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# 3Q FY24 Performance Review

November 30, 2023

# Disclosures

## NON-GAAP FINANCIAL MEASURES

This presentation includes information about non-GAAP revenue, non-GAAP gross margin, non-GAAP operating expenses, non-GAAP operating income, non-GAAP interest and other, net, non-GAAP income tax, non-GAAP net income, non-GAAP net income attributable to Dell Technologies Inc., non-GAAP earnings per share - basic and non-GAAP earnings per share - diluted, as well as adjusted EBITDA, free cash flow and adjusted free cash flow (collectively the “non-GAAP financial measures”), which are not measurements of financial performance prepared in accordance with U.S. generally accepted accounting principles. We have provided a reconciliation of the non-GAAP financial measures to the most directly comparable GAAP measures in Appendix B and Appendix D.

## SPECIAL NOTE ON FORWARD-LOOKING STATEMENTS

Statements in this presentation that relate to future results and events are forward-looking statements and are based on Dell Technologies' current expectations. In some cases, you can identify these statements by such forward-looking words as “anticipate,” “believe,” “could,” “estimate,” “expect,” “intend,” “confidence,” “may,” “plan,” “potential,” “should,” “will” and “would,” or similar expressions. Actual results and events in future periods may differ materially from those expressed or implied by these forward-looking statements because of a number of risks, uncertainties and other factors, including those discussed in Dell Technologies' periodic reports filed with the Securities and Exchange Commission. Dell Technologies assumes no obligation to update its forward-looking statements.

## SPIN-OFF OF VMWARE, INC.

On November 1, 2021, Dell Technologies Inc. completed its spin-off of VMware, Inc. In accordance with applicable accounting guidance, the results of VMware, Inc., excluding Dell's resale of VMware, Inc. offerings, are presented as discontinued operations in the Consolidated Statements of Income and, as such, have been excluded from both continuing operations and segment results for all periods prior to the spin-off. The results of Dell's resale of VMware, Inc.'s standalone offerings are classified within Other Businesses, which does not meet the definition of a reportable segment. The Consolidated Statements of Cash Flows have not been recast to reflect the operating cash flows of VMware, Inc. as discontinued operations. Except as noted, this presentation is consistent with the foregoing accounting guidance.

# Q3 FY24 Overview

## Leaned into profitability with cost and pricing discipline

- Revenue of \$22.3B
- Diluted EPS of \$1.36, and non-GAAP diluted EPS<sup>1</sup> of \$1.88
- Non-GAAP operating expense<sup>1</sup> down 5% Y/Y and 7% sequentially as we continue to actively manage spend

## Strong cash generation and capital return

- Generated strong cash flow from operations of \$2.2B in Q3 and \$9.9B TTM
- Strong working capital management, with inventory down \$0.2B sequentially
- Cash conversion cycle of -52 days, improved 20 days since the end of last fiscal year
- Repurchased \$744M of shares and paid \$266M in dividends in Q3
- Returned over 90% of our adj. FCF to shareholders since initiating our capital allocation framework seven quarters ago

## AI optimized server momentum

- Orders nearly doubled sequentially and increased to roughly 33% of our server orders revenue in Q3
- AI optimized server backlog approximately doubled Q/Q, and our multi-billion dollar sales pipeline is substantially higher versus the end of Q2
- We shipped over half a billion dollars of AI optimized server revenue in the quarter

<sup>1</sup> See supplemental slides in Appendix B for reconciliation of non-GAAP measures to their most directly comparable GAAP measures.

# Q3 Highlights

Strong execution given the macro environment with disciplined pricing, cost management, and working capital efficiency

		3Q24	Y/Y
		\$ in millions, except per share amounts	
<b>Dell Technologies</b>	Revenue	22,251	-10%
	Operating Income	1,486	-16%
	Diluted EPS	\$1.36	312%
	Non-GAAP Revenue	22,251	-10%
	Non-GAAP Operating Income	1,964	-17%
	Non-GAAP Diluted EPS	\$1.88	-18%
<b>Client Solutions Group</b>	CSG Revenue	12,276	-11%
	Operating Income	925	-13%
	Commercial Revenue	9,835	-8%
	Consumer Revenue	2,441	-19%
<b>Infrastructure Solutions Group</b>	ISG Revenue	8,499	-12%
	Operating Income	1,069	-22%
	Servers & Networking Revenue	4,656	-10%
	Storage Revenue	3,843	-13%

## Strong Cash Flow

Cash Flow from Operations of \$2.2B, and \$9.9B in the last twelve months

## EPS Momentum

Non-GAAP diluted EPS<sup>1</sup> of \$1.88, up 8% sequentially

## Cost Mgmt.

Reduced non-GAAP operating expense<sup>1</sup> 5% Y/Y and will continue to focus on cost management

## AI Demand

AI demand was strong, with AI optimized server orders revenue nearly doubling sequentially

<sup>1</sup> See supplemental slides in Appendix B for reconciliation of non-GAAP measures to their most directly comparable GAAP measures.

# Consolidated GAAP results

We are focused on maximizing long-term value creation for all shareholders

\$ in millions, except per share amounts	3Q23	4Q23	1Q24	2Q24	3Q24	Y/Y	Q/Q
<b>Revenue</b>	<b>24,721</b>	<b>25,039</b>	<b>20,922</b>	<b>22,934</b>	<b>22,251</b>	<b>-10%</b>	<b>-3%</b>
<b>Gross Margin</b>	<b>5,707</b>	<b>5,756</b>	<b>5,018</b>	<b>5,387</b>	<b>5,148</b>	<b>-10%</b>	<b>-4%</b>
<i>Gross Margin as a % of Revenue</i>	<i>23.1%</i>	<i>23.0%</i>	<i>24.0%</i>	<i>23.5%</i>	<i>23.1%</i>		
SG&A	3,268	3,772	3,261	3,517	2,970	-9%	-16%
R&D	677	795	688	705	692	2%	-2%
<b>Operating Expense</b>	<b>3,945</b>	<b>4,567</b>	<b>3,949</b>	<b>4,222</b>	<b>3,662</b>	<b>-7%</b>	<b>-13%</b>
<i>Operating Expense as a % of Revenue</i>	<i>16.0%</i>	<i>18.3%</i>	<i>18.9%</i>	<i>18.4%</i>	<i>16.4%</i>		
<b>Operating Income</b>	<b>1,762</b>	<b>1,189</b>	<b>1,069</b>	<b>1,165</b>	<b>1,486</b>	<b>-16%</b>	<b>28%</b>
<i>Operating Income as a % of Revenue</i>	<i>7.1%</i>	<i>4.7%</i>	<i>5.1%</i>	<i>5.1%</i>	<i>6.7%</i>		
<b>Interest and Other, Net</b>	<b>(1,308)</b>	<b>(266)</b>	<b>(364)</b>	<b>(451)</b>	<b>(306)</b>	<b>77%</b>	<b>32%</b>
<b>Income Tax</b>	<b>213</b>	<b>317</b>	<b>127</b>	<b>259</b>	<b>176</b>	<b>-17%</b>	<b>-32%</b>
<i>Effective tax rate %</i>	<i>46.9%</i>	<i>34.3%</i>	<i>18.0%</i>	<i>36.3%</i>	<i>14.9%</i>		
<b>Net Income</b>	<b>241</b>	<b>606</b>	<b>578</b>	<b>455</b>	<b>1,004</b>	<b>317%</b>	<b>121%</b>
Less: Net Income attributable to non-controlling interests	(4)	(8)	(5)	(7)	(2)	50%	71%
<b>Net Income attributable to Dell Technologies Inc.</b>	<b>245</b>	<b>614</b>	<b>583</b>	<b>462</b>	<b>1,006</b>	<b>311%</b>	<b>118%</b>
<b>Earnings Per Share - basic <sup>1</sup></b>	<b>0.34</b>	<b>0.86</b>	<b>0.81</b>	<b>0.64</b>	<b>1.39</b>	<b>309%</b>	<b>117%</b>
<b>Earnings Per Share - diluted <sup>1</sup></b>	<b>0.33</b>	<b>0.84</b>	<b>0.79</b>	<b>0.63</b>	<b>1.36</b>	<b>312%</b>	<b>116%</b>

<sup>1</sup> See supplemental slides in Appendix B for weighted average shares and EPS calculation.

# Consolidated non-GAAP results<sup>1</sup>

We delivered balanced financial results with strong pricing discipline and cost management

\$ in millions, except per share amounts	3Q23	4Q23	1Q24	2Q24	3Q24	Y/Y	Q/Q
<b>Revenue</b>	<b>24,721</b>	<b>25,039</b>	<b>20,922</b>	<b>22,934</b>	<b>22,251</b>	<b>-10%</b>	<b>-3%</b>
<b>Gross Margin</b>	<b>5,865</b>	<b>5,971</b>	<b>5,164</b>	<b>5,536</b>	<b>5,276</b>	<b>-10%</b>	<b>-5%</b>
<i>Gross Margin as a % of Revenue</i>	<i>23.7%</i>	<i>23.8%</i>	<i>24.7%</i>	<i>24.1%</i>	<i>23.7%</i>		
SG&A	2,882	3,098	2,954	2,934	2,698	-6%	-8%
R&D	603	703	612	625	614	2%	-2%
<b>Operating Expense</b>	<b>3,485</b>	<b>3,801</b>	<b>3,566</b>	<b>3,559</b>	<b>3,312</b>	<b>-5%</b>	<b>-7%</b>
<i>Operating Expense as a % of Revenue</i>	<i>14.1%</i>	<i>15.1%</i>	<i>17.1%</i>	<i>15.5%</i>	<i>14.9%</i>		
<b>Operating Income</b>	<b>2,380</b>	<b>2,170</b>	<b>1,598</b>	<b>1,977</b>	<b>1,964</b>	<b>-17%</b>	<b>-1%</b>
<i>Operating Income as a % of Revenue</i>	<i>9.6%</i>	<i>8.7%</i>	<i>7.6%</i>	<i>8.6%</i>	<i>8.8%</i>		
<b>Interest and Other, Net</b>	<b>(353)</b>	<b>(383)</b>	<b>(352)</b>	<b>(366)</b>	<b>(322)</b>	<b>9%</b>	<b>12%</b>
<b>Income Tax</b>	<b>322</b>	<b>465</b>	<b>283</b>	<b>328</b>	<b>253</b>	<b>-21%</b>	<b>-23%</b>
<i>Effective tax rate %</i>	<i>15.9%</i>	<i>26.0%</i>	<i>22.7%</i>	<i>20.4%</i>	<i>15.4%</i>		
<b>Net Income</b>	<b>1,705</b>	<b>1,322</b>	<b>963</b>	<b>1,283</b>	<b>1,389</b>	<b>-19%</b>	<b>8%</b>
Less: Net Income attributable to non-controlling interests	(2)	(2)	(3)	(2)	—	100%	100%
<b>Net Income attributable to Dell Technologies Inc.</b>	<b>1,707</b>	<b>1,324</b>	<b>966</b>	<b>1,285</b>	<b>1,389</b>	<b>-19%</b>	<b>8%</b>
<b>Earnings Per Share - basic <sup>2</sup></b>	<b>2.34</b>	<b>1.85</b>	<b>1.33</b>	<b>1.77</b>	<b>1.92</b>	<b>-18%</b>	<b>8%</b>
<b>Earnings Per Share - diluted <sup>2</sup></b>	<b>2.30</b>	<b>1.80</b>	<b>1.31</b>	<b>1.74</b>	<b>1.88</b>	<b>-18%</b>	<b>8%</b>

<sup>1</sup> See supplemental slides in Appendix B for reconciliation of non-GAAP measures to their most directly comparable GAAP measures.

<sup>2</sup> See supplemental slides in Appendix B for weighted average shares and EPS calculation.

# Business units trending

Balanced growth and profitability as customers continue to invest in their digital futures

		\$ in millions								
		3Q23	4Q23	FY23	1Q24	2Q24	3Q24	Y/Y	Q/Q	
<b>Dell Technologies</b>	Revenue	24,721	25,039	102,301	20,922	22,934	22,251	-10%	-3%	
	Operating Income	1,762	1,189	5,771	1,069	1,165	1,486	-16%	28%	
	Non-GAAP Revenue <sup>1</sup>	24,721	25,039	102,301	20,922	22,934	22,251	-10%	-3%	
	Non-GAAP Operating Income <sup>1</sup>	2,380	2,170	8,637	1,598	1,977	1,964	-17%	-1%	
<b>Client Solutions Group</b>	CSG Revenue	13,775	13,361	58,213	11,983	12,942	12,276	-11%	-5%	
	Operating Income	1,060	671	3,824	892	969	925	-13%	-5%	
	Commercial Revenue	10,747	10,697	45,556	9,862	10,554	9,835	-8%	-7%	
	Consumer Revenue	3,028	2,664	12,657	2,121	2,388	2,441	-19%	2%	
<b>Infrastructure Solutions Group</b>	ISG Revenue	9,630	9,905	38,356	7,593	8,461	8,499	-12%	—%	
	Operating Income	1,374	1,543	5,045	740	1,049	1,069	-22%	2%	
	Servers & Networking Revenue	5,201	4,940	20,398	3,837	4,274	4,656	-10%	9%	
	Storage Revenue	4,429	4,965	17,958	3,756	4,187	3,843	-13%	-8%	
<b>Other Businesses</b>	Other Revenue	1,313	1,770	5,721	1,343	1,528	1,474	12%	-4%	
	Operating Loss	(57)	(48)	(240)	(36)	(44)	(32)	44%	27%	

<sup>1</sup> See supplemental slides in Appendix B for reconciliation of non-GAAP measures to their most directly comparable GAAP measures.

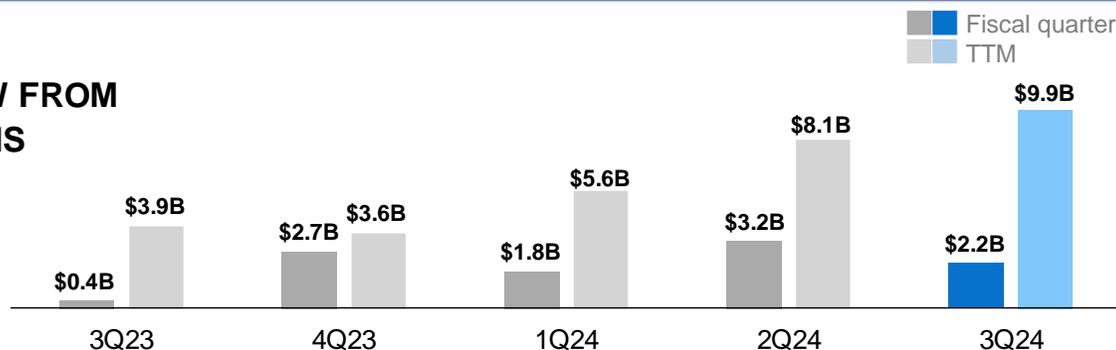
# Select financial metrics

Average Adj. Free Cash Flow of \$4.6B over the past 4 fiscal years<sup>1</sup> and \$6.9B over the last twelve months

## CASH FLOW FROM OPERATIONS

**\$2.2B**

+443% Y/Y



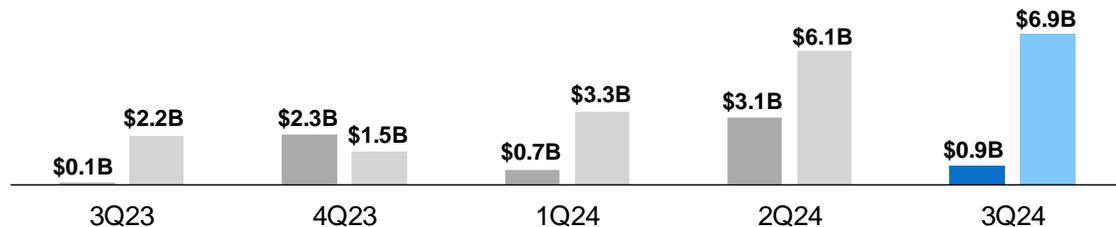
Strong cash flow from operations of \$2.2B, driven by working capital improvements and profitability

Cash and investments was \$9.9B and core leverage ratio<sup>4</sup> was flat sequentially at 1.6x exiting Q3

## ADJUSTED FCF<sup>2</sup>

**\$0.9B**

+815% Y/Y



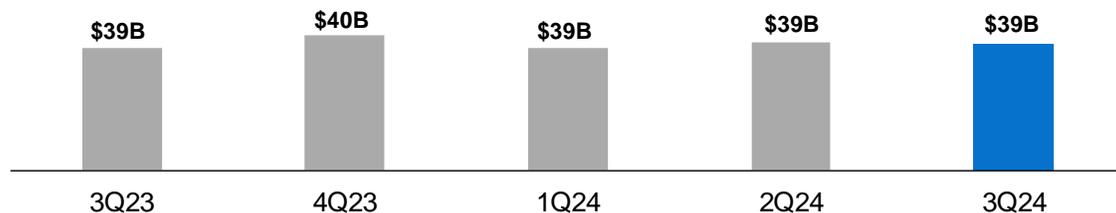
Q3 recurring revenue<sup>5</sup> was \$5.6B, up 4% Y/Y

RPO was up 1% Y/Y with growth in deferred revenue offset by a decrease in backlog

## RPO<sup>3</sup>

**\$39B**

+1% Y/Y



<sup>1</sup> Adj. FCF, excluding VMware. \$4.6B average between FY20-FY23.

<sup>2</sup> See supplemental slides in Appendix B for reconciliation of adjusted free cash flow to cash flow from operations.

<sup>3</sup> Remaining performance obligations (RPO) include deferred revenue and committed contract value not included in deferred revenue.

<sup>4</sup> See footnote 5 on slide 15 for definition of core leverage ratio.

<sup>5</sup> We define recurring revenue as revenue recognized primarily related to hardware and software maintenance as well as subscription, as-a-Service, usage-based offerings, and operating leases.

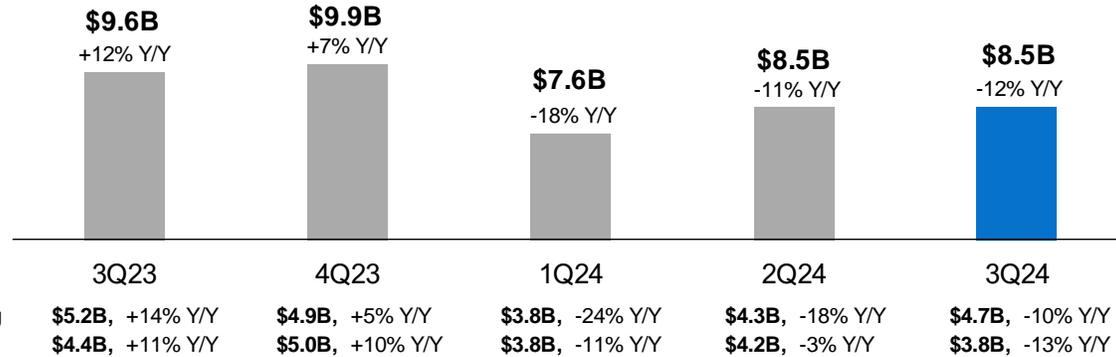
# Infrastructure Solutions Group

Sequential demand and ASP growth in both AI and traditional servers

## REVENUE

**\$8.5B**

-12% Y/Y  
0% Q/Q

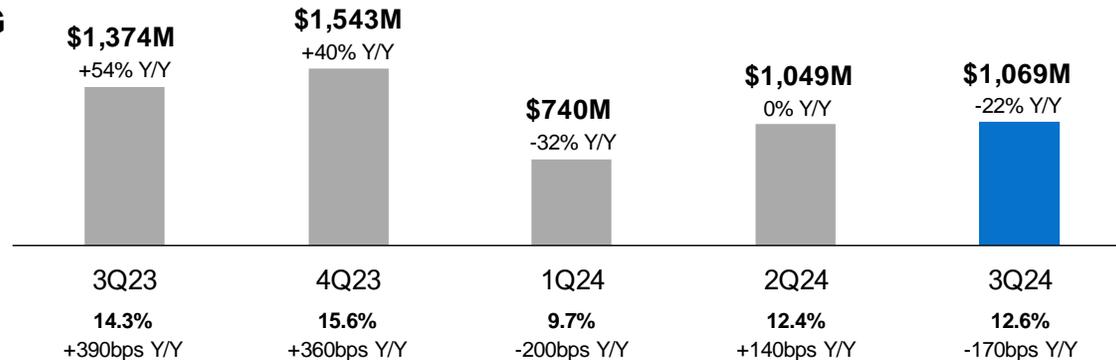


Servers & Networking  
Storage

## OPERATING INCOME

**\$1.1B**

-22% Y/Y  
+2% Q/Q



% of ISG revenue  
Basis points

Sequential growth of 9% in servers & networking, with over half a billion dollars of AI optimized server shipments

AI optimized and traditional server ASPs continue to expand

Our PowerEdge XE9680 server remains the fastest ramping new solution in Dell history

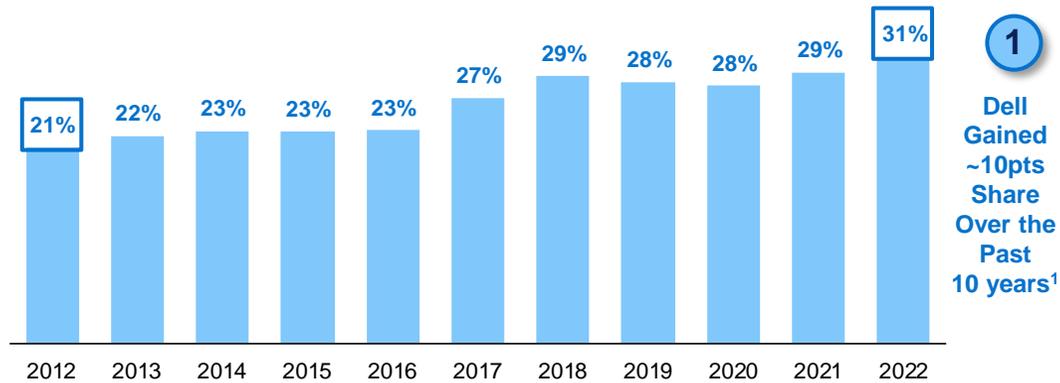
Storage revenue was \$3.8B, with demand growth in unstructured and data protection

# Strong portfolio of #1 positions in servers and storage

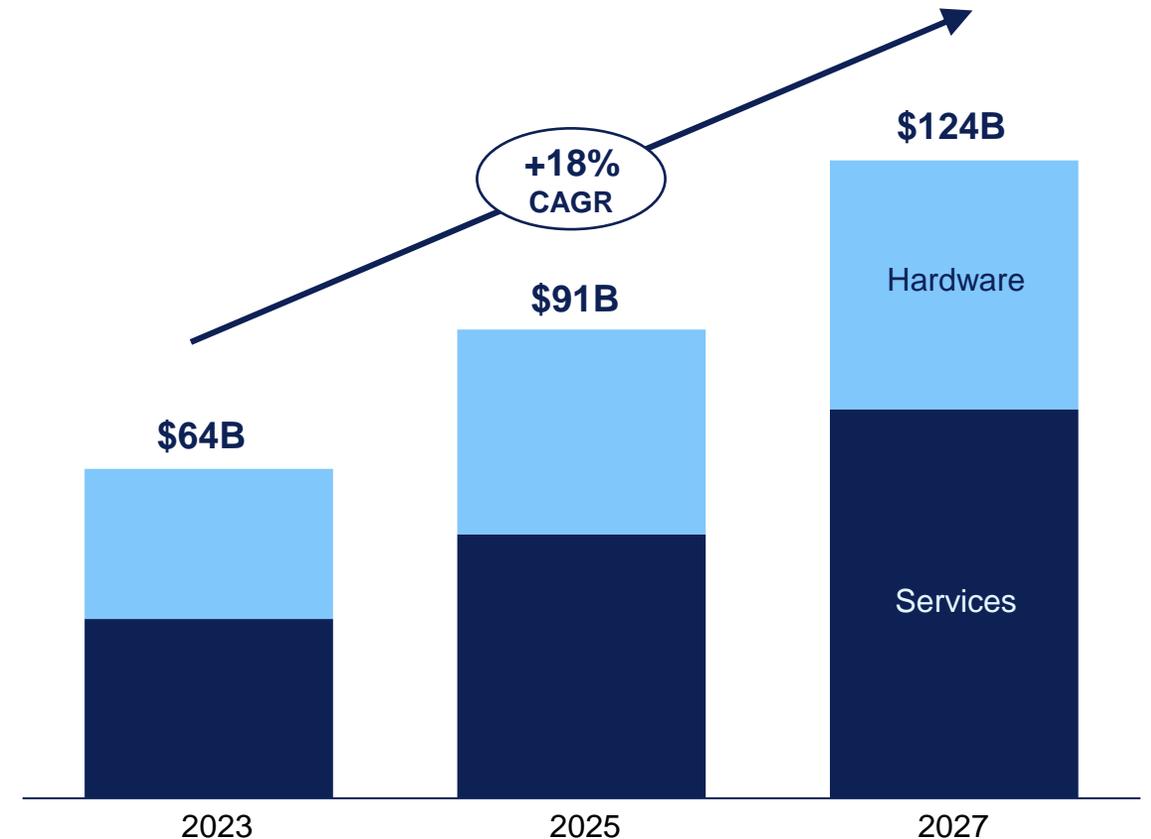
Long-term structural share gains in server and storage share greater than #2, 3, and 4 competitors combined

## Mainstream server share<sup>1</sup>

(IDC Mainstream Server Revenue)

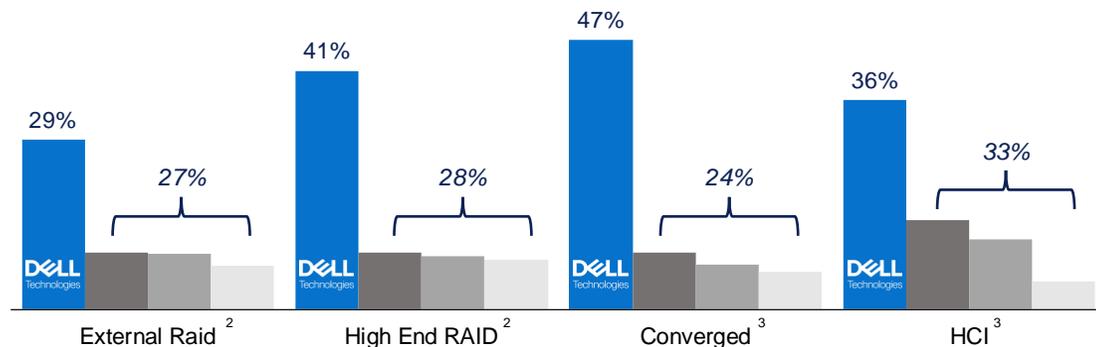


## AI HW & services represent a \$124B opportunity by 2027<sup>4</sup>



## TTM storage share vs nearest competitors

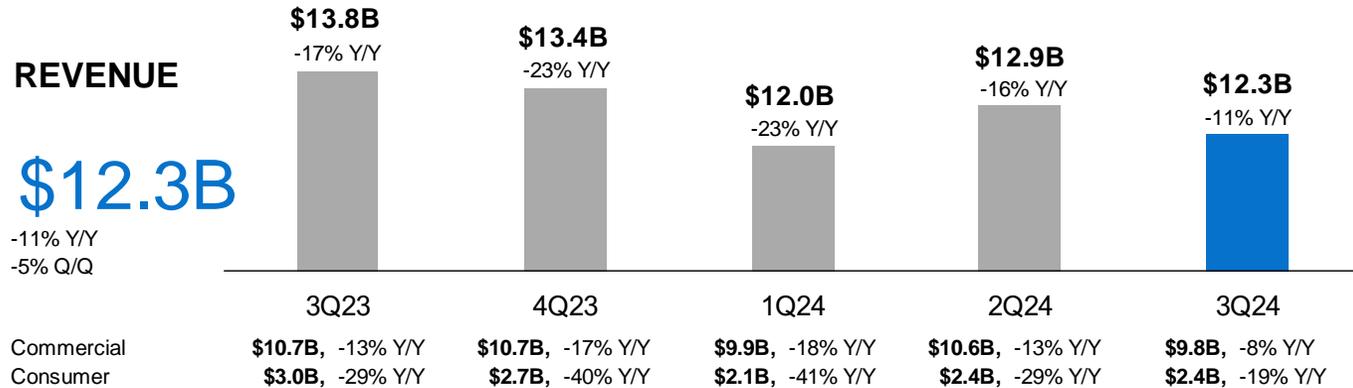
(IDC External RAID Storage Revenue & IDC Converged Revenue)



1) IDC Quarterly Server Tracker, 2023Q2, based on CY12-CY22 revenue. Mainstream Server is based on OEM vendor type and includes: Large System, Standard Rack, Tower, and Blade. 2) IDC Quarterly Enterprise Storage Systems Tracker, 2023Q2, based on 2023Q2 TTM revenue. 3) IDC Quarterly Converged Systems Tracker 2023Q2, based on 2023Q2 TTM revenue. 4) IDC Worldwide Semiannual Artificial Intelligence Tracker, v2022 H2, July 2023.

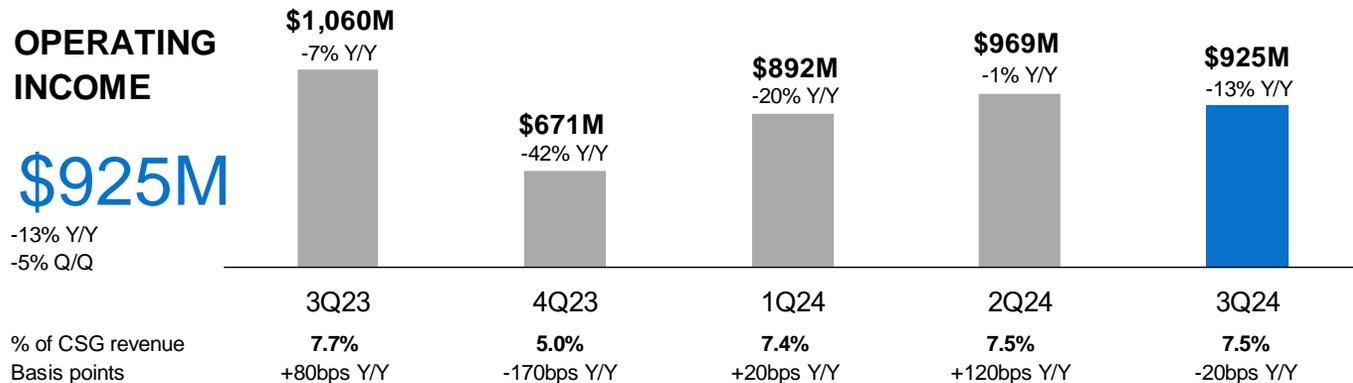
# Client Solutions Group

Strong operating margins with a focus on profitable share growth



Strong profitability with operating income at 7.5% of revenue due to higher gross margin rate and lower operating expenses

Average selling prices remained stable sequentially due to pricing discipline



Workstation demand grew for the second quarter in a row and will continue to benefit from the rise of AI

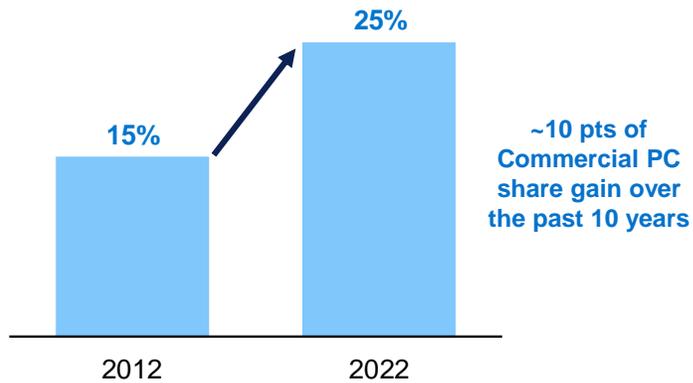
Excited about changes coming to the PC next year, including AI on the PC and Windows on ARM, which will drive a PC refresh cycle

# Not all PCs are created equal

Dell focuses on Commercial PCs, Workstations, Premium Consumer PCs and Gaming

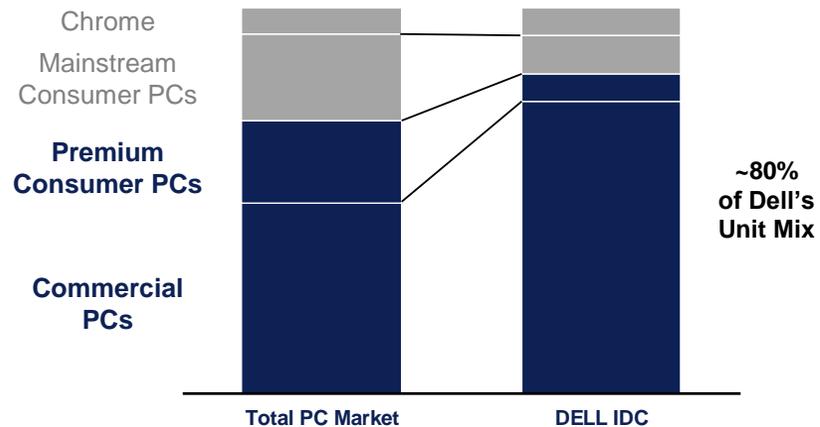
## Dell Commercial PC Unit Share<sup>1</sup>

(IDC Commercial PC Units)



## PC Unit Mix<sup>2</sup>

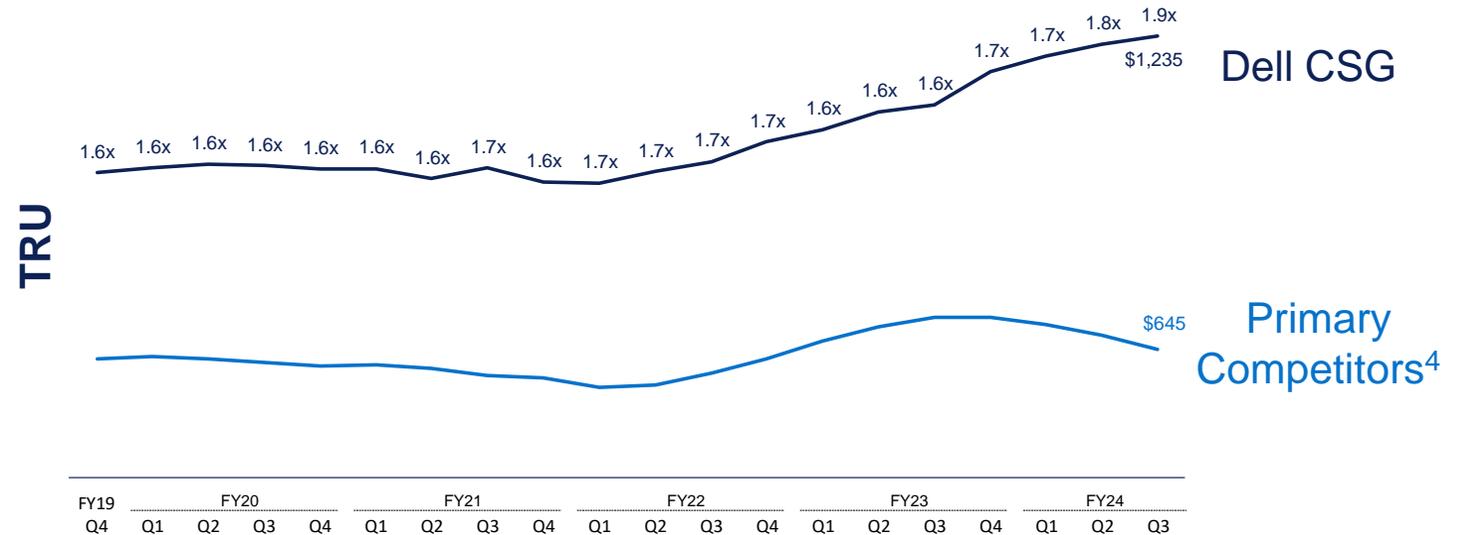
(IDC 3Q23 TTM PC Units)



## Our total revenue per unit (TRU) is nearly 2x primary competitors



## Our TRUs are growing at a substantial premium to the market



1) Per IDC WW Quarterly PC Device Tracker, CY23Q3

2) Per IDC WW Quarterly PC Device Tracker, CY23Q3, last 4 quarters trailing (2022Q4-2023Q3). Premium Consumer includes units with ASP > \$800; Mainstream Consumer includes units with ASP <= \$800.

3) TRU calculated by Dell Technologies by utilizing PC OEMs' financial public filings and IDC WW Quarterly PC Device Tracker, as of Q3 FY24.

4) Primary competitors refers to HP Inc. and Lenovo Ltd.

# Innovation overview

New Dell Generative AI Solutions spanning IT Infrastructure, PCs, and professional services

## ObjectScale XF960

An all-flash, scale-out appliance for GenAI and real-time analytics based on our software-defined object storage solution which can run on Linux and Red Hat Open Shift on PowerEdge servers.

## Hugging Face Collaboration

We are collaborating with Hugging Face to help users create, fine-tune, and implement their own open-source GenAI models on Dell infrastructure.

## Meta Llama 2 with Dell GenAI

Dell Technologies is collaborating with Meta to make it easy for Dell customers to deploy Meta's Llama 2 models on premises with Dell's GenAI portfolio of IT infrastructure, client devices and professional services.

## Latitude 7030 Rugged Extreme Tablet

The Latitude 7030 Rugged Extreme Tablet is the world's lightest 10-inch fully rugged Windows tablet, featuring a robust ecosystem of accessories and hot-swappable batteries for extended performance.

## New Services for Microsoft 365 Copilot

Our portfolio of professional services for Microsoft includes services for Microsoft 365 Copilot to help customers adopt a consistent approach to implementing and managing their technology. With Dell's technology expertise, organizations can use leading assessment, advisory, operational readiness and implementation services that assist in adopting Microsoft 365 Copilot quickly and at scale.

## Precision 7875 Tower

The new Precision 7875 Tower, featuring AMD Ryzen™ Threadripper™ PRO 7000 WX-Series processors, is Dell's most scalable and powerful AMD processor-based workstation ever. Designed for engineers, architects, creatives and product designers, the Precision 7875 Tower is a multithreaded computing workstation for demanding professional applications.

# Shaping our customers' digital future

Customers turn to Dell Technologies as a trusted, strategic partner

## Cox Communications

Cox Communications is teaming with Dell Technologies to explore joint technology solutions that help retailers improve inventory management, ensure product security, monitor foot traffic and protect against daily shrinkage or product loss.

## Hugging Face

Dell Technologies and Hugging Face are collaborating to make it easy for enterprises to create, fine-tune and implement their own open-source GenAI models with the Hugging Face community on industry-leading Dell infrastructure products and services.

## Imbue

Dell Technologies and Imbue, an independent AI research company, have entered into an agreement to build a new high-performance computing cluster for training foundation models optimized for reasoning. Imbue is already using the cluster – powered by Dell PowerEdge XE9680 servers with NVIDIA H100 Tensor Core GPUs – to train AI models and develop early prototype agents.

## DP Architects

Dell Technologies is working with DP Architects, a global multidisciplinary design practice, to strengthen its technology infrastructure, including a refresh of its high-performance compute cluster. The environment was updated with a variety of Dell Technologies infrastructure solutions, such as Dell PowerEdge R7525 servers with ME5024 storage.

## City of Amarillo

Dell Technologies and the city of Amarillo are developing a GenAI-powered digital assistant that offers residents information about government and community services. The digital assistant is a collaboration of our Dell Professional Services working with partners to leverage PowerEdge R760xa servers, to manage the data in the city's large language models, GenAI applications and more.

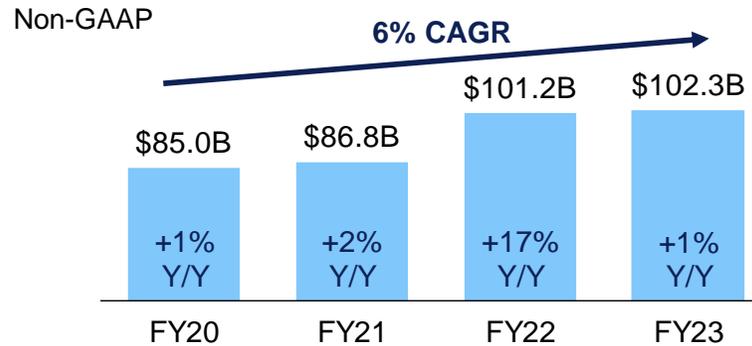
# Proven track record of performance

Consistent, profitable growth with strong cash flow over time and a commitment to capital returns

## Long-term Performance

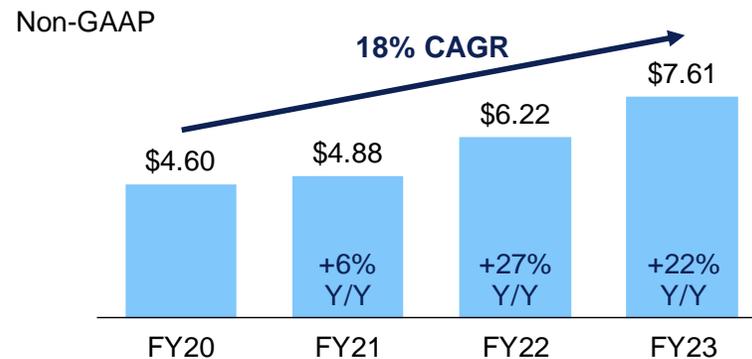
- We have grown revenue at a **6% CAGR** and diluted EPS at an **18% CAGR** over the last 3 fiscal years
- We continue to structurally gain share in our core markets<sup>3</sup>
  - 670 bps of mainstream server revenue share over last ten years
  - 450 bps of midrange RAID storage revenue share over last five years
  - 10 consecutive years of commercial PC unit share gains
- We have delivered **\$18.5B** of adjusted FCF over the last 4 fiscal years
- We have returned > 90% of adj. FCF to shareholders since initiating our capital return framework 7 qtrs ago

## Revenue<sup>1,2</sup>



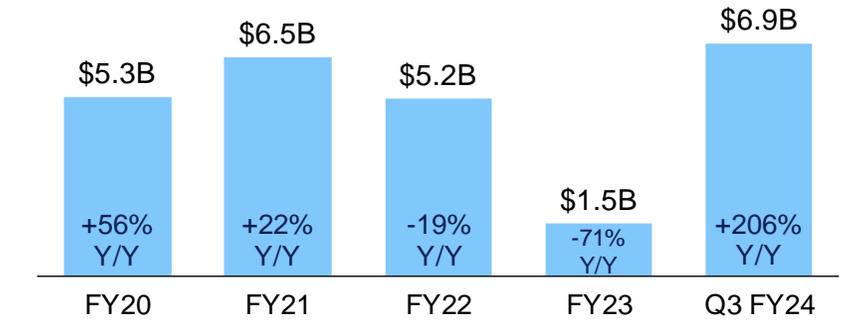
Growth above long-term framework

## Diluted EPS<sup>1,2</sup>



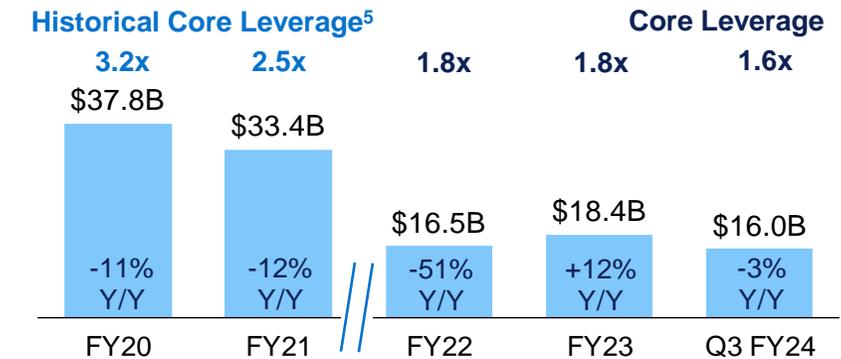
EPS growing faster than Revenue

## Adjusted Free Cash Flow<sup>1</sup>



~\$4.6B Avg. Annual Adj FCF FY20-FY23

## Core Debt and Other<sup>4</sup>



Approaching 1.5x Core Leverage Target

1) See Appendix B for a reconciliation of these non-GAAP measures to their most directly comparable GAAP measures. 2) Revenue and non-GAAP diluted earnings per share are presented on a continuing operations basis. 3) Per IDC WW Quarterly Server Tracker 2QCY23, data between 2QCY13 – 2QCY23 TTM. Per IDC WW Quarterly Enterprise Storage Systems Tracker 2QCY23, data between 2QCY18 – 2QCY23 TTM. Per IDC PC Units Q3CY23, data between Q4CY12 – Q4CY22. 4) Core debt + margin loan, mirror note, and other debt, excluding public subsidiary debt and DFS related debt. 5) FY20-FY21 core leverage ratio is presented on a historical basis and calculated as Core debt / ((TTM Dell Tech adj. EBITDA excluding VMW) + (81% of TTM VMW EBITDA) - (TTM DFS adj. EBITDA)). FY22 is recast to be presented on a continuing operations basis and is calculated as Core debt / ((TTM adj. EBITDA) - (TTM DFS adj. EBITDA)), DFS adj. EBITDA calculated as a 4% return on assets comprised of financing receivables and DFS operating lease balance. 4% return on assets is derived from a peer benchmark analysis and is an indicative proxy for DFS EBITDA.

# Dell Technologies Storage key leadership positions

We have #1 positions in all key storage categories

**#1** External RAID Enterprise Storage

Dell maintained the #1 position with 27.6% share

Per IDC WW Quarterly Enterprise Storage Systems Tracker CY23Q2

**#1** High End RAID Storage

Dell maintained the #1 position with 34.4% share

Per IDC WW Quarterly Enterprise Storage Systems Tracker CY23Q2

**#1** Mid Range RAID Storage

Dell maintained the #1 position with 28.8% share

Per IDC WW Quarterly Enterprise Storage Systems Tracker CY23Q2

**#1** Storage Software

Dell maintained the #1 position with 9.5% share

Per IDC WW Storage Software and Cloud Services Tracker CY23Q2

**#1** Converged Systems

Dell maintained the #1 position with 44.5% share

Per IDC WW Quarterly Converged Systems Tracker CY23Q2

**#1** Hyperconverged Systems

Dell maintained the #1 position with 35.4% share

Per IDC WW Quarterly Converged Systems Tracker CY23Q2

**#1** Purpose-Built Backup Appliance

Dell maintained the #1 position with 40.6% share

Per IDC WW Quarterly Purpose-Built Backup Appliance Tracker CY23Q2

**#1** All Flash Array RAID

Dell maintained the #1 position with 26.3% share

Per IDC WW Quarterly Enterprise Storage Systems Tracker CY23Q2

# Dell Technologies Server & PC key leadership positions

We have #1 positions in servers and the most profitable segments of the PC market

#1 x86 Server

Dell is the leader with 13.1% unit share

Per IDC WW Quarterly Server Tracker CY23Q2

#1 Client Business

Leading Client Business by revenue

Client PC & upsell revenue statistic calculated by Dell Technologies primarily by utilizing other PC OEMs' financial public filings, as of Q3 FY24

#1 North America Total PC

Dell is the leader with 22.3% share

Per IDC WW Quarterly PC Device Tracker, CY23Q3. Includes workstations

#1 North America Commercial PC

Dell maintained the #1 position with 33.8% share

Per IDC WW Quarterly PC Device Tracker, CY23Q3. Includes workstations

#1 Mainstream Server

Dell is the leader with 25.0% unit share and 25.5% revenue share

Per IDC WW Quarterly Server Tracker CY23Q2

#1 PC Monitors

Dell maintained the #1 position with 18.7% share

Per IDC WW Quarterly Monitor Tracker CY23Q3

#1 High-End PC Gaming

Dell maintained the #1 position with 19.2% share

Per IDC Quarterly Gaming Tracker, CY23Q3, \$1,500+ price band

#1 PC Workstations

Dell maintained the #1 position with 42.0% share

Per IDC WW Quarterly Workstation Tracker CY23Q3

# Dell Technologies investment thesis

Leading market positions and a unique operating model generate consistent growth and significant value creation

## STRATEGY

- We are **leveraging our strengths** to extend our leadership positions and capture new growth opportunities

## UNIQUE OPERATING MODEL

- **Leading end-to-end solutions**, with #1 positions across Commercial PC, Peripherals, Server, and Storage<sup>1</sup>

---

- **Largest Go-To-Market engine** which provides us great insights and the ability to build deep customer relationships

---

- **Industry's leading Supply Chain** that runs at global scale, yet nimble and agile to respond to macro and market fluctuations with built in resilience

---

- **Unmatched Global Services organization** with more than 30,000 services and support team members in 2,200 service centers in 170 countries



## Attractive long-term financial model

- **3 - 4%** Revenue growth
- 8%+** Diluted EPS growth
- 100%+** NI to Adj. FCF Conversion
- 80%+** Target return of adj. FCF to shareholders
- 10%+** Dividend growth rate FY24-FY28<sup>2</sup>

1) See slide 20 for the list of #1 positions and relevant sources.  
2) Subject to ongoing board evaluation and approval.

# Committed to long-term value creation

Our strategy, operating model and track record of execution have us well positioned

## Attractive long-term financial framework

**3 - 4%**

Revenue growth

**8%+**

Diluted EPS growth

**100%+**

NI to adj. FCF Conversion

**80%+**

Target return of adj. FCF to shareholders

**10%+**

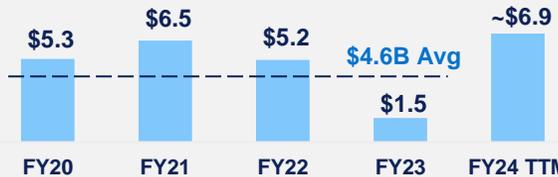
Dividend growth rate FY24-FY28

CSG 2-3% CAGR  
ISG 6-8% CAGR  
**DELL TECH 3-4% CAGR**

Operational



Adjusted Free Cash Flow (\$B)<sup>1</sup>



- Leading end-to-end solutions and broadest portfolio in the industry
- Demonstrated structural share gains
- Opportunities to capture new growth

- Increased mix towards profitable segments ... ISG, Commercial PC, Peripherals
- Demonstrated cost discipline

- Growth & operational excellence driving cash generation ... \$4.6B avg. over last four years
- Averaged 115% conversion over the past four years<sup>2</sup>

Capital Return

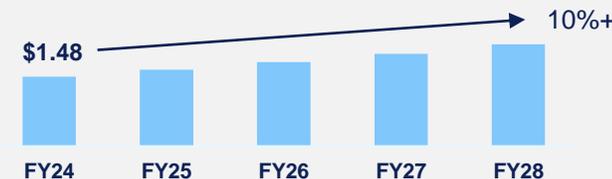
**80%+**

- Commitment to return over 80% of adjusted FCF to shareholders
- Return via share repurchases and dividends

Remaining FCF

- Committed to IG rating and 1.5x core leverage target
- Targeted M&A that accelerates our strategy

Targeted Dividend Payout



- Target to grow the dividend at 10% or better annually through FY28<sup>3</sup>

1) FY20-FY23.

2) See supplemental slides in Appendix B for reconciliation of non-GAAP measures to their most directly comparable GAAP measures. Adjusted free cash flow represents historical adjusted free cash flow excluding VMware.

3) Subject to ongoing board evaluation and approval.

# Dell Technologies strategy

Leveraging our strengths to extend our leadership positions and capture new growth opportunities

## Leading end-to-end solutions<sup>1</sup>

# #1

NA Commercial PC  
Workstations  
PC Monitors  
High-end Gaming

Server  
External Storage  
Storage Software  
Data Protection  
HCI



Unique operating model

## Industry's largest GTM engine

Largest direct salesforce in the industry

Broad global technology ecosystem of partners

Modern online and consumption experiences

## Industry-leading supply chain

Automated and AI-driven

Resilient, agile, sustainable & global scale

700+ global distribution & logistics centers

## Unmatched global services

AI-driven support and experiences

Global footprint of direct services & support

2K+ service centers around the world

Innovation

Culture

Customer-centricity

1) North America Commercial PC (Units) - IDC WW Quarterly PC Device Tracker CY23Q3; Workstations (Units) - IDC WW Quarterly Workstation Tracker CY23Q3; PC Monitors (Units) - IDC WW Quarterly Monitor Tracker CY23Q3; High-end Gaming (Units) - IDC Quarterly Gaming Tracker, CY23Q3, \$1,500+ price band; Server (Units) - IDC WW Quarterly Server Tracker CY23Q2; External Storage (Revenue) - IDC WW Quarterly Enterprise Storage Systems Tracker CY23Q2; Data Protection - IDC WW Data Replication and Protection Software and PBBA HW estimates CY23Q2. "Data Protection" refers to Data Replication & Protection software plus Purpose-Built Backup Appliance (PBBA) revenue; HCI (Revenue) - IDC WW Quarterly Converged Systems Tracker CY23Q2.

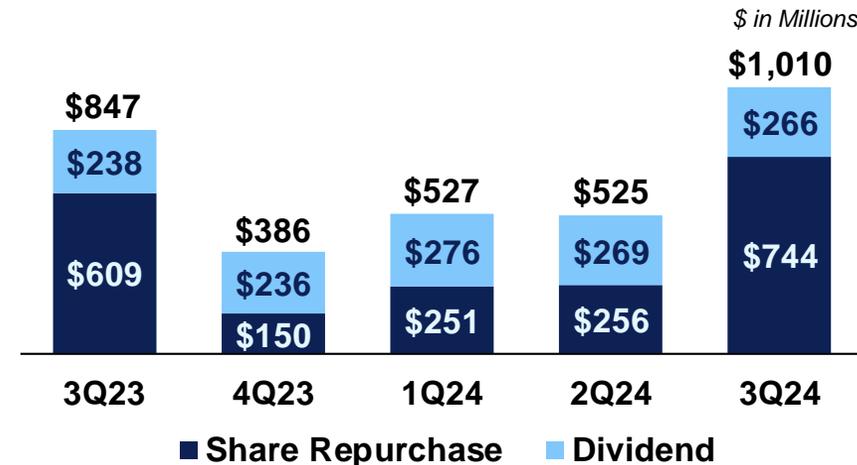
# Capital Return

We have returned over 90% and \$5.9B of our adj. FCF to shareholders since initiating our capital allocation framework seven quarters ago

During Q3



- We paid \$266M in dividends
- We repurchased 11.2M shares of stock for \$744M



## Dividends

- We paid \$1.32 per share, or ~\$1B during the first year of our dividend program
- We raised our annual dividend ~12% to \$1.48 per share this year

## Share Repurchase

- We've repurchased 26M shares for \$1.4B over the past 12 months
- Following a programmatic approach to managing dilution and will buy back shares opportunistically based on market conditions

# Workloads and usage patterns are trending in our favor

Creates new opportunities to innovate and serve our customers

## Data era trends in our favor

68%

Organizations use private or both public & private infrastructure for **GenAI** work<sup>1</sup>

87%

Companies are adopting a **multicloud** strategy<sup>2</sup>

50%

By 2025, more than 50% of enterprise-managed data will be created and processed outside the data center or cloud<sup>3</sup>

4x

Increase in deployment of edge computing platforms by **private mobile networks**<sup>4</sup>

60%

US workers are expected to work in a **hybrid model** by 2026<sup>5</sup>

1) SiliconANGLE & ETR, July 2023.

2) Flexera, 2023 State of the Cloud Report, n=750.

3) Gartner®, Cool Vendors in Edge Computing, August 2023, GARTNER is a registered trademark and service mark of Gartner, Inc. and/or its affiliates in the U.S. and internationally and is used herein with permission. All rights reserved

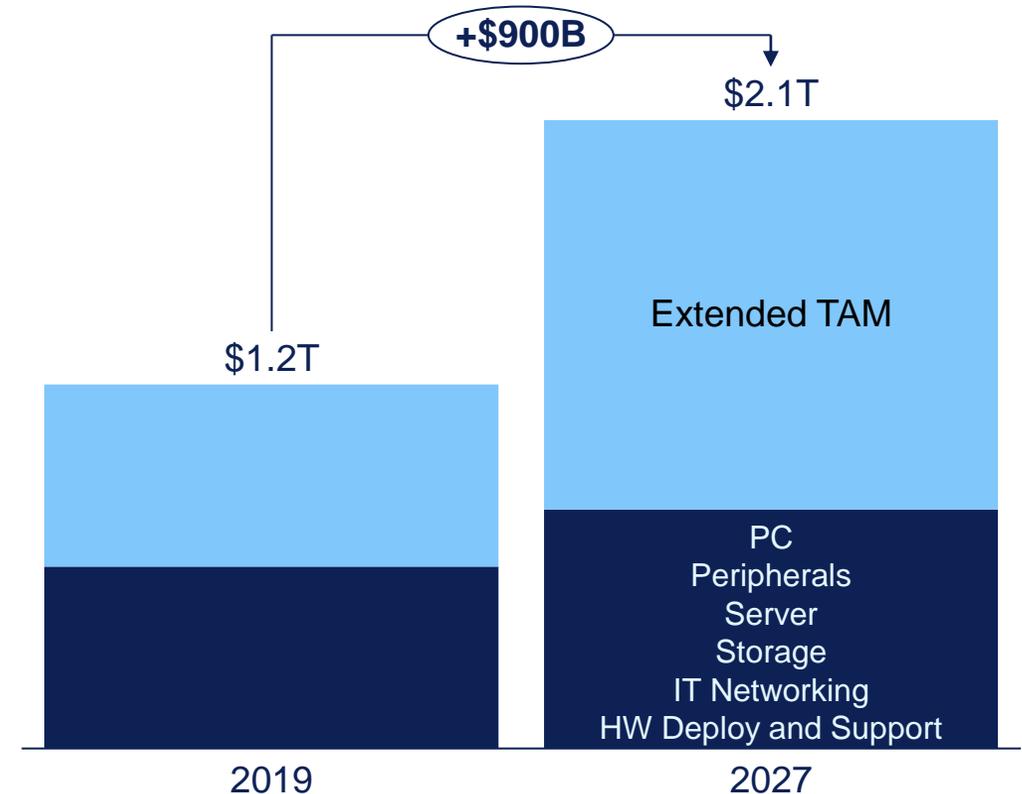
4) 20% deployment by 2025 up from 5% in 2022. Gartner, Predicts 2023: Edge Computing Delivery and Control Options Extend Functionality, December 2022.

5) Gartner, Forecast Analysis: Knowledge Employees, Hybrid, Fully Remote and On-Site Work Styles, Worldwide, Jan 2023.

6) Dell internal estimate based on the following: August 2023 IDC ICT Spending Guide (Extended TAM includes IaaS, Telecom Networking, Technology Outsourcing, Data Management & System Infrastructure SW, and Hardware Deploy & Support), Dell CSG TAM estimate (Peripherals – includes Printers), July 2023 IDC Black Book (PC includes PC and Tablet, Monitors included in Peripherals), IDC (Server, Storage), Dell'Oro (IT Networking).

## Dell's markets are expected to continue to grow

Dell Technologies targeted markets<sup>6</sup>



# Guidance

## Q4 FY24<sup>1</sup>

- Revenue expected to be in the range of \$21.5B to \$22.5B, with a midpoint of \$22B, slightly down Q/Q
  - Expect ISG revenue to be up mid-single digits Q/Q driven by sequential growth in traditional servers and seasonal growth in storage
  - Expect CSG to be down low single digits Q/Q
  - Expect other businesses down in the low twenties Q/Q
- Operating income rate marginally down Q/Q driven by a more competitive pricing environment in CSG
- Tax rate of 20% plus or minus 100 bps<sup>2</sup>
- Diluted share count expected to be roughly 729M to 733M shares
- Diluted EPS expected to be \$1.22 plus or minus \$0.10. Non-GAAP diluted EPS expected to be \$1.70 plus or minus \$0.10

## FY24<sup>1</sup>

- We are increasing FY24 diluted EPS guidance. Diluted EPS is expected to be \$3.99 plus or minus \$0.10. Diluted non-GAAP EPS expected to be \$6.63 plus or minus \$0.10
- Tax rate of 19.5% assuming the midpoint of the Q4 tax rate guide<sup>2</sup>

## FY25

- We expect revenue to return to growth next year, above our long-term financial framework

<sup>1</sup> Please refer to Appendix D for reconciliation of non-GAAP measures to GAAP.

<sup>2</sup> The estimated tax rate does not include the impact of any possible law changes.

# Sustainability highlights<sup>1</sup>

From our latest ESG reporting<sup>2</sup> and external recognition

Enabling growth by advancing sustainability and cultivating inclusion



## Environmental

~**95% sustainable materials** used in our packaging

~**32% reduction** in Scopes 1 & 2 market-based **greenhouse gas emissions** since FY20

~**59%** of electricity from **renewable sources** across Dell facilities

**Net-Zero** goal across Scopes 1, 2, & 3 by 2050



## Social

**288M+** people have benefited from our **digital inclusion programs, partnerships and innovation**

By 2030, **50%** of our global workforce and **40%** of our global people leaders will be **those who identify as women**

By 2030, **25%** of our U.S. workforce and **15%** of our U.S. people leaders will be **those who identify as Black/African American or Hispanic/Latino**



## Governance

**Ellen Kullman** elected by our board as **Lead Independent Director**<sup>3</sup>

All Dell board **committee members** are **independent directors**

**Formal ESG governance** established with cross-functional executive leadership

Robust **shareholder engagement** program driving ongoing **governance enhancements**

Encouraged about the **potential** for future inclusion in the **S&P 500** index following recent S&P Global eligibility rule changes<sup>4</sup>



# Appendix A

 Debt and DFS summary

# Debt summary

\$ in billions <sup>1,2</sup>	3Q23	4Q23	1Q24	2Q24	3Q24
Revolver	-	-	-	-	-
Senior Notes	16.3	18.3	17.3	16.1	16.1
Legacy Dell IG Notes	1.0	1.0	1.0	1.0	1.0
DFS Allocated Debt	(1.0)	(1.2)	(1.0)	(1.5)	(1.3)
<b>Total Core Debt <sup>3</sup></b>	<b>16.2</b>	<b>18.1</b>	<b>17.2</b>	<b>15.6</b>	<b>15.8</b>
<b>Margin Loan and Other</b>	<b>0.3</b>	<b>0.3</b>	<b>0.3</b>	<b>0.3</b>	<b>0.2</b>
DFS Debt	10.1	10.3	10.2	10.0	9.6
DFS Allocated Debt	1.0	1.2	1.0	1.5	1.3
<b>Total DFS Related Debt</b>	<b>11.1</b>	<b>11.5</b>	<b>11.1</b>	<b>11.5</b>	<b>10.9</b>
<b>Total Debt</b>	<b>27.6</b>	<b>29.9</b>	<b>28.7</b>	<b>27.4</b>	<b>26.9</b>

<sup>1</sup> Amounts are based on underlying data and may not visually foot due to rounding.

<sup>2</sup> Principal Face Value.

<sup>3</sup> Core debt represents the total principal amount of our debt, less: (a) public subsidiary debt, (b) DFS-related debt, and (c) other debt.

# Debt summary

\$ in billions <sup>1,2</sup>	As of EMC Transaction Close FY17	3Q24
Revolver	2.0	-
Term Loan A	9.4	-
Term Loan B	5.0	-
Senior Notes	20.0	16.1
High Yield Notes	3.3	-
Asset Sale Bridge	2.2	-
Legacy Dell IG Notes	2.5	1.0
Legacy EMC IG Notes	5.5	-
DFS Allocated Debt	(1.0)	(1.3)
<b>Total Core Debt <sup>3</sup></b>	<b>48.9</b>	<b>15.8</b>
<b>Margin Loan and Other</b>	<b>4.0</b>	<b>0.2</b>
DFS Debt	3.5	9.6
DFS Allocated Debt	1.0	1.3
<b>Total DFS Related Debt</b>	<b>4.5</b>	<b>10.9</b>
<b>Total Debt, Excluding Public Subsidiaries</b>	<b>57.4</b>	<b>26.9</b>
<b>Total Public Subsidiary Debt</b>	<b>-</b>	<b>-</b>
<b>Total Debt, Including Public Subsidiaries</b>	<b>57.4</b>	<b>26.9</b>

<sup>1</sup> Amounts are based on underlying data and may not visually foot due to rounding.

<sup>2</sup> Principal Face Value.

<sup>3</sup> Core debt represents the total principal amount of our debt, less: (a) public subsidiary debt, (b) DFS related debt, and (c) other debt.

# DFS summary

\$ in billions	3Q23	4Q23	1Q24	2Q24	3Q24
<b>Originations</b> <sup>1</sup>	<b>2.3</b>	<b>3.0</b>	<b>1.8</b>	<b>2.3</b>	<b>1.8</b>
Y/Y	17%	12%	(11)%	1%	(23)%
Trailing twelve months	9.4	9.7	9.5	9.5	9.0
Y/Y	15%	15%	10%	5%	(4)%
<b>Financing Receivables</b> <sup>2</sup>	<b>10.6</b>	<b>10.9</b>	<b>10.5</b>	<b>10.6</b>	<b>10.3</b>
<b>Operating Leases</b> <sup>3</sup>	<b>2.1</b>	<b>2.2</b>	<b>2.2</b>	<b>2.1</b>	<b>2.1</b>
<b>Total Managed Assets</b> <sup>4</sup>	<b>13.8</b>	<b>14.7</b>	<b>14.3</b>	<b>14.7</b>	<b>13.9</b>
Y/Y	9%	9%	9%	9%	1%

<sup>1</sup> Originations represent the amounts of financing provided by DFS to customers for equipment and related software and services, including third-party originations.

<sup>2</sup> Amounts represent financing receivables included on the Dell Technologies Consolidated Statements of Financial Position.

<sup>3</sup> Amounts represent net carrying value of equipment for DFS operating leases.

<sup>4</sup> Total managed assets consists of financing receivables, syndicated receivables DFS still services, operating leases, committed contract value for flex on demand, and, as of Q2FY24, financing receivable assets held for sale.

# Appendix B

 Supplemental non-GAAP measures

# Supplemental non-GAAP measures

## Gross margin

\$ in millions	3Q23	4Q23	1Q24	2Q24	3Q24
<b>GAAP gross margin</b>	<b>5,707</b>	<b>5,756</b>	<b>5,018</b>	<b>5,387</b>	<b>5,148</b>
Amortization of intangibles	106	99	79	84	84
Stock-based compensation	37	40	38	37	37
Other corporate expenses <sup>1</sup>	15	76	29	28	7
<b>Total adjustments to gross margin</b>	<b>158</b>	<b>215</b>	<b>146</b>	<b>149</b>	<b>128</b>
<b>Non-GAAP gross margin</b>	<b>5,865</b>	<b>5,971</b>	<b>5,164</b>	<b>5,536</b>	<b>5,276</b>
<i>GM % of non-GAAP revenue</i>	<i>23.7%</i>	<i>23.8%</i>	<i>24.7%</i>	<i>24.1%</i>	<i>23.7%</i>

<sup>1</sup> Consists of severance, facilities action, impairment, and other costs.

# Supplemental non-GAAP measures

## SG&A, R&D and operating expense

\$ in millions	3Q23	4Q23	1Q24	2Q24	3Q24
<b>GAAP SG&amp;A</b>	<b>3,268</b>	<b>3,772</b>	<b>3,261</b>	<b>3,517</b>	<b>2,970</b>
Amortization of intangibles	(139)	(139)	(120)	(125)	(121)
Impact of purchase accounting <sup>1</sup>	(21)	(11)	(4)	(4)	(2)
Transaction (costs) income <sup>2</sup>	(8)	(6)	(3)	(3)	(3)
Stock-based compensation	(142)	(129)	(124)	(119)	(114)
Other corporate expenses <sup>3</sup>	(76)	(389)	(56)	(332)	(32)
<b>Non-GAAP SG&amp;A</b>	<b>2,882</b>	<b>3,098</b>	<b>2,954</b>	<b>2,934</b>	<b>2,698</b>
<b>GAAP R&amp;D</b>	<b>677</b>	<b>795</b>	<b>688</b>	<b>705</b>	<b>692</b>
Stock-based compensation	(56)	(59)	(63)	(67)	(76)
Other corporate expenses <sup>3</sup>	(18)	(33)	(13)	(13)	(2)
<b>Non-GAAP R&amp;D</b>	<b>603</b>	<b>703</b>	<b>612</b>	<b>625</b>	<b>614</b>
<b>GAAP operating expenses</b>	<b>3,945</b>	<b>4,567</b>	<b>3,949</b>	<b>4,222</b>	<b>3,662</b>
Amortization of intangibles	(139)	(139)	(120)	(125)	(121)
Impact of purchase accounting <sup>1</sup>	(21)	(11)	(4)	(4)	(2)
Transaction (costs) income <sup>2</sup>	(8)	(6)	(3)	(3)	(3)
Stock-based compensation	(198)	(188)	(187)	(186)	(190)
Other corporate expenses <sup>3</sup>	(94)	(422)	(69)	(345)	(34)
<b>Total adjustments to operating expenses</b>	<b>(460)</b>	<b>(766)</b>	<b>(383)</b>	<b>(663)</b>	<b>(350)</b>
<b>Non-GAAP operating expenses</b>	<b>3,485</b>	<b>3,801</b>	<b>3,566</b>	<b>3,559</b>	<b>3,312</b>
<i>OpEx % of non-GAAP revenue</i>	<i>14.1%</i>	<i>15.1%</i>	<i>17.1%</i>	<i>15.5%</i>	<i>14.9%</i>

<sup>1</sup> This amount includes non-cash purchase accounting adjustments primarily related to the EMC merger transaction in 3Q17.

<sup>2</sup> Consists of acquisition, integration, and divestiture-related costs.

<sup>3</sup> Consists of severance, facilities action and impairment charges, incentive charges related to equity investments, payroll taxes associated with stock-based compensation, and other costs.

# Supplemental non-GAAP measures

## Operating income

\$ in millions	3Q23	4Q23	1Q24	2Q24	3Q24
<b>GAAP operating income</b>	<b>1,762</b>	<b>1,189</b>	<b>1,069</b>	<b>1,165</b>	<b>1,486</b>
<b>Non-GAAP adjustments:</b>					
Amortization of intangibles	245	238	199	209	205
Impact of purchase accounting <sup>1</sup>	21	11	4	4	2
Transaction costs (income) <sup>2</sup>	8	6	3	3	3
Stock-based compensation	235	228	225	223	227
Other corporate expenses <sup>3</sup>	109	498	98	373	41
<b>Total adjustments to operating income</b>	<b>618</b>	<b>981</b>	<b>529</b>	<b>812</b>	<b>478</b>
<b>Non-GAAP operating income</b>	<b>2,380</b>	<b>2,170</b>	<b>1,598</b>	<b>1,977</b>	<b>1,964</b>
<i>OpInc % of non-GAAP revenue</i>	<i>9.6%</i>	<i>8.7%</i>	<i>7.6%</i>	<i>8.6%</i>	<i>8.8%</i>

<sup>1</sup> This amount includes non-cash purchase accounting adjustments primarily related to the EMC merger transaction in 3Q17.

<sup>2</sup> Consists of acquisition, integration, and divestiture-related costs.

<sup>3</sup> Consists of severance, facilities action and impairment charges, incentive charges related to equity investments, payroll taxes associated with stock-based compensation, and other costs. Includes \$367 million and \$364 million of severance expense during 4Q23 and 2Q24 respectively.

# Supplemental non-GAAP measures

## Interest and other

\$ in millions	3Q23	4Q23	1Q24	2Q24	3Q24
<b>GAAP interest and other, net:</b>					
Investment income, primarily interest	21	48	59	66	88
Gain on investments, net	44	(9)	(15)	(29)	8
Interest expense	(272)	(387)	(405)	(352)	(371)
Foreign exchange	(72)	(38)	(32)	(65)	(30)
Other <sup>1</sup>	(1,029)	120	29	(71)	(1)
<b>GAAP interest and other, net</b>	<b>(1,308)</b>	<b>(266)</b>	<b>(364)</b>	<b>(451)</b>	<b>(306)</b>
<b>Adjustments:</b>					
Non-GAAP adjustments <sup>2</sup>	955	(117)	12	85	(16)
<b>Non-GAAP interest and other, net</b>	<b>(353)</b>	<b>(383)</b>	<b>(352)</b>	<b>(366)</b>	<b>(322)</b>
<i>I&amp;O as a % of non-GAAP revenue</i>	<i>-1.4%</i>	<i>-1.6%</i>	<i>-1.6%</i>	<i>-1.6%</i>	<i>-1.4%</i>

<sup>1</sup> During 3Q23, other includes \$1.0B expense recognized for the Class V litigation settlement.

<sup>2</sup> Consists of the fair value adjustments on strategic equity investments as well as \$1.0B expense recognized for the Class V litigation settlement during 3Q23.

# Supplemental non-GAAP measures

## Net income from continuing operations

\$ in millions	3Q23	4Q23	1Q24	2Q24	3Q24
<b>GAAP net income</b>	<b>241</b>	<b>606</b>	<b>578</b>	<b>455</b>	<b>1,004</b>
<b>Non-GAAP adjustments:</b>					
Amortization of intangibles	245	238	199	209	205
Impact of purchase accounting <sup>1</sup>	21	11	4	4	2
Transaction costs (income) <sup>2</sup>	4	(14)	(1)	60	(5)
Stock-based compensation	235	228	225	223	227
Other corporate expenses <sup>3</sup>	1,112	392	99	372	41
Fair value adjustments on equity investments <sup>4</sup>	(44)	9	15	29	(8)
Aggregate adjustment for income taxes <sup>5</sup>	(109)	(148)	(156)	(69)	(77)
<b>Total adjustments</b>	<b>1,464</b>	<b>716</b>	<b>385</b>	<b>828</b>	<b>385</b>
<b>Non-GAAP net income</b>	<b>1,705</b>	<b>1,322</b>	<b>963</b>	<b>1,283</b>	<b>1,389</b>
<i>NI % of non-GAAP revenue</i>	<i>6.9%</i>	<i>5.3%</i>	<i>4.6%</i>	<i>5.6%</i>	<i>6.2%</i>

<sup>1</sup> This amount includes non-cash purchase accounting adjustments primarily related to the EMC merger transaction in 3Q17.

<sup>2</sup> Consists of acquisition, integration, and divestiture-related costs and gains.

<sup>3</sup> Consists of severance, facilities action and impairment charges, incentive charges related to equity investments, payroll taxes associated with stock-based compensation, and other costs. During 3Q23, other includes \$1.0B expense recognized for the Class V litigation settlement. Includes \$367 million and \$364 million of severance expense during 4Q23 and 2Q24 respectively.

<sup>4</sup> Consists of the gain (loss) on strategic investments, which includes recurring fair value adjustments on equity investments.

<sup>5</sup> Consists of the tax effects of non-GAAP adjustments, as well as an adjustment for discrete tax items.

# Supplemental non-GAAP measures

Net income attributable to Dell Technologies Inc. from continuing operations

\$ in millions	3Q23	4Q23	1Q24	2Q24	3Q24
<b>GAAP net income attributable to Dell Technologies Inc.</b>	<b>245</b>	<b>614</b>	<b>583</b>	<b>462</b>	<b>1,006</b>
Amortization of intangibles	245	238	199	209	205
Impact of purchase accounting <sup>1</sup>	21	11	4	4	2
Transaction costs (income) <sup>2</sup>	4	(14)	(1)	60	(5)
Stock-based compensation	235	228	225	223	227
Other corporate expenses <sup>3</sup>	1,112	392	99	372	41
Fair value adjustments on equity investments <sup>4</sup>	(44)	9	15	29	(8)
Aggregate adjustment for income taxes <sup>5</sup>	(109)	(148)	(156)	(69)	(77)
Total non-GAAP adjustments attributable to non-controlling interests	(2)	(6)	(2)	(5)	(2)
<b>Total adjustments</b>	<b>1,462</b>	<b>710</b>	<b>383</b>	<b>823</b>	<b>383</b>
<b>Non-GAAP net income attributable to Dell Technologies Inc.</b>	<b>1,707</b>	<b>1,324</b>	<b>966</b>	<b>1,285</b>	<b>1,389</b>

<sup>1</sup> This amount includes non-cash purchase accounting adjustments primarily related to the EMC merger transaction in 3Q17.

<sup>2</sup> Consists of acquisition, integration, and divestiture-related costs and gains.

<sup>3</sup> Consists of severance, facilities action and impairment charges, incentive charges related to equity investments, payroll taxes associated with stock-based compensation, and other costs. During 3Q23, other includes \$1.0B expense recognized for the Class V litigation settlement. Includes \$367 million and \$364 million of severance expense during 4Q23 and 2Q24 respectively.

<sup>4</sup> Consists of the gain (loss) on strategic investments, which includes recurring fair value adjustments on equity investments.

<sup>5</sup> Consists of the tax effects of non-GAAP adjustments, as well as an adjustment for discrete tax items.

# Supplemental non-GAAP measures

## Earnings per share - basic and diluted

\$ in millions, except per share figures

	3Q23	4Q23	1Q24	2Q24	3Q24
<b>GAAP net income attributable to Dell Technologies Inc.</b>	<b>245</b>	<b>614</b>	<b>583</b>	<b>462</b>	<b>1,006</b>
Weighted-average shares outstanding - basic	728	716	724	726	722
<b>GAAP EPS attributable to Dell Technologies Inc. - basic</b>	<b>\$0.34</b>	<b>\$0.86</b>	<b>\$0.81</b>	<b>\$0.64</b>	<b>\$1.39</b>
<b>GAAP net income attributable to Dell Technologies Inc. - diluted</b>	<b>245</b>	<b>614</b>	<b>583</b>	<b>462</b>	<b>1,006</b>
Weighted-average shares outstanding - diluted	743	735	737	738	740
<b>GAAP EPS attributable to Dell Technologies Inc. - diluted</b>	<b>\$0.33</b>	<b>\$0.84</b>	<b>\$0.79</b>	<b>\$0.63</b>	<b>\$1.36</b>
<b>Non-GAAP net income attributable to Dell Technologies Inc.</b>	<b>1,707</b>	<b>1,324</b>	<b>966</b>	<b>1,285</b>	<b>1,389</b>
Weighted-average shares outstanding - basic	728	716	724	726	722
<b>Non-GAAP EPS attributable to Dell Technologies Inc. - basic</b>	<b>\$2.34</b>	<b>\$1.85</b>	<b>\$1.33</b>	<b>\$1.77</b>	<b>\$1.92</b>
<b>Non-GAAP net income attributable to Dell Technologies Inc. - diluted</b>	<b>1,707</b>	<b>1,324</b>	<b>966</b>	<b>1,285</b>	<b>1,389</b>
Weighted-average shares outstanding - diluted	743	735	737	738	740
<b>Non-GAAP EPS attributable to Dell Technologies Inc. - diluted</b>	<b>\$2.30</b>	<b>\$1.80</b>	<b>\$1.31</b>	<b>\$1.74</b>	<b>\$1.88</b>

# Supplemental non-GAAP measures

## Adjusted EBITDA

\$ in millions	3Q23	4Q23	1Q24	2Q24	3Q24
<b>GAAP net income</b>	<b>241</b>	<b>606</b>	<b>578</b>	<b>455</b>	<b>1,004</b>
<b>Adjustments:</b>					
Interest and other, net <sup>1</sup>	1,308	266	364	451	306
Income tax provision (benefit)	213	317	127	259	176
Depreciation and amortization	832	854	809	831	822
<b>EBITDA</b>	<b>2,594</b>	<b>2,043</b>	<b>1,878</b>	<b>1,996</b>	<b>2,308</b>
<b>Adjustments:</b>					
Transaction costs (income) <sup>2</sup>	8	6	3	3	3
Stock-based compensation	235	228	225	223	227
Other corporate expenses <sup>3</sup>	109	498	98	373	41
<b>Adjusted EBITDA</b>	<b>2,946</b>	<b>2,775</b>	<b>2,204</b>	<b>2,595</b>	<b>2,579</b>
<i>Adj EBITDA % of non-GAAP revenue</i>	<i>11.9%</i>	<i>11.1%</i>	<i>10.5%</i>	<i>11.3%</i>	<i>11.6%</i>

<sup>1</sup> During 3Q23, other includes \$1.0B expense recognized for the Class V litigation settlement.

<sup>2</sup> Consists of acquisition, integration, and divestiture-related costs and gains.

<sup>3</sup> Consists of severance, facilities action and impairment charges, incentive charges related to equity investments, payroll taxes associated with stock-based compensation, and other costs.

# Supplemental non-GAAP measures

## Adjusted free cash flow

\$ in millions	3Q23	4Q23	1Q24	2Q24	3Q24
<b>Cash flow from operations</b>	<b>396</b>	<b>2,714</b>	<b>1,777</b>	<b>3,214</b>	<b>2,152</b>
<b>Adjustments:</b>					
Capital expenditures and capitalized software development costs, net	(747)	(749)	(698)	(624)	(704)
<b>Free cash flow</b>	<b>(351)</b>	<b>1,965</b>	<b>1,079</b>	<b>2,590</b>	<b>1,448</b>
<b>Adjustments:</b>					
DFS financing receivables	364	175	(367)	497	(575)
DFS operating leases <sup>1</sup>	81	127	(25)	(37)	(13)
<b>Adjusted free cash flow</b>	<b>94</b>	<b>2,267</b>	<b>687</b>	<b>3,050</b>	<b>860</b>

<sup>1</sup> Amount represents change in net carrying value of equipment for DFS operating leases.

# Supplemental non-GAAP measures

## Adjusted free cash flow

\$ in millions <sup>1</sup>	FY20	FY21	FY22	FY23
<b>Cash flow from operations</b>	<b>9,291</b>	<b>11,407</b>	<b>10,307</b>	<b>3,565</b>
<b>Adjustments:</b>				
Capital expenditures and capitalized software development costs, net	(2,553)	(2,062)	(2,755)	(2,993)
<b>Free cash flow</b>	<b>6,738</b>	<b>9,345</b>	<b>7,552</b>	<b>572</b>
<b>Adjustments:</b>				
DFS financing receivables	1,329	728	241	461
DFS operating leases <sup>2</sup>	819	474	394	500
<b>Adjusted free cash flow</b>	<b>8,886</b>	<b>10,547</b>	<b>8,187</b>	<b>1,533</b>
<b>VMware cash flow from operations</b>	<b>3,872</b>	<b>4,409</b>	<b>3,220</b>	<b>-</b>
<b>Adjustments:</b>				
VMware capital expenditures	(279)	(329)	(263)	-
<b>VMware free cash flow</b>	<b>3,593</b>	<b>4,080</b>	<b>2,957</b>	<b>-</b>
<b>Adjusted free cash flow excluding VMware</b>	<b>5,293</b>	<b>6,467</b>	<b>5,230</b>	<b>1,533</b>

<sup>1</sup> Amounts are based on underlying data and may not visually foot due to rounding.

<sup>2</sup> Amount represents change in net carrying value of equipment for DFS operating leases.

# Supplemental FY20 - FY23 non-GAAP Measures

*\$ in millions, except per share amounts*

	FY20	FY21	FY22	FY23
<b>Revenue</b>	\$ 84,815	\$ 86,670	\$ 101,197	\$ 102,301
Impact of purchase accounting <sup>1</sup>	229	106	32	-
<b>Non-GAAP revenue</b>	<b>\$ 85,044</b>	<b>\$ 86,776</b>	<b>\$ 101,229</b>	<b>\$ 102,301</b>
<b>Net income from continuing operations attributable to Dell Technologies Inc.</b>	<b>\$ 525</b>	<b>\$ 2,249</b>	<b>\$ 4,948</b>	<b>\$ 2,442</b>
Amortization of intangibles	2,971	2,133	1,641	970
Impact of purchase accounting <sup>1</sup>	274	144	67	44
Transaction costs <sup>2</sup>	116	(332)	(2,143)	(16)
Stock-based compensation	245	487	808	931
Other corporate expenses <sup>3</sup>	844	268	337	1,812
Fair value adjustment on equity investments <sup>4</sup>	(159)	(427)	(572)	206
Aggregate adjustment for income taxes <sup>5</sup>	(1,361)	(772)	(156)	(642)
Total non-GAAP adjustments attributable to non-controlling interest	(4)	(6)	(7)	(13)
<b>Total adjustments to Net income attributable to Dell Technologies Inc.</b>	<b>\$ 2,926</b>	<b>\$ 1,495</b>	<b>\$ (25)</b>	<b>\$ 3,292</b>
<b>Non-GAAP net income attributable to Dell Technologies Inc.</b>	<b>\$ 3,451</b>	<b>\$ 3,744</b>	<b>\$ 4,923</b>	<b>\$ 5,734</b>
<b>Net income attributable to Dell Technologies Inc.</b>	<b>\$ 525</b>	<b>\$ 2,249</b>	<b>\$ 4,948</b>	<b>\$ 2,442</b>
Weighted-average shares outstanding - basic	724	744	762	734
<b>Earnings per share attributable to Dell Technologies Inc. - basic</b>	<b>\$ 0.73</b>	<b>\$ 3.02</b>	<b>\$ 6.49</b>	<b>\$ 3.33</b>
Weighted-average shares outstanding - diluted	751	767	791	753
<b>Earnings per share attributable to Dell Technologies Inc. - diluted</b>	<b>\$ 0.70</b>	<b>\$ 2.93</b>	<b>\$ 6.26</b>	<b>\$ 3.24</b>
<b>Non-GAAP Net income attributable to Dell Technologies Inc.</b>	<b>\$ 3,451</b>	<b>\$ 3,744</b>	<b>\$ 4,923</b>	<b>\$ 5,734</b>
Weighted-average shares outstanding - basic	724	744	762	734
<b>Non-GAAP earnings per share attributable to Dell Technologies Inc. - basic</b>	<b>\$ 4.77</b>	<b>\$ 5.03</b>	<b>\$ 6.46</b>	<b>\$ 7.81</b>
Weighted-average shares outstanding - diluted	751	767	791	753
<b>Non-GAAP earnings per share attributable to Dell Technologies Inc. - diluted</b>	<b>\$ 4.60</b>	<b>\$ 4.88</b>	<b>\$ 6.22</b>	<b>\$ 7.61</b>

<sup>1</sup> This amount includes non-cash purchase accounting adjustments primarily related to the EMC merger transaction.

<sup>2</sup> Consists of acquisition, integration, and divestiture-related costs and gains.

<sup>3</sup> Consists of impairment charges, severance, facilities action, incentive charges related to equity investments, and other costs.

<sup>4</sup> Consists of the gain (loss) on strategic investments, which includes recurring fair value adjustments on equity investments.

<sup>5</sup> Consists of the tax effects of non-GAAP adjustments, as well as an adjustment for discrete tax items.

# Appendix C

 Supplemental Financial Statements

# Balance Sheet

## Assets

\$ in millions	3Q23	4Q23	1Q24	2Q24	3Q24
<b>Current assets:</b>					
Cash and cash equivalents	4,909	8,607	7,631	8,364	8,298
Accounts receivable, net	11,431	12,482	9,399	10,351	9,720
Due from related parties, net	203	378	384	404	386
Short-term financing receivables, net	4,915	5,281	5,013	4,807	4,540
Inventories, net	6,172	4,776	4,016	3,584	3,381
Other current assets	11,157	10,827	10,949	11,047	10,597
Current assets held for sale	—	—	—	442	65
<b>Total current assets</b>	<b>38,787</b>	<b>42,351</b>	<b>37,392</b>	<b>38,999</b>	<b>36,987</b>
Property, plant, and equipment, net	5,847	6,209	6,261	6,252	6,222
Long-term investments	1,534	1,518	1,399	1,331	1,294
Long-term financing receivables, net	5,659	5,638	5,524	5,813	5,773
Goodwill	19,366	19,676	19,661	19,640	19,616
Intangible assets, net	6,728	6,468	6,269	6,060	5,907
Due from related parties, net	612	440	442	236	239
Other non-current assets	6,639	7,311	7,146	7,327	7,226
<b>Total assets</b>	<b>85,172</b>	<b>89,611</b>	<b>84,094</b>	<b>85,658</b>	<b>83,264</b>

# Balance Sheet

## Liabilities and equity

\$ in millions	3Q23	4Q23	1Q24	2Q24	3Q24
<b>Current liabilities:</b>					
Short-term debt	6,767	6,573	5,470	6,961	6,498
Accounts payable	22,507	18,598	17,796	19,969	19,478
Due to related parties, net	712	2,067	594	1,252	1,246
Accrued and other	7,915	8,874	7,438	6,586	6,449
Short-term deferred revenue	14,106	15,542	15,527	16,174	15,206
<b>Total current liabilities</b>	<b>52,007</b>	<b>51,654</b>	<b>46,825</b>	<b>50,942</b>	<b>48,877</b>
Long-term debt	20,562	23,015	22,962	20,177	20,119
Long-term deferred revenue	12,983	14,744	14,168	14,138	13,847
Other non-current liabilities	2,988	3,223	3,063	3,078	2,991
<b>Total liabilities</b>	<b>88,540</b>	<b>92,636</b>	<b>87,018</b>	<b>88,335</b>	<b>85,834</b>
Total Dell Technologies Inc. stockholders' equity (deficit)	(3,469)	(3,122)	(3,023)	(2,772)	(2,664)
Non-controlling interest	101	97	99	95	94
<b>Total stockholders' equity (deficit)</b>	<b>(3,368)</b>	<b>(3,025)</b>	<b>(2,924)</b>	<b>(2,677)</b>	<b>(2,570)</b>
<b>Total liabilities, redeemable shares and stockholders' equity (deficit)</b>	<b>85,172</b>	<b>89,611</b>	<b>84,094</b>	<b>85,658</b>	<b>83,264</b>

# Appendix D

 Guidance

# Supplemental non-GAAP Measures

## Financial guidance<sup>1</sup>

	4Q24	FY24
	Diluted EPS	
<b>GAAP guidance</b>	<b>\$1.12 - \$1.32</b>	<b>\$3.89 - \$4.09</b>
<b>Estimated adjustments for:<sup>2</sup></b>		
Impact of purchase accounting and amortization of intangibles <sup>3</sup>	0.29	1.13
Stock-based compensation	0.28	1.19
Other corporate and transaction related expenses <sup>4</sup>	0.01	0.78
Fair value adjustments on equity investments <sup>2</sup>	—	0.05
Aggregate adjustment for income taxes <sup>5</sup>	(0.10)	(0.51)
<b>Non-GAAP guidance</b>	<b>\$1.60 - \$1.80</b>	<b>\$6.53 - \$6.73</b>

<sup>1</sup> Amounts are subject to change with no obligation to reconcile these estimates. Amounts may not visually foot due to underlying data.

<sup>2</sup> No estimates are included for 4QFY24 guidance purposes on potential fair value adjustments on strategic investments given the potential volatility of either gains or losses on those equity investments. Additionally, no estimate is included for any potential severance in the Q4FY24 as it cannot be reasonably estimated at this time.

<sup>3</sup> Impact of purchase accounting and amortization of intangibles represents an estimate for acquisitions completed as of November 3, 2023 and does not include estimates for potential acquisitions, if any, during the remainder of FY24.

<sup>4</sup> Consists of severance, facilities action, impairment, acquisition, integration, divestiture-related, and other costs. No estimate is included for 4QFY24 severance expense as it cannot be reasonably estimated at this time.

<sup>5</sup> The aggregate adjustment for income taxes is the estimated combined income tax effect for the adjustments shown above as well as an adjustment for discrete tax items.



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