

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

For the three months ended

	April 30, 2025	January 31, 2025	April 30, 2024
	In millions, except per share amounts		
Net revenue	\$ 7,627	\$ 7,854	\$ 7,204
Costs and Expenses:			
Cost of sales (exclusive of amortization shown separately below)	5,458	5,559	4,828
Research and development	540	475	590
Selling, general and administrative	1,298	1,268	1,215
Amortization of intangible assets	37	38	67
Impairment of goodwill	1,361	—	—
Transformation (credit) costs	(13)	15	33
Acquisition, disposition and other charges	55	66	46
Total costs and expenses	8,736	7,421	6,779
(Loss) earnings from operations	(1,109)	433	425
Interest and other, net ⁽¹⁾	39	39	(22)
Gain on sale of a business	—	244	—
Earnings (loss) from equity interests	25	17	42
(Loss) earnings before provision for taxes	(1,045)	733	445
Provision for taxes	(5)	(106)	(131)
Net (loss) earnings attributable to HPE	(1,050)	627	314
Preferred stock dividends	(29)	(29)	—
Net (loss) earnings attributable to common stockholders	\$ (1,079)	\$ 598	\$ 314
Net (Loss) Earnings Per Share Attributable to Common Stockholders:			
Basic	\$ (0.82)	\$ 0.45	\$ 0.24
Diluted	(0.82)	0.44	0.24
Cash dividends declared per share	0.13	0.13	0.13
Cash dividends accrued per preferred share	\$ 0.95	\$ 0.95	\$ —
Weighted-average Shares Used to Compute Net (Loss) Earnings Per Share:			
Basic	1,322	1,316	1,311
Diluted	1,322	1,409	1,325

HEWLETT PACKARD ENTERPRISE COMPANY AND SUBSIDIARIES
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(Unaudited)

	For the six months ended	
	April 30, 2025	April 30, 2024
	In millions, except per share amounts	
Net revenue	\$ 15,481	\$ 13,959
Costs and Expenses:		
Cost of sales (exclusive of amortization shown separately below)	11,017	9,126
Research and development	1,015	1,172
Selling, general and administrative	2,566	2,431
Amortization of intangible assets	75	138
Impairment of goodwill	1,361	—
Acquisition, disposition and other charges	121	89
Total costs and expenses	<u>16,157</u>	<u>13,009</u>
(Loss) earnings from operations	(676)	950
Interest and other, net ⁽¹⁾	78	(110)
Gain on sale of a business	244	—
Earnings from equity interests	42	88
Loss (earnings) before provision for taxes	(312)	928
Provision for taxes	(111)	(227)
Net (loss) earnings attributable to HPE	(423)	701
Preferred stock dividends	(58)	—
Net (loss) earnings attributable to common stockholders	<u>\$ (481)</u>	<u>\$ 701</u>
Net (Loss) Earnings Per Share Per Share Attributable to Common Stockholders:		
Basic	\$ (0.36)	\$ 0.54
Diluted	(0.36)	0.53
Cash dividends declared per share	0.26	0.26
Cash dividends accrued per preferred share	\$ 1.91	\$ —
Weighted-average Shares Used to Compute Net (Loss) Earnings Per Share:		
Basic	1,319	1,306
Diluted	1,319	1,320

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

For the three months ended

	April 30, 2025	January 31, 2025	April 30, 2024
	Dollars in millions		
GAAP net revenue	\$ 7,627	\$ 7,854	\$ 7,204
GAAP cost of sales	5,458	5,559	4,828
GAAP gross profit	2,169	2,295	2,376
Non-GAAP Adjustments			
Stock-based compensation expense	13	17	14
Acquisition, disposition and other charges	—	(3)	(7)
Cost reduction program	46	—	—
H3C divestiture related severance costs	16	1	—
Non-GAAP gross profit	\$ 2,244	\$ 2,310	\$ 2,383
GAAP gross profit margin	28.4 %	29.2 %	33.0 %
Non-GAAP adjustments	1.0 %	0.2 %	0.1 %
Non-GAAP gross profit margin	29.4 %	29.4 %	33.1 %

For the six months ended

	April 30, 2025	April 30, 2024
	Dollars in millions	
GAAP net revenue	\$ 15,481	\$ 13,959
GAAP cost of sales	11,017	9,126
GAAP gross profit	4,464	4,833
Non-GAAP Adjustments		
Stock-based compensation expense	30	30
Acquisition, disposition and other charges	(3)	(32)
Cost reduction program	46	—
H3C divestiture related severance costs	17	—
Non-GAAP gross profit	\$ 4,554	\$ 4,831
GAAP gross profit margin	28.8 %	34.6 %
Non-GAAP adjustments	0.6 %	— %
Non-GAAP gross profit margin	29.4 %	34.6 %

	For the three months ended		
	April 30, 2025	January 31, 2025	April 30, 2024
	Dollars in millions		
GAAP (loss) earnings from operations	\$ (1,109)	\$ 433	\$ 425
Non-GAAP Adjustments			
Amortization of intangible assets	37	38	67
Impairment of goodwill	1,361	—	—
Transformation (credit) costs	(13)	15	33
Stock-based compensation expense	116	154	120
H3C divestiture related severance costs	20	77	—
Cost reduction program	146	—	—
Acquisition, disposition and other charges	55	63	39
Non-GAAP earnings from operations	<u>\$ 613</u>	<u>\$ 780</u>	<u>\$ 684</u>
GAAP operating profit margin	(14.5)%	5.5%	5.9 %
Non-GAAP adjustments	22.5 %	4.4 %	3.6 %
Non-GAAP operating profit margin	<u>8.0 %</u>	<u>9.9 %</u>	<u>9.5 %</u>

	For the six months ended	
	April 30, 2025	April 30, 2024
	Dollars in millions	
GAAP (loss) earnings from operations	\$ (676)	\$ 950
Non-GAAP Adjustments		
Amortization of intangible assets	75	138
Impairment of goodwill	1,361	—
Transformation costs	2	53
Stock-based compensation expense	270	261
H3C divestiture related severance costs	97	—
Cost reduction program	146	—
Acquisition, disposition and other charges	118	57
Non-GAAP earnings from operations	<u>\$ 1,393</u>	<u>\$ 1,459</u>
GAAP operating profit margin	(4.4)%	6.8 %
Non-GAAP adjustments	13.4 %	3.7 %
Non-GAAP operating profit margin	<u>9.0 %</u>	<u>10.5 %</u>

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

For the three months ended

	April 30, 2025	Diluted Net EPS	January 31, 2025	Diluted Net EPS	April 30, 2024	Diluted Net EPS
Dollars in millions, except per share amounts						
GAAP net (loss) earnings attributable to HPE	\$ (1,050)	\$ (0.82)	\$ 627	\$ 0.44	\$ 314	\$ 0.24
Non-GAAP Adjustments:						
Amortization of intangible assets	37	0.03	38	0.03	67	0.05
Impairment of goodwill	1,361	1.03	—	—	—	—
Transformation (credit) costs	(13)	(0.01)	15	0.01	33	0.03
Stock-based compensation expense	116	0.09	154	0.11	120	0.09
Gain on sale of a business	—	—	(244)	(0.17)	—	—
H3C divestiture related severance costs	20	0.02	77	0.05	—	—
Cost reduction program	146	0.11	—	—	—	—
Acquisition, disposition and other charges	55	0.04	63	0.04	39	0.03
Adjustments for equity interests	—	—	—	—	(42)	(0.03)
(Gain) loss on equity investments, net	(7)	(0.01)	(2)	—	—	—
Adjustments for taxes	(91)	(0.08)	(15)	—	31	0.02
Other adjustments ⁽²⁾	(29)	(0.02)	(29)	(0.02)	(1)	(0.01)
Non-GAAP net earnings attributable to HPE⁽³⁾	545	\$ 0.38	684	\$ 0.49	561	\$ 0.42
Preferred stock dividends	(29)		(29)		—	
Non-GAAP net earnings attributable to common stockholders	<u>\$ 516</u>		<u>\$ 655</u>		<u>\$ 561</u>	

For the six months ended

	April 30, 2025	Diluted Net EPS	April 30, 2024	Diluted Net EPS
Dollars in millions, except per share amounts				
GAAP net (loss) earnings attributable to HPE	\$ (423)	\$ (0.36)	\$ 701	\$ 0.53
Non-GAAP Adjustments:				
Amortization of intangible assets	75	0.06	138	0.10
Impairment of goodwill	1,361	1.03	—	—
Transformation costs	2	—	53	0.04
Stock-based compensation expense	270	0.20	261	0.20
Gain on sale of a business	(244)	(0.18)	—	—
H3C divestiture related severance costs	97	0.07	—	—
Cost reduction program	146	0.11	—	—
Acquisition, disposition and other related charges	118	0.08	57	0.05
Adjustments for equity interests	—	—	(88)	(0.07)
(Gain) loss on equity investments, net	(9)	(0.01)	61	0.05
Adjustments for taxes	(106)	(0.09)	15	0.01
Other adjustments ⁽²⁾	(58)	(0.04)	1	—
Non-GAAP net earnings attributable to HPE⁽³⁾	1,229	0.87	1,199	0.91
Preferred stock dividends	(58)		—	
Non-GAAP net earnings attributable to common stockholders	\$ 1,171		\$ 1,199	

For the three months ended

	April 30, 2025	January 31, 2025	April 30, 2024
In millions			
Net cash (used in) provided by operating activities	\$ (461)	\$ (390)	\$ 1,093
Investment in property, plant and equipment and software assets	(547)	(528)	(560)
Proceeds from sale of property, plant and equipment	80	84	122
Effect of exchange rate changes on cash, cash equivalents, and restricted cash	81	(43)	(45)
Free cash flow	\$ (847)	\$ (877)	\$ 610

For the six months ended

	April 30, 2025	April 30, 2024
In millions		
Net cash (used in) provided by operating activities	\$ (851)	\$ 1,157
Investment in property, plant and equipment and software assets	(1,075)	(1,216)
Proceeds from sale of property, plant and equipment	164	218
Effect of exchange rate changes on cash, cash equivalents, and restricted cash	38	(31)
Free cash flow	\$ (1,724)	\$ 128

HEWLETT PACKARD ENTERPRISE COMPANY AND SUBSIDIARIES
Condensed Consolidated Balance Sheets

As of	
April 30, 2025	October 31, 2024
(Unaudited)	(Audited)
In millions, except par value	

ASSETS

Current Assets:		
Cash and cash equivalents	\$ 11,667	\$ 14,846
Accounts receivable, net of allowances	3,899	3,550
Financing receivables, net of allowances	3,907	3,870
Inventory	8,096	7,810
Assets held for sale	—	1
Other current assets	4,002	3,380
Total current assets	31,571	33,457
Property, plant and equipment, net	5,407	5,664
Long-term financing receivables and other assets	12,674	12,616
Investments in equity interests	965	929
Goodwill and intangible assets	17,237	18,596
Total assets	\$ 67,854	\$ 71,262

LIABILITIES AND STOCKHOLDERS' EQUITY

Current Liabilities:		
Notes payable and short-term borrowings	\$ 5,152	\$ 4,742
Accounts payable	9,316	11,064
Employee compensation and benefits	1,055	1,356
Taxes on earnings	277	284
Deferred revenue	4,172	3,904
Accrued restructuring	39	61
Liabilities held for sale	—	32
Other accrued liabilities	4,527	4,530
Total current liabilities	24,538	25,973
Long-term debt	12,378	13,504
Other non-current liabilities	7,011	6,905
Commitments and Contingencies		
Stockholders' Equity		
HPE stockholders' Equity:		
7.625% Series C mandatory convertible preferred stock, \$0.01 par value (30 shares issued and outstanding as of April 30, 2025 and October 31, 2024, respectively)	—	—
Common stock, \$0.01 par value (9,600 shares authorized; 1,311 and 1,297 shares issued and outstanding as of April 30, 2025 and October 31, 2024, respectively)	13	13
Additional paid-in capital	29,840	29,848
Accumulated deficit	(2,892)	(2,068)
Accumulated other comprehensive loss	(3,094)	(2,977)
Total HPE stockholders' equity	23,867	24,816
Non-controlling interests	60	64
Total stockholders' equity	23,927	24,880
Total liabilities and stockholders' equity	\$ 67,854	\$ 71,262

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

	For the six months ended	
	April 30, 2025	April 30, 2024
	In millions	
Cash Flows from Operating Activities:		
Net (loss) earnings attributable to HPE	\$ (423)	\$ 701
Adjustments to Reconcile Net Earnings Attributable to HPE to Net Cash (Used in) Provided by Operating Activities:		
Depreciation and amortization	1,173	1,299
Impairment of goodwill	1,361	—
Stock-based compensation expense	270	261
Provision for inventory and credit losses	190	113
Restructuring (credit) charges	(13)	18
Cost reduction program	146	—
Deferred taxes on earnings	(43)	—
Earnings from equity interests	(42)	(88)
Gain on sale of a business	(244)	—
H3C divestiture related severance costs	97	—
Other, net	41	128
Changes in Operating Assets and Liabilities, Net of Acquisitions:		
Accounts receivable	(372)	(376)
Financing receivables	25	(327)
Inventory	(435)	(2,808)
Accounts payable	(1,698)	3,026
Taxes on earnings	(36)	95
Restructuring	(32)	(121)
Other assets and liabilities	(816)	(764)
Net cash (used in) provided by operating activities	<u>(851)</u>	<u>1,157</u>
Cash Flows from Investing Activities:		
Investment in property, plant and equipment and software assets	(1,075)	(1,216)
Proceeds from sale of property, plant and equipment	164	218
Purchases of investments	(1)	(16)
Proceeds from maturities and sales of investments	41	5
Financial collateral posted	(638)	(499)
Financial collateral received	287	401
Proceeds from divestiture	210	—
Net cash used in investing activities	<u>(1,012)</u>	<u>(1,107)</u>
Cash Flows from Financing Activities:		
Short-term borrowings with original maturities less than 90 days, net	(11)	(45)
Proceeds from debt, net of issuance costs	257	1,075
Payment of debt	(1,061)	(2,218)
Net payments related to stock-based award activities	(171)	(94)
Repurchases of common stock	(102)	(48)
Cash dividends paid to non-controlling interests, net of contributions	(8)	(8)
Cash dividends paid to preferred stockholders	(54)	—
Cash dividends paid to common stockholders	(342)	(338)
Net cash (used in) provided by financing activities	<u>(1,492)</u>	<u>(1,676)</u>
Effect of exchange rate changes on cash, cash equivalents, and restricted cash	38	(31)

Change in cash, cash equivalents and restricted cash	(3,317)	(1,657)
Cash, cash equivalents and restricted cash at beginning of period	15,105	4,581
Cash, cash equivalents and restricted cash at end of period	\$ 11,788	\$ 2,924

HEWLETT PACKARD ENTERPRISE COMPANY AND SUBSIDIARIES
Segment Information
(Unaudited)

	For the three months ended		
	April 30, 2025	January 31, 2025	April 30, 2024
In millions			
Net Revenue:			
Server ⁽⁴⁾	\$ 4,058	\$ 4,290	\$ 3,841
Hybrid Cloud ⁽⁴⁾	1,453	1,405	1,282
Intelligent Edge	1,162	1,146	1,086
Financial Services	856	873	867
Corporate Investments and other	194	197	252
Total segment net revenue	7,723	7,911	7,328
Elimination of intersegment net revenue	(96)	(57)	(124)
Total consolidated net revenue	\$ 7,627	\$ 7,854	\$ 7,204
Earnings Before Taxes:			
Server ⁽⁴⁾	\$ 241	\$ 348	\$ 423
Hybrid Cloud ⁽⁴⁾	78	99	13
Intelligent Edge	274	314	237
Financial Services	89	82	81
Corporate Investments and other	(10)	(2)	(9)
Total segment earnings from operations	672	841	745
Unallocated corporate costs and eliminations	(59)	(61)	(61)
Stock-based compensation expense	(116)	(154)	(120)
Amortization of intangible assets	(37)	(38)	(67)
Impairment of goodwill	(1,361)	—	—
Transformation credit (costs)	13	(15)	(33)
Gain on sale of a business	—	244	—
H3C divestiture related severance costs	(20)	(77)	—
Cost reduction program	(146)	—	—
Acquisition, disposition and other charges	(55)	(63)	(39)
Interest and other, net ⁽¹⁾	39	39	(22)
Earnings (loss) from equity interests	25	17	42
Total pretax (loss) earnings	\$ (1,045)	\$ 733	\$ 445

HEWLETT PACKARD ENTERPRISE COMPANY AND SUBSIDIARIES
Segment Information
(Unaudited)

	For the six months ended	
	April 30, 2025	April 30, 2024
	In millions	
Net Revenue:		
Server ⁽⁴⁾	\$ 8,348	\$ 7,168
Hybrid Cloud ⁽⁴⁾	2,858	2,555
Intelligent Edge	2,308	2,287
Financial Services	1,729	1,740
Corporate Investments and other	391	490
Total segment net revenue	15,634	14,240
Elimination of intersegment net revenue	(153)	(281)
Total consolidated net revenue	\$ 15,481	\$ 13,959
Earnings Before Taxes:		
Server ⁽⁴⁾	\$ 589	\$ 802
Hybrid Cloud ⁽⁴⁾	177	64
Intelligent Edge	588	590
Financial Services	171	155
Corporate Investments and other	(12)	(19)
Total segment earnings from operations	1,513	1,592
Unallocated corporate costs and eliminations	(120)	(133)
Stock-based compensation expense	(270)	(261)
Amortization of intangible assets	(75)	(138)
Impairment of goodwill	(1,361)	—
Transformation costs	(2)	(53)
Gain on sale of a business	244	—
H3C divestiture related severance costs	(97)	—
Cost reduction program	(146)	—
Acquisition, disposition and other charges	(118)	(57)
Interest and other, net ⁽¹⁾	78	(110)
Earnings from equity interests	42	88
Total pretax (loss) earnings	\$ (312)	\$ 928

HEWLETT PACKARD ENTERPRISE COMPANY AND SUBSIDIARIES
Segment Information
(Unaudited)

	For the three months ended			Change (%)	
	April 30, 2025	January 31, 2025	April 30, 2024	Q/Q	Y/Y
Dollars in millions					
Net Revenue:					
Server ⁽⁴⁾	\$ 4,058	\$ 4,290	\$ 3,841	(5%)	6%
Hybrid Cloud ⁽⁴⁾	1,453	1,405	1,282	3	13
Intelligent Edge	1,162	1,146	1,086	1	7
Financial Services	856	873	867	(2)	(1)
Corporate Investments and other	194	197	252	(2)	(23)
Total segment net revenue	7,723	7,911	7,328	(2)	5
Elimination of intersegment net revenue	(96)	(57)	(124)	68	(23)
Total consolidated net revenue	\$ 7,627	\$ 7,854	\$ 7,204	(3%)	6%

	For the six months ended		
	April 30, 2025	April 30, 2024	Y/Y
Dollars in millions			
Net Revenue:			
Server ⁽⁴⁾	\$ 8,348	\$ 7,168	17%
Hybrid Cloud ⁽⁴⁾	2,858	2,555	12
Intelligent Edge	2,308	2,287	1
Financial Services	1,729	1,740	(1)
Corporate Investments and other	391	490	(20)
Total segment net revenue	15,634	14,240	10
Elimination of intersegment net revenue	(153)	(281)	(46)
Total consolidated net revenue	\$ 15,481	\$ 13,959	11%

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, 2025	January 31, 2025	April 30, 2024	Q/Q	Y/Y
Segment Operating Profit Margin:					
Server ⁽⁴⁾	5.9 %	8.1 %	11.0 %	(2.2)	(5.1)
Hybrid Cloud ⁽⁴⁾	5.4 %	7.0 %	1.0 %	(1.6)	4.4
Intelligent Edge	23.6 %	27.4 %	21.8 %	(3.8)	1.8
Financial Services	10.4 %	9.4 %	9.3 %	1.0	1.1
Corporate Investments and other	(5.2%)	(1.0%)	(3.6%)	(4.2)	(1.6)
Total segment operating profit margin	8.7 %	10.6 %	10.2 %	(1.9)	(1.5)

	For the six months ended		Change in operating profit margin (pts)
	April 30, 2025	April 30, 2024	Y/Y
Segment Operating Profit Margin:			
Server ⁽⁴⁾	7.1 %	11.2 %	(4.1)
Hybrid Cloud ⁽⁴⁾	6.2 %	2.5 %	3.7
Intelligent Edge	25.5 %	25.8 %	(0.3)
Financial Services	9.9%	8.9%	1.0
Corporate Investments and other	(3.1 %)	(3.9 %)	0.8
Total segment operating profit margin	9.7 %	11.2 %	(1.5)

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

	For the three months ended		
	April 30, 2025	January 31, 2025	April 30, 2024
In millions, except per share amounts			
Numerator:			
GAAP net (losses) earnings attributable to common stockholders - Basic	\$ (1,079)	\$ 598	\$ 314
Plus: 7.625% Series C mandatory convertible preferred stock dividends	—	29	—
GAAP net earnings attributable to HPE - Diluted	<u>\$ (1,079)</u>	<u>\$ 627</u>	<u>\$ 314</u>
Non-GAAP net earnings attributable to common stockholders - Basic	\$ 516	\$ 655	\$ 561
Plus: 7.625% Series C mandatory convertible preferred stock dividends	29	29	—
Non-GAAP net earnings attributable to HPE - Diluted	<u>\$ 545</u>	<u>\$ 684</u>	<u>\$ 561</u>
Denominator:			
GAAP Weighted-average shares used to compute basic net EPS	1,322	1,316	1,311
Dilutive effect of employee stock plans ⁽⁵⁾	—	17	14
Dilutive effect of 7.625% Series C mandatory convertible preferred stock ⁽⁵⁾	—	76	—
GAAP Weighted-average shares used to compute diluted net EPS	<u>1,322</u>	<u>1,409</u>	<u>1,325</u>
Non-GAAP Weighted-average shares used to compute basic net EPS	1,322	1,316	1,311
Dilutive effect of employee stock plans ⁽⁵⁾	10	17	14
Dilutive effect of 7.625% Series C mandatory convertible preferred stock ⁽⁵⁾	87	76	—
Non-GAAP Weighted-average shares used to compute diluted net EPS	<u>1,419</u>	<u>1,409</u>	<u>1,325</u>
GAAP Net (loss) Earnings Per Share			
Basic	\$ (0.82)	\$ 0.45	\$ 0.24
Diluted	\$ (0.82)	\$ 0.44	\$ 0.24
Non-GAAP Net EPS			
Basic	\$ 0.39	\$ 0.50	\$ 0.43
Diluted ⁽³⁾	\$ 0.38	\$ 0.49	\$ 0.42

	For the six months ended	
	April 30, 2025	April 30, 2024
In millions, except per share amounts		
Numerator:		
GAAP net earnings attributable to common stockholders - Basic	\$ (481)	\$ 701
Plus: 7.625% Series C mandatory convertible preferred stock dividends	—	—
GAAP net earnings attributable to HPE - Diluted	\$ (481)	\$ 701
Non-GAAP net earnings attributable to common stockholders - Basic		
Non-GAAP net earnings attributable to common stockholders - Basic	\$ 1,171	\$ 1,199
Plus: 7.625% Series C mandatory convertible preferred stock dividends	58	—
Non-GAAP net earnings attributable to HPE - Diluted	\$ 1,229	\$ 1,199
Denominator:		
Weighted-average shares used to compute basic net EPS	1,319	1,306
Dilutive effect of employee stock plans ⁽⁵⁾	—	14
Dilutive effect of 7.625% Series C mandatory convertible preferred stock ⁽⁵⁾	—	—
Weighted-average shares used to compute diluted net EPS	1,319	1,320
Denominator(Non-GAAP):		
Weighted-average shares used to compute basic net EPS	1,319	1,306
Dilutive effect of employee stock plans ⁽⁵⁾	14	14
Dilutive effect of 7.625% Series C mandatory convertible preferred stock ⁽⁵⁾	76	—
Weighted-average shares used to compute diluted net EPS	1,409	1,320
GAAP Net EPS		
Basic	\$ (0.36)	\$ 0.54
Diluted	\$ (0.36)	\$ 0.53
Non-GAAP Net EPS		
Basic	\$ 0.89	\$ 0.92
Diluted ⁽³⁾	\$ 0.87	\$ 0.91

(1) Interest and other, net includes tax indemnification and other adjustments, non-service net periodic benefit credit, and interest and other, net.

(2) Other adjustments includes non-service net periodic benefit credit and tax indemnification and other adjustments.

(3) 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.

(4) Effective at the beginning of the first quarter of fiscal 2025, in order to align its segment financial reporting more closely with its current business structure, HPE implemented an organizational change with the transfer of certain managed services, previously reported within the Server reportable segment, to the Hybrid Cloud reportable segment.

(5) 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. The effect of employee stock plans and preferred stock is excluded when calculating diluted net loss per share as it would be anti-dilutive.

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 including revenue on a constant currency basis (including at the business segment level), 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 forecasts of revenue growth on a constant currency basis, 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 net revenue on a constant currency basis is net revenue. 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

Net revenue on a constant currency basis assumes no change to the foreign exchange rate utilized in the comparable prior-year period. This measure assists investors with evaluating the Company's past and future performance, without the impact of foreign exchange rates, as more than half of our revenue is generated outside of the U.S. 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, impairment of goodwill, and transformation (credit) costs. 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, 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, disposal activities, 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, 2025, acquisition charges were driven by costs associated with the proposed acquisition of Juniper Networks and miscellaneous disposition related charges. For the three months ended January 31, 2025, these charges were driven by costs associated with the proposed acquisition of Juniper Networks and the acquisition of Morpheus Data, in addition to prior acquisitions of Axis, Athonet and OpsRamp. For the three and six months ended April 30, 2024, acquisition charges were driven by the proposed acquisition of Juniper Networks, in addition to prior acquisitions of Axis and Athonet.
- 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 total issued share capital of H3C. 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 the second quarter of fiscal 2025, HPE recorded a non-cash impairment charge for the goodwill associated with its Hybrid Cloud reporting unit. HPE believes that this non-cash charge does 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 more meaningful evaluation of HPE's current operating performance and comparisons to HPE's operating performance in other periods. 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.
- Transformation (credit) costs represent net costs related to the (i) HPE Next Plan and (ii) Cost Optimization and Prioritization Plan. HPE excludes these costs as they are discrete costs related to two specific transformation programs that were announced in 2017 and 2020, respectively, as multi-year programs necessary to transform the business and IT infrastructure. The primary elements of the HPE Next and the Cost Optimization and Prioritization Plan have been substantially completed by October 31, 2024. The exclusion of the transformation program cost from the non-GAAP financial measures as stated above, is to provide a supplemental measure of the Company's operating results that do not include material HPE Next Plan and Cost Optimization and Prioritization Plan costs as the Company's management does not believe such costs to be reflective of its ongoing operating cost structure.
- 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 \$244 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.

- During the six months ended April 30, 2024, HPE stopped reporting H3C earnings in the Company's non-GAAP results due to the planned divestiture of the H3C investment. Per the terms of the original Put Share Purchase Agreement described in Note 19 "Equity Interests" to the Consolidated Financial Statements in Item 8 of Part II of the Company's Annual Report on Form 10-K for the fiscal year ended October 31, 2024, the Company was not anticipating receiving dividends from this investment prospectively. However, on May 24, 2024, HPE entered into an Amended and Restated Put Share Purchase Agreement and an Agreement on Subsequent Arrangements, both with UNIS, revised the arrangements governing the aforementioned sale as previously set forth in the original Put Share Purchase Agreement. On September 4, 2024, HPE divested 30% of the total issued share capital of H3C. HPE continues to possess the option to sell the remaining 19% of the total issued share capital of H3C at a later date. The Company's management believes that eliminating these amounts for purposes of calculating non-GAAP financial measures facilitates the evaluation of the Company's 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 and frequency. 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 2025, the Company will use a projected non-GAAP income tax rate of 15%, which reflects currently available information as well as other factors and assumptions. 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. For fiscal 2024, HPE had a non-GAAP tax rate of 15%. 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.