

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

(Mark One)

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended October 31, 2024
Or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to
Commission file number 001-37483

HEWLETT PACKARD ENTERPRISE COMPANY

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

47-3298624
(I.R.S. employer
identification no.)

1701 East Mossy Oaks Road, Spring, Texas
(Address of principal executive offices)

77389
(Zip code)

(678) 259-9860
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, par value \$0.01 per share	HPE	New York Stock Exchange
7.625% Series C Mandatory Convertible Preferred Stock, par value \$0.01 per share	HPEPRC	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:
None

Indicate by check mark if the registrant is a well-known seasoned issuer as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act:

Large accelerated filer☒

Accelerated filer☐

Non-accelerated filer☐

Smaller reporting company☐

Emerging growth company☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant’s executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

The aggregate market value of the registrant's common stock held by non-affiliates was \$21,985 million based on the last sale price of common stock on April 30, 2024.

The number of shares of Hewlett Packard Enterprise Company common stock outstanding as of December 9, 2024 was 1,315,333,942 shares.

DOCUMENT DESCRIPTION	DOCUMENTS INCORPORATED BY REFERENCE	10-K PART
Portions of the Registrant's proxy statement related to its 2025 Annual Meeting of Stockholders to be filed pursuant to Regulation 14A within 120 days after Registrant's fiscal year end of October 31, 2024 are incorporated by reference into Part III of this Report.		III

Hewlett Packard Enterprise Company
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For the Fiscal Year ended October 31, 2024
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Forward-Looking Statements

This Annual Report on Form 10-K, including “Management's Discussion and Analysis of Financial Condition and Results of Operations” in Item 7, contains forward-looking statements within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Such statements involve risks, uncertainties, and assumptions. If the risks or uncertainties ever materialize or the assumptions prove incorrect, the results of Hewlett Packard Enterprise Company and its consolidated subsidiaries (“Hewlett Packard Enterprise”) may differ materially from those expressed or implied by such forward-looking statements and assumptions. The words “believe,” “expect,” “anticipate,” “intend,” “will,” “estimates,” “may,” “likely,” “could,” “should” and similar expressions are intended to identify such forward-looking statements. All statements other than statements of historical fact are statements that could be deemed forward-looking statements, including but not limited to any anticipated financial or operational benefits associated with the segment realignment that became effective as of the beginning of the first quarter of fiscal 2024; any projections, estimations or expectations of addressable markets and their sizes, revenue (including annualized revenue run-rate), margins, expenses (including stock-based compensation expenses), investments, effective tax rates, interest rates, the impact of tax law changes and related guidance and regulations, net earnings, net earnings per share, cash flows, liquidity and capital resources, inventory, goodwill, impairment charges, hedges and derivatives and related offsets, order backlog, benefit plan funding, deferred tax assets, share repurchases, currency exchange rates, repayments of debts including our asset-backed debt securities, or other financial items; recent amendments to accounting guidance and any potential impacts on our financial reporting therefrom; any projections or estimations of orders, including as-a-service orders; any statements of the plans, strategies, and objectives of management for future operations, as well as the execution and consummation of corporate transactions or contemplated acquisitions (including but not limited to our proposed acquisition of Juniper Networks, Inc.) and dispositions (including disposition of our H3C shares and the receipt of proceeds therefrom), research and development expenditures, and any resulting benefits, cost savings, charges, or revenue or profitability improvements; any statements concerning the expected development, performance, market share, or competitive performance relating to products or services; any statements concerning technological and market trends, the pace of technological innovation, and adoption of new technologies, including artificial intelligence-related and other products and services offered by Hewlett Packard Enterprise; any statements regarding current or future macroeconomic trends or events and the impact of those trends and events on Hewlett Packard Enterprise and our financial performance, including but not limited to supply chain dynamics, demand for our products and services, and access to liquidity, and our actions to mitigate such impacts to our business; the scope and duration of outbreaks, epidemics, pandemics, public health crises, the ongoing conflicts between Russia and Ukraine and in the Middle East and the relationship between China and the U.S., and our actions in response thereto, and their impacts on our business, operations, liquidity and capital resources, employees, customers, partners, supply chain, financial results, and the world economy; any statements regarding future regulatory trends and the resulting legal and reputational exposure, including but not limited to those relating to environmental, social, governance, cybersecurity, data privacy, and artificial intelligence issues; any statements regarding pending litigation, investigations, claims, or disputes; any statements of expectation or belief; and any statements of assumptions underlying any of the foregoing. 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 heightened global trade restrictions, the use and development of artificial intelligence and the events described above; 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, but not limited to, those mentioned above); the development of and transition to new products and services and the enhancement of existing products and services to meet customer needs and respond to emerging technological trends; the execution of Hewlett Packard Enterprise's ongoing 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, but not limited to, those mentioned above; the prospect of a shutdown of the U.S. federal government; the hiring and retention of key employees; the execution, integration, consummation, and other risks associated with business combination, disposition, and investment transactions, including but not limited to the risks associated with the disposition of H3C shares and the receipt of proceeds therefrom and 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 certain financial metrics; utility of segment realignments; allowances for recovery of receivables and warranty obligations; provisions for, and resolution of, pending litigation, investigations, claims, and disputes; the impacts of tax law changes and related guidance or regulations; and other risks that are described herein, including but not limited to the items discussed in “Risk Factors” in Item 1A of Part I of this report and that are otherwise described or updated from time to time in Hewlett Packard Enterprise's Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and in other 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.

PART I

ITEM 1. Business

We are a global technology leader focused on developing intelligent solutions that allow customers to capture, analyze and act upon data seamlessly from edge to cloud. We enable customers to accelerate business outcomes by driving new business models, creating new customer and employee experiences, and increasing operational efficiency today and into the future. Our customers range from small-and-medium-sized businesses to large global enterprises and governmental entities. Our legacy dates back to a partnership founded in 1939 by William R. Hewlett and David Packard, and we strive every day to uphold and enhance that legacy through our dedication to providing innovative technological solutions to our customers.

We use the terms “Hewlett Packard Enterprise,” “HPE,” “the Company,” “we,” “us,” and “our” to refer to Hewlett Packard Enterprise Company.

Our Strategy

Over the last several years, new megatrends around edge, cloud, data, and artificial intelligence (“AI”) have emerged to shape customer expectations for enterprise technology. First, data at the edge is increasing exponentially, driven by the proliferation of devices that require secure connectivity to enable reliable digital experiences. Second, enterprises need a cloud experience everywhere to manage data and workloads wherever they live across a distributed enterprise. Third, data growth is creating countless new opportunities to generate meaningful business insights. Finally, HPE is seeing a significant technology shift as customers realize the fundamental potential of AI technology to deliver business transformation.

In concert with these trends, enterprises are consuming their technology differently. Increasingly, customers want to digitally transform while preserving capital and eliminating operating expense by paying only for the information technology (“IT”) they use.

The megatrends are ushering in long-lasting changes to IT, including accelerating hybrid multi-cloud adoption. Customers across industry verticals are interested in unifying all the applications and data with a consistent cloud experience.

Customers also want to better extract value from their growing stores of rapidly evolving data, knowing that actionable insights from data are critical to deliver business transformations. Data is becoming more unstructured, more time-sensitive, and more distributed. Frequently, data is siloed and spread across different multi-generational IT systems, often trapped in critical legacy architecture. Many organizations cannot adequately gain insights from their data at the edge or face cloud migration challenges because of their legacy applications. Customers need a data-first modernization approach across edge to data center to cloud.

HPE has deployed an edge-to-cloud strategy that capitalizes on emergent megatrends and delivers a data-first modernization approach for customers. Our vision to be the edge-to-cloud company has led us to innovate our solutions across networking connectivity, cloud, and data, delivered as-a-service (“aaS”) through the HPE GreenLake cloud. We have shifted our mix of products and services, and how we deliver that mix to customers. HPE has evolved to a platform-based model, fueled by a portfolio richer in software and services. In hybrid cloud, we have redefined the cloud space by delivering an experience that is hybrid by design with our HPE GreenLake cloud as the centerpiece of our strategy; it accelerates multi-generation IT transformation through a unified cloud-native and AI-driven experience that empowers customers to access, analyze, and extract value from their data across public clouds, data centers, colocation facilities, and at the edge. The AI market requires a modern and high-performing networking fabric as a core foundation to deliver a more efficient data-center cloud, which we offer through our AI-driven portfolio of networking solutions. Our server business supports both traditional servers and those meant to enable AI workloads with decades of large-scale infrastructure expertise, including technologies like direct liquid cooling that are powering some of our largest AI systems. Our Financial Services (“FS”) business complements our solution offerings by helping customers unlock financial capacity.

We recognize the AI market will be driven by computational capability, data-intensive workloads, and the need for specialized architecture; thus, we have been targeting, and continue to target three areas: supercomputing, AI infrastructure, and AI platform software. We seek to seize this AI market opportunity by innovating in networking, hybrid cloud and AI – which are all essential building blocks to deliver a unified technology experience. We believe that we are differentiated from our competition by our unique and compelling value proposition, which positions us to capture significant value from the growing AI market through our intellectual property portfolio, trusted expertise, and long-term sustained market leadership in supercomputing.

The pending acquisition of Juniper Networks, Inc. (“Juniper Networks”) further supports the aforementioned strategies and enables us to execute on them. We believe this acquisition will accelerate our edge-to-cloud vision with a full networking IP stack: from silicon, to infrastructure, to the operating system, to security, to software and services, in a cloud-native and AI-

driven approach. Furthermore, through this strategic acquisition, we seek to deliver secure, AI-driven networking solutions, which will be foundational to delivering fully integrated hybrid cloud and AI solutions.

Our Business Segments, Products and Services

Our operations are organized into five reportable business segments: Server, Hybrid Cloud, Intelligent Edge, Financial Services, and Corporate Investments and Other. The class of similar product categories within each segment which accounted for more than 10% of our consolidated net revenue in each of the past three years was as follows:

- Fiscal 2024 - Server products, Server services, Intelligent Edge products, Hybrid Cloud products
- Fiscal 2023 - Server products, Intelligent Edge products, Server services, Hybrid Cloud products
- Fiscal 2022 - Server products, Server services, Hybrid Cloud products, Intelligent Edge products

The Company had two distributors which represented approximately 14% and 11% of the Company's total net revenue in fiscal 2024, primarily within the Intelligent Edge and Server segments.

A summary of our net revenue, earnings from operations and assets for our segments can be found in Note 2, "Segment Information," to our Consolidated Financial Statements in Item 8 of Part II. A discussion of certain factors potentially affecting our operations is set forth in Item 1A of Part I, "Risk Factors."

Server

Our Server segment offerings consist of general-purpose servers for multi-workload computing and workload-optimized servers to deliver the high performance and value for demanding applications, and integrated systems comprised of software and hardware designed to address high-performance computing and supercomputing (including exascale applications), artificial intelligence, data analytics, and transaction processing workloads for government and commercial customers globally. This portfolio of products includes our secure and versatile HPE ProLiant Rack and Tower servers; HPE Synergy, a composable infrastructure for traditional and cloud-native applications; HPE Scale Up Servers product lines for critical applications, including large enterprise software applications and data analytics platforms; HPE Edgeline servers; HPE Cray EX; HPE Cray XD (formerly known as HPE Apollo); and HPE NonStop. Server offerings also include operational and support services sold with systems and as standalone services.

Hybrid Cloud

The Hybrid Cloud segment offers a wide variety of cloud-native and hybrid solutions across storage, private cloud and the infrastructure software-as-a-service ("SaaS") space. Storage includes data storage and data management offerings with the HPE Alletra Storage portfolio; unstructured data solutions and analytics for AI; data protection and archiving; and storage networking. It also includes AIOps-driven intelligence with HPE InfoSight and HPE CloudPhysics. In private cloud, our Private Cloud Enterprise offerings include new cloud-native offerings and capabilities for virtual machines, containers, and bare metal; a full suite of private cloud offerings that enable customers to self-manage or choose a fully managed experience. In fiscal 2024, we launched a new offering, Private Cloud AI, that captures the emerging enterprise model fine-tuning, retrieval augmented generation and inference markets for AI solutions. Private Cloud AI is fully integrated, standardized offer that has been co-developed with AI market leader Nvidia, with the goal to provide an out of the box solution for enterprise AI. This segment also provides self-service private cloud on-demand with HPE GreenLake for Private Cloud Business Edition. Infrastructure software includes monitoring and observability for day two operations and beyond through our acquisition of OpsRamp and unified data access through our HPE Ezmeral Data Fabric and analytics suite, which helps move and transform data for use in AI and other applications. Hybrid Cloud segment also includes data lifecycle management and protection through our suite of offerings, including Zerto Disaster Recovery.

Intelligent Edge

The Intelligent Edge segment offers wired and wireless local area networks, campus, branch, and data center switching, software-defined wide-area-networks, private and public cellular network software, network security, and associated services that enable secure connectivity for businesses of any size. The HPE Aruba Networking product portfolio includes hardware products such as Wi-Fi access points, switches, and gateways. The HPE Aruba Networking software and services portfolio includes cloud-based management, network management, network access control, software-defined wide-area networking, network security, analytics and assurance, location services software, private and public cellular core software, and professional and support services, as well as aaS and consumption models through the HPE GreenLake cloud for the Intelligent Edge portfolio of products. Intelligent Edge offerings are consolidated in the edge service platform, which takes a cloud-native approach that provides customers with a unified framework to meet their connectivity, security, and financial needs across campus, branch, data center, and remote worker environments. Upon closing of the pending acquisition of Juniper Networks, we expect to offer an even more comprehensive portfolio of networking solutions.

Financial Services

Financial Services (“FS”) provides flexible investment solutions, such as leasing, financing, IT consumption, utility programs, and asset management services for customers that facilitate unique technology deployment models and the acquisition of complete IT solutions, including hardware, software, and services from Hewlett Packard Enterprise and others. FS also supports financial solutions for on-premise flexible consumption models, such as the HPE GreenLake cloud.

Corporate Investments and Other

Corporate Investments and Other includes the Advisory and Professional Services business, which primarily offers consultative-led services, HPE and partner technology expertise and advice, implementation services as well as complex solution engagement capabilities; the Communications and Media Solutions business, which primarily offers software and related services to the telecommunications industry; and Hewlett Packard Labs, which is responsible for research and development.

Our Strengths

We believe that we possess a number of competitive advantages that distinguish us from our competitors, including:

- *Edge-to-cloud strategy and solutions uniquely solve customer challenges.* As data grows and evolves, enterprises become increasingly distributed, and customers realize the potential in AI technology, HPE’s edge-to-cloud strategy is uniquely designed to enable customers to securely access, control, and maximize the value of all their workloads and data assets to accelerate business outcomes. The HPE GreenLake cloud is an open, secure, fully integrated platform that brings a unified experience across the edge, data center, colocation, and cloud. It is automated and easy to consume with capacity available to scale up and down on demand. It offers true pay per use consumption so customers only pay for what they use, and they can have the entire hybrid cloud experience managed for them through our HPE Managed Services offerings.
- *Comprehensive portfolio.* We have a distinctive and industry leading portfolio of edge-to-cloud solutions and capabilities to help accelerate our customers’ digital transformations and help them capture the opportunity that AI presents for their businesses. We combine our software-defined infrastructure and services capabilities to provide what we believe is the strongest portfolio of enterprise solutions in the IT industry. Our ability to deliver a comprehensive IT strategy and connect our customers’ data from edge to cloud, through our high-quality products and high-value consulting and support services in a single package, is one of our principal differentiators.
- *Differentiated consumption-based IT solutions for a growing opportunity.* Enterprises of all sizes are looking to digitally transform in order to develop next-generation cloud-native applications, create actionable insights from their data, and drive business growth, but they face many challenges including lack of in-house IT skills, limited budgets and options for financing, and lack of flexibility to choose the technology foundation that best meets their needs. Consumption-based IT offers solutions to these challenges by providing greater agility, which empowers people to shift from managing infrastructure to driving innovation by leveraging insights from their data, while also eliminating capital and operating expenses tied to infrastructure over-provisioning. HPE is distinctly differentiated in delivering a true consumption-based IT experience.
- *Open platforms.* The world is shifting from centralized and closed approaches in large data centers to a future of centers of data everywhere, which are highly decentralized and distributed. This shift demands a unified cloud platform that can put the agility and intelligence close to customers’ data sources to create real-time insights everywhere. We believe the cloud experience should be open and seamless across all our customers’ clouds, rather than requiring customers to be locked into a cloud stack.
- *Multi-year innovation roadmap and strong balance sheet.* We have been in the technology and innovation business for over 80 years. Our vast intellectual property portfolio and global research and development capabilities are part of a broader innovation roadmap designed to help organizations take advantage of the expanding amount of data available and leverage the latest technology developments such as cloud, artificial intelligence, supercomputing, and cybersecurity to drive business transformations now and in the future. We also have a strong balance sheet and liquidity profile that provide the financial flexibility and speed to take advantage of acquisition opportunities.
- *Global distribution and partner ecosystem.* We are experts in delivering innovative technological solutions to our customers in complex multi-country, multi-vendor, and/or multi-language environments. We have expansive go-to-market capabilities, including a large ecosystem of channel partners, which enables us to market and deliver our product offerings to customers located virtually anywhere in the world. Our HPE GreenLake cloud provides open cloud application programming interfaces to our partners, enabling them to better offer their unique solutions to customers.

- *Custom financial solutions.* Through our FS segment, we help customers create investment capacity to accelerate their transformations by helping them free up capital, capture value from older assets, achieve sustainability goals, invest in new technologies aaS, and weather financial volatility. FS is also an enabler of our consumption-based IT models by helping spread our upfront solution costs over the duration of the customer contract. Through FS' Technology Renewal Centers, we are helping customers achieve their own sustainability goals by refurbishing technology assets for reuse.
- *Experienced leadership team.* Our management team has an extensive track record of performance and execution. We are led by our President and Chief Executive Officer, Antonio Neri, who has proven experience in developing transformative business models, building global brands, and driving sustained growth and expansion in the technology industry. Mr. Neri's experience includes more than 25 years combined at HPE and Hewlett-Packard Company ("HP Co.") in various leadership positions. Our senior management team has many years of experience in our industry and possesses extensive knowledge of and experience in the enterprise IT business and the markets in which we compete.

Sales, Marketing, and Distribution

We manage our business and report our financial results based on the segments described above. Our customers are organized by commercial and large enterprise groups, including business and public sector enterprises, and purchases of our products, solutions and services may be fulfilled directly by us or indirectly through a variety of partners, including:

- resellers that sell our products and services, frequently with their own value-added products or services, to targeted customer groups;
- distribution partners that supply our solutions to resellers;
- original equipment manufacturers ("OEMs") that integrate our products and services with their own products and services, and sell the integrated solution;
- independent software vendors that provide their clients with specialized software products and often assist us in selling our products and services to clients purchasing their products;
- systems integrators that provide expertise in designing and implementing custom IT solutions and often partner with us to extend their expertise or influence the sale of our products and services; and
- advisory firms that provide various levels of management and IT consulting, including some systems integration work, and typically partner with us on client solutions that require our unique products and services.

The mix of our business conducted by direct sales or channel differs substantially by business and region. We believe that customer buying patterns and different regional market conditions require us to tailor our sales, marketing, and distribution efforts accordingly. We are focused on driving the depth and breadth of our coverage, in addition to identifying efficiencies and productivity gains, in both our direct and indirect businesses. This has resulted in a combined go-to-market model, in which we have a direct sales presence in a number of countries, while we sell and deliver our products, solutions, and services through a channel-only model in the remaining countries. In those countries where we have a direct sales presence, we follow a bifurcated sales operational model with separate go-to-market routes for high-velocity, transactional hardware sales, on the one hand and for services and solutions, on the other hand. Also, we typically assign an account manager to manage relationships across our business with large enterprise customers as well as with large public sector accounts. The account manager is supported by a team of specialists with product and services expertise. For other customers, our businesses collaborate to manage relationships with commercial resellers targeting smaller accounts, both in the commercial and public sector space.

Manufacturing and Materials

We utilize a significant number of outsourced and contract manufacturers around the world to manufacture products that we design. The use of outsourced and contract manufacturers is intended to generate cost efficiencies and reduce time to market for our products as well as create manufacturing flexibility in our supply chain and processes. In some circumstances, third-party OEMs produce products that we purchase and resell under our brand. In addition to our use of outsourced and contract manufacturers, we currently manufacture a limited number of finished products from components and subassemblies that we acquire from a wide range of vendors.

Historically, we have utilized two primary methods of fulfilling demand for products: building products to order and configuring products to order. We build products to order to maximize manufacturing and logistics efficiencies by producing high volumes of basic product configurations. Alternatively, configuring products to order enables units to match a customer's particular hardware and software customization requirements. Our inventory management and distribution practices in both building products to order and configuring products to order seek to minimize inventory holding periods by taking delivery of the inventory and manufacturing shortly before the sale or distribution of products to our customers.

We purchase materials, supplies, and product subassemblies from a substantial number of vendors. For most of our products, we have existing alternate sources of supply or such alternate sources of supply are readily available. However, we do rely on single-source suppliers for certain customized parts (although some of these sources have operations in multiple locations in the event of a disruption) and a disruption or loss of a single-source supplier could delay production of some products. In some instances, our single-source suppliers (e.g., Intel and AMD as suppliers of certain x86 processors) are also the single-source suppliers for the entire market; disruptions with these suppliers would result in industry-wide dislocations and therefore would not disproportionately disadvantage us relative to our competitors.

Like other participants in the IT industry, we ordinarily acquire materials and components through a combination of blanket and scheduled purchase orders to support our demand requirements for periods averaging 90 to 120 days. From time to time, we experience significant price volatility or supply constraints for certain components that are not available from multiple sources due to certain events taking place where our suppliers are geographically concentrated. When necessary, we are often able to obtain scarce components for somewhat higher prices on the open market, which may have an impact on our gross margin, but does not generally disrupt production. We also acquire component inventory in anticipation of supply constraints, or enter into longer-term pricing commitments with vendors to improve the priority, price, and availability of supply. See “Risk Factors” in Item 1A of Part I of this Annual Report on Form 10-K under the heading “We depend on third-party suppliers, and our financial results could suffer if we fail to manage our supplier relationships properly.”

We rely on proactive inventory buffering measures in order to position ourselves well for availability of those components. We intend to take additional inventory actions as appropriate in alignment to the market demand, and plan to continue leveraging strong partnerships and long-term agreements with our suppliers.

Backlog

Backlog represents the price of orders related to current or prior periods for which work has not been performed or goods have not been delivered as of the reporting period. Orders reflected in backlog are subject to adjustment, including as a result of re-bookings, cancellations and fulfillment issues, which may impact backlog.

The adverse impact of the global pandemic on the supply chain has moderated, resulting in a more balanced supply-and-demand environment and improved component availability. Challenges in global logistics have mostly normalized despite some uncertainty related to regional conflicts and port labor disputes. Our overall demand pipeline has improved since the beginning of fiscal 2024 as customers have been digesting through their inventory. Even though demand across our AI product portfolio, including for high performance graphics and accelerated processing units, continues to be somewhat uneven, due to the lumpiness of deals that can cause fluctuations quarter-to-quarter, AI systems demand in the midst of persisting data center space availability constraints continued to drive significant AI backlog. The supply and demand environment for GPUs continues to remain uneven as the market navigates transition to next generation GPUs. These dynamics have resulted in our inventory levels being elevated as compared to the fiscal year ended October 31, 2023, and we are closely monitoring inventory levels as the market navigates a transition to next-generation GPUs.

International

Our products and services are available worldwide. We believe geographic diversity allows us to meet demand on a worldwide basis for our customers, draws on business and technical expertise from a worldwide workforce, provides stability to our operations, provides revenue streams that may offset geographic economic trends, and offers us an opportunity to access new markets for maturing products.

A summary of our domestic and international results is set forth in Note 2, “Segment Information,” to our Consolidated Financial Statements in Item 8 of Part II. Approximately 64% of our overall net revenue in fiscal 2024 came from sales outside the United States.

For a discussion of certain risks attendant to our international operations, see “Risk Factors” in Item 1A of Part I of this Annual Report on Form 10-K under the headings “Due to the international nature of our business, political or economic changes and the laws and regulatory regimes applying to international transactions or other factors could harm our future revenue, costs and expenses, and financial condition,” and “We are exposed to fluctuations in foreign currency exchange rates,” “Quantitative and Qualitative Disclosure about Market Risk” in Item 7A of Part II, and Note 13, “Financial Instruments,” to our Consolidated Financial Statements in Item 8 of Part II.

Research and Development

Innovation is a key element of our culture and critical to our success. Our research and development efforts (“R&D”) are focused on designing and developing products, services, and solutions that anticipate customers' changing needs and desires and emerging technological trends. Our efforts also are focused on identifying the areas where we believe we can make a unique contribution and where partnering with other leading technology companies will leverage our cost structure and maximize our customers' experiences.

Expenditures for R&D were \$2.2 billion in fiscal 2024, \$2.3 billion fiscal 2023, and \$2.0 billion in fiscal 2022. We anticipate that we will continue to have significant R&D expenditures in the future to support the design and development of innovative, high-quality products, services, and solutions to maintain and enhance our competitive position.

Included in the R&D work currently taking place at the Company are the following initiatives:

In Server, we are developing high-quality next-generation compute solutions that encompass servers, server-attached options, and software, integrating the latest industry technology and aligning with our customers' evolving needs. Furthermore, we are advancing our SaaS capabilities by creating cloud-native, cloud-based server management solutions to enhance our existing portfolio. In the high performance computing and AI sector, our investments are focused on pioneering leadership computing solutions that deliver superior performance and efficiency. These solutions feature leading edge silicon architectures, high-speed interconnects, advanced storage and innovative direct liquid cooling. Our R&D efforts in the realm of AI are particularly robust, with new server solutions designed for AI inference engines and integrated into larger HPE Private Cloud AI for inferencing, retrieval augmented generation, and model fine-tuning. Large-scale model training and tuning, including natural language processing, large language models, and multi-modal training for models with trillions of parameters are supported by our leading AI solutions. These efforts are bolstered by the development of high-performance computing tools, cloud-native and scalable cluster management software, and transaction processing software, which have been instrumental in achieving our milestone of delivering the world's first exascale supercomputer.

In Hybrid Cloud, we are investing in a comprehensive portfolio of storage and private cloud technologies and capabilities that are focused on enabling customers to transform through the power of data and AI, modernize their IT infrastructure and simplify hybrid operations, delivering a cloud operational experience via the HPE GreenLake cloud. We continue to invest in the storage portfolio aligned with the customers evolving data and AI needs. We have extended the deployment model from on-premise and cloud-adjacent to include software-defined cloud native deployments in Amazon Web Services. In private cloud, we are developing fully integrated hardware-software offers that simplify day-to-day management, operations and data protection, enables an on-premise public-cloud like experience while addressing security, privacy, governance, and regulatory compliance needs. The investment includes airgapped/disconnected offers and offers for heavy data traffic and latency requirements at the edge. In the AI space, we have invested in building turn-key integrated systems co-engineered with Nvidia that integrate HPE AI hardware and software technologies with Nvidia technologies to radically increase time to value of GenAI capabilities optimized for inferencing, retrieval augmented generation, and model fine-tuning. We have expanded our cloud observability and orchestration capabilities and virtualization options through the acquisitions of OpsRamp (observability) and Morpheus (orchestration), extending our ability to simplify IT complexity in multi-cloud and multi-vendor environments. Finally, we have been rapidly developing an enterprise-grade hypervisor for virtual machines, along with the ability to manage cloud-native applications using containerization, or specialized workload needs with bare metal as a service.

In Intelligent Edge, we are investing in a broad portfolio of networking and security capabilities, addressing remote, branch, campus, data center, and cloud use cases. We are expanding our wireless access portfolio to include new Wi-Fi (e.g., Wi-Fi 7) and private cellular (4G, LTE, and 5G) products to complement our existing portfolio. We have expanded our security capabilities with last year's acquisition of Secure Service Edge (“SSE”) provider Axis Security and delivering stand-alone SSE, and integrating security with our software-defined wide area network (“SD-WAN”) capabilities to deliver a single-vendor Secure Access Services Edge solution. In our Ethernet Switch portfolio, we are investing in new Data Center Networking platforms and features to expand our total addressable market to complement the campus and branch segment. We leverage the HPE GreenLake cloud to provide consistent access to our aaS capabilities and enable new business models, including network-as-a-service. We also are investing in automation, machine learning, and AI-based network operations to optimize user experience and improve operator efficiency, as exemplified by our cloud-native Aruba Central cloud service, which is expected to provide manageability across our entire portfolio, including Wireless LAN, Ethernet switching, SD-WAN, and security.

In Hewlett Packard Labs, we are focused on disruptive innovation and applied research in collaboration with other HPE business groups to deliver differentiated intellectual property. Our innovation agenda is focused on developing technologies in the areas of system architecture, networking, AI, sustainability, edge-to-cloud, quantum computing, and sustainability. We also continue to invest in our silicon design capability to accelerate the development and delivery of our technology.

For a discussion of risks attendant to our R&D activities, see “Risk Factors” in Item 1A of Part I of this Annual Report on Form 10-K under the heading “If we cannot successfully execute our go-to-market strategy, including offering our entire portfolio aaS, our business, operating results, and financial performance may suffer.”

Patents

Our general policy is to seek patent protection for those inventions likely to be incorporated into our products and services or where obtaining such proprietary rights will improve our competitive position. As of October 31, 2024, our worldwide patent portfolio included approximately 13,000 issued and pending patents.

Patents generally have a term of up to 20 years from the date they are filed. As our patent portfolio has been built over time, the remaining terms of the individual patents across our patent portfolio vary. We believe that our patents and patent applications are important for maintaining the competitive differentiation of our products and services, enhancing our freedom of action to sell our products and services in markets in which we choose to participate, and maximizing our return on research and development investments. No single patent is in itself essential to our company as a whole or to any of our business segments.

In addition to developing our patent portfolio, we license intellectual property from third parties as we deem appropriate. We have also granted and continue to grant to others licenses and other rights under our patents when we consider these arrangements to be in our interest. These license arrangements include a number of cross-licenses with third parties.

For a discussion of risks attendant to intellectual property rights, see “Risk factors” in Item 1A of Part I of this Annual Report on Form 10-K under the headings “Our financial performance may suffer if we cannot continue to develop, license or enforce the intellectual property rights on which our businesses depend” and “Our products and services depend in part on intellectual property and technology licensed from third parties.”

Seasonality

From time to time, the markets in which we sell our products, services, and solutions experience weak economic conditions that may negatively affect sales. We experience some seasonal trends in the sale of our products and services. For example, European sales are often weaker in the summer months. See “Risk factors” in Item 1A of Part I of this Annual Report on Form 10-K under the heading “Our uneven sales cycle and supply chain disruptions make planning and inventory management difficult and future financial results less predictable.”

Competition

We have a broad technology portfolio of enterprise IT infrastructure products, solutions, and services which includes our aaS offerings. We encounter strong competition in all areas of our business. We compete primarily on the basis of technology, innovation, performance, price, quality, reliability, brand, reputation, distribution, range of products and services, ease of use of our products, account relationships, customer training, service and support, security, and the availability of our IT infrastructure offerings.

The markets in which we compete are characterized by strong competition among major corporations with long-established positions and a large number of new and rapidly growing firms. Most product life cycles are relatively short, and to remain competitive we must develop new products and services, continuously enhance our existing products and services and compete effectively on the basis of the factors listed above, among others. In addition, we compete with many of our current and potential partners, including OEMs that design, manufacture, and market their products under their own brand names. Our successful management of these competitive partner relationships is critical to our future success. Moreover, we anticipate that we will have to continue to adjust prices on many of our products and services to stay competitive.

The competitive environments in which our segments operate are described below:

Server business operates in the highly competitive enterprise data center infrastructure market and the markets for data-intensive high performance supercomputing, analytics, and artificial intelligence infrastructure solutions, which are characterized by rapid and ongoing technological innovation. Our primary competitors in data center infrastructure are technology vendors, such as Dell Technologies Inc., Super Micro Computer, Inc., Cisco Systems, Inc., Lenovo Group Ltd. In certain regions, we also experience competition from local companies and from generically branded or “white-box” manufacturers. Our primary competitors in high performance infrastructure include technology vendors that can design and build solutions that deliver performance scalability and connectivity necessary to handle super-compute and AI workloads, including Dell Technologies Inc., Super Micro Computer, Inc., Lenovo Group Ltd., Fujitsu Network Communications, Inc., and Atos Information Technology Incorporated. In our software platform for AI model development and deployment, we both compete and cooperate with cloud service providers and start-up companies that deliver platforms for AI model training, tuning, and inferencing. Our strategy is to deliver superior products, high-value technology support services, and differentiated

integrated solutions that combine our infrastructure, software, and services capabilities. Our competitive advantages include our broad end-to-end solutions portfolio, supported by our strong intellectual property portfolio and research and development capabilities, coupled with our global reach and partner ecosystem.

Hybrid Cloud is our private cloud services solutions business consisting of HPE's GreenLake and Storage solutions, and associated private cloud software offerings. Hybrid cloud solutions enable HPE to take care of the infrastructure, so customers can focus on managing workloads and fostering innovation. Our primary competitors are other infrastructure and cloud management software technology vendors, such as Broadcom/VMware, Cisco Systems Inc., Dell Technologies Inc., IBM, NetApp Inc., Nutanix, and Pure Storage and public cloud vendors like Amazon Web Services, Google Cloud, and Microsoft Azure. Our strategy is to deliver a secure and scalable cloud-like experience across any app or mission-critical workload—traditional or cloud-native.

Intelligent Edge operates in the highly competitive networking and connectivity infrastructure market, which is characterized by rapid and ongoing technological innovation and price competition. Our primary competitors are technology vendors, such as Cisco Systems, Inc., Extreme Networks, Inc., Arista Networks Inc, Palo Alto Networks, Fortinet, Juniper Networks, Ruckus Networks, and Ubiquiti and networking-as-a-service vendors such as Nile and Meter. Our strategy is to deliver superior enterprise wired and wireless local-area, wide-area and data-center networking components and software, routing technology, high-value technology support services, and differentiated integrated solutions that combine our infrastructure, software, and services capabilities. Our competitive advantage includes our broad end-to-end solutions portfolio, supported by our strong intellectual property portfolio and research and development capabilities, coupled with our global reach and partner ecosystem.

Financial Services. In our financing business, our primary competitors are captive financing companies, such as IBM Global Financing, Dell Financial Services, and Cisco Capital, as well as banks and other financial institutions. Our primary IT Asset Disposition ("ITAD") competitors are ERI, Ingram Micro, Sage Sustainable Electronics, and Sims Recycling Solutions. We believe our competitive advantage over banks, other financial institutions, and ITAD providers is our ability to bring together our investment solutions with our expertise in managing technology assets. Not only are we able to deliver investment solutions that help customers create unique technology deployments based on specific business needs, but we also help them extract value from existing IT investments while more efficiently managing the retirement of those assets. All of these solutions can help customers accelerate digital transformation, create new budget streams, and meet Circular Economy objectives.

For a discussion of certain risks attendant to these competitive environments, see "Risk factors" in Item 1A of Part I of this Annual Report on Form 10-K under the heading "We operate in an intensely competitive industry, and competitive pressures could harm our business and financial performance."

Human Capital Resources

At HPE we are united by our purpose, which is to advance the way people live and work. We believe technology's greatest promise lies in its potential for positive change. This is the guidepost for each decision we make at HPE. We believe it not only helps guide our contribution to society, but also makes good business sense. Our company strives to be an engine of innovation, and our approximately 61,000 employees as of October 31, 2024, are proud of the ways our technology enables our customers to achieve meaningful outcomes like curing disease, modernizing farming, addressing world-hunger, and democratizing transportation through autonomous vehicles.

Our Culture - We recognize the importance of talent and culture to the success of HPE and our ability to fulfill our purpose. We have identified four key cultural beliefs that guide how we lead on a daily basis: accelerating what's next, bold moves, the "power of yes we can," and being a force for good. We embed these beliefs in a deep-rooted DNA that puts customers first, enabling us to partner, innovate, and act with integrity. HPE has remained committed to its focus on internalizing these values into a vibrant culture that creates a superior team member experience and a highly engaged workforce, driving improvements across our communications, our reward programs, our talent/performance programs, and our work environment. Through such efforts, we aim to foster a collaborative, inclusive, and inspiring experience for all our team members and to make HPE a destination for talent while driving high-performance and growth opportunities for our team members, and innovation and excellence for our customers. In the midst of the above, we continually seek feedback from our team members to better understand and improve their experiences and identify opportunities to continually strengthen our culture.

Diversity, Equity, and Inclusion - At HPE, we are committed to cultivating a diverse and inclusive workplace. By fostering a culture where our people can freely contribute their perspectives, ideas, and experiences, we can fuel innovation, drive transformational changes, and be a force for good by harnessing the potential of our technologies and our team members. In 2024, we continued to advance our global approach of enhancing the composition of our workforce, by selecting regional leaders responsible for engaging team members, core human resources professionals, business stakeholders, and external

partners to identify areas of focus to advance unconditional inclusion. We also expanded our voluntary, and confidential self-identification program, “Count me in. I belong!” from the US, Puerto Rico and the U.K, to include Mexico, Brazil, Costa Rica, Colombia and India for the first time. We continue to develop new and inclusive pipelines of talent in science, technology, engineering, and math (“STEM”) professions through our dedicated HPE STEM Discovery Program. This program equips and enables HPE team members to serve as STEM education and digital inclusion volunteers in their local communities, exposing learners to cutting-edge technology and raising awareness about careers in technology. The Diversity, Equity, and Inclusion Voice of the Workforce index within our annual global engagement survey continued to reveal strong engagement scores across our ethnically diverse and female team members. Our Board, Chief Executive Officer (“CEO”), and Executive Committee model high standards for our efforts to drive an unconditionally inclusive environment and oversee efforts throughout the Company leadership to continuously develop their inclusive leadership acumen.

Talent - We are dedicated to attracting, developing, and retaining top talent through substantial investment. Our commitment extends to all career stages. We establish transparent goals, promote accountability, and continuously evaluate and nurture talent. About 95% of employees engaged in HPE’s “My Success Plan” program, which entails quarterly 1:1 conversations with leaders, centered on performance, progress, and career aspirations. The dynamic nature of our industry allows team members to thrive in their current roles while acquiring new skills. Over the past year, our approximately 61,000 team members completed over 821,000 online and instructor-led courses across various categories, including leadership, inclusion and diversity, professional skills, technical training, and compliance. We are particularly focused on identifying and cultivating the next generation of exceptional leaders, emphasizing technical expertise. Our annual talent and succession review, conducted with our CEO and Executive Committee, aims to accelerate talent development, enhance succession pipelines, and improve diversity in our key positions.

Pay Equity - We believe people should be paid equitably for what they do and how they do it, regardless of their gender, race, or other personal characteristics. We maintain policies to promote equal pay, and we regularly review our global pay practices with an aim to pay team members in similar roles and locations commensurately with their experience and responsibilities. We partner with independent third-party experts to conduct annual pay assessments and identify unexplained gaps between our present state and our goal of equitable pay treatment for all team members. Where these reviews identify such gaps at a country-wide level, we adjust compensation to eliminate the gap. As a result of our efforts, our most recent pay equity review demonstrated that we have achieved pay parity for base compensation and bonus targets between male and female team members in the U.S. (including among underrepresented ethnicities), and a dozen additional countries throughout the world, when accounting for job title, time-in-role, experience, and location. We conduct a number of compensation analyses in other countries to provide competitive and equitable pay.

Work That Fits Your Life - This global initiative, which was launched in 2019, is an important example of how HPE is investing in our culture and creating a team member experience that aims to make HPE a destination of choice for the best talent in the industry. It includes an industry-leading paid parental leave program (minimum 6 months), part-time work opportunities for new parents or team members transitioning to retirement, and “Wellness Fridays” that allows team members a full Friday off four times per year to focus on their well-being. The HPE Global Wellness Program is a comprehensive program that promotes overall health and well-being by providing team members with programs and resources that offer flexibility built around team member needs while continuing to deliver on critical business results. The program consists of four pillars: physical health, financial well-being, mental and emotional health, and community well-being. Additionally, we offer a hybrid work environment for the majority of our team members, encouraging two days in the office per week for collaboration.

Total Rewards - HPE requires a uniquely talented workforce and is committed to providing total rewards that are market-competitive and performance based, designed to drive innovation and operational excellence. Our compensation programs, practices, and policies reflect our commitment to reward short- and long-term performance that aligns with, and drives stockholder value. Total direct compensation is generally positioned within a competitive range of the market median, with differentiation based on tenure, skills, proficiency, and performance to attract and retain key talent.

Board Oversight - Our Board of Directors oversees our human capital management strategy and programs. Our HR and Compensation Committee provides oversight of our human resources and workforce management programs, including but not limited to those related to corporate culture; compensation plans and policies; diversity and inclusion; and talent acquisition, development, and retention.

HPE’s strong and healthy culture is critical to accelerating what’s next for our customers and partners – and the success of our company. We believe that a workforce that is energized and more engaged will fuel our ability to pivot and grow, which will, in turn, power the next chapter at Hewlett Packard Enterprise.

Environmental Sustainability

Living Progress is our business strategy for creating sustainable and responsible IT solutions that meet the technology demands of the future, while advancing the way people live and work. Anchored to our edge-to-cloud offerings and bolstered by our sustainability credentials, our Living Progress strategy provides us with a competitive advantage in the market as we help our customers achieve not only their business objectives, but also their IT sustainability goals. A legacy of sustainability leadership supports talent acquisition and retention and enables ongoing access to global markets. The HPE Board of Directors, including through its committees, provides oversight of our Living Progress strategy, risks, practices, policies, and disclosures, to support integration with our core business strategy.

Sustainability performance is a core business discipline within HPE. HPE aims to become a net-zero enterprise by 2040, with interim targets set across our value chain for 2030. These climate targets are approved by the Science Based Target initiative and align with the latest climate science. Our commitment is supported by our Net-Zero Roadmap, which defines the levers we plan to prioritize to enable us to deliver on our near- and long-term carbon emissions reduction targets and outlines key assumptions with respect to our reduction targets.

In 2024, the majority of our greenhouse gas emissions resulted from our customers' use of our products and solutions. We recognize the opportunity to innovate technologies for a carbon-constrained world and are committed to delivering products and solutions that empower our customers to reduce the carbon footprints of their IT estates while also gaining maximum productivity from their IT investments and reducing costs. For instance, the latest generation of HPE ProLiant Gen 11 Servers enables customers to consolidate and grow compute capabilities while lowering the cost of power, cooling, floor space, and licensing.

To enable market access across the globe and aid customers in selecting more sustainable IT solutions, many of our products are certified by eco-labels such as Electronic Product Environment Assessment Tool, Energy STAR, China SEPA and the China Energy Conservation Program.

Supply Chain Responsibility and Human Rights

We manage our supply chain to help reduce risk, improve product quality, achieve environmental and social goals, and improve overall performance and value creation for our customers, partners, and suppliers. We are conscious of the importance of the responsible use of our products. In an effort to prevent intended and unintended harm, we continue to consider who purchases our offerings and how they are used by, among other things, limiting features, including responsible use clauses, monitoring for risk of alternate end uses, and promoting deployment of AI with safeguards, such as user training and ongoing checks and refinement to mitigate bias and improve accuracy.

Human rights principles are embedded in how we do business, and we are committed to holding our entire value chain to high ethical standards that respect such principles. We have processes in place to enable the early detection of forced labor and have implemented due diligence procedures to monitor and help prevent human rights violations or abuses at our suppliers and in our operations. Additionally, through our Responsible Minerals Program, we work to advance the responsible sourcing of minerals used in our products and within our supply chain.

Our commitment to diversity, equity, and inclusion extends beyond our workforce and to our suppliers, as well. We believe a diverse supply chain and equity in sourcing not only creates opportunities for underrepresented and underserved communities, but also contributes to the resiliency of our supply chain and of our communities.

We are also committed to the responsible and ethical development and deployment of new technologies to advance how we live and work, and we continue to build on our existing responsible development work, particularly in relation to AI. We have an executive level AI Ethics Responsibility Committee and an operational AI Ethics Working Group, through which we aim to align the development, deployment, and use of AI with HPE's AI Ethical Principles, promoting privacy-enabled and secure, human focused, inclusive, robust, and responsible use of AI. In 2022, we refined our approach to assessing ethical AI and rolled out AI Ethical Principles training. In 2023, we further advanced this initiative by launching three new sub-committees to help us operationalize our principles for: Products (AI we develop), Processes (AI we source to use), and Partnerships (AI we source to incorporate into our solutions). In 2024, we rolled out a broader AI Governance model and developed tools to drive efficiency in the AI ethics assessment process.

While the HPE Board of Directors and all of its committees take an integrated, rather than siloed, approach to providing oversight of Living Progress matters, including environmental sustainability, supply chain responsibility, and human rights, our Nominating, Governance and Social Responsibility Committee is primarily responsible for oversight of our broader Living Progress strategy, initiatives, risks, and policies.

Material Government Regulations

Our business activities are subject to various federal, state, local, and foreign laws and our products and services are governed by a number of rules and regulations. Costs and accruals incurred to comply with these governmental regulations are presently not material to our capital expenditures, results of operations and competitive position. Although there is no assurance that existing or future government laws applicable to our operations, services or products will not have a material adverse effect on our capital expenditures, results of operations and competitive position, we do not currently anticipate material expenditures for government regulations. Nonetheless, as discussed below, we believe that global trade and certain environmental regulations could potentially materially impact our business.

Environment

Our products and operations are, or may in the future be, subject to various federal, state, local, and foreign laws and regulations concerning the environment, including, among others, laws addressing the discharge of pollutants into the air and water; supply chain due diligence, and sustainability, environment and emissions-related reporting; the management, movement, and disposal of hazardous substances and wastes and the clean-up of contaminated sites; product compliance and safety, such as repairability, chemical composition, packaging and labeling; energy consumption of our products and services; and the manufacture and distribution of chemical substances. We proactively evaluate, and at times replace materials in our products and supply chain, taking into account, among other things, published lists of substances of concern, new and upcoming legal requirements, customer preferences and scientific analysis that indicates a potential impact to human health or the environment. We are also subject to legislation in an increasing number of jurisdictions that makes producers of electrical goods, including servers and networking equipment, subject to certain repairability requirements or financially responsible for specified collection, recycling, treatment, and disposal of past and future covered products (sometimes referred to as “product take-back legislation”). We are also subject to standards set by public and private entities related to sustainability issues such as energy consumption, carbon emissions, reusing or recycling. Finally, as climate change and other environmental-related laws, regulations, treaties, and similar initiatives and programs are adopted and implemented throughout the world, we will be required to comply or potentially face market access limitations or other sanctions, including fines. In the event our products are impacted by these laws or standards, our products could be restricted from entering certain jurisdictions or from being procured by certain governments or private companies, and we could face other sanctions, including fines. However, we believe that technology will be fundamental to finding solutions to achieve compliance with and manage those requirements, and we are collaborating with industry, business groups and governments to find and promote ways that our technology can be used to address climate change and other environmental-related issues, and to facilitate compliance with related laws, regulations and treaties. We are committed to maintaining compliance with all environmental and environmental-related laws applicable to our operations, products and services, and to reducing our environmental impact across all aspects of our business. We support this commitment with a range of comprehensive policies, including relating to environmental, health and safety, climate, water, and electronic waste; a strict environmental management of our operations and worldwide environmental programs and services; an extensive supply chain responsibility program; and an approach to ethical standards and strong governance that are the foundations of our business.

Global Trade

As a global company, the import and export of our products and services are subject to laws and regulations including international treaties, U.S. export controls and sanctions laws, customs regulations, and local trade rules around the world. Such laws, rules, and regulations may delay the introduction of some of our products or impact our competitiveness through restricting our ability to do business in certain places or with certain entities and individuals, or the need to comply with domestic preference programs, laws concerning transfer and disclosure of sensitive or controlled technology or source code, unique technical standards, localization mandates, and duplicative in-country testing and inspection requirements. The consequences of any failure to comply with domestic and foreign trade regulations could limit our ability to conduct business globally. We continue to support open trade policies that recognize the importance of integrated cross-border supply chains that will continue to contribute to the growth of the global economy and measures that standardize compliance for manufacturers to ensure that products comply with safety and security requirements.

For a discussion of the risks associated with government regulations that may materially impact us, see “Regulatory and Government Risks” within “Risk Factors” in Item 1A of Part I.

Additional Information

This Annual Report on Form 10-K may include trademarks and trade names owned by other parties, and all other such trademarks and trade names mentioned in this Annual Report on Form 10-K are the property of their respective owners.

Information about our Executive Officers

The following are our current executive officers:

<u>Name</u>	<u>Position</u>
Antonio Neri	President and Chief Executive Officer
Marie Myers	Executive Vice President, Chief Financial Officer
John F. Schultz	Executive Vice President, Chief Operating and Legal Officer
Kristin Major	Executive Vice President and Chief People Officer
Gerri A. Gold	Executive Vice President, President and Chief Executive Officer, HPE Financial Services
Fidelma Russo	Executive Vice President, Chief Technology Officer, and General Manager of Hybrid Cloud
Neil B. MacDonald	Executive Vice President, General Manager of Server
Philip J. Mottram	Executive Vice President, General Manager of Intelligent Edge
Jeremy K. Cox	Senior Vice President, Corporate Controller, Chief Tax Officer, and Principal Accounting Officer
Kirt P. Karros	Senior Vice President, Treasurer and Financial Planning & Analysis

Antonio Neri; President and Chief Executive Officer

Mr. Neri has served as our President and Chief Executive Officer since June 2017 and February 2018, respectively. Previously, he served as Executive Vice President and General Manager of our Enterprise Group from November 2015 to June 2017. Prior to that, Mr. Neri served in a similar role for HP Co.'s Enterprise Group from October 2014 to November 2015. Mr. Neri served as Senior Vice President and General Manager of the HP Servers business unit from September 2013 to October 2014 and concurrently as Senior Vice President and General Manager of the HP Networking business unit from May 2014 to October 2014. Prior to that, he served as Senior Vice President and General Manager of the HP Technology Services business unit from August 2011 to September 2013 and as Vice President, Customer Services for the HP Personal Systems Group from 2007 to August 2011, having first joined HP Co. in 1996. Since December 2017, Mr. Neri has served as a director of Elevance Health, Inc. (formerly Anthem, Inc.), a health insurance provider in the U.S.

Marie Myers; Executive Vice President, Chief Financial Officer

Ms. Myers has served as our Executive Vice President, Chief Financial Officer since January 2024, responsible for leading all aspects of our finance and strategy organizations. She partners closely with the CEO to develop and execute the long-term strategy for the Company. Prior to that, she served as the Chief Financial Officer of HP Inc. from February 2021 to January 2024, as well as numerous other leadership positions at HP Inc.: Interim Chief Financial Officer from October 2020 to February 2021, Chief Transformation Officer from June 2020 to February 2021, and Chief Digital Officer from March 2020 to October 2020. Prior to that, she served as Chief Financial Officer of UiPath, Inc., a robotic process automation company, from December 2018 to December 2019.

John F. Schultz; Executive Vice President, Chief Operating and Legal Officer

Mr. Schultz has served as our Executive Vice President, Chief Operating and Legal Officer since July 2020, responsible for overseeing all aspects of our operations and shaping our operational strategies. Prior to that, he served as Executive Vice President, Chief Legal and Administrative Officer and Secretary from December 2017 to July 2020 and as Executive Vice President, General Counsel and Secretary from November 2015 to December 2017, performing a similar role at HP Co. from April 2012 to November 2015. Prior to that, Mr. Schultz served as Deputy General Counsel for Litigation, Investigations and Global Functions at HP Co. from September 2008 to April 2012 and as a partner in the litigation practice at Morgan, Lewis & Bockius LLP, a law firm, where, among other clients, he supported HP Co. as external counsel on a variety of litigation and regulatory matters.

Kristin Major; Executive Vice President and Chief People Officer

Ms. Major has served as our Executive Vice President, Chief People Officer since February 2024, leading the global HR function, driving business growth and transformation through employee engagement; performance-led talent management; comprehensive rewards; and culture development. Prior to that, she served as Chief Talent Officer from March 2023 to January 2024, as Senior Vice President, Human Resources from January 2020 to March 2023, and as Senior Vice President, Deputy General Counsel of Global Functions and Security from December 2011 until January 2020. Before joining Hewlett Packard

Enterprise, she served as a counsel in the labor and employment practice at Skadden, Arps, Slate, Meagher & Flom LLP, a law firm.

Gerri A. Gold; Executive Vice President, President and Chief Executive Officer, HPE Financial Services

Ms. Gold has served as Executive Vice President, President and Chief Executive Officer of HPE Financial Services since February 2023. In this role, she leads HPE Financial Services, the global financing and asset management organization that supports HPE's edge-to-cloud strategy, and helps customers and partners accelerate their transformation. From May 2018 to February 2023, she served as the Senior Vice President and Chief Operating Officer of HPE Financial Services, and from August 2015 to May 2018, as the Vice President Global Accounts, Sales, Marketing and Managing Director Asset Management of HPE Financial Services.

Fidelma Russo; Executive Vice President, General Manager of Hybrid Cloud and Chief Technology Officer

Ms. Russo has served as our Executive Vice President, General Manager of our Hybrid Cloud business segment, and Chief Technology Officer since November 2023. Prior to that, Ms. Russo served as Executive Vice President, Chief Technology Officer from September 2021 to October 2023. Prior to joining Hewlett Packard Enterprise, Ms. Russo was Senior Vice President and General Manager of the Cloud Services business unit at VMware from May 2020 to September 2021 and the Chief Technology Officer and Executive Vice President of Global Technology & Operations at Iron Mountain, Inc. from March 2017 to May 2020. Additionally, Ms. Russo has served on the board of directors at Equinix, Inc. as a member of its audit committee since 2022.

Neil B. MacDonald; Executive Vice President, General Manager of Server

Mr. MacDonald has served as Executive Vice President and General Manager of our Server business since February 2024, responsible for overseeing the day-to-day operations and shaping the strategy of the Server business unit. Prior to that, he served as Executive Vice President and General Manager of our Compute business from March 2022 to January 2024, as Senior Vice President and General Manager of our Compute business from February 2020 to March 2022, and as Senior Vice President and General Manager of the Compute Solutions group of the then Hybrid IT business segment, from November 2018 to February 2020.

Philip J. Mottram; Executive Vice President, General Manager of Intelligent Edge

Mr. Mottram has served as Executive Vice President and General Manager of our Intelligent Edge business since March 2022. Previously, he served as the President of our Intelligent Edge business from June 2021 to March 2022. Prior to that, Mr. Mottram served as Senior Vice President and General Manager of the Communications Technology Group from April 2019 to June 2021. Before joining Hewlett Packard Enterprise, he served as the Chief Revenue Officer of Zayo Group, a communications infrastructure provider, from November 2017 to February 2019, where he was responsible for all customer-facing functions. Prior to that, Mr. Mottram served as Director of the Enterprise Business Unit of Vodafone from May 2014 to November 2017, the Chief Executive Officer of Hong Kong CSL from September 2012 to May 2014, and Executive Director of Global Sales at Telstra International from September 2010 to September 2012, as well as a variety of different operational roles at other telecommunications companies.

Jeremy K. Cox; Senior Vice President, Corporate Controller, Chief Tax Officer, and Principal Accounting Officer

Mr. Cox has served as our Senior Vice President, Corporate Controller, Chief Tax Officer, and Principal Accounting Officer since January 2024. Prior to that, he served as Senior Vice President, Interim Chief Financial Officer, Corporate Controller, Chief Tax Officer, and Principal Accounting Officer from August 2023 to January 2024, as Senior Vice President, Corporate Controller, Chief Tax Officer, and Principal Accounting Officer from July 2022 to August 2023, as Senior Vice President, Global Tax and Head of Products and Services Finance from May 2021 to July 2022, and as Senior Vice President, Global Tax, Financial Planning and Analysis, and Global Functions Finance from November 2018 to May 2021, among numerous other leadership positions. Prior to joining HP Inc. in 2008, Mr. Cox was Senior Tax Counsel for Electronic Data Systems.

Kirt P. Karros; Senior Vice President, Treasurer and Financial Planning & Analysis

Mr. Karros has served as our Senior Vice President, Treasurer and Financial Planning & Analysis since March 2024, responsible for all treasury operations and overseeing financial planning and strategy for HPE and our business units. Prior to that, he served as Senior Vice President, Treasurer and Investor Relations from May 2022 to March 2024, overseeing all treasury and investor relations-related activities. Previously, he served as our Senior Vice President, Finance and Treasurer from November 2015 to May 2022. Prior to that, Mr. Karros served in a similar role at HP Co., leading its treasury and investor relations functions.

Available Information

Our website is located at www.hpe.com. Our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and amendments to reports filed or furnished pursuant to Sections 13(a) and 15(d) of the Securities Exchange Act of 1934, as amended, are available on our website at <http://investors.hpe.com>, as soon as reasonably practicable after we electronically file such reports with, or furnish those reports to, the Securities and Exchange Commission. Hewlett Packard Enterprise's Corporate Governance Guidelines, Board of Directors' committee charters (including the charters of the Audit Committee, Finance and Investment Committee, HR and Compensation Committee, Technology Committee, and Nominating, Governance and Social Responsibility Committee) and code of ethics entitled "Standards of Business Conduct" are also available at that same location on our website. Stockholders may request free printed copies of these documents from:

Hewlett Packard Enterprise Company
Attention: Investor Relations
1701 East Mossy Oaks Road,
Spring, Texas 77389
<http://investors.hpe.com/financial/requested-printed-reports>

ITEM 1A. Risk Factors.

You should carefully consider the following risks and other information in this Form 10-K in evaluating Hewlett Packard Enterprise. Any of the following risks could materially and adversely affect our results of operations or financial condition. The following risk factors should be read in conjunction with Part II, Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operation” and the Consolidated Financial Statements and related notes in Part II, Item 8, “Financial Statements and Supplementary Data” of this Form 10-K.

Risk Factors Summary

The following is a summary of the principal risks that could adversely affect our business, operations, and financial results.

Business and Operational Risks

- If we cannot successfully execute our go-to-market strategy, including offering our entire portfolio as-a-Service, our business, operating results, and financial performance may suffer.
- We depend on third-party suppliers, and our financial results could suffer if we fail to manage our supplier relationships properly.
- System security risks, data protection incidents, cyberattacks and systems integration issues could disrupt our internal operations or IT services provided to customers, and any such disruption could reduce our revenue, increase our expenses, damage our reputation, and adversely affect our stock price.
- Business disruptions could seriously harm our future revenue and financial condition and increase our costs and expenses.
- Failure to complete the Merger with Juniper Networks may adversely affect our business and our stock price.
- Failure to realize the benefits expected from the Merger with Juniper Networks could adversely affect our business or our stock price.
- Any failure by us to identify, manage, and complete acquisitions and subsequent integrations, divestitures, and other significant transactions successfully could harm our financial results, business and prospects.
- If we cannot continue to produce quality products and services, our reputation, business, and financial performance may suffer.
- In order to be successful, we must attract, retain, train, motivate, develop, and transition key employees, and failure to do so could seriously harm us.
- If we fail to manage the distribution of our products and services properly, our business and financial performance could suffer.
- Issues in the development and use of artificial intelligence may result in reputational harm, liability or impact to our results of operations.
- Changes in the macroeconomic environment have, at times, impacted and may in the future negatively impact our results of operations.
- Failure to meet responsible and sustainable business expectations or standards or achieve our Living Progress goals could adversely affect our business, results of operations, financial condition, or stock price.
- Risks arising from climate change and the transition to a lower-carbon economy may impact our business.

Industry Risks

- We operate in an intensely competitive industry, and competitive pressures could harm our business and financial performance.

International Risks

- Due to the international nature of our business, political or economic changes and the laws and regulatory regimes applying to international transactions or other factors could harm our future revenue, costs and expenses, and financial condition.
- We are exposed to fluctuations in foreign currency exchange rates.

Intellectual Property Risks

- Our financial performance may suffer if we cannot continue to develop, license, or enforce the intellectual property rights on which our businesses depend.
- Our products and services depend in part on intellectual property and technology licensed from third parties.
- Third-party claims of intellectual property infringement, including patent infringement, are commonplace in our industry and successful third-party claims may limit or disrupt our ability to sell our products and services.

Financial Risks

- Adverse developments affecting our liquidity, capital position, borrowing costs, and access to capital markets could adversely impact our business, financial condition, and results of operations or those of the third parties with whom we do business.
- Our debt obligations may adversely affect our business and our ability to meet our obligations and pay dividends.
- The revenue and profitability of our operations have historically varied, which makes our future financial results less predictable.
- Our uneven sales cycle and supply chain disruptions make planning and inventory management difficult and future financial results less predictable.
- We make estimates and assumptions in connection with the preparation of our Consolidated Financial Statements and any changes to those estimates and assumptions could adversely affect our results of operations.
- Declaration, payment and amounts of dividends, if any, to holders of our shares will be uncertain.

Regulatory and Government Risks

- Our business is subject to various federal, state, local and foreign laws and regulations that could result in costs or other sanctions that adversely affect our business and results of operations.
- Contracts with federal, state, provincial, and local governments are subject to a number of challenges and risks that may adversely impact our business.
- Unanticipated changes in our tax provisions, the adoption of new tax legislation or exposure to additional tax liabilities could affect our financial performance.

Risks Related to Prior Separations

- The stock distribution in either or both of the completed separations of our former Enterprise Services business and our former Software segment could result in significant tax liability, and DXC Technology Company or Micro Focus International plc (as applicable) may in certain cases be obligated to indemnify us for any such tax liability imposed on us.
- We continue to face a number of risks related to our separation from HP Inc., our former parent, including those associated with ongoing indemnification obligations, which could adversely affect our financial condition and results of operations, and shared use of certain intellectual property rights, which could in the future adversely impact our reputation.

General Risks

- Our stock price has fluctuated and may continue to fluctuate, which may make future prices of our stock difficult to predict.

For a more complete discussion of the material risks facing our business, see below.

Business and Operational Risks

If we cannot successfully execute our go-to-market strategy, including offering our entire portfolio as-a-Service, our business, operating results, and financial performance may suffer.

Our long-term strategy is focused on leveraging our portfolio of hardware, software, and services as we deliver global edge-to-cloud platform as-a-service to help customers accelerate outcomes by unlocking value from all of their data, everywhere. We provide our entire portfolio through a range of subscription and consumption-based, pay-per-use, and aaS offerings. We will also continue to provide our hardware and software in a capital expenditure and license-based model, giving our customers choices in consuming HPE products and services. Furthermore, subject to our anticipated consummation of the acquisition of Juniper Networks, Inc. (“Juniper Networks”) (the “Merger”), we will seek to offer secure, unified cloud- and AI-native networking to enhance innovation across edge to cloud. To successfully execute on these strategic pillars, we must continue to improve cost structures, align sales coverage with strategic goals, improve channel execution, and strengthen our capabilities in our areas of strategic focus, while continuing to pursue new product innovation that builds on our strategic

capabilities in areas such as edge computing, hybrid cloud, artificial intelligence, data center networking, network security, and high-performance compute. We must make sufficient long-term investments in strategic growth areas, such as developing, obtaining, and protecting appropriate intellectual property, and commit or transition significant R&D and other resources before knowing whether our projections will reasonably reflect customer demand for our solutions. Should such efforts fail to produce actionable insights, or our offerings not perform as designed or promised, our business results and financial condition may be adversely affected. Furthermore, such incremental capital requirements may negatively impact cash flows in the near term and may require us to dedicate additional resources, including sales and marketing costs.

The process of improving our HPE GreenLake cloud offerings, enhancing existing hardware, software, and cloud-based solutions, and developing and improving the systems necessary for new and evolving data-intensive artificial intelligence-based workloads are all complex, costly, and uncertain, and any failure by us to anticipate customers' changing needs and emerging technological trends accurately, to invest sufficiently in strategic growth areas, or to otherwise successfully execute this strategy could significantly harm our market share, results of operations, and financial performance.

Having developed a cloud platform product in HPE GreenLake and the hardware capabilities to support artificial intelligence computing, we must be able to continue integrating new features that are relevant to our customers and to scale quickly, while also managing costs and preserving margins, which means accurately forecasting volumes, mixes of products, and configurations that meet customer requirements, which we may not succeed at doing. These offerings face competition from peer companies with their own cloud platform and artificial intelligence computing offerings, and any delay in the development, production, or marketing of a new product, service, or solution could result in our offerings being late to reach the market, which could harm our competitive position. In addition, should we successfully consummate the Merger, the process of integrating and streamlining our offerings (including integrating Juniper Networks' offerings with ours) or developing new solutions based on our respective technological portfolios may be complex, costly, time-consuming, and uncertain, and failure by us to successfully do so could adversely impact our future results of operations and financial performance. Furthermore, we anticipate needing to adapt our go-to-market structure from time to time with new sales and marketing approaches, to better align with aaS business models and to capture unique market opportunities, such as in hybrid cloud and artificial intelligence. Changing our go-to-market structure may affect employee compensation models and ultimately our ability to retain employees. There is no assurance that we will be able to implement these adjustments in a timely or cost-effective manner, or that we will be able to realize all or any of the expected benefits from them.

Our HPE GreenLake solutions generally are multiyear agreements, which result in recurring revenue streams over the term of the arrangement. As customer demand for our aaS offerings increases, we have experienced, and will continue to experience, differences in the timing of revenue recognition between our traditional offerings (for which revenue is generally recognized at the time of delivery) and our aaS offerings (for which revenue is generally recognized ratably over the term of the arrangement). As such, our financial results and growth depend, in part, on customers continuing to purchase our services and solutions over the contract life on the agreed terms. Additionally, implementing this business model also means that our historical results, especially those from before the transition, may not be indicative of future results, which may adversely affect our ability to accurately forecast our future operating results. Our aaS offerings also could subject us to increased risk of liability related to the provision of services as well as operational, technical, legal, regulatory, or other costs.

We depend on third-party suppliers, and our financial results could suffer if we fail to manage our supplier relationships properly.

Our operations depend on our ability to anticipate our needs for components, products, and services, as well as our suppliers' abilities to deliver sufficient quantities of quality components, products, and services at reasonable prices and in time for us to meet critical schedules for the delivery of our own products and services. Given the wide variety of solutions that we offer, the large and diverse distribution of our suppliers and contract manufacturers, and the long lead times required to manufacture, assemble, and deliver certain solutions, problems have, from time to time in the past, arisen, and could in the future arise, in production, planning, and inventory management that could harm our business. In addition, our ongoing efforts to optimize the efficiency of our supply chain could cause supply disruptions and be more expensive, time-consuming, and resource-intensive than expected. Furthermore, certain of our suppliers have at times decided, and may in the future decide, to discontinue conducting business with us. Other supplier problems that we have faced, and could again face in the future, include component shortages, excess supply, and contractual, relational, and labor risks, each of which is described below.

- **Component shortages.** We have in the past experienced, and may experience again in the future, delays and shortages of certain components as a result of strong demand, supplier transitions, raw material or capacity constraints, and other problems experienced by suppliers in certain geographies and markets, resulting in insufficient supply to meet total market demand. In the past, we have experienced shortages or delays, which led to higher prices of certain components and exposure to quality issues and delivery delays, which may occur again in the future. We may not be able to secure enough components at reasonable prices, of acceptable quality, or at all, to build products or provide services in a timely manner in the quantities needed or according to our specifications. Accordingly, our business and financial performance could suffer from a loss of time-sensitive sales, additional freight costs incurred, or the inability to pass

on price increases to our customers. If we cannot adequately address supply issues, we may have to reengineer some product or service offerings, which could result in further costs and delays.

- **Excess supply.** In order to secure components for our products or services, at times we may make advance payments to suppliers or enter into long term agreements, non-cancellable commitments, or other inventory management arrangements with vendors. In addition, we may purchase components strategically in advance of demand to take advantage of favorable pricing or to address concerns about the availability of future components. If we fail to anticipate customer demand properly, a temporary oversupply can result in excess or obsolete components (which has happened at times in the past), which has at times adversely impacted and could in the future adversely impact our business and financial performance.
- **Contractual terms.** As a result of binding long-term price or purchase commitments with vendors, we may be obligated to purchase components or services at prices that are higher than those available in the current market and be limited in our ability to respond to changing market conditions. If we commit to purchasing components or services for prices in excess of the then-current market price, we may be at a disadvantage to competitors who have access to components or services at lower prices, our gross margin could suffer, and we could incur charges relating to inventory obsolescence.
- **Contingent workers.** We also rely on third-party suppliers for the provision of contingent workers, and our failure to manage our use of such workers effectively could adversely affect our results of operations. We have been exposed to various legal claims relating to the status of contingent workers in the past and could face similar claims in the future. We may be subject to shortages, oversupply or fixed contractual terms relating to contingent workers. Our ability to manage the size and cost of our contingent workforce may be subject to additional constraints imposed by local laws.
- **Single-source suppliers.** We obtain certain components from single-source suppliers due to technology, availability, price, quality, scale, or customization needs. Certain of such suppliers have, in the past decided, and may in the future decide, to discontinue manufacturing components used in our products, which may cause us to discontinue certain products, incur additional costs to redesign our products so as not to incorporate such discontinued components, or incur time and expense to find replacement suppliers. Replacing a single-source supplier has at times delayed, and could delay, production of some products as replacement suppliers may initially be unable to meet demand or be subject to other output limitations. For some components, such as customized components, alternative sources either may not exist or may be unable to produce the quantities of those components necessary to satisfy our production requirements. In addition, we sometimes purchase components from single-source suppliers under short-term agreements that contain favorable pricing and other terms but that may be unilaterally modified or terminated by the supplier with limited notice and with little or no penalty. The performance of such single-source suppliers under those agreements (and the renewal or extension of those agreements upon similar terms) may affect the quality, quantity, and price of our components. The loss of a single-source supplier, the deterioration of our relationship with a single-source supplier, or any unilateral modification to the contractual terms under which we are supplied components by a single-source supplier could adversely affect our business and financial performance.

System security risks, data protection incidents, cyberattacks and systems integration issues could disrupt our internal operations or IT services provided to customers, and any such disruption could reduce our revenue, increase our expenses, damage our reputation, and adversely affect our stock price.

As a leading technology firm, we are exposed to attacks from criminals, nation state actors, malicious insiders, and activist hackers (collectively, “malicious parties”) who have at times been able to circumvent or bypass our cyber security measures. Although some of these attacks have caused disruptions or exposure of information, so far, these attacks have not resulted in material negative impacts to HPE, nor have any of HPE’s consumers, customers, or employees informed HPE that these attacks resulted in material harm to them. While we investigate and remediate incidents, there can be no assurance that we will do so comprehensively or that the threat actor will not identify alternative means of intrusion or opportunities to otherwise utilize the information it accessed to adversely affect our business or results of operations. It is also possible that incidents may embolden other malicious actors to perpetrate future attacks that may result in material misappropriation, system disruptions or shutdowns, malicious alteration, or destruction of our confidential or personal information or that of third parties. Further, there has been an increase in the frequency and sophistication of such attacks, and we expect these activities to continue to increase, including malicious actors potentially leveraging AI to develop malicious code or sophisticated phishing attempts. Malicious parties may also be able to otherwise develop and deploy viruses, worms, ransomware, and other malicious software programs that attack our products or otherwise exploit any security vulnerabilities of our products, including within our cloud-based environments and offerings, such that we may be unable to anticipate such malicious parties’ techniques, implement adequate preventative measures, or remediate any intrusion on a timely or effective basis even if our security measures are appropriate, reasonable, and comply with applicable legal requirements. Further, cyberattacks or incidents have in the past gone, and could in the future go, undetected in our environments for a period of time, and we may discover additional impacts of earlier incidents that we believe were remediated. For example, as previously disclosed in our Form 8-K filed with the Securities and Exchange Commission on January 24, 2024, we learned in December 2023 that, beginning in May 2023, a nation-state-

associated threat actor gained unauthorized access to and exfiltrated data from HPE's cloud-based email and SharePoint environments. While this incident has been investigated and remediated with no material impact experienced by HPE to date, this may have nevertheless resulted in harm to our reputation and customer relationships (and may do so in the future, as well), and there can be no assurance that the threat actor will not utilize the information accessed to adversely affect our business or results of operations. Given our broad and diverse network environment, resource limitations, and operational constraints, we have in the past failed, and may in the future fail, to patch certain security vulnerabilities in time to prevent successful disruptions of our infrastructure or exposure of information.

Malicious parties may compromise our manufacturing supply chain and the systems or networks of other third parties on whom we rely, and as such, may embed malicious software or hardware in our products, thereby compromising our customers. Geopolitical tensions or conflicts, such as the ongoing conflicts between Russia and Ukraine or in the Middle East, may heighten the risk of such cyberattacks or exacerbate system vulnerabilities, considering our continued hybrid work environment and our globally dispersed operations, employees, contractors, suppliers, developers, partners, and other third parties. In addition, sophisticated hardware and operating system software and applications that we produce, procure or integrate from third parties, including those of companies we have acquired, may contain defects in design or manufacturing, including flaws that could unexpectedly interfere with the operation of the system. The costs associated with cybersecurity tools and infrastructure and competition for cybersecurity and IT talent have at times limited, and may in the future limit, our ability and the ability of third parties on whom we rely to efficiently identify, eliminate, or remediate cyber or other security vulnerabilities or problems or enact changes to minimize the attack surface of our network. Furthermore, our efforts, and the efforts of third parties on whom we rely, to address these problems, at times, have not been, and may in the future not be successful and could result in interruptions, delays, cessation of service, compromise of sensitive information, and loss of existing or potential customers, any of which may impede our sales, manufacturing, distribution or other critical functions. Additional impacts from cybersecurity incidents could include reimbursement of remediation costs to our customers, suppliers, or distributors, such as liability for stolen assets or information, repairs of system damage, and incentives for continued business; lost revenue resulting from the unauthorized use of proprietary information or the failure to retain or attract business partners following an incident; increased insurance premiums; and damage to our competitiveness, stock price, and long-term shareholder value. Further, it may be difficult to determine the best way to investigate, mitigate, contain, and remediate any harm caused by a cybersecurity incident. Such efforts may not be successful, and we may make errors or fail to take necessary actions. It may take considerable time for us to investigate and evaluate the full impact of incidents, particularly for sophisticated attacks. These factors may inhibit our ability to provide prompt, full, and reliable information about the incident to our customers, partners, regulators, and the public. Additionally, to the extent we carry insurance coverage for such possibilities, we cannot be certain that any such coverage will be adequate or otherwise protect us with respect to claims, expenses, fines, penalties, business loss, data loss, litigation, regulatory actions, or other impacts arising from security breaches or incidents, or that such coverage will continue to be available on acceptable terms or at all.

We manage and store various proprietary information, intellectual property, and sensitive or confidential data relating to our business. In addition, our business may process, store, and transmit customer data, including commercially sensitive, government-related, and/or personal data, subject to the European General Data Protection Regulation, United Kingdom General Data Protection Regulation, and various U.S. state and foreign data security and privacy laws, which give new data privacy rights to their residents and impose significant obligations related to the handling of personal data. Compliance with data security and privacy laws is complex and costly. With our business increasingly providing aa offerings, malicious parties could target such services, potentially resulting in an increased risk of compromise of customer or employee data resulting in regulatory exposure. Incidents involving our cyber or physical security measures or the accidental loss, inadvertent disclosure, or unapproved dissemination of proprietary information, intellectual property, or sensitive, confidential, or personal data about us, our clients, or our customers, including the potential loss or disclosure of such data as a result of fraud or other forms of deception, could expose us, our customers, or the individuals affected to a risk of loss or misuse of this information; result in regulatory fines, litigation, and potential liability for us; damage our brand and reputation; or otherwise harm our business. We also could lose existing or potential customers of services or other IT solutions or incur significant expenses in connection with our customers' system failures or any actual or perceived security vulnerabilities in our products and services. In addition, the cost and operational consequences of managing an incident and implementing further data protection measures could be significant.

Additionally, we have at times experienced, and may experience, other security issues that are not the results of any action or attack from malicious parties, whether due to employee or insider error or malfeasance, system errors or vulnerabilities in our or other parties' systems. Portions of our IT infrastructure also have experienced, and may experience, interruptions, delays, or cessations of service or produce errors in connection with systems integration or migration work that takes place from time to time. As our IT environment continues to evolve, we have, at times, been unsuccessful, and may in the future be unsuccessful, in adopting or implementing new systems and transitioning data, which could cause business disruptions and be more expensive, time-consuming, disruptive, and resource intensive. Furthermore, our data centers depend on predictable and reliable energy and networking capabilities, the cost or availability of which could be adversely affected or

disrupted by a variety of factors, including but not limited to the effects of climate change. Such disruptions could adversely impact our ability to fulfill orders and respond to customer requests and interrupt other processes. Delayed sales, lower margins, or lost customers resulting from these events could reduce our revenue, increase our expenses, and adversely affect our reputation and stock price.

While we seek to identify and remediate vulnerabilities in our products, services, IT systems, controls, and software that could be exploited by any malicious parties, we may not be aware of all such vulnerabilities, and we have at times failed, and may fail, to anticipate, detect, identify, and/or remediate such vulnerabilities before they are exploited or such vulnerabilities may persist after issuing security patches because system software updates may occur asynchronously across our customer base. Additionally, we have acquired and may continue to acquire companies with cybersecurity vulnerabilities or different security standards, which exposes us to related cybersecurity, operational, and financial risks. Further, as our products and services in some instances are integrated with our customers' systems and processes, even if we are successful in identifying vulnerabilities, a successful attack on us could compromise customers' IT systems and sensitive data, despite active monitoring and development of tools designed to identify and remediate such vulnerabilities. There is no guarantee that a series of issues may not be determined to be material in the aggregate at a future date even if they may not be material individually at the time of their occurrence.

Business disruptions could seriously harm our future revenue and financial condition and increase our costs and expenses.

Our worldwide operations and supply chain could be disrupted by natural or human-induced disasters including, but not limited to, earthquakes; tsunamis; floods; hurricanes, cyclones or typhoons; fires; other extreme weather conditions; power or water shortages; telecommunications failures; materials scarcity and price volatility; terrorist acts, civil unrest, conflicts or wars; and health epidemics or pandemics. The impacts and frequency of any of the above could be further exacerbated by climate change, particularly in countries where we operate that have limited infrastructure and disaster recovery resources. While we are predominantly self-insured to mitigate the impact of most catastrophic events, the occurrence of business disruptions could, among other impacts, harm our revenue, profitability, and financial condition; adversely affect our competitive position; increase our costs and expenses; make it difficult or impossible to provide our offerings to our customers or to receive components from our suppliers; create delays and inefficiencies in our supply chain; or require substantial expenditures and recovery time in order to fully resume operations.

Public health crises, such as the COVID-19 pandemic, and the measures taken in response to such events have in the past negatively impacted, and may again in the future negatively impact, our operations and workforce, as well as those of our partners, customers and suppliers. Additionally, concerns over the economic impact of such events have, from time to time, caused increased volatility in financial and other capital markets, adversely impacting our stock price, our ability to access the capital markets, and our ability to fund liquidity needs, and may do so again in the future. The negative impacts of any such events on business operations and demand for our offerings will depend on future developments and actions taken in response to such events, which may be outside our control, highly uncertain, and cannot be predicted at this time.

The manufacture of product components, the final assembly of our products and other critical operations are concentrated in certain geographic locations, including the United States, Puerto Rico, Costa Rica, Czech Republic, Malaysia, Mexico, China, Taiwan, South Korea, and Singapore. We also rely on major logistics hubs, which are strategically located near manufacturing facilities in the major regions and in proximity to HPE's distribution channels and customers. Other critical business operations and some of our suppliers are located in California and Asia, near major earthquake faults known for seismic activity. Our operations could be adversely affected if manufacturing, logistics, or other operations in these locations are disrupted for any reason, including those enumerated above, as they have been in the past by natural disasters and public health issues in the United States, Puerto Rico, and China. To the extent such disruptions adversely affect our business, results of operations, financial condition, and stock price, they may also have the effect of heightening many of the other risks described in this Item 1A of Part I of this Form 10-K.

Failure to complete the Merger with Juniper Networks may adversely affect our business and our stock price.

In January 2024, we entered into a definitive agreement to acquire Juniper Networks, Inc., a leader in AI-native networks. Consummation of the Merger is subject to the satisfaction or waiver of certain conditions, including but not limited to (i) the adoption of the Agreement and Plan of Merger (the "Merger Agreement"), by and among Juniper Networks, HPE and Jasmine Acquisition Sub, Inc., a Delaware corporation and a wholly owned subsidiary of HPE ("Merger Sub"), by Juniper Networks' stockholders (which was completed on April 2, 2024); (ii) the absence of any injunction, order or law preventing, prohibiting or making illegal the consummation of the Merger; (iii) the expiration or termination of the waiting period (or extension thereof) under the Hart-Scott-Rodino Antitrust Improvement Act of 1976, as amended, and the receipt of all other required approvals, consents or clearances under specified foreign antitrust laws and foreign investment laws without imposition of a Burdensome Condition (as defined in the Merger Agreement); and (iv) in the case of the obligations of HPE and Merger Sub to effect the Merger, the absence of a material adverse effect with respect to Juniper Networks that is continuing as of the closing. There can be no assurance that these or other closing conditions will be satisfied in a timely manner or at all. Any delay in completing the Merger could cause us not to realize some or all of the anticipated benefits when expected, if at all.

If the Merger is not completed, our stock price could be impacted to the extent it reflects an assumption that we will complete the Merger, and additionally, we may suffer other consequences that could adversely affect our business, results of operations, and stock price, including incurring significant acquisition costs that we would be unable to recover, negative publicity, and a negative impression of us in the investment community. Furthermore, under certain specified circumstances, including the termination of the Merger Agreement by either us or Juniper Networks because certain required regulatory clearances are not obtained or the terms of the Merger Agreement are materially breached by us, upon termination we would be required to pay Juniper Networks a termination fee of \$815 million.

Failure to realize the benefits expected from the Merger with Juniper Networks could adversely affect our business or our stock price.

There can be no assurance that we will realize any of the significant benefits that we expect to result from the Merger, or realize them within the anticipated timeframe. Achieving these benefits will depend, in part, on our ability to integrate Juniper Networks' business successfully and efficiently. The challenges involved in this integration, which will be complex and time-consuming, include the following:

- preserving customer and other important relationships of Juniper Networks and attracting new business and operational relationships;
- integrating financial forecasting and controls, procedures and reporting cycles;
- consolidating and integrating corporate, information technology, finance and administrative infrastructures;
- coordinating sales and marketing efforts to effectively position our capabilities;
- coordinating and integrating operations, including in countries in which we have not previously operated; and
- integrating employees and related human capital management systems and benefits, maintaining employee morale and retaining key employees.

If we do not successfully manage these issues and the other challenges inherent in integrating an acquired business, then we may not achieve the anticipated benefits of the Merger on our anticipated timeframe or at all, and our revenue, expenses, operating results, financial condition and stock price could be materially adversely affected. The successful integration of Juniper Networks will require significant management attention both before and after the completion of the Merger with Juniper Networks, and may divert the attention of management from our business and operational issues.

Any failure by us to identify, manage, and complete acquisitions and subsequent integrations, divestitures, and other significant transactions successfully could harm our financial results, business and prospects.

As part of our strategy, we may acquire businesses, divest businesses or assets, enter into strategic alliances and joint ventures, and make investments to further our business (collectively, "business combination and investment transactions"), and also handle any post-closing issues, such as integration. Risks associated with business combination and investment transactions include the following, any of which could adversely affect our financial results, including our effective tax rate:

- We may not successfully combine product or service offerings or realize all of the anticipated benefits of any particular business combination and investment transaction, which may result in (1) failure to execute on our business strategy; (2) failure to coordinate sales and marketing efforts to effectively position our capabilities; (3) failure to retain employees, customers, distributors, and suppliers or attract new business and operational relationships; (4) increase in unanticipated delays or failure to meet contractual obligations which may cause financial results to differ from expectations; and (5) pay, early retirement costs, employee benefit costs, charges from the elimination of duplicative facilities and contracts, inventory adjustments, assumed litigation and other liabilities, legal, accounting and financial advisory fees, and required payments to executive officers and key employees under retention plans.
- We may fail to successfully and efficiently (1) integrate financial forecasting and controls, procedures and reporting cycles; (2) consolidate and integrate corporate, information technology, finance and administrative infrastructures; (3) coordinate and integrate operations, including in countries in which we have not previously operated; (4) integrate employees and related human capital management systems and benefits; or (5) address redundant processes and functions in an adequate manner (thereby impacting our ability to achieve all or any of the anticipated synergies)
- Our ability to conduct due diligence with respect to business combination and investment transactions, and our ability to evaluate the results of such due diligence, is dependent upon the veracity and completeness of statements and disclosures made or actions taken by third parties or their representatives. We may fail to identify significant issues with the acquired company's product quality, financial disclosures, workplace culture, accounting practices or internal control deficiencies or all of the factors necessary to estimate reasonably accurate costs, timing and other matters.
- In order to complete a business combination and investment transaction, we may issue common stock, potentially creating dilution for our existing stockholders or we may enter into financing arrangements, which could affect our liquidity and financial condition.

- For an acquisition or other combination, the acquisition partner may have differing or inadequate cybersecurity and data protection controls, which could impact our exposure to data security incidents and potentially increase anticipated costs or time to integrate the business.
- Business combination and investment transactions may lead to litigation, which could impact our financial condition and results of operations.
- We have incurred and will incur additional depreciation and amortization expense over the useful lives of certain assets acquired in connection with business combination and investment transactions and, to the extent that the value of goodwill or intangible assets acquired in connection with a business combination and investment transaction becomes impaired, we may be required to incur additional material charges relating to the impairment of those assets.
- For a divestiture, we may encounter difficulty in finding buyers or alternative exit strategies on acceptable terms in a timely manner, or we may dispose of a business at a price or on terms that are less desirable than we had anticipated.
- The impact of divestitures on our revenue growth may be larger than projected, as we may experience greater dis-synergies than expected. If we do not satisfy pre-closing conditions and necessary regulatory and governmental approvals on acceptable terms, it may prevent us from completing the transaction. Dispositions may also involve continued financial involvement in the divested business, such as through continuing equity ownership, guarantees, indemnities or other financial obligations. Under these arrangements, performance by the divested businesses or other conditions outside of our control could affect our future financial results.
- Our certificate of incorporation and bylaws could make it difficult or discourage an acquisition of Hewlett Packard Enterprise if our Board of Directors deems it to be undesirable. Provisions such as indemnification, meeting requirements, and blank check stock authorizations could deter or delay hostile takeovers, proxy contests, or changes in control or management of Hewlett Packard Enterprise.

Management's attention or other resources may be diverted during business combination and investment transactions and may be further impacted if we fail to successfully complete or integrate business combination and investment transactions that further our strategic objectives. See also the risk factors below under the heading "Risks Related to Prior Separations."

If we cannot continue to produce quality products and services, our reputation, business, and financial performance may suffer.

In the course of conducting our business, we must adequately address quality issues associated with our products, services, and solutions (whether developed by us or by a company we acquire), including defects in our engineering, design, and manufacturing processes and unsatisfactory performance under service contracts, as well as defects in third-party components included in our products and unsatisfactory performance or even malicious acts by third-party contractors or subcontractors or their employees. In order to address quality issues, we work extensively with our customers and suppliers and engage in product testing to determine the causes of problems and to develop and implement appropriate solutions. However, the products, services, and solutions that we offer are complex, and our regular testing and quality control efforts may not be effective in controlling or detecting all quality issues or errors, particularly with respect to faulty components manufactured by third parties. If we are unable to determine the cause, find an appropriate solution or offer a temporary fix (or "patch") to address quality issues with our products, we may delay shipment to customers, which could delay revenue recognition and receipt of customer payments and could adversely affect our revenue, cash flows, and profitability. In addition, after products are delivered, quality issues may require us to repair or replace such products. Addressing quality issues can be expensive and may result in additional warranty, repair, replacement, and other costs, adversely affecting our financial performance. If new or existing customers have difficulty operating our products or are dissatisfied with our services or solutions, our results of operations could be adversely affected, and we could face possible claims if we fail to meet our customers' expectations. In addition, quality issues, including the actual or perceived security or reliability of our offerings or ability to address other data security concerns, can impair our relationships with new or existing customers and adversely affect our brand and reputation, which could adversely affect our results of operations.

In order to be successful, we must attract, retain, train, motivate, develop, and transition key employees, and failure to do so could seriously harm us.

In order to be successful, we must attract, retain, train, motivate, develop, and transition qualified executives and other key employees, including those in managerial, technical, development, sales, marketing, and IT positions. In order to attract and retain executives and other key employees in a competitive marketplace, we must provide a competitive compensation package, including cash and equity-based compensation. These are particularly important considering our growth strategy to capture the market opportunities presented by networking, hybrid cloud, and AI. Certain equity-based incentive awards for certain executives contain conditions relating to our stock price performance and our long-term financial performance that make the future value of those awards uncertain. If the anticipated value of such equity-based incentive awards does not materialize, if our equity-based compensation otherwise ceases to be viewed as a valuable benefit, if our total compensation package is not

viewed as being competitive, or if we do not obtain the stockholder approval needed to continue granting equity-based incentive awards in the amounts we believe are necessary, our ability to attract, retain, and motivate executives and key employees could be weakened.

Our failure to successfully hire executives and key employees or the loss of any executives and key employees could have a significant impact on our operations and our ability to execute our strategy. Further, changes in our management team may be disruptive to our business, and any failure to successfully transition and assimilate key new hires or promoted employees could adversely affect our business and results of operations. As competition for highly skilled employees in our industry has grown increasingly intense, we have in the past experienced, and may in the future experience, higher than anticipated levels of employee attrition, which has resulted in increased costs to hire new employees with the desired skills and may do so again in the future. In addition, significant or prolonged turnover or revised hiring priorities may negatively impact our operations and culture, as well as our ability to successfully maintain our processes and procedures, including due to the loss of historical, technical, and other expertise. These risks to attracting and retaining the necessary talent may be exacerbated by labor constraints, such as immigration policies which may impair the ability to recruit technical and professional talent, and inflationary pressures, which impact employee wages and benefits. Further, integration of employees and businesses as a result of our acquisitions, including the Merger, may present challenges, which could negatively affect our ability to retain and recruit personnel who are essential to our future success.

If we fail to manage the distribution of our products and services properly, our business and financial performance could suffer.

We use a variety of distribution methods to sell our products and services around the world, including both direct and indirect sales to end-users. Successfully managing the interaction of our direct and indirect channel efforts to reach various potential customer segments for our products and services is a complex process. Moreover, since each distribution method has distinct risks and gross margins, our failure to implement the most advantageous balance in the delivery model for our products and services could adversely affect our revenue and gross margins and therefore our profitability.

Our financial results could be materially adversely affected due to distribution channel conflicts or if the financial conditions of our channel partners were to weaken. Our results of operations may be adversely affected by any conflicts that might arise between our various distribution channels or the loss or deterioration of any alliance or distribution arrangement. Moreover, some of our wholesale distributors may have insufficient financial resources and may not be able to withstand changes in business conditions, including economic weakness, industry consolidation, and market trends. Considerable trade receivables that are not covered by collateral or credit insurance are outstanding with our distribution channel partners. Revenue from indirect sales could suffer, and we could experience disruptions in distribution, if our distributors' financial conditions, abilities to borrow funds in the credit markets, or operations weaken.

Our inventory management is complex, as we continue to sell a significant mix of products through distributors. We must manage both owned and channel inventory effectively, particularly with respect to sales to distributors, which involves forecasting demand and pricing challenges. Distributors have in the past adjusted orders during periods of product shortages, and may do so in the future, in addition to cancelling orders if their inventory is too high or delaying orders in anticipation of new products. Distributors also may adjust their orders in response to the supply of our products and the products of our competitors and seasonal fluctuations in end-user demand. If we have excess or obsolete inventory, we may have to reduce our prices and write down inventory, and have done so from time to time in the past. Moreover, our use of indirect distribution channels may limit our willingness or ability to adjust prices quickly and otherwise to respond to pricing changes.

Issues in the development and use of artificial intelligence may result in reputational harm, liability or impact to our results of operations.

We believe the proliferation of AI, especially as it relates to our products and solutions that enable AI workloads, will have a significant impact on customer preferences and market dynamics in our industry, and our ability to effectively compete in this space will be critical to our financial performance. We currently incorporate AI capabilities into certain offerings and manufacture hardware designed to support AI capabilities, and our research into and continued development of such capabilities and manufacturing processes remain ongoing. We have invested, and expect to continue to invest, significant resources to build and support the development of these capabilities and manufacturing processes, and if our AI-related offerings fail to operate as anticipated or as well as competing offerings or otherwise do not meet customer needs or if we are unable to bring AI-related offerings to market as effectively as our competitors, we may fail to recoup our investments in AI, our competitive position may be harmed, and our business and reputation may be adversely impacted.

As with many innovations, AI presents risks, challenges, and unintended consequences that could affect its adoption, and therefore our business and our overall strategy. While we review proposed implementations and use cases ahead of deployment, we may not always identify the risks or deficiencies of an AI capability or offering and the market may respond differently than we anticipate, potentially impacting our results of operations. AI algorithms and training methodologies may be flawed. Ineffective or inadequate AI development or deployment practices by us or others could result in incidents that impair the

acceptance of AI solutions or cause harm to individuals or society. These deficiencies and other failures of AI systems could subject us to competitive harm, regulatory action, legal liability, and brand or reputational harm. If we enable or offer AI solutions that are controversial because of their impact on human rights, privacy, employment, or other social, economic, or political issues, we may experience competitive, brand, or reputational harm or legal and/or regulatory action. Further, incorporating AI gives rise to litigation risk and risk of non-compliance and unknown cost of compliance, as AI is an emerging technology for which the legal and regulatory landscape is not fully developed and which may vary from jurisdiction to jurisdiction, creating complex compliance issues (including potential liability for breaching intellectual property or privacy rights or laws or for the misuse of personal data). While new AI initiatives, laws, and regulations are emerging and evolving, what they ultimately will look like remains uncertain, and our obligation to comply with them could entail significant costs, negatively affect our business, or entirely limit our ability to incorporate certain AI capabilities into our offerings. The resulting impact of such regulations on our customers' desire for AI capabilities and demand for our offerings more generally could negatively impact our results of operations.

Additionally, leveraging AI capabilities to potentially improve internal functions and operations presents further risks and challenges. While we aim to use AI ethically and attempt to identify and mitigate ethical or legal issues presented by its use, we may nevertheless be unsuccessful in identifying or resolving issues before they arise. The use of AI to support business operations carries inherent risks related to data privacy and security, such as intended, unintended, or inadvertent transmission of proprietary or sensitive information, as well as challenges related to implementing and maintaining AI tools, such as developing and maintaining appropriate datasets for such support. Further, dependence on AI without adequate safeguards to make certain business decisions may introduce additional operational vulnerabilities by impacting our relationships with customers, partners, and suppliers; by producing inaccurate outcomes based on flaws in the underlying data; or other unintended results.

Changes in the macroeconomic environment have, at times, impacted and may in the future negatively impact our results of operations.

Changes in macroeconomic conditions have, at times, affected and may in the future affect consumer and enterprise spending, and as a result, our customers have postponed or cancelled, and may also in the future postpone or cancel, spending in response to numerous reasons, including but not limited to volatility in credit and equity markets, negative financial news and/or declines in income or asset values, all of which may have an adverse effect on the demand for our products and/or result in changes in our product prices. Other factors that have had, and could again in the future have, an adverse effect on demand for our products, financial condition and results of operations include inflation, slower economic growth or economic recession, conditions in the labor market, healthcare costs, access to credit, consumer confidence, and other macroeconomic factors affecting consumer and business spending behavior. These changes could happen rapidly and we may not be able to react quickly to prevent or limit our losses or exposures. Additionally, other macroeconomic developments, such as efforts of governments to stimulate or stabilize the economy, international conflicts, trade disputes, sanctions, increased tariffs internationally, including between the United States and China and on imports into the United States from various countries, have at times impacted, and may in the future impact our business in an adverse manner, whether directly or indirectly, such as through their impacts on the financial positions and operations of our customers, suppliers, and other third parties with whom we do business or on whom we rely, and as a consequence, their ability to perform their obligations under their agreements with us. Persistent inflation has negatively affected our business in recent quarters and could do so again in the future, as well. A general weakening of, and related declining corporate confidence in, the global economy or the curtailment in government or corporate spending have at times caused current or potential customers to reduce their IT budgets or be unable to fund data storage products, which have led them to delay, decrease or cancel purchases of our products or to not pay us or to delay paying us for previously purchased products and services, all of which may occur again in the future.

Failure to meet responsible and sustainable business expectations or standards or achieve our Living Progress goals could adversely affect our business, results of operations, financial condition, or stock price.

There has been an increased focus from regulators and stakeholders on sustainability and corporate responsibility matters. Given our commitment to sustainable and responsible business, we actively manage these issues through our Living Progress Strategy and have established and publicly announced certain goals, which we may refine or even expand further in the future. These goals reflect our current plans and aspirations, are based on available data and estimates, and are not guarantees that we will be able to achieve them. Moreover, actions or statements that we may take based on expectations, assumptions, or third-party information that we currently believe to be reasonable may subsequently be determined to be erroneous or be subject to misinterpretation. Initiatives to address sustainability and corporate responsibility issues may be costly and may not have the desired effect. Evolving stakeholder expectations and our efforts and ability to manage these issues and accomplish our goals present numerous operational, regulatory, reputational, financial, legal, and other risks, any of which may be outside of our control or could have adverse impacts on our business, including on our stock price. Further, there is uncertainty around the accounting standards and climate-related disclosures associated with emerging laws and reporting requirements and the related costs to comply with the emerging regulations.

Our failure or perceived failure to achieve our Living Progress goals, maintain responsible and sustainable business practices, or comply with emerging sustainability regulations that meet evolving regulatory or stakeholder expectations could harm our reputation, adversely impact our ability to attract and retain customers and talent, and expose us to increased scrutiny from the investment community and enforcement authorities. Our reputation also may be harmed by the perceptions that our stakeholders have about our action or inaction on certain sustainability- and corporate responsibility-related issues, or because they may disagree with our goals and initiatives, either of which may cause us to face scrutiny, lawsuits, or other market access restrictions from certain parties related to our action or inaction on such issues. Damage to our reputation and loss of brand equity may reduce demand for our products and services and thus have an adverse effect on our future financial performance, as well as require additional resources to rebuild our reputation.

Risks arising from climate change and the transition to a lower-carbon economy may impact our business.

Climate change serves as a risk multiplier that could increase both the frequency and severity of natural disasters that may affect our worldwide business operations and those of suppliers and customers. Our corporate headquarters is located in Spring, Texas, which suffers from floods, hurricanes, and other extreme weather, and a portion of our research and development activities are located in California, which suffers from drought conditions and catastrophic wildfires, each affecting the health and safety of our employees. In California, to mitigate wildfire risk, electric utilities have, at times periodically deployed, and may in the future, periodically deploy public safety power shutoffs, which affect electricity reliability to our facilities and our communities. Certain sites located in the United States, Middle East, China, and India experience exposure to extreme heat and water stress, which could potentially jeopardize the health and well-being of our employees, consequently impacting our operations. While we seek to mitigate business risks, including those associated with climate change, through site selection, infrastructure technological investments, business continuity planning, and robust environmental programs, this may require us to incur substantial costs, and we may be unsuccessful in doing so as there are inherent climate-related risks wherever business is conducted. Furthermore, climate change may reduce the availability or increase the cost of insurance for these negative impacts of natural disasters by contributing to an increase in the incidence and severity of such natural disasters.

The increasing concern over climate change could also result in transition risks, such as efforts and expenditures related to carbon abatement, shifting customer preferences, or compliance risks from changing regulatory and legal requirements. We have already observed changing customer preferences resulting in increased demands for sustainable solutions, products, and services. While we have been integrating such trends into our business and sales strategies thus far, we may not be able to successfully do so in the future. Further, continually changing customer preferences may cause us to incur additional costs, invest more in R&D, or make other changes to other operations to respond to such demands, which may not be carried out successfully, and if so, could adversely affect our financial results. We may also confront higher electricity prices as the grid decarbonizes, and higher costs for supplies or components that comply with certain environmental regulatory thresholds, potentially impacting our margins or the pricing of our offerings. If we fail to manage these and other transition risks in an effective manner, customer demand for our solutions, products, and services could diminish, and our profitability could suffer.

Industry Risks

We operate in an intensely competitive industry, and competitive pressures could harm our business and financial performance.

Our ability to implement solutions for our customers, anticipate and respond to rapid and continuing changes in technology (such as cloud-, AI-, and security-related offerings, which are continually evolving), and develop new service offerings or incorporate technological improvements into our offerings that meet current and prospective customers' needs, as well as evolving industry standards, is critical to our competitiveness and success. We encounter aggressive competition from numerous and varied competitors in all areas of our business, and our competitors have targeted and are expected to continue targeting our key market segments. We compete primarily on the basis of technology, innovation, performance, price, quality, reliability, brand, reputation, distribution, range of products and services, ease of use of our products, account relationships, customer training, service and support, security, and the availability of our IT infrastructure offerings. If our products, services, support, and cost structure do not enable us to compete successfully based on any of those criteria, our results of operations and business prospects could be harmed.

We have a large portfolio of products and services and must allocate our financial, personnel, and other resources across all of our products and services while competing with companies that have smaller portfolios or specialize in one or more of our product or service lines. As a result, we may invest less in certain areas of our business than our competitors do, and our competitors may have greater financial, technical, and marketing resources available to them compared to the resources allocated to our products and services that compete against theirs. If we do not sufficiently invest in new technologies, successfully adapt to industry developments and changing demand, and evolve and expand our business at sufficient speed and scale to keep pace with the demands of the markets we serve, we may be unable to develop and maintain a competitive advantage and execute on our growth strategy, which would adversely affect our business, results of operations, and financial condition. Industry consolidation may also affect competition by creating larger, more homogeneous, and potentially stronger

competitors in the markets in which we operate. Additionally, our competitors may affect our business by entering into exclusive arrangements with our existing or potential customers or suppliers.

Companies with whom we have vertical relationships in certain areas may be or become our competitors in other areas. In addition, companies with whom we have vertical relationships also may acquire or form relationships with our competitors, which could reduce their business with us. If we are unable to effectively manage these complicated relationships with vertical partners, our business and results of operations could be adversely affected.

We face aggressive price competition and may continue to do so. As a consequence of inflation and higher supply chain and manufacturing costs, we have in the past increased the prices of many of our products and services to maintain or improve our revenue and gross margin, and may do so again in the future. In addition, competitors who have a greater presence in some of the lower-cost markets in which we compete, or who can obtain better pricing, more favorable contractual terms and conditions, or more favorable allocations of products and components during periods of limited supply may be able to offer lower prices than we are able to offer. Our cash flows, results of operations, and financial condition may be adversely affected by these and other industry-wide pricing pressures.

Because our business model is based on providing innovative and high-quality products and services, we may spend a proportionately greater amount of our revenues on R&D than some of our competitors. If we cannot proportionately decrease our cost structure (apart from R&D expenses) on a timely basis in response to competitive price pressures, our profitability could be adversely affected. In addition, if our pricing and other facets of our offerings are not sufficiently competitive, or if there is an adverse reaction to our product decisions, we may lose market share in certain areas, which could adversely affect our financial performance and business prospects.

Even if we are able to maintain or increase market share for a particular product, its financial performance could decline because the product is in a maturing industry or market segment or contains technology that is becoming obsolete. Financial performance could decline due to increased competition from other types of products that perform similar functions as our offerings.

International Risks

Due to the international nature of our business, political or economic changes and the laws and regulatory regimes applying to international transactions or other factors could harm our future revenue, costs and expenses, and financial condition.

Our business and financial performance depend significantly on worldwide economic conditions and the demand for technology hardware, software, and services in, and continued access to, the markets in which we compete. Economic weakness and uncertainty and the volatile inflationary environment have constrained spending on network and enterprise infrastructure. This has in the past adversely affected the demand for our products, services, and solutions, which has impacted our financial condition and results of operations, all of which we may experience again in the future. These have, at times in the past, resulted in increased expenses due to higher allowances for doubtful accounts and potential goodwill and asset impairment charges (among other financial impacts), and made it more difficult for us to manage inventory and make accurate forecasts of revenue, gross margin, cash flows, and expenses, and may have such effects again in the future. Such factors, including how long such conditions may persist, among others, may negatively impact the evenness or volume of demand for our products and services, potentially resulting in impacts similar to those mentioned above, though the precise extent of such impacts cannot be accurately predicted.

Economic weakness and uncertainty could cause our expenses to vary materially from our expectations. Any financial turmoil affecting the banking system and financial markets, or any significant financial services institution failures could negatively impact our treasury operations, as the financial condition of such parties may deteriorate rapidly and without notice in times of market volatility and disruption. Interest and other expenses have varied, and could continue to vary, materially from expectations depending on changes in interest rates, borrowing costs, currency exchange rates, costs of hedging activities, and the fair value of derivative instruments. It is difficult to predict the impact of such events on us, our third-party partners, our customers, or economic markets more broadly, which have been and will continue to be highly dependent upon the actions of governments and businesses in response to macroeconomic events, and the effectiveness of those actions. Such actions have impacted, and may further impact our ability, desire, or the timing of seeking funding for various investment opportunities. Economic downturns also may lead to restructuring actions and associated expenses. Further, reduced U.S. federal government spending may limit demand for our products, services, and solutions from organizations that receive funding from the U.S. government, and could negatively affect macroeconomic conditions in the United States, which could further reduce demand for our products, services, and solutions.

Our business and financial performance also could be adversely affected by changes in U.S. trade policy, U.S. export controls and sanctions, and U.S. regulations concerning imports, as well as international laws and regulations relating to global trade. Current U.S. government trade policy includes the imposition of tariffs on certain foreign goods, including information and communication technology products. These measures have materially increased costs for certain goods imported into the United States. As a result, our business has in the past been impacted by forced material price increases, which in turn resulted

in price increases for our offerings, which subsequently limited demand or reduced margins for our offerings, all of which may impact us again from time to time in the future. Additionally, U.S. trading partners may adopt their own trade policies making it more difficult or costly for us to export our products to those countries. Similarly, changes in regulations relating to certain exports, including economic sanctions, have led to export delays and prevented us, and could in the future prevent us, from exporting products to certain locations or customers entirely, which have in some instances impacted, and could in the future impact, our financial performance. In addition, changes in requirements relating to making foreign direct investments could increase our cost of doing business in certain jurisdictions, prevent us from shipping products to particular countries or markets, affect our ability to obtain favorable terms for components, increase our operating costs, or lead to penalties or restrictions. While we have policies and procedures designed to facilitate compliance with global trade laws and regimes around the world, such measures may not guarantee compliance.

Sales outside the United States constituted approximately 64% of our net revenue in fiscal 2024. As such, our future business and financial performance could suffer due to a variety of international factors in addition to those otherwise already disclosed, including:

- ongoing uncertainties as a result of instability or changes in geopolitical conditions, including military or political conflicts, such as those caused by the ongoing conflicts between Russia and Ukraine or in the Middle East (the potential escalation or geographic expansion of which could heighten other risks identified in this report), or the relationship between China and the U.S. (which could, among other things, impact the enforceability of certain contracts or the timing and form of certain payments);
- inflationary pressures, which have in the past increased, and may in the future increase costs for materials, supplies, and services, including those of third parties with whom we do business;
- adverse or uncertain macroeconomic conditions, including a changing interest rate environment and fears of a potential global economic downturn or recession, which have at times in the past slowed customer demand for our products and services, and may do so again in the future;
- network security, privacy, and data sovereignty concerns, which could make foreign customers reluctant to purchase products and services from U.S.-based technology companies;
- longer collection cycles and financial instability among customers, which could impact our ability to collect on accounts receivable and consequently recognize revenue;
- local labor conditions and regulations, including local labor issues faced by specific suppliers and OEMs, or changes to immigration and labor law policies which may adversely impact our access to technical and professional talent;
- managing our geographically dispersed workforce, which has necessitated, and may in the future require, incurring costs to promote seamless workforce connectivity and to comply with changing laws, regulations and workers' rights councils across multiple jurisdictions;
- differing technology standards or customer requirements, which have required us to incur additional development and production costs to modify or adapt our offerings, and may do so again in the future;
- local content and manufacturing requirements, which have impacted, and could further impact, our ability to sell into those markets;
- difficulties associated with repatriating earnings in restricted countries, and changes in tax laws, which introduces uncertainty to our results of operations and financial performance; and
- fluctuations in freight costs, limitations on shipping and receiving capacity, and other disruptions in the transportation and shipping infrastructure at important geographic points of exit and entry for our products and shipments, which have from time to time adversely impacted, and any of which could in the future adversely impact, our results of operations and ability to meet customer demand.

Certain of the factors described above have, in the past, disrupted the operations of, and adversely impacted our product and component manufacturing and key suppliers, customers, or vendors located outside of the United States, and could do so again in the future. For example, we rely on suppliers in Asia for product assembly and manufacture, the operations of whom are subject to local labor laws and other requirements. Any loss of or limitations on their output or their inability to operate could have an adverse effect on our ability to timely deliver our products and services, which would in turn negatively impact our financial performance.

Further, the ongoing conflict between Russia and Ukraine and the trade sanctions imposed by the U.S., the European Union (the "EU"), and other countries in response have negatively impacted business and financial performance in that region. HPE is continuing to execute on the exit of our remaining business in Russia and Belarus as planned; however, we cannot provide any assurance that such exit will be efficient or uninterrupted, which may negatively impact our operational expenses.

We implement policies, procedures, and training designed to facilitate compliance with anti-corruption laws around the world, including the U.S. Foreign Corrupt Practices Act and the U.K. Bribery Act. However, such measures may not guarantee compliance, and our employees and third parties with whom we work may take actions in violation of such policies or such anti-corruption laws. Furthermore, in many foreign countries, particularly in those with developing economies, people may engage in business practices prohibited by anti-corruption laws. Violations of such laws may result in severe criminal or civil sanctions and penalties, and we may be subject to those and other liabilities that could have an adverse effect on our business, results of operations, and financial condition.

We are exposed to fluctuations in foreign currency exchange rates.

Conducting business in currencies other than the U.S. dollar, including the euro, the Japanese yen, and British pound has, from time to time, adversely impacted, and could in the future, have an adverse impact on our results as expressed in U.S. dollars. Currency volatility contributes to variations in our sales of products and services in impacted jurisdictions. Fluctuations in foreign currency exchange rates have, from time to time, adversely affected, and could in future periods adversely affect our revenue recognition and our revenue growth. In addition, currency variations can adversely affect our ability to implement price increases, margins on sales of our products in countries outside of the United States and margins on sales of products that include components obtained from suppliers located outside of the United States.

From time to time, we use forward contracts and options designated as cash flow hedges to protect against foreign currency exchange rate risks, and may continue to do so in the future. The effectiveness of our hedges depends on our ability to accurately forecast future cash flows, which is particularly difficult during periods of uncertain demand for our products and services and highly volatile exchange rates. We may incur significant losses from our hedging activities due to factors such as volatility and currency variations. In addition, certain or all of our hedging activities may be ineffective, may expire and not be renewed or may not offset any or more than a portion of the adverse financial impact resulting from currency variations. Losses associated with hedging activities also may impact our revenue and to a lesser extent our cost of sales and financial condition.

Intellectual Property Risks

Our financial performance may suffer if we cannot continue to develop, license, or enforce the intellectual property rights on which our businesses depend.

We rely upon patent, copyright, trademark, trade secret, and other intellectual property laws in the United States, similar laws in other countries, and agreements with our employees, customers, suppliers, and other parties, to establish and maintain intellectual property rights in the products and services we sell, provide, or otherwise use in our operations. However, from time to time our intellectual property rights have been challenged, infringed, or circumvented, and any of such rights could be further challenged, invalidated, infringed, or circumvented or such intellectual property rights may not be sufficient to permit us to take advantage of current market trends or to otherwise provide competitive advantages. Further, the laws of certain countries do not protect proprietary rights to the same extent as the laws of the United States. Therefore, in certain jurisdictions we may be unable to protect our proprietary technology adequately against unauthorized third-party copying or use; this, too, could adversely affect our ability to sell products or services and our competitive position. Furthermore, changes in intellectual property laws or their interpretation may impact our ability to protect and assert our intellectual property rights, increase costs and uncertainties in the prosecution of patent applications or related enforcement actions, and diminish the value and competitive advantage conferred by our intellectual property assets.

Monitoring and detecting any unauthorized access, use or disclosure of our intellectual property is complex, and we cannot be certain that the protective measures we have implemented will completely prevent misuse. Our ability to enforce our intellectual property rights is subject to litigation risks and uncertainty as to the protection and enforceability of those rights in some countries. If we seek to enforce our intellectual property rights, we may be subject to claims that those rights are invalid or unenforceable, and others may seek counterclaims against us, which could have a negative impact on our business. Effective protection of intellectual property rights is expensive and difficult to maintain, both in terms of application and maintenance costs, as well as the costs of defending and enforcing those rights.

Our products and services depend in part on intellectual property and technology licensed from third parties.

Much of our business and many of our products rely on key technologies developed or licensed by third parties. For example, many of our software offerings are developed using software components or other intellectual property licensed from third parties, including through both proprietary and open-source licenses. These third-party software components may become obsolete, defective, or incompatible with future versions of our products, our relationship with the third party may deteriorate or cease, or our agreements with the third party may expire or be terminated. We may face legal or business disputes with licensors that may threaten or lead to the disruption of inbound licensing relationships. In order to remain in compliance with the terms of our licenses, we must carefully monitor and manage our use of third-party software components, including both proprietary and open source license terms that may require the licensing or public disclosure of our intellectual property without compensation or on undesirable terms. Additionally, some of these licenses may not be available to us in the future on terms that are acceptable or that allow our product offerings to remain competitive. Our inability to obtain licenses or rights on favorable terms could have a material effect on our business, including our financial condition and results of operations. In

addition, it is possible that as a consequence of a merger or acquisition, we may acquire intellectual property subject to licensing obligations to third parties, other third parties may obtain licenses to some of our intellectual property rights or our business may be subject to certain restrictions that were not in place prior to such transaction. Because the availability and cost of licenses from third parties depends upon the willingness of third parties to deal with us on the terms we request, there is a risk that third parties who license to our competitors will either refuse to license us at all, or refuse to license us on terms equally favorable to those granted to our competitors. Consequently, we may lose a competitive advantage with respect to these intellectual property rights or we may be required to enter into costly arrangements in order to terminate or limit these rights.

Third-party claims of intellectual property infringement, including patent infringement, are commonplace in our industry and successful third-party claims may limit or disrupt our ability to sell our products and services.

Third parties may claim that we or customers indemnified by us are infringing upon or otherwise violating their intellectual property rights. Patent assertion entities frequently purchase intellectual property assets for the purpose of extracting infringement settlements. Furthermore, our exposure to these risks associated with the use of intellectual property may be increased as a result of acquisitions; not only do we have a lower level of visibility into the development process with respect to such technology or the care taken to safeguard against infringement risks, but also third parties may make infringement and similar claims only after we have acquired technology that had not been asserted prior to our acquisition. If we cannot license, or replace, allegedly infringed intellectual property on reasonable terms, our operations could be adversely affected. In addition, there is uncertainty around the validity and enforceability of intellectual property rights related to our use, development, and deployment of AI and AI systems and solutions. Our use of AI technologies, whether created by us for internal or customer use cases or otherwise incorporated from external sources into our offerings, could lead to violation of third-party intellectual property rights, and could require us to incur significant expenses to modify our solutions and processes or otherwise engage in efforts to remain in compliance with the law. Even if we believe that intellectual property claims are without merit, they can be time-consuming and costly to defend against and may divert management's attention and resources away from our business. Claims of intellectual property infringement also might require us to redesign affected products, discontinue certain product offerings, enter into costly settlement or license agreements, pay costly damage awards, or face a temporary or permanent injunction prohibiting us from importing, marketing, or selling certain of our products. Even if we have an agreement to indemnify us against such costs, the indemnifying party may be unable or unwilling to uphold its contractual obligations to us.

Financial Risks

Adverse developments affecting our liquidity, capital position, borrowing costs, and access to capital markets could adversely impact our business, financial condition, and results of operations or those of the third parties with whom we do business.

We currently maintain investment grade credit ratings with Moody's Investors Service, Standard & Poor's Ratings Services, and Fitch Ratings Services. Despite these investment grade credit ratings at this time, we may experience downgrades in our credit ratings for various reasons, including but not limited to for reasons in connection with the substantial amount of debt we have incurred and expect to assume in connection with the Merger. Any such downgrades could increase the cost of borrowing under any indebtedness we may incur, jeopardize our ability to incur debt on terms acceptable to us, reduce market capacity for our commercial paper, or require the posting of additional collateral under our derivative contracts. Additionally, increased borrowing costs, including those arising from a credit rating downgrade, can potentially reduce the competitiveness of our financing business. There can be no assurance that we will be able to maintain our credit ratings, and any additional actual or anticipated changes or downgrades in our credit ratings, including any announcement that our ratings are under review for a downgrade, may have a negative impact on our liquidity, capital position, and access to capital markets.

In addition, volatility and disruption in the financial sector and capital markets and other events negatively affecting macroeconomic conditions or contributing to the instability or volatility thereof, such as changing interest rates, have from time to time in the past impacted, and may in the future impact, our liquidity, capital position, and access to capital markets. Our total liquidity depends in part on the availability of funds under the revolving credit facility and our other financing agreements. The failure of any lender's ability to fund future draws on our revolving credit facility or our other financing arrangements could reduce the amount of cash we have available for operations and additional capital for future needs. The future effects of such events are unknown and difficult to predict at this time, and could adversely affect us, our customers, financial institutions, transactional counterparties, or others with which we do business, which may in turn have adverse impacts on our current and/or projected business operations, financial condition, and our results of operations.

Our obligation to consummate the Merger is not subject to a financing condition, and as such, may be subject to events beyond our control, such as the timing of receipt of regulatory approvals. Further, portions of our recently issued debt contain special mandatory redemption provisions, and if we do not consummate the Merger before October 2025, we may be required to redeem certain series of such debt, which would result in less flexibility to address other funding needs.

Our debt obligations may adversely affect our business and our ability to meet our obligations and pay dividends.

In addition to our current total carrying debt, we may also incur additional indebtedness in the future. In order to consummate the Merger, we have incurred a substantial amount of debt, and plan to incur further debt, as well. This collective

amount of debt could have important adverse consequences to us and our investors, including requiring a substantial portion of our cash flow from operations to make principal and interest payments; making it more difficult to satisfy other obligations; increasing the risk of a future credit ratings downgrade of our debt, which could increase future debt costs and limit the future availability of debt financing; increasing our vulnerability to general adverse economic and industry conditions; reducing the cash flows available to fund capital expenditures and other corporate purposes and to grow our business; limiting our flexibility in planning for, or reacting to, changes in our business and industry; and limiting our ability to borrow additional funds as needed or take advantage of business opportunities as they arise, pay cash dividends or repurchase our common stock.

While the U.S. Federal Reserve has begun lowering interest rates and signaled its intention to keep doing so, macroeconomic circumstances may change, resulting in delays or reversal of such actions, including by central banks around the world, which may result in a prolonged high interest rate environment and affect our ability to incur debt at reasonable prices or our desire to incur further debt at all. To the extent that we incur additional indebtedness, the risks described above could increase, including requiring additional expected cash flows from operations to service our debt. In addition, our actual cash requirements to operate our business in the future may be greater than expected. Our cash flow from operations may not be sufficient to service our outstanding debt or to repay our outstanding debt as it becomes due, and we may not be able to borrow money, sell assets, or otherwise raise funds on acceptable terms, or at all, to service or refinance our debt.

The revenue and profitability of our operations have historically varied, which makes our future financial results less predictable.

Our revenue, gross margin, and profit vary among our diverse products and services, customer groups, and geographic markets and therefore, will likely be different in future periods than our historical results. Our revenue depends on the overall demand for our products and services, which is difficult to accurately predict, varies from time to time, may be uneven across our portfolio of offerings, and is subject to industry-wide or broader macroeconomic market dynamics, all of which have in the past adversely impacted, and may again in the future adversely impact, our business and financial condition. Additionally, the varying sizes of customer contracts or orders, variations in customer acceptances of delivered orders, the timing thereof, and cancellations and/or de-bookings of such orders (due to various reasons, including but not limited to failure to satisfy terms and compliance matters, whether initiated by us or the customer) can be uneven across our portfolio and have at times impacted, and in the future could impact, our pipeline, bookings and our ability to recognize revenue, if at all (particularly with respect to contracts and orders involving our AI offerings). Such variables have in the past negatively impacted our financial performance, and may do so again in the future. Delays or reductions in discretionary IT spending by our customers or potential customers have had, and in the future could have a material adverse effect on demand for our products and services, which could result in a significant decline in revenue. For example, we have seen demand soften unevenly across our portfolio and geographies, which may continue, as certain customers and sectors have been taking longer than anticipated to digest prior large orders. In addition, revenue declines in some of our businesses may affect revenue in our other businesses as we may lose cross-selling opportunities. Overall gross margins and profitability in any given period are dependent partially on the product, service, customer, and geographic mix reflected in that period's net revenue.

Furthermore, the relationship between China and the U.S., and any subsequent action that may be taken by either country, may significantly vary the results our operations and financial performance from that region. There could be additional uncertainty surrounding the enforceability of contract obligations, as well as the timing and form of payments from China.

Competition, lawsuits, investigations, increases in component and manufacturing costs that we are unable to pass on to our customers, component supply disruptions, and other risks affecting our businesses may have a significant impact on our overall gross margin and profitability. Variations in our fixed cost structure and gross margins across business units and product portfolios, have from time to time led to, and may lead to significant operating profit volatility on a quarterly or annual basis in the future. In addition, newer geographic market opportunities may be relatively less profitable due to our investments associated with entering those markets and local pricing pressures, and we may have difficulty establishing and maintaining the operating infrastructure necessary to support the high growth rate associated with some of those markets. Market trends, industry shifts, competitive pressures, commoditization of products, increased component or shipping costs, regulatory impacts, and other factors have from time to time resulted in, and may in the future result in, reductions in revenue or pressure on gross margins of certain segments in a given period, which may lead to adjustments to our operations. Moreover, our efforts to address the challenges facing our business could increase the level of variability in our financial results because the rate at which we are able to realize the benefits from those efforts may vary from period to period.

Our uneven sales cycle and supply chain disruptions make planning and inventory management difficult and future financial results less predictable.

In some of our businesses, our quarterly sales have periodically reflected a pattern in which a disproportionate percentage of each quarter's total sales occurs towards the end of the quarter. This uneven sales pattern makes predicting revenue, earnings, cash flow from operations, and working capital for each financial period difficult, increases the risk of unanticipated variations in our quarterly results and financial condition, and places pressure on our inventory management and logistics systems. If predicted demand is substantially greater than orders, there may be excess inventory; and alternatively, if

orders substantially exceed predicted demand, we may not be able to fulfill all of the orders received in each quarter and such orders may be canceled, all of which we experienced from time to time in the past and may do so again in the future. Depending on when they occur in a quarter, developments such as a systems failure, component pricing movements, component shortages, or global logistics disruptions, have in the past adversely impacted, and could in the future adversely impact, our inventory levels and results of operations in a manner that is disproportionate to the number of days in the quarter affected. We experience some seasonal trends in the sale of our products that also have produced, and may in the future produce, variations in our quarterly results and financial condition. Many of the factors that create and affect seasonal trends are beyond our control.

Separately, periodic supply chain shortages and constraints have, in some instances, resulted in, and may result in, increases to the costs of production of our hardware products that we have, at times, not been able to, and may, in the future, not be able to pass on to our customers. We have, in some instances, responded to such constraints by committing to higher inventory purchases and balances relative to our historical positions in order to secure manufacturing capacity, components to fulfill orders, or both. While these measures have been taken to shorten lead times to deliver products to customers, they may also result in excess or obsolete components in the future if the demand for our products is less than we anticipate or orders are cancelled, which could adversely affect our business and financial performance.

We make estimates and assumptions in connection with the preparation of our Consolidated Financial Statements and any changes to those estimates and assumptions could adversely affect our results of operations.

In connection with the preparation of our Consolidated Financial Statements, we use certain estimates and assumptions based on historical experience and other factors. Our most critical accounting estimates are described in the section entitled “Management's Discussion and Analysis of Financial Condition and Results of Operations.” In addition, as discussed in Note 1, “Overview and Summary of Significant Accounting Policies—Use of Estimates” and Note 17, “Litigation, Contingencies, and Commitments” to our Consolidated Financial Statements in Item 8 of Part II, we make certain estimates, including decisions related to provisions for legal proceedings and other contingencies. While we believe that these estimates and assumptions are reasonable under the circumstances, they are subject to significant uncertainties, some of which are beyond our control. Should any of these estimates and assumptions change or prove to have been incorrect, it could adversely affect our results of operations.

Declaration, payment and amounts of dividends, if any, to holders of our shares will be uncertain.

Our board of directors will have the discretion to determine whether any dividends on our common stock will be declared, when dividends, if any, are declared, and the amount of such dividends. We expect that such determination would be based on a number of considerations, including our results of operations and capital management plans, availability of funds, our access to capital markets, as well as industry practice, and other factors deemed relevant by our board of directors.

In addition, on September 13, 2024, we issued 30,000,000 shares of 7.625% Series C Mandatory Convertible Preferred Stock with a dividend rate of 7.625% per annum on the liquidation preference of \$50 per share (the “Preferred Stock”). The Preferred Stock ranks senior to our common stock with respect to the payment of dividends. As long as any share of Preferred Stock is outstanding, unless all accumulated and unpaid dividends on the Preferred Stock for all preceding dividend periods have been declared and paid in full or declared and set apart for payment, we may not declare, pay or set apart for payment any dividends on our common stock or any other class or series of stock that ranks junior to the Preferred Stock. Dividends on the Preferred Stock are discretionary and cumulative. Holders of Preferred Stock will only receive dividends on their shares when, as and if declared by our board of directors. If dividends on the Preferred Stock have not been declared and paid for the equivalent of six or more quarterly dividend periods, whether or not consecutive, holders of Preferred Stock, together as a class with holders of any other series of parity stock with like voting rights, will be entitled to vote for the election of two additional directors to our board of directors. This right to elect additional directors to our board of directors will dilute the representation of our stockholders on our board of directors and may adversely affect the market price of our common stock. When quarterly dividends have been declared and set apart for payment in full, the right of the holders of Preferred Stock to elect these two additional directors will cease, the terms of office of these two directors will forthwith terminate and the number of directors constituting our board of directors will be reduced accordingly. Additional risks related to the Preferred Stock are contained in the prospectus supplement dated September 10, 2024.

Regulatory and Government Risks

Our business is subject to various federal, state, local and foreign laws and regulations that could result in costs or other sanctions that adversely affect our business and results of operations.

We are subject to various US (federal, state, and local), and foreign laws and regulations. Laws and regulations may change in ways that will require us to modify our business model and objectives or affect our returns on investments by restricting existing activities and products, subjecting them to escalating costs or prohibiting them outright. For example, as a result of laws and regulations concerning responsible and sustainable business practices, we face increasing complexity related to product design, safety and compliance; the use of regulated, hazardous, and scarce materials; the management, movement and disposal of hazardous substances and waste; the associated energy consumption and efficiency related to operations and the

use of products, services, and solutions; the transportation and shipping of products and other materials; supply chain due diligence; climate change adaptation and mitigation; greenhouse gas emissions; sustainability-related regulations and reporting requirements; and the reuse, recycling and/or disposal of products and their components at end-of-use or useful life and associated operational or financial responsibility. A significant portion of our hardware revenues come from international sales. Any changes to current environmental legal requirements may increase our cost of doing business internationally and impact our hardware revenues from the EU, U.S., China, India and/or other countries proposing or adopting similar environmental legal requirements. In addition, other sustainability reporting-related laws, regulations, treaties, and similar initiatives and programs are being proposed, adopted, and implemented throughout the world. If we were to violate or become liable under environmental or certain sustainability-related laws or if our products become non-compliant with such laws or market access requirements, it could result in loss of market access or limit offerings in those markets or our customers may refuse to purchase our products, and we could incur costs or face other sanctions, such as restrictions on our products entering certain jurisdictions, fines, and/or civil or criminal sanctions. Environmental regulations may also impact the availability and cost of energy or emissions related to energy consumption which may increase our cost of manufacturing and/or the cost of powering and cooling owned IT infrastructures.

In addition, our business is subject to an ever-growing number of laws and regulations addressing privacy and information security, including the use of AI. In particular, we face an increasingly complex global regulatory environment and patchwork of state laws in the U.S., increasing the risks addressing these regulatory requirements and in responding to potential security and data incidents. The increase in aaS offerings may also be impacted by data localization and international data transfer requirements under various privacy laws, including the European Union's General Data Protection Regulation. Given our significant employee and operational presence in India, the Digital Personal Data Protection Act (which was approved in August 2023) has imposed, and may continue to impose, additional restrictions and compliance costs on us. Furthermore, the rapid development and deployment of tools that leverage AI is also causing governments to consider and implement regulation of AI, even for AI that does not pertain to personal data, which is impacting and may further impact the use and incorporation of AI capabilities in our offerings and in our customer's demand for such offerings. We have received inquiries, and may be subject to demands, claims, lawsuits, regulatory investigations, and additional inquiries (including those from U.S. or foreign governmental authorities), relating to AI use cybersecurity and data incidents that we have experienced or may in the future experience. If we were to violate or become liable under laws or regulations associated with privacy or security or the use of AI, we could incur substantial costs or be exposed to potential regulatory fines, civil or criminal sanctions, third-party claims, and reputational damage. Our actual or perceived failure to comply with applicable laws and regulations or other obligations relating to these topics could subject us to liability to our customers, data subjects, suppliers, business partners, employees, and others, give rise to legal and/or regulatory action, could damage our reputation or could otherwise materially harm our business, any of which could have an adverse effect on our business, operating results, and financial condition.

Jurisdictions in which we have significant operations and assets, such as the U.S., China, India, and the E.U., each have exercised and continue to exercise significant influence over many aspects of their domestic economies including, but not limited to fair competition, tax practices, anti-corruption, anti-trust, responsible sourcing and human rights (including the use of conflict minerals), price controls and international trade, which have had and may continue to have an adverse effect on our business operations and financial condition.

Contracts with federal, state, provincial, and local governments are subject to a number of challenges and risks that may adversely impact our business.

Our contracts with federal, state, provincial, and local governmental customers are subject to various government procurement laws and regulations, required contract provisions, and other requirements relating to contract formation, administration, and performance, as well as local content, manufacturing, information security and security requirements. Any violation of government contracting laws and regulations or contract terms could result in the imposition of various civil and criminal penalties, which may include termination of contracts, forfeiture of profits, suspension of payments and fines, treble damages, and suspension from future government contracting. Additionally, changes in underlying regulatory requirements that vary across the geographies in which we operate could increase compliance costs and risks. Such failures could also cause reputational damage to our business. In addition, in the US, we will continue to be subject to qui tam litigation brought by private individuals on behalf of the government relating to our government contracts. If we are suspended or disbarred from government work or if our ability to compete for new government contracts is adversely affected, our financial performance could suffer.

Government contracts impose additional challenges and risks to our sales efforts. Government demand and payment for our products and services may be impacted by public sector budgetary cycles and funding authorizations, including in connection with an extended government shutdown, with funding reductions, or delays adversely affecting public sector demand for our products and services. Such developments could result in material payment delays, payment reductions, or contract terminations by our governmental customers, which may impact our results of operations and financial condition. These may also adversely impact the results of operations and financial condition of government contractors with whom we

conduct business. This may cause those government contractors to become unable to meet their obligations under contracts with us.

Unanticipated changes in our tax provisions, the adoption of new tax legislation or exposure to additional tax liabilities could affect our financial performance.

We are subject to income and other taxes in the United States and numerous foreign jurisdictions. Our tax liabilities are affected by the amounts we charge in intercompany transactions for inventory, services, licenses, funding, and other items. We are subject to ongoing tax audits in various jurisdictions. Tax authorities may disagree with our intercompany charges, cross-jurisdictional transfer pricing or other matters, and may assess additional taxes as a result. There can be no assurance that we will accurately predict the outcomes of these audits, and the amounts ultimately paid upon resolution of audits could be materially different from the amounts previously included in our income tax expense and therefore could have a material impact on our tax provision, net income and cash flows. In addition, our effective tax rate in the future could be adversely affected by acquisitions, changes to our operating structure, changes in the mix of earnings in countries with differing statutory tax rates, changes in the valuation of deferred tax assets and liabilities, changes in tax laws, and the discovery of new information in the course of our tax return preparation process. The carrying value of our deferred tax assets is dependent on our ability to generate future taxable income.

The Organization for Economic Co-operation and Development (“OECD”), an international association of 38 countries including the United States, has proposed changes to numerous long-standing tax principles, namely, its Pillar Two framework, which imposes a global minimum corporate tax rate of 15%. To date, 43 countries have enacted portions, or all, of the OECD proposal and a further 22 countries have drafted, or have announced an intent to draft, legislation enacting the proposed rules. Where enacted, the rules begin to be effective for us in fiscal 2025. Under US GAAP, the OECD Pillar Two rules are considered an alternative minimum tax, and therefore deferred taxes would not be recognized or adjusted for the estimated effects of the future minimum tax. As a result, there was no impact to our fiscal 2024 results. The adoption and effective dates of these rules may vary by country and could increase tax complexity and uncertainty and may adversely affect our provision for income taxes. We currently do not expect a material impact to our fiscal 2025 results.

During fiscal 2019, we executed a Termination and Mutual Release Agreement which terminated our Tax Matters Agreement with HP Inc. Because we now have limited indemnity rights from HP Inc., we potentially bear more economic risk for certain potential unfavorable tax assessments.

Risks Related to Prior Separations

The stock distribution in either or both of the completed separations of our former Enterprise Services business and our former Software segment could result in significant tax liability, and DXC Technology Company or Micro Focus International plc (as applicable) may in certain cases be obligated to indemnify us for any such tax liability imposed on us.

The completed separations and mergers of our former Enterprise Services business with DXC Technology Company (“DXC”) (the “Everett Transaction” or “Everett”) and our Software Segment with Micro Focus International plc (“Micro Focus”) (the “Seattle Transaction” or “Seattle”) were conditioned upon the receipt of an opinion from outside counsel regarding the qualification of (i) the relevant distribution and related transactions as a “reorganization” within the meaning of Sections 368(a), 361 and 355 of the Internal Revenue Code of 1986 (the “Code”) and (ii) the relevant merger as a “reorganization” within the meaning of Section 368(a) of the Code. While the Seattle Transaction generally qualified for tax-free treatment for us, Seattle SpinCo and Micro Focus, the acquisition of Seattle SpinCo by Micro Focus resulted in the recognition of gain (but not loss) for U.S. persons who received Micro Focus American Depositary Shares in the Software separation.

Each opinion of outside counsel was based upon and relied on, among other things, certain facts and assumptions, as well as certain representations, statements and undertakings of us, Everett SpinCo and CSC, or us, Seattle SpinCo and Micro Focus, as applicable. If any of these representations, statements or undertakings are, or become, inaccurate or incomplete, or if any party breaches any of its covenants in the relevant separation documents, the relevant opinion of counsel may be invalid and the conclusions reached therein could be jeopardized. Notwithstanding the opinions of counsel, the Internal Revenue Service (the “IRS”) could determine that either or both of the distributions should be treated as a taxable transaction if it determines that any of the facts, assumptions, representations, statements or undertakings upon which the relevant opinion of counsel was based are false or have been violated, or if it disagrees with the conclusions in the opinion of counsel. An opinion of counsel is not binding on the IRS and there can be no assurance that the IRS will not assert a contrary position.

If the distribution of Everett SpinCo or Seattle SpinCo, as applicable, together with certain related transactions, failed to qualify as a transaction that is generally tax-free, for U.S. federal income tax purposes, under Sections 355 and 368(a)(1)(D) of the Code, in general, we would recognize taxable gain as if we had sold the stock of Everett SpinCo or Seattle SpinCo, as applicable, in a taxable sale for its fair market value, and our stockholders who receive Everett SpinCo shares or Seattle SpinCo shares in the relevant distribution would be subject to tax as if they had received a taxable distribution equal to the fair market value of such shares.

We obtained private letter rulings from the IRS regarding certain U.S. federal income tax matters relating to the separation of our Enterprise Services business and Software Segment. Those rulings concluded that certain transactions in those separations are generally tax-free for U.S. federal income tax purposes. The conclusions of the IRS private letter rulings were based, among other things, on various factual assumptions we have authorized and representations we have made to the IRS. If any of these assumptions or representations are, or become, inaccurate or incomplete, the validity of the IRS private letter rulings may be affected. Notwithstanding the foregoing, we incurred certain tax costs in connection with the completed separation of our former Enterprise Services business and Software Segment, including non-U.S. tax expenses resulting from the completed separation of our former Enterprise Services business and Software Segment in multiple non-U.S. jurisdictions that do not legally provide for tax-free separations, which may be material. If the completed separation of our former Enterprise Services business or Software Segment (including certain internal transactions undertaken in anticipation of those separations) are determined to be taxable for U.S. federal income tax purposes, we, our stockholders that are subject to U.S. federal income tax and/or DXC and/or Micro Focus could incur significant U.S. federal income tax liabilities.

We continue to face a number of risks related to our separation from HP Inc., our former parent, including those associated with ongoing indemnification obligations, which could adversely affect our financial condition and results of operations, and shared use of certain intellectual property rights, which could in the future adversely impact our reputation.

In connection with our separation from HP Inc. on November 1, 2015 (the “Separation”), Hewlett Packard Enterprise and HP Inc. entered into several agreements that determine the allocation of assets and liabilities between the companies following the Separation and include any necessary indemnifications related to liabilities and obligations. In these agreements, HP Inc. agreed to indemnify us for certain liabilities, and we agreed to indemnify HP Inc. for certain liabilities, including cross-indemnities that are designed and intended to place financial responsibility for the obligations and liabilities of our business with us, and financial responsibility for the obligations and liabilities of HP Inc.'s business with HP Inc. We may be obligated to fully indemnify HP Inc. for certain liabilities under the Separation agreements or HP Inc. may not be able to fully cover their indemnification obligations to us under the same Separation agreements. Each of these risks could negatively affect our business, financial position, results of operations, and cash flows.

In addition, the terms of the Separation also include licenses and other arrangements to provide for certain ongoing use of intellectual property in the operations of both businesses. For example, through a joint brand holding structure, both Hewlett Packard Enterprise and HP Inc. retain the ability to make ongoing use of certain variations of the legacy Hewlett-Packard and HP branding, respectively. As a result of this continuing shared use of the legacy branding there is a risk that conduct or events adversely affecting the reputation of HP Inc. could also adversely affect our reputation.

General Risks

Our stock price has fluctuated and may continue to fluctuate, which may make future prices of our stock difficult to predict.

Investors should not rely on recent or historical trends to predict future stock prices, financial condition, results of operations, or cash flows. Our stock price, like that of other technology companies, can be volatile and can be affected by, among other things, speculation, coverage, or sentiment in the media or the investment community; the announcement and anticipated timing of new, planned or contemplated products, services, technological innovations, acquisitions, divestitures, or other significant transactions by us or our competitors; developments in our as-a-service business model; our perceived progress in integrating acquired companies; our quarterly financial results and comparisons to estimates by the investment community or financial outlook provided by us; the financial results and business strategies of our competitors; inflation; market volatility or downturns caused by outbreaks, epidemics, pandemics, geopolitical tensions or conflicts, or other macroeconomic dynamics; developments relating to pending investigations, claims, and disputes; or the timing and amount of our share repurchases. General or industry specific market conditions or stock market performance or domestic or international macroeconomic and geopolitical factors unrelated to our performance also may affect the price of our stock. Volatility in the price of our securities could result in the filing of securities class action litigation matters, which could result in substantial costs and the diversion of management time and resources.

ITEM 1B. Unresolved Staff Comments.

None.

ITEM 1C. Cybersecurity.***Risk Management and Strategy***

Our Cybersecurity and Digital Risk Management (“CDRM”) organization, under the leadership of a Global Chief Information Security Officer (“Global CISO”), operates a cybersecurity program that is designed to help us assess, identify, manage, and mitigate risks relating to cybersecurity threats and incidents. We design our cybersecurity standards, policies, processes and controls to operate in an integrated manner, leveraging applicable industry standards and security frameworks, including the NIST Cybersecurity Framework, as guides in supporting our ability to perform such functions.

CDRM manages our cybersecurity program, including by fostering collaboration with partners across business units and functional areas to identify and assess material cybersecurity threats, evaluate their severity, and explore ways to mitigate and manage such risks. Business units and functional areas are responsible for managing risks and implementing our policies and standards within the respective business unit or function. Compliance with our policies and standards is assessed by CDRM in conjunction with our internal audit function, through periodic cybersecurity audits.

As part of our cybersecurity program, we maintain a Cyber Risk Management Program that seeks to address key risk management concepts, including mission and vision, escalation path for risk mitigation, risk assessments, and risk treatment. We do so by conducting a variety of planning and preparedness activities, including employing monitoring tools to identify suspicious or anomalous activity, vulnerabilities, or signs of compromise across our networks, systems, and data. We utilize data from attack surface management tools to produce a prioritized set of vulnerabilities for remediation. We also require mandatory cybersecurity training for employees and periodically conduct Company-wide phishing simulations.

To aide in assessing material risks from cybersecurity threats, our enterprise risk management (“ERM”) program incorporates cybersecurity risks as part of its process to assess overall risk of the Company. The ERM organization supports management by facilitating a semi-annual risk assessment, which documents the priority and status of these risks and aligns them with our strategic mitigation efforts. ERM is structured using a framework based on guidance from the Committee of Sponsoring Organizations of the Treadway Commission on Enterprise Risk Management Integrating Strategy with Performance.

Within CDRM, our Cybersecurity Defense Center (“CDC”) has established policies, processes, and controls that are designed to monitor, detect, investigate, respond to, and escalate management of cybersecurity threats and incidents. If we experience a cybersecurity incident, the CDC activates an incident response plan, which includes processes to enable us to triage, assess severity of, escalate, contain, investigate, and remediate the incident, as well as to comply with applicable legal obligations and mitigate brand and reputational harm. Based on initial investigation into such incident’s impact to the Company, the actor(s) involved, and other factors, the CDC assigns a severity level to an incident, which dictates the escalation path for a given incident. For incidents rising to higher levels of severity, the Cyber Governance and Incident Disclosure Committee, a cross-functional committee spanning cybersecurity, IT, legal, finance, enterprise risk management, and compliance teams, assesses the severity and potential materiality of such incidents and, as appropriate, escalates to designated members of our senior management for further assessment, response, and remediation. Additionally, we have established a Cyber Crisis Management Team, responsible for addressing and responding to the most severe cyber incidents. If warranted, senior management notifies the Audit Committee and/or the full Board of Directors, as appropriate. Throughout this process, the CDC continues to investigate the incident and, as its understanding of the incident evolves, updates its severity assessment, as necessary.

We engage third-party security experts, assessors, and consultants, as appropriate, to assess our cybersecurity risk management processes; support our ongoing certification efforts; help identify areas for continued focus, improvement, and compliance; and support incident response functions, to the extent necessary, all of which support our cybersecurity program. From time to time, we conduct third-party-administered, as well as internally administered, tabletop exercises, which simulate cybersecurity threats, to assess our existing cybersecurity infrastructure and incident response processes. We also periodically conduct offensive security assessments and vulnerability tests, and continuously monitor our computing environments to gain visibility into our security posture and detect vulnerabilities, abnormalities, or signs of compromise.

In addition to monitoring risks from threats to our own assets, we administer third-party risk management practices that endeavor to help identify and manage supply chain and vendor risk arising from some of our key suppliers and other service provider organizations. We do so in a variety of ways, such as gathering information on third parties’ cybersecurity programs and controls, performing due diligence, undertaking cybersecurity reviews and/or audits, and/or mandating certain contractual requirements, such as notification of cybersecurity incidents.

Governance

Our Global CISO, who reports to our Chief Operating and Legal Officer (“COLO”), has principal management-level responsibility for our cybersecurity program, which includes assessing and managing our cybersecurity risks, along with developing and implementing cybersecurity processes, policies, and controls that are used for managing cybersecurity risk across the Company. Our Global CISO is supported by the CISO of Cyber Defense and the CISO of Cyber Governance – both of whom have extensive experience in private sector cybersecurity roles – and a team of cybersecurity professionals with relevant educational and industry experience. The Global CISO periodically meets with the Cyber Governance and Incident Disclosure Committee, our enterprise risk management function and chief-level executives to discuss cybersecurity risks, as well as related mitigation and remediation activities. The CDC monitors the prevention, detection, investigation, mitigation, response to, and remediation of cybersecurity incidents, and regularly reports to our CISO of Cyber Defense, who then subsequently reports to the Global CISO.

Our Board of Directors is responsible for overseeing cybersecurity risk, primarily through the Audit Committee. Cybersecurity reviews by the Audit Committee and the Board of Directors are scheduled to occur at least quarterly and annually, respectively, or more frequently, as deemed necessary or advisable. Such presentations to the Audit Committee and Board of Directors, as applicable, are made by our COLO and Global CISO and address topics such as cybersecurity threats, incidents, risks, results from internal and third-party assessments, progress towards risk-mitigation goals, the functioning of our incident response program, and regulatory developments. At times, the Audit Committee may receive additional cybersecurity risk reviews from other members of management and/or internal cybersecurity experts on certain of our key business segments and products. The Audit Committee regularly reports to our Board of Directors regarding the committee’s oversight of such cybersecurity matters. Additionally, the COLO and Global CISO may provide ad hoc updates to the Board of Directors and/or the Audit Committee if necessitated by a security incident or other significant developments.

HPE, like all organizations operating in the technology landscape, faces significant and persistent cybersecurity risks. To date, no risks from cybersecurity threats, including as a result of any previous cybersecurity incident, have materially affected us, including our business strategy, results of operations, or financial condition. Notwithstanding our cybersecurity program, we may not be successful in identifying a cybersecurity risk or preventing or mitigating a cybersecurity incident or vulnerability, which if realized, could reasonably likely materially affect us. Additional information on the cybersecurity risks we face can be found in the section titled “Risk Factors” in Item 1A of Part I of this Annual Report on Form 10-K.

Our prior Global CISO departed HPE at the end of October 2024. We have identified a successor, who will join HPE in January 2025, previously served in relevant leadership positions at other public and private companies, and will bring over two decades of technology experience spanning information security and IT, including serving as CISO at other large companies. In the interim, our CDRM organization has been and will be led by our CISO of Cyber Defense and CISO of Cyber Governance, both reporting directly to our COLO.

ITEM 2. Properties.

As of October 31, 2024, we owned or leased approximately 11 million square feet of space worldwide, which included 3 million square feet of vacated space. A summary of the Company’s operationally utilized space is provided below.

	As of October 31, 2024		
	Owned	Leased	Total
	(Square feet in millions)		
Administration and support	2	4	6
(Percentage)	33 %	67 %	100 %
Core data centers, manufacturing plants, research and development facilities, and warehouse operations	1	1	2
(Percentage)	50 %	50 %	100 %
Total	3	5	8
(Percentage)	37 %	63 %	100 %

We believe that our existing properties are in good condition and are suitable for the conduct of our business. Substantially all of our properties are utilized in whole or in part by our Server, Hybrid Cloud, and Intelligent Edge segments.

Principal Executive Offices

Our principal executive offices, including our global headquarters, are located at 1701 East Mossy Oaks Road, Spring, Texas, 77389, United States of America.

Product Development, Services and Manufacturing

The location of our major product development, services, manufacturing, and Hewlett Packard Labs facilities are as follows:

<i>Americas</i>	<i>Europe, Middle East, Africa</i>
<i>Puerto Rico—Aguadilla</i>	<i>United Kingdom—Erskine</i>
<i>United States—Alpharetta, Andover, Chippewa Falls, Colorado Springs, Fort Collins, Houston, Milpitas, Roseville, Santa Clara, Spring, Sunnyvale</i>	
<i>Asia Pacific</i>	
<i>China—Beijing</i>	
<i>India—Bangalore</i>	
<i>Japan—Tokyo</i>	
<i>Singapore—Singapore</i>	
<i>Taiwan—Taipei</i>	

ITEM 3. Legal Proceedings.

Information with respect to this item may be found in Note 17, “Litigation, Contingencies, and Commitments,” to the Consolidated Financial Statements in Item 8 of Part II, which is incorporated herein by reference.

ITEM 4. Mine Safety Disclosures.

Not applicable.

PART II

ITEM 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

Market Information

The common stock of Hewlett Packard Enterprise is listed on the New York Stock Exchange with the ticker symbol “HPE.”

Holders

As of December 9, 2024, there were 43,102 stockholders of record of Hewlett Packard Enterprise common stock.

Dividends

During fiscal 2024, we paid a quarterly dividend of \$0.13 per share of common stock to our holders of common stock. On December 5, 2024 we declared a quarterly dividend of \$0.13 per share of common stock, payable on January 16, 2025, to stockholders of record as of the close of business on December 20, 2024.

We also declared a cash dividend of \$0.82604167 per share of our 7.625% Series C Mandatory Convertible Preferred Stock (the “Preferred Stock”), which was paid on December 1, 2024, to holders of record as of the close of business on November 15, 2024.

The payment of any dividends in the future on shares of our common stock and our Preferred Stock, and the timing and amount thereof, is within the sole discretion of our Board of Directors. Our Board of Directors' decisions regarding the payment of dividends will depend on many factors, such as our financial condition, earnings, capital requirements, debt service obligations, restrictive covenants in our debt, industry practice, legal requirements, regulatory constraints, and other factors that our Board of Directors deems relevant. Our ability to pay dividends will depend on our ongoing ability to generate cash from operations and on our access to the capital markets. Furthermore, so long as any share of our Preferred Stock remains outstanding, no dividend on shares of common stock (or any other class of stock junior to the Preferred Stock) shall be declared or paid unless all accumulated and unpaid dividends for all preceding dividend periods for the Preferred Stock have been declared and paid in full in cash, shares of our common stock or a combination thereof, or a sufficient sum of cash or number of shares of our common stock has been set apart for the payment of such dividends, on all outstanding shares of the Preferred Stock. We cannot guarantee that we will continue to pay a dividend in any future period.

Issuer Purchases of Equity Securities

Fourth Quarter of Fiscal 2024	Total Number of Shares Purchased and Settled	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet Be Purchased under the Plans or Programs
In thousands, except per share amounts				
Month 1 (August 2024)	115	\$ 19.84	115	\$ 861,886
Month 2 (September 2024)	—	—	—	861,886
Month 3 (October 2024)	2,363	20.35	2,363	\$ 813,792
Total	2,478	\$ 20.33	2,478	

On October 13, 2015, the Company's Board of Directors approved a share repurchase program with a \$3.0 billion authorization, which was refreshed with additional share repurchase authorizations of \$3.0 billion, \$5.0 billion and \$2.5 billion on May 24, 2016, October 16, 2017 and February 21, 2018, respectively. This program, which does not have a specific expiration date, authorizes repurchases in the open market or in private transactions. The Company may choose to repurchase shares when sufficient liquidity exists and the shares are trading at a discount relative to estimated intrinsic value. As of October 31, 2024, the Company had a remaining authorization of approximately \$0.8 billion for future share repurchases.

Stock Performance Graph and Cumulative Total Return

The graph below shows a comparison of cumulative total stockholder return, the S&P 500 Index, and the S&P Information Technology Index. This graph covers the period from October 31, 2019 through October 31, 2024. This graph assumes the investment of \$100 in the stock or the index on October 31, 2019 (and the reinvestment of dividends thereafter).