Patrick Moorhead: Tony, it's great to see you. Thank you for kicking off the Cloud and Infrastructure Track for the Six Five Summit.

Antonio Neri: Well, thanks for the opportunity and glad to see you in person.

Patrick Moorhead: I know, I'm super excited. I think last time we did this virtually, but it's always better to do things in person. Here we are at your beautiful new headquarters in Houston. I really like it here.

Antonio Neri: Yeah. It's very nice. Actually, we're really proud of what we delivered to our employees. Is an amazing experience and honestly, is a piece of art, as I said.

Patrick Moorhead: Yeah. I'm wondering too, is there any chance I can take that F1 car for a drive?

Antonio Neri: That doesn't have an engine, sorry. Unless, you want to push it ...

Patrick Moorhead: Okay. Push it? Nah, that's okay.

Antonio Neri: Fair, it's heavy.

Patrick Moorhead: Exactly. Hey, let's dive right in here.

                       Antonio, you spend a tremendous amount of time with customers, but your footprint goes all the way from the Telco Edge to the largest enterprises, to super computers, to everything in between. You have legacy, you have cloud. What are your customers expressing to you as some of their biggest challenges?

Antonio Neri: Well, that's the fun part of my job, speaking to customers and partners, because you get the truth. We have a saying, the truth is in the cold face, but what they're telling you is the following. They are on a multi-generational IT journey. Obviously, they need to accelerate digital transformation. They understand the value of what they do is in the data, but the reality is, they have workloads of data everywhere. They have it in legacy systems, they have it in a private cloud, more and more at the edge.

                       At the same time, obviously they are adopting the public cloud and that's what we call a hybrid journey. By default, is a journey that they need to embrace, but also they need a hybrid by design. That's why we have honed our strategy to be the edge-to-cloud platform company that delivered the unification of the hybrid cloud experience, that ultimately you can consume as a service.

Patrick Moorhead: The great news is that we've at least gotten to the stage of reality. I think I remember 10, 15 years ago, it seemed that there was only one answer and that was the public cloud. The challenge became though, that so many people, so much data was created on the edge. There was so much data and information inside an enterprise's state, but here we are now. We have a

few years of maturation software and things like that, but how do companies get there? How do they prioritize? What would you suggest? What successful strategies are you seeing?

Antonio Neri: Well, I guess the customers have become more sophisticated. Obviously, they have learned a lot. I think the one learning they had is that skills are incredibly important, but in that context you provide, data has gravity and that's where the problem lies. It's okay to consume compute of resource in the public cloud, but the reality is a lot of workloads, they need the data with it. This is where the challenge becomes real. More and more of their data is created at the edge, and that's where the cloud, as we know, it is not a destination. It's an experience. What are the steps?

First of all, if you want to digitize your processes, you have to be connected. If you're not connected, you can't do anything. That's the first step. What is your secure connectivity strategy? More and more at the edge to deliver that experience. The second piece of this, you have to bring the cloud experience everywhere, not just in the public cloud, whether you have data in a data center or in a cloud or at the edge. The third piece, which I think is where customers are waking up, particularly after the pandemic, is data insights.

That's where the business outcomes are. That's why a lot of customers are moving from running IT to innovating on IT. Last but not least, with the pandemic and we see now even today, with the cost of capital being higher and higher with inflation and interest rates, they need to consume IT more flexibly. This is where the as a service models become so critical.

Patrick Moorhead: Antonio, it's easy for industry analysts like me and others to just say, "Okay, we have a common thread of applications, it's called containers and how to manage that." You know, it's some legacy VMs on the side here, but the reality is, is this journey is truly complex to hybrid. While the public cloud has been around for 15 years, the Hybrid Cloud is relatively new. We all know we need to get there, but there are some big complexities.

What are some of the biggest aspects of this transformation that customers might forget, or overlook, or take for granted?

Antonio Neri: Well, put aside the technology, which obviously is moving to a speed we had never seen before. Talk about 15 years ago, someone coming with a concept of putting your applications and data in someone else's data center, and be able to do it in a multi-tenant way and then ride that innovation curve with them, but again, as we said earlier.

Data is everywhere. You need to bring that cloud experience everywhere, but the problem is it's all about clear vision of what you need to accomplish. Second, is the culture. I think what people don't realize is the fact that what you're doing transforms your companies. Every company is an IT company. If you are not in tune how IT enables new business models, you're going to lose. Think about the pandemic. Everybody had to work from home.

You have to over and overnight bring people home and then enable them to do their job. At the same time on our personal lives, we couldn't go anywhere. How do I get access to food and

services? We have to become way more digital than ever before. That in itself is a massive cultural transformation. We see it by the way, Pat, on our own side. When I think about the assets I have. The edge, networking, storage, connectivity, and services, plus all the automation and the data analytics. One thing is innovating in a silo, one thing is innovating on a platform level. That has been in my view, the biggest part of our transformation of the culture of the company.

Patrick Moorhead: It's an entire culture, as opposed to an IT culture?

Antonio Neri: No, it's an entire culture, because you need to think about the customer needs in a whole different perspective. We are transforming our product management capabilities, we are transforming obviously our R&D capabilities, but also we are transforming our go to market capabilities, which honestly is the hardest part, because when you are selling in front of the customer ... You used to sell speeds and feeds? I have a better server. Here's what it can do for you versus say, "No, here's what you can do with your data. By the way, here's how you do it."

Therefore, you're actually engaging in a solution outcome oriented approach. The fact of the matter is, as we move to this model, we are selling SLA outcome based solutions, not technology.

Patrick Moorhead: No, as I step back and I look at some of the basics of what you've put in place with ... I'll call them industry standard cloud platforms with a connection to the public cloud, if you want it, plus this as a service ... I'm starting to think that ... Well, wait a second, some of their same reasons that people chose the public cloud maybe 10 years ago, which was the ability to scale, pay with what you use, cloud-based model, API-based approach to it, it's going to be a much harder choice in where to put workloads in the future.

Antonio Neri: Yeah. Well, our approach is to be open and flexible and give control and access back to customers. I think part of what has happened, because of the speed of innovation, CIOs in many ways have lost control a little bit of what's going on in their own shops. What they are asking us, give me a hybrid cloud experience that enables my developers, my data scientist, my businesses, to do what they need to do and enable me to be that service broker.

So, it's not just connecting to the public cloud, it's really integrating the public cloud as a part of the rest of the multi-generational IT journey they have. That's what HPE Green Lake does. It is a platform from H to cloud, wherever that Cloud is, it doesn't matter, but you have control of what you do. Obviously, it's secure and it's flexible, which means that you can consume it the way you want it. That's what is resonating with customers, because in the end, what they need to do is drive a data first modernization approach, which is everything related to digital transformation.

Patrick Moorhead: If I look at the last 40 years of IT, this is exactly the way it rolled out, which was whether it was mini computers, PCs, mobility, LAN, it always started in a BU, and then a lot of that innovation was worked out. Then IT is like, let's put some frameworks around this for either cost control or best practices.

It seems like that's exactly what's happening here.

Antonio Neri: Well, cost is an important element, but I have to tell you the most important element not to discount cost, is the experience. The unification of that experience is becoming so critical, important, because one thing is to say, "I have a mobile device," your cell phone, you go around, you tell me you're going to visit five cities in a week. You do your business on the mobile phone however, is how I manage that phone, not different than I manage a PC in an office? This is where the unification of protocols and security and lifecycle management become so critical.

Otherwise, they're run in a multi silo IT shops. That's not cost effective. It starts with the experience. It starts with efficiency of the lifecycle management, and then obviously is delivered the right cost. That's what customers are looking for.

Patrick Moorhead: Are there any of your customers that you can talk about or even sectors that are really doing this well? Or are real first movers in this?

Antonio Neri: Well, a great example here in the United States with the retail business. They realize that yes, of course you can go to a e-commerce platform to buy what you need, but at the same time, the brick and mortar still have tremendous value. A great example is Home Depot. You can buy anything on homedepot.com, but the reality is when you go pick it up or you want to look for different tools, you want to touch and fill it, so you have to go in store.

I have to say Home Depot ... and we are proud to work with them. They have a true H to cloud strategy. Think about it. Your mobile phone is the first thing you do, browse the catalog. As you walk in through that store, they actually hand out from the mobile phone in through their store.

Patrick Moorhead: Oh, I understand.

Antonio Neri: Then through the connectivity layer, they provide unique experiences. For example, I was looking for a hammer. Okay, through the indoor location services, they can guide you where the hammer is. As you go out in the electronic point of sales, you can actually swap the phone and then you're done. You don't have to go through all the hassles, waiting in line and whatnot.

Now, in store, there is a lot of processing, which means they brought the cloud in stores. They do some local analytics, because the store manager needs to do some inventory balance, which by the way, we enable them through the connectivity layer, because all the RFID that's deployed through the inventory. Then a lot of data gets moved in a cloud, which sometimes is in the wrong cloud. Sometimes it is one of the public cloud. Therefore, they have a true H to cloud architecture, but it is the unification of what they do.

By the way, I didn't know they have 300,000+ associates and they do all the business with this mobile device that check in inventory, check in where things are, but also be able to guide customers in a way they haven't imagined before.

Patrick Moorhead: Sounds like a real ... not only a business transformation, but to your experience point, a big experiential improvement. I think that the good news is that I moved to a condo and I don't have to be shopping for a lot of hammers these days, but I used to. I used to.

Antonio Neri: Well, I always enjoy doing myself things, because there's a way to not only lower the cost, but at the same time is to enjoy your own skills if you will, but also free up some mind during the time.

Patrick Moorhead: I love that, I love that. HPE Discover. Las Vegas, you're back!

Antonio Neri: Exciting time. Exciting.

Patrick Moorhead: I know, it really is. In an odd way, I like Las Vegas and I think your customers do too. It's a great time to get in, but I have to ask you, is there anything you can share about it beforehand?

Antonio Neri: Well, we'll share whatever is available publicly, but listen, has been three years. Three years is a long time since we had customers together. This is our flagship event, where we bring more than 10,000 customers and partners and also our entire primary ecosystem to showcase their solutions as a part of our strategy.

It's an exciting time end of June, but there you're going to see the same things we talk in March, which is basically the incremental evolution of what we're doing as a part of HPE Green Lake, which means is more capabilities to the platform and more cloud services you can consume in a native way.

To me, this is going to be a very important moment for the company, because if you recall, three years ago, I said that we're going to offer everything we do in this company as a service. That to me is going to be a proud moment, because we have made a lot of progress, well on our way to deliver on the app promise. I think customers will be blown away, blown away what they can do with our solutions as a part of Green Lake. It's going to be a fun time. By the way, we always entertain customers and partners. It's going to be a good event.

Patrick Moorhead: And analysts too. I do appreciate that.

One thing I've always appreciated about Discover is that you always tend to be the first at expressing something and it ends up being true. I remember when you first came out with this notion of the hybrid cloud. Everybody's like, ah, I don't know about that. Then you talked about edge to cloud, and then you laid down the gauntlet of everything is a service. Then, here we are.

Everything's the hybrid cloud, everybody's trying to do edge to cloud, and everybody's trying to do as a service. It doesn't necessarily have to be the next big thing. It can be the reality of ... and doing it better or more ... but it's always a big highlight for the industry analysts.

Antonio Neri: Yeah. Well listen, I think it is a way to continue to lay what the vision for the future will look like. Yeah, you're right. We said many years ago, the world will be hybrid. We said, the edge is the next frontier, which we said at the time, the enterprise of the future will be a center, cloud

enable and data driven. Of course, through the pandemic, we saw an acceleration of that, but at the same time, the as a service model is real.

To me, one leadership lesson that I got is when you believe in something, you need to have the courage to stick to it, independently of what other people do, because in the end, if it's being validated by customers, it doesn't matter. We are on a transformation journey here, which at the core was the culture, and then the innovation came with it. What we are delivering today is simply amazing.

Now, from the shareholder standpoint, what means is that we are going to drive long term sustainable, profitable growth, but it doesn't happen overnight. Let's remind ourself, in the last four years, we had a few crisis to manage along the way, covid, geopolitical tensions, obviously supply chain disruption. We have a war right now, which obviously is not good, but there is going to be always something that you have to deal with it. The question is, are you resilient enough to get through it and stick to your vision and execute, execute, execute?

Patrick Moorhead: Yeah. I'm looking forward to it, hear from you and hear from your customers. But Antonio, I have a F1 car to push around the parking lot.

Antonio Neri: Good luck with that.

Patrick Moorhead: Yeah, exactly, but no, thank you so much for kicking off the Six Five Summit Cloud and Infrastructure Track. Really appreciate it. I really find these times special to visit the headquarters here.

Antonio Neri: Yeah. Well again, thank you for the opportunity and that you're given to me and thanks for visiting us. It's always a pleasure to host you.

Patrick Moorhead: Thanks.