

**HEWLETT PACKARD ENTERPRISE COMPANY AND SUBSIDIARIES**

**Condensed Consolidated Statements of Earnings  
(Unaudited)**

For the three months ended

	<u>April 30, 2022</u>	<u>January 31, 2022</u>	<u>April 30, 2021</u>
	In millions, except per share amounts		
Net revenue	\$ 6,713	\$ 6,961	\$ 6,700
Costs and expenses:			
Cost of sales <sup>(1)</sup>	4,540	4,617	4,413
Research and development	517	504	503
Selling, general and administrative	1,249	1,201	1,199
Amortization of intangible assets	74	73	84
Transformation costs	98	111	209
Disaster charges	20	—	1
Acquisition, disposition and other related charges	8	7	13
Total costs and expenses	<u>6,506</u>	<u>6,513</u>	<u>6,422</u>
Earnings from operations	207	448	278
Interest and other, net	—	(5)	(11)
Tax indemnification and related adjustments	—	(17)	—
Non-service net periodic benefit credit	36	36	17
Earnings from equity interests	33	31	4
Earnings before (provision) benefit for taxes	276	493	288
(Provision) benefit for taxes	<u>(26)</u>	<u>20</u>	<u>(29)</u>
Net earnings	<u>\$ 250</u>	<u>\$ 513</u>	<u>\$ 259</u>
Net earnings per share:			
Basic	\$ 0.19	\$ 0.39	\$ 0.20
Diluted	\$ 0.19	\$ 0.39	\$ 0.19
Cash dividends declared per share	\$ 0.12	\$ 0.12	\$ 0.12
Weighted-average shares used to compute net earnings per share:			
Basic	1,307	1,304	1,309
Diluted	1,329	1,325	1,331

(1) The three and six months ended April 30, 2022 include pre-tax charges of \$105 million, primarily related to expected financing receivable credit losses.

**HEWLETT PACKARD ENTERPRISE COMPANY AND SUBSIDIARIES**

**Condensed Consolidated Statements of Earnings  
(Unaudited)**

	For the six months ended	
	April 30, 2022	April 30, 2021
	In millions, except per share amounts	
Net revenue	\$ 13,674	\$ 13,533
Costs and expenses:		
Cost of sales <sup>(1)</sup>	9,157	8,958
Research and development	1,021	971
Selling, general and administrative	2,450	2,358
Amortization of intangible assets	147	194
Transformation costs	209	520
Disaster charges	19	1
Acquisition, disposition and other related charges	16	31
Total costs and expenses	13,019	13,033
Earnings from operations	655	500
Interest and other, net	(5)	(55)
Tax indemnification and related adjustments	(17)	(16)
Non-service net periodic benefit credit	72	34
Earnings from equity interests	64	30
Earnings before provision for taxes	769	493
Provision for taxes	(6)	(11)
Net earnings	\$ 763	\$ 482
Net earnings per share:		
Basic	\$ 0.58	\$ 0.37
Diluted	\$ 0.57	\$ 0.36
Cash dividends declared per share	\$ 0.24	\$ 0.24
Weighted-average shares used to compute net earnings per share:		
Basic	1,306	1,304
Diluted	1,327	1,323

(1) The three and six months ended April 30, 2022 include pre-tax charges of \$105 million, primarily related to expected financing receivable credit losses.

**HEWLETT PACKARD ENTERPRISE COMPANY AND SUBSIDIARIES**  
**Reconciliation of GAAP to Non-GAAP measures**  
(Unaudited)

**For the three months ended**

	<u>April 30, 2022</u>	<u>January 31, 2022</u>	<u>April 30, 2021</u>
	Dollars in millions		
GAAP net revenue	\$ 6,713	\$ 6,961	\$ 6,700
GAAP cost of sales	4,540	4,617	4,413
<b>GAAP gross profit</b>	<b>\$ 2,173</b>	<b>\$ 2,344</b>	<b>\$ 2,287</b>
Non-GAAP adjustments			
Amortization of initial direct costs	\$ 1	\$ 1	\$ 2
Stock-based compensation expense	14	15	11
Disaster charges <sup>(a)</sup>	105	—	—
<b>Non-GAAP gross profit</b>	<b>\$ 2,293</b>	<b>\$ 2,360</b>	<b>\$ 2,300</b>
<b>GAAP gross profit margin</b>	<b>32.4 %</b>	<b>33.7 %</b>	<b>34.1 %</b>
Non-GAAP adjustments	1.8 %	0.2 %	0.2 %
<b>Non-GAAP gross profit margin</b>	<b>34.2 %</b>	<b>33.9 %</b>	<b>34.3 %</b>

**For the six months ended**

	<u>April 30, 2022</u>	<u>April 30, 2021</u>
	Dollars in millions	
GAAP net revenue	\$ 13,674	\$ 13,533
GAAP cost of sales	9,157	8,958
<b>GAAP gross profit</b>	<b>\$ 4,517</b>	<b>\$ 4,575</b>
Non-GAAP adjustments		
Amortization of initial direct costs	\$ 2	\$ 4
Stock-based compensation expense	29	24
Disaster charges <sup>(a)</sup>	105	—
<b>Non-GAAP gross profit</b>	<b>\$ 4,653</b>	<b>\$ 4,603</b>
<b>GAAP gross profit margin</b>	<b>33.0 %</b>	<b>33.8 %</b>
Non-GAAP adjustments	1.0 %	0.2 %
<b>Non-GAAP gross profit margin</b>	<b>34.0 %</b>	<b>34.0 %</b>

**HEWLETT PACKARD ENTERPRISE COMPANY AND SUBSIDIARIES**  
**Reconciliation of GAAP to Non-GAAP measures**  
(Unaudited)

For the three months ended

	April 30, 2022	January 31, 2022	April 30, 2021
	Dollars in millions		
<b>GAAP earnings from operations</b>	\$ 207	\$ 448	\$ 278
Non-GAAP adjustments			
Amortization of initial direct costs	1	1	2
Amortization of intangible assets	74	73	84
Transformation costs	98	111	209
Disaster charges <sup>(a)</sup>	125	—	1
Stock-based compensation expense	114	128	98
Acquisition, disposition and other related charges	8	7	13
<b>Non-GAAP earnings from operations</b>	<b>\$ 627</b>	<b>\$ 768</b>	<b>\$ 685</b>
<b>GAAP operating profit margin</b>	3.1 %	6.4 %	4.1 %
Non-GAAP adjustments	6.2 %	4.6 %	6.1 %
<b>Non-GAAP operating profit margin</b>	<b>9.3 %</b>	<b>11.0 %</b>	<b>10.2 %</b>

For the six months ended

	April 30, 2022	April 30, 2021
	Dollars in millions	
<b>GAAP earnings from operations</b>	\$ 655	\$ 500
Non-GAAP adjustments		
Amortization of initial direct costs	2	4
Amortization of intangible assets	147	194
Transformation costs	209	520
Disaster charges <sup>(a)</sup>	124	1
Stock-based compensation expense	242	208
Acquisition, disposition and other related charges	16	31
<b>Non-GAAP earnings from operations</b>	<b>\$ 1,395</b>	<b>\$ 1,458</b>
<b>GAAP operating profit margin</b>	4.8 %	3.7 %
Non-GAAP adjustments	5.4 %	7.1 %
<b>Non-GAAP operating profit margin</b>	<b>10.2 %</b>	<b>10.8 %</b>

**HEWLETT PACKARD ENTERPRISE COMPANY AND SUBSIDIARIES**  
**Reconciliation of GAAP to Non-GAAP measures**  
**(Unaudited)**

For the three months ended						
	April 30, 2022	Diluted net earnings per share	January 31, 2022	Diluted net earnings per share	April 30, 2021	Diluted net earnings per share
Dollars in millions, except per share amounts						
<b>GAAP net earnings</b>	\$ 250	\$ 0.19	\$ 513	\$ 0.39	\$ 259	\$ 0.19
Non-GAAP adjustments:						
Amortization of initial direct costs	1	—	1	—	2	—
Amortization of intangible assets	74	0.06	73	0.06	84	0.06
Transformation costs	98	0.07	111	0.08	209	0.15
Disaster charges <sup>(a)</sup>	125	0.09	—	—	1	—
Stock-based compensation expense	114	0.09	128	0.10	98	0.08
Acquisition, disposition and other related charges	8	0.01	7	0.01	13	0.01
Tax indemnification and related adjustments	—	—	17	0.01	—	—
Non-service net periodic benefit credit	(36)	(0.03)	(36)	(0.03)	(17)	(0.01)
Earnings from equity interests <sup>(b)</sup>	17	0.01	17	0.01	34	0.03
Adjustments for taxes	(68)	(0.05)	(134)	(0.10)	(71)	(0.05)
<b>Non-GAAP net earnings</b>	<b>\$ 583</b>	<b>\$ 0.44</b>	<b>\$ 697</b>	<b>\$ 0.53</b>	<b>\$ 612</b>	<b>\$ 0.46</b>

For the six months ended				
	April 30, 2022	Diluted net earnings per share	April 30, 2021	Diluted net earnings per share
Dollars in millions, except per share amounts				
<b>GAAP net earnings</b>	\$ 763	\$ 0.57	\$ 482	\$ 0.36
Non-GAAP adjustments:				
Amortization of initial direct costs	2	—	4	—
Amortization of intangible assets	147	0.11	194	0.15
Transformation costs	209	0.16	520	0.40
Disaster charges <sup>(a)</sup>	124	0.09	1	—
Stock-based compensation expense	242	0.18	208	0.16
Acquisition, disposition and other related charges	16	0.01	31	0.02
Tax indemnification and related adjustments	17	0.01	16	0.01
Non-service net periodic benefit credit	(72)	(0.05)	(34)	(0.03)
Earnings from equity interests <sup>(b)</sup>	34	0.03	68	0.05
Adjustments for taxes	(202)	(0.15)	(199)	(0.14)
<b>Non-GAAP net earnings</b>	<b>\$ 1,280</b>	<b>\$ 0.96</b>	<b>\$ 1,291</b>	<b>\$ 0.98</b>

(a) In the second quarter of fiscal 2022, the Company recorded total pre-tax charges of \$126 million primarily related to expected financing and trade receivables credit losses, \$99 million of which was included in Financing cost, \$6 million in Cost of services and \$21 million in Disaster charges in the Condensed Consolidated Statements of Earnings. During the three and six months ended April 30, 2022, Disaster charges also included a recovery of \$1 million and \$2 million, respectively, related to COVID-19.

(b) Represents the amortization of basis difference adjustments related to the H3C divestiture.

**HEWLETT PACKARD ENTERPRISE COMPANY AND SUBSIDIARIES**  
**Reconciliation of GAAP to Non-GAAP measures**  
**(Unaudited)**

	For the three months ended		
	April 30, 2022	January 31, 2022	April 30, 2021
	In millions		
<b>Net cash provided by (used in) operating activities</b>	\$ 379	\$ (76)	\$ 822
Investment in property, plant and equipment	(725)	(624)	(535)
Proceeds from sale of property, plant and equipment	135	123	81
<b>Free cash flow</b>	\$ (211)	\$ (577)	\$ 368

	For the six months ended	
	April 30, 2022	April 30, 2021
	In millions	
<b>Net cash provided by operating activities</b>	\$ 303	\$ 1,785
Investment in property, plant and equipment	(1,349)	(1,048)
Proceeds from sale of property, plant and equipment	258	194
<b>Free cash flow</b>	\$ (788)	\$ 931

**HEWLETT PACKARD ENTERPRISE COMPANY AND SUBSIDIARIES**  
**Condensed Consolidated Balance Sheets**

As of	
April 30, 2022	October 31, 2021
(Unaudited)	(Audited)

In millions, except par value

**ASSETS**

Current assets:			
Cash and cash equivalents	\$	3,027	\$ 3,996
Accounts receivable, net of allowances		3,122	3,979
Financing receivables, net of allowances		3,655	3,932
Inventory		5,322	4,511
Other current assets		3,046	2,460
Total current assets		18,172	18,878
Property, plant and equipment		5,508	5,613
Long-term financing receivables and other assets		11,198	11,670
Investments in equity interests		2,262	2,210
Goodwill and intangible assets		19,184	19,328
Total assets	\$	56,324	\$ 57,699

**LIABILITIES AND STOCKHOLDERS' EQUITY**

Current liabilities:			
Notes payable and short-term borrowings	\$	4,596	\$ 3,552
Accounts payable		5,671	7,004
Employee compensation and benefits		1,198	1,778
Taxes on earnings		153	169
Deferred revenue		3,448	3,408
Accrued restructuring		183	290
Other accrued liabilities		4,941	4,486
Total current liabilities		20,190	20,687
Long-term debt		8,905	9,896
Other non-current liabilities		6,647	7,099
Stockholders' equity			
HPE stockholders' equity:			
Common stock, \$0.01 par value (9,600 shares authorized; 1,299 and 1,295 shares issued and outstanding at April 30, 2022 and October 31, 2021, respectively)		13	13
Additional paid-in capital		28,473	28,470
Accumulated deficit		(5,145)	(5,597)
Accumulated other comprehensive loss		(2,809)	(2,915)
Total HPE stockholders' equity		20,532	19,971
Non-controlling interests		50	46
Total stockholders' equity		20,582	20,017
Total liabilities and stockholders' equity	\$	56,324	\$ 57,699

**HEWLETT PACKARD ENTERPRISE COMPANY AND SUBSIDIARIES**  
**Condensed Consolidated Statements of Cash Flows**  
(Unaudited)

	For the six months ended April 30,	
	2022	2021
In millions		
Cash flows from operating activities:		
Net earnings	\$ 763	\$ 482
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	1,242	1,313
Stock-based compensation expense	242	218
Provision for doubtful accounts and inventory	213	98
Restructuring charges	68	366
Deferred taxes on earnings	(54)	(95)
Earnings from equity interests	(64)	(30)
Other, net	(46)	62
Changes in operating assets and liabilities, net of acquisitions:		
Accounts receivable	817	432
Financing receivables	470	(104)
Inventory	(861)	(497)
Accounts payable	(1,323)	164
Taxes on earnings	35	(30)
Restructuring	(197)	(324)
Other assets and liabilities	(1,002)	(270)
Net cash provided by operating activities	<u>303</u>	<u>1,785</u>
Cash flows from investing activities:		
Investment in property, plant and equipment	(1,349)	(1,048)
Proceeds from sale of property, plant and equipment	258	194
Purchases of investments	(40)	(19)
Proceeds from maturities and sales of investments	72	10
Financial collateral posted	(40)	(631)
Financial collateral received	272	297
Payments made in connection with business acquisitions, net of cash acquired	—	(34)
Net cash used in investing activities	<u>(827)</u>	<u>(1,231)</u>
Cash flows from financing activities:		
Short-term borrowings with original maturities less than 90 days, net	56	39
Proceeds from debt, net of issuance costs	1,582	1,632
Payment of debt	(1,340)	(1,744)
Net payments related to stock-based award activities	(60)	(27)
Repurchase of common stock	(187)	—
Cash dividends paid to non-controlling interests	—	(8)
Cash dividends paid to shareholders	(311)	(311)
Net cash used in financing activities	<u>(260)</u>	<u>(419)</u>
(Decrease) increase in cash, cash equivalents and restricted cash	(784)	135
Cash, cash equivalents and restricted cash at beginning of period	<u>4,332</u>	<u>4,621</u>
Cash, cash equivalents and restricted cash at end of period	<u>\$ 3,548</u>	<u>\$ 4,756</u>



**HEWLETT PACKARD ENTERPRISE COMPANY AND SUBSIDIARIES**  
**Segment Information**  
**(Unaudited)**

	<b>For the three months ended</b>		
	<b>April 30, 2022</b>	<b>January 31, 2022</b>	<b>April 30, 2021</b>
	<b>In millions</b>		
<b>Net revenue:</b>			
Compute	\$ 2,985	\$ 3,016	\$ 2,974
High Performance Computing & Artificial Intelligence	710	790	684
Storage	1,098	1,156	1,136
Intelligent Edge	867	901	803
Financial Services	823	842	839
Corporate Investments and Other	327	325	350
Total segment net revenue	<u>6,810</u>	<u>7,030</u>	<u>6,786</u>
Elimination of intersegment net revenue	(97)	(69)	(86)
Total consolidated net revenue	<u>\$ 6,713</u>	<u>\$ 6,961</u>	<u>\$ 6,700</u>
<b>Earnings before taxes:</b>			
Compute	\$ 415	\$ 416	\$ 334
High Performance Computing & Artificial Intelligence	(40)	(7)	18
Storage	138	168	191
Intelligent Edge	109	157	126
Financial Services	104	104	91
Corporate Investments and Other	(24)	(11)	(25)
Total segment earnings from operations	<u>702</u>	<u>827</u>	<u>735</u>
Unallocated corporate costs and eliminations	(75)	(59)	(50)
Stock-based compensation expense	(114)	(128)	(98)
Amortization of initial direct costs	(1)	(1)	(2)
Amortization of intangible assets	(74)	(73)	(84)
Transformation costs	(98)	(111)	(209)
Disaster charges	(125)	—	(1)
Acquisition, disposition and other related charges	(8)	(7)	(13)
Interest and other, net	—	(5)	(11)
Tax indemnification and related adjustments	—	(17)	—
Non-service net periodic benefit credit	36	36	17
Earnings from equity interests	33	31	4
Total consolidated earnings before taxes	<u>\$ 276</u>	<u>\$ 493</u>	<u>\$ 288</u>

**HEWLETT PACKARD ENTERPRISE COMPANY AND SUBSIDIARIES**  
**Segment Information**  
(Unaudited)

	For the six months ended	
	April 30, 2022	April 30, 2021
	In millions	
Net revenue:		
Compute	\$ 6,001	\$ 5,958
High Performance Computing & Artificial Intelligence	1,500	1,445
Storage	2,254	2,328
Intelligent Edge	1,768	1,613
Financial Services	1,665	1,699
Corporate Investments and Other	652	671
Total segment net revenue	13,840	13,714
Elimination of intersegment net revenue	(166)	(181)
Total consolidated net revenue	<u>\$ 13,674</u>	<u>\$ 13,533</u>
Earnings before taxes:		
Compute	\$ 831	\$ 675
High Performance Computing & Artificial Intelligence	(47)	61
Storage	306	425
Intelligent Edge	266	280
Financial Services	208	175
Corporate Investments and Other	(35)	(56)
Total segment earnings from operations	1,529	1,560
Unallocated corporate costs and eliminations	(134)	(102)
Stock-based compensation expense	(242)	(208)
Amortization of initial direct costs	(2)	(4)
Amortization of intangible assets	(147)	(194)
Transformation costs	(209)	(520)
Disaster charges	(124)	(1)
Acquisition, disposition and other related charges	(16)	(31)
Interest and other, net	(5)	(55)
Tax indemnification and related adjustments	(17)	(16)
Non-service net periodic benefit credit	72	34
Earnings from equity interests	64	30
Total consolidated earnings before taxes	<u>\$ 769</u>	<u>\$ 493</u>

**HEWLETT PACKARD ENTERPRISE COMPANY AND SUBSIDIARIES**  
**Segment Information**  
(Unaudited)

	For the three months ended			Change (%)	
	April 30, 2022	January 31, 2022	April 30, 2021	Q/Q	Y/Y
	Dollars in millions				
Net revenue:					
Compute	\$ 2,985	\$ 3,016	\$ 2,974	(1%)	—%
High Performance Computing & Artificial Intelligence	710	790	684	(10%)	4%
Storage	1,098	1,156	1,136	(5%)	(3%)
Intelligent Edge	867	901	803	(4%)	8%
Financial Services	823	842	839	(2%)	(2%)
Corporate Investments and Other	327	325	350	1%	(7%)
Total segment net revenue	6,810	7,030	6,786	(3%)	—%
Elimination of intersegment net revenue	(97)	(69)	(86)	41%	13%
Total consolidated net revenue	<u>\$ 6,713</u>	<u>\$ 6,961</u>	<u>\$ 6,700</u>	(4%)	—%

	For the six months ended		Change (%)
	April 30, 2022	April 30, 2021	Y/Y
	Dollars in millions		
Net revenue:			
Compute	\$ 6,001	\$ 5,958	1%
High Performance Computing & Artificial Intelligence	1,500	1,445	4%
Storage	2,254	2,328	(3%)
Intelligent Edge	1,768	1,613	10%
Financial Services	1,665	1,699	(2%)
Corporate Investments	652	671	(3%)
Total segment net revenue	13,840	13,714	1%
Elimination of intersegment net revenue	(166)	(181)	(8%)
Total consolidated net revenue	<u>\$ 13,674</u>	<u>\$ 13,533</u>	1%

**HEWLETT PACKARD ENTERPRISE COMPANY AND SUBSIDIARIES**  
**Segment Operating Margin Summary Data**  
(Unaudited)

	For the three months ended	Change in Operating Profit Margin (pts)	
	April 30, 2022	Q/Q	Y/Y
Segment operating profit margin:			
Compute	13.9 %	0.1	2.7
High Performance Computing & Artificial Intelligence	(5.6)%	(4.7)	(8.2)
Storage	12.6 %	(1.9)	(4.2)
Intelligent Edge	12.6 %	(4.8)	(3.1)
Financial Services	12.6 %	0.2	1.8
Corporate Investments and Other	(7.3%)	(3.9)	(0.2)
Total segment operating profit margin	10.3 %	(1.5)	(0.5)

**HEWLETT PACKARD ENTERPRISE COMPANY AND SUBSIDIARIES**  
**Calculation of Diluted Net Earnings Per Share**  
(Unaudited)

	<u>For the three months ended</u>		
	<u>April 30, 2022</u>	<u>January 31, 2022</u>	<u>April 30, 2021</u>
	In millions, except per share amounts		
<b>Numerator:</b>			
GAAP net earnings	\$ 250	\$ 513	\$ 259
Non-GAAP net earnings	\$ 583	\$ 697	\$ 612
<b>Denominator:</b>			
Weighted-average shares used to compute basic net earnings per share	1,307	1,304	1,309
Dilutive effect of employee stock plans	22	21	22
Weighted-average shares used to compute diluted net earnings per share	<u>1,329</u>	<u>1,325</u>	<u>1,331</u>
<b>GAAP net earnings per share</b>			
Basic	\$ 0.19	\$ 0.39	\$ 0.20
Diluted	\$ 0.19	\$ 0.39	\$ 0.19
<b>Non-GAAP net earnings per share</b>			
Basic	\$ 0.45	\$ 0.53	\$ 0.47
Diluted	\$ 0.44	\$ 0.53	\$ 0.46

**For the six months ended**

	<b>April 30, 2022</b>	<b>April 30, 2021</b>
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**In millions, except per share amounts**

**Numerator:**

GAAP net earnings	\$	763	\$	482
Non-GAAP net earnings	\$	1,280	\$	1,291

**Denominator:**

Weighted-average shares used to compute basic net earnings per share		1,306		1,304
Dilutive effect of employee stock plans		21		19
Weighted-average shares used to compute diluted net earnings per share		1,327		1,323

**GAAP net earnings per share**

Basic	\$	0.58	\$	0.37
Diluted	\$	0.57	\$	0.36

**Non-GAAP net earnings per share**

Basic	\$	0.98	\$	0.99
Diluted	\$	0.96	\$	0.98