

2Q FY23 Performance Review

August 25, 2022

 Dell Technologies

Disclosures

NON-GAAP FINANCIAL MEASURES

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

SPECIAL NOTE ON FORWARD-LOOKING STATEMENTS

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

SPIN-OFF OF VMWARE, INC.

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

Dell Technologies investment thesis

Leading market positions and a differentiated strategy, supported by durable competitive advantages, generate consistent growth and significant value creation

- **We are uniquely positioned in the data and multi-cloud era**

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

- **A differentiated strategy** to
 - Win the consolidation and modernization of our core markets
 - Build new businesses where Dell has a unique right to win

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

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

Attractive long-term financial model

- 3 - 4% Revenue growth
- 6+% Diluted EPS growth
- NI to Adj. FCF Conversion of 100% or better
- Target returning 40 - 60% of Adj. FCF to shareholders



Q2 FY23 Overview



Record Q2 Revenue with strong profitability

- Revenue of \$26.4B, up 9%
- Operating income of \$1.3B, up 25%
- Non-GAAP operating income of \$2.0B, up 4% and 7.4% of non-GAAP revenue¹
- Diluted EPS of \$0.68, and diluted non-GAAP EPS¹ of \$1.68, up 14% and growing faster than revenue

Strength in our core businesses in a weakening demand environment

- CSG revenue of \$15.5B, up 9%, with operating income of \$1.0B and shipments ahead of demand
- ISG revenue of \$9.5B, up 12%, its 6th consecutive quarter of Y/Y growth, with operating income of \$1.0B

Delivering against our shareholder return framework

- Returned \$850M in capital to shareholders in Q2, including our second quarterly dividend
- During Q2, repurchased \$608M worth of stock and paid \$242M in dividends

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

Q2 FY23 Overview

		\$ in millions			
		2Q23	Y/Y	1H23	Y/Y
Dell	Revenue	26,425	9%	52,541	12%
	Operating Income	1,270	25%	2,820	41%
	Non-GAAP Revenue	26,425	9%	52,541	12%
	Non-GAAP Operating Income	1,952	4%	4,087	12%
CSG	CSG Revenue	15,490	9%	31,077	13%
	Operating Income	978	-1%	2,093	1%
	Commercial Revenue	12,141	15%	24,112	18%
	Consumer Revenue	3,349	-9%	6,965	-3%
ISG	ISG Revenue	9,536	12%	18,821	13%
	Operating Income	1,046	9%	2,128	22%
	Servers & Networking Revenue	5,209	16%	10,257	19%
	Storage Revenue	4,327	6%	8,564	8%

Rev Growth

Record Q2 revenue across both CSG and ISG

Share Gain

Gained 200+ bps¹ of PC unit share, and expect share gains across storage and servers

Server Growth

Servers and networking reported its 7th consecutive quarter of Y/Y growth

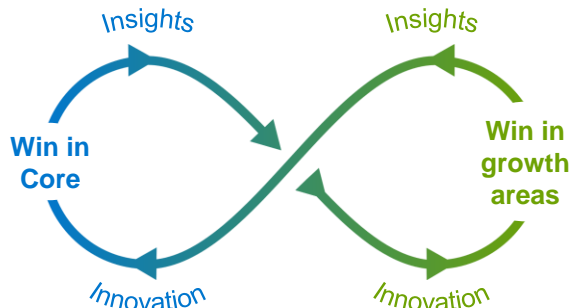
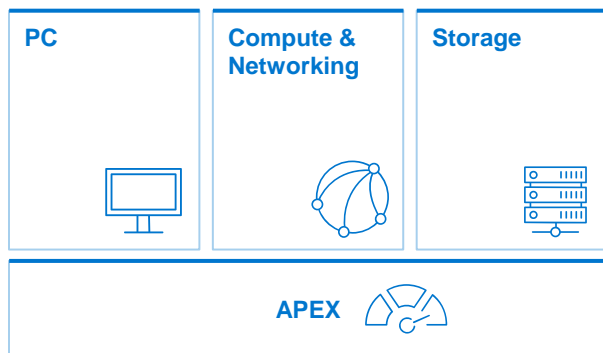
Storage Growth

Last 5 quarters of demand growth translating to our 2nd quarter of P&L growth

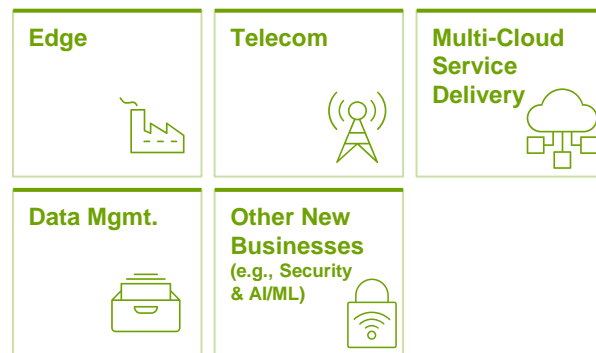
Dell Technologies strategy

Leading market positions and a differentiated strategy, supported by durable competitive advantages

Grow and modernize the Core business



Build new growth businesses where we have a unique right to win



STRATEGY SUPPORTED BY DURABLE COMPETITIVE ADVANTAGES



#1 positions in CSG and ISG



E2E product and Multi-Cloud offerings



Largest GTM and Channel ecosystem



Leading global services footprint



Industry-leading scale and supply chain



Leading financial services capabilities

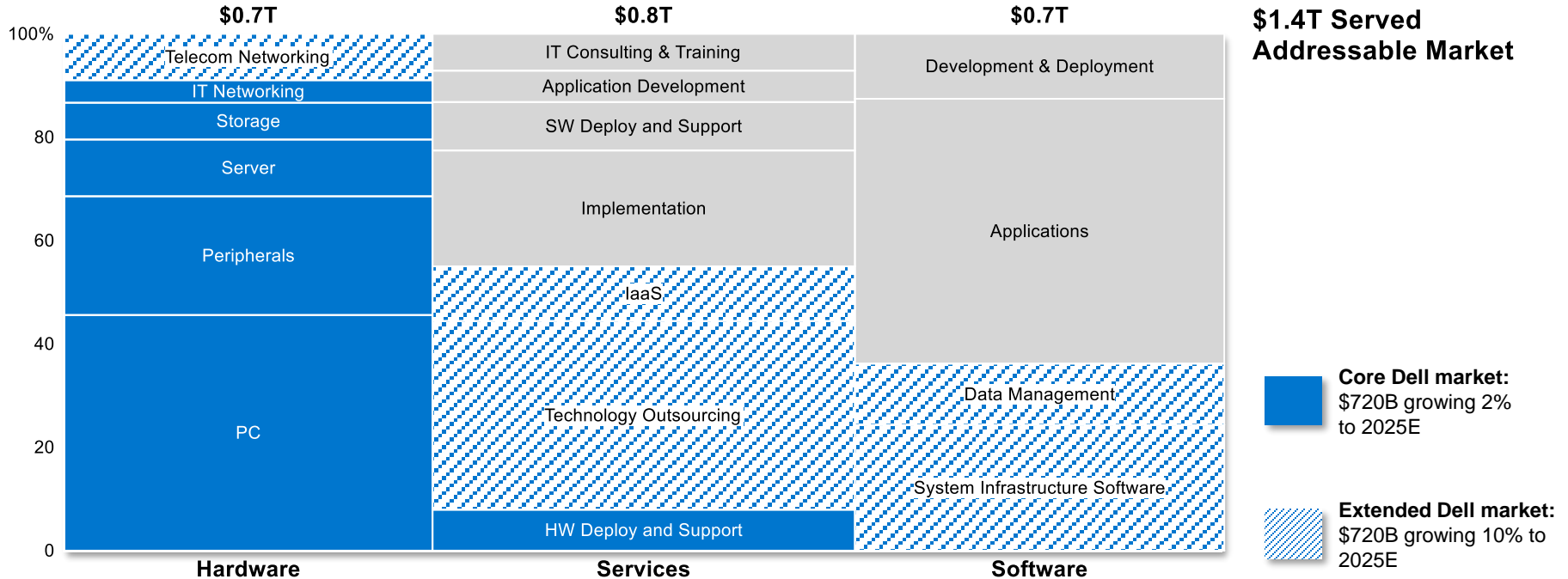


First & best VMware alliance

Ample room to grow within \$720B core business TAM

... and pursuing growth in adjacent markets within an incremental \$720B TAM

2021 Global IT market



Note: PC includes PC and Tablet

Source: Dell CSG TAM estimate (PC, Peripherals); Dell ISG TAM estimate (Server, Storage, IT Networking); OECD Economic Outlook 2022 (GDP growth rate); IDC Worldwide ICT Spending Guide 2021 data (remaining); excludes from ICT Spending Guide categories far out of the scope of Dell's business (e.g., mobile phone hardware, telecom services, BPO services)

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Shaping our customers' digital future

Customers are increasingly turning to Dell Technologies as a trusted, strategic partner

T-Mobile

In May, we announced that we joined forces with T-Mobile to make it easier for enterprise and government customers to embrace 5G. T-Mobile's 5G Private Mobile Network combined with Dell's edge computing technologies will bring customers the power of 5G connectivity on premise where they need it.

DISH

In June, DISH marked a major milestone in building the world's most advanced cloud-native 5G Open RAN network. They now offer 5G broadband service to over 20% of the U.S. population on a cloud-native network built with Dell's open IT infrastructure, software and services.

Gillette Stadium

Gillette Stadium is using Dell edge solutions, PowerStore and PowerEdge servers to capture data at the edge and use real-time insights to create an immersive and secure experience for fans.

Federal Home Loan Bank

Federal Home Loan Bank in San Francisco is using APEX Private Cloud to support its growth and cloud strategy, realizing significant cost savings as the financial institution serves its members.

Montage Health

Montage Health, which delivers care to a half million customers annually, is using APEX Private Cloud to provide clinicians better access to critical applications and information for patient care and staff collaboration.

Multi-Cloud Strategy

We are broadening our ecosystem to help make multi-cloud a reality for our customers

We have a significant presence with many of the leading cloud-based companies in the world, providing infrastructure to 76%¹ of them. Our CSP customers, which include SaaS, telecom, cloud hosting companies and consumer webtech represent roughly 25%² of our ISG portfolio. Our goal is to bring a holistic multi-cloud experience to our customers through existing offerings, expansion via Project Alpine & partnerships like Snowflake.

Multi-Cloud Offerings



AWS EKS-Anywhere container platform running on top of VxRail

Microsoft Azure Stack HCI solution

PowerScale for Google Cloud

PowerProtect Cyber Recovery for AWS and now for Azure

CyberSense for PowerProtect Cyber Recovery for AWS

Project Alpine



Bring enterprise class data services into the public cloud for ...

- Cloud-bursting
- Test & development
- Cloud-based analytics
- Data & container mobility

Snowflake Partnership



Will help customers have greater flexibility operating in multi-cloud environments, meet data sovereignty requirements, and easily turn data into insights

Dell and Snowflake customers will be able to use on-premises data stored on Dell object storage with the Snowflake Data Cloud while keeping their data local or seamlessly copying it to public clouds

This marks the industry's first collaboration between on-premises storage systems and the public cloud-based Snowflake Data Cloud

¹ Based on the past 3 years, not including hyperscalers.

² Based on data as of Q2 FY23.

Software driven storage innovation

Delivering more than 500 software enhancements to our unmatched, industry leading storage portfolio

PowerMax



The world's most secure mission-critical storage¹

- **Cybersecurity resiliency advancements**
 - Isolated cyber-vaults with up to 65 million secure snapshots
- **Industry's 1st data compression for mainframes ... 4:1 Data Reduction Guarantee²**
- **Double the performance³ with up to 50% better response times⁴ on two new NVMe multi-node scale architectures**
- **Over 200 new features provided by our updated PowerMax OS 10**

¹ Based on Dell internal analysis for cybersecurity capabilities of Dell PowerMax versus cybersecurity capabilities of competitive mainstream arrays supporting open systems and mainframe storage, March 2022. || ² Based on Dell's Future-Proof program that offers 4:1 data reduction guarantee based on PowerMax data reduction tools (dedupe and data compression) for open systems storage, March 2022. Actual data reduction rates will vary. || ³ Based on Dell internal testing using the Sequential Read Hits (128K) GB per second, and IOPS per FC port benchmarks (within a single array) comparing PowerMax 8500 to PowerMax 8000, March 2022. Actual performance will vary. || ⁴ Based on Dell internal testing using the OLTP benchmark comparing the PowerMax 2500 against the PowerMax 2000, March 2022. Actual response times will vary.

PowerStore



Our fastest ramping new architecture

- **Will deliver up to a 50%⁵ mixed workload performance boost and up to 66%⁶ greater capacity**
- **PowerStore OS 3.0 includes 120+ new features:**
 - **New native metro sync replication** which creates a high availability shared storage environment across sites
 - **Deeper VMware integrations** including improved vVols latency and performance plus simplified disaster recovery, VM-level snapshots and fast clones
 - Support for third-party file monitoring and ransomware protection
- **Maximize performance of new hardware with end-to-end NVMe support and increased networking speeds**

⁵ Based on Dell internal testing using the OLTP benchmark comparing the PowerMax 2500 against the PowerMax 2000, March 2022. Actual response times will vary. || ⁶ Based on internal tests comparing PowerStore 1200T peak IOPS with PowerStore OS 3.0 vs. PowerStore 1000T with PowerStoreOS 2.1, running 70/30 read/write mix, 8k block size, March, 2022. Actual results may vary. || ⁷ Maximum effective capacity for largest PowerStore cluster with PowerStoreOS 3.0 vs. PowerStoreOS

PowerFlex



The only Software-defined infrastructure that scales almost limitlessly ...

- for compute and storage while supporting bare metal, all hypervisors and file and block storage services on a single platform with increased cyber-resiliency and multi-cloud extensions
- **PowerFlex OS 4.0 includes 200+ new features:**
 - **Now enables file capabilities** for traditional NAS use cases, in addition to existing block storage
 - **Simplifies multi-cloud and DevOps with the broadest file and block⁷ support for all major Kubernetes and container orchestration platforms** from Amazon, Google, Microsoft, Red Hat, SUSE and VMware
 - **New unified compute, storage and system lifecycle management**

⁷ Based on Dell analysis of integrated systems for Kubernetes distributions, March 2022

APEX

Dell Technologies innovation delivered as-a-Service. Provision quickly, scale on demand, and pay as you go across your entire multi-cloud environment. APEX ARR¹ is over \$1B.

Compute



Storage and Data Protection



Custom



APEX Cloud Services with VMware Cloud

A scalable, flexible multi-cloud infrastructure with compute, storage and networking delivered as-a-service, so you can get the cloud experience wherever you need it

APEX Hybrid Cloud & APEX Private Cloud

A customer managed & on premises or co-located solution, based on VxRail with VMware Cloud Foundation (hybrid) and VxRail with vSphere & vSan (private)

APEX Data Storage Services

Dell managed at a customer site or co-located through our Equinix partnership

APEX Backup Services

Scalable, secure data protection for SaaS applications. Protects customer data from multiple workloads, all done in an automated fashion

APEX Cyber Recovery Services

Dell managed day-to-day data protection and recovery operations assistance from an isolated, immutable & intelligent data vault

APEX Flex on Demand

Customers choose on-premises infrastructure & minimum usage, leveraging the full suite of Dell's portfolio

APEX Data Center Utility

Enterprise clients, move part of or all your data center operations to a Dell Managed pay-per-use model, leveraging the full suite of Dell's portfolio

PROFESSIONAL SERVICES FOR APEX

APEX USE CASES

AI

Analytics

Containers

VDI

HPC

Edge

Data Protection

Databases

Microsoft

Oracle

SAP

¹ APEX annual recurring revenue ("ARR") represents recurring net revenue from our APEX branded subscription, as-a-Service, and usage-based offerings recognized during the quarter and multiplied by four. APEX ARR excludes revenue from these offerings that is recognized up front as a result of sales-type lease accounting treatment.

Dell Technologies Storage key leadership positions

We have #1 positions in the majority of critical IT infrastructure categories

#1 External Enterprise Storage

Dell maintained the #1 position with 32.5% share

Per IDC WW Quarterly Enterprise Storage Systems Tracker CY22Q1

#1 High end Storage

Dell maintained the #1 position with 41.1% share

Per IDC WW Quarterly Enterprise Storage Systems Tracker CY22Q1

#1 Mid range Storage

Dell maintained the #1 position with 31.9% share

Per IDC WW Quarterly Enterprise Storage Systems Tracker CY22Q1

#1 Storage Software

Dell maintained the #1 position with 10.3% share

Per IDC WW Storage Software and Cloud Services Tracker CY22Q1

#1 Converged Systems

Dell maintained the #1 position with 48.9% share

Per IDC WW Quarterly Converged Systems Tracker CY22Q1

#1 Hyperconverged Systems

Dell maintained the #1 position with 38.6% share

Per IDC WW Quarterly Converged Systems Tracker CY22Q1

#1 Purpose-Built Backup Appliance

Dell maintained the #1 position with 49.7% share

Per IDC WW Quarterly Purpose-Built Backup Appliance Tracker CY22Q1

#1 All Flash Array

Dell maintained the #1 position with 35.0% share

Per IDC WW Quarterly Enterprise Storage Systems Tracker CY22Q1

Dell Technologies PC & Server key leadership positions

We have #1 positions in the majority of critical IT infrastructure categories

#1 Server
Units

Dell is the leader in x86 server units with 17.2% share

Per IDC WW Quarterly Server Tracker CY22Q1.

#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 Q2 FY23.

#1 PC
Workstations

Dell maintained the #1 position with 37.7% share

Per IDC WW Quarterly Workstation Tracker CY22Q2.

#1 Commercial
PC

Dell is the leader with 26.5% share

Per IDC WW Quarterly PC Device Tracker, CY22Q2. Includes workstations.

#1 Server
Revenue

Dell is the leader in x86 server revenue with 19.6% share

Per IDC WW Quarterly Server Tracker CY22Q1.

#1 PC
Monitors

Dell maintained the #1 position with 22.4% share

Per IDC WW Quarterly Monitor Tracker CY22Q1.

#1 High-End
PC Gaming

Dell maintained the #1 position with 30.6% share

Per IDC Quarterly Gaming Tracker, CY22Q2, \$1,500+ price band.

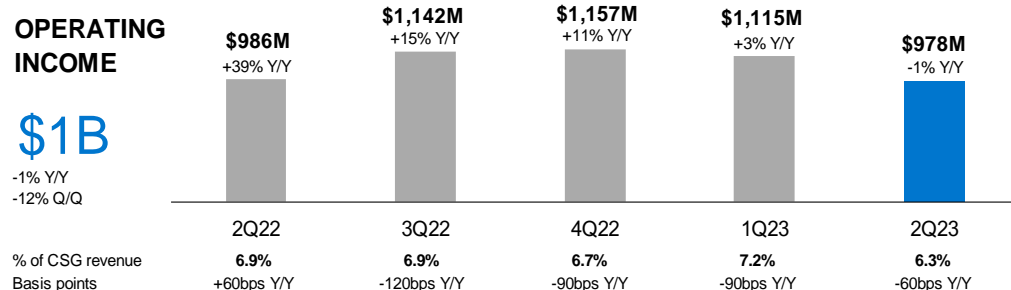
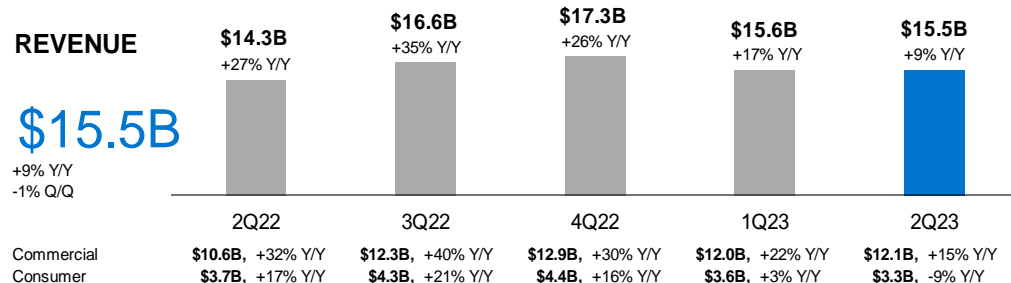
#1 North America
PC

Dell is the leader with 27.6% share

Per IDC WW Quarterly PC Device Tracker, CY22Q2. Includes workstations

Client Solutions Group

Record Q2 revenue with strong profitability



Our PC business has gained share 34 of the last 38 quarters¹

Gained 200+ bps Y/Y in Q2 CY22²

Claimed #1 spot in Commercial PCs², where we gained over 300 bps of unit share

Gained over 100 bps share in displays where we grew 8% Y/Y in Q2 CY22³

Demand did decline in the quarter across consumer and commercial, offset by strong shipments

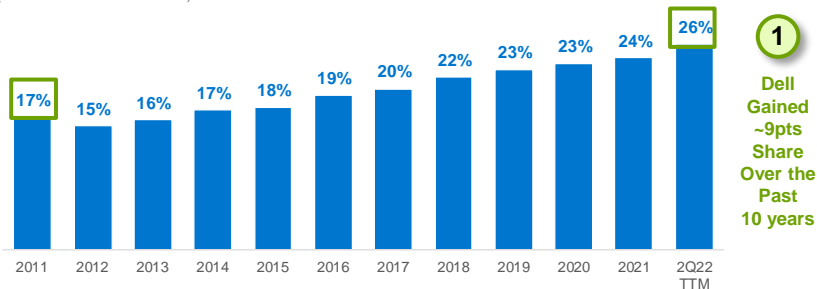
¹ Based on units, as of the Q2 CY22 IDC data. Data between Q1 CY2013 – Q2 CY2022.
² Source: IDC Worldwide PC Tracker Q2 CY22 Final Historical.
³ Source: IDC Worldwide Monitor Tracker Q2 CY22 Preliminary Historical. Based on units.

Dell is focused on the most stable PC segments

Long track record of structural share gain ... and will continue to consolidate and modernize

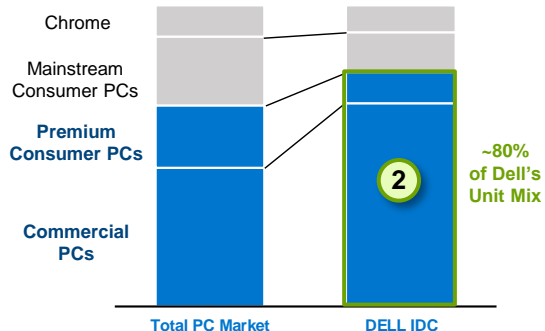
Dell Commercial PC Unit Share

(IDC Commercial PC Units)



PC Unit Mix

(IDC CY2021 Units)



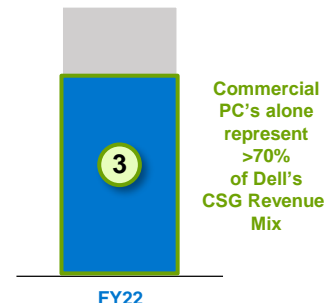
Observations

Commercial & High-end Consumer PC's

- ① ~9pts Commercial PC unit share gain over the past 10 years
- ② Dell has a higher mix of Commercial & Premium PC Units vs the industry, and more importantly ...
- ③ >70% of Dell's PC Revenue is from Commercial PC's

Dell's Focus Areas

- Commercial PC's
- High-End Consumer
- Gaming



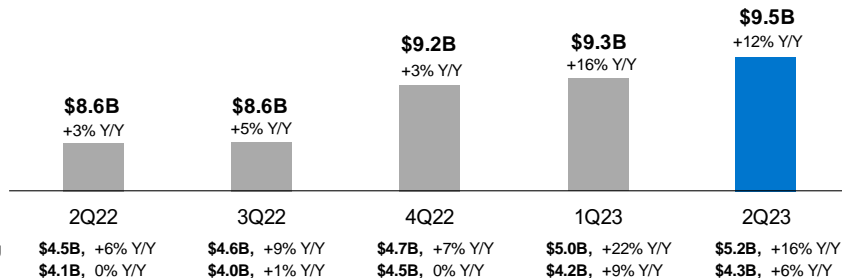
Infrastructure Solutions Group

Sixth quarter of ISG Y/Y growth despite the impact of supply chain disruptions

REVENUE

\$9.5B

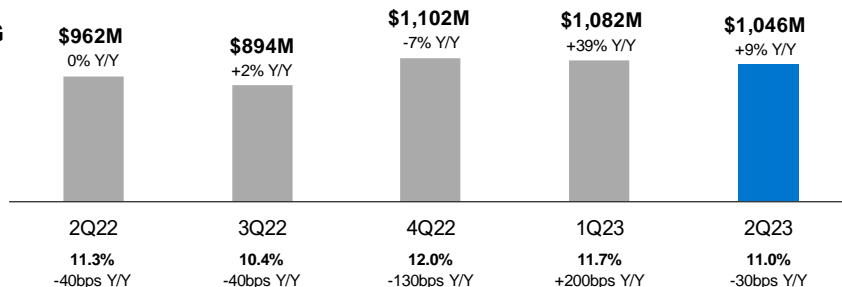
+12% Y/Y
+3% Q/Q



OPERATING INCOME

\$1B

+9% Y/Y
-3% Q/Q



Storage revenue grew 6%

5th consecutive quarter of demand growth and 2nd of P&L growth

Servers and networking reported its 7th consecutive quarter of Y/Y growth

ISG demand growth slowed in the quarter, with customers taking a more cautious view of their needs

APEX ARR² over \$1B

Grew APEX orders 78% Y/Y and added almost 200 new customers

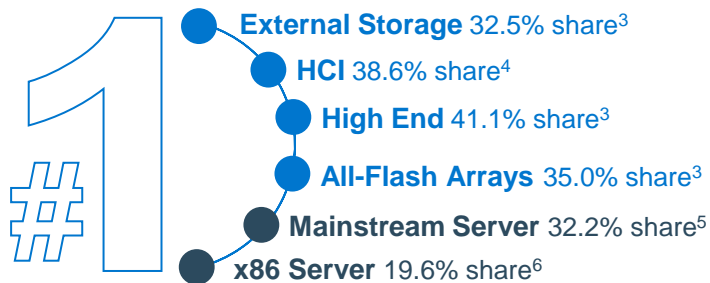
¹ Amounts are based on underlying data and may not visually foot due to rounding.

² APEX annual recurring revenue ("ARR") represents recurring net revenue from our APEX branded subscription, as-a-Service, and usage-based offerings recognized during the quarter and multiplied by four. APEX ARR excludes revenue from these offerings that is recognized up front as a result of sales-type lease accounting treatment.

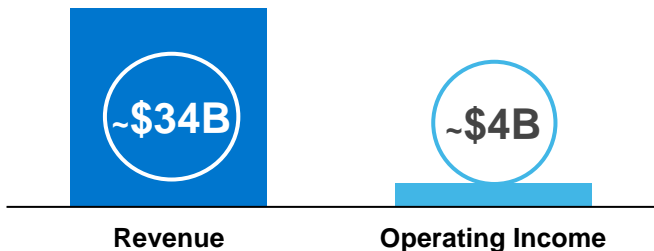
ISG has a strong portfolio of #1 positions

With steady financial performance and a growing TAM

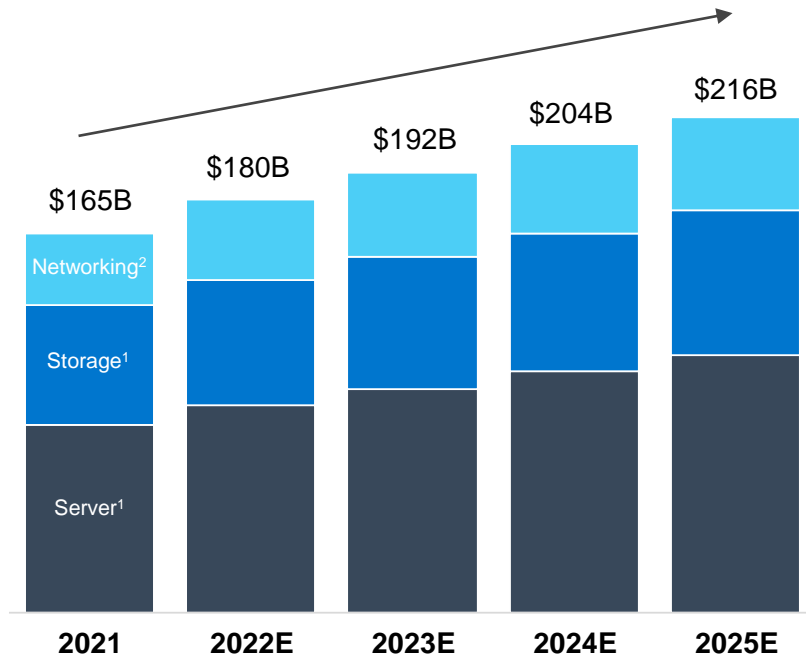
Leadership positions in Storage / Server



Financial performance (3 year average⁷)



TAM is growing



1) Dell analysis leveraging external data sources: IDC (Server, Storage); 2) Dell'Oro (Networking); TAM note: Storage includes Core Storage, Data Protection, and HCI; Server is total server less HCI HW 3) IDC Quarterly Enterprise Storage Systems Tracker, 2022Q1, based on revenue 4) IDC Quarterly Converged Systems Tracker 2022Q1, based on revenue; 5) IDC Quarterly Server Tracker, 2022Q1, based on units. Mainstream Server is: Large System, Standard Rack and Tower 6) IDC Quarterly Server Tracker, 2022Q1, based on revenue 7) FY20-FY22

Consolidated GAAP results^{1,2}

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

\$ in millions, except per share amounts

	2Q22	3Q22	4Q22	1Q23	2Q23	YY	Q/Q	1H23	YY
Revenue	24,191	26,424	27,992	26,116	26,425	9%	1%	52,541	12%
Gross Margin	5,475	5,534	5,618	5,784	5,439	-1%	-6%	11,223	5%
SG&A	3,761	3,838	3,398	3,553	3,543	-6%	0%	7,096	-4%
R&D	697	650	611	681	626	-10%	-8%	1,307	-1%
Operating Expense	4,458	4,488	4,009	4,234	4,169	-6%	-2%	8,403	-4%
Operating Income	1,017	1,046	1,609	1,550	1,270	25%	-18%	2,820	41%
Interest and Other, Net	(292)	3,501	(1,657)	(337)	(635)	-117%	-88%	(972)	-68%
Income Tax	96	864	(19)	144	129	34%	-10%	273	101%
<i>Effective tax rate %</i>	<i>13.2%</i>	<i>19.0%</i>	<i>39.6%</i>	<i>11.9%</i>	<i>20.3%</i>			<i>14.8%</i>	
Net Income from Continuing Operations	629	3,683	(29)	1,069	506	-20%	-53%	1,575	22%
Less: Net Income attributable to non-controlling interests from cont. ops	(2)	(2)	(1)	(3)	(5)	-150%	-67%	(8)	-167%
Net Income attributable to Dell Technologies Inc. from cont. ops	631	3,685	(28)	1,072	511	-19%	-52%	1,583	23%
Earnings Per Share from cont. ops - basic ³	\$0.83	\$4.81	(\$0.04)	\$1.42	\$0.69	-17%	-51%	\$2.12	25%
Earnings Per Share cont. ops - diluted ³	\$0.80	\$4.68	(\$0.04)	\$1.37	\$0.68	-15%	-50%	\$2.06	25%

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

² Results are presented on a continuing operations basis only. See Appendix C for consolidated GAAP results inclusive of net income attributable to discontinued operations.

³ See Appendix B for weighted average shares and EPS calculation.

Consolidated non-GAAP results¹

Record Q2 revenue with strong operating income and EPS

\$ in millions, except per share amounts

	2Q22	3Q22	4Q22	1Q23	2Q23	YY	Q/Q	1H23	YY
Revenue	24,199	26,432	28,000	26,116	26,425	9%	1%	52,541	12%
Gross Margin	5,673	5,729	5,818	5,941	5,650	0%	-5%	11,591	4%
SG&A	3,214	3,178	3,074	3,198	3,134	-2%	-2%	6,332	-1%
R&D	591	595	553	608	564	-5%	-7%	1,172	4%
Operating Expense	3,805	3,773	3,627	3,806	3,698	-3%	-3%	7,504	0%
Operating Income	1,868	1,956	2,191	2,135	1,952	4%	-9%	4,087	12%
Interest and Other, Net	(472)	(435)	(335)	(358)	(371)	21%	-4%	(729)	24%
Income Tax	230	208	466	343	315	37%	-8%	658	42%
<i>Effective tax rate %</i>	<i>16.5%</i>	<i>13.7%</i>	<i>25.1%</i>	<i>19.3%</i>	<i>19.9%</i>			<i>19.6%</i>	
Net Income	1,166	1,313	1,390	1,434	1,266	9%	-12%	2,700	22%
Less: Net Income attributable to non-controlling interests	-	1	-	(1)	(2)	NM	-100%	(3)	NM
Net Income attributable to Dell Technologies Inc.	1,166	1,312	1,390	1,435	1,268	9%	-12%	2,703	22%
Earnings Per Share - basic ²	\$1.53	\$1.71	\$1.82	\$1.90	\$1.72	12%	-9%	\$3.62	24%
Earnings Per Share - diluted ²	\$1.48	\$1.66	\$1.72	\$1.84	\$1.68	14%	-9%	\$3.52	24%

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.

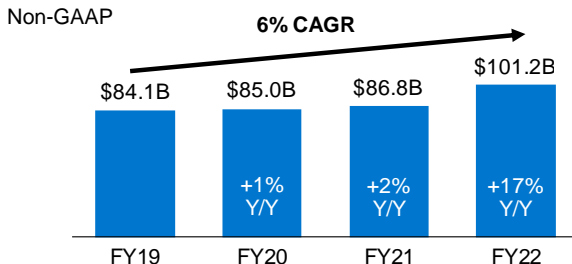
Proven track record of performance at Dell

Consistent, profitable growth over time and solid cash flow driven by execution in our CSG & ISG businesses

Core Dell Performance

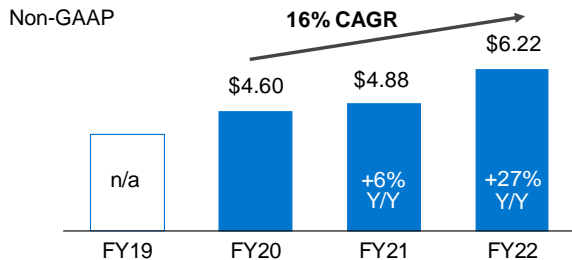
- **6% CAGR Revenue growth**
- **Growing at a premium to the market⁷**
 - Over the last 5 years:
 - ~570bps Commercial PC
 - ~590bps Mainstream Server
- **16% Diluted EPS growth**
- **Strong Cash Flow**

Revenue^{1,2}



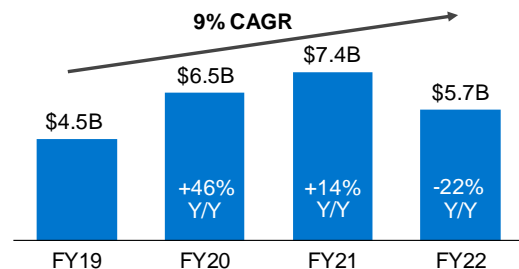
Revenue growth > IT Spending excl'd Telecom⁴

Diluted EPS^{1,2}



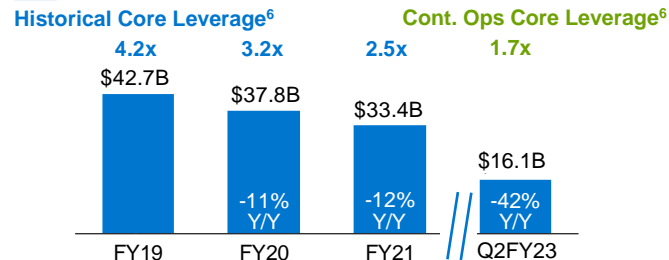
EPS growing faster than Revenue

Estimated Adjusted Free Cash Flow^{1,3}



~\$6B Avg. Annual Adj FCF FY19-FY22

Core Debt and Other⁵

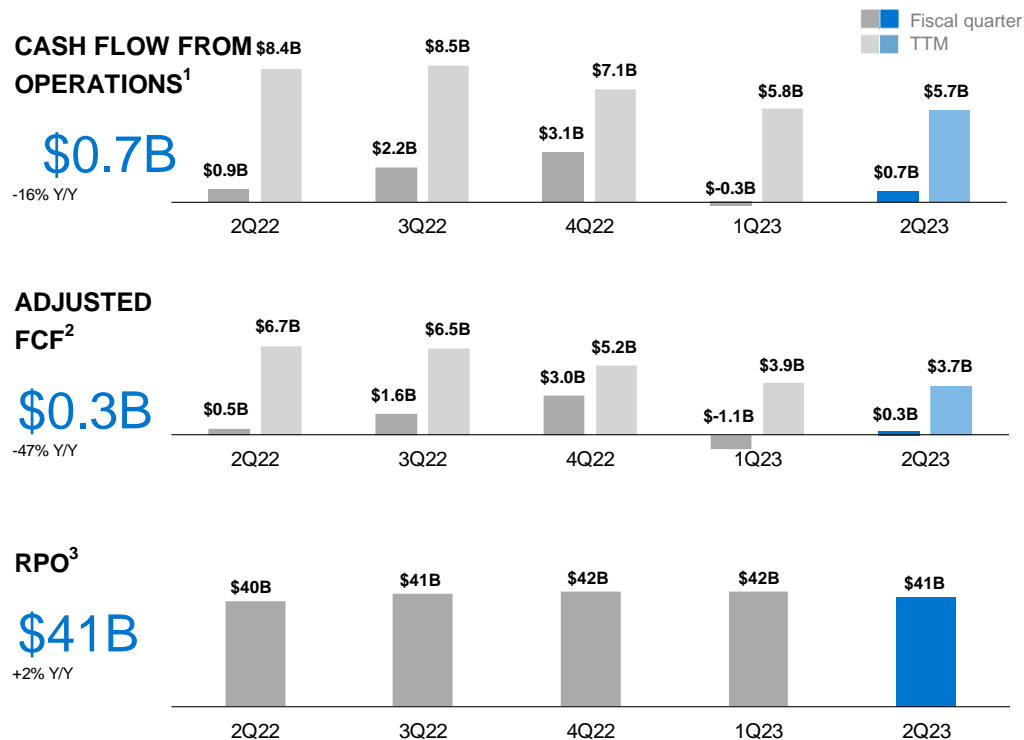


\$37.4B debt⁵ reduction since the EMC transaction

1) See Sppendix B for a reconciliation of these measures to their most directly comparable GAAP measures. 2) Revenue and non-GAAP diluted earnings per share are presented on a continuing operations basis. 3) Estimated adjusted free cash flow is calculated as adjusted free cash flow further adjusted to retrospectively reflect interest expense associated with post-VMware spin off debt balances. See Appendix B for a presentation of how this is calculated. 4) 6% CAGR CY18-CY21 according to IDC Worldwide Black Book; 5) Core debt + margin loan, mirror note, and other debt, excluding public subsidiary debt and DFS related debt. 6) FY19-FY21 core leverage ratio is presented on a historical basis and calculated as Core debt / ((TTM Dell Tech adj. EBITDA excluding VMW) + (81% of TTM VMW EBITDA) - (TTM DFS EBITDA)). FY22 is recast to be presented on a continuing operations basis and is calculated as Core debt / ((TTM adj. EBITDA) - (TTM DFS 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. 7) Per IDC PC Units 2QCY17 – 2QCY22 TTM, Per IDC WW Quarterly Server Tracker 1QCY22, data between 1QCY17 – 1QCY22 TTM.

Select financial metrics

Consistent cash flow from operations¹: ~19% CAGR over the last three years



Our cash flow from operations was \$0.7B in Q2, primarily driven by growth and profitability, partially offset by a use of working capital

Ended Q2 with \$7.1B in cash and investments

RPO of \$41B, up 2% Y/Y, and deferred revenue of \$28B, up 5% Y/Y

Recurring revenue⁴ of \$5.2B exiting Q2, up 8% Y/Y

¹ Cash flow from operations, excluding VMware. Q2FY23 TTM cash flow from operations including VMware is \$6.8B. ~19% over the last 3 years represents a FY19-FY22 CAGR.

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

³ Remaining performance obligations include deferred revenue and committed contract value not included in deferred revenue.

⁴ We define recurring revenue as revenue recognized primarily related to hardware and software maintenance as well as subscription, as-a-Service, usage-based offerings, and operating leases.

Capital Allocation Priorities

Returned \$850M in capital to shareholders in Q2

Attractive long-term financial model

- 3 - 4% Revenue growth
- 6+% EPS growth
- NI to Adj. FCF Conversion of 100% or better
- Target returning 40 - 60% of Adj. FCF to shareholders

Target returning 40 - 60% of Adj. FCF to shareholders

Dividend

- During Q2, we paid \$242M in dividends, at 33¢ per share.
- The initial annual rate of our quarterly dividend is \$1.32, or ~\$1B for FY23
- Expect to have the opportunity over time to grow the dividend at least consistent with our long-term value creation framework EPS CAGR of 6%+

Buy Backs

- During Q2, we repurchased 13.6M shares of stock for \$608M.
- Program through Q2, we've repurchased 54M shares for \$2.7B.
- Share repurchases will follow a programmatic approach to at least manage dilution and buy back opportunistically based on market conditions.

Invest remaining 40 - 60% in the business, growth opportunities and debt repayment

Reinvest in organic growth opportunities

Targeted M&A that accelerates our strategy

Additional debt paydown as we work toward our 1.5x core leverage¹ target

Guidance

Q3 FY23

- Revenue expected in the range of \$23.8B - \$25.0B, down 8% at the midpoint
 - CSG declining in the high teens; ISG growing in the low teens
 - Expect FX headwind of ~500 bps
- GM rates expected to increase sequentially as mix shifts to ISG
- Expect Opex to be slightly down vs. Q2 given the cost controls we have in place
- For non-GAAP tax rate¹, assume 20% plus or minus 100 basis points
- Diluted share count expected to be roughly 750M to 755M shares
- Diluted EPS expected between \$0.96 and \$1.22
- Diluted non-GAAP EPS² expected between \$1.53 and \$1.79, flat Y/Y at the midpoint

FY23 ³

- Given what we know today, we expect revenue growth to be flat to 2%
 - Expect FX headwind of ~400 bps
- Diluted EPS expected between \$3.96 and \$4.36
- Diluted non-GAAP EPS expected between \$6.60 and \$7.00, up 9% at the midpoint

¹ The estimated tax rate does not include the impact of any possible law changes.

² Please refer to Appendix D for reconciliation of Non-GAAP measures to GAAP.

³ See formal earnings remarks for full details.

ESG Highlights¹

From our latest ESG reporting² and external recognition

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



Environmental

90% sustainable materials used in our packaging

-30% reduction in Scopes 1 & 2 market-based **greenhouse gas emissions** since FY20

55% of electricity from **renewable sources** across Dell facilities

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



Social

159M+ people reached with **education, healthcare or financial inclusion** programs

99.6% of our employees participated in **foundational learning on key DE&I topics** (up ~67%)

88% of team members rated their job as **meaningful**

47% 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 receives regular ESG updates

100% of employees completed assigned ethics and compliance training

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



Appendix A

Debt and DFS summary

Debt summary¹

\$ in billions ^{2,3}	2Q22	3Q22	4Q22	1Q23	2Q23
Revolver	-	-	-	-	-
Term Loan A	3.1	3.1	-	-	-
Term Loan B	3.1	3.1	-	-	-
Senior Notes	18.5	18.5	16.3	16.3	16.3
High Yield Notes	1.6	1.6	-	-	-
Legacy Dell IG Notes	1.0	1.0	1.0	1.0	1.0
Legacy EMC IG Notes	1.0	0.0	-	-	-
DFS Allocated Debt	(0.7)	(0.4)	(1.1)	(0.7)	(1.1)
Total Core Debt ⁴	27.6	27.0	16.1	16.5	16.1
Margin Loan and Other	1.3	0.4	0.3	0.3	0.3
DFS Debt	9.6	9.9	9.6	9.9	9.7
DFS Allocated Debt	0.7	0.4	1.1	0.7	1.1
Total DFS Related Debt	10.3	10.3	10.8	10.6	10.8
Total Debt	39.2	37.7	27.2	27.4	27.2

¹ Debt balances are presented on a historical basis. On a recast basis, the Margin Loan was reclassified to Liabilities of discontinued operations. See Appendix C for recast presentation.

² Amounts are based on underlying data and may not visually foot due to rounding.

³ Principal Face Value.

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	2Q22	3Q22	4Q22	1Q23	2Q23
Originations ¹	1.9	2.0	2.7	2.1	2.3
Trailing twelve months	8.3	8.2	8.5	8.7	9.1
Financing Receivables ²	10.3	10.2	10.6	10.2	10.3
Operating Leases ³	1.4	1.6	1.7	1.9	2.0
Total Managed Assets ⁴	12.6	12.6	13.5	13.2	13.5

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 Amounts represent 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. Effective 4Q22, total managed assets includes committed contract value for flex on demand.

Appendix B

Supplemental non-GAAP measures

Supplemental non-GAAP measures

Revenue and gross margin

\$ in millions	2Q22	3Q22	4Q22	1Q23	2Q23
GAAP revenue	24,191	26,424	27,992	26,116	26,425
Impact of purchase accounting ¹	8	8	8	-	-
Non-GAAP revenue	24,199	26,432	28,000	26,116	26,425
GAAP gross margin	5,475	5,534	5,618	5,784	5,439
Amortization of intangibles	150	148	150	104	105
Impact of purchase accounting ¹	9	9	8	2	-
Stock-based compensation	32	36	37	38	37
Other corporate expenses ²	7	2	5	13	69
Total adjustments to gross margin	198	195	200	157	211
Non-GAAP gross margin	5,673	5,729	5,818	5,941	5,650
<i>GM % of non-GAAP revenue</i>	<i>23.4%</i>	<i>21.7%</i>	<i>20.8%</i>	<i>22.7%</i>	<i>21.4%</i>

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

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

Supplemental non-GAAP measures

SG&A, R&D and operating expense

\$ in millions	2Q22	3Q22	4Q22	1Q23	2Q23
GAAP SG&A	3,761	3,838	3,398	3,553	3,543
Amortization of intangibles	(292)	(283)	(173)	(139)	(139)
Impact of purchase accounting ¹	(6)	(3)	(12)	(7)	(3)
Transaction (costs) income ²	(37)	(229)	22	(5)	(3)
Stock based compensation	(128)	(130)	(127)	(138)	(142)
Other corporate expenses ³	(84)	(15)	(34)	(66)	(122)
Non-GAAP SG&A	3,214	3,178	3,074	3,198	3,134
GAAP R&D	697	650	611	681	626
Stock based compensation	(46)	(48)	(52)	(56)	(57)
Other corporate expenses ³	(60)	(7)	(6)	(17)	(5)
Non-GAAP R&D	591	595	553	608	564
GAAP operating expenses	4,458	4,488	4,009	4,234	4,169
Amortization of intangibles	(292)	(283)	(173)	(139)	(139)
Impact of purchase accounting ¹	(6)	(3)	(12)	(7)	(3)
Transaction (costs) income ²	(37)	(229)	22	(5)	(3)
Stock based compensation	(174)	(178)	(179)	(194)	(199)
Other corporate expenses ³	(144)	(22)	(40)	(83)	(127)
Total adjustments to operating expenses	(653)	(715)	(382)	(428)	(471)
Non-GAAP operating expenses	3,805	3,773	3,627	3,806	3,698
<i>OpEx % of non-GAAP revenue</i>	<i>15.7%</i>	<i>14.3%</i>	<i>13.0%</i>	<i>14.5%</i>	<i>14.0%</i>

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

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

³ Consists of impairment charges, severance, facilities action, incentive charges related to equity investments, other costs, and effective Q1FY23, payroll taxes associated with stock-based compensation.

Supplemental non-GAAP measures

Operating Income

\$ in millions	2Q22	3Q22	4Q22	1Q23	2Q23
GAAP operating income	1,017	1,046	1,609	1,550	1,270
Non-GAAP adjustments:					
Amortization of intangibles	442	431	323	243	244
Impact of purchase accounting ¹	15	12	20	9	3
Transaction costs (income) ²	37	229	(22)	5	3
Stock based compensation	206	214	216	232	236
Other corporate expenses ³	151	24	45	96	196
Total adjustments to operating income	851	910	582	585	682
Non-GAAP operating income	1,868	1,956	2,191	2,135	1,952
<i>OpInc % of non-GAAP revenue</i>	<i>7.7%</i>	<i>7.4%</i>	<i>7.8%</i>	<i>8.2%</i>	<i>7.4%</i>

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

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

³ Consists of impairment charges, severance, facilities action, incentive charges related to equity investments, other costs, and effective Q1FY23, payroll taxes associated with stock-based compensation. During Q2FY23, other corporate expenses also includes asset impairment charges and other costs associated with exiting our business in Russia.

Supplemental non-GAAP measures

Interest and other

\$ in millions	2Q22	3Q22	4Q22	1Q23	2Q23
GAAP interest and other, net:					
Investment income, primarily interest	10	10	12	15	16
Gain on investments, net	166	18	192	14	(255)
Interest expense	(416)	(406)	(287)	(265)	(298)
Foreign exchange	(67)	(33)	(69)	(89)	(66)
Other ¹	15	3,912	(1,505)	(12)	(32)
GAAP interest and other, net	(292)	3,501	(1,657)	(337)	(635)
Adjustments:					
Non-GAAP adjustments ²	(180)	(3,936)	1,322	(21)	264
Non-GAAP interest and other, net	(472)	(435)	(335)	(358)	(371)
<i>I&O as a % of non-GAAP revenue</i>	1.9%	1.6%	1.2%	1.4%	1.4%

¹ During 4Q22, other includes debt extinguishment fees of \$1.5B primarily related to the early retirement of certain Investment Grade Notes. During 3Q22, other includes \$4.0B gain on the sale of Boomi.

² Primarily consists of the fair value adjustments on strategic equity investments as well as adjustments for \$1.5B of debt extinguishment fees during 4Q22, and \$4.0B gain on the sale of Boomi during 3Q22.

Supplemental non-GAAP measures

Net income from continuing operations

\$ in millions	2Q22	3Q22	4Q22	1Q23	2Q23
GAAP net income from cont. ops	629	3,683	(29)	1,069	506
Non-GAAP adjustments:					
Amortization of intangibles	442	431	323	243	244
Impact of purchase accounting ¹	15	12	20	9	3
Transaction costs (income) ²	25	(3,689)	1,492	(2)	(4)
Stock based compensation	206	214	216	232	236
Other corporate expenses ³	151	24	45	96	212
Fair value adjustments on equity investments ⁴	(168)	(18)	(192)	(14)	255
Aggregate adjustment for income taxes ⁵	(134)	656	(485)	(199)	(186)
Total adjustments	537	(2,370)	1,419	365	760
Non-GAAP net income	1,166	1,313	1,390	1,434	1,266
<i>NI % of non-GAAP revenue</i>	<i>4.8%</i>	<i>5.0%</i>	<i>5.0%</i>	<i>5.5%</i>	<i>4.8%</i>

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

² Consists of acquisition, integration, and divestiture-related costs and gains. 4Q22 includes \$1.5B debt extinguishment fees primarily related to the early retirement of certain Investment Grade Notes. 3Q22 includes a \$4.0B gain on the sale of Boomi.

³ Consists of impairment charges, incentive charges related to equity investments, severance, facility action, other costs, and effective Q1FY23, payroll taxes associated with stock-based compensation. During Q2FY23, other corporate expenses also includes asset impairment charges and other costs associated with exiting our business in Russia.

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 Dell Technologies Inc. from continuing operations

\$ in millions	2Q22	3Q22	4Q22	1Q23	2Q23
GAAP net income from cont. ops attributable to Dell Technologies Inc.	631	3,685	(28)	1,072	511
Amortization of intangibles	442	431	323	243	244
Impact of purchase accounting ¹	15	12	20	9	3
Transaction costs (income) ²	25	(3,689)	1,492	(2)	(4)
Stock based compensation	206	214	216	232	236
Other corporate expenses ³	151	24	45	96	212
Fair value adjustments on equity investments ⁴	(168)	(18)	(192)	(14)	255
Aggregate adjustment for income taxes ⁵	(134)	656	(485)	(199)	(186)
Total non-GAAP adjustments attributable to non-controlling interests	(2)	(3)	(1)	(2)	(3)
Total adjustments	535	(2,373)	1,418	363	757
Non-GAAP net income attributable to Dell Technologies Inc.	1,166	1,312	1,390	1,435	1,268

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

² Consists of acquisition, integration, and divestiture-related costs and gains. 4Q22 includes \$1.5B debt extinguishment fees primarily related to the early retirement of certain Investment Grade Notes. 3Q22 includes a \$4.0B gain on the sale of Boomi.

³ Consists of impairment charges, incentive charges related to equity investments, severance, facility action, other costs, and effective Q1FY23, payroll taxes associated with stock-based compensation. During Q2FY23, other corporate expenses also includes asset impairment charges and other costs associated with exiting our business in Russia.

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

Earnings per share - basic and diluted

\$ in millions, except per share figures

	2Q22	3Q22	4Q22	1Q23	2Q23
GAAP net income from cont. ops attributable to Dell Technologies Inc.	631	3,685	(28)	1,072	511
Weighted-average shares outstanding - basic	763	766	763	754	739
GAAP EPS attributable to Dell Technologies Inc. - basic	\$0.83	\$4.81	(\$0.04)	\$1.42	\$0.69
GAAP net income attributable to Dell Technologies Inc. - diluted	631	3,685	(28)	1,072	511
Weighted-average shares outstanding - diluted	786	788	763	780	755
GAAP EPS attributable to Dell Technologies Inc. - diluted	\$0.80	\$4.68	(\$0.04)	\$1.37	\$0.68
Non-GAAP net income attributable to Dell Technologies Inc.	1,166	1,312	1,390	1,435	1,268
Weighted-average shares outstanding - basic	763	766	763	754	739
Non-GAAP EPS attributable to Dell Technologies Inc. - basic	\$1.53	\$1.71	\$1.82	\$1.90	\$1.72
Non-GAAP net income attributable to Dell Technologies Inc. - diluted	1,166	1,312	1,390	1,435	1,268
Weighted-average shares outstanding - diluted	786	788	810	780	755
Non-GAAP EPS attributable to Dell Technologies Inc. - diluted	\$1.48	\$1.66	\$1.72	\$1.84	\$1.68

Supplemental non-GAAP measures

Adjusted EBITDA

\$ in millions	2Q22	3Q22	4Q22	1Q23	2Q23
GAAP net income	629	3,683	(29)	1,069	506
Adjustments:					
Interest and other, net ¹	292	(3,501)	1,657	337	635
Income tax provision (benefit)	96	864	(19)	144	129
Depreciation and amortization	904	908	830	726	744
EBITDA	1,921	1,954	2,439	2,276	2,014
Adjustments:					
Impact of purchase accounting ²	8	8	8	-	-
Transaction costs (income) ³	37	229	(22)	5	3
Stock based compensation	206	214	216	232	236
Other corporate expenses ⁴	151	24	45	96	196
Adjusted EBITDA	2,323	2,429	2,686	2,609	2,449
<i>Adj EBITDA % of non-GAAP revenue</i>	<i>9.6%</i>	<i>9.2%</i>	<i>9.6%</i>	<i>10.0%</i>	<i>9.3%</i>

¹ During 4Q22, interest and other includes \$1.5B of debt extinguishment costs. During 3Q22, interest and other includes \$4.0B gain on the sale of Boomi.

² This amount includes non-cash purchase accounting adjustments primarily related to the EMC merger transaction in 3Q17.

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

⁴ Consists of impairment charges, incentive charges related to equity investments, severance, facility action, other costs, and effective Q1FY23, payroll taxes associated with stock-based compensation.

During Q2FY23, other corporate expenses also includes asset impairment charges and other costs associated with exiting our business in Russia.

Supplemental non-GAAP measures

Free cash flow

\$ in millions	2Q22	3Q22	4Q22	1Q23	2Q23
Cash flow from operations	1,725	3,251	3,093	(269)	724
Adjustments:					
Capital expenditures and capitalized software development costs, net	(622)	(789)	(719)	(690)	(807)
Free cash flow	1,103	2,462	2,374	(959)	(83)
Adjustments:					
DFS financing receivables	90	(48)	475	(280)	202
DFS operating leases ¹	57	143	128	158	134
Free cash flow before impact from DFS related items	1,250	2,557	2,977	(1,081)	253
VMware cash flow from operations	864	1,090	-	-	-
Adjustments:					
VMware capital expenditures	(87)	(106)	-	-	-
VMware free cash flow	777	984	-	-	-
Free cash flow, excluding VMware, before impact from DFS related items	473	1,573	2,977	(1,081)	253

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

Supplemental non-GAAP measures

Estimated adjusted free cash flow

\$ in millions ¹	FY19	FY20	FY21	FY22
Cash flow from operations	6,991	9,291	11,407	10,307
Adjustments:				
Capital expenditures and capitalized software development costs, net	(1,487)	(2,553)	(2,062)	(2,755)
Free cash flow	5,504	6,738	9,345	7,552
Adjustments:				
DFS financing receivables	1,302	1,329	728	241
DFS operating leases ²	0	819	474	394
Free cash flow before impact from DFS related items	6,806	8,886	10,547	8,187
VMware cash flow from operations	3,657	3,872	4,409	3,220
Adjustments:				
VMware capital expenditures	(254)	(279)	(329)	(263)
VMware free cash flow	3,403	3,593	4,080	2,957
Free cash flow, excluding VMware, before impact from DFS related items	3,403	5,293	6,467	5,230
Adjustments:				
Cash interest paid	(2,218)	(2,366)	(2,079)	(1,678)
Estimated adjusted cash interest	1,167	1,167	1,167	1,167
Estimated adjusted free cash flow, excluding VMware, before impact from DFS related items³	4,454	6,492	7,379	5,741

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

² Amount represents change in net carrying value of equipment for DFS operating leases.

³ Estimated adjusted free cash flow represents historical adjusted free cash flow excluding VMware, adjusted for the impact of cash interest savings associated with the total debt paydown since the EMC transaction through Fiscal 2022.

Supplemental FY19 & FY20 Non-GAAP Measures

\$ in millions, except per share amounts

	FY19	FY20	FY21	FY22
Revenue	\$ 83,641	\$ 84,815	\$ 86,670	\$ 101,197
Impact of purchase accounting ¹	440	229	106	32
Non-GAAP revenue	\$ 84,081	\$ 85,044	\$ 86,776	\$ 101,229
Net income from continuing operations attributable to Dell Technologies Inc.	N/A	\$ 525	\$ 2,249	\$ 4,948
Amortization of intangibles		2,971	2,133	1,641
Impact of purchase accounting ¹		274	144	67
Transaction costs ²		116	(332)	(2,143)
Stock-based compensation		245	487	808
Other corporate expenses ³		844	268	337
Fair value adjustment on equity investments ⁴		(159)	(427)	(572)
Aggregate adjustment for income taxes ⁵		(1,361)	(772)	(156)
Total non-GAAP adjustments attributable to non-controlling interest		(4)	(6)	(7)
Total adjustments to Net income attributable to Dell Technologies Inc.		\$ 2,926	\$ 1,495	\$ (25)
Non-GAAP net income attributable to Dell Technologies Inc.		\$ 3,451	\$ 3,744	\$ 4,923
Net income attributable to Dell Technologies Inc.		\$ 525	\$ 2,249	\$ 4,948
Weighted-average shares outstanding - basic		724	744	762
Earnings per share attributable to Dell Technologies Inc. - basic		\$ 0.73	\$ 3.02	\$ 6.49
Weighted-average shares outstanding - diluted		751	767	791
Earnings per share attributable to Dell Technologies Inc. - diluted		\$ 0.70	\$ 2.93	\$ 6.26
Non-GAAP Net income attributable to Dell Technologies Inc.	3,451	3,744	4,923	
Weighted-average shares outstanding - basic	724	744	762	
Non-GAAP earnings per share attributable to Dell Technologies Inc. - basic	\$ 4.77	\$ 5.03	\$ 6.46	
Weighted-average shares outstanding - diluted	751	767	791	
Non-GAAP earnings per share attributable to Dell Technologies Inc. - diluted	\$ 4.60	\$ 4.88	\$ 6.22	

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, incentive charges related to equity investments, and other costs.

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.

Appendix C

Supplemental Recast Financials

DELL Technologies

GAAP balance sheet

Assets

	\$ in millions				
	2Q22	3Q22	4Q22	1Q23	2Q23
Current assets:					
Cash and cash equivalents	5,864	9,906	9,477	6,654	5,507
Accounts receivable, net	11,072	12,422	12,912	11,837	13,431
Due from related parties, net	128	119	131	131	195
Short-term financing receivables, net	4,955	4,966	5,089	4,796	4,860
Inventories, net	4,225	5,442	5,898	6,277	5,883
Other current assets	11,319	11,990	11,526	11,681	12,386
Current assets held for sale	188	-	-	-	-
Current assets of discontinued operations	5,804	12,334	-	-	-
Total current assets	43,555	57,179	45,033	41,376	42,262
Property, plant, and equipment, net	5,016	5,263	5,415	5,516	5,772
Long-term investments	1,649	1,630	1,839	1,868	1,520
Long-term financing receivables, net	5,330	5,270	5,522	5,398	5,450
Goodwill	19,940	19,900	19,770	19,598	19,505
Intangible assets, net	8,215	7,786	7,461	7,217	6,972
Due from related parties, net	391	391	710	713	609
Other non-current assets	6,863	6,780	6,985	6,720	6,685
Non-current assets of discontinued operations	31,719	31,478	-	-	-
Total assets	122,678	135,677	92,735	88,406	88,775

GAAP balance sheet

Liabilities and equity

\$ in millions	2Q22	3Q22	4Q22	1Q23	2Q23
Current liabilities:					
Short-term debt	5,424	14,777	5,823	5,925	6,647
Accounts payable	22,817	26,550	27,143	25,585	25,339
Due to related parties, net	945	700	1,414	622	1,269
Accrued and other	6,709	7,921	7,578	6,598	6,810
Short-term deferred revenue	13,765	13,426	14,261	14,329	14,724
Current liabilities held for sale	216	-	-	-	-
Current liabilities of discontinued operations	5,607	6,328	-	-	-
Total current liabilities	55,483	69,702	56,219	53,059	54,789
Long-term debt	32,400	22,484	21,131	21,197	20,287
Long-term deferred revenue	12,903	12,915	13,312	13,074	13,301
Other non-current liabilities	3,797	3,675	3,653	3,431	3,153
Non-current liabilities of discontinued operations	8,152	12,707	-	-	-
Total liabilities	112,735	121,483	94,315	90,761	91,530
Total Dell Technologies Inc. stockholders' equity (deficit)	4,825	8,954	(1,685)	(2,462)	(2,860)
Non-controlling interest	105	105	105	107	105
Non-controlling interest of discontinued operations	5,013	5,135	-	-	-
Total stockholders' equity (deficit)	9,943	14,194	(1,580)	(2,355)	(2,755)
Total liabilities, redeemable shares and stockholders' equity (deficit)	122,678	135,677	92,735	88,406	88,775

Consolidated GAAP results¹

\$ in millions, except per share amounts

	2Q22	3Q22	4Q22	1Q23	2Q23
Revenue	24,191	26,424	27,992	26,116	26,425
Gross Margin	5,475	5,534	5,618	5,784	5,439
SG&A	3,761	3,838	3,398	3,553	3,543
R&D	697	650	611	681	626
Operating Expense	4,458	4,488	4,009	4,234	4,169
Operating Income	1,017	1,046	1,609	1,550	1,270
Interest and Other, Net	(292)	3,501	(1,657)	(337)	(635)
Income Tax	96	864	(19)	144	129
<i>Effective tax rate %</i>	<i>13.2%</i>	<i>19.0%</i>	<i>39.6%</i>	<i>11.9%</i>	<i>20.3%</i>
Net Income from Continuing Operations	629	3,683	(29)	1,069	506
Income from discontinued operations, net of taxes	251	205	30	-	-
Net Income	880	3,888	1	1,069	506
Less: Net Income attributable to non-controlling interests from cont. ops	(2)	(2)	(1)	(3)	(5)
Less: Net Income attributable to non-controlling interests from discont. ops	51	47	-	-	-
Net Income attributable to Dell Technologies Inc. - basic	831	3,843	2	1,072	511
Less: Incremental dilution from discont. ops	3	2	-	-	-
Net Income attributable to Dell Technologies Inc. - diluted	828	3,841	2	1,072	511
Earnings Per Share from cont. ops - basic ²	\$0.83	\$4.81	(\$0.04)	\$1.42	\$0.69
Earnings Per Share from cont. ops - diluted ²	\$0.80	\$4.68	(\$0.04)	\$1.37	\$0.68
Earnings Per Share from discont. ops - basic ²	\$0.26	\$0.21	\$0.04	-	-
Earnings Per Share from discont. ops - diluted ²	\$0.25	\$0.19	\$0.04	-	-

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.

Appendix D

FY23 Q2 Guidance

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Supplemental Non-GAAP Measures

Financial Guidance¹

	3Q23	FY23 ⁶
	Diluted EPS	
GAAP guidance	\$0.96 - \$1.22	\$3.96 - \$4.36
Estimated adjustments for:²		
Impact of purchase accounting and amortization of intangibles ³	0.33	1.30
Stock-based compensation	0.32	1.27
Other corporate and transaction related expenses ⁴	0.02	0.45
Fair value adjustments on equity investments	-	0.32
Aggregate adjustment for income taxes ⁵	(0.10)	(0.70)
Non-GAAP guidance	\$1.53 - \$1.79	\$6.60 - \$7.00

¹ Amounts are subject to change with no obligation to reconcile these estimates. Amounts may not visually foot due to underlying data. Reconciliations are not provided for net revenue as, effective Q1FY23, there are no longer adjustments to net revenue.

² No estimates are included for 3Q23 guidance purposes on potential fair value adjustments on strategic investments given the potential volatility of either gains or losses on those equity investments. Additionally, no estimate is included for any potential severance as it cannot be reasonably estimated at this time. FY23 amounts included represent Q2FY23 YTD actual results only.

³ Impact of purchase accounting and amortization of intangibles represents an estimate for acquisitions completed as of July 29, 2022 and does not include estimates for potential acquisitions, if any, during the remaining two quarters of FY23.

⁴ Consists of acquisition, integration, divestiture-related, and other costs. Only Q2FY23 YTD amounts also include incentive charges related to equity investments, severance and facility action costs, and payroll taxes associated with stock-based compensation.

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

⁶ Non-GAAP diluted earnings per share growth projected at 9% at the midpoint. GAAP diluted EPS decline projected at -34% or better.

Appendix E

Business Units Trending

Business units trending

Strong, balanced growth as customers continue to invest in their digital futures

		2Q22	3Q22	4Q22	FY22	1Q23	2Q23
		\$ in millions					
Dell Technologies	Revenue	24,191	26,424	27,992	101,197	26,116	26,425
	Operating Income	1,017	1,046	1,609	4,659	1,550	1,270
	Non-GAAP Revenue ¹	24,199	26,432	28,000	101,229	26,116	26,425
	Non-GAAP Operating Income ¹	1,868	1,956	2,191	7,785	2,135	1,952
Client Solutions Group	CSG Revenue	14,268	16,556	17,329	61,464	15,587	15,490
	Operating Income	986	1,142	1,157	4,365	1,115	978
	Commercial Revenue	10,577	12,300	12,891	45,576	11,971	12,141
	Consumer Revenue	3,691	4,256	4,438	15,888	3,616	3,349
Infrastructure Solutions Group	ISG Revenue	8,550	8,564	9,219	34,366	9,285	9,536
	Operating Income	962	894	1,102	3,736	1,082	1,046
	Servers & Networking Revenue	4,480	4,561	4,720	17,901	5,048	5,209
	Storage Revenue	4,070	4,003	4,499	16,465	4,237	4,327
Other Businesses	Other Revenue	1,378	1,310	1,448	5,388	1,239	1,399
	Operating Loss	(77)	(81)	(71)	(319)	(64)	(71)

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



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