



# HPE REPORTS Q2 FY26 RESULTS

## Record quarter puts HPE two years ahead of fiscal 2028 long-term financial plan

### Key Operating and Financial Metrics:

Net revenue	Non-GAAP operating margin <sup>(1)</sup>	Non-GAAP gross margin <sup>(1)</sup>	Non-GAAP diluted net earnings per share <sup>(1)</sup>	Free cash flow <sup>(1)(2)</sup>
<b>\$10.7B</b>	<b>13.3%</b>	<b>36.9%</b>	<b>\$0.79</b>	<b>\$915M</b>

### Key Points:

- Record-breaking revenue, non-GAAP diluted net EPS<sup>(1)</sup>, and gross margin, reflecting strong Q2 execution and healthy customer demand
- Record orders backlog resulted from orders more than doubling year-over-year
- Updated FY26 outlook ranges for non-GAAP diluted net EPS<sup>(1)(4)</sup> and free cash flow<sup>(1)(2)(4)</sup> now project HPE will achieve its FY28 non-GAAP EPS and free cash flow commitments two years early
- Introducing FY27 growth framework<sup>(4)</sup> based on durable demand expectations
- **Networking:** Revenue increased from broad-based growth across the business; cumulative Networks for AI orders now expected to reach at least \$2 billion by FY26 end
- **Cloud & AI:** Revenue increased double digits year-over-year from exceptional demand for traditional servers and very strong demand for AI systems, Alletra MP storage, Private Cloud, and GreenLake software and services



“HPE delivered an exceptional quarter with record-breaking revenue, higher-than-anticipated profitability, and increased free cash flow, reflecting strong execution and healthy demand across the business. Customers continue to invest in modernizing their infrastructure and scaling AI, and our performance shows the strength of our combined networking portfolio and the value we are delivering to our shareholders.”

**Antonio Neri**  
President & CEO



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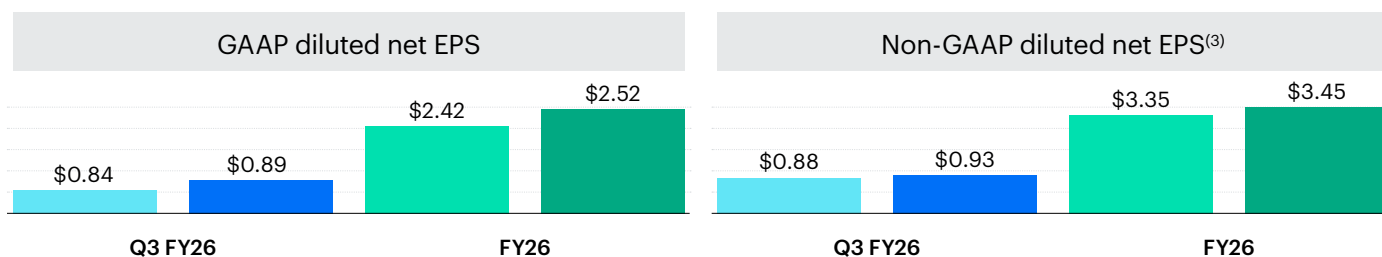
## HPE GreenLake Cloud Highlights:

- Approximately 50,000 HPE GreenLake customers
- Manages more than 6.7 million systems, up from 5.3 million a year ago

## Business Segments:

- **Cloud & AI:** Delivers compute, storage, cloud software, and professional and financial services to support AI, high-performance computing, data management and analytics, and mission-critical workloads. Includes general-purpose and workload-optimized servers, integrated systems, hybrid and cloud-native storage, alongside cloud software supporting AIOps, observability, data protection, virtualization, and cloud management, with flexible consumption, as-a-service, and financing solutions delivered through GreenLake.
- **Networking:** Provides AI-driven, AI-native networking and security solutions from the edge to the data center and cloud. Includes wired and wireless access, switching, routing, private cellular, network management and security software, and related professional services, supported by AI-native, cloud-based platforms that deliver real-time insights, automation, and assurance, such as Mist and Aruba Central and flexible consumption models.
- **Corporate Investments & Other:** Includes Advisory and Professional Services, which deliver consulting, implementation, and complex solution expertise, as well as select business and innovation groups such as Telco, Instant On, and Hewlett Packard Labs.

## Outlook Range:



1. Reconciliation of specific adjustments to GAAP results for the current and prior periods 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. Fiscal 2026 third quarter non-GAAP diluted net EPS estimate excludes net after-tax adjustments of approximately \$0.04 per diluted share, primarily related to amortization of intangible assets, stock-based compensation expense, acquisition, disposition and other charges, cost reduction program, and adjustments related to the sale of H3C. Fiscal 2026 non-GAAP diluted net EPS estimate excludes net after-tax adjustments of approximately \$0.93 per diluted share, primarily related to amortization of intangible assets, stock-based compensation expense, acquisition, disposition and other charges, cost reduction program, and adjustments related to the sale of H3C.
4. HPE provides certain guidance on a non-GAAP basis. In reliance on the exception provided by Item 10(e)(1)(i)(B) of Regulation S-K, HPE is unable to provide a reconciliation to the most directly comparable GAAP financial measure without unreasonable efforts, as the Company cannot predict some elements that are included in such directly comparable GAAP financial measure. These elements could have a material impact on the Company's reported GAAP results for the guidance period. Refer to the discussion of non-GAAP financial measures below for more information.