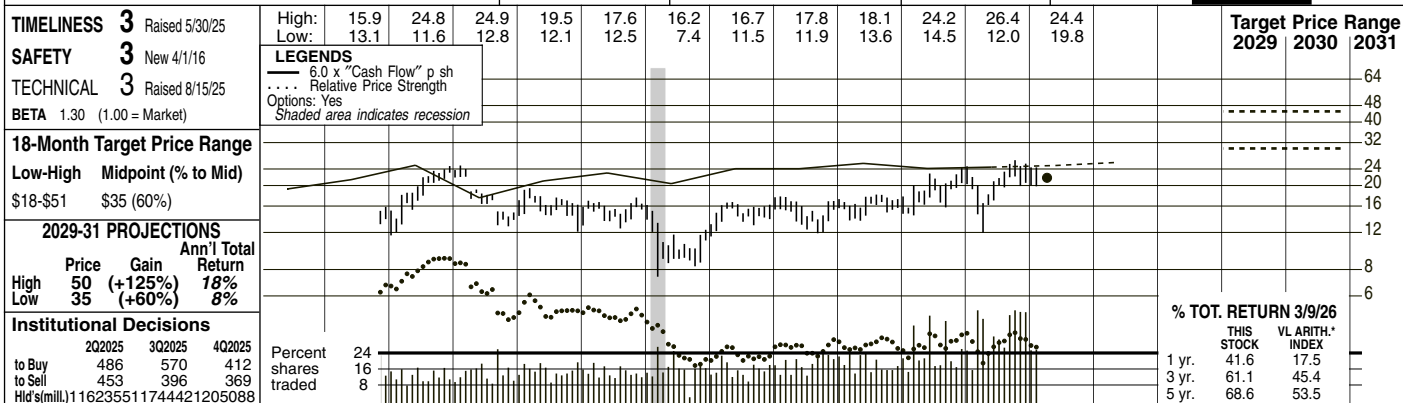


HP ENTERPRISE NYSE:HPE

RECENT PRICE **21.81** P/E RATIO **9.1** (Trailing: 11.3 Median: 9.0) RELATIVE P/E RATIO **0.47** DIV'D YLD **2.6%** VALUE LINE



On November 1, 2015, Hewlett-Packard spun off Hewlett Packard Enterprise Company, its enterprise technology infrastructure, software, services, and financing businesses. Hewlett-Packard shareholders received one share of Hewlett Packard Enterprise common stock for every Hewlett-Packard share they owned. About 1.8 billion Hewlett Packard Enterprise shares were issued.

CAPITAL STRUCTURE as of 1/31/26
 Total Debt \$22.37 bill.
 LT Debt \$17.76 bill. LT Interest \$505.0 mill.
 (LT int. earned: 3.6x; Total int. earned: 3.1x) (32% of Cap'l)

Pension Assets- \$15.3 bill. **Oblig.** \$14.7 bill
Pfd Stock None

Common Stock 1,334,533,171 million shs. as of 12/10/25

MARKET CAP: \$29.1 billion (Large Cap)

CURRENT POSITION (\$MILL.)	2024	2025	1/31/26
Cash Assets	14846	5859	4841
Receivables	7420	9116	8766
Inventory	7810	6352	6913
Other	3381	3558	4683
Current Assets	33457	24885	25203
Accts Payable	11064	7731	8379
Debt Due	4742	4925	3906
Other	10167	11987	12092
Current Liab.	25973	24643	24357

ANNUAL RATES	Past 10 Yrs.	Past 5 Yrs.	Est'd '23-'25 to '29-'31
of change (per sh)	-2.0%	2.0%	5.0%
Revenues	2.0%	3.0%	3.0%
"Cash Flow"	6.0%	5.5%	5.5%
Earnings	-	3.0%	5.5%
Dividends	-	6.0%	2.0%
Book Value	-	6.0%	2.0%

Fiscal Year Ends	QUARTERLY REVENUES (\$ mill.) ^A	Full Fiscal Year			
	Jan.31	Apr.30	Jul.31	Oct.31	
2023	7809	6973	7002	7351	29135
2024	6755	7204	7710	8458	30127
2025	7854	7627	9136	9679	34296
2026	9301	9675	10900	11124	41000
2027	9800	10000	11400	11800	43000

Fiscal Year Ends	EARNINGS PER SHARE ^{A B}	Full Fiscal Year			
	Jan.31	Apr.30	Jul.31	Oct.31	
2023	.63	.52	.49	.51	2.15
2024	.48	.42	.50	.58	1.99
2025	.49	.38	.44	.62	1.94
2026	.65	.50	.55	.70	2.40
2027	.70	.65	.65	.75	2.75

Calendar	QUARTERLY DIVIDENDS PAID ^C	Full Year			
	Mar.31	Jun.30	Sep.30	Dec.31	
2022	.12	.12	.12	.12	.48
2023	.12	.12	.12	.12	.48
2024	.13	.13	.13	.13	.52
2025	.13	.13	.13	.13	.52
2026	.1425				

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	29-31
Revenues per sh ^A	30.08	18.10	21.68	22.51	20.97	21.45	22.24	22.71	23.22	26.02	29.30	29.65	34.00
"Cash Flow" per sh	4.16	2.92	3.51	3.83	3.41	4.01	4.02	4.25	4.02	4.08	4.30	4.95	5.85
Earnings per sh ^{AB}	1.82	.96	1.56	1.77	1.35	1.96	2.02	2.15	1.99	1.94	2.40	2.75	3.50
Div'ds Decl'd per sh ^C	.22	.26	.38	.46	.48	.48	.48	.48	.52	.52	.57	.60	.72
Cap'l Spending per sh	1.97	1.97	2.08	2.21	1.85	1.93	2.44	2.20	1.82	1.74	2.00	1.95	1.75
Book Value per sh	18.87	14.71	14.93	13.21	12.47	15.42	15.51	16.51	19.13	18.73	18.20	18.05	20.35
Common Shs Outst'g ^D	1666.3	1595.2	1423.0	1294.4	1287.0	1295.0	1281.0	1283.0	1297.3	1318.3	1400.0	1450.0	1470.0
Avg Ann'l P/E Ratio	9.6	18.4	10.3	8.4	8.6	7.2	7.4	7.5	9.0	10.5	Bold figures are Value Line estimates		12.0
Relative P/E Ratio	.50	.93	.56	.45	.44	.39	.43	.42	.47	.55			.65
Avg Ann'l Div'd Yield	1.3%	1.5%	2.4%	3.1%	4.1%	3.4%	3.2%	3.0%	2.9%	2.6%			1.7%
Revenues (\$mill) ^A	50123	28871	30852	29135	26982	27784	28496	29135	30127	34296	41000	43000	50000
Operating Margin	15.8%	19.1%	18.3%	18.1%	17.2%	19.6%	19.3%	18.5%	18.5%	17.8%	17.5%	19.0%	20.0%
Depreciation (\$mill)	3775.0	3051.0	2576.0	2535.0	2625.0	2597.0	2480.0	2616.0	2564.0	2737.0	2850	3200	3300
Net Profit (\$mill)	3161.0	1608.0	2418.0	2416.0	1765.0	2602.0	2664.0	2832.0	2655.0	2753.0	3315	4000	5300
Income Tax Rate	22.5%	19.9%	10.9%	12.0%	12.0%	14.0%	14.0%	14.0%	15.0%	15.0%	15.0%	15.0%	15.0%
Net Profit Margin	6.3%	5.6%	7.8%	8.3%	6.5%	9.4%	9.3%	9.7%	8.8%	8.0%	8.2%	9.4%	10.7%
Working Cap'l (\$mill)	6386.0	2520.0	74.0	d4016	d2182	d1809	d2668	d2934	7484.0	242.0	1180	3200	6000
Long-Term Debt (\$mill)	12608	10182	10136	9395.0	12186	9896.0	7853.0	7487.0	13504	19152	15000	14000	13000
Shr. Equity (\$mill)	31448	23466	21239	17098	16049	19971	19864	21182	24816	24688	25455	26175	29870
Return on Total Cap'l	7.8%	5.5%	8.7%	9.9%	7.2%	9.3%	10.2%	10.5%	7.6%	7.0%	8.0%	10.0%	12.5%
Return on Shr. Equity	10.1%	6.9%	11.4%	14.1%	11.0%	13.0%	13.4%	13.4%	10.7%	11.2%	13.0%	15.5%	17.5%
Retained to Com Eq	8.9%	5.0%	8.7%	10.6%	7.1%	9.9%	10.3%	10.4%	8.0%	7.9%	10.0%	11.5%	11.0%
All Div'ds to Net Prof	12%	27%	24%	25%	35%	24%	23%	22%	25%	29%	23%	24%	26%

BUSINESS: Hewlett Packard Enterprise Company provides computer hardware, software, and services that help companies transition operations to the cloud and hybrid infrastructure, increase productivity, analyze data, and secure computing operations. In fiscal 2025, Cloud & AI, 78% of revenues; Networking, 19%; Other, 3%. International revenues amounted to 61% of total in fiscal 2025. Re-

Hewlett Packard Enterprise posted solid operating results in the first quarter. (Fiscal years end October 31st.) Revenue rose 18% over the year-ago level, and non-GAAP gross margins widened 720 basis points. Non-GAAP earnings came in at \$0.65 a share, a nickel above our call, and 33% above the like-period in 2025. **A new presentation format highlights the stark differences between HP's main businesses.** The networking group, which includes newly-acquired Juniper with the Intelligent Edge operations, did \$2.7 billion in sales during the January period, up 151% thanks to its Campus & Branch segment (\$1.2 billion, +42%), data center networking unit (\$444 million, +382%), and security division (\$255 million, +114%). These units offset the flat performance from routing operations (\$780 million). Meanwhile, the Cloud & Artificial Intelligence group's revenues fell 3%, as the server business remained stagnant, along with storage and financial services. **We are boosting our 2026 earnings estimate by \$0.10 per share.** Management stated that its April-period earnings will be around \$0.51 to \$0.55 per share, and

search & Development: 7.4% of '25 revenues. About 62,000 employees. Officers & directors own less than 1% of stock; Vanguard, 14.2%; BlackRock, 9.6%; State Street, 5.7% (2/26 proxy). Chairman: P. Russo. Chief Executive Officer: Antonio Neri. Inc.: Delaware. Address: 6280 America Ctr. Drive, San Jose, California 95002. Telephone: 650-857-1501. Internet: www.hpe.com.

fiscal 2026 earnings will likely be between \$2.30 to \$2.50 per share versus our previous \$2.30 estimate. Optimism is based on a roughly 70% rise in networking revenue this fiscal year. Order rates were reportedly higher to begin the year due to strength in wireless and data center switching demand. The integration of the Juniper acquisition completed last year is progressing well, and cost synergies are on track. The next phase of the merger will include broadening services to enterprises, and highlighting some of Juniper's superior offerings, such as *QFX Data center switches* and *PTX/MX routers*. **Free cash flow will likely reach \$2 billion this year.** Debt reduction may get the leverage ratio from 3.1x to 2.1x next year, as EBITDA expands. The recent dividend raise is a positive sign, too. **The stock may interest value-oriented accounts.** The inability to take advantage of the AI boom and erratic operating performance has limited the P/E ratio. However, more consistent results aided by Juniper, may boost the valuation, and enable good total returns over the long haul. *Charles C. Moran* *March 20, 2026*

(A) Fiscal year ends Oct. 31st. All data prior to 2016 are pro forma for separation on November 1, 2015. Divested software and services businesses in 2017. (B) Adjusted diluted earnings per share. Next earnings report early June. Excludes nonoperating expenses: In '18, \$0.25; '19, \$1.00; '20, \$1.60; '21, \$0.62. Excludes loss from discontinued ops.: In '18, \$0.07. (C) Dividends paid in early January, April, July, and October. (D) In millions. **Company's Financial Strength** B++ **Stock's Price Stability** 45 **Price Growth Persistence** 35 **Earnings Predictability** 80