

DELL TECHNOLOGIES INC.
Condensed Consolidated Statements of Income (Loss) and Related Financial Highlights
(in millions, except per share amounts and percentages; unaudited)

	<u>Three Months Ended</u>			<u>Fiscal Year Ended</u>		
	<u>February 2, 2018</u>	<u>February 3, 2017</u>	<u>Change</u>	<u>February 2, 2018</u>	<u>February 3, 2017</u>	<u>Change</u>
Net revenue:						
Products	\$ 16,798	\$ 15,196	11 %	\$ 58,801	\$ 48,706	21 %
Services	5,137	4,878	5 %	19,859	12,936	54 %
Total net revenue	<u>21,935</u>	<u>20,074</u>	9 %	<u>78,660</u>	<u>61,642</u>	28 %
Cost of net revenue:						
Products	14,009	13,313	5 %	50,215	42,169	19 %
Services	2,146	2,230	(4)%	8,391	6,514	29 %
Total cost of net revenue	<u>16,155</u>	<u>15,543</u>	4 %	<u>58,606</u>	<u>48,683</u>	20 %
Gross margin	5,780	4,531	28 %	20,054	12,959	55 %
Operating expenses:						
Selling, general, and administrative	5,014	4,928	2 %	19,003	13,575	40 %
Research and development	1,087	1,271	(14)%	4,384	2,636	66 %
Total operating expenses	<u>6,101</u>	<u>6,199</u>	(2)%	<u>23,387</u>	<u>16,211</u>	44 %
Operating loss	(321)	(1,668)	81 %	(3,333)	(3,252)	(2)%
Interest and other, net	(555)	(742)	25 %	(2,355)	(2,104)	(12)%
Loss from continuing operations before income taxes	(876)	(2,410)	64 %	(5,688)	(5,356)	(6)%
Income tax benefit	(323)	(996)	68 %	(1,833)	(1,619)	(13)%
Net loss from continuing operations	(553)	(1,414)	61 %	(3,855)	(3,737)	(3)%
Income from discontinued operations, net of income taxes	—	1,144	(100)%	—	2,019	(100)%
Net loss	(553)	(270)	(105)%	(3,855)	(1,718)	(124)%
Less: Net loss attributable to non-controlling interests	(42)	(34)	(24)%	(127)	(46)	(176)%
Net loss attributable to Dell Technologies Inc.	<u>\$ (511)</u>	<u>\$ (236)</u>	(117)%	<u>\$ (3,728)</u>	<u>\$ (1,672)</u>	(123)%
Earnings (loss) per share attributable to Dell Technologies Inc. - basic:						
Continuing operations - Class V Common Stock - basic	\$ (1.12)	\$ 0.64		\$ 1.41	\$ 1.44	
Continuing operations - DHI Group - basic	\$ (0.51)	\$ (2.68)		\$ (7.08)	\$ (8.52)	
Discontinued operations - DHI Group - basic	\$ —	\$ 2.02		\$ —	\$ 4.30	
Earnings (loss) per share attributable to Dell Technologies Inc. - diluted:						
Continuing operations - Class V Common Stock - diluted	\$ (1.12)	\$ 0.64		\$ 1.39	\$ 1.43	
Continuing operations - DHI Group - diluted	\$ (0.51)	\$ (2.68)		\$ (7.08)	\$ (8.52)	
Discontinued operations - DHI Group - diluted	\$ —	\$ 2.02		\$ —	\$ 4.30	
Weighted-average shares outstanding:						
Basic - Class V Common Stock	199	215		203	217	
Diluted - Class V Common Stock	199	215		203	217	
Basic - DHI Group	568	566		567	470	
Diluted - DHI Group	568	566		567	470	
<u>Percentage of Total Net Revenue:</u>						
Gross margin	26 %	23 %		25 %	21 %	
Selling, general, and administrative	23 %	25 %		24 %	22 %	
Research and development	5 %	6 %		6 %	4 %	
Operating expenses	28 %	31 %		30 %	26 %	
Operating loss	(1)%	(8)%		(4)%	(5)%	
Loss from continuing operations before income taxes	(4)%	(12)%		(7)%	(9)%	
Net loss from continuing operations	(3)%	(7)%		(5)%	(6)%	
Income tax rate	37 %	41 %		32 %	30 %	

DELL TECHNOLOGIES INC.
Consolidated Statements of Financial Position
(in millions; unaudited)

	February 2, 2018	February 3, 2017
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 13,942	\$ 9,474
Short-term investments	2,187	1,975
Accounts receivable, net	11,177	9,420
Short-term financing receivables, net	3,919	3,222
Inventories, net	2,678	2,538
Other current assets	5,054	4,144
Total current assets	38,957	30,773
Property, plant, and equipment, net	5,390	5,653
Long-term investments	4,163	3,802
Long-term financing receivables, net	3,724	2,651
Goodwill	39,920	38,910
Intangible assets, net	28,265	35,053
Other non-current assets	1,862	1,364
Total assets	\$ 122,281	\$ 118,206
LIABILITIES, REDEEMABLE SHARES, AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Short-term debt	\$ 7,873	\$ 6,329
Accounts payable	18,334	14,422
Accrued and other	7,661	7,119
Short-term deferred revenue	12,024	10,265
Total current liabilities	45,892	38,135
Long-term debt	43,998	43,061
Long-term deferred revenue	10,223	8,431
Other non-current liabilities	6,797	9,339
Total liabilities	106,910	98,966
Redeemable shares	384	231
Stockholders' equity:		
Total Dell Technologies Inc. stockholders' equity	9,326	13,243
Non-controlling interests	5,661	5,766
Total stockholders' equity	14,987	19,009
Total liabilities, redeemable shares, and stockholders' equity	\$ 122,281	\$ 118,206

DELL TECHNOLOGIES INC.
Condensed Consolidated Statements of Cash Flows
(in millions; unaudited)

	Three Months Ended		Fiscal Year Ended	
	February 2, 2018	February 3, 2017	February 2, 2018	February 3, 2017
Cash flows from operating activities:				
Net loss	\$ (553)	\$ (270)	\$ (3,855)	\$ (1,718)
Adjustments to reconcile net loss to net cash provided by operating activities	3,684	1,010	10,665	4,027
Change in cash from operating activities	3,131	740	6,810	2,309
Cash flows from investing activities:				
Investments:				
Purchases	(935)	(267)	(4,389)	(778)
Maturities and sales	885	612	3,878	1,173
Capital expenditures	(310)	(282)	(1,212)	(699)
Proceeds from sale of facilities, land, and other assets	—	—	—	24
Capitalized software development costs	(88)	(122)	(369)	(207)
Collections on purchased financing receivables	5	4	30	35
Acquisition of businesses, net	(435)	(15)	(658)	(37,629)
Divestitures of businesses, net	—	6,873	—	6,873
Asset acquisitions, net	(1)	—	(96)	—
Asset dispositions, net	(6)	—	(59)	—
Other	(6)	—	(6)	(48)
Change in cash from investing activities	(891)	6,803	(2,881)	(31,256)
Cash flows from financing activities:				
Payment of dissenting shares obligation	—	—	—	(446)
Share repurchases for tax withholdings on vesting of equity awards	(86)	(65)	(385)	(93)
Proceeds from the issuance of DHI Group Common Stock	—	18	—	4,422
Proceeds from the issuance of common stock of subsidiaries	21	63	131	164
Repurchases of DHI Group Common Stock	—	—	(6)	(10)
Repurchases of Class V Common Stock	(1)	(569)	(723)	(701)
Repurchases of common stock of subsidiaries	(169)	—	(724)	(611)
Payments for debt issuance costs	(4)	(4)	(48)	(853)
Proceeds from debt	1,247	907	14,439	46,893
Repayments of debt	(1,140)	(7,322)	(12,321)	(16,960)
Other	—	6	1	16
Change in cash from financing activities	(132)	(6,966)	364	31,821
Effect of exchange rate changes on cash and cash equivalents	128	(7)	175	24
Change in cash and cash equivalents	2,236	570	4,468	2,898
Cash and cash equivalents at beginning of period, including amounts held for sale	11,706	8,904	9,474	6,576
Cash and cash equivalents at end of the period	\$ 13,942	\$ 9,474	\$ 13,942	\$ 9,474

DELL TECHNOLOGIES INC.
Segment Information
(in millions, except percentages; unaudited)

	Three Months Ended			Fiscal Year Ended		
	February 2, 2018	February 3, 2017	Change	February 2, 2018	February 3, 2017	Change
<u>Client Solutions Group (CSG):</u>						
Net Revenue:						
Commercial	\$ 7,294	\$ 6,663	9 %	\$ 27,747	\$ 26,006	7 %
Consumer	3,295	3,113	6 %	11,708	10,748	9 %
Total CSG net revenue	\$ 10,589	\$ 9,776	8 %	\$ 39,455	\$ 36,754	7 %
Operating Income:						
CSG operating income	\$ 581	\$ 342	70 %	\$ 2,193	\$ 1,845	19 %
% of CSG net revenue	5 %	3 %		6 %	5 %	
% of total segment operating income	27 %	18 %		32 %	34 %	
<u>Infrastructure Solutions Group (ISG):</u>						
Net Revenue:						
Servers and networking	\$ 4,576	\$ 3,612	27 %	\$ 15,398	\$ 12,834	20 %
Storage	4,236	4,783	(11)%	15,254	8,942	71 %
Total ISG net revenue	\$ 8,812	\$ 8,395	5 %	\$ 30,652	\$ 21,776	41 %
Operating Income:						
ISG operating income	\$ 748	\$ 1,004	(25)%	\$ 2,179	\$ 2,393	(9)%
% of ISG net revenue	8 %	12 %		7 %	11 %	
% of total segment operating income	35 %	53 %		32 %	45 %	
<u>VMware:</u>						
Net Revenue:						
Total VMware net revenue	\$ 2,329	\$ 1,936	20 %	\$ 7,925	\$ 3,225	146 %
Operating Income:						
VMware operating income	\$ 834	\$ 565	48 %	\$ 2,520	\$ 1,113	126 %
% of VMware net revenue	36 %	29 %		32 %	35 %	
% of total segment operating income	38 %	30 %		36 %	21 %	
<u>Reconciliation to consolidated net revenue:</u>						
Reportable segment net revenue	\$ 21,730	\$ 20,107		\$ 78,032	\$ 61,755	
Other businesses (a)	492	480		1,901	1,026	
Unallocated transactions (b)	(3)	(6)		(4)	41	
Impact of purchase accounting (c)	(284)	(507)		(1,269)	(1,180)	
Total net revenue	\$ 21,935	\$ 20,074		\$ 78,660	\$ 61,642	
<u>Reconciliation to consolidated operating income (loss):</u>						
Reportable segment operating income	\$ 2,163	\$ 1,911		\$ 6,892	\$ 5,351	
Other businesses (a)	(31)	(3)		(21)	(39)	
Unallocated transactions (b)	(12)	(65)		(16)	(199)	
Impact of purchase accounting (c)	(351)	(1,240)		(1,546)	(2,294)	
Amortization of intangibles	(1,730)	(1,535)		(6,980)	(3,681)	
Transaction-related expenses (d)	(87)	(159)		(502)	(1,488)	
Other corporate expenses (e)	(273)	(577)		(1,160)	(902)	
Total operating loss	\$ (321)	\$ (1,668)		\$ (3,333)	\$ (3,252)	

(a) Other businesses consist of RSA Information Security, SecureWorks, Pivotal, and Boomi, and do not constitute a reportable segment, either individually or collectively, as the results of the businesses are not material to the Company's overall results and the businesses do not meet the criteria for reportable segments.

(b) Unallocated transactions includes long-term incentives, certain short-term incentive compensation expenses, and other corporate items that are not allocated to Dell Technologies' reportable segments.

(c) Impact of purchase accounting includes non-cash purchase accounting adjustments that are primarily related to the EMC merger transaction.

(d) Transaction-related expenses includes acquisition, integration, and divestiture related costs.

(e) Other corporate expenses includes severance and facility action costs as well as stock-based compensation expense.

SUPPLEMENTAL SELECTED NON-GAAP FINANCIAL MEASURES

These tables present information about the Company's non-GAAP net revenue, non-GAAP gross margin, non-GAAP operating expenses, non-GAAP operating income, non-GAAP net income from continuing operations, EBITDA, and adjusted EBITDA, which are non-GAAP financial measures provided as a supplement to the results provided in accordance with generally accepted accounting principles in the United States of America ("GAAP"). A detailed discussion of Dell Technologies' reasons for including these non-GAAP financial measures, the limitations associated with these measures, the items excluded from these measures, and our reason for excluding those items are presented in "Management's Discussion and Analysis of Financial Condition and Results of Operations - Non-GAAP Financial Measures" in our periodic reports filed with the SEC. Dell Technologies encourages investors to review the non-GAAP discussion in conjunction with the presentation of non-GAAP financial measures.

DELL TECHNOLOGIES INC.
Selected Non-GAAP Financial Measures
(in millions, except percentages; unaudited)

	Three Months Ended			Fiscal Year Ended		
	February 2, 2018	February 3, 2017	Change	February 2, 2018	February 3, 2017	Change
Non-GAAP net revenue	\$ 22,219	\$ 20,581	8 %	\$ 79,929	\$ 62,822	27 %
Non-GAAP gross margin	\$ 7,022	\$ 6,595	6 %	\$ 25,185	\$ 16,819	50 %
<i>% of non-GAAP net revenue</i>	32 %	32 %		32 %	27 %	
Non-GAAP operating expenses	\$ 4,902	\$ 4,752	3 %	\$ 18,330	\$ 11,706	57 %
<i>% of non-GAAP net revenue</i>	22 %	23 %		23 %	19 %	
Non-GAAP operating income	\$ 2,120	\$ 1,843	15 %	\$ 6,855	\$ 5,113	34 %
<i>% of non-GAAP net revenue</i>	10 %	9 %		9 %	8 %	
Non-GAAP net income from continuing operations	\$ 1,097	\$ 1,091	1 %	\$ 3,660	\$ 2,687	36 %
<i>% of non-GAAP net revenue</i>	5 %	5 %		5 %	4 %	
Adjusted EBITDA	\$ 2,466	\$ 2,184	13 %	\$ 8,217	\$ 5,941	38 %
<i>% of non-GAAP net revenue</i>	11 %	11 %		10 %	9 %	

DELL TECHNOLOGIES INC.
Reconciliation of Selected Non-GAAP Financial Measures
(in millions, except percentages; unaudited)

	Three Months Ended			Fiscal Year Ended		
	February 2, 2018	February 3, 2017	Change	February 2, 2018	February 3, 2017	Change
Net revenue	\$ 21,935	\$ 20,074	9 %	\$ 78,660	\$ 61,642	28 %
Non-GAAP adjustments:						
Impact of purchase accounting	284	507		1,269	1,180	
Non-GAAP net revenue	\$ 22,219	\$ 20,581	8 %	\$ 79,929	\$ 62,822	27 %
Gross margin	\$ 5,780	\$ 4,531	28 %	\$ 20,054	\$ 12,959	55 %
Non-GAAP adjustments:						
Amortization of intangibles	910	847		3,694	1,653	
Impact of purchase accounting	292	1,110		1,312	2,007	
Transaction-related expenses	2	18		24	43	
Other corporate expenses	38	89		101	157	
Non-GAAP gross margin	\$ 7,022	\$ 6,595	6 %	\$ 25,185	\$ 16,819	50 %
Operating expenses	\$ 6,101	\$ 6,199	(2)%	\$ 23,387	\$ 16,211	44 %
Non-GAAP adjustments:						
Amortization of intangibles	(820)	(688)		(3,286)	(2,028)	
Impact of purchase accounting	(59)	(130)		(234)	(287)	
Transaction-related expenses	(85)	(141)		(478)	(1,445)	
Other corporate expenses	(235)	(488)		(1,059)	(745)	
Non-GAAP operating expenses	\$ 4,902	\$ 4,752	3 %	\$ 18,330	\$ 11,706	57 %
Operating loss	\$ (321)	\$ (1,668)	81 %	\$ (3,333)	\$ (3,252)	(2)%
Non-GAAP adjustments:						
Amortization of intangibles	1,730	1,535		6,980	3,681	
Impact of purchase accounting	351	1,240		1,546	2,294	
Transaction-related expenses	87	159		502	1,488	
Other corporate expenses	273	577		1,160	902	
Non-GAAP operating income	\$ 2,120	\$ 1,843	15 %	\$ 6,855	\$ 5,113	34 %
Net loss from continuing operations	\$ (553)	\$ (1,414)	61 %	\$ (3,855)	\$ (3,737)	(3)%
Non-GAAP adjustments:						
Amortization of intangibles	1,730	1,535		6,980	3,681	
Impact of purchase accounting	351	1,240		1,546	2,294	
Transaction-related expenses	87	159		502	1,485	
Other corporate expenses	273	577		1,160	902	
Aggregate adjustment for income taxes	(791)	(1,006)		(2,673)	(1,938)	
Non-GAAP net income from continuing operations	\$ 1,097	\$ 1,091	1 %	\$ 3,660	\$ 2,687	36 %
Net loss from continuing operations	\$ (553)	\$ (1,414)	61 %	\$ (3,855)	\$ (3,737)	(3)%
Adjustments:						
Interest and other, net	555	742		2,355	2,104	
Income tax benefit	(323)	(996)		(1,833)	(1,619)	
Depreciation and amortization	2,143	2,041		8,634	4,840	
EBITDA	\$ 1,822	\$ 373	388 %	\$ 5,301	\$ 1,588	234 %
EBITDA	\$ 1,822	\$ 373	388 %	\$ 5,301	\$ 1,588	234 %
Adjustments:						
Stock-based compensation expense	205	215		835	392	
Impact of purchase accounting	284	1,075		1,274	1,926	
Transaction-related expenses	87	159		502	1,525	
Other corporate expenses	68	362		305	510	
Adjusted EBITDA	\$ 2,466	\$ 2,184	13 %	\$ 8,217	\$ 5,941	38 %