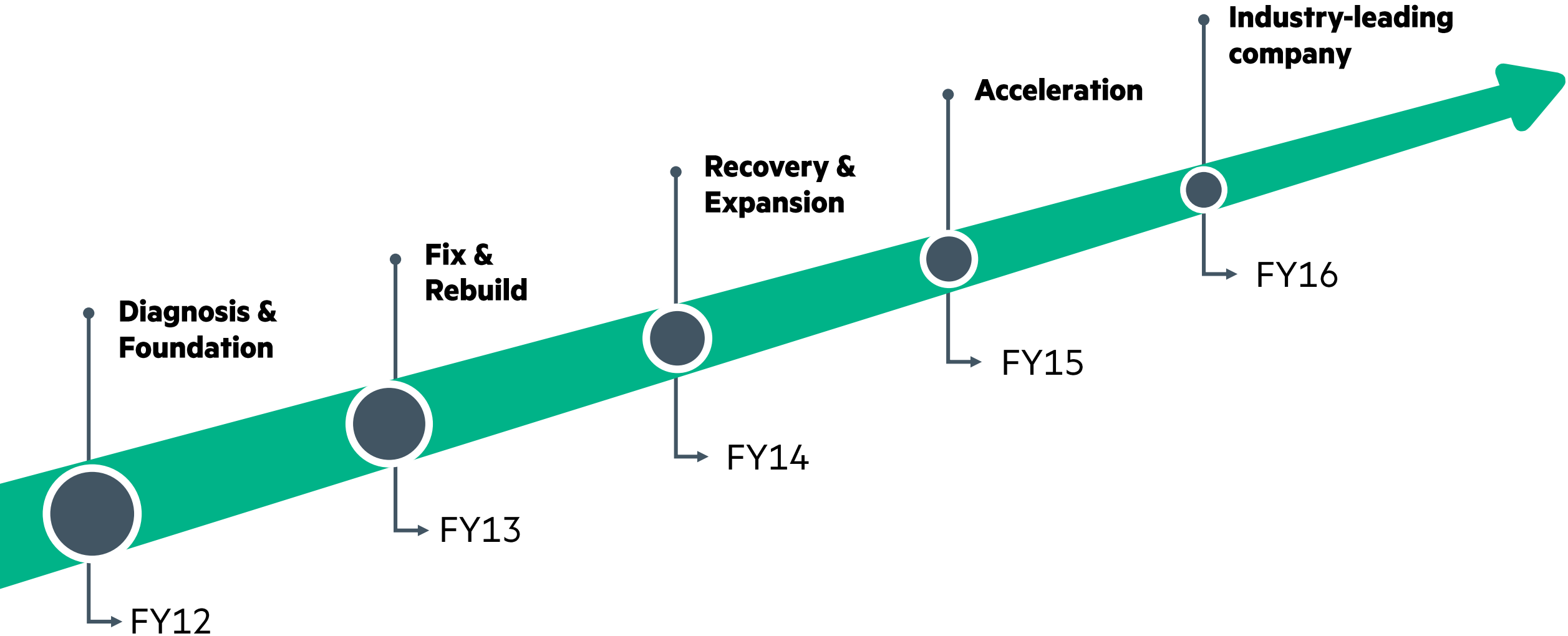
Declining Revenue and
Profit Pools

Significant Execution
Challenges

High Cost Structure and
Weakened Balance Sheet

Uneven Earnings
Performance

In FY12, we embarked on a 5-year turnaround



And made tremendous operational progress

Innovation Engine	<ul style="list-style-type: none">• Reignited innovation agenda• Analyst recognition of leadership
Marketing & GTM	<ul style="list-style-type: none">• Transformed GTM to begin more solutions selling• Re-pivot to the channel
Cost Structure	<ul style="list-style-type: none">• Improved cost structure• Re-engineered processes, improved automation and productivity
Free Cash Flow	<ul style="list-style-type: none">• Cash conversion cycle and BG-level performance improvements• Continued focus on cost take-out, to align with benchmarks

Through the end of FY15

23 days


Reduction in
Cash Conversion Cycle (CCC),
FY11 – FY15¹

\$14.8B

Op Co Net
Cash improvement,
FY11 – FY15²

We separated HPQ into two companies


Leading Market Positions



#1 in Servers¹ **#1-2** in several Software categories³

#2 in Storage² **#2** in Services⁴ in Networking⁵

Leader in Private Cloud infrastructure⁶



#1 in Commercial PCs⁷ **#2** in Consumer PCs⁷

in Inkjet⁸ in LaserJet⁸ in Graphics⁹

Focused Strategy

Strategic

- Clarity of vision
- Sharp focus on a smaller portfolio – better chance to pivot to newer areas
- Reduced set of competitors, fewer battles to fight; a strategy we can fund competitively

Operational

- Improved bandwidth for both management teams to succeed
- Investments focused on fewer opportunities so as to increase probability of success

Financial

- Unlocks financial value from separation
- Investor clarity on future use of cash flows

And Enables Further Moves

- Aruba & SGI acquisitions
- Further focusing of portfolio

- Increased investments in 3D Print
- Samsung Printing acquisition

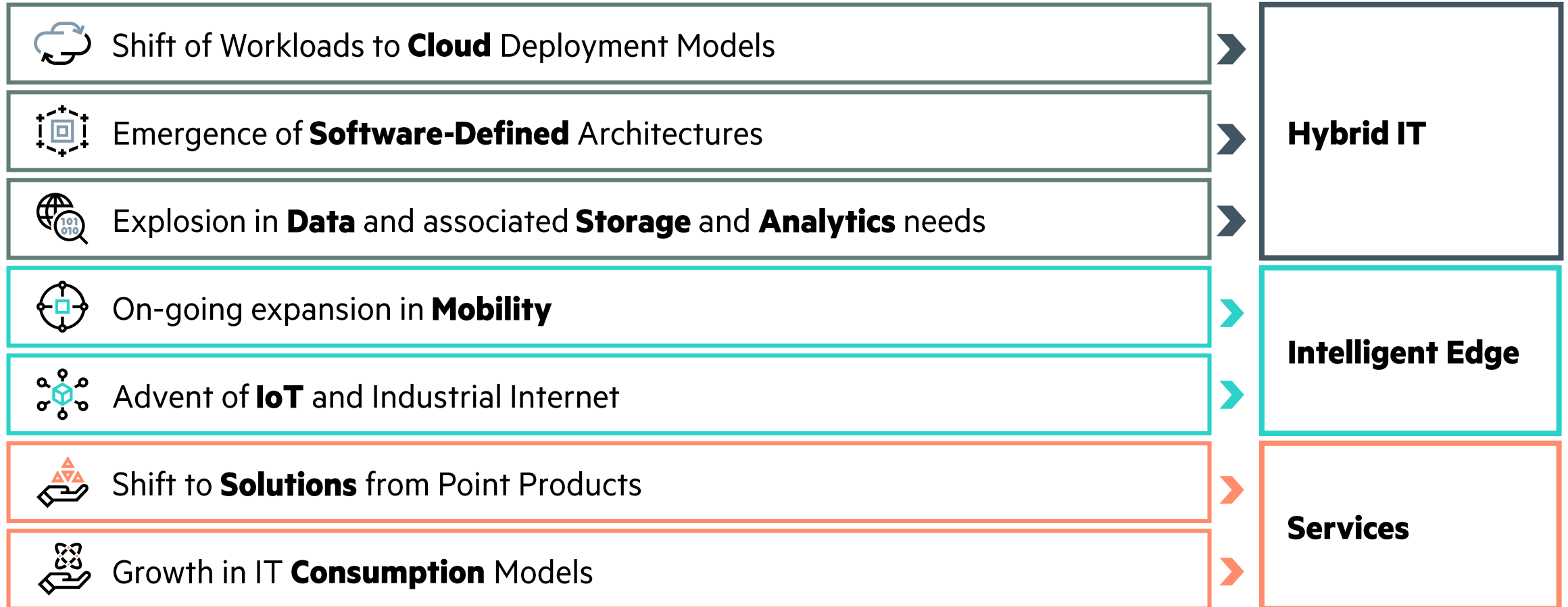
201% Increase in combined stock price since November 20, 2012¹⁰ | **25%** Increase in combined stock price since November 2, 2015¹¹

1. IDC CQ2'16 WW Server Tracker by revenue
 2. IDC CQ2'16 WW External ESS tracker (Total Disk Storage)
 3. Gartner MQ leader in: Information Archiving, Structured Data Archiving, eDiscovery, Web Content Management, Enterprise Content Management, Enterprise Search, Customer Communications Management

4. IDC H1'16 WW Semiannual Services Tracker
 5. Dell'Oro CQ2'16 WW Tracker
 6. Synergy CQ2'16 WW Cloud Build Tracker (Private + Hybrid)
 7. IDC CQ2'16 PC Tracker
 8. IDC CQ2'16 Worldwide Quarterly HCPT for Ink and Laser
 9. IDC CQ1'16 Large Format Printer Tracker

10. Sum of HPE and HPQ performance (1:1 split on 1 Nov 2015), from lowest close price in 2012 on 20 Nov 2012 (HPQ: \$11.71) to 17 Oct 2016 (HPE: \$21.27, HPQ: \$14.03)
 11. Sum of HPE and HPQ performance, from close price on 2 Nov 2015 (HPQ: \$13.83, HPE: \$14.49) to close price on 17 Oct 2016 (HPE: \$21.27, HPQ: \$14.03)

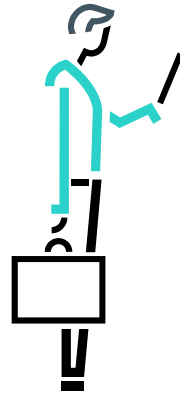
Industry shifts continue to reshape enterprise IT



Core beliefs



The world will be
Hybrid



The **Intelligent Edge** is
going to unleash an
industrial IoT revolution



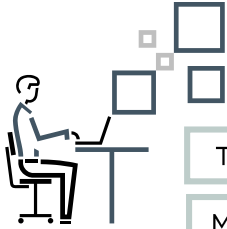
Services are going to be
even more critical

Our vision

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.

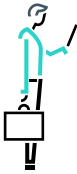


Our strategy

 We make **Hybrid IT** simple

Traditional Data Center	Private Cloud
Managed Cloud Services	Public Cloud

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

Realizing our vision

Organic Investments

- HPE Synergy
- Hyper Converged 380
- Edgeline
- OneView
- Helion Cloud Platform
- Aruba Mobile First
- All Flash
- The Machine (NVM, Photonics)



Strategic Partnerships

- Microsoft Azure
- Docker
- Mesosphere
- Chef
- GE Digital
- National Instruments
- Arista
- Scality
- HP Inc.
- ES/CSC
- Micro Focus



Targeted Acquisitions

- Aruba Networks
- ConteXstream
- Rasa Networks
- SGI¹



Portfolio Optimization

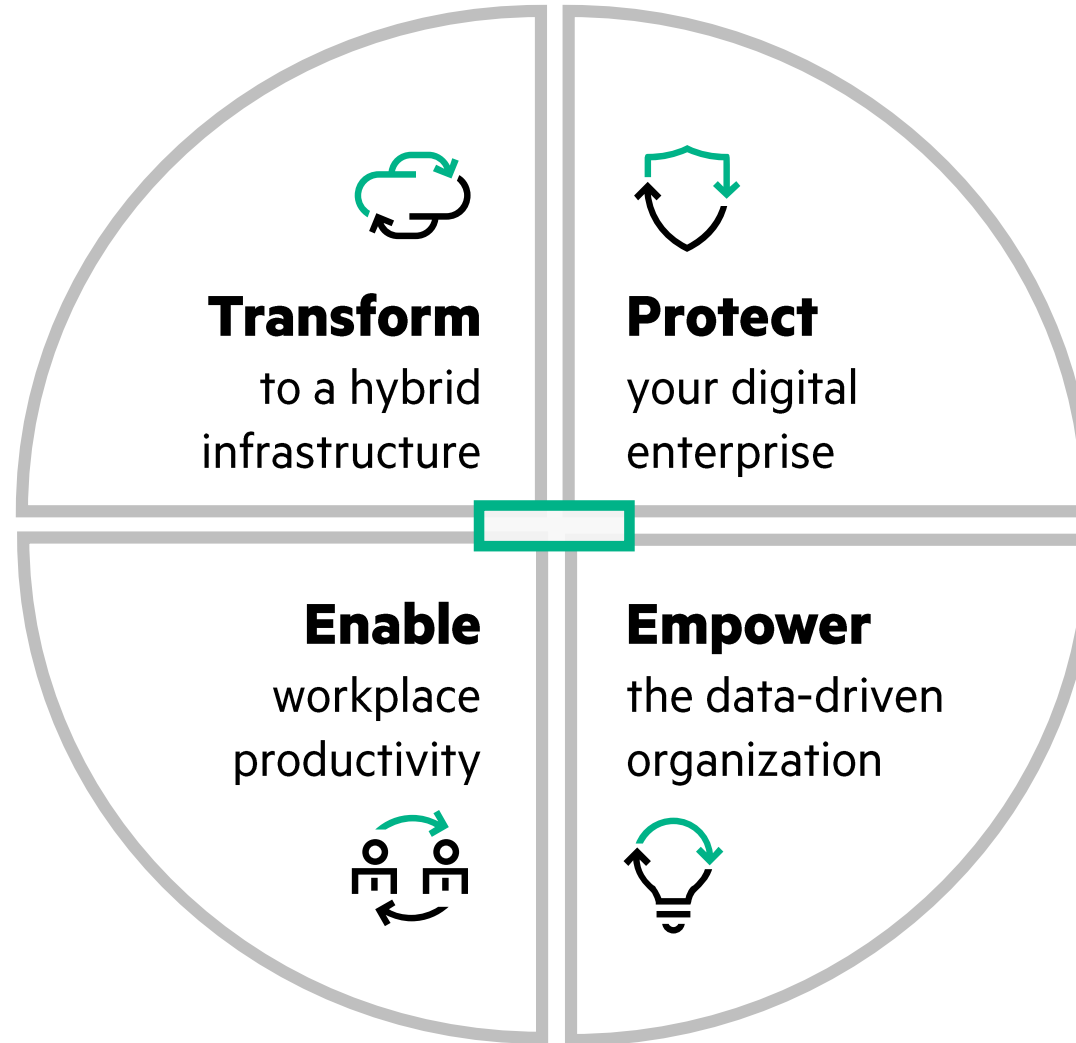
- H3C deal
- Mphasis stake sale
- TippingPoint sale
- Spin-merge of Enterprise Services business with CSC¹
- Spin-merge of non-core software assets with Micro Focus¹



HPE addresses a \$250B market opportunity

Market Characteristics	Mkt Size* (\$B, 2016)	Growth* (CAGR %, 2016 – 2019)
Hybrid IT <ul style="list-style-type: none"> • Traditional DC • SDDC • Cloud 	<ul style="list-style-type: none"> • Workload-specific adoption of Public Cloud and SaaS • Significant growth in Private Cloud solutions • Transition to Software-Defined architecture 	\$100B 1 - 2%
Edge <ul style="list-style-type: none"> • Campus & Branch • IoT 	<ul style="list-style-type: none"> • Exponential growth in mobile devices and data • Convergence of wired and wireless networks • Emergence of the Intelligent Edge driven by Industrial IoT 	\$37B 6 - 7%
Services <ul style="list-style-type: none"> • Support • Consumption • Consulting 	<ul style="list-style-type: none"> • Growing customer need for consulting and support across Hybrid Infrastructure • Demand for flexible models for IT consumption 	\$116B 3 - 4%
\$253B 2 - 3%		

Aligned with what our customers tell us they want



Why we win

Customers

- Nimble and faster to respond
- Sharp focus on **Hybrid IT, Intelligent Edge and Transformation**
- More innovative
- Customer solutions leveraging best of breed **HPE and partner technologies**

Partners

- Ongoing focus on **channel** partners
- Broader **SI partner ecosystem** with spin-merge of ES
- Broader **SW technology partner** ecosystem with spin-merge of SW assets
- Partnership-based **multi-cloud strategy**

Employees

- Clear mission and **vision**
- Simpler **operating model**
- **Flatter organization** structure
- Enhanced **accountability**

Investors

- Improved financial profile with **higher revenue growth and operating margins with strong cash generation**
- Operating profit is more than **60% recurring**
- **Strong balance sheet** enabling significant shareholder returns and disciplined investments