



Exceptional Q4 drives full-year revenue and EPS outperformance with strong cash flow



"HPE delivered an exceptional fourth quarter with record quarterly revenue, capping off a strong FY 2024. We exceeded our full-year commitments for revenue, EPS, and free cash flow. Our differentiated portfolio across hybrid cloud, AI, and networking, which will be further enhanced with the pending Juniper Networks acquisition, positions us well to capitalize on the market opportunity, accelerating value for our shareholders."

Antonio Neri
President & CEO

Net revenue

\$8.5 billion

Non-GAAP operating margin⁽¹⁾

11.1%

Non-GAAP gross margin⁽¹⁾

30.9%

Non-GAAP diluted net earnings per share⁽¹⁾

\$0.58

Free cash flow⁽¹⁾⁽²⁾

\$1.5 billion

Key Points

- ⦿ **Highest quarterly revenue ever**, up 15%⁽³⁾ year-over-year, which contributed to 3.3%⁽³⁾ annual revenue growth rate in FY24 to \$30.1 billion overall
- ⦿ **Exceeded full-year guidance** for revenue, EPS, and free cash flow⁽²⁾
- ⦿ **Quarterly AI systems revenue rose** 16%⁽³⁾ to \$1.5 billion
- ⦿ **Server revenue rose** sequentially for the quarter to \$4.7 billion, representing the **third consecutive quarter of double-digit year-over-year growth**
- ⦿ **Record quarterly non-GAAP operating profit⁽¹⁾** of \$938 million

HPE GreenLake Cloud Highlights

- ↑ ARR⁽⁴⁾ grew **48%⁽³⁾** y/y to more than **\$1.9 billion**
- ↑ HPE GreenLake gained approximately **2,000 customer organizations** in Q4, ending the year with 39,000 unique customers
- ↑ Strong demand for HPE GreenLake helped drive HPE Financial Services financing volumes to an all-time high of \$2.1 billion in Q4



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.

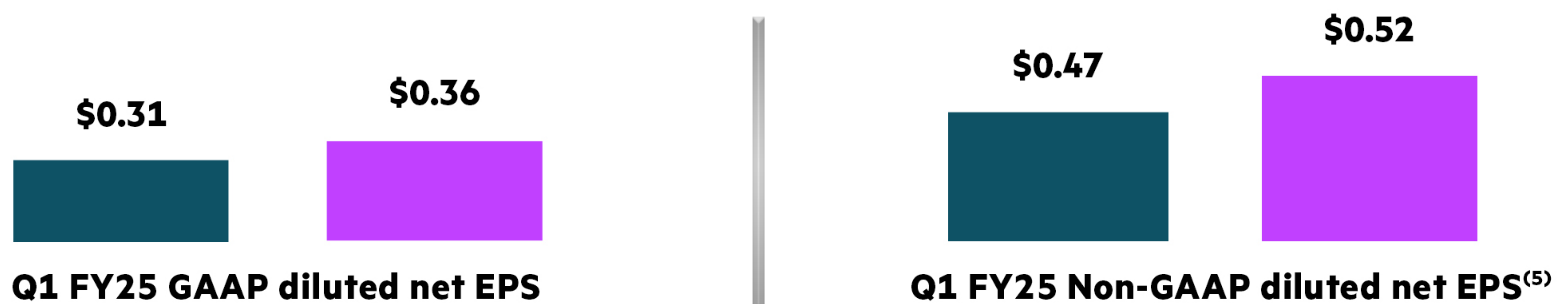


Intelligent Edge: Operates platforms and services at network edges, connecting devices and applications via HPE Aruba Networking solutions such as wired and wireless local area network, campus and data center switching, software-defined wide area networking, and network security.



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 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 - Q1 FY25 non-GAAP diluted net EPS excludes net after-tax adjustments of \$0.16 per diluted share primarily related to stock-based compensation, acquisition, disposition and other related charges and amortization of intangible assets.