New Accounting Standard
Revenue Recognition

April 26, 2018

DELL Technologies

Legal note

Non-GAAP Financial Measures

This presentation includes information about non-GAAP revenue, non-GAAP gross margin, non-GAAP operating expenses, non-GAAP operating income, EBITDA and adjusted EBITDA (collectively the "non-GAAP financial measures"), which are not measurements of financial performance prepared in accordance with US generally accepted accounting principles. We have provided a reconciliation of the historical non-GAAP financial measures to the most directly comparable GAAP measures in the slides captioned "Supplemental Non-GAAP Measures" in Appendix C.

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. We assume no obligation to update our forward-looking statements.

Special Note on the Divestitures

During Fiscal 2017, we closed the Dell Services, Dell Software Group (DSG), and Enterprise Content Division (ECD) divestiture transactions. We received total cash consideration of approximately $7.0 billion from the divestitures and recorded a gain on sale, net of tax, of approximately $1.9 billion. Accordingly, the results of operations of Dell Services, DSG and ECD, as well as the related gains or losses on sale, have been excluded from the results of continuing operations in the periods presented.

Agenda

- ASC 606 Overview and Impact to Dell Technologies
- Recast Consolidated Financial Results
- Recast Business Unit Financial Results
- Appendices

Considerations in Financial Reporting

- Dell Technologies has adopted ASC 606, Revenue From Contracts With Customers, in the first quarter of FY’19.
- GAAP results will include substantial non-cash purchase accounting for the next several years related to the EMC acquired businesses.
- An assessment of the tax impact of ASC 606 is still in process, and therefore, only operating income/(loss) and selected balance sheet amounts have been included and Consolidated Statement of Financial Position, cash flows, and net income have been excluded from this presentation.
- VMware business unit results, which reflect the operations of VMware, Inc. within Dell Technologies, are different from VMware, Inc.’s results on a stand-alone basis.
- FY’17 includes results of the EMC acquired businesses, including VMware, as of the date of acquisition (September 7, 2016).
- FY’17 financial results are presented on a continuing operations basis and exclude the results of operations and related gains or losses associated with the divestiture transactions.
- FY’17 was a 53-week year relative to FY’18, which was a typical 52-week year.

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Overview of New Standard and Impact to FY'18

Net revenue change (FY'18)

+$0.4 billion

<1% vs. As Reported[1]

Gross margin change (FY'18)

+$0.5 billion

+2.4% vs. As Reported[1]

Operating loss change (FY'18)

+$0.9 billion

+27.5% vs. As Reported[1]

Periods covered

- FY'18 and FY'17 recast for comparability
- EMC acquired businesses included as of the acquisition date, Sept. 7, 2016
- Impacts prior to FY'17 recorded into retained earnings

No change

- Bookings
- Customer billings
- Total operating cash flow
- Timing of revenue recognition for product hardware and services

Primary changes

Income Statement change:

- Revenue value allocation and timing
  - Software License Offerings
  - Third-party Software
  - Extended Warranty Revenue
  - Customer Rebates
- Timing of sales commissions

Balance Sheet change:

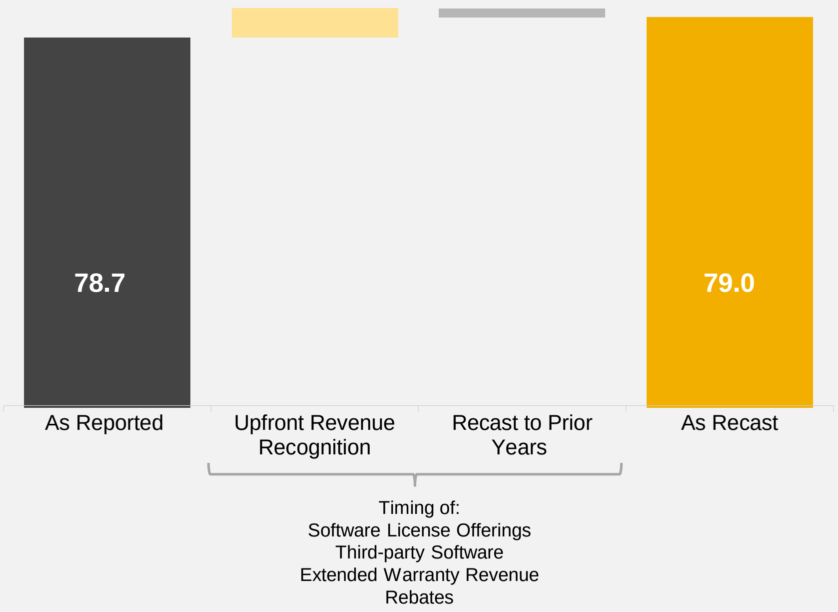
- Deferred revenue impact commensurate with earlier revenue recognition
- Gross presentation of certain deferred costs and return rights

[1] *As Reported is defined as ASC 605, Revenue, and related guidance used for financial reporting prior to adoption of ASC 606, Revenue from Contracts with Customers.*

FY'18: As Reported to Recast[1]

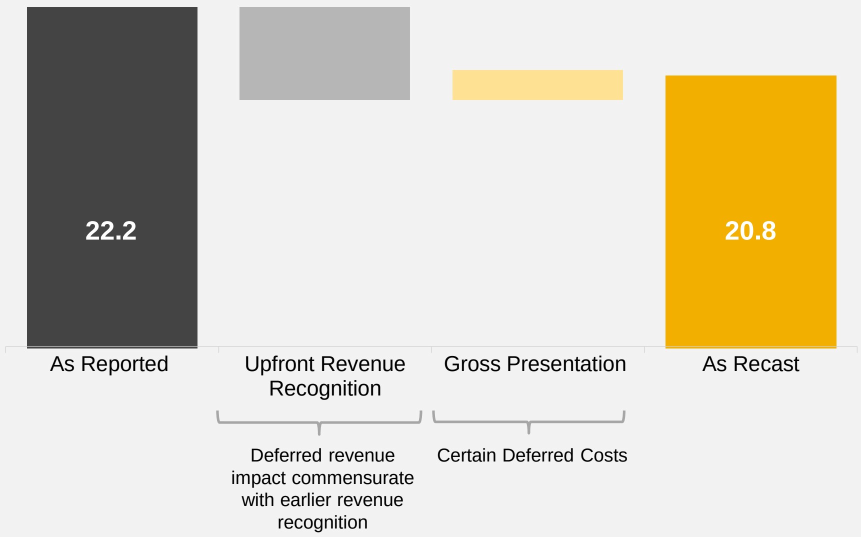
Revenue

FY'18
($ in billions)



Deferred Revenue

February 2, 2018
($ in billions)



[1]*Amounts presented may not foot and cross reference due to rounding.*

Consolidated Results[1,2]

GAAP

$ in millions	FY'17 As Reported	FY'17 As Recast	FY'17 Change ($)	FY'18 As Reported	FY'18 As Recast	FY'18 Change ($)	Y/Y As Reported	Y/Y As Recast
Revenue	**61,642**	**62,164**	**522**	**78,660**	**79,040**	**380**	***27.6%***	***27.1%***
Gross margin	12,959	13,649	690	20,054	20,537	483	*54.7%*	*50.5%*
GM % of revenue	*21.0%*	*22.0%*	*+90 bps*	*25.5%*	*26.0%*	*+50 bps*	*+450 bps*	*+400 bps*
Operating loss	(3,252)	(2,390)	862	(3,333)	(2,416)	917	*(2.5%)*	*(1.1%)*
Operating loss % of revenue	*(5.3%)*	*(3.8%)*	*+140 bps*	*(4.2%)*	*(3.1%)*	*+120 bps*	*+100 bps*	*+80 bps*

Non-GAAP

$ in millions	FY'17 As Reported	FY'17 As Recast	FY'17 Change ($)	FY'18 As Reported	FY'18 As Recast	FY'18 Change ($)	Y/Y As Reported	Y/Y As Recast
Revenue[3]	**62,822**	**63,316**	**494**	**79,929**	**80,309**	**380**	***27.2%***	***26.8%***
Gross margin	16,819	17,481	662	25,185	25,668	483	*49.7%*	*46.8%*
GM % of revenue	*26.8%*	*27.6%*	*+80 bps*	*31.5%*	*32.0%*	*+50 bps*	*+470 bps*	*+440 bps*
Operating income	5,113	5,947	834	6,855	7,772	917	*34.1%*	*30.7%*
Operating income % of revenue	*8.1%*	*9.4%*	*+130 bps*	*8.6%*	*9.7%*	*+110 bps*	*+40 bps*	*+30 bps*
Adjusted EBITDA	**5,941**	**6,775**	**834**	**8,217**	**9,134**	**917**	***38.3%***	***34.8%***
Adj EBITDA % of revenue	*9.5%*	*10.7%*	*+120 bps*	*10.3%*	*11.4%*	*+110 bps*	*+80 bps*	*+70 bps*

[1] Results presented on a continuing operations basis. Historical results prior to 3Q'17 do not include EMC acquired businesses.
[2] See Appendix C for reconciliation of Non-GAAP to GAAP measures.
[3] Non-GAAP FY'17 revenue includes a one-time $28 million ASC 606 impact to purchase accounting associated with the going-private transaction.

Primary Changes

Adjustments to reconcile Non-GAAP to GAAP are unchanged in FY'18 under ASC 606

There is no change to recognition of cost as a result of the new standard

GAAP operating loss and Non-GAAP operating income improved under ASC 606 due to an increase in upfront revenue recognition and a decrease in operating expenses due to the deferral of commissions

Under ASC 606:

- Commissions with contracts >1 year are capitalized and amortized typically over 3 to 7 years; on average over 36 months
- Rebates are deferred and amortized on average over 36 months

Recast by Business Unit[1]

Client Solutions Group	FY'17			FY'18			Y/Y	
$ in millions	**As Reported**	**As Recast**	**Change**	**As Reported**	**As Recast**	**Change**	**As Reported**	**As Recast**
Commercial	26,006	25,773	(233)	27,747	27,507	(240)	*6.7%*	*6.7%*
Consumer	10,748	10,736	(12)	11,708	11,711	3	*8.9%*	*9.1%*
Total revenue	**36,754**	**36,509**	**(245)**	**39,455**	**39,218**	**(237)**	***7.3%***	***7.4%***
Operating income	**1,845**	**1,751**	**(94)**	**2,193**	**2,044**	**(149)**	***18.9%***	***16.7%***
OpInc % of revenue	*5.0%*	*4.8%*	*-20 bps*	*5.6%*	*5.2%*	*-35 bps*	*+60 bps*	*+40 bps*

Infrastructure Solutions Group	FY'17			FY'18			Y/Y	
$ in millions	**As Reported**	**As Recast**	**Change**	**As Reported**	**As Recast**	**Change**	**As Reported**	**As Recast**
Servers & networking	12,834	12,973	139	15,398	15,533	135	*20.0%*	*19.7%*
Storage	8,942	9,097	155	15,254	15,384	130	*70.6%*	*69.1%*
Total revenue	**21,776**	**22,070**	**294**	**30,652**	**30,917**	**265**	***40.8%***	***40.1%***
Operating income	**2,393**	**2,920**	**527**	**2,179**	**3,068**	**889**	***-8.9%***	***5.1%***
OpInc % of revenue	*11.0%*	*13.2%*	*+220 bps*	*7.1%*	*9.9%*	*+280 bps*	-390 bps	-330 bps

VMware[2]	FY'17			FY'18			Y/Y	
$ in millions	**As Reported**	**As Recast**	**Change**	**As Reported**	**As Recast**	**Change**	**As Reported**	**As Recast**
Total revenue	**3,225**	**3,543**	**318**	**7,925**	**7,994**	**69**	***145.7%***	***125.6%***
Operating income	**1,113**	**1,516**	**403**	**2,520**	**2,809**	**289**	***126.5%***	***85.3%***
OpInc % of revenue	*34.5%*	*42.8%*	*+830 bps*	*31.8%*	*35.1%*	*+330 bps*	-270 bps	-770 bps

[1] *Results presented on a continuing operations basis. Historical results prior to 3Q'17 do not include EMC acquired businesses.*
[2] *The VMware business unit results reflect the operations of VMware within Dell Technologies and are different from VMware's results on a standalone basis.*

Primary Changes

As Recast includes business unit reporting changes in order to conform to FY'19 presentation:

- Virtustream is reported as a part of Other businesses instead of the Infrastructure Solutions Group (ISG)
- Certain after-point-of-sale (APOS) services revenue is now reported in ISG instead of the Client Solutions Group (CSG)

As Recast CSG changes are primarily due to the APOS reporting change

The change from As Reported to As Recast revenue for ISG and VMware is <1% for each business unit

As Recast operating income for ISG and VMware had a larger impact due to the timing of the EMC acquisition and the impact to software in the new standard

Impact to As Recast ISG operating income is also due to the business unit reporting changes mentioned above

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Pivotal
RSA
Secureworks
virtustream
vmware

Appendix A

New Accounting Standard ASC 606 Examples

Example: Product and Software Solution Offering

Income Statement change
- Revenue value allocation between products and services
- More upfront revenue and less deferred
- Less value assigned to software maintenance

Balance Sheet change
- Deferred revenue impact commensurate with earlier revenue recognition

No change
- Customer billings and cash flows
- Timing of revenue recognition for hardware

Example impact on revenue recognition

A solution that includes hardware, software licenses, software maintenance, and other software elements.

As Reported

	Year 1	Year 2	Year 3
Customer billings	3,800		
Product revenue	2,600	-	-
Services revenue	400	400	400
Deferred revenue	800	400	-

As Recast

	Year 1	Year 2	Year 3
Customer billings	3,800		
Product revenue	3,000	-	-
Services revenue	266	267	267
Deferred revenue	534	267	-

Reason for change

ASC 605 included specific transaction value allocation rules for software and software-related elements. This generally resulted in a higher amount of value in the arrangement to be deferred and recognized over time in services revenue. ASC 606 changed the specific software allocation rules and, as a result, discounts in arrangements will be allocated to product and services performance obligations based on their respective fair values, thereby increasing product revenue and decreasing services revenue. Timing of the separate performance obligations will be recognized upon transfer of control.

Example: Extended Warranty Revenue

Income Statement change
- Less value assigned to extended warranty
- More upfront revenue to hardware
- Revenue value allocation between products and services

Balance Sheet change
- Deferred revenue impact commensurate with earlier revenue recognition

No change
- Customer billings and cash flows
- Standard warranty

Example impact on revenue recognition

Hardware sold with standard warranty and a separately stated extended warranty.

As Reported

	Year 1	Year 2	Year 3
Customer billings	2,000		
Product revenue	1,400	-	-
Services revenue	200	200	200
Deferred revenue	400	200	-

As Recast

	Year 1	Year 2	Year 3
Customer billings	2,000		
Product revenue	1,700	-	-
Services revenue	100	100	100
Deferred revenue	200	100	-

Reason for change

ASC 605 included specific guidance that the value allocated to the extended warranty be the amount separately stated on the contract. This generally resulted in more of the value in the arrangement to be deferred and recognized over time in services revenue. ASC 606 changed this requirement and, as a result, amounts are now allocated to the product and services performance obligations based on their respective fair values, thereby increasing product revenue and decreasing services revenue. Timing of the separate performance obligations will be recognized upon transfer of control.

Example: Third-Party Software

Income Statement change
- Revenue value allocation between products and services
- Cost of revenue allocation between products and services
- More upfront revenue and cost of revenue

Balance Sheet change
- Deferred revenue impact commensurate with earlier revenue recognition
- Gross presentation of certain deferred costs

No change
- Customer billings and cash flows
- Timing of revenue recognition for software maintenance

Example impact on revenue recognition

Third-party software sold to customer with software maintenance provided over three years.

As Reported

	Year 1	Year 2	Year 3
Customer billings	600		
Product revenue	-	-	-
Services revenue	200	200	200
Deferred revenue	400	200	-

As Recast

	Year 1	Year 2	Year 3
Customer billings	600		
Product revenue	400	-	-
Services revenue	67	67	66
Deferred revenue	133	67	-

Reason for change

ASC 605 includes valuation allocation and separation criteria (e.g., vendor specific evidence of fair value (VSOE)) to separate software license value from the software maintenance value. Dell generally did not meet the separation criteria for third-party software, causing the value of the entire arrangement to be deferred and recognized over time in services revenue. ASC 606 eliminated the separation criteria and now the value of the license will be separated from the value of the software maintenance. The license value will be recognized in product revenue and the value of the software maintenance will continue to be recognized in services revenue. Timing of the separate performance obligations will be recognized upon transfer of control.

Example: Software License Offerings

Income Statement change
- More upfront revenue to product

Balance Sheet change
- Deferred revenue impact commensurate with earlier revenue recognition

No change
- Customer billings and cash flows

Example impact on revenue recognition

Perpetual license with promised upgrade to be provided in month three. For illustrative purposes, the example excludes software maintenance.

As Reported

	Month 1	Month 2	Month 3
Customer billings	1,000		
Product revenue	-	-	1,000
Deferred revenue	1,000	1,000	-

As Recast

	Month 1	Month 2	Month 3
Customer billings	1,000		
Product revenue	900	-	100
Deferred revenue	100	100	-

Reason for change

ASC 605 required deferral of all license revenue related to the sale of its perpetual licenses in the event certain revenue recognition criteria were not met due to vendor-specific objective evidence of fair value criteria. ASC 606 eliminated the separation requirement, allowing substantially all license revenue related to the sale of licenses to be recognized upon transfer of control. This change impacts arrangements that also included offers of future products.

Example: Term-based Software Licenses

Income Statement change
- Revenue value allocation between products and services
- More upfront revenue recognized on transfer of control of the license

Balance Sheet change
- Deferred revenue impact commensurate with earlier revenue recognition

No change
- Customer billings and cash flows
- Timing of revenue recognition for software maintenance arrangements

Example impact on revenue recognition

Dell-owned term-based software license sold to customer with software maintenance provided over three years.

As Reported

	Year 1	Year 2	Year 3
Customer billings	1,200		
Product revenue	300	300	300
Services revenue	100	100	100
Deferred revenue	800	400	-

As Recast

	Year 1	Year 2	Year 3
Customer billings	1,200		
Product revenue	900	-	-
Services revenue	100	100	100
Deferred revenue	200	100	-

Reason for change

Like third-party software, ASC 605 included valuation allocation and separation criteria (VSOE) to separate software license value from software maintenance value. Dell generally did not meet the separation criteria for Dell-owned term-based software licenses, causing the value of the entire arrangement to be deferred and recognized over time in services revenue. With elimination of separation criteria, value of the license will be separated from the value of the software maintenance in most cases. The license value will be recognized in product revenue and the value of the software maintenance will continue to be recognized in services revenue. Timing of the separate performance obligations will be recognized upon transfer of control.

Appendix B

Supplemental financial results

Recast Income Statement Summary[1,2]

GAAP

($ in millions)	As Reported FY'17	1Q'18	2Q'18	3Q'18	4Q'18	FY'18	As Recast FY'17	1Q'18	2Q'18	3Q'18	4Q'18	FY'18	Change FY'17	1Q'18	2Q'18	3Q'18	4Q'18	FY'18
Products	48,706	12,968	14,355	14,680	16,798	58,801	51,057	13,634	15,102	15,120	17,395	61,251	2,351	666	747	440	597	2,450
Services	12,936	4,848	4,944	4,930	5,137	19,859	11,107	4,366	4,419	4,436	4,568	17,789	(1,829)	(482)	(525)	(494)	(569)	(2,070)
Revenue	**61,642**	**17,816**	**19,299**	**19,610**	**21,935**	**78,660**	**62,164**	**18,000**	**19,521**	**19,556**	**21,963**	**79,040**	**522**	**184**	**222**	**(54)**	**28**	**380**
Products	42,169	11,459	12,378	12,369	14,009	50,215	43,388	11,823	12,775	12,573	14,262	51,433	1,219	364	397	204	253	1,218
Services	6,514	2,055	2,112	2,078	2,146	8,391	5,127	1,720	1,778	1,763	1,809	7,070	(1,387)	(335)	(334)	(315)	(337)	(1,321)
Cost of revenue	**48,683**	**13,514**	**14,490**	**14,447**	**16,155**	**58,606**	**48,515**	**13,543**	**14,553**	**14,336**	**16,071**	**58,503**	**(168)**	**29**	**63**	**(111)**	**(84)**	**(103)**
Products	6,537	1,509	1,977	2,311	2,789	8,586	7,669	1,811	2,327	2,547	3,133	9,818	1,132	302	350	236	344	1,232
Services	6,422	2,793	2,832	2,852	2,991	11,468	5,980	2,646	2,641	2,673	2,759	10,719	(442)	(147)	(191)	(179)	(232)	(749)
Gross margin	**12,959**	**4,302**	**4,809**	**5,163**	**5,780**	**20,054**	**13,649**	**4,457**	**4,968**	**5,220**	**5,892**	**20,537**	**690**	**155**	**159**	**57**	**112**	**483**
GM as % of revenue	*21.0%*	*24.1%*	*24.9%*	*26.3%*	*26.4%*	*25.5%*	*22.0%*	*24.8%*	*25.4%*	*26.7%*	*26.8%*	*26.0%*	*0.9%*	*0.6%*	*0.5%*	*0.4%*	*0.5%*	*0.5%*
Operating expenses	16,211	5,802	5,788	5,696	6,101	23,387	16,039	5,729	5,633	5,630	5,961	22,953	(172)	(73)	(155)	(66)	(140)	(434)
Operating loss	**(3,252)**	**(1,500)**	**(979)**	**(533)**	**(321)**	**(3,333)**	**(2,390)**	**(1,272)**	**(665)**	**(410)**	**(69)**	**(2,416)**	**862**	**228**	**314**	**123**	**252**	**917**
OpInc (Loss) as % of revenue	*-5.3%*	*-8.4%*	*-5.1%*	*-2.7%*	*-1.5%*	*-4.2%*	*-3.8%*	*-7.1%*	*-3.4%*	*-2.1%*	*-0.3%*	*-3.1%*	*1.4%*	*1.4%*	*1.7%*	*0.6%*	*1.1%*	*1.2%*

Non-GAAP

($ in millions)	As Reported FY'17	1Q'18	2Q'18	3Q'18	4Q'18	FY'18	As Recast FY'17	1Q'18	2Q'18	3Q'18	4Q'18	FY'18	Change FY'17	1Q'18	2Q'18	3Q'18	4Q'18	FY'18
Products	49,006	13,023	14,405	14,713	16,830	58,971	51,357	13,689	15,152	15,153	17,427	61,421	2,351	666	747	440	597	2,450
Services	13,816	5,148	5,229	5,192	5,389	20,958	11,959	4,666	4,704	4,698	4,820	18,888	(1,857)	(482)	(525)	(494)	(569)	(2,070)
Revenue[3]	**62,822**	**18,171**	**19,634**	**19,905**	**22,219**	**79,929**	**63,316**	**18,355**	**19,856**	**19,851**	**22,247**	**80,309**	**494**	**184**	**222**	**(54)**	**28**	**380**
Products	39,660	10,494	11,436	11,440	13,072	46,442	40,879	10,858	11,833	11,644	13,325	47,660	1,219	364	397	204	253	1,218
Services	6,343	2,031	2,098	2,048	2,125	8,302	4,956	1,696	1,764	1,733	1,788	6,981	(1,387)	(335)	(334)	(315)	(337)	(1,321)
Cost of revenue	**46,003**	**12,525**	**13,534**	**13,488**	**15,197**	**54,744**	**45,835**	**12,554**	**13,597**	**13,377**	**15,113**	**54,641**	**(168)**	**29**	**63**	**(111)**	**(84)**	**(103)**
Products	9,346	2,529	2,969	3,273	3,758	12,529	10,478	2,831	3,319	3,509	4,102	13,761	1,132	302	350	236	344	1,232
Services	7,473	3,117	3,131	3,144	3,264	12,656	7,003	2,970	2,940	2,965	3,032	11,907	(470)	(147)	(191)	(179)	(232)	(749)
Gross margin	**16,819**	**5,646**	**6,100**	**6,417**	**7,022**	**25,185**	**17,481**	**5,801**	**6,259**	**6,474**	**7,134**	**25,668**	**662**	**155**	**159**	**57**	**112**	**483**
GM as % of revenue	*26.8%*	*31.1%*	*31.1%*	*32.2%*	*31.6%*	*31.5%*	*27.6%*	*31.6%*	*31.5%*	*32.6%*	*32.1%*	*32.0%*	*0.8%*	*0.5%*	*0.5%*	*0.4%*	*0.5%*	*0.5%*
Operating expenses	11,706	4,449	4,548	4,431	4,902	18,330	11,534	4,376	4,393	4,365	4,762	17,896	(172)	(73)	(155)	(66)	(140)	(434)
Operating income	**5,113**	**1,197**	**1,552**	**1,986**	**2,120**	**6,855**	**5,947**	**1,425**	**1,866**	**2,109**	**2,372**	**7,772**	**834**	**228**	**314**	**123**	**252**	**917**
OpInc as % of revenue	*8.1%*	*6.6%*	*7.9%*	*10.0%*	*9.5%*	*8.6%*	*9.4%*	*7.8%*	*9.4%*	*10.6%*	*10.7%*	*9.7%*	*1.3%*	*1.2%*	*1.5%*	*0.6%*	*1.1%*	*1.1%*
Adjusted EBITDA	**5,941**	**1,567**	**1,866**	**2,318**	**2,466**	**8,217**	**6,775**	**1,795**	**2,180**	**2,441**	**2,718**	**9,134**	**834**	**228**	**314**	**123**	**252**	**917**
Adj EBITDA as % of revenue	*9.5%*	*8.6%*	*9.5%*	*11.6%*	*11.1%*	*10.3%*	*10.7%*	*9.8%*	*11.0%*	*12.3%*	*12.2%*	*11.4%*	*1.2%*	*1.2%*	*1.5%*	*0.7%*	*1.1%*	*1.1%*

[1] Results presented on a continuing operations basis. Historical results prior to 3Q'17 do not include EMC acquired businesses.
[2] See Appendix C for reconciliation of Non-GAAP to GAAP measures.
[3] Non-GAAP FY'17 revenue includes a one-time $28 million ASC 606 impact to purchase accounting associated with the going-private transaction.

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Business Unit Revenue and Operating Income/(Loss) Summary[1]

$ in millions	As Reported						As Recast					
	FY'17	1Q'18	2Q'18	3Q'18	4Q'18	FY'18	FY'17	1Q'18	2Q'18	3Q'18	4Q'18	FY'18
Revenue												
CSG	36,754	9,056	9,851	9,959	10,589	39,455	36,509	9,048	9,866	9,829	10,475	39,218
ISG	21,776	6,916	7,406	7,518	8,812	30,652	22,070	6,961	7,467	7,535	8,954	30,917
VMware[2]	3,225	1,736	1,907	1,953	2,329	7,925	3,543	1,818	1,984	1,933	2,259	7,994
Reportable segment net revenue	**61,755**	**17,709**	**19,164**	**19,430**	**21,731**	**78,032**	**62,122**	**17,827**	**19,317**	**19,297**	**21,688**	**78,129**
Other businesses	1,026	462	472	475	492	1,901	1,153	529	543	557	566	2,195
Unallocated transactions	41	1	(2)	0	(4)	(4)	41	(1)	(4)	(3)	(7)	(15)
Impact of purchase accounting	(1,180)	(355)	(335)	(295)	(284)	(1,269)	(1,152)	(355)	(335)	(295)	(284)	(1,269)
Total GAAP revenue	**61,642**	**17,816**	**19,299**	**19,610**	**21,935**	**78,660**	**62,164**	**18,000**	**19,521**	**19,556**	**21,963**	**79,040**
Operating income/(loss)												
CSG	1,845	374	566	672	581	2,193	1,751	325	528	630	561	2,044
ISG	2,393	323	430	678	748	2,179	2,920	506	647	870	1,045	3,068
VMware[2]	1,113	486	561	639	834	2,520	1,516	611	728	634	836	2,809
Reportable segment operating income	**5,351**	**1,183**	**1,557**	**1,988**	**2,163**	**6,892**	**6,187**	**1,442**	**1,903**	**2,134**	**2,442**	**7,921**
Other businesses	(39)	3	1	6	(31)	(21)	(42)	(23)	(29)	(19)	(54)	(125)
Unallocated transactions	(199)	11	(6)	(8)	(12)	(16)	(198)	6	(8)	(6)	(16)	(24)
Impact of purchase accounting	(2,294)	(423)	(406)	(366)	(351)	(1,546)	(2,266)	(423)	(406)	(366)	(351)	(1,546)
Amortization of intangibles	(3,681)	(1,776)	(1,740)	(1,734)	(1,730)	(6,980)	(3,681)	(1,776)	(1,740)	(1,734)	(1,730)	(6,980)
Transaction related expense	(1,488)	(191)	(138)	(86)	(87)	(502)	(1,488)	(191)	(138)	(86)	(87)	(502)
Other corporate expense	(902)	(307)	(247)	(333)	(273)	(1,160)	(902)	(307)	(247)	(333)	(273)	(1,160)
Total GAAP operating loss	**(3,252)**	**(1,500)**	**(979)**	**(533)**	**(321)**	**(3,332)**	**(2,390)**	**(1,272)**	**(665)**	**(410)**	**(69)**	**(2,416)**
CSG - OpInc as % of revenue	*5.0%*	*4.1%*	*5.7%*	*6.7%*	*5.5%*	*5.6%*	*4.8%*	*3.6%*	*5.4%*	*6.4%*	*5.4%*	*5.2%*
ISG - OpInc as % of revenue	*11.0%*	*4.7%*	*5.8%*	*9.0%*	*8.5%*	*7.1%*	*13.2%*	*7.3%*	*8.7%*	*11.5%*	*11.7%*	*9.9%*
VMware[2] - OpInc as % of revenue	*34.5%*	*28.0%*	*29.4%*	*32.7%*	*35.8%*	*31.8%*	*42.8%*	*33.6%*	*36.7%*	*32.8%*	*37.0%*	*35.1%*

[1] Results presented on a continuing operations basis. Historical results prior to 3Q'17 do not include EMC acquired businesses.
[2] The VMware business unit results reflect the operations of VMware within Dell Technologies and are different from VMware's results on a standalone basis

Selected Balance Sheet Amounts[1]

($ in millions)	As Reported 4Q'17	As Reported 1Q'18	As Reported 2Q'18	As Reported 3Q'18	As Reported 4Q'18	As Recast 4Q'17	As Recast 1Q'18	As Recast 2Q'18	As Recast 3Q'18	As Recast 4Q'18	Change 4Q'17	Change 1Q'18	Change 2Q'18	Change 3Q'18	Change 4Q'18
Selected assets															
Cash and cash equivalents	9,474	9,554	9,213	11,706	13,942	9,474	9,554	9,213	11,706	13,942	-	-	-	-	-
Short-term investments	1,975	1,620	2,015	2,008	2,187	1,975	1,620	2,015	2,008	2,187	-	-	-	-	-
Accounts receivable, net	9,420	8,834	9,716	9,189	11,177	9,889	9,342	10,269	9,712	11,677	469	508	553	523	500
Short-term financing receivables, net	3,222	3,255	3,473	3,643	3,919	3,222	3,255	3,473	3,643	3,919	-	-	-	-	-
Inventories, net	2,538	2,466	2,594	2,582	2,678	2,538	2,466	2,594	2,582	2,678	-	-	-	-	-
Other current assets	4,144	4,655	5,194	5,397	5,054	4,807	5,318	5,944	6,169	5,777	663	663	750	772	723
Other non-current assets[2]	1,364	1,492	1,681	1,725	1,862	1,739	1,925	2,235	2,315	2,548	375	433	554	590	686
Selected liabilities											-	-	-	-	-
Accounts payable	14,422	15,064	16,916	16,711	18,334	14,422	15,064	16,916	16,711	18,334	-	-	-	-	-
Accrued and other	7,119	6,376	6,798	6,901	7,661	7,406	6,659	7,128	7,211	8,026	287	283	330	310	365
Short-term deferred revenue	10,265	10,354	10,726	10,895	12,024	10,012	10,021	10,393	10,566	11,562	(253)	(333)	(333)	(329)	(462)
Long-term deferred revenue	8,431	8,330	8,878	9,161	10,223	7,803	7,656	8,094	8,299	9,210	(628)	(674)	(784)	(862)	(1,013)

[1] The pre-tax impact to the opening Consolidated Statement of Financial Position as of January 29, 2016 is expected to be an approximately $1 billion benefit to accumulated deficit.
[2] Does not include the tax impact of ASC 606.

Appendix C

Supplemental Non-GAAP Measures

Supplemental Non-GAAP Measures[1] – Revenue

As Reported

$ in millions	1Q'18	2Q'18	3Q'18	4Q'18	FY'17	FY'18
Products	12,968	14,355	14,680	16,798	48,706	58,801
Services	4,848	4,944	4,930	5,137	12,936	19,859
Consolidated GAAP revenue	**17,816**	**19,299**	**19,610**	**21,935**	**61,642**	**78,660**
Non-GAAP adjustments						
Products	55	50	33	32	300	170
Services	300	285	262	252	880	1,099
Impact of purchase accounting [2]	355	335	295	284	1,180	1,269
Products	13,023	14,405	14,713	16,830	49,006	58,971
Services	5,148	5,229	5,192	5,389	13,816	20,958
Non-GAAP revenue	**18,171**	**19,634**	**19,905**	**22,219**	**62,822**	**79,929**

[1] *Results presented on a continuing operations basis. Historical results prior to 3Q'17 do not include EMC acquired businesses.*
[2] *This amount includes the non-cash purchase accounting adjustments related to the EMC merger transaction and the going-private transaction.*

Supplemental Non-GAAP Measures[1] – Revenue

As Recast

$ in millions	1Q'18	2Q'18	3Q'18	4Q'18	FY'17	FY'18
Products	13,634	15,102	15,120	17,395	51,057	61,251
Services	4,366	4,419	4,436	4,568	11,107	17,789
Consolidated GAAP revenue	**18,000**	**19,521**	**19,556**	**21,963**	**62,164**	**79,040**
Non-GAAP adjustments						
Products	55	50	33	32	300	170
Services	300	285	262	252	852	1,099
Impact of purchase accounting [2]	355	335	295	284	1,152	1,269
Products	13,689	15,152	15,153	17,427	51,357	61,421
Services	4,666	4,704	4,698	4,820	11,959	18,888
Non-GAAP revenue	**18,355**	**19,856**	**19,851**	**22,247**	**63,316**	**80,309**

[1] Results presented on a continuing operations basis. Historical results prior to 3Q'17 do not include EMC acquired businesses.
[2] This amount includes the non-cash purchase accounting adjustments related to the EMC merger transaction and the going-private transaction.

Supplemental Non-GAAP Measures[1] – Gross Margin

As Reported

$ in millions	1Q'18	2Q'18	3Q'18	4Q'18	FY'17	FY'18
Products	1,509	1,977	2,311	2,789	6,537	8,586
Services	2,793	2,832	2,852	2,991	6,422	11,468
Consolidated GAAP gross margin	**4,302**	**4,809**	**5,163**	**5,780**	**12,959**	**20,054**
Non-GAAP adjustments						
Products	950	920	914	910	1,652	3,694
Services	-	-	-	-	1	-
Amortization of intangibles	950	920	914	910	1,653	3,694
Products	65	63	45	40	1,104	213
Services	300	285	262	252	903	1,099
Impact of purchase accounting [2]	365	348	307	292	2,007	1,312
Products	2	6	1	2	24	11
Services	5	4	4	0	19	13
Transaction costs [3]	7	10	5	2	43	24
Products	3	3	2	17	29	25
Services	19	10	26	21	128	76
Other corporate expenses [4]	22	13	28	38	157	101
Total adjustments to gross margin	**1,344**	**1,291**	**1,254**	**1,242**	**3,860**	**5,131**
Products	2,529	2,969	3,273	3,758	9,346	12,529
Services	3,117	3,131	3,144	3,264	7,473	12,656
Non-GAAP gross margin	**5,646**	**6,100**	**6,417**	**7,022**	**16,819**	**25,185**

[1] Results presented on a continuing operations basis. Historical results prior to 3Q'17 do not include EMC acquired businesses.
[2] This amount includes the non-cash purchase accounting adjustments related to the EMC merger transaction and the going-private transaction.
[3] Consists of acquisition, integration and divestiture-related costs.
[4] Consists of severance and facility action costs as well as stock-based compensation.

Supplemental Non-GAAP Measures[1] – Gross Margin

As Recast

$ in millions	1Q'18	2Q'18	3Q'18	4Q'18	FY'17	FY'18
Products	1,811	2,327	2,547	3,133	7,669	9,818
Services	2,646	2,641	2,673	2,759	5,980	10,719
Consolidated GAAP gross margin	**4,457**	**4,968**	**5,220**	**5,892**	**13,649**	**20,537**
Non-GAAP adjustments						
Products	950	920	914	910	1,652	3,694
Services	-	-	-	-	1	-
Amortization of intangibles	950	920	914	910	1,653	3,694
Products	65	63	45	40	1,104	213
Services	300	285	262	252	875	1,099
Impact of purchase accounting [2]	365	348	307	292	1,979	1,312
Products	2	6	1	2	24	11
Services	5	4	4	0	19	13
Transaction costs [3]	7	10	5	2	43	24
Products	3	3	2	17	29	25
Services	19	10	26	21	128	76
Other corporate expenses [4]	22	13	28	38	157	101
Total adjustments to gross margin	**1,344**	**1,291**	**1,254**	**1,242**	**3,832**	**5,131**
Products	2,831	3,319	3,509	4,102	10,478	13,761
Services	2,970	2,940	2,965	3,032	7,003	11,907
Non-GAAP gross margin	**5,801**	**6,259**	**6,474**	**7,134**	**17,481**	**25,668**

[1] *Results presented on a continuing operations basis. Historical results prior to 3Q'17 do not include EMC acquired businesses.*
[2] *This amount includes the non-cash purchase accounting adjustments related to the EMC merger transaction and the going-private transaction.*
[3] *Consists of acquisition, integration and divestiture-related costs.*
[4] *Consists of severance and facility action costs as well as stock-based compensation.*

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Supplemental Non-GAAP Measures[1] – Operating Expenses

As Reported

$ in millions	1Q'18	2Q'18	3Q'18	4Q'18	FY'17	FY'18
Consolidated GAAP operating expenses	**5,802**	**5,788**	**5,696**	**6,101**	**16,211**	**23,387**
Non-GAAP adjustments						
Amortization of intangibles	(826)	(820)	(820)	(820)	(2,028)	(3,286)
Impact of purchase accounting[2]	(58)	(58)	(59)	(59)	(287)	(234)
Transaction costs[3]	(184)	(128)	(81)	(85)	(1,445)	(478)
Other corporate expenses[4]	(285)	(234)	(305)	(235)	(745)	(1,059)
Total adjustments to operating expenses	**(1,353)**	**(1,240)**	**(1,265)**	**(1,199)**	**(4,505)**	**(5,057)**
Non-GAAP operating expenses	**4,449**	**4,548**	**4,431**	**4,902**	**11,706**	**18,330**

[1] Results presented on a continuing operations basis. Historical results prior to 3Q'17 do not include EMC acquired businesses.
[2] This amount includes the non-cash purchase accounting adjustments related to the EMC merger transaction and the going-private transaction.
[3] Consists of acquisition, integration and divestiture-related costs.
[4] Consists of severance and facility action costs as well as stock-based compensation.

Supplemental Non-GAAP Measures[1] – Operating Expenses

As Recast

$ in millions	1Q'18	2Q'18	3Q'18	4Q'18	FY'17	FY'18
Consolidated GAAP operating expenses	**5,729**	**5,633**	**5,630**	**5,961**	**16,039**	**22,953**
Non-GAAP adjustments						
Amortization of intangibles	(826)	(820)	(820)	(820)	(2,028)	(3,286)
Impact of purchase accounting[2]	(58)	(58)	(59)	(59)	(287)	(234)
Transaction costs[3]	(184)	(128)	(81)	(85)	(1,445)	(478)
Other corporate expenses[4]	(285)	(234)	(305)	(235)	(745)	(1,059)
Total adjustments to operating expenses	**(1,353)**	**(1,240)**	**(1,265)**	**(1,199)**	**(4,505)**	**(5,057)**
Non-GAAP operating expenses	**4,376**	**4,393**	**4,365**	**4,762**	**11,534**	**17,896**

[1] *Results presented on a continuing operations basis. Historical results prior to 3Q'17 do not include EMC acquired businesses.*
[2] *This amount includes the non-cash purchase accounting adjustments related to the EMC merger transaction and the going-private transaction.*
[3] *Consists of acquisition, integration and divestiture-related costs.*
[4] *Consists of severance and facility action costs as well as stock-based compensation.*

Supplemental Non-GAAP Measures[1] – Operating Income / (Loss)

As Reported

$ in millions	1Q'18	2Q'18	3Q'18	4Q'18	FY'17	FY'18
Consolidated GAAP operating loss	**(1,500)**	**(979)**	**(533)**	**(321)**	**(3,252)**	**(3,333)**
Non-GAAP adjustments						
Amortization of intangibles	1,776	1,740	1,734	1,730	3,681	6,980
Impact of purchase accounting[2]	423	406	366	351	2,294	1,546
Transaction costs[3]	191	138	86	87	1,488	502
Other corporate expenses[4]	307	247	333	273	902	1,160
Total adjustments to operating income	**2,697**	**2,531**	**2,519**	**2,441**	**8,365**	**10,188**
Non-GAAP operating income	**1,197**	**1,552**	**1,986**	**2,120**	**5,113**	**6,855**

[1] *Results presented on a continuing operations basis. Historical results prior to 3Q'17 do not include EMC acquired businesses.*
[2] *This amount includes the non-cash purchase accounting adjustments related to the EMC merger transaction and the going-private transaction.*
[3] *Consists of acquisition, integration and divestiture-related costs.*
[4] *Consists of severance and facility action costs as well as stock-based compensation.*

Supplemental Non-GAAP Measures[1] – Operating Income / (Loss)

As Recast

$ in millions	1Q'18	2Q'18	3Q'18	4Q'18	FY'17	FY'18
Consolidated GAAP operating loss	**(1,272)**	**(665)**	**(410)**	**(69)**	**(2,390)**	**(2,416)**
Non-GAAP adjustments						
Amortization of intangibles	1,776	1,740	1,734	1,730	3,681	6,980
Impact of purchase accounting[2]	423	406	366	351	2,266	1,546
Transaction costs[3]	191	138	86	87	1,488	502
Other corporate expenses[4]	307	247	333	273	902	1,160
Total adjustments to operating income	**2,697**	**2,531**	**2,519**	**2,441**	**8,337**	**10,188**
Non-GAAP operating income	**1,425**	**1,866**	**2,109**	**2,372**	**5,947**	**7,772**

[1] *Results presented on a continuing operations basis. Historical results prior to 3Q'17 do not include EMC acquired businesses.*
[2] *This amount includes the non-cash purchase accounting adjustments related to the EMC merger transaction and the going-private transaction.*
[3] *Consists of acquisition, integration and divestiture-related costs.*
[4] *Consists of severance and facility action costs as well as stock-based compensation.*

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Supplemental Non-GAAP Measures[1] – Adjusted EBITDA

As Reported

$ in millions	1Q'18	2Q'18	3Q'18	4Q'18	FY'17	FY'18
Consolidated GAAP operating loss	**(1,500)**	**(979)**	**(533)**	**(321)**	**(3,252)**	**(3,333)**
Depreciation and amortization	2,212	2,142	2,137	2,143	4,840	8,634
EBITDA	**712**	**1,163**	**1,604**	**1,822**	**1,588**	**5,301**
Non-GAAP adjustments						
Stock based compensation	201	208	221	205	392	835
Impact of purchase accounting[2]	357	335	298	284	1,926	1,274
Transaction costs[3]	191	138	86	87	1,525	502
Other corporate expenses[4]	106	22	109	68	510	305
Total adjustments to EBITDA	**855**	**703**	**714**	**644**	**4,353**	**2,916**
Adjusted EBITDA	**1,567**	**1,866**	**2,318**	**2,466**	**5,941**	**8,217**

[1] Results presented on a continuing operations basis. Historical results prior to 3Q'17 do not include EMC acquired businesses.
[2] This amount includes the non-cash purchase accounting adjustments related to the EMC merger transaction and the going-private transaction.
[3] Consists of acquisition, integration and divestiture-related costs.
[4] Consists of severance and facility action costs as well as stock-based compensation.

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Supplemental Non-GAAP Measures[1] – Adjusted EBITDA

As Recast

$ in millions	1Q'18	2Q'18	3Q'18	4Q'18	FY'17	FY'18
Consolidated GAAP operating loss	**(1,272)**	**(665)**	**(410)**	**(69)**	**(2,390)**	**(2,416)**
Depreciation and amortization	2,212	2,142	2,137	2,143	4,840	8,634
EBITDA	**940**	**1,477**	**1,727**	**2,074**	**2,450**	**6,218**
Non-GAAP adjustments						
Stock based compensation	201	208	221	205	392	835
Impact of purchase accounting[2]	357	335	298	284	1,898	1,274
Transaction costs[3]	191	138	86	87	1,525	502
Other corporate expenses[4]	106	22	109	68	510	305
Total adjustments to EBITDA	**855**	**703**	**714**	**644**	**4,325**	**2,916**
Adjusted EBITDA	**1,795**	**2,180**	**2,441**	**2,718**	**6,775**	**9,134**

[1] *Results presented on a continuing operations basis. Historical results prior to 3Q'17 do not include EMC acquired businesses.*
[2] *This amount includes the non-cash purchase accounting adjustments related to the EMC merger transaction and the going-private transaction.*
[3] *Consists of acquisition, integration and divestiture-related costs.*
[4] *Consists of severance and facility action costs as well as stock-based compensation.*