



HPE reports Q4 results to close impressive fiscal 2023; raises dividend in fiscal 2024



"In fiscal year 2023, HPE clearly demonstrated that our strategic investments and extraordinary innovation across the growth areas of Edge, Hybrid Cloud, and AI are resonating with customers. We delivered record performance against key financial metrics this year. Our steady execution resulted in higher revenue, further margin expansion, larger operating profit, and record-breaking non-GAAP diluted net earnings per share and free cash flow. As we continue to capitalize on growing market opportunities—particularly as customer interest in AI continues to explode—I am confident in our ability to deliver substantial returns to our shareholders, hence why we are raising the dividend in FY 2024."

Antonio Neri
President & CEO

<div>Net revenue</div> <div>\$29.1 billion</div>	<div>Non-GAAP operating margin⁽¹⁾</div> <div>10.8%</div>	<div>Non-GAAP gross margin⁽¹⁾</div> <div>35.3%</div>	<div>Non-GAAP diluted net earnings per share⁽¹⁾⁽⁴⁾</div> <div>\$2.15</div>	<div>Free cash flow⁽¹⁾⁽²⁾</div> <div>\$2.2 billion</div>
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Key Points


- Third consecutive year of annual revenue⁽³⁾ growth and highest since FY 2019
- Largest annual gross margins and non-GAAP operating profit⁽¹⁾ in five years or more
- FY23 non-GAAP diluted net EPS⁽¹⁾⁽⁴⁾ and free cash flow⁽¹⁾⁽²⁾ were the highest in HPE's history
- Demand across our portfolio continued in FY23, with a significant uptick in recent quarters for accelerated computing infrastructure and services related to AI
- Q4 ARR⁽⁶⁾ of \$1.3 billion, up 37%⁽³⁾ from the prior-year period
- Raising quarterly dividend to 13 cents a share in Q1'FY24


HPE GreenLake Highlights

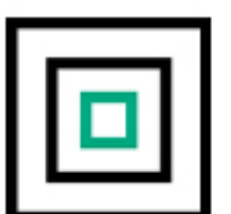
- As-a-service⁽⁶⁾ total contract value (TCV)⁽⁷⁾ of nearly \$13 billion
- FY23 as-a-service orders⁽⁶⁾ rise 23% y/y





Business Segments

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Compute: Offers both general purpose servers for multi-workload computing and workload optimized servers to deliver the best performance and value for demanding applications.
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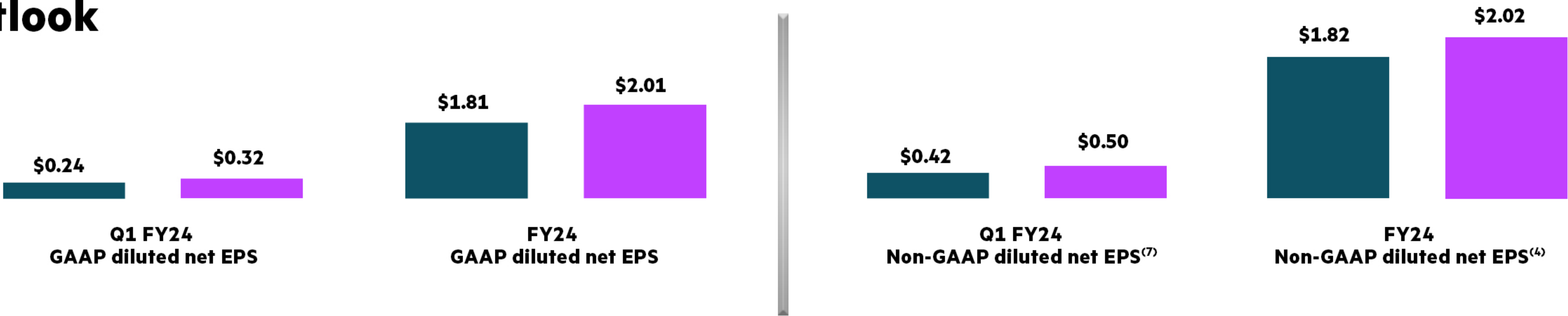
HPC & AI: Delivers standard and custom hardware, software, and data-management solutions designed to support supercomputers, high-performance compute, converged edge systems, and data-intensive workloads like data analytics and artificial intelligence applications.
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Storage: Offers storage as-a-service and cloud data services with portfolio offerings like primary storage, hyper-converged infrastructure, disaster and ransomware recovery, big data solutions, management offerings, and storage for unstructured data and analytics workloads, plus traditional tape, storage networking, and disk products.
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Intelligent Edge: Operates platforms and services at network edges, connecting devices and applications via Aruba solutions such as wired and wireless local area network, campus and data center switching, software-defined wide area networking, and network security.
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HPE Financial Services: Serves as the financial engine behind HPE’s offerings to provide financial solutions including leasing offers, asset management, and asset upcycling.

Outlook



- 1 - Reconciliation of specific adjustments to GAAP results for the current and prior periods and description of HPE’s use of non-GAAP financial information are included in the earnings presentation at <https://investors.hpe.com>.
- 2 - Free cash flow represents cash flow from operations, less net capital expenditures (investments in property, plant & equipment (“PP&E”) less proceeds from the sale of PP&E) and adjusted for the effect of exchange rate fluctuations on cash, cash equivalents, and restricted cash.
- 3 - In constant currency. A description of HPE’s use of non-GAAP financial information is provided in the earnings presentation at <https://investors.hpe.com>.
- 4 - FY23 non-GAAP diluted net EPS excludes after-tax costs of approximately \$0.61 per share primarily related to stock-based compensation expense, amortization of intangible assets, transformation costs, acquisition, disposition and other related charges, and adjustment for taxes.
- 5 - FY24 non-GAAP diluted net EPS excludes after-tax costs of approximately \$0.01 per share primarily related to stock-based compensation expense, amortization of intangible assets, transformation costs, acquisition, disposition and other related charges, structural tax rate adjustments, H3C income, and adjustments related to the sale of H3C.
- 6 - For definition of as-a-Service orders and ARR, please refer to the earnings presentation at <https://investors.hpe.com>.
- 7 - Total Contracted Value (TCV) represents the total value of one-time and recurring revenue for the period defined by the contract.
- 8 - Q124 non-GAAP diluted net EPS excludes after-tax costs of approximately \$0.18 per share, primarily related to stock-based compensation expense, amortization of intangible assets, H3C income, transformation costs and acquisition, disposition and other related charges.