



**Hewlett Packard  
Enterprise**



# HPE TO ACQUIRE SD-WAN LEADER SILVER PEAK

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**ARUBA AND SILVER PEAK TO ACCELERATE ENTERPRISE CLOUD TRANSFORMATION  
WITH A COMPREHENSIVE EDGE-TO-CLOUD NETWORKING SOLUTION**

July 13, 2020

<http://www.hpe.com/investor/home>

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# PRESENTERS

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**Antonio Neri**

President &  
Chief Executive Officer



**Tarek Robbiati**

Executive Vice President &  
Chief Financial Officer



**Keerti Melkote**

President, Intelligent Edge and  
Founder, Aruba Networks



**David Hughes**

CEO & Founder, Silver Peak



# COMBINATION ACCELERATES ENTERPRISE CLOUD TRANSFORMATION IN THE EDGE-TO-CLOUD ERA WITH COMPREHENSIVE END-TO-END NETWORKING SOLUTION

Hewlett Packard  
Enterprise

*End-to-End Edge-to-Cloud Leadership*

**aruba**

a Hewlett Packard  
Enterprise company

*Wired and Wireless LAN Leader*

+



**silver peak**<sup>®</sup>

*SD-WAN Leader*

# TRANSACTION RATIONALE

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- The combination of Aruba, already a leader in the Edge and Silver Peak will **accelerate Cloud transformation** for enterprises with a **comprehensive Edge-to-Cloud networking solution** covering all aspects of wired, wireless LAN and wide area networking
- Silver Peak's simple, intuitive 'self-driving' WAN delivers **significant cost savings** while maintaining **application performance** for rapid business recovery in a post COVID world
- **Silver Peak complements Aruba's existing work from home and branch office solutions** to deliver the industry's most comprehensive portfolio designed to securely connect **any Edge to any Cloud**
- **Significantly expands Aruba's addressable market** and is **highly accretive to Aruba's revenue growth and gross margins**
- Accelerates growth of **high margin recurring revenues** with compelling economics
- Highly **synergistic with Aruba's customer base, innovation DNA, and sales channel**

# ARUBA AND SILVER PEAK COMBINED LEADERSHIP

**Gartner Magic Quadrant**  
Wired and Wireless LAN Access



**MARKET LEADER**  
14 YEARS RUNNING

**Gartner Magic Quadrant**  
WAN Edge Infrastructure



**MARKET LEADER**  
2 YEARS RUNNING\*

Source: Gartner (November 2019)  
\* The Gartner WAN Edge MQ debuted in 2018

# SILVER PEAK COMPETITIVE DIFFERENTIATION AND CUSTOMER IMPACT

## 1,500+ ENTERPRISE CUSTOMERS



## CUSTOMER BENEFITS

### BUSINESS DRIVEN

*National Auto Services Chain*

**10x time reduction to turn up new branches (M&A)**

### CONTINUOUS ADAPTATION

*International Food Manufacturer*

**95% reduction of downtime with adaptive internet breakout**

### HIGHEST QUALITY OF EXPERIENCE

*National Title Company*

**100x bandwidth improvement, high-quality voice over broadband**

### UNIFIED PLATFORM

*Global Commercial Real Estate Company*

**75% cost reduction replacing branch routers and Firewalls**

# COMBINED WITH THE ARUBA EDGE SERVICES PLATFORM, SILVER PEAK ACCELERATES DIGITAL TRANSFORMATION FROM THE EDGE TO THE CLOUD



REMOTE



BRANCH OFFICE



CLOUD



CAMPUS



DATA CENTER

## ARUBA CENTRAL



Onboarding



Provisioning



Orchestration



Analytics



Location



Management

AIOPS



Visibility



Authentication



Continuous Monitoring



Policy Enforcement



Unified Threat Management

ZERO TRUST SECURITY



Wireless



Wired



SD-WAN



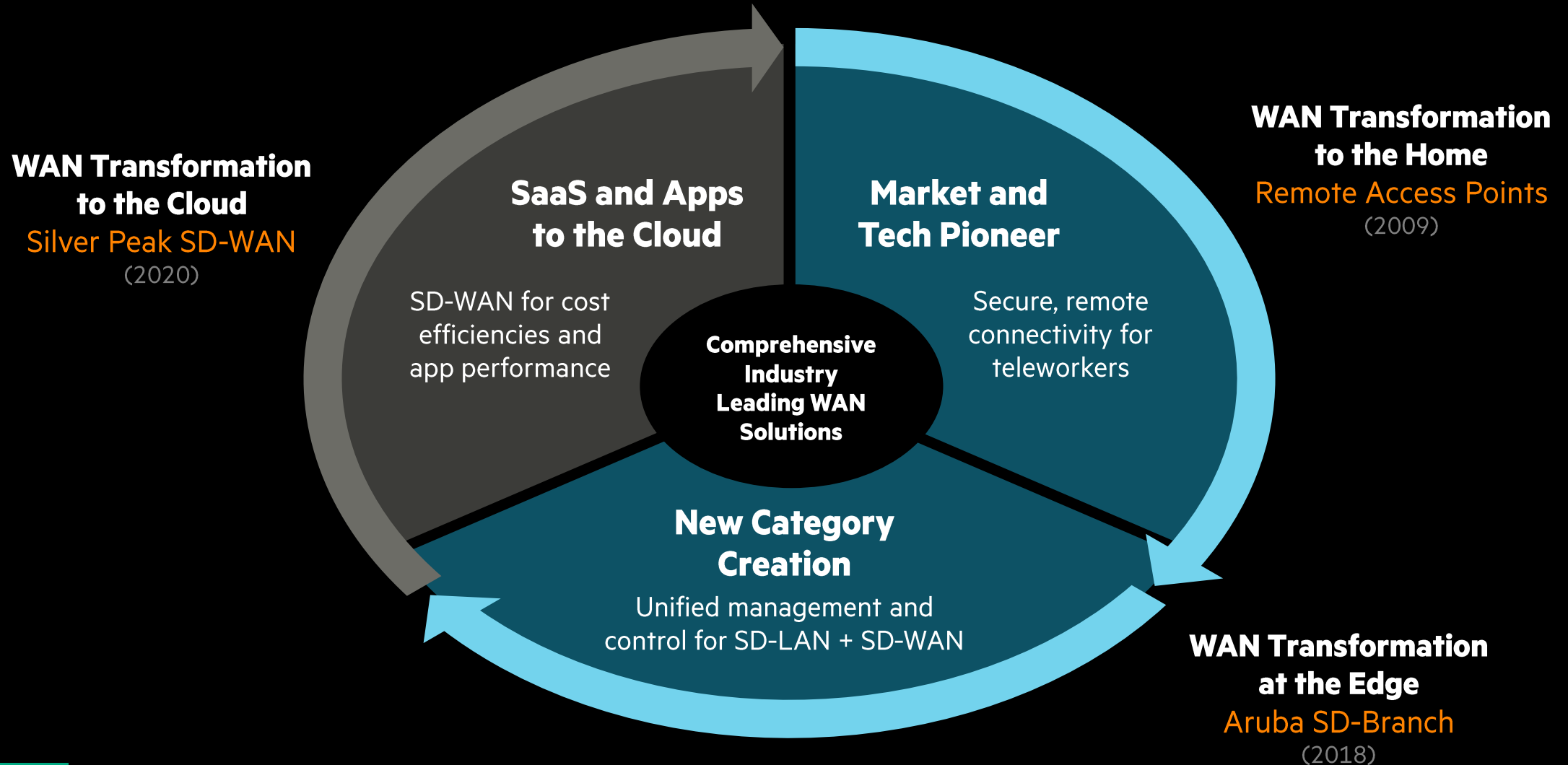
5G



IoT

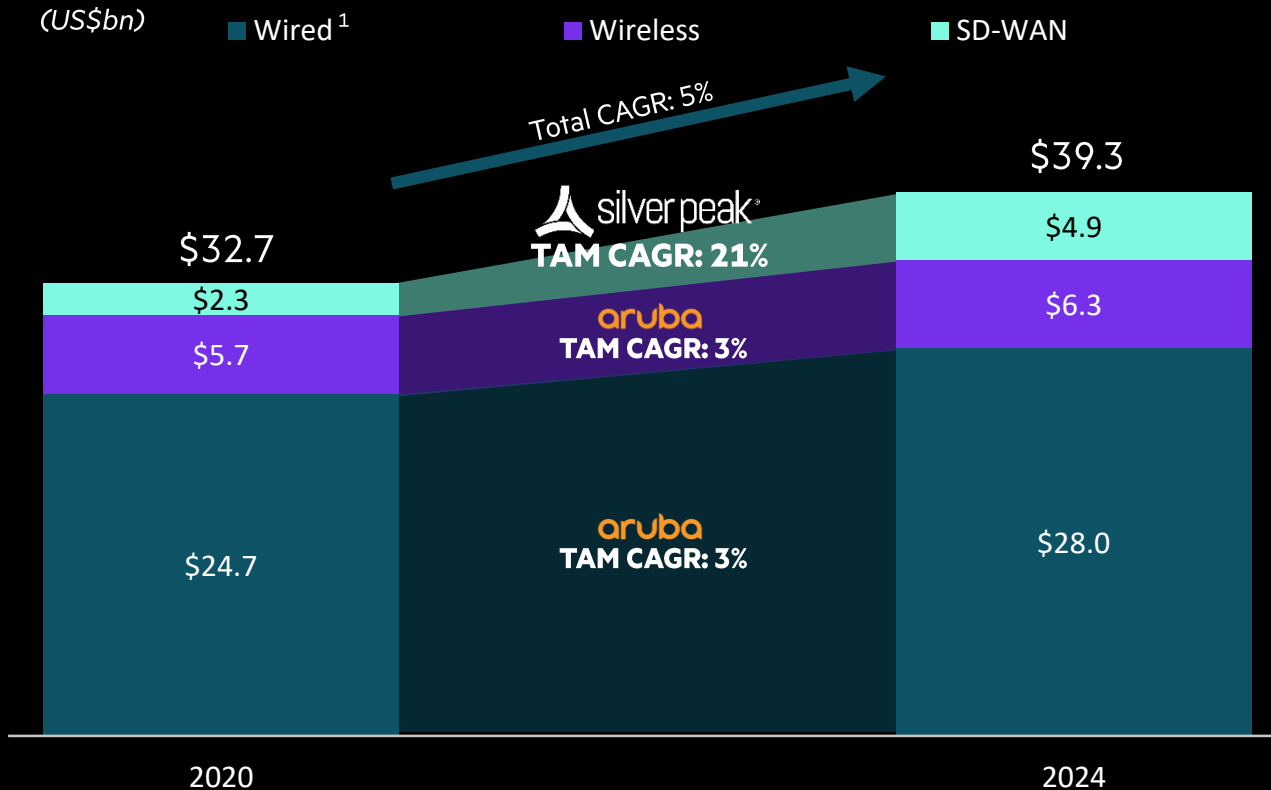
UNIFIED INFRASTRUCTURE

# COMPLETE WAN PORTFOLIO MEETS ALL CUSTOMER REQUIREMENTS



# THE TRANSACTION EXPANDS HPE-ARUBA EDGE-TO-CLOUD PLATFORM OPPORTUNITY AND EXTENDS MARKET LEADERSHIP

## TAM EXPANSION (2020 – 2024)



## GROWTH VECTORS

- Superior value proposition with best-in-class integrated offering with Aruba Edge Services Platform (ESP)
- Accelerating WAN transformations replacing legacy architectures
- Opportunity to cross sell across Silver Peak and Aruba install base, and scale business in EMEA and APJ using Aruba global sales channels
- Target an expanded TAM across SD-WAN and SD-Branch
- Gain market share with most comprehensive secure networking portfolio

**60% of enterprises will have adopted SD-WAN by 2024, compared with <20% in 2019**

Source: Aruba analysis with 650 Group  
 1. Wired represents Campus switching + DC switching

# TRANSACTION SUMMARY

## Transaction Consideration

- \$925 million in cash

## Expected Financial Impact

- Fund the acquisition through cash on the balance sheet
- Highly accretive to Aruba revenue growth and GM – Silver Peak LTM Revenue<sup>1</sup> of \$132M, which includes SD-WAN growth of over 50%, significantly faster than the overall SD-WAN market growth
- Neutral to non-GAAP EPS (including stock based compensation) in FY22

## Employee Retention

- Silver Peak management team committed to joining HPE family
- Retention program for key employees at Silver Peak

## Expected Closing

- Expected to close by HPE's fourth quarter of fiscal year 2020
- Transaction subject to customary closing conditions

1. LTM revenue represents the last twelve months ending 4/30/2020 (unaudited)

# END-TO-END EDGE LEADERSHIP

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***Wired and Wireless LAN Leader***



 **silver peak<sup>®</sup>**

***SD-WAN Leader***



# THANK YOU

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