



HPE Q1 FY24

Earnings Announcement

February 29, 2024

<http://www.investors.hpe.com>

Forward-looking statements

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Risks, uncertainties, and assumptions include the need to address the many challenges facing Hewlett Packard Enterprise’s businesses; the competitive pressures faced by Hewlett Packard Enterprise’s businesses; risks associated with executing Hewlett Packard Enterprise’s strategy; the impact of macroeconomic and geopolitical trends and events, including but not limited to supply chain constraints, the use and development of artificial intelligence, the inflationary environment, the ongoing conflicts between Russia and Ukraine and in the Middle East, and the relationship between China and the U.S.; the need to effectively manage third-party suppliers and distribute Hewlett Packard Enterprise’s products and services; the protection of Hewlett Packard Enterprise’s intellectual property assets, including intellectual property licensed from third parties and intellectual property shared with its former parent; risks associated with Hewlett Packard Enterprise’s international operations (including from public health crises, such as pandemics or epidemics, and geopolitical events, such as those mentioned above); the development and transition of new products and services and the enhancement of existing products and services to meet customer needs and respond to emerging technological trends (including the desirability of a unified hybrid-cloud offering); the execution of Hewlett Packard Enterprise’s transformation and mix shift of its portfolio of offerings, the execution and performance of contracts by Hewlett Packard Enterprise and its suppliers, customers, clients, and partners, including any impact thereon resulting from macroeconomic or geopolitical events such as those mentioned above; the prospect of a shutdown of the U.S. federal government; the hiring and retention of key employees; the execution, consummation, integration, and other risks associated with business combination, disposition, and investment transactions, including but not limited to the risks associated with the completion of our proposed acquisition of Juniper Networks, Inc. and our ability to integrate and implement our plans, forecasts, and other expectations with respect to the consolidated business; the impact of changes to privacy, cybersecurity, environmental, global trade, and other governmental regulations; changes in our product, lease, intellectual property, or real estate portfolio; the payment or non-payment of a dividend for any period; the efficacy of using non-GAAP, rather than GAAP, financial measures in business projections and planning; the judgments required in connection with determining revenue recognition; impact of company policies and related compliance; utility of segment realignments; allowances for recovery of receivables and warranty obligations; provisions for, and resolution of pending investigations, claims, and disputes; the impacts of tax law changes and related guidance or regulations; and other risks that are described in Hewlett Packard Enterprise’s Annual Report on Form 10-K for the fiscal year ended October 31, 2023, subsequent Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and in other filings made by Hewlett Packard Enterprise from time to time with the Securities and Exchange Commission.

As in prior periods, the financial information set forth in this presentation, including tax-related items, reflects estimates based on information available at this time. While Hewlett Packard Enterprise believes these estimates to be reasonable, these amounts could differ materially from reported amounts in the Hewlett Packard Enterprise’s filings made with the Securities and Exchange Commission. Hewlett Packard Enterprise assumes no obligation and does not intend to update these forward-looking statements, except as required by applicable law.

Use of non-GAAP financial information

HPE's management uses net revenue on a constant currency basis, including at the business segment level as more than half of HPE's revenue is generated outside of the U.S., non-GAAP gross profit, non-GAAP gross profit margin, non-GAAP operating profit, non-GAAP operating profit margin (non-GAAP operating profit as a percentage of revenue), non-GAAP income tax rate, non-GAAP net earnings, and non-GAAP diluted net earnings per share, to evaluate and forecast HPE's performance before gains, losses or other charges that are considered by HPE's management to be outside of HPE's operating results. Cash flow from operations and free cash flow, excluding litigation judgement, net of taxes paid are liquidity measures that provide useful information to management about the amount of cash available for investments in HPE's businesses, funding acquisitions, repurchasing stock and other purposes.

We believe that providing these non-GAAP financial measures, in addition to the related GAAP measures, provides investors with greater transparency to the information used by HPE's management in its financial and operational decision-making and allows investors to see HPE's results "through the eyes" of management. We further believe that providing this information provides investors with a supplemental view to understand our historical and prospective operating performance and to evaluate the efficacy of the methodology and information used by management to evaluate and measure such performance. Disclosure of these non-GAAP financial measures also facilitates the comparison of HPE's operating performance with performance of other companies in HPE's industry that supplement their GAAP results with non-GAAP financial measures that may be calculated in a similar manner.

These non-GAAP financial measures may have limitations as analytical tools, and these measures should not be considered in isolation or as a substitute for analysis of HPE's results as reported under GAAP. For example, items such as amortization of initial direct costs, stock-based compensation, and disaster charges (recovery) that are excluded from non-GAAP gross profit and non-GAAP gross profit margin can have a material impact on the equivalent GAAP earnings measure and cash flow. Items such as amortization of intangible assets, though not directly affecting HPE's cash position, represent the loss in value of intangible assets over time. The expense associated with this loss in value is not included in non-GAAP operating profit, non-GAAP operating profit margin, non-GAAP income tax rate, non-GAAP net earnings, or non-GAAP diluted net earnings per share, and therefore does not reflect the full economic effect of the loss in value of those intangible assets. In addition, items such as transformation costs, acquisition, disposition and other related charges (recovery), and goodwill impairment that are excluded from non-GAAP operating profit, non-GAAP operating profit margin, non-GAAP income tax rate, non-GAAP net earnings, and non-GAAP diluted net earnings per share can have a material impact on the equivalent GAAP earnings measures and cash flow. Items such as, adjustment to non-service net periodic benefit cost/credit, litigation judgment, tax indemnification and related adjustments, early debt redemption costs, earnings from equity interests, and loss on investments net that are excluded from non-GAAP income tax rate, non-GAAP net earnings, and non-GAAP diluted net earnings per share can have a material impact on the equivalent GAAP earnings measure and cash flow. Items such as excess tax benefits from stock-based compensation, structural rate adjustment and the related tax impact from other non-GAAP measures that are excluded from the non-GAAP income tax rate, non-GAAP net earnings, and non-GAAP diluted net earnings per share can also have a material impact on the equivalent GAAP earnings measures and cash flow. In addition, free cash flow does not represent the total increase or decrease in cash for the period.

Some of the limitations in relying on these non-GAAP financial measures are that they may be calculated differently by other companies, limiting the usefulness of those measures for comparative purposes, can differ materially from the comparable GAAP measures due to exclusion of items mentioned above and may not reflect the full economic effect of the loss in value of certain assets. We compensate for the limitations on our use of these non-GAAP financial measures by relying primarily on our GAAP financial statements and using non-GAAP financial measures only as a supplemental. We also provide robust and detailed reconciliations of each non-GAAP financial measure to the most directly comparable GAAP measure, and we encourage investors to review those reconciliations carefully.

HPE provides certain forward-looking guidance on a non-GAAP basis only. Hewlett Packard Enterprise 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.



Advancing our long-term strategy in a dynamic environment

Mixed Q1 performance

- Revenue declined Y/Y due to tougher compares, slowing campus networking demand, GPU supply availability, and timing of several large AI system acceptances
- aaS recurring revenue continued to scale rapidly, with near-record quarterly Y/Y ARR growth
- Profitability outpaced our expectations due to mix shift and strong cost management

Executing with discipline

- Prudently managing costs
- Digitization and automation of key company processes with AI adoption in key focused areas
- Accelerating pivot to specialized sales in key segments & geographies

Right strategy

- Positioned to capture the explosion of AI and the continued opportunities in hybrid cloud and edge
- Delivering differentiated AI offering with unique IP
- Gaining momentum with the HPE GreenLake hybrid cloud platform that now serves 31,000+ customers



HPE AI innovation accelerating customers' business outcomes



Expanded NVIDIA collaboration with full-stack, pre-configured AI tuning and inferencing solution, including HPE software and infrastructure



Announced expanded HPE GreenLake for File Storage solution designed for GenAI



HPE is the edge-to-cloud company

Investment thesis

Capturing the shift to cloud-native offerings and the explosion of AI through our differentiated portfolio

Driving our portfolio mix to higher growth, higher margin, as-a-service revenue

Executing with strong operating discipline which is delivering higher gross and operating margins

Balancing long-term growth in revenue, non-GAAP diluted net EPS¹ and FCF^{1,2} with consistent shareholder returns

1. A description of HPE's use of non-GAAP financial information is provided at the end of the presentation. Hewlett Packard Enterprise provides certain guidance on a non-GAAP basis, as the Company cannot predict some elements that are included in reported GAAP results. Refer to the discussion of non-GAAP financial measures at the beginning of the presentation for more information.

2. For the definition of free cash flow see slide 37

Q1 FY24 financial highlights

- Net revenue of **\$6.8 billion** is down 14%¹ from the prior-year period, down 8%¹ sequentially and below our outlook range of \$6.9 to \$7.3 billion
- ARR² of **\$1.4 billion**, up 41%¹ from the prior-year period and up 9%¹ sequentially
- Non-GAAP gross margin³ of **36.2%** was up 2.0 pts from the prior-year period and up 1.4 pts sequentially
- Non-GAAP operating profit³ of **\$775 million** was down 16% from the prior-year period and up 9% sequentially
- GAAP diluted net earnings per share of **\$0.29**, down \$0.09 from the prior-year period
- Non-GAAP diluted net earnings per share³ of **\$0.48**, down \$0.15 from the prior-year period
- Cash flow from operations of **\$64 million** and free cash flow^{3,4} of **(\$482) million**
- Returned **\$172 million** to shareholders in Q1 in the form of dividends and share repurchases
 - Declared Q2 dividend of \$0.13 per share payable on April 12, 2024

1. In constant currency. A description of HPE's use of non-GAAP financial information is provided on the slide titled "Use of non-GAAP financial information"

2. For definition of ARR, please refer to footnote on slide 11

3. A reconciliation of specific adjustments to GAAP results for the current and prior periods are included in the "GAAP to Non-GAAP Bridges" section.

4. For the definition of free cash flow see slide 37

Q1 FY24 business segment results

	Net Revenue (in millions)	Year-over-Year Revenue Growth ¹	Operating Profit \$ (in millions)	Operating Profit % Revenue	Year-over-Year change in OP % Revenue
Server	\$3,352	(23%)	\$383	11.4%	(4.3) pts
Intelligent Edge	\$1,201	2%	\$353	29.4%	10.0 pts
Hybrid Cloud	\$1,248	(10%)	\$47	3.8%	(2.0) pts
HPEFS	\$873	(2%)	\$74	8.5%	1.3 pts
Corp. Inv. and Other	\$238	1%	(\$10)	(4.2%)	5.2 pts
Hewlett Packard Enterprise²	\$6,755	(14%)	\$775³	11.5%³	(0.3) pts³

1. In constant currency. A description of HPE's use of non-GAAP financial information is provided on the slide titled "Use of non-GAAP financial information"

2. Includes adjustments for unallocated corporate costs and eliminations, managed only at the HPE corporate level, all of which are not included in these segment results

3. The Hewlett Packard Enterprise Operating Profit (OP) shown above is a non-GAAP measure, which is reconciled to our GAAP OP on slide 38. HPE OP as a percentage of net revenue and year-over-year change in OP as a percentage of revenue were calculated using non-GAAP OP. A description of HPE's use of non-GAAP financial information is provided on the slide titled "Use of non-GAAP financial information."

HPE is capturing the AI server demand explosion

~25%

APU¹ percentage² of Total Server Orders since Q1'23

Cumulative APU¹ orders since Q1'23³



1. Accelerated processing units (“APU”) includes all GPU-based products
2. Percentage includes APU product orders
3. Cumulative APU orders include product and services orders. Such orders can be adjusted for customer re-bookings, which are difficult to predict and may alter timing of order recognition.

HPE's strategy continues to drive gross margin expansion

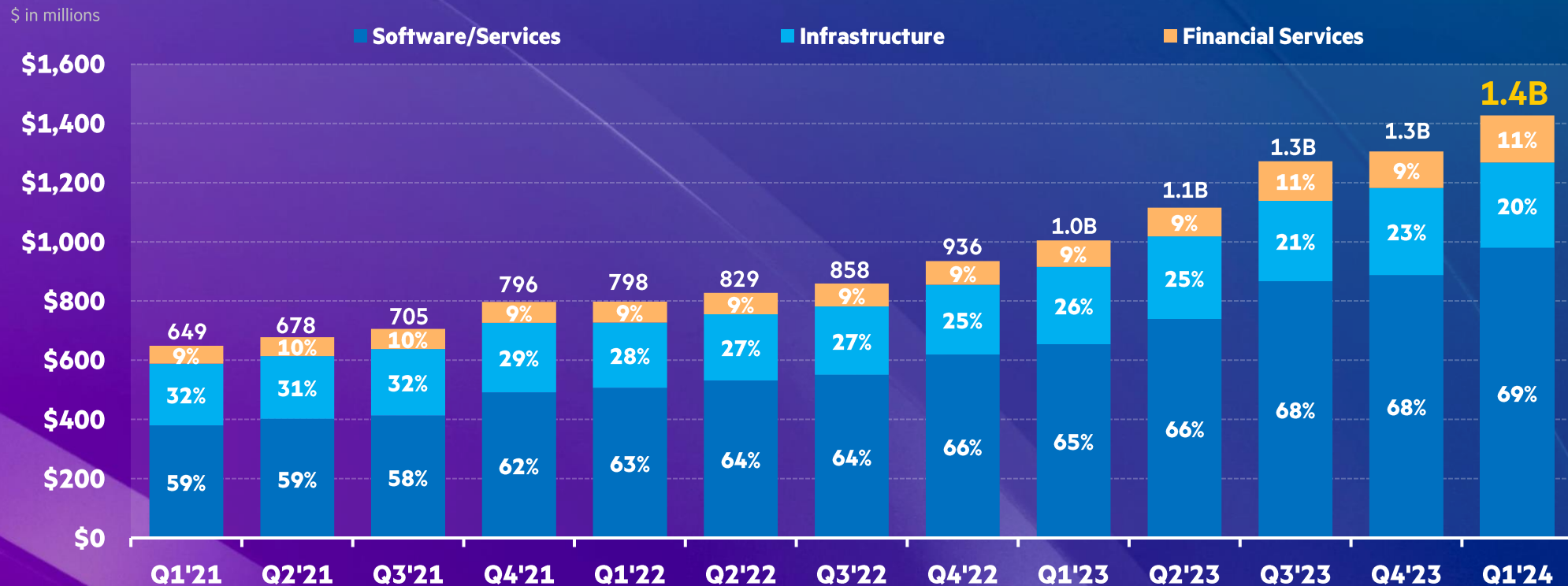
Non-GAAP Gross Margin¹



1. A reconciliation of specific adjustments to GAAP results for the current and prior periods is included in the non-GAAP slide section that appears as part of this presentation on slides 21-38. A description of HPE's use of non-GAAP financial information is provided on the slide titled "Use of non-GAAP financial information"

Robust 41%¹ y/y ARR² growth illustrates aaS momentum

Annualized Revenue Run-Rate²

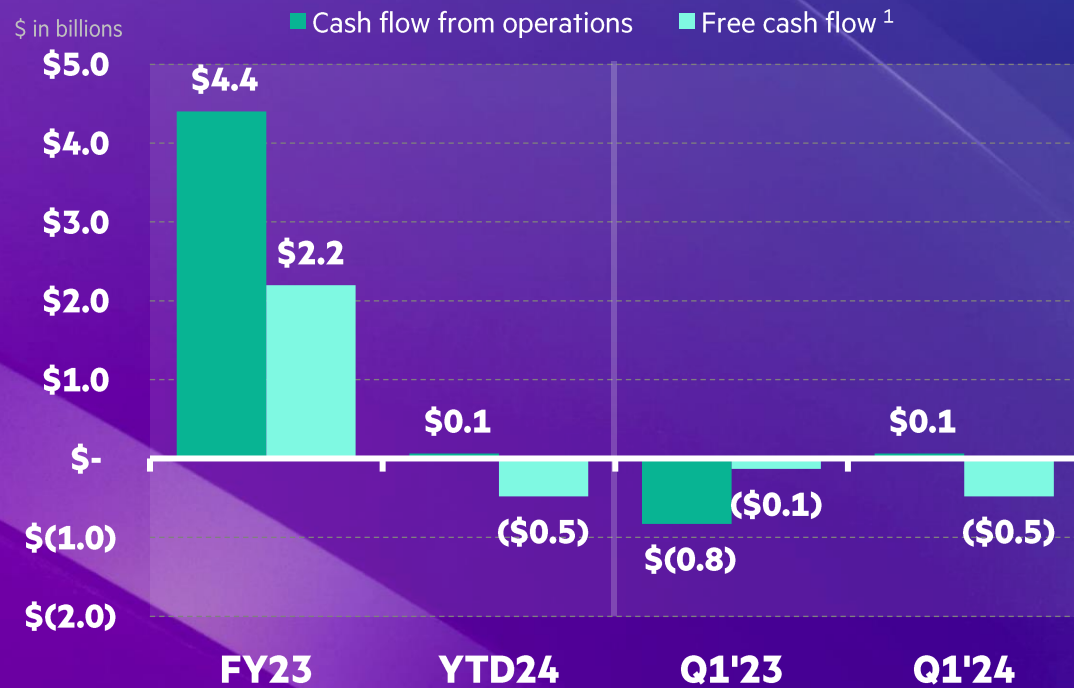


Reiterating 35-45% ARR² CAGR [FY22-FY26] target

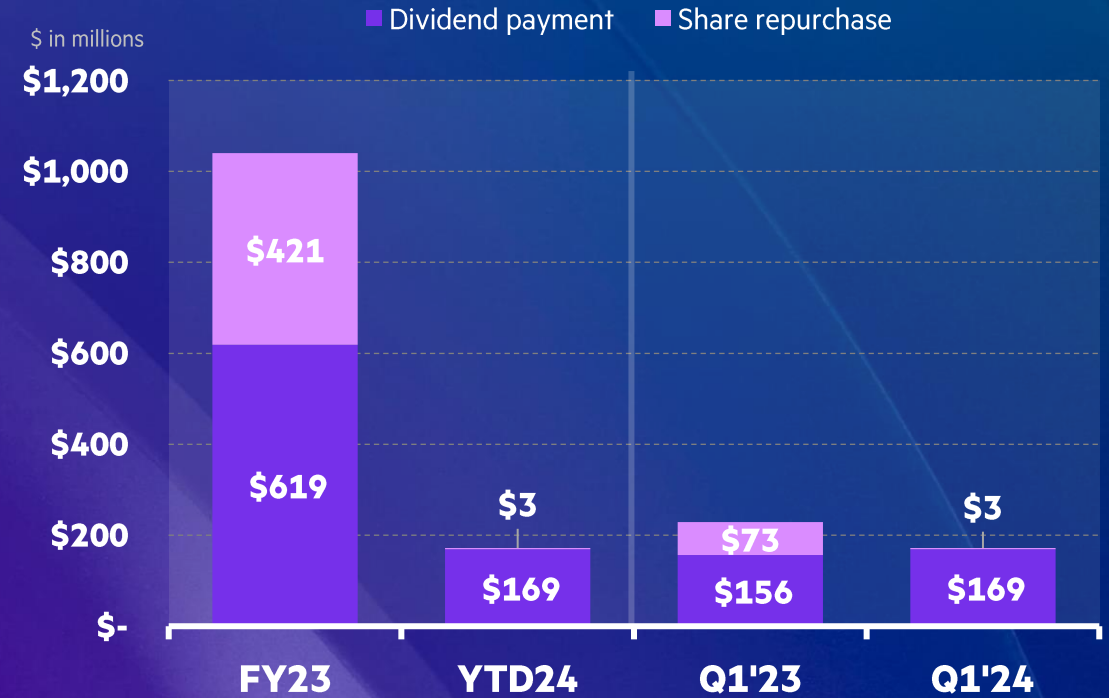
1. In constant currency. A description of HPE's use of non-GAAP financial information is provided on the slide titled "Use of non-GAAP financial information"
2. Annualized Revenue Run-Rate (ARR) is a financial metric used to assess the growth of the Consumption Services offerings. ARR represents the annualized revenue of all net HPE GreenLake edge-to-cloud platform services revenue, related financial services revenue (which includes rental income from operating leases and interest income for finance leases), and software-as-a-service, software consumption revenue, and other as-a-service offerings recognized during a quarter and multiplied by four. We use ARR as a performance metric. ARR should be viewed independently of net revenue and is not intended to be combined with it.

Expect to generate at least \$1.9B of free cash flow¹ in FY24

Cash Flow



Shareholder Return



1. For the definition of free cash flow see slide 37. A description of HPE's use of non-GAAP financial information is provided on slide (ii) under "Use of non-GAAP financial information". Reconciliation of Cash Flow from Operations to Free Cash Flow is on slide 37.

Outlook

Q2 FY24 outlook

Revenues	\$6.6 – \$7.0 billion
GAAP diluted net EPS	\$0.20 – \$0.25
Non-GAAP diluted net EPS ^{1,2}	\$0.36 – \$0.41

Full Year FY24 outlook

Revenue growth ¹	0 – 2% (in constant currency)
GAAP operating profit growth	7 – 11%
Non-GAAP operating profit growth ^{1,3,6}	0 – 2%
GAAP diluted net EPS	\$1.81 – \$1.91
Non-GAAP diluted net EPS ^{1,4}	\$1.82 – \$1.92
Free Cash Flow ^{1,5,6}	At least \$1.9 billion⁶

1. A description of HPE's use of non-GAAP financial information is provided on the slide titled "Use of non-GAAP financial information"

2. Q224 non-GAAP diluted net EPS excludes net after-tax costs of approximately \$0.16 per diluted share primarily related to stock-based compensation expense and amortization of intangible assets.

3. FY24 non-GAAP operating profit excludes costs of approximately \$1.0B primarily related to stock-based compensation expense, amortization of intangible assets, transformation costs, and acquisition, disposition and other related charges.

4. FY24 non-GAAP diluted net EPS estimates exclude net after-tax adjustments of approximately \$0.01 per diluted share, primarily related to stock-based compensation expense, amortization of intangible assets, transformation costs, acquisition, disposition and other related charges, structural tax-rate adjustments, H3C income, and adjustments related to the sale of H3C.

5. For the definition of free cash flow see slide 37. Hewlett Packard Enterprise provides certain guidance on a non-GAAP basis, as the Company cannot predict some elements that are included in reported GAAP results

6. Hewlett Packard Enterprise provides certain guidance on a non-GAAP basis, as the Company cannot predict some elements that are included in reported GAAP results



Supplemental slides



Server

Q1 FY24

Revenue¹

\$3,352 million

↓ 23% y/y, ↓ 7% q/q CC²
↓ 23% y/y CC²

Operating profit³

\$383 million

11.4% of revenue

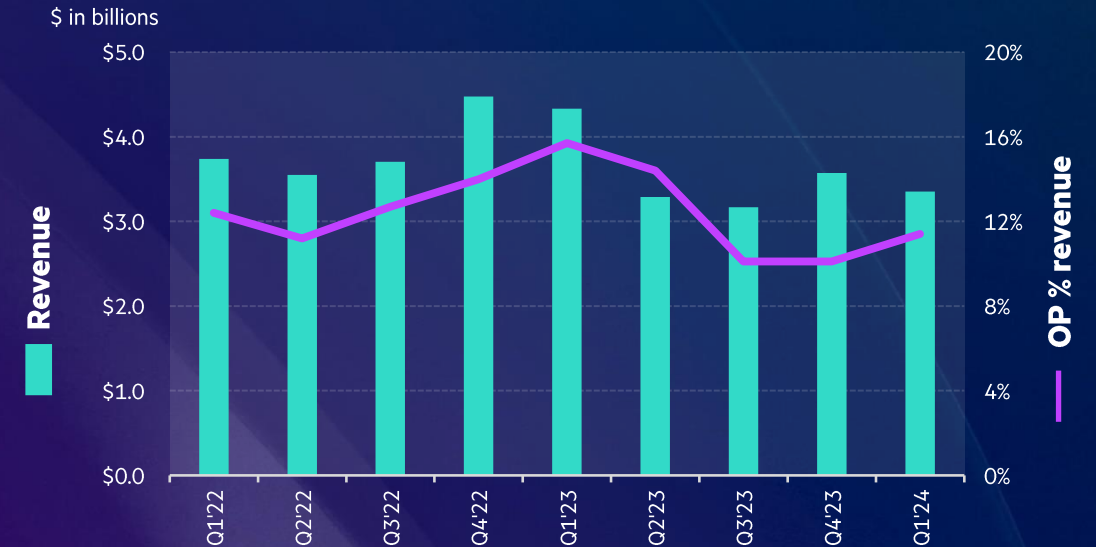
Revenue



Americas	41%
EMEA	35%
Asia Pacific	24%

Overview

- Revenue down 23% y/y CC² and down 7% q/q CC²
- Operating margin of 11.4% is down 430 bps y/y and up 130 bps q/q



1. Segment net revenue is calculated based on total segment revenue, which is not adjusted for intercompany eliminations
 2. In constant currency. A description of HPE's use of non-GAAP financial information is provided on the slide titled "Use of non-GAAP financial information"
 3. Segment operating profit is calculated based on total segment operating profit, which is not adjusted for intercompany eliminations

Intelligent Edge

Q1 FY24

Revenue¹

\$1,201 million

↑ 3% y/y, ↓ 15% q/q CC²
↑ 2% y/y CC²

Operating profit³

\$353 million

29.4% of revenue

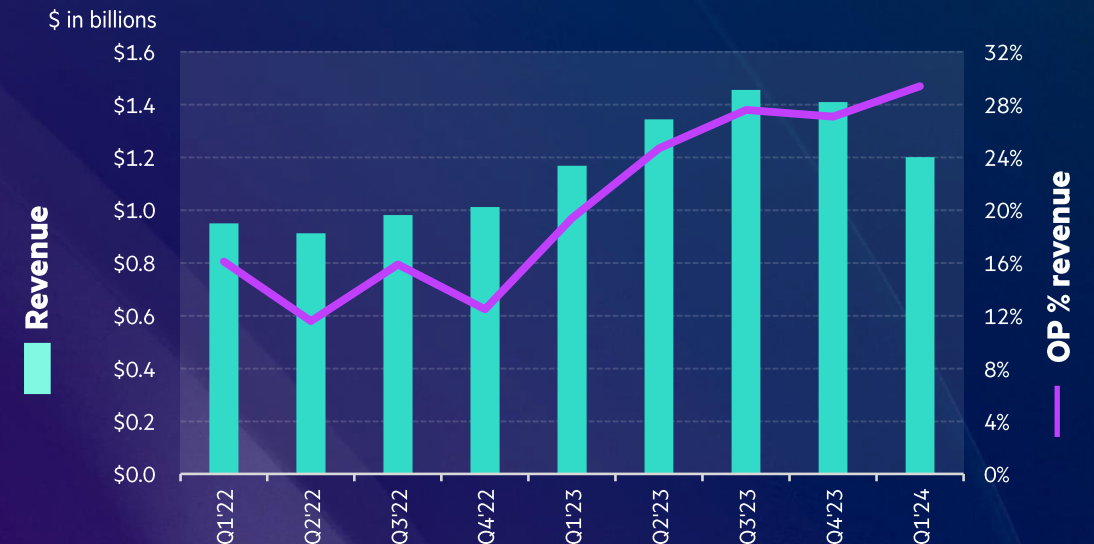
Revenue



Americas	49%
EMEA	36%
Asia Pacific	15%

Overview

- Revenue up 2% y/y CC² and down 15% q/q CC²
- Intelligent Edge ARR up 77% y/y
- Operating margin of 29.4%, up 1,000 bps y/y and up 230 bps q/q



1. Segment net revenue is calculated based on total segment revenue, which is not adjusted for intercompany eliminations
 2. In constant currency. A description of HPE's use of non-GAAP financial information is provided on the slide titled "Use of non-GAAP financial information"
 3. Segment operating profit is calculated based on total segment operating profit, which is not adjusted for intercompany eliminations

Hybrid Cloud

Q1 FY24

Revenue¹

\$1,248 million

↓ 10% y/y, ↓ 7% q/q CC²

↓ 10% y/y CC²

Operating profit³

\$47 million

3.8% of revenue

Revenue



Americas

33%

EMEA

44%

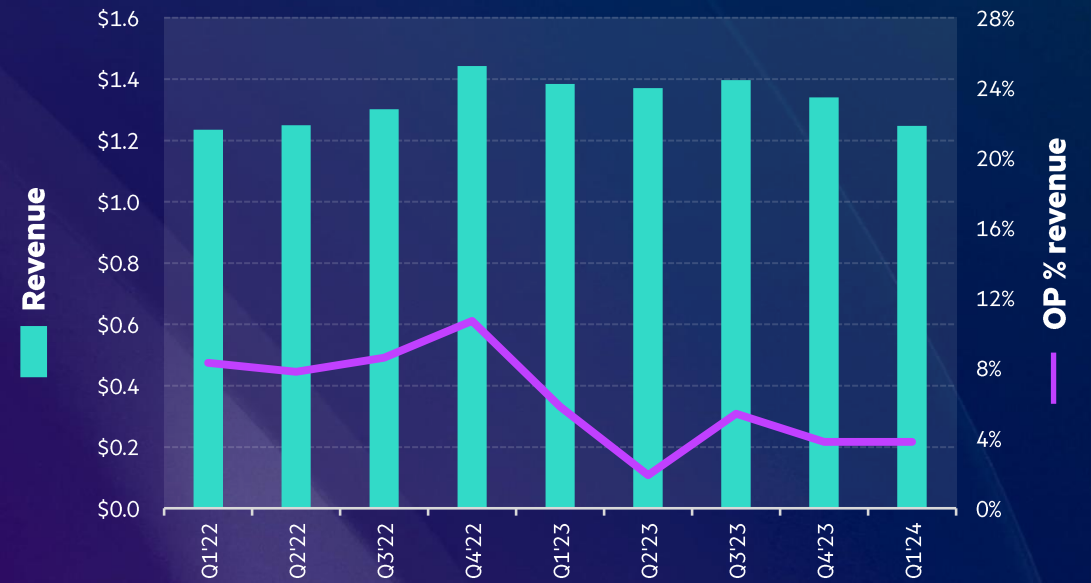
Asia Pacific

23%

Overview

- Revenue down 10% y/y CC² and down 7% q/q CC²
- Operating margin of 3.8%, down 200 bps y/y and flat q/q

\$ in billions



1. Segment net revenue is calculated based on total segment revenue, which is not adjusted for intercompany eliminations

2. In constant currency. A description of HPE's use of non-GAAP financial information is provided on the slide titled "Use of non-GAAP financial information"

3. Segment operating profit is calculated based on total segment operating profit, which is not adjusted for intercompany eliminations

Financial Services

Q1 FY24

Revenue¹

\$873 million

flat y/y flat q/q CC²
 ↓ 2% y/y CC²

Operating profit³

\$74 million

8.5% of revenue

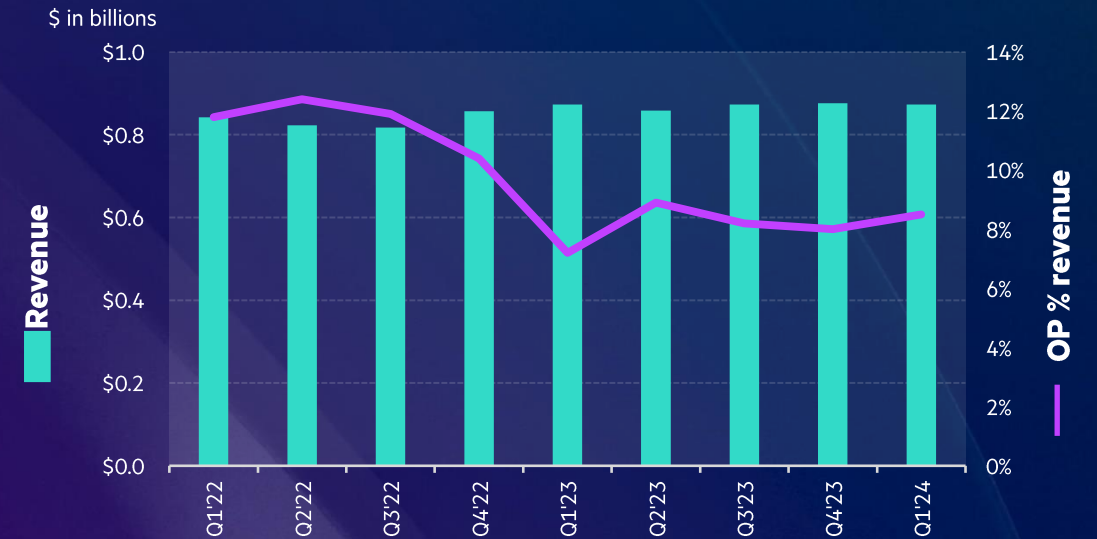
Revenue



Americas	53%
EMEA	31%
Asia Pacific	16%

Overview

- Financing volume fell 16% y/y CC² and revenue was down 2% y/y CC²
- Write-off % of assets roughly flat q/q at 0.5%, which is below FY19 pre-pandemic levels
- Operating margin of 8.5%, up 130 bps y/y and up 50 bps q/q
- Net portfolio assets⁴ of \$13.2 billion, up 0.7% y/y CC²
- Return on equity 15.4%, up 2.4 pts y/y and up 1.8 pts q/q



1. Segment net revenue is calculated based on total segment revenue, which is not adjusted for intercompany eliminations

2. In constant currency. A description of HPE's use of non-GAAP financial information is provided on the slide titled "Use of non-GAAP financial information"

3. Segment operating profit is calculated based on total segment operating profit, which is not adjusted for intercompany eliminations

4. Net Portfolio Assets represents the total amount of Financing Receivables and Operating Lease Assets recorded on the balance sheet, net of reserves against those assets

Q1 FY24 balance sheet

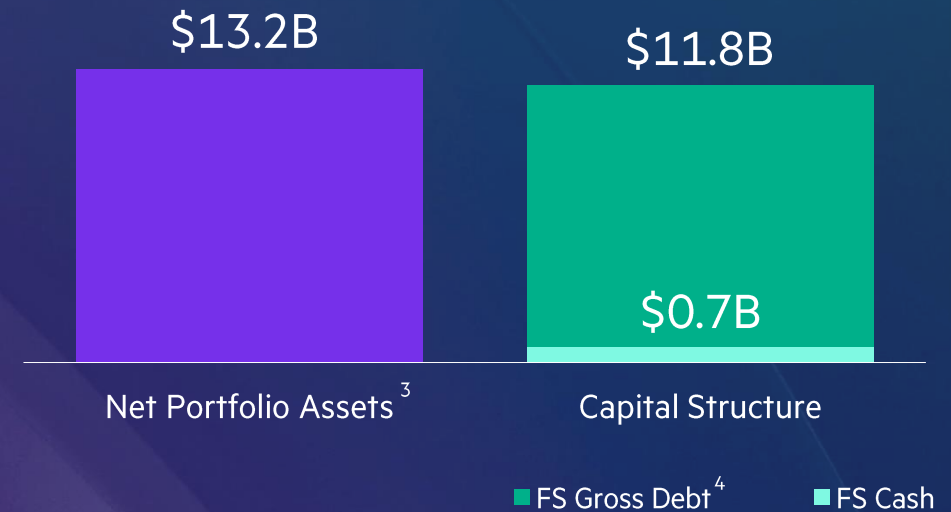
Operating Company ^{1,5}

Net Cash

\$1.9B ²



Financing Company ^{1,5}



Committed to investment grade rating and healthy balance sheet

1. Operating Company = Total HPE excluding Financial Services (FS); Financing Company = HPE Financial Services (FS)

2. Operating company net cash is defined as total company net cash excluding the cash and debt associated with Financial Services

3. Net Portfolio Assets represents the total amount of Financing Receivables and Operating Lease Assets recorded on the balance sheet, net of reserves against those assets

4. FS gross debt includes primarily intercompany equity that is treated as debt for segment reporting purposes, intercompany debt, and borrowing and funding related activity associated with Financial Services and its subsidiaries. Debt excludes impact of interest rate swaps

5. As of January 31, 2024, we have outstanding securitized debt of approximately \$2.9 billion from ABS issuances in the US market. Issuances to date in FY24 (January) totaled \$0.8 billion.

Appendix



Q1 FY24 GAAP to non-GAAP bridge¹

In millions, except tax rate and per share amounts	GAAP	Transformation costs	Disaster (recovery) charges	Acquisition, disposition, and other related charges	Stock-based compensation expense	Amortization of intangible assets	Loss on investments net ²	Earnings from equity interests ³	Other ⁴	Non-GAAP
Revenue	\$6,755									\$6,755
Cost of sales	4,298		25		(16)					4,307
Gross profit	2,457		(25)		16					2,448
Total operating expenses	1,932	(20)	-	(43)	(125)	(71)				1,673
R&D	582	-	-	-	(52)	-				530
SG&A	1,216	-	-	-	(73)	-				1,143
Others ⁵	134	(20)	-	(43)	-	(71)				-
Operating profit	525	20	(25)	43	141	71				775
Interest (expense) income & other, net	(88)						61		2	(25)
Earnings from equity interests	46							(46)		-
Pre-tax earnings	483	20	(25)	43	141	71	61	(46)	2	750
Income tax	(96)	(3)	(1)	(4)	(28)	(13)	(13)	-	46	(112)
Tax rate	19.9%									15.0%
Net earnings	\$387	17	(26)	39	113	58	48	(46)	48	\$638
Diluted net EPS	\$0.29									\$0.48

1. For the purposes of determining Non-GAAP Net Earnings, the Company uses a long-term planning tax rate and excludes adjustments related to tax indemnifications and other adjustments, and the impact of tax on the above non-GAAP adjustments
2. Beginning with the first quarter of fiscal 2024, we exclude gains and losses (including impairments) on our non-marketable equity investments.
3. Represents earnings and amortization of basis difference for our investment in H3C.
4. Other non-recurring adjustments include non-service net periodic benefit cost /credit and tax indemnification and other adjustments.
5. Other operating expenses include amortization of intangible assets, acquisition, disposition, and other related charges, and transformation costs.

FY23 GAAP to non-GAAP bridge¹

In millions, except tax rate and per share amounts	GAAP	Transformation costs	Disaster charges	Acquisition, disposition, and other related charges	Stock-based compensation expense	Amortization of intangible assets	Non-service net periodic benefit cost (credit)	Earnings in equity interest	Impairment of investment	Tax indemnification and related adjustments	Structural rate adjustment	Excess tax benefits from stock-based compensation	Non-GAAP
Revenue	\$29,135												\$29,135
Cost of sales	18,896		13		(47)								18,862
Gross profit	10,239		(13)		47								10,273
Total operating expenses	8,150	(283)	(1)	(69)	(381)	(288)							7,128
<i>R&D</i>	2,349				(161)								2,188
<i>SG&A</i>	5,160				(220)								4,940
<i>Others²</i>	641	(283)	(1)	(69)	-	(288)							-
Operating profit	2,089	283	(12)	69	428	288							3,145
Interest & other, net	(104)						3		40	(55)			(116)
Earnings from equity interests	245							18					263
Pre-tax earnings	2,230	283	(12)	69	428	288	3	18	40	(55)	-	-	3,292
Income tax	(205)	(92)	(3)	(12)	(91)	(54)	(6)	-	(9)	13	18	(19)	(460)
Tax rate	9.2%												14.0%
Net earnings	\$2,025	191	(15)	57	337	234	(3)	18	31	(42)	18	(19)	\$2,832
Diluted net EPS	\$1.54												\$2.15

1. For the purposes of determining Non-GAAP Net Earnings, the Company uses a long term planning tax rate and excludes adjustments related to Tax indemnifications, and the impact of Tax on the above non-GAAP adjustments
2. Other operating expenses include amortization of intangible assets, transformation costs, acquisition, disposition, and other related charges, and disaster charges which include Russia/Ukraine Conflict charges.

Q4 FY23 GAAP to non-GAAP bridge¹

In millions, except tax rate and per share amounts	GAAP	Transformation costs	Disaster charges	Acquisition, disposition, and other related charges	Stock-based compensation expense	Amortization of intangible assets	Non-service net periodic benefit cost (credit)	Earnings in equity interest	Impairment of investment	Tax indemnification and related adjustments	Structural rate adjustment	Excess tax benefits from stock-based compensation	Non-GAAP
Revenue	\$7,351												\$7,351
Cost of sales	4,792		10		(9)								4,793
Gross profit	2,559		(10)		9								2,558
Total operating expenses	2,052	(56)	4	(18)	(62)	(72)							1,848
<i>R&D</i>	578				(33)								545
<i>SG&A</i>	1,332				(29)								1,303
<i>Others²</i>	142	(56)	4	(18)	-	(72)							-
Operating profit	507	56	(14)	18	71	72							710
Interest & other, net	(23)						1		40	(5)			13
Earnings from equity interests	65							2					67
Pre-tax earnings	549	56	(14)	18	71	72	1	2	40	(5)	-	-	790
Income tax	93	(47)	-	(2)	(22)	(15)	(1)	-	(9)	-	(103)	(4)	(110)
Tax rate	(16.9)%												14.0%
Net earnings	\$642	9	(14)	16	49	57	-	2	31	(5)	(103)	(4)	\$680
Diluted net EPS	\$0.49												\$0.52

1. For the purposes of determining Non-GAAP Net Earnings, the Company uses a long term planning tax rate and excludes adjustments related to Tax indemnifications, and the impact of Tax on the above non-GAAP adjustments
2. Other operating expenses include amortization of intangible assets, transformation costs, acquisition, disposition, and other related charges, and disaster charges which include Russia/Ukraine Conflict charges.

Q3 FY23 GAAP to non-GAAP bridge¹

In millions, except tax rate and per share amounts	GAAP	Transformation costs	Disaster charges	Acquisition, disposition, and other related charges	Stock-based compensation expense	Amortization of intangible assets	Non-service net periodic benefit cost (credit)	Earnings in equity interest	Tax indemnification and related adjustments	Structural rate adjustment	Excess tax benefits from stock-based compensation	Non-GAAP
Revenue	\$7,002											\$7,002
Cost of sales	4,492		3		(9)							4,486
Gross profit	2,510		(3)		9							2,516
Total operating expenses	2,039	(65)	(1)	(21)	(82)	(72)						1,798
<i>R&D</i>	578				(36)							542
<i>SG&A</i>	1,302				(46)							1,256
<i>Others²</i>	159	(65)	(1)	(21)	-	(72)						-
Operating profit	471	65	(2)	21	91	72						718
Interest & other, net	(8)						3		(45)			(50)
Earnings from equity interests	73							2				75
Pre-tax earnings	536	65	(2)	21	91	72	3	2	(45)	-	-	743
Income tax	(72)	(15)	-	(4)	(18)	(14)	(2)	-	9	13	(1)	(104)
Tax rate	13.4%											14.0%
Net earnings	\$464	50	(2)	17	73	58	1	2	(36)	13	(1)	\$639
Diluted net EPS	\$0.35											\$0.49

1. For the purposes of determining Non-GAAP Net Earnings, the Company uses a long term planning tax rate and excludes adjustments related to Tax indemnifications, and the impact of Tax on the above non-GAAP adjustments
2. Other operating expenses include amortization of intangible assets, transformation costs, acquisition, disposition, and other related charges, and disaster charges which include Russia/Ukraine Conflict charges.

Q2 FY23 GAAP to non-GAAP bridge¹

In millions, except tax rate and per share amounts	GAAP	Transformation costs	Disaster charges	Acquisition, disposition, and other related charges	Stock-based compensation expense	Amortization of intangible assets	Non-service net periodic benefit credit	Earnings in equity interest	Tax indemnification and related adjustments	Structural rate adjustment	Excess tax benefits from stock-based compensation	Non-GAAP
Revenue	\$6,973											\$6,973
Cost of sales	4,461				(13)							4,448
Gross profit	2,512				13							2,525
Total operating expenses	1,992	(60)	(3)	(19)	(113)	(71)						1,726
R&D	570				(44)							526
SG&A	1,269				(69)							1,200
Others ²	153	(60)	(3)	(19)	-	(71)						-
Operating profit	520	60	3	19	126	71						799
Interest & other, net	(47)							(1)		(6)		(54)
Earnings from equity interests	49							2				51
Pre-tax earnings	522	60	3	19	126	71	(1)	2	(6)	-	-	796
Income tax	(104)	(10)	(2)	(4)	(24)	(13)	(2)	-	4	45	(1)	(111)
Tax rate	19.9%											14.0%
Net earnings	\$418	50	1	15	102	58	(3)	2	(2)	45	(1)	\$685
Diluted net EPS	\$0.32											\$0.52

1. For the purposes of determining Non-GAAP Net Earnings, the Company uses a long term planning tax rate and excludes adjustments related to Tax indemnifications, and the impact of Tax on the above non-GAAP adjustments
2. Other operating expenses include transformation costs, disaster charges which include Russia/Ukraine Conflict charges, acquisition, disposition, and other related charges, and amortization of intangible assets

Q1 FY23 GAAP to non-GAAP bridge¹

In millions, except tax rate and per share amounts	GAAP	Transformation costs	Disaster charges	Acquisition, disposition, and other related charges	Stock-based compensation expense	Amortization of intangible assets	Non-service net periodic benefit credit	Earnings in equity interest ²	Tax indemnification and related adjustments	Structural rate adjustment	Excess tax benefits from stock-based compensation	Non-GAAP
Revenue	\$7,809											\$7,809
Cost of sales	5,151				(16)							5,135
Gross profit	2,658				16							2,674
Total operating expenses	2,067	(102)	(1)	(11)	(124)	(73)						1,756
R&D	623				(48)							575
SG&A	1,257				(76)							1,181
Others ³	187	(102)	(1)	(11)	-	(73)						-
Operating profit	591	102	1	11	140	73						918
Interest & other, net	(26)								1			(25)
Earnings from equity interests	58							12				70
Pre-tax earnings	623	102	1	11	140	73	-	12	1	-	-	963
Income tax	(122)	(20)	(1)	(2)	(27)	(12)	(1)	-	-	63	(13)	(135)
Tax rate	19.6%											14.0%
Net earnings	\$501	82	-	9	113	61	(1)	12	1	63	(13)	\$828
Diluted net EPS	\$0.38											\$0.63

1. For the purposes of determining Non-GAAP Net Earnings, the Company uses a long term planning tax rate and excludes adjustments related to Tax indemnifications, and the impact of Tax on the above non-GAAP adjustments

2. Represents the amortization of basis difference adjustments related to H3C and the Company's portion of intangible asset impairment charges from H3C of \$8 million

3. Other operating expenses include transformation costs, disaster charges which include Russia/Ukraine Conflict charges, acquisition, disposition, and other related charges, and amortization of intangible assets

FY22 GAAP to non-GAAP bridge¹

In millions, except tax rate and per share amounts	GAAP	Transformation costs	Russia/Ukraine Conflict disaster charges	Disaster charges	Acquisition, disposition, and other related charges	Stock-based compensation expense	Amortization of intangible assets	Impairment of goodwill	Amortization of initial direct costs	Non-service net periodic benefit credit	Earnings in equity interest	Tax indemnification adjustments	Structural rate adjustment	Excess tax benefits from stock-based compensation	Non-GAAP
Revenue	\$28,496														\$28,496
Cost of sales	18,990		(111)			(46)			(4)						18,829
Gross profit	9,506		111			46			4						9,667
Total operating expenses	8,724	(473)	(50)	2	(19)	(345)	(293)	(905)							6,641
R&D	2,045					(143)									1,902
SG&A	4,941					(202)									4,739
Others ²	1,738	(473)	(50)	2	(19)	-	(293)	(905)							-
Operating profit	782	473	161	(2)	19	391	293	905	4						3,026
Interest & other, net	(121)									(134)		67			(188)
Earnings from equity interests	215										45				260
Pre-tax earnings	876	473	161	(2)	19	391	293	905	4	(134)	45	67	-	-	3,098
Income tax	(8)	(91)	-	-	(8)	(77)	(62)	(2)	(1)	13	-	(36)	(151)	(11)	(434)
Tax rate	0.9%														14.1%
Net earnings	\$868	382	161	(2)	11	314	231	903	3	(121)	45	31	(151)	(11)	\$2,664
Diluted net EPS	\$0.66														\$2.02

1. For the purposes of determining Non-GAAP Net Earnings, the Company uses a long term planning tax rate and excludes adjustments related to Tax indemnifications, and the impact of Tax on the above non-GAAP adjustments

2. Other operating expenses include transformation costs, disaster charges which include Russia/Ukraine Conflict charges, acquisition, disposition, and other related charges, amortization of intangible assets, and impairment of goodwill

Q4 FY22 GAAP to non-GAAP bridge¹

In millions, except tax rate and per share amounts	GAAP	Transformation costs	Russia/Ukraine Conflict disaster charges	Acquisition, disposition, and other related charges	Stock-based compensation expense	Amortization of intangible assets	Impairment of goodwill	Amortization of initial direct costs	Non-service net periodic benefit credit	Earnings in equity interest	Tax indemnification adjustments	Structural rate adjustment	Excess tax benefits from stock-based compensation	Non-GAAP
Revenue	\$7,871													\$7,871
Cost of sales	5,278				(8)			(1)						5,269
Gross profit	2,593				8			1						2,602
Total operating expenses	2,932	(184)	1	6	(77)	(73)	(905)							1,700
<i>R&D</i>	515				(30)									485
<i>SG&A</i>	1,262				(47)									1,215
<i>Others²</i>	1,155	(184)	1	6	-	(73)	(905)							-
Operating profit	(339)	184	(1)	(6)	85	73	905	1						902
Interest & other, net	(101)								(28)		20			(109)
Earnings from equity interests	83									3				86
Pre-tax earnings	(357)	184	(1)	(6)	85	73	905	1	(28)	3	20	-	-	879
Income tax	53	(34)	9	(1)	(35)	(23)	(2)	(1)	3	-	(13)	(77)	(3)	(124)
Tax rate	14.8%													14.1%
Net earnings	\$(304)	150	8	(7)	50	50	903	0	(25)	3	7	(77)	(3)	\$755
Diluted net EPS	\$(0.23)													\$0.57

1. For the purposes of determining Non-GAAP Net Earnings, the Company uses a long term planning tax rate and excludes adjustments related to Tax indemnifications, and the impact of Tax on the above non-GAAP adjustments

2. Other operating expenses include transformation costs, disaster charges which include Russia/Ukraine Conflict charges, acquisition, disposition, and other related charges, amortization of intangible assets, and impairment of goodwill

Q3 FY22 GAAP to non-GAAP bridge¹

In millions, except tax rate and per share amounts	GAAP	Transformation costs	Russia/Ukraine Conflict disaster charges	Acquisition, disposition, and other related charges	Stock-based compensation expense	Amortization of intangible assets	Amortization of initial direct costs	Non-service net periodic benefit credit	Earnings in equity interest	Tax indemnification adjustments	Structural rate adjustment	Excess tax benefits from stock-based compensation	Non-GAAP
Revenue	\$6,951												\$6,951
Cost of sales	4,555		(6)		(9)		(1)						4,539
Gross profit	2,396		6		9		1						2,412
Total operating expenses	1,930	(80)	(30)	(9)	(55)	(73)							1,683
<i>R&D</i>	509				(31)								478
<i>SG&A</i>	1,229				(24)								1,205
<i>Others</i> ²	192	(80)	(30)	(9)	-	(73)							-
Operating profit	466	80	36	9	64	73	1						729
Interest & other, net	(70)							(34)		30			(74)
Earnings from equity interests	68								8				76
Pre-tax earnings	464	80	36	9	64	73	1	(34)	8	30	-	-	731
Income tax	(55)	(16)	16	(2)	(11)	(13)	-	4	-	(23)	(1)	(1)	(102)
Tax rate	11.9%												14.0%
Net earnings	\$409	64	52	7	53	60	1	(30)	8	7	(1)	(1)	\$629
Diluted net EPS	\$0.31												\$0.48

1. For the purposes of determining Non-GAAP Net Earnings, the Company uses a long term planning tax rate and excludes adjustments related to Tax indemnifications, and the impact of Tax on the above non-GAAP adjustments
2. Other operating expenses include transformation costs, disaster charges which include Russia/Ukraine Conflict charges, acquisition, disposition, and other related charges, and amortization of intangible assets

Q2 FY22 GAAP to non-GAAP bridge¹

In millions, except tax rate and per share amounts	GAAP	Transformation costs	Russia/Ukraine Conflict disaster charges	Disaster charges	Acquisition, disposition, and other related charges	Stock-based compensation expense	Amortization of intangible assets	Amortization of initial direct costs	Non-service net periodic benefit credit	Earnings in equity interest	Structural rate adjustment	Excess tax benefits from stock-based compensation	Non-GAAP
Revenue	\$6,713												\$6,713
Cost of sales	4,540		(105)			(14)		(1)					4,420
Gross profit	2,173		105			14		1					2,293
Total operating expenses	1,966	(98)	(21)	1	(8)	(100)	(74)						1,666
<i>R&D</i>	517					(38)							479
<i>SG&A</i>	1,249					(62)							1,187
<i>Others</i> ²	200	(98)	(21)	1	(8)	-	(74)						-
Operating profit	207	98	126	(1)	8	114	74	1					627
Interest & other, net	36								(36)				-
Earnings from equity interests	33									17			50
Pre-tax earnings	276	98	126	(1)	8	114	74	1	(36)	17	-	-	677
Income tax	(26)	(18)	(25)	-	(4)	(15)	(13)	-	4	-	5	(2)	(94)
Tax rate	9.4%												14.0%
Net earnings	\$250	80	101	(1)	4	99	61	1	(32)	17	5	(2)	\$583
Diluted net EPS	\$0.19												\$0.44

1. For the purposes of determining Non-GAAP Net Earnings, the Company uses a long term planning tax rate and excludes adjustments related to Tax indemnifications, and the impact of Tax on the above non-GAAP adjustments
2. Other operating expenses include transformation costs, disaster charges which include Russia/Ukraine Conflict charges, acquisition, disposition, and other related charges, and amortization of intangible assets

Q1 FY22 GAAP to non-GAAP bridge¹

In millions, except tax rate and per share amounts	GAAP	Transformation costs	Disaster charges	Acquisition, disposition, and other related charges	Stock-based compensation expense	Amortization of intangible assets	Amortization of initial direct costs	Non-service net periodic benefit credit	Earnings in equity interest	Tax indemnification and related adjustments	Structural rate adjustment	Excess tax benefits from stock-based compensation	Non-GAAP
Revenue	\$6,961												\$6,961
Cost of sales	4,617				(15)		(1)						4,601
Gross profit	2,344				15		1						2,360
Total operating expenses	1,896	(111)	1	(8)	(113)	(73)							1,592
R&D	504				(44)								460
SG&A	1,201				(69)								1,132
Others ²	191	(111)	1	(8)	-	(73)							-
Operating profit	448	111	(1)	8	128	73	1						768
Interest & other, net	14								(36)		17		(5)
Earnings from equity interests	31								17				48
Pre-tax earnings	493	111	(1)	8	128	73	1	(36)	17	17	-	-	811
Income tax	20	(23)	-	(1)	(16)	(13)	-	2	-	-	(78)	(5)	(114)
Tax rate	(4.1)%												14.0%
Net earnings	\$513	88	(1)	7	112	60	1	(34)	17	17	(78)	(5)	\$697
Diluted net EPS	\$0.39												\$0.53

1. For the purposes of determining Non-GAAP Net Earnings, the Company uses a long term planning tax rate and excludes adjustments related to Tax indemnifications, and the impact of Tax on the above non-GAAP adjustments
2. Other operating expenses include transformation costs, disaster charges, acquisition, disposition, and other related charges, and amortization of intangible assets

FY21 GAAP to non-GAAP bridge¹

In millions, except tax rate and per share amounts	GAAP	Transformation costs	Disaster charges	Acquisition, disposition, and other related charges	Stock-based compensation expense	Amortization of intangible assets	Amortization of initial direct costs	Non-service net periodic benefit credit	Earnings in equity interest	Litigation judgment	Early debt redemption costs	Tax indemnification and related adjustments	Structural rate adjustment	Tax on separation & divestitures	Excess tax benefits from stock-based compensation	Non-GAAP
Revenue	\$27,784															\$27,784
Cost of sales	18,408				(40)		(8)									18,360
Gross profit	9,376				40		8									9,424
Total operating expenses	8,244	(930)	(17)	(35)	(332)	(354)										6,576
R&D	1,979				(124)											1,855
SG&A	4,929				(208)											4,721
Others ⁽²⁾	1,336	(930)	(17)	(35)	-	(354)										-
Operating profit	1,132	930	17	35	372	354	8									2,848
Interest & other, net	2,275							(70)		(2,351)	100	(65)				(111)
Earnings from equity interests	180								109							289
Pre-tax earnings	3,587	930	17	35	372	354	8	(70)	109	(2,351)	100	(65)	-	-	-	3,026
Income tax	(160)	(172)	(4)	(8)	(70)	(68)	(2)	9	-	114	(21)	(20)	(33)	12	(1)	(424)
Tax rate	4.5%															14.0%
Net earnings	\$3,427	758	13	27	302	286	6	(61)	109	(2,237)	79	(85)	(33)	12	(1)	\$2,602
Diluted net EPS	\$2.58															\$1.96

1. For the purposes of determining Non-GAAP Net Earnings, the Company uses a long term planning tax rate and excludes adjustments related to Tax indemnifications, Tax on separation & divestitures, and the impact of Tax on the above non-GAAP adjustments
2. Other operating expenses include transformation costs, disaster charges, acquisition, disposition, and other related charges, and amortization of intangible assets

Q4 FY21 GAAP to non-GAAP bridge¹

In millions, except tax rate and per share amounts	GAAP	Transformation costs	Disaster charges	Acquisition, disposition, and other related charges	Stock-based compensation expense	Amortization of intangible assets	Amortization of initial direct costs	Non-service net periodic benefit credit	Earnings in equity interest	Litigation judgment	Early debt redemption costs	Tax indemnification and related adjustments	Structural rate adjustment	Tax on separation & divestitures	Excess tax benefits from stock-based compensation	Non-GAAP
Revenue	\$7,354															\$7,354
Cost of sales	4,935				(7)		(2)									4,926
Gross profit	2,419				7		2									2,428
Total operating expenses	2,069	(197)	(10)	(2)	(71)	(78)										1,711
R&D	502				(28)											474
SG&A	1,280				(43)											1,237
Others ⁽²⁾	287	(197)	(10)	(2)	-	(78)										-
Operating profit	350	197	10	2	78	78	2									717
Interest & other, net	2,267							(17)		(2,351)	100	(5)				(6)
Earnings from equity interests	71								18							89
Pre-tax earnings	2,688	197	10	2	78	78	2	(17)	18	(2,351)	100	(5)	-	-	-	800
Income tax	(135)	(42)	(3)	-	(32)	(20)	(1)	2	-	114	(21)	(9)	29	8	(2)	(112)
Tax rate	5.0%															14.0%
Net earnings	\$2,553	155	7	2	46	58	1	(15)	18	(2,237)	79	(14)	29	8	(2)	\$688
Diluted net EPS	\$1.91															\$0.52

- For the purposes of determining Non-GAAP Net Earnings, the Company uses a long term planning tax rate and excludes adjustments related to Tax indemnifications, Tax on separation & divestitures, and the impact of Tax on the above non-GAAP adjustments
- Other operating expenses include transformation costs, disaster charges, acquisition, disposition, and other related charges, and amortization of intangible assets

Q3 FY21 GAAP to non-GAAP bridge¹

In millions, except tax rate and per share amounts	GAAP	Transformation costs	Disaster charges	Acquisition, disposition, and other related charges	Stock-based compensation expense	Amortization of intangible assets	Amortization of initial direct costs	Non-service net periodic benefit credit	Earnings in equity interest	Tax indemnification and related adjustments	Structural rate adjustment	Excess tax benefits from stock-based compensation	Non-GAAP
Revenue	\$6,897												\$6,897
Cost of sales	4,515					(9)		(2)					4,504
Gross profit	2,382				9			2					2,393
Total operating expenses	2,100	(213)	(5)	(3)	(77)	(82)							1,720
R&D	506				(28)								478
SG&A	1,291				(49)								1,242
Others ⁽²⁾	303	(213)	(5)	(3)	-	(82)							-
Operating profit	282	213	5	3	86	82	2						673
Interest & other, net	45								(19)		(76)		(50)
Earnings from equity interests	79								23				102
Pre-tax earnings	406	213	5	3	86	82	2	(19)	23	(76)	-	-	725
Income tax	(14)	(30)	(1)	(1)	(6)	(17)	1	3	-	19	(55)	(1)	(102)
Tax rate	3.4%												14.1%
Net earnings	\$392	183	4	2	80	65	3	(16)	23	(57)	(55)	(1)	\$623
Diluted net EPS	\$0.29												\$0.47

1. For the purposes of determining Non-GAAP Net Earnings, the Company uses a long term planning tax rate and excludes adjustments related to Tax indemnifications, Tax on separation & divestitures, and the impact of Tax on the above non-GAAP adjustments
2. Other operating expenses include transformation costs, disaster charges, acquisition, disposition, and other related charges, and amortization of intangible assets

Q2 FY21 GAAP to non-GAAP bridge¹

In millions, except tax rate and per share amounts	GAAP	Transformation costs	Disaster charges	Acquisition, disposition, and other related charges	Stock-based compensation expense	Amortization of intangible assets	Amortization of initial direct costs	Non-service net periodic benefit credit	Earnings in equity interest	Tax on separation & divestitures	Structural rate adjustment	Excess tax benefits from stock-based compensation	Non-GAAP
Revenue	\$6,700												\$6,700
Cost of sales	4,413				(11)		(2)						4,400
Gross profit	2,287				11		2						2,300
Total operating expenses	2,009	(209)	(1)	(13)	(87)	(84)							1,615
R&D	503				(31)								472
SG&A	1,199				(56)								1,143
Others ⁽²⁾	307	(209)	(1)	(13)	-	(84)							-
Operating profit	278	209	1	13	98	84	2						685
Interest & other, net	6							(17)					(11)
Earnings from equity interests	4								34				38
Pre-tax earnings	288	209	1	13	98	84	2	(17)	34	-	-	-	712
Income tax	(29)	(39)	-	(3)	(14)	(14)	(1)	2	-	4	(4)	(2)	(100)
Tax rate	10.1%												14.0%
Net earnings	\$259	170	1	10	84	70	1	(15)	34	4	(4)	(2)	\$612
Diluted net EPS	\$0.19												\$0.46

1. For the purposes of determining Non-GAAP Net Earnings, the Company uses a long term planning tax rate and excludes adjustments related to Tax indemnifications, Tax on separation & divestitures, and the impact of Tax on the above non-GAAP adjustments

2. Other operating expenses include transformation costs, disaster charges, acquisition, disposition, and other related charges, and amortization of intangible assets

Q1 FY21 GAAP to non-GAAP bridge¹

In millions, except tax rate and per share amounts	GAAP	Transformation costs	Disaster charges	Acquisition, disposition, and other related charges	Stock-based compensation expense	Amortization of intangible assets	Amortization of initial direct costs	Non-service net periodic benefit credit	Earnings in equity interest	Tax indemnification and related adjustments	Structural rate adjustment	Excess tax benefits from stock-based compensation	Non-GAAP
Revenue	\$6,833												\$6,833
Cost of sales	4,545				(13)		(2)						4,530
Gross profit	2,288				13		2						2,303
Total operating expenses	2,066	(311)	(1)	(17)	(97)	(110)							1,530
R&D	468				(37)								431
SG&A	1,159				(60)								1,099
Others ⁽²⁾	439	(311)	(1)	(17)	-	(110)							-
Operating profit	222	311	1	17	110	110	2						773
Interest & other, net	(43)								(17)		16		(44)
Earnings from equity interests	26								34				60
Pre-tax earnings	205	311	1	17	110	110	2	(17)	34	16	-	-	789
Income tax	18	(61)	-	(4)	(18)	(17)	(1)	2	-	(30)	(3)	4	(110)
Tax rate	-8.8%												13.9%
Net earnings	\$223	250	1	13	92	93	1	(15)	34	(14)	(3)	4	\$679
Diluted net EPS	\$0.17												\$0.52

1. For the purposes of determining Non-GAAP Net Earnings, the Company uses a long term planning tax rate and excludes adjustments related to Tax indemnifications, Tax on separation & divestitures, and the impact of Tax on the above non-GAAP adjustments
2. Other operating expenses include transformation costs, disaster charges, acquisition, disposition, and other related charges, and amortization of intangible assets

Reconciliation of Operating Cash Flow to Free Cash Flow

	Q1'23	Q2'23	Q3'23	Q4'23	Q1'24
Net cash (used in) provided by operating activities	\$(829)	\$889	\$1,525	\$2,843	\$64
Litigation judgment, net of taxes paid	-	-	-	-	-
Net cash (used in) provided by operating activities, excluding litigation judgment, net of taxes paid	(829)	889	1,525	2,843	64
Investment in property, plant and equipment	(794)	(688)	(671)	(675)	(656)
Proceeds from sale of property, plant and equipment	159	86	102	255	96
Effect of exchange rate changes on cash, cash equivalents, and restricted cash	138	1	(1)	(102)	14
Free cash flow ¹	\$(1,326)	\$288	\$955	\$2,321	\$(482)

1. Free cash flow represents cash flow from operations, excluding the impact of proceeds received in the fourth quarter of fiscal 2021 from a one-time Itanium litigation judgment, less net capital expenditures (investments in property, plant & equipment ("PP&E") less proceeds from the sale of PP&E), and adjusted for the effect of exchange rate fluctuations on cash, cash equivalents, and restricted cash.

Reconciliation of Segment Operating Profit to GAAP & Non-GAAP Operating Profit

	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23	Q1'24
Intelligent Edge	\$153	\$106	\$156	\$127	\$227	\$332	\$402	\$382	\$353
Server	465	398	470	625	678	473	319	360	383
Hybrid Cloud	103	98	112	155	80	26	75	51	47
HPEFS	99	102	97	89	63	76	72	70	74
Corporate Investments and other	7	(2)	(18)	(13)	(22)	(19)	(20)	(16)	(10)
Total Segment Operating Profit	827	702	817	983	1,026	888	848	847	847
Unallocated corporate costs and eliminations	(59)	(75)	(88)	(81)	(108)	(89)	(130)	(137)	(72)
Non-GAAP Operating Profit	768	627	729	902	918	799	718	710	775
Amortization of initial direct costs	(1)	(1)	(1)	(1)	-	-	-	-	-
Amortization of intangible assets	(73)	(74)	(73)	(73)	(73)	(71)	(72)	(72)	(71)
Impairment of goodwill	-	-	-	(905)	-	-	-	-	-
Transformation costs	(111)	(98)	(80)	(184)	(102)	(60)	(65)	(56)	(20)
Disaster recovery (charges)	1	(125)	(36)	1	(1)	(3)	2	14	25
Stock-based compensation expense	(128)	(114)	(64)	(85)	(140)	(126)	(91)	(71)	(141)
Acquisition, disposition and other related charges	(8)	(8)	(9)	6	(11)	(19)	(21)	(18)	(43)
GAAP Operating Profit (Loss)	\$448	\$207	\$466	\$(339)	\$591	\$520	\$471	\$507	\$525