



HPE Securities Analyst Meeting 2022

Houston | October 19

The background is a solid teal color with a subtle, wavy texture. In the bottom right corner, there is a colorful, abstract graphic consisting of several overlapping, curved layers in shades of purple, orange, and green, resembling a stylized wave or a piece of fabric being lifted.

Jeff Kvaal

VP, Investor Relations



HPE Securities Analyst Meeting 2022

Houston | October 19

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.

Antonio Neri

President and
Chief Executive Officer

**We are delivering
strong results that
create value for
our shareholders**

Orders

Highest ever this year

Revenue

Growing both total HPE and recurring revenues through portfolio mix shift

Profitability

Among the highest gross and operating margin since 2019

Earnings-per-share

On track for highest non-GAAP EPS since we became an independent company

Hybrid adoption is accelerating...

50%



70%

50% of customers prefer hybrid multi-cloud to other models

Today

About 70% of customers will operate a hybrid multi-cloud

Within 3 years

...driven by the most demanding workloads

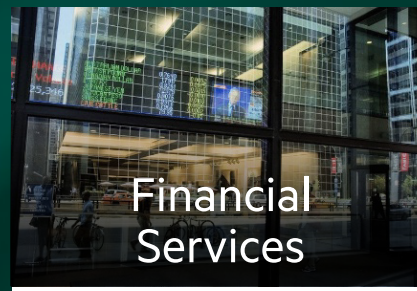
Virtual Desktop Infrastructure (VDI)

Data Protection and Recovery

Unstructured Data Management

Relational Database

App Development



Enterprise Resource Planning (ERP)

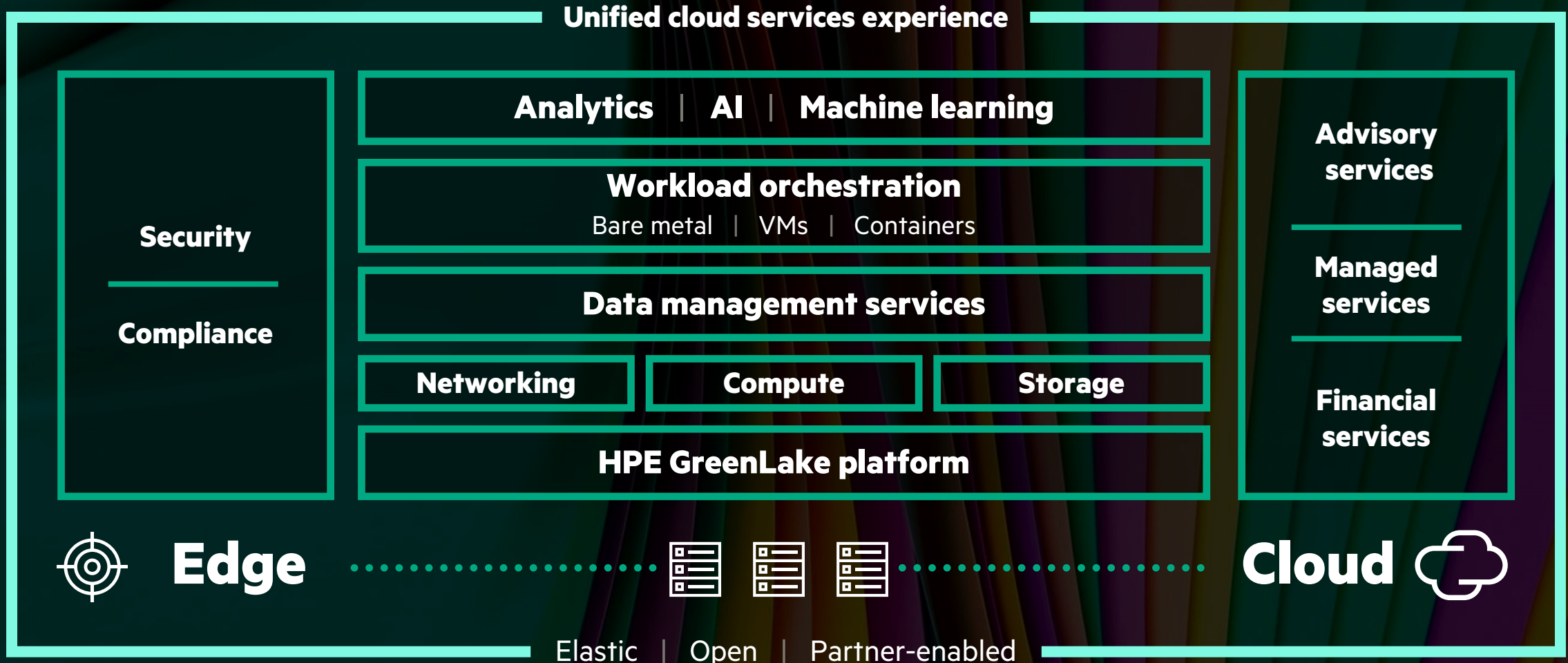
Transaction Processing

High-Performance Compute (HPC)

Artificial Intelligence/ Machine Learning (AI/ML)

Edge Real-Time Processing

The HPE GreenLake edge-to-cloud platform uniquely meets customers' hybrid needs



Providing a hybrid experience differentiated from any other

Unified, automated and secure
edge-to-cloud experience

Built-in data protection

Scalable and consumption-based

Cost-advantaged

Partner-enabled

Designed for sustainability

Customers are turning to HPE GreenLake...

65,000

customers

120,000

users

\$7.7B

TCV

~80%

of largest HPE customers
using our platform

2M

connected devices

1+Exabyte

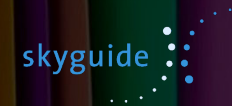
data under management

...and they are winning with our edge-to-cloud platform

NOKIA

Carestream

cenitex



GARRIGUES



blueAPACHE



D'LIVE



DuaneMorris LLP



IHG HOTELS & RESORTS



MIZUHO



salling group



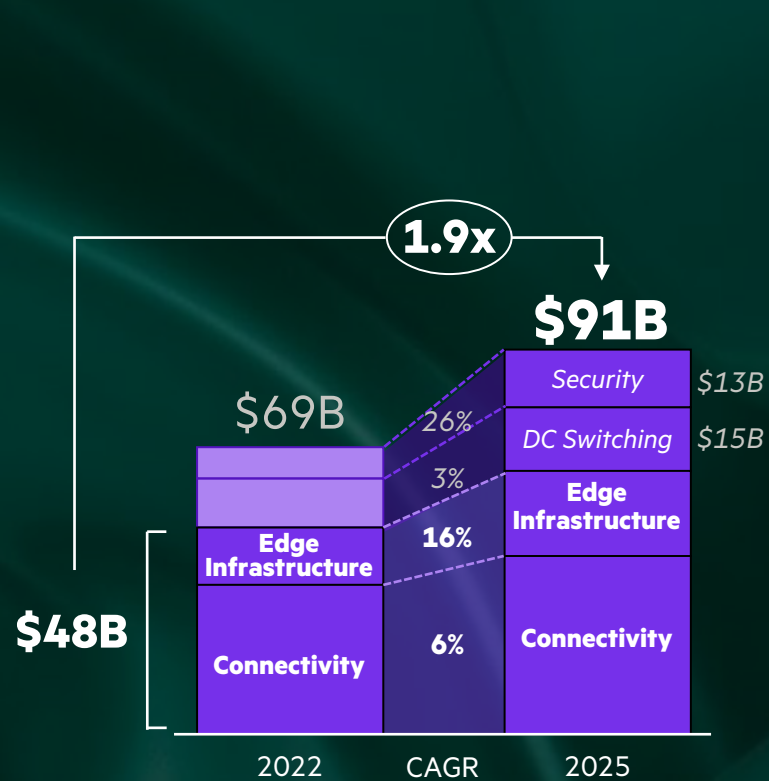
Kimley >> Horn



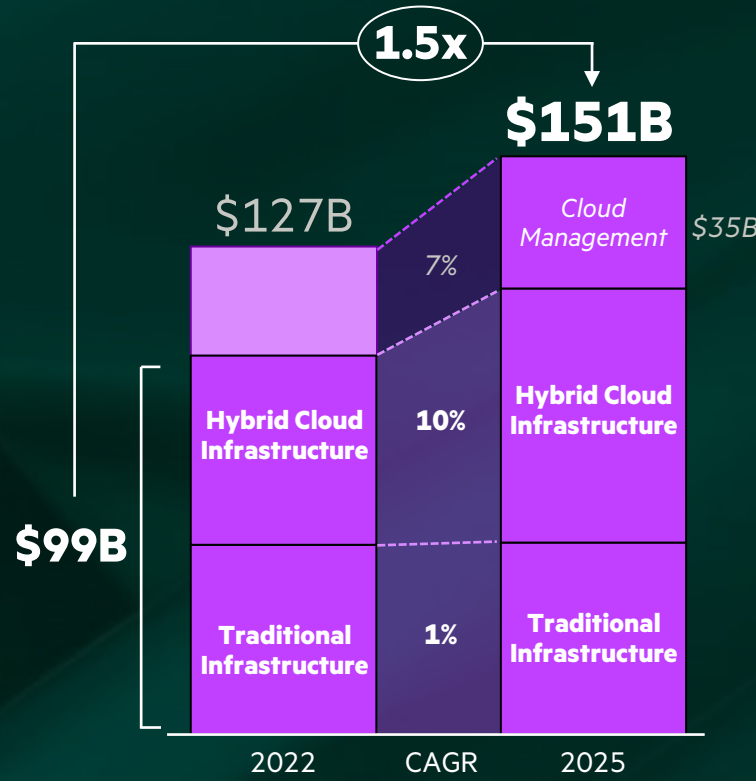
YOOX NET-A-PORTER GROUP

We are expanding our market opportunity to \$250B+ by 2025

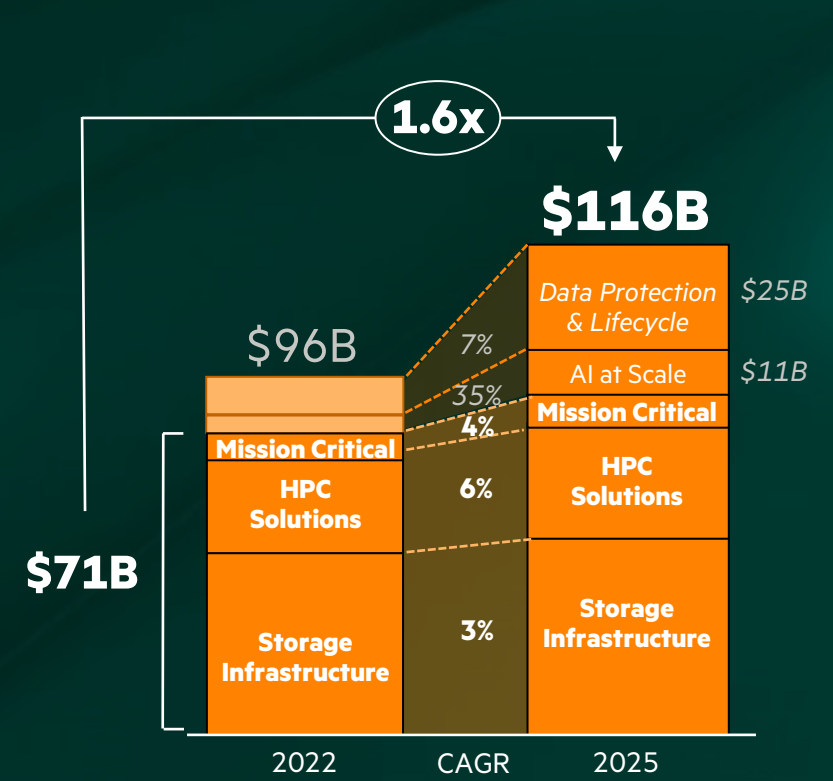
Edge



Cloud



Data



NOTE: All data for WW excl. T1. Connectivity includes Campus Switching, WLAN, SD-WAN. Edge Infrastructure includes Server, Storage, HCI infrastructure deployed in Edge / ROBO locations incl. vRAN and MEC. Security includes NAC and SASE (incl. SWG, CASB, ZTNA). Cloud management includes cloud management platform SW and managed services for hybrid cloud. AI at scale represents full solution for AI use cases on HPC. Data lifecycle include SW-defined storage and Disaster Recovery / BURA software.

Source: IDC / Gartner / HPE estimates. 2022.

Market-size figures shown to the left of each market opportunity graph represent market size of areas where HPE is currently active. Lightly shaded areas represent the relative market size of the areas, in 2022, that HPE plans to enter by 2025. Figures at the top of each market opportunity graph represent the total market size of all areas in which HPE anticipates being a player by 2025.

HPE GreenLake

is accelerating
shareholder value creation



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Tarek Robbiati

Executive Vice President &
Chief Financial Officer

Delivering FY22 outlook in spite of Russia/Belarus exit and FX headwinds

Delivering on our promises

- ✓ Despite headwinds, our strategy is working
- ✓ Edge-to-cloud strategy is delivering revenue and free cash flow growth with higher margins
- ✓ On track to hit shareholder return objectives

	SAM 2021 FY22 Guide	Current FY22 Outlook
Revenue Growth ¹	3 – 4% Adjusted by ~50 bps for currency	3 – 4% Adjusted by 300 bps for currency
GAAP diluted net EPS	\$1.24 – \$1.38	\$1.20 – \$1.28
Non-GAAP diluted net EPS ¹	\$1.96 – \$2.10²	\$1.96 – \$2.04³
Free Cash Flow ^{1, 4}	\$1.8 – \$2.0 B	\$1.7 – \$1.9 B

HPE's exit from Russia/Belarus and FX headwinds had an impact of \$0.7 billion on revenues, \$0.16 on Non-GAAP EPS, and ~\$250 million on free cash flow

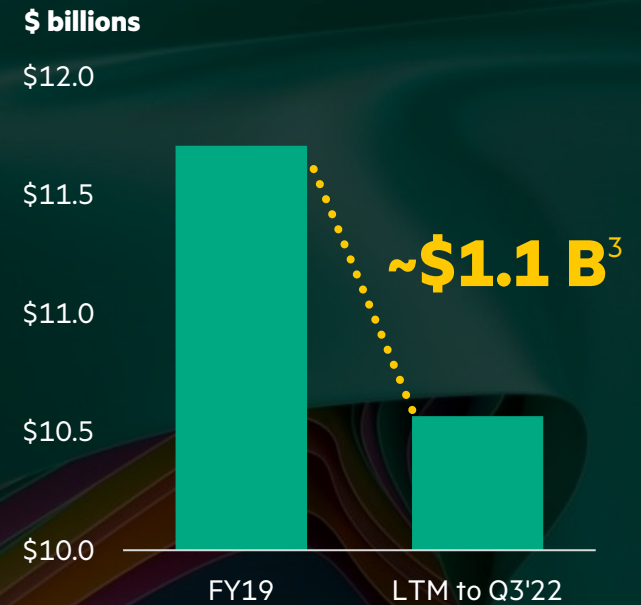
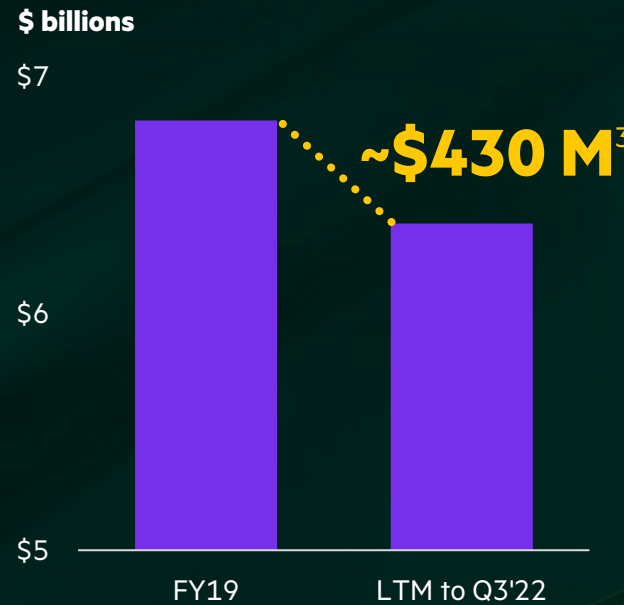
1. A description of HPE's use of non-GAAP financial information is provided at the end of the presentation.

2. FY22 non-GAAP diluted net EPS from SAM 2021 guide excludes after-tax costs of approximately \$0.72 per share primarily related to transformation costs, stock-based compensation and amortization of intangible assets.

3. FY22 non-GAAP diluted net EPS from current FY22 outlook excludes after-tax costs of approximately \$0.76 per share reflecting changes related to exiting Russia and Belarus, transformation costs, stock-based compensation and amortization of intangible assets.

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. Hewlett Packard Enterprise provides certain guidance on a non-GAAP basis, as the Company cannot predict some elements that are included in reported GAAP results. Refer to the discussion of non-GAAP financial measures at the end of the presentation for more information.

Overdelivering on cost optimization and prioritization plan



1. Cost of sales excludes materials, leased equipment amortization, financing interest, warranty and other cost of sales. Refer to our GAAP versus Non-GAAP bridge in the Appendix.
 2. FY19 Cost of Sales and OPEX are normalized for the Cray acquisition, LTM to Q3'22 Cost of Sales and OPEX are normalized for the Zerto, Determined AI and Silver Peak Acquisitions Refer to our GAAP versus Non-GAAP bridge in the Appendix.
 3. Cost optimization reductions of \$390 million, \$430 million and \$820 million are included in the cost of sales, OPEX and total cost reductions balances, respectively

Our strategy maximizes value for our shareholders

Portfolio Shift

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

Pivot to aaS

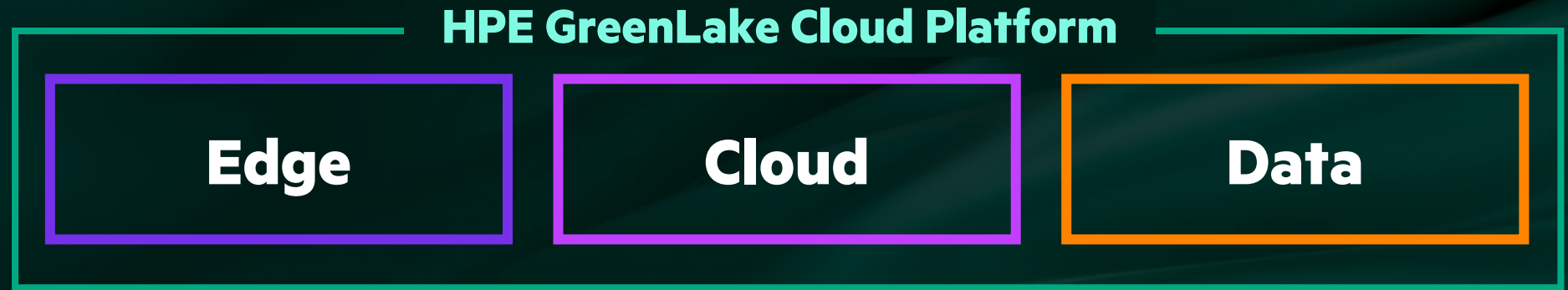
Accelerating aaS momentum with increasing software mix drives faster ARR growth at higher margins

Balanced Investments and Returns

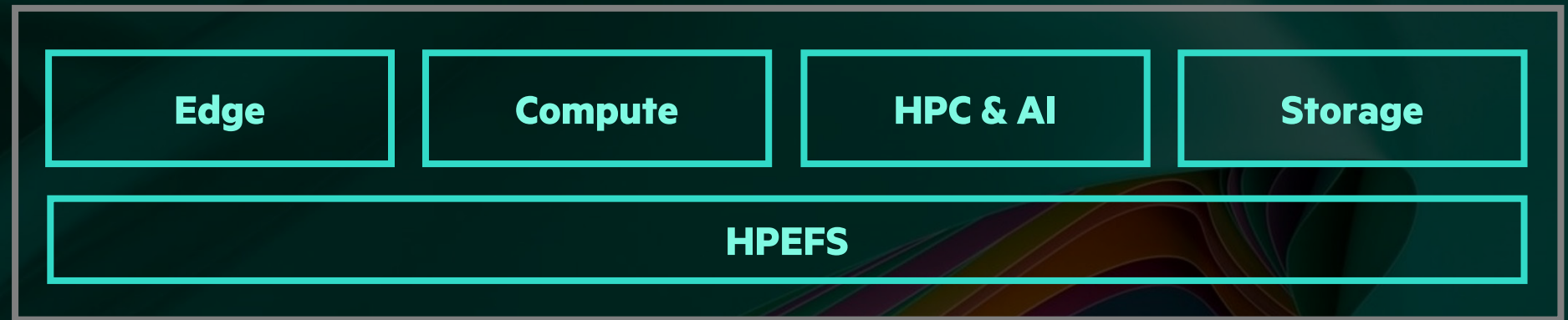
Capital allocation framework balances long-term revenue, FCF growth, and consistent shareholder returns

We are driving synergies across our portfolio through our differentiated HPE GreenLake Cloud Platform

Increase customer relevance with software & services-rich solutions



Extend market leadership and expand into profitable TAM segments



Cloud: HPE GreenLake is driving recurring revenue at higher margin

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

Storage Data Services
incl. Zerto

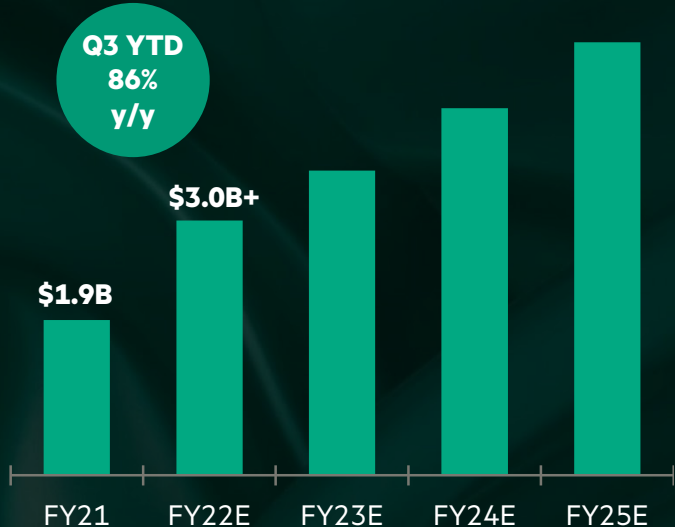
Edge aaS
incl. Silver Peak

New Workload
Solutions

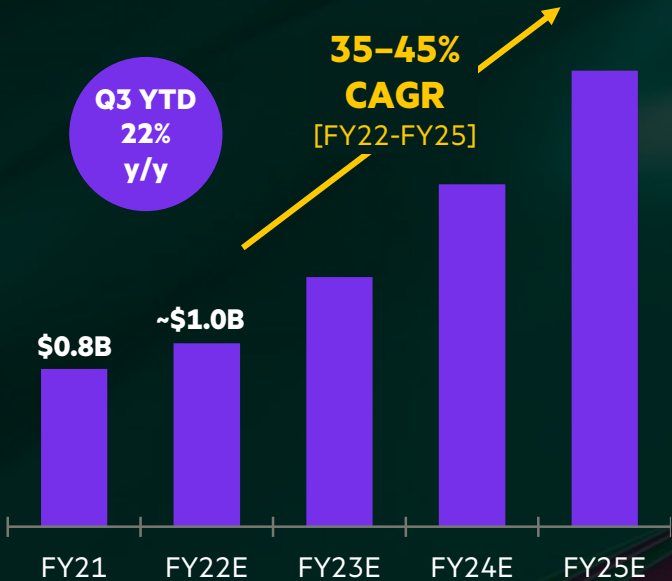
Richer Storage Mix

HPC aaS

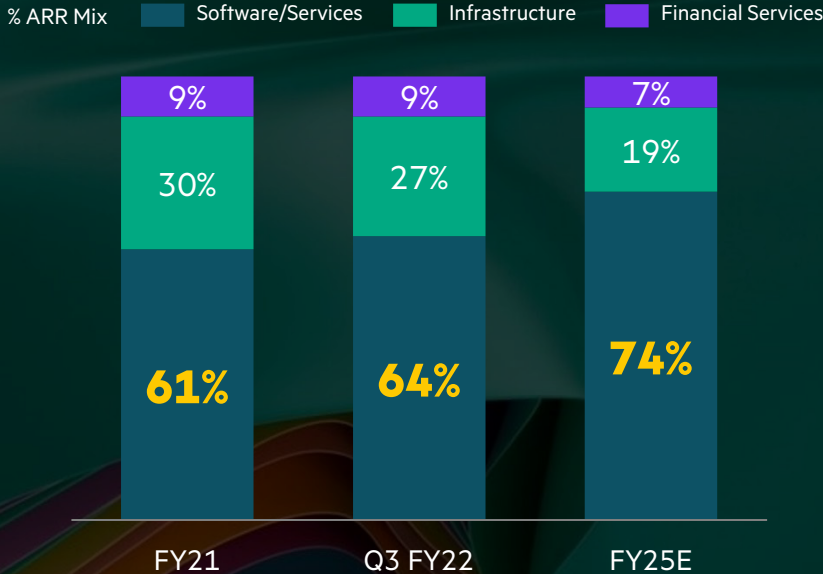
AAS Orders¹



ARR²



ARR² Mix



1. As-a-Service (AAS) orders 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.
 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 revenue of all net HPE GreenLake services revenue, related financial services revenue (which includes rental income from operating leases and interest income for capital leases), and software-as-a-Service, software consumption revenue, 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 is not intended to be combined with it.

Edge: Extend leadership with continuing market share gains with new market entry

	Market TAM ¹ FY22–25 CAGR	Operating priorities	FY25 Outlook
Edge	\$69B² growing at 10%	<ul style="list-style-type: none"> • Build on portfolio leadership to grow share in campus and branch switching, WLAN, and SD-WAN • Expand TAM by \$28 billion by 2025 including data center switching and SASE • Build on connectivity strengths into natural extensions such as private 5G • Accelerate NaaS adoption to drive profitable recurring revenues • Aggressively execute on our backlog order book 	<p>Drive towards “Rule of 40”</p> <p>Mid-teens revenue growth Mid-20% operating margin</p> <p>Contributes 15-20% of corporate total revenue by FY25</p>

1. Source: IDC / Gartner / HPE estimates for Jul 2022 – market TAM is based on FY22 estimates for WW excluding Tier 1

2. Addressable edge market includes wired and wireless networks in Campus / Branch and adjacencies in core switching and SASE (CASB, ZTNA, SIEM) as well as software and services related to Private 5G and core telco network automation.

Data: Win in data-intensive workloads and AI at scale

Market TAM¹

FY22–25 CAGR Operating priorities

FY25 Outlook

Storage

\$64B²
growing at
4%

- Accelerate transition to a cloud-native, software-defined data services business
- Continue shifting portfolio to margin-rich, owned-IP offering
- Expand TAM by ~\$25 billion through data management software including disaster recovery and back up / replication / archiving

**Grow in-line with /
above market**

**Mid-teens
operating margin**

HPC & AI

\$10B³
growing at
5%

- Capitalize on accelerating demand for AI / Machine Learning / data analytics & processing
- Democratize exascale technology through HPE GreenLake
- Accelerate portfolio shift towards software and hybrid offerings
- Deliver on existing order book of ~\$3 billion
- Expand TAM by \$10+ billion including AI at scale and software

**Exceed market
growth**

**Double-digit
operating margin**

1. Source: IDC / Gartner / HPE estimates for Jul 2022 – market TAM is based on FY22 estimates for WW excluding Tier 1

2. Storage addressable market includes External Storage arrays, HCI appliances, Data management services (incl. DR / Replication) and associated support services.

3. HPC & AI addressable market includes Cray / Apollo offerings of Density-Optimized systems and associated support. Full solution view (server, networking, storage, platform SW) of HPC and AI solutions is ~\$34B.

Compute: Maintain scale and continue to capture largest profitable share in industry

Market TAM¹
FY22–25 CAGR

Operating priorities

FY25 Outlook

Compute

\$54B²
growing
at 7%³

- Maintain focus on industry-leading profit margins through pricing discipline and richer configurations, while reducing backlog
- Win with our next Gen 11 products, engineered for the hybrid cloud world with built-in security and services delivered through HPE GreenLake
- Gain unit share in high-growth segments such as edge computing and telco cloud with workload-optimized offerings

**Grow in-line
with market**
excl. China, T1

**Maintain
market-leading
operating
margin**
11 – 13%

1. Source: IDC / Gartner / HPE estimates for Jul 2022 – market TAM is based on FY22 estimates for WW excluding Tier 1

2. Compute addressable market includes standard (<8S) x86 racks, blades and tower systems deployed in CoLo, customer DC or edge (incl. Telco edge).

3. Growth excluding T1 and China is expected to be ~2%

Financial Services: Enable HPE differentiation through asset lifecycle management and sustainability

Operating priorities

FY25 Outlook

HPEFS

- Accelerate HPE aaS pivot by creating investment capacity for customers and enabling HPE GreenLake fleet management
- Maintain winning underwriting formula to finance high-quality customers
- Promote circular economy and ESG with best-in-class asset lifecycle management for high return on investment

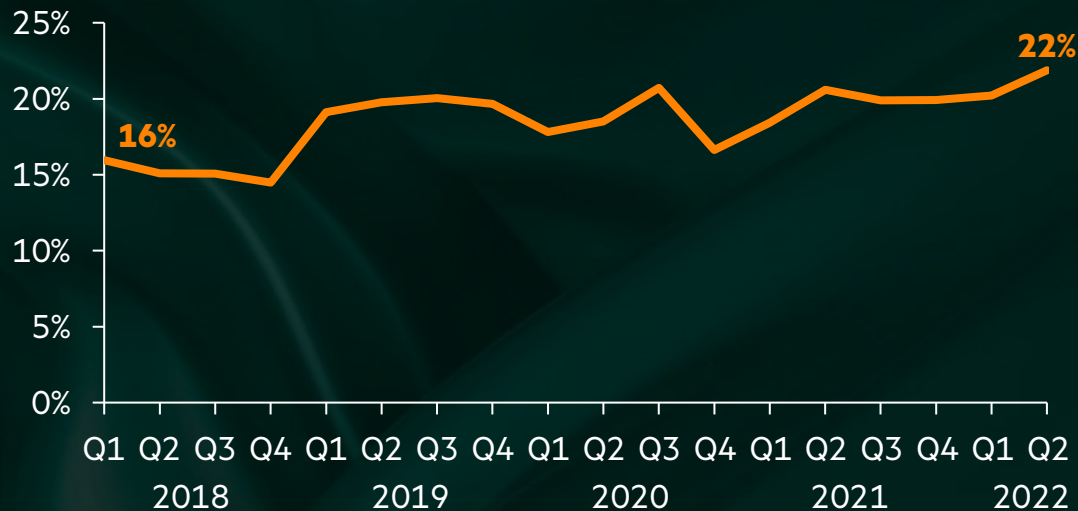
**Sustain 18%+
return on
equity**

H3C: China leader, strong driver of EPS and free cash flow for HPE

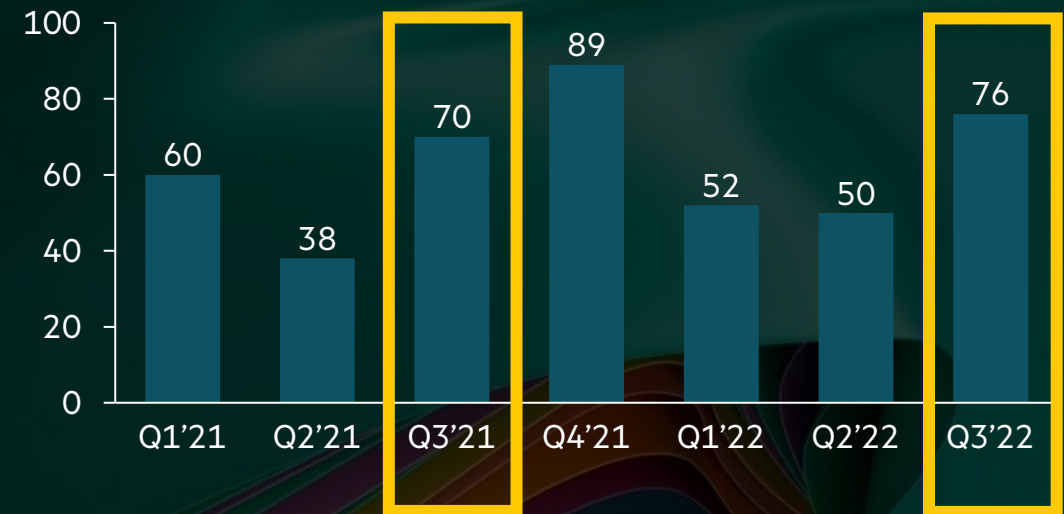
H3C continues to outperform the China HW markets, gaining 6 pts share over 4+ years¹

Continuous growth in H3C equity interest²

China market share – H3C+HPE



Non-GAAP H3C equity interest



1. Market share based on IDC / 650 Group data for x86 Servers excl. ODM, External OEM Storage, Ethernet Switching and WLAN for the period of C1Q18 – C2Q22. Sep 2022.

2. All non-GAAP numbers have been adjusted to exclude certain items. A reconciliation of specific adjustments to GAAP results for the current and prior periods is included as a part of Q322 earnings presentation, available at <https://investors.hpe.com>.

FY23 outlook reflects continued growth in revenue and free cash flow

Revenue growth¹

2 – 4%

(adjusted for currency)

Non-GAAP operating profit growth^{1, 2}

4 – 5%

Non-GAAP diluted net EPS^{1, 3}

\$1.96 – \$2.04

GAAP diluted net EPS

\$1.38 – \$1.46

Free cash flow^{1, 4}

\$1.9 – \$2.1 B

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

2. FY23 non-GAAP operating profit excludes costs of approximately \$0.86 B primarily related to stock-based compensation, amortization of intangible assets and transformation costs.

3. FY23 non-GAAP diluted net EPS excludes after-tax costs of approximately \$0.58 per share primarily related to transformation costs, stock-based compensation and amortization of intangible assets.

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FY23 EPS outlook at \$2.00 in spite of macro headwinds

Non-GAAP diluted net EPS¹ Outlook



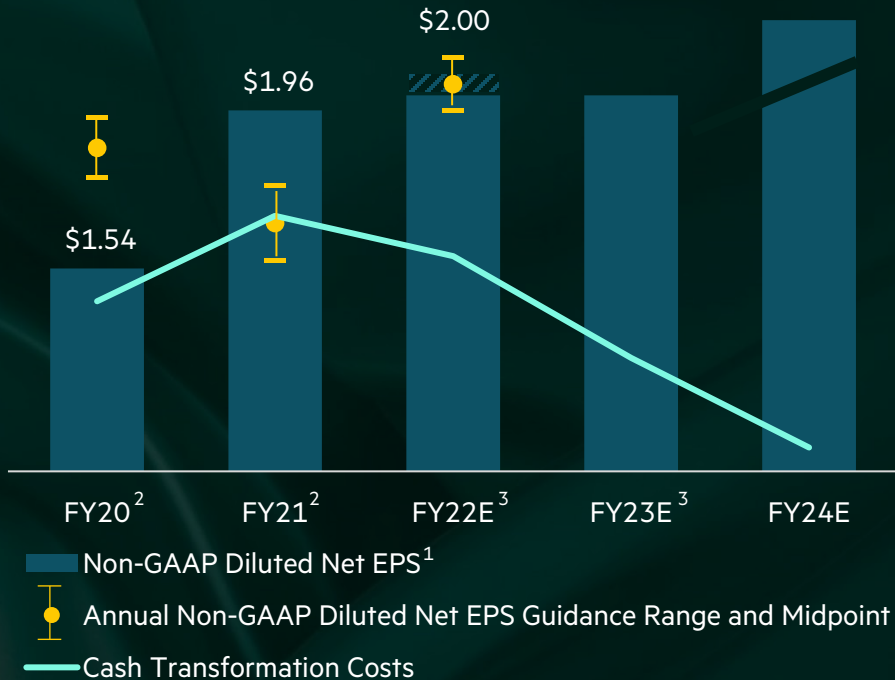
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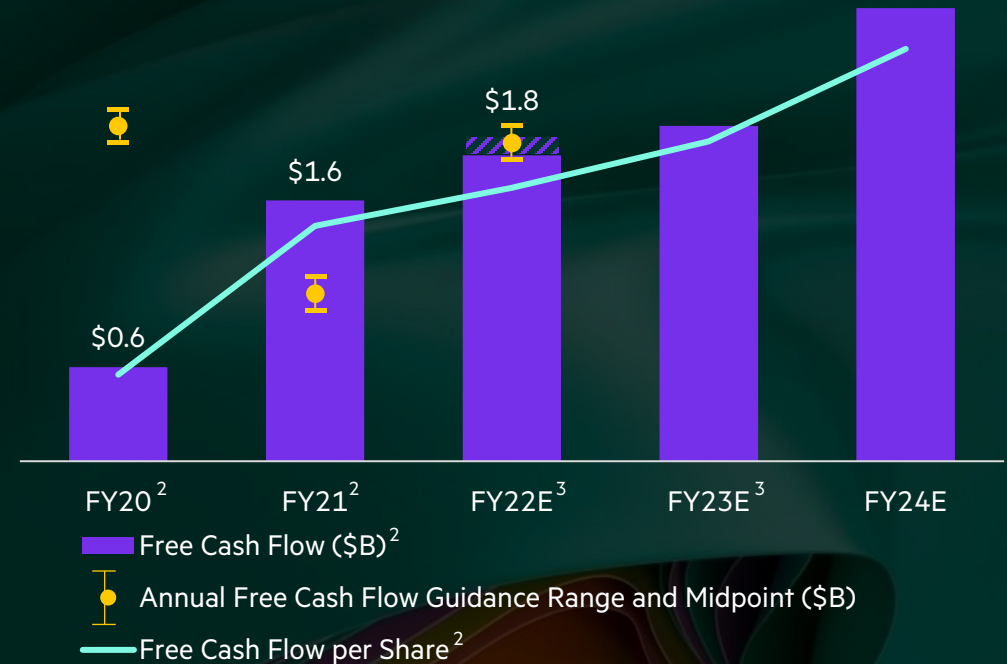
3. FY23 non-GAAP diluted net EPS excludes after-tax costs of approximately \$0.58 per share reflecting changes related to stock-based compensation, amortization of intangible assets and transformation costs.

Our strategy will deliver \$6.5+ billion in FY22–FY24 free cash flow^{1, 4}

Earnings growth and falling transformation costs...



...improve free cash flow^{1, 4} conversion per share



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

2. A reconciliation of specific adjustments to GAAP results for FY20 and FY21, and a reconciliation of Cash flow from Operations to Free Cash Flow are included in the non-GAAP slide section in the appendix of this presentation. FY21 Free Cash Flow does not include \$2.172 billion of after-tax impact from Oracle's satisfaction of the judgment in the Itanium litigation.

3. A reconciliation of specific adjustments to FY22 and FY23 GAAP Diluted Net EPS outlook can be found on slide 3 and slide 13, respectively.

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HPE is well positioned to maximize shareholder value

We are capitalizing on industry mega trends with our differentiated edge-to-cloud strategy

Our unique HPE GreenLake edge-to-cloud platform is driving robust growth in stickier, higher margin ARR

Our business portfolio is set to drive durable sales growth, rising margins, and meaningfully higher FCF

Revenue^{1, 2}
CAGR [FY22–25]
2 – 4%

Non-GAAP diluted
net EPS²
CAGR [FY22–25]
3 – 5%

ARR³
CAGR [FY22–25]
35 – 45%

Cumulative
Free Cash Flow^{2, 4}
[FY22–24]
\$6.5+ B

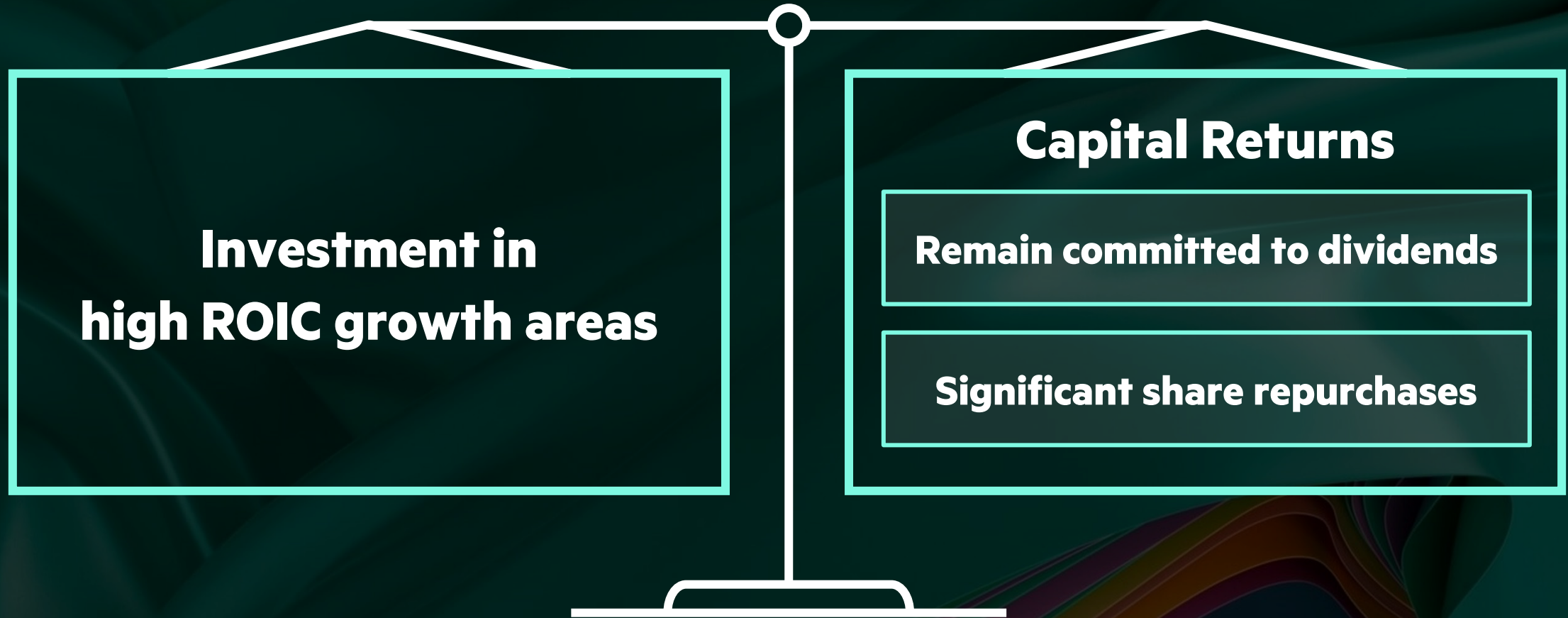
1. Revenue growth in constant currency.

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Capital allocation balances long-term revenue and free cash flow growth with consistent shareholder returns



The background features a series of overlapping, wavy, ribbon-like shapes in various shades of teal, purple, and yellow. The shapes flow from the bottom left towards the top right, creating a sense of movement and depth. The colors transition from a bright yellow at the bottom left to a deep teal at the top right.

Q&A



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The background features a teal-colored surface with a wavy, draped texture. In the upper-left and lower-right corners, there are colorful, layered, wavy patterns in shades of purple, orange, and green, resembling stacked paper or fabric folds.

**HPE is a compelling
investment opportunity**



HPE Securities Analyst Meeting 2022

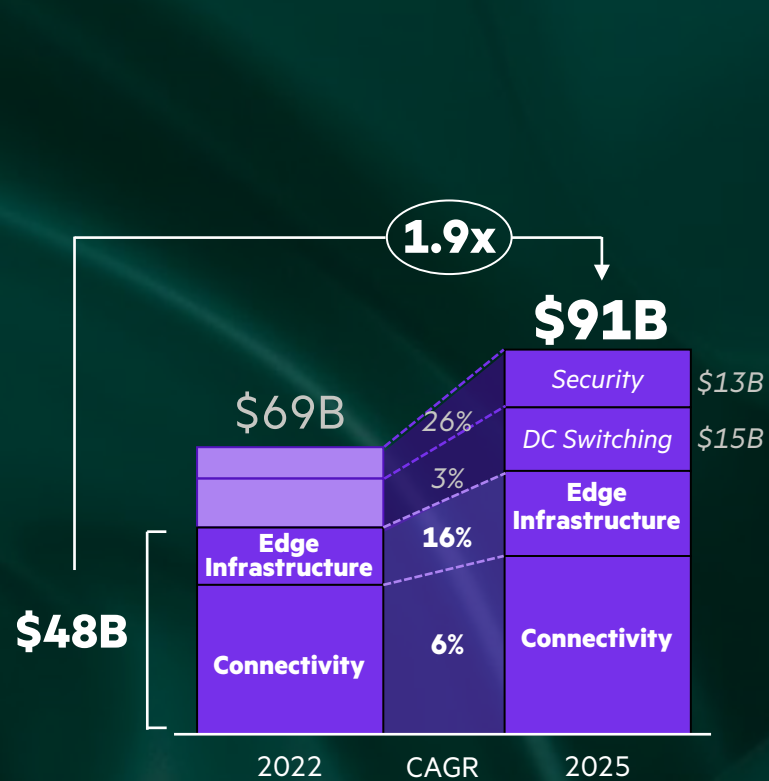
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APPENDIX

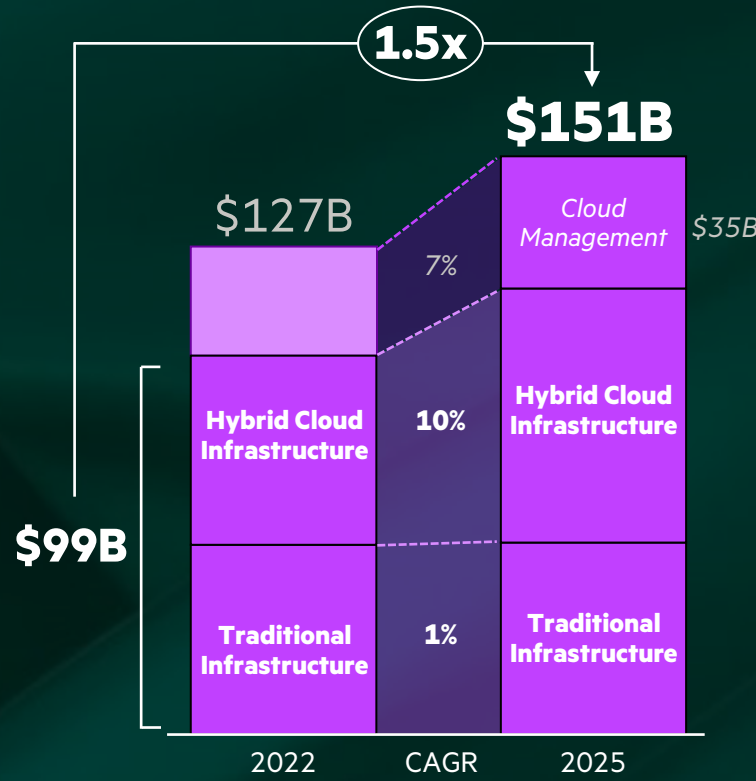
The background features a series of overlapping, wavy bands in shades of teal, purple, and yellow, creating a dynamic, layered effect. The word "APPENDIX" is centered in a bold, white, sans-serif font.

We are expanding our market opportunity to \$250B+ by 2025

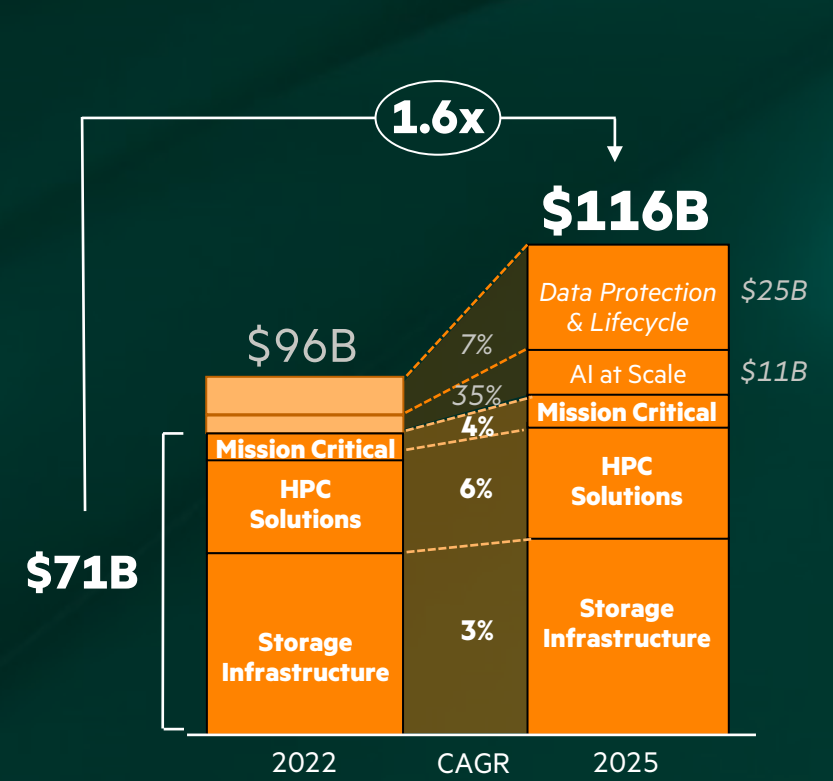
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Cloud



Data



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Appendix: Reconciliation map for offerings across Edge / Cloud / Data vs. HPE segments

	Intelligent Edge	Cloud	HPC/AI	Storage	Compute
Edge	Security (SASE, NAC)	■	■	■	■
	DC switching	■	■	■	■
	Edge infrastructure (Server, Storage, Support + Private 5G, Telco Core Automation)	■	■	■	■
	Connectivity (Campus Switch, WLAN, SD-WAN, Support)	■	■	■	■
Cloud	Cloud management (Cloud Mgmt SW, Managed Service)	■	■	■	■
	Hybrid Cloud Infrastructure (Server, Storage, Support)	■	■	■	■
	Traditional Infrastructure (Server, Storage, Support)	■	■	■	■
Data	Data protection & lifecycle services (SW-defined Storage, Backup / Replication)	■	■	■	■
	AI at scale (Server, Storage, Support, Platform SW)	■	■	■	■
	HPC solutions & Mission Critical (Server, Storage, Support, Platform SW)	■	■	■	■
	Storage infrastructure (Ext Storage Array + Hyperconverged, Support)	■	■	■	■

Total Cost Reductions GAAP to Non-GAAP Bridge

	LTM ended 7/31/22	FY 2019	Variance
Total Cost of Sales	18,647	19,642	(995)
Plus / (Less):			
Cost of materials, leased equipment amortization, financing interest, warranty and other cost of sales	(14,280)	(14,712)	432
Acquired companies' cost of sales adjustments ¹	(18)	7	(25)
Acquisition, disposition and other related charges	-	(7)	7
Stock-based compensation expense	(45)	(37)	(8)
Amortization of initial direct costs	(5)	-	(5)
Russia/Ukraine conflict disaster charges	(111)	-	(111)
Non-GAAP Cost of Sales	4,188	4,893	(705)
Total OPEX	7,861	8,219	(358)
Plus / (Less):			
Acquired companies' OPEX adjustments ¹	(274)	294	(568)
Transformation costs	(486)	(453)	(33)
Disaster charges	(8)	7	(15)
Acquisition, disposition and other related charges	(27)	(757)	730
Amortization of intangible assets	(298)	(267)	(31)
Stock-based compensation expense	(339)	(231)	(108)
Russia/Ukraine conflict disaster charges	(51)	-	(51)
Non-GAAP OPEX	6,378	6,812	(434)
Total Non-GAAP Costs and Expenses	10,566	11,705	(1,139)

1. 2019 Cost of Sales and OPEX were normalized to include a full year of Cray costs, as Cray was purchased in Q4 2019. LTM ended 7/31/22 Cost of Sales and OPEX were normalized to exclude Silver Peak, Zerto, and Determined AI costs, as those businesses were purchased subsequent to FY 2019.

FY21 GAAP to non-GAAP bridge¹

In millions, except tax rate and per share amounts	GAAP	Transformation costs	Disaster charges	Acquisition, disposition, and other related charges	Stock-based compensation expense	Amortization of intangible assets	Amortization of initial direct costs	Non-service net periodic benefit credit	Earnings in equity interest	Litigation judgment	Early debt redemption costs	Tax related adjustments	Non-GAAP
Revenue	\$27,784												\$27,784
Cost of sales	18,408				(40)		(8)						18,360
Gross profit	9,376				40		8						9,424
Total operating expenses	8,244	(930)	(17)	(35)	(332)	(354)							6,576
R&D	1,979				(124)								1,855
SG&A	4,929				(208)								4,721
Others ⁽²⁾	1,336	(930)	(17)	(35)	-	(354)							-
Operating profit	1,132	930	17	35	372	354	8						2,848
Interest & other, net	2,275							(70)		(2,351)	100	(65)	(111)
Earnings from equity interests	180								109				289
Pre-tax earnings	3,587	930	17	35	372	354	8	(70)	109	(2,351)	100	(65)	3,026
Income tax	(160)	(172)	(4)	(8)	(70)	(68)	(2)	9	-	114	(21)	(42)	(424)
Tax rate	4.5%												14.0%
Net earnings	\$3,427	758	13	27	302	286	6	(61)	109	(2,237)	79	(107)	\$2,602
Diluted net EPS	\$2.58												\$1.96

1. For the purposes of determining Non-GAAP Net Earnings, the Company uses a long term planning tax rate and excludes adjustments related to Tax indemnifications, Tax on separation & divestitures, and the impact of Tax on the above non-GAAP adjustments.

2. Other operating expenses include transformation costs, disaster charges, acquisition, disposition, and other related charges, and amortization of intangible assets.

FY20 GAAP to non-GAAP bridge¹

In millions, except tax rate and per share amounts	GAAP	Transformation costs	Disaster charges	Acquisition, disposition, and other related charges	Stock-based compensation expense	Amortization of intangible assets	Amortization of initial direct costs	Impairment of goodwill	Non-service net periodic benefit credit	Earnings in equity interest	Tax related adjustments	Non-GAAP
Revenue	\$26,982											\$26,982
Cost of sales	18,513			(27)	(37)		(10)					18,439
Gross profit	8,469			27	37		10					8,543
Total operating expenses	8,798	(950)	(26)	(80)	(237)	(379)		(865)				6,261
R&D	1,874				(81)							1,793
SG&A	4,624				(156)							4,468
Others ⁽²⁾	2,300	(950)	(26)	(80)	-	(379)		(865)				-
Operating profit	(329)	950	26	107	274	379	10	865				\$2,282
Interest & other, net	(180)								(136)		101	(215)
Earnings from equity interests	67									145		212
Pre-tax (loss) earnings	(442)	950	26	107	274	379	10	865	(136)	145	101	2,279
Income tax	120	(151)	(5)	(23)	(50)	(58)	(2)	-	15	-	(120)	(274)
Tax rate	27.1%											12.0%
Net (loss) earnings	(322)	799	21	84	224	321	8	865	(121)	145	(19)	\$2,005
Diluted net EPS	(\$0.25)											\$1.54

1. For the purposes of determining Non-GAAP Net Earnings, the Company uses a long term planning tax rate and excludes adjustments related to Tax indemnifications, Tax on separation & divestitures, and the impact of Tax on the above non-GAAP adjustments.

2. Other operating expenses include transformation costs, disaster charges, acquisition, disposition, and other related charges, amortization of intangible assets and impairment of goodwill.

Reconciliation of Operating cash flow to Adjusted Free Cash flow

	Q1'20	Q2'20	Q3'20	Q4'20	Q1'21	Q2'21	Q3'21	Q4'21	Q1'22	Q2'22	Q3'22
Net cash (used in) provided by operating activities	\$(79)	\$100	\$1,472	\$747	\$963	\$822	\$1,130	\$2,956	\$(76)	\$379	\$1,254
Litigation judgment, net of taxes paid	-	-	-	-	-	-	-	(2,172)	-	-	-
Net cash (used in) provided by operating activities, excluding litigation judgment, net of taxes paid	\$(79)	\$100	\$1,472	\$747	\$963	\$822	\$1,130	\$784	\$(76)	\$379	\$1,254
Investment in property, plant and equipment	(568)	(591)	(620)	(604)	(513)	(535)	(684)	(770)	(624)	(725)	(773)
Proceeds from sale of property, plant and equipment	462	89	72	80	113	81	80	80	123	135	106
Adjusted free cash flow	\$(185)	\$(402)	\$924	\$223	\$563	\$368	\$526	\$94	\$(577)	\$(211)	\$587



HPE Securities Analyst Meeting 2022

Houston | October 19

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”, “may”, “could”, “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 the ongoing conflict between Russia and Ukraine, our actions in response thereto, and their impacts 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 tax law changes (including those in the Inflation Reduction Act of 2022) 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; recent amendments to accounting guidance and any potential impacts on our financial reporting therefrom; 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, including but not limited to supply chain constraints, the inflationary environment, and the ongoing conflict between Russia and Ukraine; the need to manage third-party suppliers and distribute Hewlett Packard Enterprise’s products and services; 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, and geopolitical events, such as the ongoing conflict between Russia and Ukraine); 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; 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; the impacts of the Inflation Reduction Act of 2022 and related guidance or regulations; and other risks that are described in Hewlett Packard Enterprise’s Annual Report on Form 10-K for the fiscal year ended October 31, 2021, 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 presentation, 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, 2022. 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. Hewlett Packard Enterprise provides certain guidance on a non-GAAP basis only, as the company cannot reasonably predict some elements that are included in reported GAAP results.

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, non-GAAP cost of sales, non-GAAP operating expenses and total non-GAAP costs and expenses 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. Cash flow from operations and free cash flow, each excluding litigation judgement, net of taxes paid 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.

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 initial direct costs, stock-based compensation expenses, and disaster charges that are excluded from non-GAAP gross profit and non-GAAP gross profit margin can have a material impact on the equivalent GAAP earnings measures. 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 and acquisition, disposition and other related charges that are excluded from 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 adjustment to non-service net periodic benefit credit, litigation judgment, early debt redemption costs, tax indemnification and related adjustments, and earnings from equity interests that are excluded from non-GAAP income 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 flows. Items such as certain 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. 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.