

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

	Three Months Ended		Change
	May 3, 2024	May 5, 2023	
<i>Net revenue:</i>			
Products	\$ 16,127	\$ 15,036	7%
Services	6,117	5,886	4%
Total net revenue	<u>22,244</u>	<u>20,922</u>	6%
<i>Cost of net revenue:</i>			
Products	13,766	12,375	11%
Services	3,672	3,529	4%
Total cost of net revenue	<u>17,438</u>	<u>15,904</u>	10%
Gross margin	<u>4,806</u>	<u>5,018</u>	(4)%
<i>Operating expenses:</i>			
Selling, general, and administrative	3,123	3,261	(4)%
Research and development	763	688	11%
Total operating expenses	<u>3,886</u>	<u>3,949</u>	(2)%
Operating income	920	1,069	(14)%
Interest and other, net	(373)	(364)	(2)%
Income before income taxes	547	705	(22)%
Income tax expense (benefit)	(408)	127	(421)%
Net income	<u>955</u>	<u>578</u>	65%
Net income attributable to Dell Technologies Inc.	<u>\$ 960</u>	<u>\$ 583</u>	65%
 <i>Percentage of Total Net Revenue:</i>			
Gross margin	21.6 %	24.0 %	
Selling, general, and administrative	14.1 %	15.6 %	
Research and development	3.4 %	3.3 %	
Operating expenses	17.5 %	18.9 %	
Operating income	4.1 %	5.1 %	
Income before income taxes	2.5 %	3.4 %	
Net income	4.3 %	2.8 %	
Income tax rate	(74.6)%	18.0 %	

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

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

	May 3, 2024	February 2, 2024
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 5,830	\$ 7,366
Accounts receivable, net of allowance of \$66 and \$71	8,563	9,343
Short-term financing receivables, net of allowance of \$86 and \$79	4,660	4,643
Inventories	4,782	3,622
Other current assets	10,792	10,973
Total current assets	34,627	35,947
Property, plant, and equipment, net	6,237	6,432
Long-term investments	1,293	1,316
Long-term financing receivables, net of allowance of \$109 and \$91	5,941	5,877
Goodwill	19,640	19,700
Intangible assets, net	5,538	5,701
Other non-current assets	6,914	7,116
Total assets	\$ 80,190	\$ 82,089
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Short-term debt	\$ 6,098	\$ 6,982
Accounts payable	20,586	19,389
Accrued and other	6,016	6,805
Short-term deferred revenue	15,034	15,318
Total current liabilities	47,734	48,494
Long-term debt	19,382	19,012
Long-term deferred revenue	13,116	13,827
Other non-current liabilities	2,681	3,065
Total liabilities	82,913	84,398
Stockholders' equity (deficit):		
Total Dell Technologies Inc. stockholders' equity (deficit)	(2,822)	(2,404)
Non-controlling interests	99	95
Total stockholders' equity (deficit)	(2,723)	(2,309)
Total liabilities and stockholders' equity	\$ 80,190	\$ 82,089

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

	Three Months Ended	
	May 3, 2024	May 5, 2023
Cash flows from operating activities:		
Net income	\$ 955	\$ 578
Adjustments to reconcile net income to net cash provided by operating activities:	88	1,199
Change in cash from operating activities	1,043	1,777
Cash flows from investing activities:		
Purchases of investments	(39)	(15)
Maturities and sales of investments	119	19
Capital expenditures and capitalized software development costs	(596)	(701)
Other	60	13
Change in cash from investing activities	(456)	(684)
Cash flows from financing activities:		
Proceeds from the issuance of common stock	—	2
Repurchases of common stock	(700)	(240)
Repurchases of common stock for employee tax withholdings	(521)	(306)
Payments of dividends and dividend equivalents	(336)	(276)
Proceeds from debt	2,992	2,521
Repayments of debt	(3,477)	(3,698)
Debt-related costs and other, net	(35)	(5)
Change in cash from financing activities	(2,077)	(2,002)
Effect of exchange rate changes on cash, cash equivalents, and restricted cash	(55)	(58)
Change in cash, cash equivalents, and restricted cash	(1,545)	(967)
Cash, cash equivalents, and restricted cash at beginning of the period	7,507	8,894
Cash, cash equivalents, and restricted cash at end of the period	<u>\$ 5,962</u>	<u>\$ 7,927</u>

DELL TECHNOLOGIES INC.
Segment Information
(in millions, except percentages; unaudited; continued on next page)

	Three Months Ended		Change
	May 3, 2024	May 5, 2023	
<u>Infrastructure Solutions Group (ISG):</u>			
Net revenue:			
Servers and networking	\$ 5,466	\$ 3,837	42%
Storage	3,761	3,756	—%
Total ISG net revenue	<u>\$ 9,227</u>	<u>\$ 7,593</u>	22%
Operating Income:			
ISG operating income	<u>\$ 736</u>	<u>\$ 740</u>	(1)%
<i>% of ISG net revenue</i>	8.0 %	9.7 %	
<i>% of total reportable segment operating income</i>	50 %	45 %	
<u>Client Solutions Group (CSG):</u>			
Net revenue:			
Commercial	\$ 10,154	\$ 9,862	3%
Consumer	1,813	2,121	(15)%
Total CSG net revenue	<u>\$ 11,967</u>	<u>\$ 11,983</u>	—%
Operating Income:			
CSG operating income	<u>\$ 732</u>	<u>\$ 892</u>	(18)%
<i>% of CSG net revenue</i>	6.1 %	7.4 %	
<i>% of total reportable segment operating income</i>	50 %	55 %	

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

	Three Months Ended	
	May 3, 2024	May 5, 2023
<i>Reconciliation to consolidated net revenue:</i>		
Reportable segment net revenue	\$ 21,194	\$ 19,576
Other businesses (a)	1,049	1,343
Unallocated transactions (b)	1	3
Total consolidated net revenue	<u>\$ 22,244</u>	<u>\$ 20,922</u>
<i>Reconciliation to consolidated operating income:</i>		
Reportable segment operating income	\$ 1,468	\$ 1,632
Other businesses (a)	6	(36)
Unallocated transactions (b)	—	2
Amortization of intangibles (c)	(168)	(203)
Stock-based compensation expense (d)	(210)	(225)
Other corporate expenses (e)	(176)	(101)
Total consolidated operating income	<u>\$ 920</u>	<u>\$ 1,069</u>

- (a) Other businesses consists of: 1) Dell's resale of standalone VMware, Inc. products and services, "VMware Resale," 2) Secureworks, and 3) Virtustream, and do not meet the requirements for a reportable segment, either individually or collectively.
- (b) Unallocated transactions includes other corporate items that are not allocated to Dell Technologies' reportable segments.
- (c) Amortization of intangibles includes non-cash purchase accounting adjustments that are primarily related to the EMC merger transaction.
- (d) Stock-based compensation expense consists of equity awards granted based on the estimated fair value of those awards at grant date.
- (e) Other corporate expenses consist primarily of severance expenses, payroll taxes associated with stock-based compensation, facility action costs, transaction-related expenses, impairment charges, and incentive charges related to equity investments.

SUPPLEMENTAL SELECTED NON-GAAP FINANCIAL MEASURES

These tables present information about the Company's non-GAAP gross margin, non-GAAP operating expenses, non-GAAP operating income, non-GAAP net income, non-GAAP net income attributable to Dell Technologies Inc., non-GAAP earnings per share attributable to Dell Technologies Inc. - diluted, free cash flow and adjusted free cash flow, all of 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 these reports in conjunction with the presentation of non-GAAP financial measures.

DELL TECHNOLOGIES INC.
Selected Financial Measures
(in millions, except per share amounts and percentages; unaudited)

	<u>Three Months Ended</u>		% Change
	May 3, 2024	May 5, 2023	
Net revenue	\$ 22,244	\$ 20,922	6%
Non-GAAP gross margin	\$ 4,947	\$ 5,164	(4)%
<i>% of net revenue</i>	<i>22.2 %</i>	<i>24.7 %</i>	
Non-GAAP operating expenses	\$ 3,473	\$ 3,566	(3)%
<i>% of net revenue</i>	<i>15.6 %</i>	<i>17.1 %</i>	
Non-GAAP operating income	\$ 1,474	\$ 1,598	(8)%
<i>% of net revenue</i>	<i>6.6 %</i>	<i>7.6 %</i>	
Non-GAAP net income	\$ 923	\$ 963	(4)%
<i>% of net revenue</i>	<i>4.1 %</i>	<i>4.6 %</i>	
Non-GAAP earnings per share - diluted	\$ 1.27	\$ 1.31	(3)%

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

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

	<u>Three Months Ended</u>		%
	<u>May 3, 2024</u>	<u>May 5, 2023</u>	
Gross margin	\$ 4,806	\$ 5,018	(4)%
Non-GAAP adjustments:			
Amortization of intangibles	60	79	
Stock-based compensation expense	38	38	
Other corporate expenses	43	29	
Non-GAAP gross margin	<u>\$ 4,947</u>	<u>\$ 5,164</u>	(4)%
Operating expenses	\$ 3,886	\$ 3,949	(2)%
Non-GAAP adjustments:			
Amortization of intangibles	(108)	(124)	
Stock-based compensation expense	(172)	(187)	
Other corporate expenses	(133)	(72)	
Non-GAAP operating expenses	<u>\$ 3,473</u>	<u>\$ 3,566</u>	(3)%
Operating income	\$ 920	\$ 1,069	(14)%
Non-GAAP adjustments:			
Amortization of intangibles	168	203	
Stock-based compensation expense	210	225	
Other corporate expenses	176	101	
Non-GAAP operating income	<u>\$ 1,474</u>	<u>\$ 1,598</u>	(8)%
Net income	\$ 955	\$ 578	65 %
Non-GAAP adjustments:			
Amortization of intangibles	168	203	
Stock-based compensation expense	210	225	
Other corporate expenses	170	98	
Fair value adjustments on equity investments	30	15	
Aggregate adjustment for income taxes (a)	(610)	(156)	
Non-GAAP net income	<u>\$ 923</u>	<u>\$ 963</u>	(4)%

(a) Beginning in Fiscal 2025, our non-GAAP income tax is calculated using a fixed estimated annual tax rate.

DELL TECHNOLOGIES INC.
Reconciliation of Selected Non-GAAP Financial Measures
(unaudited; continued)

	<u>Three Months Ended</u>		<u>% Change</u>
	<u>May 3, 2024</u>	<u>May 5, 2023</u>	
Earnings per share attributable to Dell Technologies, Inc. — diluted	\$ 1.32	\$ 0.79	67 %
Non-GAAP adjustments:			
Amortization of intangibles	0.23	0.28	
Stock-based compensation expense	0.29	0.30	
Other corporate expenses	0.24	0.13	
Fair value adjustments on equity investments	0.04	0.02	
Aggregate adjustment for income taxes (a)	(0.84)	(0.21)	
Total non-GAAP adjustments attributable to non-controlling interests	(0.01)	—	
Non-GAAP earnings per share attributable to Dell Technologies, Inc. — diluted	<u>\$ 1.27</u>	<u>\$ 1.31</u>	(3)%

(a) Beginning in Fiscal 2025, our non-GAAP income tax is calculated using a fixed estimated annual tax rate.

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

	Three Months Ended		% Change
	May 3, 2024	May 5, 2023	
Cash flow from operations	\$ 1,043	\$ 1,777	(41)%
Non-GAAP adjustments:			
Capital expenditures and capitalized software development costs, net (a)	(586)	(698)	
Free cash flow	<u>\$ 457</u>	<u>\$ 1,079</u>	(58)%
Free cash flow	\$ 457	\$ 1,079	(58)%
Non-GAAP adjustments:			
Financing receivables (b)	165	(367)	
Equipment under operating leases (c)	<u>1</u>	<u>(25)</u>	
Adjusted free cash flow	<u>\$ 623</u>	<u>\$ 687</u>	(9)%

- (a) Capital expenditures and capitalized software development costs is net of proceeds from sales of facilities, land, and other assets.
- (b) Financing receivables represent the operating cash flow impact from the change in DFS financing receivables.
- (c) Equipment under operating leases represents the net change of capital expenditures and depreciation expense for DFS leases and contractually embedded leases identified within flexible consumption arrangements.