HPE REPORTS Q3 FY25 RESULTS

Delivers record revenue with sequential profitability growth

"HPE delivered record-breaking revenue and improved profitability this quarter as we marked a major milestone by closing our acquisition of Juniper Networks. Customer demand stretched broadly across our portfolio and was particularly strong in our Server and Networking segments. As we enter a new chapter at HPE, we are focused on capturing the tremendous market opportunity through execution that delivers strong, consistent shareholder value."

Antonio Neri
President & CEO

Net revenue	Non-GAAP operating margin[1]	Non-GAAP gross margin[1]	Non-GAAP diluted net earnings per share[1]	Free cash flow[1][2]
$9.1 BILLION	8.5%	29.9%	$0.44	$790 MILLION

Key Points

- Delivered record revenue, with year-over-year revenue growth in HPE's three largest business segments
- Increased operating profit sequentially across Networking, Server, and Hybrid Cloud segments
- Closed Juniper Networks acquisition in Q3; expect to achieve at least $600 million in cost synergies over the next 3 years
- Newly combined Networking segment accounted for nearly 50% of overall non-GAAP operating profit
- Drove record Server revenue of $4.9 billion through AI backlog conversion and traditional server demand
- Achieved fourth consecutive quarter of year-over-year Hybrid Cloud revenue growth

HPE GreenLake Cloud Highlights

- ARR[4] grew **75%[3]** y/y to more than **$3 billion**
- HPE GreenLake customer count now totals approximately 44,000

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Business Segments

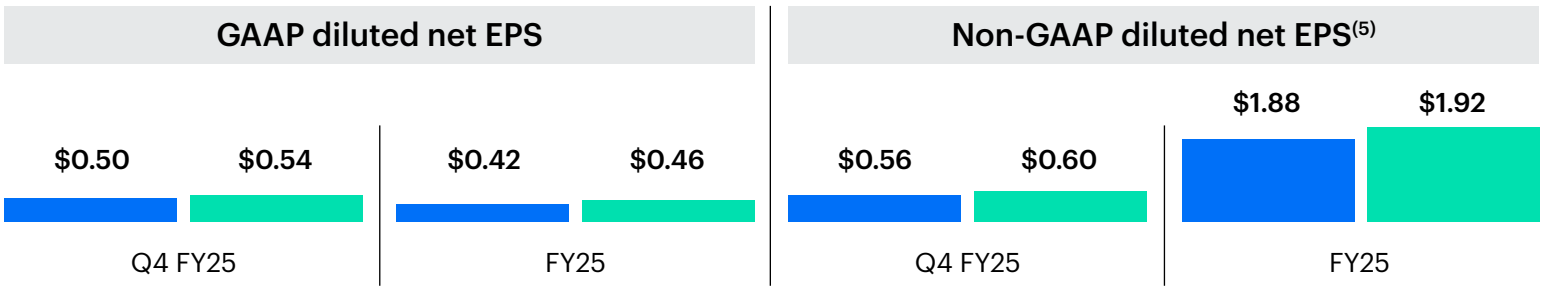
Networking: Delivers the infrastructure and management solutions for secure connectivity across users, devices, and applications, such as wired and wireless local area networks, campus and branch solutions, data center networking, routing infrastructure solutions, software-defined wide area networking, and network security. The Networking segment was renamed from Intelligent Edge to more precisely reflect the business and the market of this segment.

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.

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 Range



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. Q4 FY25 non-GAAP diluted net EPS estimate excludes net after-tax adjustments of approximately $0.06 per diluted share, primarily related to acquisition, disposition and other charges, stock-based compensation expense, and cost reduction program, partially offset by tax adjustments. FY25 non-GAAP diluted net EPS estimate excludes net after-tax adjustments of approximately $1.46 per diluted share, primarily related to impairment of goodwill, acquisition, disposition and other charges, stock-based compensation expense, and cost reduction program, partially offset by tax adjustments and the gain from the disposition of the Communications Technology Group.