



HPE delivered solid results in the quarter



"We delivered a solid performance, achieving yet another quarter of year-over-year revenue growth with strength in each of our product segments. In a very dynamic macro environment, we executed our strategy with discipline. We remain focused on bringing breakthrough innovation to our customers while increasing profitability and enhancing shareholder value."

Antonio Neri
President & CEO

Net revenue

\$7.6 billion

**Non-GAAP
operating margin⁽¹⁾**

8%

**Non-GAAP gross
margin⁽¹⁾**

29.4%

**Non-GAAP diluted
net earnings per
share⁽¹⁾**

\$0.38

Free cash flow⁽¹⁾⁽²⁾

\$(847) million

Key Points

- Fifth consecutive quarter of year-over-year revenue growth
- Year-over-year revenue growth in every product segment
- Non-GAAP diluted net EPS⁽¹⁾ of \$0.38, above the high-end of Q2 outlook
- Intelligent Edge: Product orders increased year-over-year for the third consecutive quarter
- Server: Enterprise customers comprised one-third of AI systems orders
- Hybrid Cloud: HPE Alletra portfolio revenue rose by high double-digits year-over-year
- Raising the low-end of our FY2025 non-GAAP diluted net EPS⁽⁵⁾ guidance by \$0.08

HPE GreenLake Cloud Highlights

- ↑ ARR⁽⁴⁾ grew **47%⁽³⁾** y/y to more than **\$2.2 billion**
- ↑ HPE GreenLake customer count now totals approximately 42,000



Business Segments



Server: Offers general purpose computing, workload-optimized servers and supercomputers as well as integrated systems of software and hardware for global customers engaging in artificial intelligence (AI), high performance computing (HPC), data analytics, simulation and transaction processing.



Hybrid Cloud: Provides hybrid cloud infrastructure, software, and management, including storage, private clouds, data protection, AIOps and data analytics for AI. The solutions are offered as a service through HPE GreenLake.

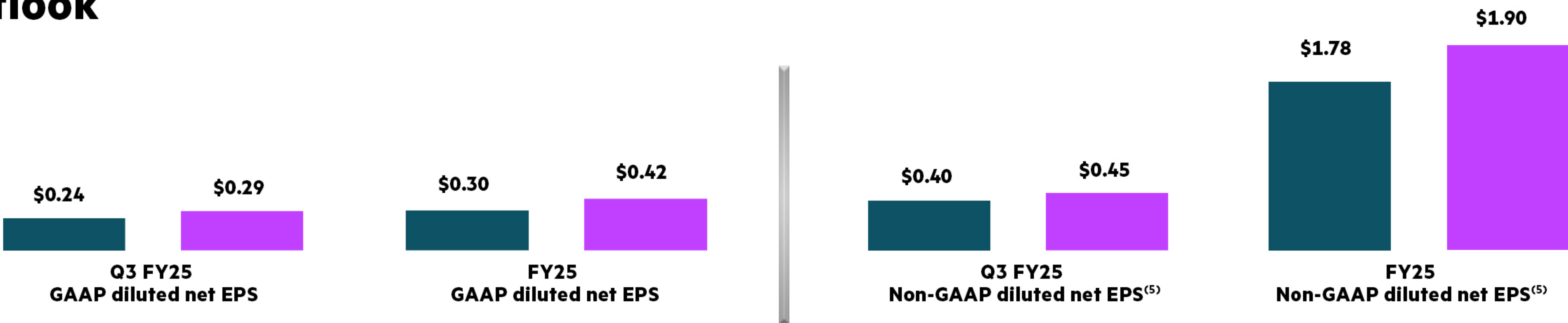


Intelligent Edge: Operates platforms and services at network edges, connecting devices and applications via HPE Aruba Networking solutions such as wired and wireless local area network, campus and data center switching, software-defined wide area networking, and network security.



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”), 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.

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 -

For definition of ARR, please refer to the earnings presentation at <https://investors.hpe.com>.

5 -

Q3 FY25 non-GAAP diluted net EPS estimate excludes net after-tax adjustments of approximately \$0.16 per diluted share primarily related to stock-based compensation expense, acquisition, disposition and other charges, the cost reduction program, and amortization of intangible assets. FY25 non-GAAP diluted net EPS estimate excludes net after-tax adjustments of approximately \$1.48 per diluted share, primarily related to impairment of goodwill, stock-based compensation expense, the cost reduction program, acquisition, disposition and other charges, amortization of intangible assets, and H3C divestiture related severance costs.