

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

	For the three months ended		
	April 30, 2026	January 31, 2026	April 30, 2025
In millions, except per share amounts			
Net revenue	\$ 10,678	\$ 9,301	\$ 7,627
Costs and Expenses:			
Cost of sales (exclusive of amortization shown separately below)	6,778	5,961	5,458
Research and development	922	744	540
Selling, general and administrative	1,830	1,698	1,298
Amortization of intangible assets	323	311	37
Impairment charges	—	—	1,361
Acquisition, disposition and other charges	78	117	42
Total costs and expenses	9,931	8,831	8,736
Earnings (loss) from operations	747	470	(1,109)
Interest and other, net <sup>(1)</sup>	(73)	(54)	39
Earnings from equity interests	25	17	25
Earnings (loss) before provision for taxes	699	433	(1,045)
(Provision) benefit for taxes	(75)	19	(5)
Net earnings (loss) attributable to HPE	624	452	(1,050)
Preferred stock dividends	(29)	(29)	(29)
Net earnings (loss) attributable to common stockholders	<u>\$ 595</u>	<u>\$ 423</u>	<u>\$ (1,079)</u>
Net Earnings (Loss) Per Share Attributable to Common Stockholders:			
Basic	\$ 0.45	\$ 0.32	\$ (0.82)
Diluted	0.44	0.31	(0.82)
Cash dividends declared per share	0.14	0.14	0.13
Cash dividends accrued per preferred share	\$ 0.95	\$ 0.95	\$ 0.95
Weighted-average Shares Used to Compute Net Earnings (Loss) Per Share:			
Basic	1,335	1,334	1,322
Diluted	1,432	1,356	1,322

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	For the six months ended	
	April 30, 2026	April 30, 2025
	In millions, except per share amounts	
Net revenue	\$ 19,979	\$ 15,481
Costs and Expenses:		
Cost of sales (exclusive of amortization shown separately below)	12,739	11,017
Research and development	1,666	1,015
Selling, general and administrative	3,528	2,566
Amortization of intangible assets	634	75
Impairment charges	—	1,361
Acquisition, disposition and other charges	195	123
Total costs and expenses	18,762	16,157
Earnings (loss) from operations	1,217	(676)
Interest and other, net <sup>(1)</sup>	(127)	78
Gain on sale of a business	—	244
Earnings from equity interests	42	42
Earnings (loss) before provision for taxes	1,132	(312)
Provision for taxes	(56)	(111)
Net earnings (loss) attributable to HPE	1,076	(423)
Preferred stock dividends	(58)	(58)
Net earnings (loss) attributable to common stockholders	\$ 1,018	\$ (481)
Net Earnings (Loss) Per Share Attributable to Common Stockholders:		
Basic	\$ 0.76	\$ (0.36)
Diluted	0.75	(0.36)
Cash dividends declared per share	0.29	0.26
Cash dividends accrued per preferred share	\$ 1.91	\$ 1.91
Weighted-average Shares Used to Compute Net Earnings (Loss) Per Share:		
Basic	1,335	1,319
Diluted	1,356	1,319

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

	For the three months ended		
	April 30, 2026	January 31, 2026	April 30, 2025
	Dollars in millions		
GAAP net revenue	\$ 10,678	\$ 9,301	\$ 7,627
GAAP cost of sales	6,778	5,961	5,458
<b>GAAP gross profit</b>	<b>3,900</b>	<b>3,340</b>	<b>2,169</b>
Non-GAAP Adjustments			
Stock-based compensation expense	23	24	13
Acquisition, disposition and other charges <sup>(2)</sup>	6	34	—
Cost reduction program	8	5	46
H3C divestiture related severance costs	—	—	16
<b>Non-GAAP gross profit</b>	<b>\$ 3,937</b>	<b>\$ 3,403</b>	<b>\$ 2,244</b>
<b>GAAP gross profit margin</b>	<b>36.5 %</b>	<b>35.9 %</b>	<b>28.4 %</b>
Non-GAAP adjustments	0.4 %	0.7 %	1.0 %
<b>Non-GAAP gross profit margin</b>	<b>36.9 %</b>	<b>36.6 %</b>	<b>29.4 %</b>

	For the six months ended	
	April 30, 2026	April 30, 2025
	Dollars in millions	
GAAP net revenue	\$ 19,979	\$ 15,481
GAAP cost of sales	12,739	11,017
<b>GAAP gross profit</b>	<b>7,240</b>	<b>4,464</b>
Non-GAAP Adjustments		
Stock-based compensation expense	47	30
Acquisition, disposition and other charges <sup>(2)</sup>	40	(3)
Cost reduction program	13	46
H3C divestiture related severance costs	—	17
<b>Non-GAAP gross profit</b>	<b>\$ 7,340</b>	<b>\$ 4,554</b>
<b>GAAP gross profit margin</b>	<b>36.2 %</b>	<b>28.8 %</b>
Non-GAAP adjustments	0.5 %	0.6 %
<b>Non-GAAP gross profit margin</b>	<b>36.7 %</b>	<b>29.4 %</b>

	For the three months ended		
	April 30, 2026	January 31, 2026	April 30, 2025
	Dollars in millions		
<b>GAAP earnings (loss) from operations</b>	\$ 747	\$ 470	\$ (1,109)
Non-GAAP Adjustments			
Amortization of intangible assets	323	311	37
Impairment charges	—	—	1,361
Stock-based compensation expense	218	216	116
H3C divestiture related severance costs	—	—	20
Cost reduction program	30	23	146
Acquisition, disposition and other charges <sup>(2)</sup>	105	162	42
<b>Non-GAAP earnings from operations</b>	<u>\$ 1,423</u>	<u>\$ 1,182</u>	<u>\$ 613</u>
<b>GAAP operating profit margin</b>	7.0 %	5.1%	(14.5)%
Non-GAAP adjustments	6.3 %	7.6 %	22.5 %
<b>Non-GAAP operating profit margin</b>	<u>13.3 %</u>	<u>12.7 %</u>	<u>8.0 %</u>

	For the six months ended	
	April 30, 2026	April 30, 2025
	Dollars in millions	
<b>GAAP earnings (loss) from operations</b>	\$ 1,217	\$ (676)
Non-GAAP Adjustments		
Amortization of intangible assets	634	75
Impairment charges	—	1,361
Stock-based compensation expense	434	270
H3C divestiture related severance costs	—	97
Cost reduction program	53	146
Acquisition, disposition and other charges <sup>(2)</sup>	267	120
<b>Non-GAAP earnings from operations</b>	<u>\$ 2,605</u>	<u>\$ 1,393</u>
<b>GAAP operating profit margin</b>	6.1 %	(4.4)%
Non-GAAP adjustments	6.9 %	13.4 %
<b>Non-GAAP operating profit margin</b>	<u>13.0 %</u>	<u>9.0 %</u>

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

	For the three months ended					
	April 30, 2026	Diluted Net EPS <sup>(7)</sup>	January 31, 2026	Diluted Net EPS <sup>(7)</sup>	April 30, 2025	Diluted Net EPS <sup>(7)</sup>
Dollars in millions, except per share amounts						
<b>GAAP net earnings (loss) attributable to common stockholders</b>	\$ 595		\$ 423	\$ 0.31	\$ (1,079)	\$ (0.82)
Preferred stock dividends	29		29		29	
<b>GAAP net earnings (loss) attributable to HPE</b>	\$ 624	\$ 0.44	\$ 452		\$ (1,050)	
Non-GAAP Adjustments:						
Amortization of intangible assets	323	0.23	311	0.23	37	0.03
Impairment charges	—	—	—	—	1,361	1.03
Stock-based compensation expense	218	0.15	216	0.16	116	0.09
H3C divestiture related severance costs	—	—	—	—	20	0.02
Cost reduction program	30	0.02	23	0.02	146	0.11
Acquisition, disposition and other charges <sup>(2)</sup>	105	0.08	162	0.12	42	0.03
Adjustments for equity interests	(25)	(0.02)	(17)	(0.01)	—	—
Loss (gain) on equity investments, net	3	—	(14)	(0.01)	(7)	(0.01)
Adjustments for taxes	(110)	(0.07)	(170)	(0.14)	(91)	(0.08)
Other adjustments <sup>(3)</sup>	(32)	(0.04)	(33)	(0.03)	(29)	(0.02)
<b>Non-GAAP net earnings attributable to HPE<sup>(4)</sup></b>	1,136	\$ 0.79	930	\$ 0.65	545	\$ 0.38
Preferred stock dividends	(29)		(29)		(29)	
<b>Non-GAAP net earnings attributable to common stockholders</b>	<u>\$ 1,107</u>		<u>\$ 901</u>		<u>\$ 516</u>	

	For the six months ended			
	April 30, 2026	Diluted Net EPS <sup>(7)</sup>	April 30, 2025	Diluted Net EPS <sup>(7)</sup>
Dollars in millions, except per share amounts				
<b>GAAP net earnings (loss) attributable to common stockholders</b>	\$ 1,018	\$ 0.75	\$ (481)	\$ (0.36)
Preferred stock dividends	58		58	
<b>GAAP net earnings (loss) attributable to HPE</b>	\$ 1,076		\$ (423)	
Non-GAAP Adjustments:				
Amortization of intangible assets	634	0.47	75	0.06
Impairment charges	—	—	1,361	1.03
Stock-based compensation expense	434	0.32	270	0.20
Gain on sale of a business	—	—	(244)	(0.18)
H3C divestiture related severance costs	—	—	97	0.07
Cost reduction program	53	0.04	146	0.11
Acquisition, disposition and other charges <sup>(2)</sup>	267	0.19	120	0.08
Adjustments for equity interests	(42)	(0.03)	—	—
Gain on equity investments, net	(11)	(0.01)	(9)	(0.01)
Adjustments for taxes	(280)	(0.21)	(106)	(0.09)
Other adjustments <sup>(3)</sup>	(65)	(0.08)	(58)	(0.04)
<b>Non-GAAP net earnings attributable to HPE<sup>(4)</sup></b>	2,066	1.44	1,229	0.87
Preferred stock dividends	(58)		(58)	
<b>Non-GAAP net earnings attributable to common stockholders</b>	\$ 2,008		\$ 1,171	

	For the three months ended		
	April 30, 2026	January 31, 2026	April 30, 2025
In millions			
<b>Net cash provided by (used in) operating activities</b>	\$ 1,410	\$ 1,178	\$ (461)
Investment in property, plant and equipment and software assets	(583)	(569)	(547)
Proceeds from sale of property, plant and equipment	130	66	80
Effect of exchange rate changes on cash, cash equivalents, and restricted cash	(42)	33	81
<b>Free cash flow</b>	\$ 915	\$ 708	\$ (847)

	For the six months ended	
	April 30, 2026	April 30, 2025
In millions		
<b>Net cash provided by (used in) operating activities</b>	\$ 2,588	\$ (851)
Investment in property, plant and equipment and software assets	(1,152)	(1,075)
Proceeds from sale of property, plant and equipment	196	164
Effect of exchange rate changes on cash, cash equivalents, and restricted cash	(9)	38
<b>Free cash flow</b>	\$ 1,623	\$ (1,724)

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

	As of	
	April 30, 2026	October 31, 2025
	(Unaudited)	(Audited)
	In millions, except par value	
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 5,292	\$ 5,773
Accounts receivable, net of allowances	6,286	5,290
Financing receivables, net of allowances	3,694	3,826
Inventory	9,034	6,352
Other current assets	5,053	3,753
Total current assets	29,359	24,994
Property, plant and equipment, net	5,597	6,002
Long-term financing receivables and other assets	13,992	13,817
Investments in equity interests	916	955
Goodwill and intangible assets	29,648	30,138
Total assets	\$ 79,512	\$ 75,906
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Current Liabilities:</b>		
Notes payable and short-term borrowings	\$ 3,009	\$ 4,609
Accounts payable	11,311	7,731
Employee compensation and benefits	1,957	1,871
Taxes on earnings	387	319
Deferred revenue	5,621	5,358
Other accrued liabilities	4,690	4,755
Total current liabilities	26,975	24,643
Long-term debt	18,237	17,756
Other non-current liabilities	8,947	8,753
Commitments and Contingencies		
<b>Stockholders' Equity</b>		
<b>HPE stockholders' Equity:</b>		
7.625% Series C mandatory convertible preferred stock, \$0.01 par value (30 shares issued and outstanding as of April 30, 2026 and October 31, 2025, respectively)	—	—
Common stock, \$0.01 par value (9,600 shares authorized; 1,323 and 1,318 shares issued and outstanding as of April 30, 2026 and October 31, 2025, respectively)	13	13
Additional paid-in capital	30,207	30,234
Accumulated deficit	(2,211)	(2,811)
Accumulated other comprehensive loss	(2,717)	(2,748)
Total HPE stockholders' equity	25,292	24,688
Non-controlling interests	61	66
Total stockholders' equity	25,353	24,754
Total liabilities and stockholders' equity	\$ 79,512	\$ 75,906

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

For the six months ended

April 30, 2026      April 30, 2025

In millions

<b>Cash Flows from Operating Activities:</b>		
Net earnings (loss) attributable to HPE	\$ 1,076	\$ (423)
<b>Adjustments to Reconcile Net Earnings (Loss) Attributable to HPE to Net Cash Provided by (Used in) Operating Activities:</b>		
Depreciation and amortization	1,749	1,173
Impairment charges	—	1,361
Stock-based compensation expense	434	270
Provision for inventory and credit losses	305	190
Cost reduction program	53	146
Deferred taxes on earnings	(266)	(43)
Earnings from equity interests	(42)	(42)
Gain on sale of a business	—	(244)
Dividends received from equity investees	76	—
H3C divestiture related severance costs	—	97
Amortization of inventory fair value adjustment	31	—
Other, net	100	28
<b>Changes in Operating Assets and Liabilities, Net of Acquisitions:</b>		
Accounts receivable	(1,098)	(372)
Financing receivables	282	25
Inventory	(2,956)	(435)
Accounts payable	3,562	(1,698)
Taxes on earnings	137	(36)
Other assets and liabilities	(855)	(848)
Net cash provided by (used in) operating activities	<u>2,588</u>	<u>(851)</u>
<b>Cash Flows from Investing Activities:</b>		
Investment in property, plant and equipment and software assets	(1,152)	(1,075)
Proceeds from sale of property, plant and equipment	196	164
Purchases of equity investments	(4)	(1)
Proceeds from sale of available-for-sale securities and other investments	5	41
Financial collateral posted	(491)	(638)
Financial collateral received	453	287
Proceeds from sale of a business	—	210
Net cash used in investing activities	<u>(993)</u>	<u>(1,012)</u>
<b>Cash Flows from Financing Activities:</b>		
Short-term borrowings with original maturities less than 90 days, net	(10)	(11)
Proceeds from debt, net of issuance costs	2,230	257
Payments of debt	(3,371)	(1,061)
Net payments related to stock-based award activities	(183)	(171)
Repurchases of common stock	(312)	(102)
Cash dividends paid to preferred stockholders	(58)	(54)

Cash dividends paid to common stockholders	(379)	(342)
Other	(8)	(8)
Net cash used in financing activities	(2,091)	(1,492)
Effect of exchange rate changes on cash, cash equivalents, and restricted cash	(9)	38
Change in cash, cash equivalents and restricted cash	(505)	(3,317)
Cash, cash equivalents and restricted cash at beginning of period	5,859	15,105
Cash, cash equivalents and restricted cash at end of period	\$ 5,354	\$ 11,788

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

	For the three months ended		
	April 30, 2026	January 31, 2026	April 30, 2025
	In millions		
<b>Net Revenue<sup>(5)</sup>:</b>			
Networking	\$ 2,690	\$ 2,706	\$ 1,084
Cloud & AI	7,707	6,334	6,271
Corporate Investments and Other	281	261	272
Total segment net revenue	10,678	9,301	7,627
<b>Earnings Before Taxes<sup>(5)</sup>:</b>			
Networking	581	640	271
Cloud & AI	954	645	414
Corporate Investments and Other	(9)	(12)	(7)
Total segment earnings from operations	1,526	1,273	678
Unallocated corporate costs and eliminations	(103)	(91)	(65)
Stock-based compensation expense	(218)	(216)	(116)
Amortization of intangible assets	(323)	(311)	(37)
Impairment charges	—	—	(1,361)
H3C divestiture related severance costs	—	—	(20)
Cost reduction program	(30)	(23)	(146)
Acquisition, disposition and other charges <sup>(2)</sup>	(105)	(162)	(42)
Interest and other, net <sup>(1)</sup>	(73)	(54)	39
Earnings from equity interests	25	17	25
Total pretax earnings (loss)	\$ 699	\$ 433	\$ (1,045)

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

	For the six months ended	
	April 30, 2026	April 30, 2025
	In millions	
<b>Net Revenue<sup>(5)</sup>:</b>		
Networking	\$ 5,396	\$ 2,160
Cloud & AI	14,041	12,782
Corporate Investments and Other	542	539
<b>Total segment net revenue</b>	<b>19,979</b>	<b>15,481</b>
<b>Earnings Before Taxes<sup>(5)</sup>:</b>		
Networking	1,221	591
Cloud & AI	1,599	961
Corporate Investments and Other	(21)	(15)
<b>Total segment earnings from operations</b>	<b>2,799</b>	<b>1,537</b>
Unallocated corporate costs and eliminations	(194)	(144)
Stock-based compensation expense	(434)	(270)
Amortization of intangible assets	(634)	(75)
Impairment charges	—	(1,361)
Gain on sale of a business	—	244
H3C divestiture related severance costs	—	(97)
Cost reduction program	(53)	(146)
Acquisition, disposition and other charges <sup>(2)</sup>	(267)	(120)
Interest and other, net <sup>(1)</sup>	(127)	78
Earnings from equity interests	42	42
<b>Total pretax earnings (loss)</b>	<b>\$ 1,132</b>	<b>\$ (312)</b>

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

	For the three months ended			Change (%)	
	April 30, 2026	January 31, 2026	April 30, 2025	Q/Q	Y/Y
Dollars in millions					
Net Revenue:					
Networking <sup>(5)</sup>					
Campus & Branch	\$ 1,322	\$ 1,227	\$ 880	7.7%	50.2%
Data Center Networking	320	444	96	(27.9)	233.3
Security	273	255	107	7.1	155.1
Routing	775	780	1	(0.6)	N/M
Total	<u>2,690</u>	<u>2,706</u>	<u>1,084</u>	(0.6)	148.2
Cloud & AI <sup>(5)</sup>					
Server	5,454	4,232	4,109	28.9	32.7
Storage	1,175	1,061	1,148	10.7	2.4
Financial Services	904	876	856	3.2	5.6
Other	174	165	158	5.5	10.1
Total	<u>7,707</u>	<u>6,334</u>	<u>6,271</u>	21.7	22.9
Corporate Investments and Other	281	261	272	7.7	3.3
Total consolidated net revenue	<u>\$ 10,678</u>	<u>\$ 9,301</u>	<u>\$ 7,627</u>	14.8%	40.0%

	For the six months ended		Change (%)
	April 30, 2026	April 30, 2025	Y/Y
Dollars in millions			
Net Revenue:			
Networking <sup>(5)</sup>			
Campus & Branch	\$ 2,549	\$ 1,744	46.2%
Data Center Networking	764	188	306.4
Security	528	226	133.6
Routing	1,555	2	N/M
Total	<u>5,396</u>	<u>2,160</u>	149.8
Cloud & AI <sup>(5)</sup>			
Server	9,686	8,457	14.5
Storage	2,236	2,203	1.5
Financial Services	1,780	1,729	2.9
Other	339	393	(13.7)
Total	<u>14,041</u>	<u>12,782</u>	9.8
Corporate Investments and Other	542	539	0.6
Total consolidated net revenue	<u>\$ 19,979</u>	<u>\$ 15,481</u>	29.1%

**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, 2026	January 31, 2026	April 30, 2025	Q/Q	Y/Y
	Segment Operating Profit Margin:				
Networking	21.6 %	23.7 %	25.0 %	(2.1)	(3.4)
Cloud & AI	12.4 %	10.2 %	6.6 %	2.2	5.8
Corporate Investments and Other	(3.2%)	(4.6%)	(2.6%)	1.4	(0.6)
Total segment operating profit margin	14.3 %	13.7 %	8.9 %	0.6	5.4

	For the six months ended		Change in operating profit margin (pts)
	April 30, 2026	April 30, 2025	Y/Y
	Segment Operating Profit Margin:		
Networking	22.6 %	27.4 %	(4.8)
Cloud & AI	11.4 %	7.5 %	3.9
Corporate Investments and Other	(3.9)%	(2.8)%	(1.1)
Total segment operating profit margin	14.0 %	9.9 %	4.1

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

	For the three months ended		
	April 30, 2026	January 31, 2026	April 30, 2025
In millions, except per share amounts			
<b>Numerator:</b>			
GAAP net earnings (losses) attributable to common stockholders - Basic	\$ 595	\$ 423	\$ (1,079)
Plus: 7.625% Series C mandatory convertible preferred stock dividends	29	—	—
GAAP net earnings (losses) attributable to HPE - Diluted	<u>\$ 624</u>	<u>\$ 423</u>	<u>\$ (1,079)</u>
Non-GAAP net earnings attributable to common stockholders - Basic	\$ 1,107	\$ 901	\$ 516
Plus: 7.625% Series C mandatory convertible preferred stock dividends	29	29	29
Non-GAAP net earnings attributable to HPE - Diluted	<u>\$ 1,136</u>	<u>\$ 930</u>	<u>\$ 545</u>
<b>Denominator:</b>			
GAAP Weighted-average shares used to compute basic net EPS	1,335	1,334	1,322
Dilutive effect of employee stock plans <sup>(6)</sup>	21	22	—
Dilutive effect of 7.625% Series C mandatory convertible preferred stock <sup>(6)</sup>	76	—	—
GAAP Weighted-average shares used to compute diluted net EPS	<u>1,432</u>	<u>1,356</u>	<u>1,322</u>
Non-GAAP Weighted-average shares used to compute basic net EPS	1,335	1,334	1,322
Dilutive effect of employee stock plans <sup>(6)</sup>	21	22	10
Dilutive effect of 7.625% Series C mandatory convertible preferred stock <sup>(6)</sup>	76	76	87
Non-GAAP Weighted-average shares used to compute diluted net EPS	<u>1,432</u>	<u>1,432</u>	<u>1,419</u>
<b>GAAP Net EPS</b>			
Basic	\$ 0.45	\$ 0.32	\$ (0.82)
Diluted	\$ 0.44	\$ 0.31	\$ (0.82)
<b>Non-GAAP Net EPS</b>			
Basic	\$ 0.83	\$ 0.68	\$ 0.39
Diluted <sup>(4)</sup>	\$ 0.79	\$ 0.65	\$ 0.38

	For the six months ended	
	April 30, 2026	April 30, 2025
In millions, except per share amounts		
<b>Numerator:</b>		
GAAP net earnings (losses) attributable to common stockholders - Basic	\$ 1,018	\$ (481)
Plus: 7.625% Series C mandatory convertible preferred stock dividends	—	—
GAAP net earnings (losses) attributable to HPE - Diluted	<u>\$ 1,018</u>	<u>\$ (481)</u>
Non-GAAP net earnings attributable to common stockholders - Basic	\$ 2,008	\$ 1,171
Plus: 7.625% Series C mandatory convertible preferred stock dividends	58	58
Non-GAAP net earnings attributable to HPE - Diluted	<u>\$ 2,066</u>	<u>\$ 1,229</u>
<b>Denominator:</b>		
Weighted-average shares used to compute basic net EPS	1,335	1,319
Dilutive effect of employee stock plans <sup>(7)</sup>	21	—
Dilutive effect of 7.625% Series C mandatory convertible preferred stock <sup>(7)</sup>	—	—
Weighted-average shares used to compute diluted net EPS	<u>1,356</u>	<u>1,319</u>
<b>Denominator(Non-GAAP):</b>		
Weighted-average shares used to compute basic net EPS	1,335	1,319
Dilutive effect of employee stock plans <sup>(7)</sup>	21	14
Dilutive effect of 7.625% Series C mandatory convertible preferred stock <sup>(7)</sup>	76	76
Weighted-average shares used to compute diluted net EPS	<u>1,432</u>	<u>1,409</u>
<b>GAAP Net EPS</b>		
Basic	\$ 0.76	\$ (0.36)
Diluted	\$ 0.75	\$ (0.36)
<b>Non-GAAP Net EPS</b>		
Basic	\$ 1.50	\$ 0.89
Diluted <sup>(4)</sup>	\$ 1.44	\$ 0.87

- (1) Interest and other, net includes tax indemnification and other adjustments, non-service net periodic benefit credit, and interest and other, net.
- (2) For the six months ended April 30, 2026 and for the three months ended January 31, 2026, Acquisition, disposition and other charges include non-cash amortization of fair value adjustment for inventory in connection with the acquisition of Juniper Networks, which was recorded in cost of sales.
- (3) Other adjustments includes non-service net periodic benefit credit and tax indemnification and other adjustments.
- (4) For purposes of calculating diluted net EPS, the preferred stock dividends are added back to the net earnings attributable to common stockholders and the diluted weighted average share calculation assumes the preferred stock was converted at issuance or as of the beginning of the reporting period.
- (5) Effective at the beginning of the first quarter of fiscal 2026, HPE implemented an organizational change by (i) merging the Server, Hybrid Cloud, and Financial Services business segments into a new segment named Cloud & AI and (ii) transferring the Telco and Instant On businesses to Corporate Investments and Other from Networking. The Company reflected these changes to its segment information retrospectively. These changes had no impact on Hewlett Packard Enterprise's previously reported consolidated net revenue, net earnings, net earnings per share or total assets.
- (6) The impact of dilutive effect of employee stock plans is calculated under the treasury stock method, and the impact of dilutive effect of the preferred stock is calculated under the if-converted method. For the six months ended April 30, 2026 and 2025; and for the three months ended January 31, 2026 and April 30, 2025, the effect of preferred stock is excluded as it would be anti-dilutive.

(7) For the six months ended April 30, 2026 and 2025; and for the three months ended January 31, 2026 and April 30, 2025, the diluted net EPS adjustment includes the impact to Non-GAAP net earnings attributable to HPE for the dilutive effect of preferred stock.

N/M - Not Meaningful.

## **Use of non-GAAP financial measures**

To supplement Hewlett Packard Enterprise's condensed consolidated financial statement information presented on a GAAP basis, Hewlett Packard Enterprise provides non-GAAP financial measures, non-GAAP gross profit, non-GAAP gross profit margin, non-GAAP operating profit (non-GAAP earnings from operations), non-GAAP operating profit margin (non-GAAP earnings from operations as a percentage of net revenue), non-GAAP income tax rate, non-GAAP net earnings attributable to HPE, non-GAAP net earnings attributable to common stockholders, non-GAAP diluted net earnings per share attributable to common stockholders, and FCF. Hewlett Packard Enterprise also provides, non-GAAP diluted net earnings per share, non-GAAP operating profit growth, and FCF.

These non-GAAP financial measures are not computed in accordance with, or as an alternative to, GAAP in the United States. The GAAP measure most directly comparable to non-GAAP gross profit is gross profit. The GAAP measure most directly comparable to non-GAAP gross profit margin is gross profit margin. The GAAP measure most directly comparable to non-GAAP operating profit (non-GAAP earnings from operations) is earnings from operations. The GAAP measure most directly comparable to non-GAAP operating profit margin (non-GAAP earnings from operations as a percentage of net revenue) is operating profit margin (earnings from operations as a percentage of net revenue). The GAAP measure most directly comparable to non-GAAP income tax rate is income tax rate. The GAAP measure most directly comparable to non-GAAP net earnings attributable to HPE and non-GAAP net earnings attributable to common stockholders is net earnings. The GAAP measure most directly comparable to non-GAAP diluted net earnings per share attributable to common stockholders is diluted net earnings per share attributable to common stockholders. The GAAP measure most directly comparable to FCF is cash flow from operations. Reconciliations of each of these non-GAAP financial measures to their most directly comparable GAAP measures for this quarter and prior periods are included in the tables above or elsewhere in the materials accompanying this news release.

## **Usefulness of non-GAAP financial measures to investors**

Hewlett Packard Enterprise believes that providing the non-GAAP financial measures stated above, in addition to the related GAAP measures provides investors with greater transparency to the information used by Hewlett Packard Enterprise's management in its financial and operational decision making and allows investors to see Hewlett Packard Enterprise's results "through the eyes" of management. Hewlett Packard Enterprise further believes that providing this information provides Hewlett Packard Enterprise's investors with a supplemental view to understand the Company's historical and prospective operating performance and to evaluate the efficacy of the methodology and information used by Hewlett Packard Enterprise's management to evaluate and measure such performance. Disclosure of these non-GAAP financial measures also facilitates the comparisons of Hewlett Packard Enterprise's operating performance with the performance of other companies in the same industry that supplement their GAAP results with non-GAAP financial measures that may be calculated in a similar manner.

## **Economic substance of and material limitations associated with non-GAAP financial measures used by Hewlett Packard Enterprise**

Non-GAAP gross profit and non-GAAP gross profit margin are defined to exclude charges related to the stock-based compensation expense, acquisition, disposition and other charges, severance costs associated with the cost reduction program, and H3C divestiture related severance costs. Non-GAAP operating profit (non-GAAP earnings from operations) and non-GAAP operating profit margin (non-GAAP earnings from operations as a percentage of net revenue) consist of earnings from operations or earnings from operations as a percentage of net revenue excluding the items mentioned above and charges relating to the amortization of intangible assets, and impairment charges. Non-GAAP net earnings, net earnings attributable to HPE and non-GAAP net earnings attributable to common stockholders and non-GAAP diluted net earnings per share attributable to common stockholders consist of net earnings or diluted net earnings per share excluding the charges previously stated, as well as gain on sale of a business, adjustments for equity interests, litigation judgments, gain or loss on equity investments, other adjustments, and adjustments for taxes. Non-GAAP net earnings attributable to HPE and non-GAAP diluted net earnings per share attributable to common stockholders includes preferred stock dividends added back to non-GAAP net earnings attributable to HPE. The Adjustments for taxes line item includes certain income tax valuation allowances and separation taxes, the impact of tax reform, structural rate adjustment, excess tax benefit from stock-based compensation, and adjustments for additional taxes or tax benefits associated with each non-GAAP item.

Hewlett Packard Enterprise believes that excluding the items mentioned above from the non-GAAP financial measures provides a supplemental view to management and investors of its consolidated financial performance and presents the financial results of the business without costs that Hewlett Packard Enterprise's management does not believe to be reflective of ongoing operating results. Exclusion of these items can have a material impact on the equivalent GAAP measure and cash flows thus limiting their use as analytical tools. These limitations are discussed below or elsewhere in the materials

accompanying this news release. More specifically, Hewlett Packard Enterprise's management excludes each of those items mentioned above for the following reasons:

- Stock-based compensation expense consists of equity awards granted based on the estimated fair value of those awards at grant date. Although stock-based compensation is a key incentive offered to employees, HPE excludes these charges for the purpose of calculating these non-GAAP measures, primarily because they are non-cash expenses, and the Company's internal benchmarking analyses evidence that many industry participants and peers present non-GAAP financial measures excluding stock-based compensation expense.
- HPE incurred costs related to its acquisition, disposition and other charges. Charges include expenses associated with acquisitions, non-cash amortization of fair value adjustment for inventory in connection with the acquisition of Juniper Networks, Inc., exit costs associated with disposal activities, transformation costs (credits), and disaster (recovery) charges. HPE excludes these costs because the Company's management considers these charges to be discrete events and does not believe they are reflective of normal continuing business operations. For the three and six months ended April 30, 2026 and January 31, 2026, acquisition charges were driven by costs associated with the acquisition of Juniper Networks and miscellaneous disposition related charges. For the three and six months ended April 30, 2025, acquisition charges were driven by costs associated with the pending acquisition of Juniper Networks and miscellaneous disposition related charges.
- We incurred severance and other charges pursuant to cost management initiatives. We exclude these charges because we do not believe they are reflective of normal continuing business operations. We believe eliminating these adjustments for the purposes of calculating non-GAAP measures facilitates the evaluation of our current operating performance.
- HPE incurred H3C divestiture related severance costs in connection with the disposition of issued share capital of H3C held by HPE. On September 4, 2024, HPE divested 30% of the total issued share capital of H3C and received proceeds of \$2.1 billion of pre-tax consideration (\$2.0 billion post-tax). The divestiture resulted in decreased future investment earnings and cash dividend inflows resulting in a decision to implement offsetting cost savings measures. These measures include severance for certain of the Company's employees. The non-GAAP adjustment represents our costs to execute these related exit actions to offset the loss in equity earnings and related cash flows. HPE expects future annualized cost savings of approximately \$120 million following the completion of these actions.
- HPE incurs charges relating to the amortization of intangible assets and excludes these charges for purposes of calculating these non-GAAP measures. Such charges are significantly impacted by the timing and magnitude of the Company's acquisitions. HPE excludes these charges for the purpose of calculating these non-GAAP measures, primarily because they are non-cash expenses and the Company's internal benchmarking analyses evidence that many industry participants and peers present non-GAAP financial measures excluding intangible asset amortization. Although this does not directly affect HPE's cash position, the loss in value of intangible assets over time can have a material impact on the equivalent GAAP earnings measure.
- In fiscal 2025, HPE recorded non-cash impairment charges for the goodwill associated with its Cloud & AI reporting unit and the impairment of certain fixed assets. HPE believes that these non-cash charges do not reflect the Company's operating results and is not indicative of the underlying performance of the business. HPE excludes these charges for purposes of calculating these non-GAAP measures to facilitate a supplemental evaluation of the Company's current operating performance and comparisons to past operating results. Although this does not directly affect the Company's cash position, the loss in value of goodwill over time can have a material impact on the equivalent GAAP earnings measure.
- Gain on sale of a business represents the gain associated with certain disposal activities. On December 1, 2024, HPE completed the disposition of the Company's Communication Technology Group which resulted in a gain of \$248 million. The Company's management considers this divestiture to be a discrete event and believes eliminating this adjustment for the purposes of calculating non-GAAP measures facilitates the evaluation of its current operating performance.
- As of April 30, 2026, HPE possessed a 19% equity interest in H3C, however, the Company entered into share purchase agreements to divest all of the remaining issued share capital of H3C held by HPE through its subsidiaries. Beginning in fiscal 2026, the Company stopped reporting H3C earnings in its non-GAAP results due to the planned divestiture of the H3C investment. In May 2026, the Company sold the remaining equity interest in H3C. The Company believes that eliminating these amounts for purposes of calculating non-GAAP financial measures facilitates the evaluation of its current operating performance.
- HPE excludes gains and losses (including impairments) on its non-marketable equity investments because the Company does not believe they are reflective of normal continuing business operations. These adjustments are reflected in Interest and other, net in the Condensed Consolidated Statements of Earnings. The Company believes

eliminating these adjustments for the purposes of calculating non-GAAP measures facilitates the evaluation of its current operating performance.

- Hewlett Packard Enterprise utilizes a structural long-term projected non-GAAP income tax rate in order to provide consistency across the interim reporting periods and to eliminate the effects of items not directly related to the Company's operating structure that can vary in size, frequency and timing. When projecting this long-term rate, HPE evaluated a three-year financial projection. The projected rate assumes no incremental acquisitions in the three-year projection period and considers other factors including the Company's expected tax structure, its tax positions in various jurisdictions and current impacts from key legislation implemented in major jurisdictions where HPE operates. For fiscal 2026, HPE will use a projected non-GAAP income tax rate of 14%, which reflects currently available information as well as other factors and assumptions. For fiscal 2025, HPE used a projected non-GAAP income tax rate of 15%. The non-GAAP income tax rate could be subject to change for a variety of reasons, including the rapidly evolving global tax environment, significant changes in the Company's geographic earnings mix including due to acquisition activity, or other changes to the Company's strategy or business operations. HPE will re-evaluate its long-term rate as appropriate. HPE believes that making these adjustments for purposes of calculating non-GAAP measures, facilitates a supplemental evaluation of the Company's current operating performance and comparisons to past operating results.
- FCF is defined as cash flow from operations, less net capital expenditures (investments in property, plant & equipment ("PP&E") and software assets less proceeds from the sale of PP&E), and adjusted for the effect of exchange rate fluctuations on cash, cash equivalents, and restricted cash. FCF does not represent the total increase or decrease in cash for the period. Hewlett Packard Enterprise's management and investors can use FCF for the purpose of determining the amount of cash available for investment in the Company's businesses, repurchasing stock and other purposes as well as evaluating its historical and prospective liquidity.

#### **Compensation for material limitations with use of non-GAAP financial measures**

These non-GAAP financial measures have limitations as analytical tools, and these measures should not be considered in isolation or as a substitute for analysis of Hewlett Packard Enterprise's results as reported under GAAP. Some of the limitations in relying on these non-GAAP financial measures are that they can have a material impact on the equivalent GAAP earnings measures and cash flows, they may be calculated differently by other companies (limiting the usefulness of those measures for comparative purposes) and may not reflect the full economic effect of the loss in value of certain assets. Hewlett Packard Enterprise compensates for these limitations on the use of non-GAAP financial measures by relying primarily on its GAAP results and using non-GAAP financial measures only as a supplement. Hewlett Packard Enterprise also provides a reconciliation of each non-GAAP financial measure to its most directly comparable GAAP financial measure for this quarter and prior periods within this news release and in other written materials that include these non-GAAP financial measures, and Hewlett Packard Enterprise encourages investors to review those reconciliations carefully.