

2Q FY22

Performance Review

August 26, 2021

Disclaimer

NON-GAAP FINANCIAL MEASURES

This presentation includes information about non-GAAP revenue, non-GAAP gross margin, non-GAAP operating expenses, non-GAAP selling, general, and administrative expenses, non-GAAP research and development 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 non-controlling interests, non-GAAP net income attributable to Dell Technologies Inc. – basic, non-GAAP net income attributable to Dell Technologies Inc. – diluted, non-GAAP earnings per share attributable to Dell Technologies Inc. – basic, non-GAAP earnings per share attributable to Dell Technologies Inc. – diluted, EBITDA, adjusted EBITDA, free cash flow, and free cash flow, excluding VMware, before impact from DFS related items (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 measures to the most directly comparable GAAP measures in the slides captioned “Supplemental non-GAAP measures.”

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.

Q2 FY22 Overview

A strong Q2 and first half of the year, driven by our ability to execute against our strategy and deliver consistent performance

Record Q2 and first half revenue and profitability

- Second quarter revenue record of \$26.1B, up 15%, led by outstanding performance in CSG, up 27% and ISG, up 3%.
- First half FY22 revenue of \$50.6B, up 13%.
- Operating income was also a second quarter record of \$1.4B, up 21%, and Non-GAAP operating income of \$2.8B, up 7%, and 10.8% of revenue¹.

Diluted EPS \$2.24, up 17%, growing faster than operating income

Strong cash flow generation

- \$12.8B trailing-twelve-month cash flow from operations, up 63%
- Over the last three years on a trailing-twelve-month basis, cash from operations grew at a 15% CAGR

Delivering on debt paydown and on track to Investment Grade

- We have now paid down \$5.5 billion of debt year-to-date, including the final \$1B of margin loan².
- Core leverage ratio as of Q2 is approximately 2.2x, continuing to make progress toward our long-term target of 1.5x.

¹ See supplemental slides in Appendix B for reconciliation of Non-GAAP measures to GAAP.

² Final \$1B balance of the margin load paid in Q3

Drivers of Long-Term Value Creation

Leading market positions, durable competitive advantages, and a differentiated strategy to drive consistent growth and significant value creation

- **Leadership positions** in large, stable, and expanding markets with strong underlying fundamentals

- **Durable and reinforcing competitive advantages** that uniquely position Dell to win in core and adjacent markets

- A **differentiated strategy** to
 - Win the consolidation and modernization of our core markets
 - Innovate, integrate and partner to create the technology ecosystem of the future
 - Pursue high-value growth opportunities where Dell has a unique right to win

- A track record of **consistent growth, profitability, and shareholder value creation**

Attractive long-term financial model

- Revenue growth at GDP to GDP+
- Operating income growth faster than revenue
- Earnings per share growth faster than operating income
- Disciplined capital allocation

Dell Technologies leadership position

We are a leader across many of the markets where we compete

#1 External Enterprise Storage

Dell EMC improved the #1 position with 32.3% share

Per IDC WW Quarterly Enterprise Storage Systems Tracker CY21Q1

#1 Storage Software

Dell EMC maintained the #1 position with 13.6% share

Per IDC WW Storage Software and Cloud Services QView CY21Q1

#1 All Flash Array

Dell EMC improved the #1 position with 36.8% share

Per IDC WW Quarterly Enterprise Storage Systems Tracker CY21Q1

#1 Hyperconverged Systems

Dell EMC maintained the #1 position with 33.1% share

Per IDC WW Quarterly Converged Systems Tracker CY21Q1

#1 Converged Systems

Dell EMC maintained the #1 position with 42.1% share

Per IDC WW Quarterly Converged Systems Tracker CY21Q1

#1 Server Units and Revenue

Dell EMC is the leader in x86 server revenue and units

Per IDC WW Quarterly Server Tracker CY21Q1

#1 Purpose-Built Backup Appliance

Dell EMC improved the #1 position with 50.7% share

Per IDC WW Quarterly Purpose-Built Backup Appliance Tracker CY21Q1

#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 Q1 FY22.

Competitive advantages

Seven durable and reinforcing competitive advantages



#1 positions in critical Client and Infrastructure segments, enabled by customer-driven innovation



End-to-end from the PC to the core data center to the cloud to the edge, creating **deep customer insights** and driving **innovation**



Tech's largest **direct go-to-market and channel partner ecosystem**, creating unparalleled **market reach** and **leading profitability** versus competitors



Leading global services footprint in technology to **support complex customer needs**, powered by modern, proactive, and predictive software



Industry-leading scale and **differentiated supply chain** capabilities, enabling **cost position, speed, continuity of supply, security, and sustainability**



Leading **financial services capabilities** that enable customers to **invest across the IT lifecycle** and **create deep customer loyalty**



'First & best' **VMware alliance** enabling **faster time to market** and **differentiated, jointly engineered solutions**

Strategy

Differentiated strategy to drive growth at GDP to GDP+, strong profitability, and predictable cash flow

Durable Competitive advantages



Market Leadership Positions



End-to-End



Go-to-Market



Services



Supply Chain



Financial Services



VMware Alliance



Differentiated strategy

Profitably win the consolidation and modernization of our core markets

Innovate, integrate and partner to create the technology ecosystem of the future

Pursue adjacent, high value growth opportunities where we are uniquely positioned to win

Win in consolidating core markets at industry-leading operating income

Innovate beyond the hardware

Drive APEX as-a-Service offerings that simplify digital transformation

'First and best' alliance with VMware

Expanded technology partnerships

Leverage GTM reach to bring differentiated solutions to our customers

Private Cloud, Hybrid Cloud Telecom, Edge Solutions, Data Management, etc.

Prudent M&A, post investment grade

Consolidated GAAP results¹

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

\$ in millions, except per share amounts	2Q21	3Q21	4Q21	1Q22	2Q22	Y/Y	Q/Q
Revenue	22,733	23,482	26,112	24,487	26,122	15%	7%
Gross Margin	7,156	7,261	8,147	7,658	7,985	12%	4%
SG&A	4,761	4,772	4,579	4,960	5,145	8%	4%
R&D	1,259	1,360	1,391	1,323	1,468	17%	11%
Operating Expense	6,020	6,132	5,970	6,283	6,613	10%	5%
Operating Income	1,136	1,129	2,177	1,375	1,372	21%	0%
Interest and Other, Net	(636)	273	(545)	(388)	(359)	44%	7%
Income Tax	(599)	521	289	49	133	122%	171%
<i>Effective tax rate %</i>	<i>-119.8%</i>	<i>37.2%</i>	<i>17.7%</i>	<i>5.0%</i>	<i>13.1%</i>		
Net Income	1,099	881	1,343	938	880	-20%	-6%
Less: Net Income attributable to non-controlling interests	51	49	116	51	49	-4%	-4%
Net Income attributable to Dell Technologies Inc. - basic	1,048	832	1,227	887	831	-21%	-6%
Less: Incremental dilution from VMware, Inc.	3	3	5	2	3	-	50%
Net Income attributable to Dell Technologies Inc. - diluted	1,045	829	1,222	885	828	-21%	-6%
Earnings Per Share - basic ²	1.41	1.11	1.64	1.17	1.09	-23%	-7%
Earnings Per Share - diluted ²	1.37	1.08	1.57	1.13	1.05	-23%	-7%

¹ Results include material adjustments related to purchase accounting and other items. For additional detail on these adjustments, please refer to supplemental slides in Appendix B.

² See Appendix B for weighted average shares and EPS calculation

Consolidated non-GAAP results¹

Solid first half of FY22, double-digit revenue growth, operating income growing faster than revenue, diluted EPS growing faster than Opinc and strong cash flow generation

\$ in millions, except per share amounts	2Q21	3Q21	4Q21	1Q22	2Q22	Y/Y	Q/Q
Revenue	22,775	23,521	26,148	24,499	26,133	15%	7%
Gross Margin	7,626	7,771	8,624	8,018	8,342	9%	4%
SG&A	3,912	3,895	4,120	4,195	4,319	10%	3%
R&D	1,096	1,151	1,210	1,109	1,212	11%	9%
Operating Expense	5,008	5,046	5,330	5,304	5,531	10%	4%
Operating Income	2,618	2,725	3,294	2,714	2,811	7%	4%
Interest and Other, Net	(644)	(662)	(536)	(545)	(539)	16%	1%
Income Tax	353	352	470	350	361	2%	3%
<i>Effective tax rate %</i>	<i>17.9%</i>	<i>17.1%</i>	<i>17.0%</i>	<i>16.1%</i>	<i>15.9%</i>		
Net Income	1,621	1,711	2,288	1,819	1,911	18%	5%
Less: Net Income attributable to non-controlling interests	155	143	185	146	145	-6%	-1%
Net Income attributable to Dell Technologies Inc. - basic	1,466	1,568	2,103	1,673	1,766	20%	6%
Less: Incremental dilution from VMware, Inc.	5	4	5	4	5	-	25%
Net Income attributable to Dell Technologies Inc. - diluted	1,461	1,564	2,098	1,669	1,761	21%	6%
Earnings Per Share - basic ²	1.98	2.10	2.80	2.21	2.31	17%	5%
Earnings Per Share - diluted ²	1.92	2.03	2.70	2.13	2.24	17%	5%

¹ See supplemental slides in Appendix B for reconciliation of Non-GAAP measures to GAAP.

² See Appendix B for weighted average shares and EPS calculation.

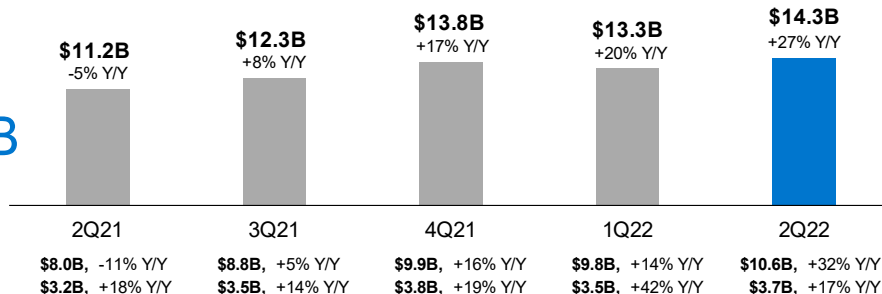
Client Solutions Group

Very strong performance, while navigating industry wide supply challenges

REVENUE

\$14.3B

+27% Y/Y
+7% Q/Q



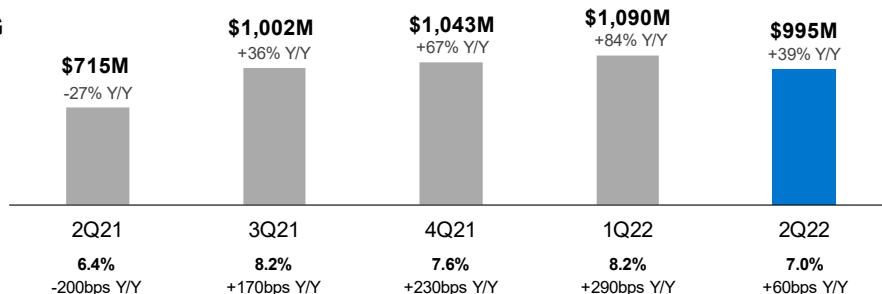
Commercial
Consumer

Quarter	Commercial	Consumer	Y/Y Change	Q/Q Change
2Q21	\$8.0B	\$3.2B	-11%	+18%
3Q21	\$8.8B	\$3.5B	+5%	+14%
4Q21	\$9.9B	\$3.8B	+16%	+19%
1Q22	\$9.8B	\$3.5B	+14%	+42%
2Q22	\$10.6B	\$3.7B	+32%	+17%

OPERATING INCOME

\$1B

+39% Y/Y
-9% Q/Q



% of CSG revenue
Basis points

Quarter	% of CSG Revenue	Basis Points
2Q21	6.4%	-200bps
3Q21	8.2%	+170bps
4Q21	7.6%	+230bps
1Q22	8.2%	+290bps
2Q22	7.0%	+60bps

First half FY22 CSG revenue growing 24% Y/Y... record revenue and Operating Income.

Our Commercial client business has gained share 30 of the last 34 quarters¹ and has gained more than 700 bps of share during that same time period¹

Strength in Commercial, contributed to our return to share gains per IDC's calendar Q2 results.

Durable revenue growth 7% CAGR and Operating Income 16% CAGR between FY17-21.

¹ Based on units, as of the calendar CY21Q2 IDC data. Data between Q1 CY2013 – Q2 CY2021.

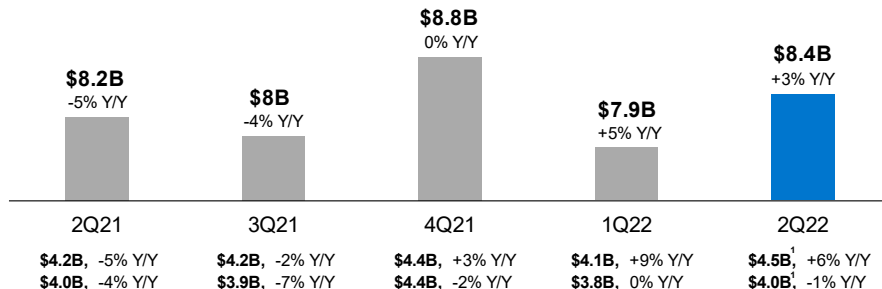
Infrastructure Solutions Group

Growth in ISG driven by strengthening demand environment for compute and storage

REVENUE

\$8.4B

+3% Y/Y
+7% Q/Q

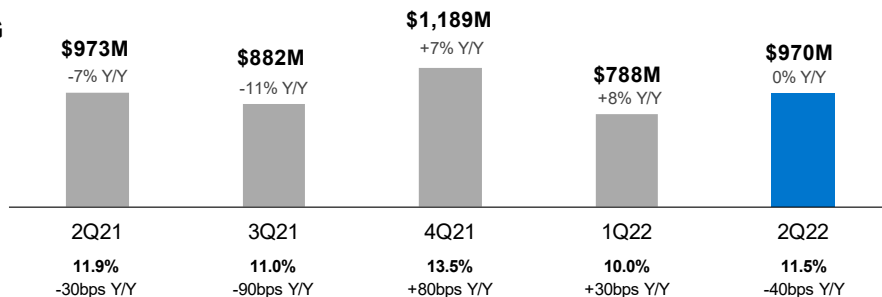


Servers & Networking
Storage

OPERATING INCOME

\$1.0B

0% Y/Y
+23% Q/Q



% of ISG revenue
Basis points

First half FY22 ISG Revenue growing 4% Y/Y with Operating Income up 3%.

Over the last five years, we have grown share by more than 700 basis points for mainstream servers and approximately 200 basis points for external storage.²

Servers and networking reported its third consecutive quarter of positive year over year growth.

Q2 Storage Orders up 2% Y/Y. Hyperconverged Infrastructure & Midrange storage growing double digits.

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

² Per IDC WW Quarterly Enterprise Storage Systems Tracker CY21Q1, Per IDC WW Quarterly Server Tracker CY21Q1, Data between Q1 CY2016 - Q1 CY2021.

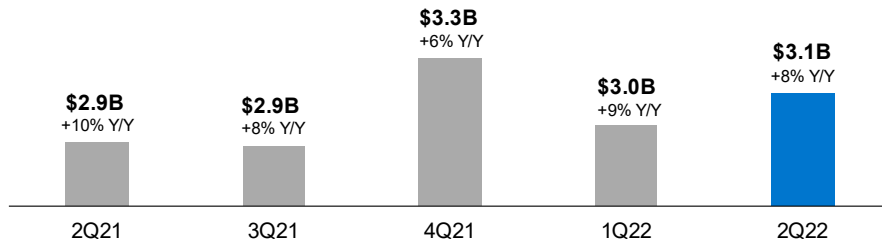
VMware

Strong VMware performance delivering \$3.1B of revenue, up 8% Y/Y

REVENUE

\$3.1B

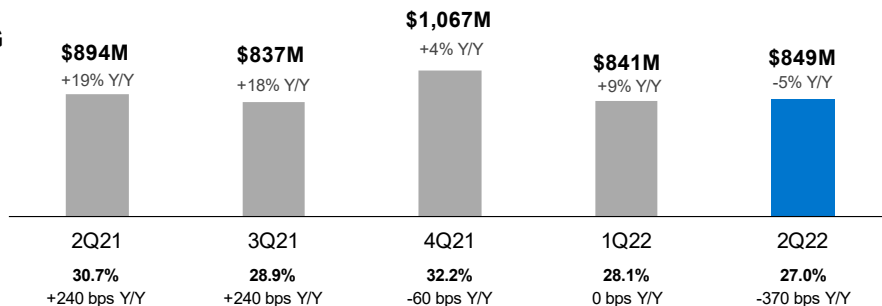
+8% Y/Y
+5% Q/Q



OPERATING INCOME

\$0.8B

-5% Y/Y
+1% Q/Q



% of VMW revenue
Basis points

Quarter	% of VMW revenue	Basis points
2Q21	30.7%	+240 bps
3Q21	28.9%	+240 bps
4Q21	32.2%	-60 bps
1Q22	28.1%	0 bps
2Q22	27.0%	-370 bps

First half FY22
VMware Revenue
growing 8% Y/Y with
Operating Income up
1%.

Subscription and
SaaS revenue up 23%
Y/Y.¹

VMware Cloud on
AWS revenue up
nearly 80% Y/Y.¹

Largest offerings
within Subscription
and SaaS are VMware
Cloud Provider
Program, Modern
Applications, End-
User Computing.¹

¹ Based on VMware's stand-alone results.

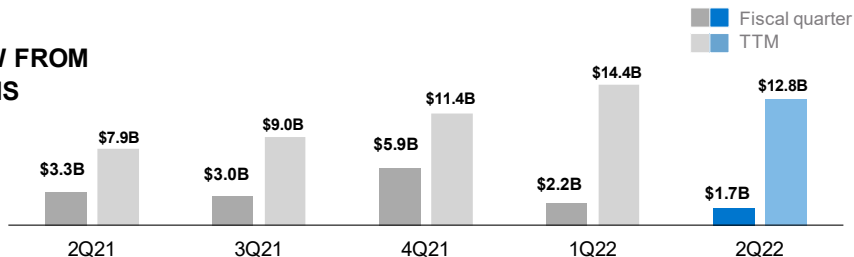
Select financial metrics

Consistent cash flow from operations : 15% CAGR over the last three years on a trailing-twelve-month basis

CASH FLOW FROM OPERATIONS

\$1.7B

-48% Y/Y

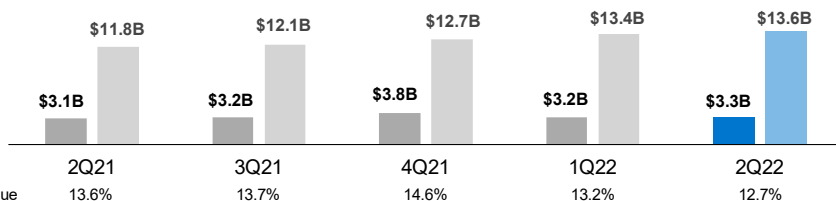


ADJUSTED EBITDA¹

\$3.3B

+7% Y/Y

% of non-GAAP revenue

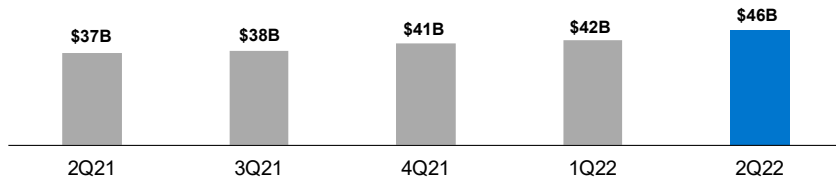


RPO²

\$46B

+24% Y/Y

+9% Q/Q



Our cash flow from operations was \$4.0B through the first half of the year, which was up 56%.

Trailing-twelve-month cash flow from operations of \$12.8B and approximately \$8.4B excluding VMware³.

Strong liquidity position with \$13.6B C&I and approximately \$7.5B excluding VMware.

RPO of \$46B up 24% Y/Y Excluding VMware, Dell's RPO is \$35B, up 30% driven by strong orders growth.

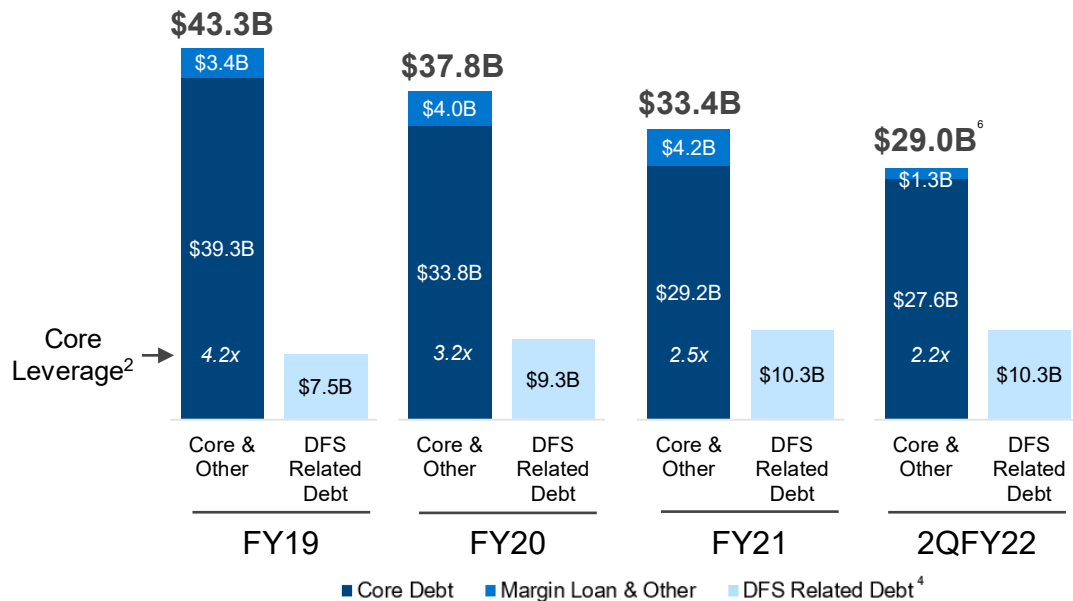
¹ See supplemental slides in Appendix B for reconciliation of Non-GAAP measures to GAAP.

² Remaining performance obligations include deferred revenue plus committed contract value not included in deferred revenue.

³ See supplemental slides in Appendix B for reconciliation of adjusted free cash flow to cash flow from operations.

Debt & capital structure¹

Expect a more balanced capital allocation framework with return to shareholders post investment grade



Core leverage down to 2.2x driven by strong profitability and debt paydown. Targeting 1.5x leverage over time².

Targeting \$16B+ paydown in FY22³. \$5.5B paid year to date, including the final \$1.0B of margin loan in Q3.

S&P, Moody's, and Fitch ratings remain on credit watch positive and under review for an upgrade to IG at completion of VMware spin-off.

Continue to support DFS growth with DFS debt, most of it being non-recourse to Dell and serviced by high quality DFS receivables⁵.

¹ Excluding public subsidiary debt

² Core leverage ratio calculated using core debt as numerator and core Adj. EBITDA as denominator; core Adj. EBITDA calculated using Dell Technologies consolidated Adjusted EBITDA less 19% of VMware EBITDA less DFS estimated EBITDA. DFS estimated 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.

³ Upon completion of VMware spin-off and application of dividend proceeds.

⁴ See supplemental slides in Appendix A for debt summary

⁵ Based on DFS internal scorecards, a majority of our financing receivables have an investment grade profile. Over the past 12 months the principal charge-off for our total portfolio was 0.6% of our financing receivables.

⁶ Amounts are based on underlying data and may not visually foot due to rounding.

Q3 Guidance

Expect to see
above normal
sequential
revenue growth

Revenue above-normal sequential growth pattern and Y/Y growth up mid to high teens

- CSG, expect high-single-digit growth sequentially.
- ISG, expect low-single-digit growth sequentially.
- Factor in VMW standalone revenue guidance, which is roughly flat sequentially.
- Revenue up mid-single-digits sequentially vs a normal 2% decline.

Operating Income dollars up 1 to 2 percent sequentially

- Expect a mix shift to CSG sequentially, ongoing component cost inflationary, a modest increase in OPEX as we invest for growth and the impact of VMware standalone guidance.

Below the operating income line

- Expect continued benefit from lower interest expense as we reduce our debt.
- The majority of our \$16B+ targeted debt paydown will occur at the time of the VMware transaction, which we now estimate to close in early November.
- Non-GAAP tax rate, assume 17% plus or minus 100 basis points.
- In the absence of share repurchase activity, diluted share count should also increase slightly sequentially.

ESG Highlights¹

From our latest Social Impact reporting² and external recognition

Advancing sustainability. Cultivating inclusion. Transforming lives. Upholding ethics & privacy.



Environmental

87% sustainable materials used in our packaging

-26% reduction Y/Y in Scopes 1 & 2 market-based **greenhouse gas emissions**

54% of electricity from **renewable sources**

Launched **Net-Zero** goal across our full value chain **by 2050** or earlier



Social

93M+ people reached with **education, healthcare or financial inclusion** programs

33% of our employees participated in **foundational learning on key DE&I topics** (up 18 percentage points)

91% of team **members** rated their job as **meaningful** (based on FY21)

44% of our employees participated in **Employee Resource Groups (ERGs)** to drive Social Impact



Governance

Formal ESG governance established with cross-functional executive leadership

Board of Directors now receive regular ESG updates

100% of **employees** completed assigned ethics and compliance training

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



Source: 1.) Metrics are for Dell Technologies; excluding Secureworks; and excluding VMware (including Pivotal), which publishes its own annual Global Impact Progress Report; 2.) FY21 Social Impact Report.

Appendix A

Debt and DFS summary

Debt summary

\$ in billions ^{1,2}	2Q21	3Q21	4Q21	1Q22	2Q22
Revolver	-	-	-	-	-
Term Loan A	4.0	4.0	3.1	3.1	3.1
Term Loan B	4.7	4.7	3.1	3.1	3.1
Investment Grade Notes	21.6	18.5	18.5	18.5	18.5
DFS Allocated Debt	(1.2)	(0.9)	(0.7)	(0.4)	(0.7)
Total Core Secured Debt ³	29.1	26.3	24.1	24.4	24.1
High Yield Notes	2.7	2.7	2.7	1.6	1.6
Asset Sale Bridge	-	-	-	-	-
Legacy Dell Unsecured Notes	1.4	1.4	1.4	1.0	1.0
Legacy EMC Unsecured Notes	1.0	1.0	1.0	1.0	1.0
Total Unsecured Core Debt	5.1	5.1	5.1	3.6	3.6
Total Core Debt ⁴	34.1	31.4	29.2	27.9	27.6
Margin Loan and Other	4.1	4.2	4.2	4.3	1.3
DFS Debt	8.8	9.2	9.7	9.8	9.6
DFS Allocated Debt	1.2	0.9	0.7	0.4	0.7
Total DFS Related Debt	10.0	10.1	10.3	10.2	10.3
Total Debt, Excluding Public Subsidiaries	48.2	45.6	43.7	42.4	39.2
Total Public Subsidiary Debt	6.3	4.8	4.8	4.8	4.8
Total Debt, Including Public Subsidiaries	54.5	50.4	48.5	47.2	44.0

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

² Principal Face Value.

³ Core Secured Debt represents secured term loans, investment grade notes, and revolver. It excludes DFS allocated debt based on a 7:1 leverage ratio of DFS financing receivables and fixed assets supporting operating leases.

⁴ Core debt represents the total principal amount of our debt, less: (a) public subsidiary debt, (b) DFS related debt, and (c) Margin Loan and other debt

DFS summary

\$ in billions	2Q21	3Q21	4Q21	1Q22	2Q22
Originations ¹	2.6	2.1	2.4	1.9	1.9
Trailing twelve months	9.2	9.3	8.9	9.0	8.3
Financing Receivables ²	10.2	10.2	10.5	10.2	10.3
Operating Leases ³	1.2	1.3	1.3	1.4	1.4
Total Managed Assets ⁴	12.5	12.6	13.1	12.7	12.6

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

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

³ Amount represents net carrying value of equipment for DFS operating leases.

⁴ Total managed assets consists of financing receivables, syndicated receivables DFS still service, and operating leases.

Appendix B

Supplemental non-GAAP measures

Supplemental non-GAAP measures

Revenue and gross margin

\$ in millions	2Q21	3Q21	4Q21	1Q22	2Q22
GAAP revenue	22,733	23,482	26,112	24,487	26,122
Impact of purchase accounting ¹	42	39	36	12	11
Non-GAAP revenue	22,775	23,521	26,148	24,499	26,133
GAAP gross margin	7,156	7,261	8,147	7,658	7,985
Amortization of intangibles	375	375	380	276	275
Impact of purchase accounting ¹	43	40	37	13	12
Stock-based compensation	50	51	53	58	63
Other corporate expenses ²	2	44	7	13	7
Total adjustments to gross margin	470	510	477	360	357
Non-GAAP gross margin	7,626	7,771	8,624	8,018	8,342
<i>GM % of non-GAAP revenue</i>	<i>33.5%</i>	<i>33.0%</i>	<i>33.0%</i>	<i>32.7%</i>	<i>31.9%</i>

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

² Consists of severance, facilities action, and other costs.

Supplemental non-GAAP measures

SG&A, R&D and operating expense

\$ in millions	2Q21	3Q21	4Q21	1Q22	2Q22
GAAP SG&A	4,761	4,772	4,579	4,960	5,145
Amortization of intangibles	(472)	(470)	(466)	(433)	(436)
Impact of purchase accounting ¹	(10)	(9)	(11)	(12)	(8)
Transaction costs ²	(82)	(52)	(46)	(51)	(60)
Stock based compensation	(202)	(215)	(177)	(209)	(240)
Other corporate expenses ³	(83)	(132)	241	(60)	(82)
Non-GAAP SG&A	3,912	3,895	4,120	4,195	4,319
GAAP R&D	1,259	1,360	1,391	1,323	1,468
Impact of purchase accounting ¹	-	-	-	-	-
Transaction costs ²	(1)	-	-	-	-
Stock based compensation	(161)	(170)	(160)	(168)	(196)
Other corporate expenses ³	(1)	(39)	(21)	(46)	(60)
Non-GAAP R&D	1,096	1,151	1,210	1,109	1,212
GAAP operating expenses	6,020	6,132	5,970	6,283	6,613
Amortization of intangibles	(472)	(470)	(466)	(433)	(436)
Impact of purchase accounting ¹	(10)	(9)	(11)	(12)	(8)
Transaction costs ²	(83)	(52)	(46)	(51)	(60)
Stock based compensation	(363)	(385)	(337)	(377)	(436)
Other corporate expenses ³	(84)	(170)	220	(106)	(142)
Total adjustments to operating expenses	(1,012)	(1,086)	(640)	(979)	(1,082)
Non-GAAP operating expenses	5,008	5,046	5,330	5,304	5,531
<i>OpEx % of non-GAAP revenue</i>	<i>22.0%</i>	<i>21.4%</i>	<i>20.4%</i>	<i>21.6%</i>	<i>21.1%</i>

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

² Consists of acquisition, integration, and divestiture-related costs.

³ Consists of impairment charges, severance, facilities action, and other costs. 4Q21 includes derecognition of a previously accrued litigation loss in a VMware, Inc. patent litigation matter.

Supplemental non-GAAP measures

Operating Income

\$ in millions	2Q21	3Q21	4Q21	1Q22	2Q22
GAAP operating income	1,136	1,129	2,177	1,375	1,372
Non-GAAP adjustments:					
Amortization of intangibles	847	845	846	709	711
Impact of purchase accounting ¹	53	49	48	25	20
Transaction costs ²	83	52	46	51	60
Stock based compensation	413	436	390	435	499
Other corporate expenses ³	86	214	(213)	119	149
Total adjustments to operating income	1,482	1,596	1,117	1,339	1,439
Non-GAAP operating income	2,618	2,725	3,294	2,714	2,811
<i>OpInc % of non-GAAP revenue</i>	<i>11.5%</i>	<i>11.6%</i>	<i>12.6%</i>	<i>11.1%</i>	<i>10.8%</i>

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

² Consists of acquisition, integration, and divestiture-related costs.

³ Consists of impairment charges, severance, facilities action, and other costs. 4Q21 includes derecognition of a previously accrued litigation loss in a VMware, Inc. patent litigation matter.

Supplemental non-GAAP measures

Interest and other

\$ in millions	2Q21	3Q21	4Q21	1Q22	2Q22
GAAP interest and other, net:					
Investment income, primarily interest	12	11	7	11	10
Gain on investments, net	8	489	(9)	157	168
Interest expense	(617)	(566)	(534)	(510)	(483)
Foreign exchange	-	(31)	3	(49)	(64)
Other	(39)	370	(12)	3	10
GAAP interest and other, net	(636)	273	(545)	(388)	(359)
Adjustments:					
Non-GAAP adjustments ¹	8	935	(9)	157	180
Non-GAAP interest and other, net	(644)	(662)	(536)	(545)	(539)
<i>I&O as a % of non-GAAP revenue</i>	<i>-2.8%</i>	<i>-2.8%</i>	<i>-2.1%</i>	<i>-2.2%</i>	<i>-2.1%</i>

¹ Primarily consists of the fair value adjustments on strategic equity investments as well as a gain on the sale of RSA Security in 3Q21.

Supplemental non-GAAP measures

Net income

\$ in millions	2Q21	3Q21	4Q21	1Q22	2Q22
GAAP net income	1,099	881	1,343	938	880
Non-GAAP adjustments:					
Amortization of intangibles	847	845	846	709	711
Impact of purchase accounting ¹	53	49	48	25	20
Transaction costs ²	83	(286)	46	51	48
Stock based compensation	413	436	390	435	499
Other corporate expenses ³	86	106	(213)	119	149
Fair value adjustments on equity investments ⁴	(8)	(489)	9	(157)	(168)
Aggregate adjustment for income taxes ⁵	(952)	169	(181)	(301)	(228)
Total adjustments to net income	522	830	945	881	1,031
Non-GAAP net income	1,621	1,711	2,288	1,819	1,911
<i>NI % of non-GAAP revenue</i>	<i>7.1%</i>	<i>7.3%</i>	<i>8.8%</i>	<i>7.4%</i>	<i>7.3%</i>

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

² Consists of acquisition, integration, and divestiture-related costs and gains.

³ Consists of impairment charges, severance, facilities action, and other costs. 4Q21 includes derecognition of a previously accrued litigation loss in a VMware, Inc. patent litigation matter.

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

⁵ 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 non-controlling interests

\$ in millions	2Q21	3Q21	4Q21	1Q22	2Q22
GAAP net income attributable to non-controlling interests	51	49	116	51	49
Amortization of intangibles ¹	64	63	62	53	55
Impact of purchase accounting ²	4	3	3	1	1
Transaction costs ³	8	5	6	4	5
Stock based compensation	57	61	51	52	58
Other corporate expenses ⁴	-	9	(47)	1	(1)
Fair value adjustments on equity investments ⁵	-	(34)	4	7	-
Aggregate adjustment for income taxes ⁶	(29)	(13)	(10)	(23)	(22)
Total adjustments to net income attributable to non-controlling interests	104	94	69	95	96
Non-GAAP net income attributable to non-controlling interests	155	143	185	146	145

¹ Amortization of intangibles reflects Dell Technologies Inc. basis.

² This amount includes non-cash purchase accounting adjustments primarily related to the EMC merger transaction.

³ Consists of acquisition, integration and divestiture-related costs.

⁴ Consists of severance, facilities action, and other costs. 4Q21 includes derecognition of a previously accrued litigation loss in a VMWare, Inc. patent litigation matter.

⁵ Consists of the gain (loss) on strategic investments, which includes recurring fair value adjustments on equity investments.

⁶ 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.

\$ in millions	2Q21	3Q21	4Q21	1Q22	2Q22
GAAP net income attributable to Dell Technologies Inc.	1,048	832	1,227	887	831
Amortization of intangibles	847	845	846	709	711
Impact of purchase accounting ¹	53	49	48	25	20
Transaction costs ²	83	(286)	46	51	48
Stock based compensation	413	436	390	435	499
Other corporate expenses ³	86	106	(213)	119	149
Fair value adjustments on equity investments ⁴	(8)	(489)	9	(157)	(168)
Aggregate adjustment for income taxes ⁵	(952)	169	(181)	(301)	(228)
Total non-GAAP adjustments attributable to non-controlling interests	(104)	(94)	(69)	(95)	(96)
Total adjustments to net income attributable to Dell Technologies Inc.	418	736	876	786	935
Non-GAAP net income attributable to Dell Technologies Inc. - basic	1,466	1,568	2,103	1,673	1,766
Incremental dilution from VMware, Inc. ⁶	(5)	(4)	(5)	(4)	(5)
Non-GAAP net income attributable to Dell Technologies Inc. - diluted	1,461	1,564	2,098	1,669	1,761

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

² Consists of acquisition, integration and divestiture-related costs.

³ Consists of impairment charges, severance, facilities action, and other costs. 4Q21 includes derecognition of a previously accrued litigation loss in a VMware, Inc. patent litigation matter.

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

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

⁶ The incremental dilution from VMware, Inc. attributable to Dell Technologies represents the impact of VMware, Inc.'s dilutive securities on diluted earnings per share of Dell Technologies common stock, and is calculated by multiplying the difference between VMware, Inc.'s basic and diluted earnings per share by the number of shares of VMware, Inc. common stock held by Dell Technologies.

Supplemental non-GAAP measures

Earnings per share - basic and diluted

\$ in millions, except per share figures	2Q21	3Q21	4Q21	1Q22	2Q22
GAAP net income attributable to Dell Technologies Inc.	1,048	832	1,227	887	831
Weighted-average shares outstanding - basic	741	747	750	757	763
GAAP EPS attributable to Dell Technologies Inc. - basic	1.41	1.11	1.64	1.17	1.09
Incremental dilution from VMware Inc. ¹	(3)	(3)	(5)	(2)	(3)
GAAP net income attributable to Dell Technologies Inc. - diluted	1,045	829	1,222	885	828
Weighted-average shares outstanding - diluted	761	771	776	782	786
GAAP EPS attributable to Dell Technologies Inc. - diluted	1.37	1.08	1.57	1.13	1.05
Non-GAAP net income attributable to Dell Technologies Inc.	1,466	1,568	2,103	1,673	1,766
Weighted-average shares outstanding - basic	741	747	750	757	763
Non-GAAP EPS attributable to Dell Technologies Inc. - basic	1.98	2.10	2.80	2.21	2.31
Incremental dilution from VMware Inc. ¹	(5)	(4)	(5)	(4)	(5)
Non-GAAP net income attributable to Dell Technologies Inc. - diluted	1,461	1,564	2,098	1,669	1,761
Weighted-average shares outstanding - diluted	761	771	776	782	786
Non-GAAP EPS attributable to Dell Technologies Inc. - diluted	1.92	2.03	2.70	2.13	2.24

¹ The incremental dilution from VMware, Inc. attributable to Dell Technologies represents the impact of VMware, Inc.'s dilutive securities on diluted earnings per share of Dell Technologies common stock, and is calculated by multiplying the difference between VMware, Inc.'s basic and diluted earnings per share by the number of shares of VMware, Inc. common stock held by Dell Technologies.

Supplemental non-GAAP measures

Adjusted EBITDA

\$ in millions	2Q21	3Q21	4Q21	1Q22	2Q22
GAAP net income	1,099	881	1,343	938	880
Adjustments:					
Interest and other, net	636	(273)	545	388	359
Income tax provision (benefit)	(599)	521	289	49	133
Depreciation and amortization	1,340	1,361	1,373	1,239	1,240
EBITDA	2,476	2,490	3,550	2,614	2,612
Adjustments:					
Impact of purchase accounting ¹	42	39	36	16	11
Transaction costs ²	83	52	46	51	60
Stock based compensation	413	436	390	435	499
Other corporate expenses ³	86	214	(213)	119	149
Adjusted EBITDA	3,100	3,231	3,809	3,235	3,331
<i>Adj EBITDA % of non-GAAP revenue</i>	<i>13.6%</i>	<i>13.7%</i>	<i>14.6%</i>	<i>13.2%</i>	<i>12.7%</i>

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

² Consists of acquisition, integration, and divestiture-related costs.

³ Consists of severance, facilities action, and other costs. 4Q21 includes derecognition of a previously accrued litigation loss in a VMware, Inc. patent litigation matter.

Supplemental non-GAAP measures

Free cash flow

\$ in millions	2Q21	3Q21	4Q21	1Q22	2Q22
Cash flow from operations	3,332	2,994	5,877	2,238	1,725
Adjustments:					
Capital expenditures and capitalized software development costs, net	(544)	(468)	(498)	(625)	(622)
Free cash flow	2,788	2,526	5,379	1,613	1,103
Adjustments:					
DFS financing receivables	530	80	104	(276)	90
DFS operating leases ¹	245	44	50	66	57
Free cash flow before impact from DFS related items	3,563	2,650	5,533	1,403	1,250
VMware cash flow from operations	719	992	1,324	1,266	864
Adjustments:					
VMware capital expenditures	(76)	(84)	(82)	(70)	(87)
VMware free cash flow	643	908	1,242	1,196	777
Free cash flow, excluding VMware, before impact from DFS related items	2,920	1,742	4,291	207	473

¹ Amount represents change in net carrying value of equipment for DFS operating leases.

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